



## List of CSR Report 2010 Contents

### Message from Management

We seek to achieve sustainable growth and to enhance enterprise value through the creation of a world-leading insurance and financial services group.

Toshiaki Egashira  
Representative Director, President & CEO



▶ For more information, please see the Message from Management section

## Outline of Our CSR

### Editorial Policies

Presents editorial policies and subject scope of the MS&AD Insurance Group CSR Report 2010.

[Detailed information](#)

### Profile of the MS&AD Insurance Group

Presents the outline, financial statement highlights, development of business, and other information of the Group.

[Detailed information](#)

### CSR in the MS&AD Insurance Group

The MS&AD Insurance Group is committed to creating a sustainable society through our core business and sharing our mission, vision, and values.

[Detailed information](#)

### Management

Presents our corporate governance, compliance, risk management, basic perspectives on information management, and other information.

[Detailed information](#)

## Approaches to Products, Customers, and the Environment

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### Improvement of Quality of Products and Services



We endeavor to better our business and raise its level of quality by making the most of views from stakeholders.

[Detailed information](#)

### Growth with Our Agents



We aspire to grow with our agents while striving to maintain and improve quality through on-going dialogue with them.

[Detailed information](#)

### Shareholder Composition and Information Disclosure



We are conducting investor relations (IR) activities under our core principles to win trust from shareholders and other investors, as well as to have our corporate value assessed fairly and properly.

[Detailed information](#)

### Growth with Our Employees



The element supporting improvement of quality at points of contact with customers is the growth of each and every employee.

[Detailed information](#)

### Contribution to Local and International Communities



As a member of local communities and the international community, the MS&AD Insurance Group assists their sustainable growth through activities of social contribution.

[Detailed information](#)

### Approaches to the Global Environment



Viewing approaches to all types of environmental problems as part of our social mission, we promote them through a concerted effort by all of our employees.

[Detailed information](#)

## State of Progress of Our CSR Activities and Library

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### CSR Report 2010 Results and Future Tasks

Reports the tasks and targets and the implementation status under each theme noted in the Mitsui Sumitomo Insurance Group's CSR Report 2009, and the future tasks carried over to fiscal 2010.

[Detailed information](#)

### Third-party Opinion

We received a third party opinion on the MS&AD Insurance Group CSR Report 2010.

[Detailed information](#)

### CSR Report 2010 Digest Version

The English version will be available soon.

## Message from Management

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First of all, we would like to thank you for your consistent support.

Following the fresh start as MS&AD Insurance Group Holdings, Inc. on April 1, 2010 through business integration of Mitsui Sumitomo Insurance Group Holdings, Inc., Aioi Insurance Co., Ltd. ("AIOI") and Nissay Dowa General Insurance Co., Ltd. ("NDGI"), AIOI and NDGI merged to form "Aioi Nissay Dowa Insurance Co., Ltd." on October 1.

We have positioned domestic non-life insurance business, domestic life insurance business, overseas business, financial service business, and risk-related business as our "five core businesses".

Through these 5 core businesses, we provide high-quality products and services that will satisfy customers in every market in Japan and overseas, based on the operational strength of each Group Company and reliable sales network for our customers.

Under our mission and vision all of us at the Group have shared since the integration, we seek to achieve sustainable growth and to enhance enterprise value through the creation of a world-leading insurance and financial services group that operates globally, by rapidly and significantly improving the quality and expanding the quantity of operating bases and corporate resources.

All of our business activities here are aimed at putting our mission and vision into practice. This is the basis of our socially responsible performance that applies in all aspects of the Group.

We would be very grateful for your continued support in the future.



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MS&AD Insurance Group Holdings, Inc.  
Toshiaki Egashira, Representative Director, President & CEO

## Editorial Policies

- This report was prepared for the purpose of providing information on the CSR activities of the MS&AD Insurance Group (the “Group”) in fiscal 2009.
- We decided to issue the report exclusively through our website instead of publishing the conventional CSR Report booklet in order to make information available to more people and facilitate its timely provision as well as to alleviate burden on the environment.
- To meet the expectations of stakeholders of the Group, the report sets forth the responsibilities we are discharging under each theme and aspires to disclosure of information with a high level of comprehensiveness.
- The report presents the distinctive approaches of each Group company.
- Information on the state of progress in fiscal 2009 approaches in the areas of initiatives, state of implementation, future tasks and targets under each theme noted in the Mitsui Sumitomo Insurance Group's CSR Report 2009 is provided in the section entitled “CSR Report 2010 Results and Future Tasks”.

### [CSR Report 2010 Actual Data and Future Issues](#)

- The following is a list of abbreviations for the Group and its member companies.

(Domestic insurance companies in the Group are indicated by asterisks.)

- MS&AD Insurance Group
- MS&AD Insurance Group Holdings, Inc. » The holding company
- Mitsui Sumitomo Insurance Co., Ltd. » MSI\*
- Aioi Nissay Dowa Insurance Co., Ltd. » Aioi Nissay Dowa\*
- Mitsui Direct General Insurance Co., Ltd. » Mitsui Direct\*
- Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. » MSI Kirameki Life\*
- Aioi Life Insurance Co., Ltd. » Aioi Life\*
- Mitsui Sumitomo MetLife Insurance Co., Ltd. » MSI MetLife\*
- The former Mitsui Sumitomo Insurance Group » The former MSIG
- The former Mitsui Sumitomo Insurance Group Holdings, Inc. » The former MSIGH
- The former Aioi Insurance Co., Ltd. » The former Aioi
- The former Nissay Dowa General Insurance Co., Ltd. » The former Nissay Dowa

### Reference Guidelines

GRI, Sustainability Reporting Guidelines (Version 3.0)

-  [Index for GRI guidelines \(coming soon\)](#)

### Past CSR Reports

-  [CSR reports of Mitsui Sumitomo Insurance Group Holdings](#)
-  [CSR reports of Aioi Insurance Co., Ltd. \(Japanese only\)](#)

### Subject Scope

**Subject Period**

FY2009 (April 1, 2009 - March 31, 2010)

\* The report also includes some activities that began in April 2010 or later.

**Subject Organizations**

The MS&AD Insurance Group

MS&AD Insurance Group Holdings, Inc.

Mitsui Sumitomo Insurance Co., Ltd.

Aioi Nissay Dowa Insurance Co., Ltd.

Mitsui Direct General Insurance Co., Ltd.

Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.

Aioi Life Insurance Co., Ltd.

Mitsui Sumitomo MetLife Insurance Co., Ltd.

The former Mitsui Sumitomo Insurance Group

The former Mitsui Sumitomo Insurance Group Holdings, Inc.

The former Aioi Insurance Co., Ltd.

The former Nissay Dowa General Insurance Co., Ltd.

\*Aioi and Nissay Dowa merged in October 2010 and formed Aioi Nissay Dowa Insurance Co., Ltd

**Publication****Publication of This Issue**

December 2010

**Previous Publication**

October 2009

**Next Publication**

October 2011 (planned)

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## Profile of the MS&AD Insurance Group

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### Outline

Profiles our company (trade name, establishment date, description of business, etc.).

[Detailed information](#)

### Financial Statement Highlights

Presents digest information for the performance of Mitsui Sumitomo Insurance Group Holdings, Aioi Insurance, and Nissay Dowa General Insurance.

[Detailed information](#)

### Holding Company Organization

Presents the organizational structure of the holding company.

[Detailed information](#)

### Development of Group Business

The MS&AD Insurance Group is promoting a global development of business mainly in five major fields: domestic non-life insurance, domestic life insurance, overseas business, financial services, and risk-related services.

[Detailed information](#)

## Outline

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The MS&AD Insurance Group supports the business and life activities of its customers with the all-around capability of its Group companies.

- [Company Data](#)
- [Organizational Chart](#)
- [History](#)

## Company Data

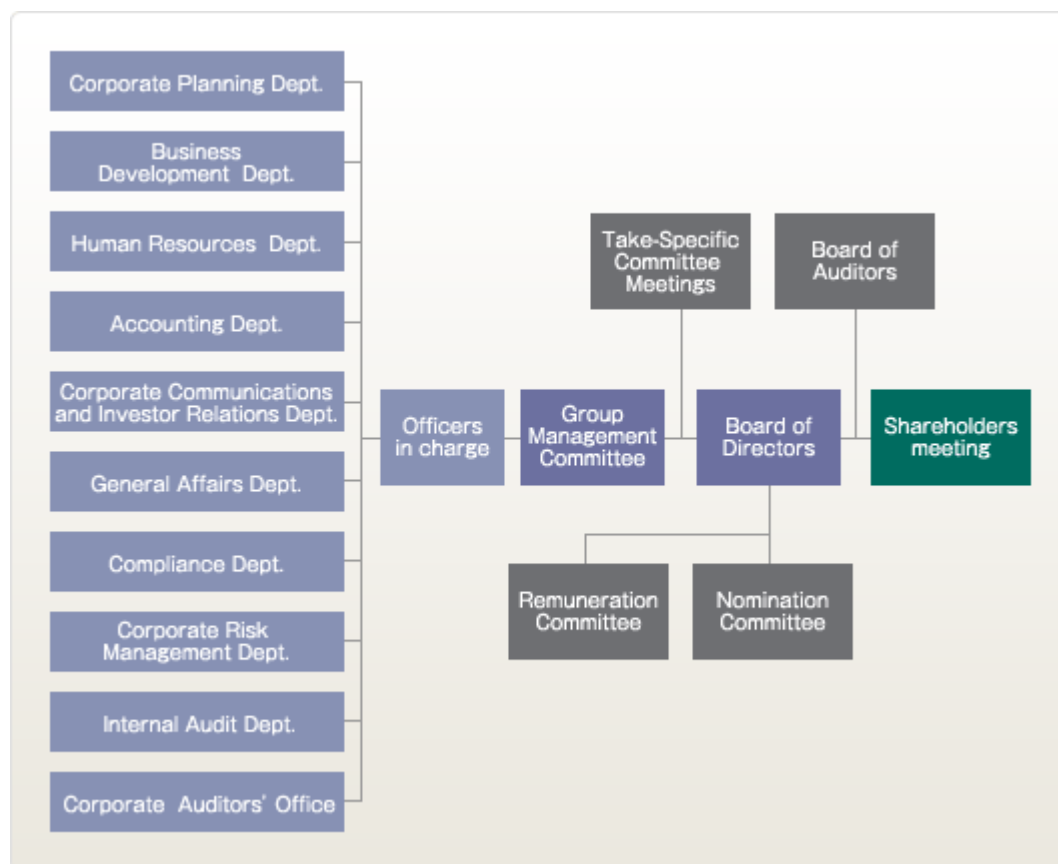
MS&AD Insurance Group Holdings, Inc. is the insurance holding company of the new Group formed in April 2010 through the merger of Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group. The purpose of MS&AD insurance Group is to achieve sustainable growth and to enhance enterprise value through the creation of a world-class insurance and financial services group that operates globally, by rapidly and significantly improving quality and expanding its operating presence and corporate resources.

Corporate Name	MS&AD Insurance Group Holdings, Inc. Abbrev.: MS&AD Holdings
Date Established	Apr. 1, 2008 (Name changed in Apr. 1, 2010)
Headquarters	Yaesu First Financial Building, Yaesu 1-3-7, Chuo-ku, Tokyo, Japan [ <a href="#">Map</a> ]
Representative	Representative Director, President & CEO Toshiaki Egashira
Board of Directors	<a href="#">Board Members</a>
Paid-in Capital	100,000,000,000 yen
Number of Employees	87(As of April 1, 2010)
Business Description	Our activities as a holding insurance company are: 1. Management of non-life and life insurance companies and companies qualified to become subsidiaries under insurance business law. 2. Any business associated with previous body.
Stock Listing	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Nagoya Stock Exchange (First Section)



## Organizational Chart

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## History

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April 2008	MSIG Listed on Tokyo Stock Exchange and Osaka Securities Exchange and Nagoya Stock Exchange
	MSIG is incorporated
September 2009	Aioi Insurance, Nissay Dowa General Insurance, and Mitsui Sumitomo Insurance Group reach basic agreement on business integration. In conjunction, announced integration plan, presidents of the holding companies, addresses, descriptions and corporate name, etc.
April 2010	Name change to MS&AD Insurance Group Holdings
October 2010	Aioi Insurance and Nissay Dowa Insurance merged into "Aioi Nissay Dowa Insurance"

 [History of Mitsui Sumitomo Insurance \(link to website\)](#)

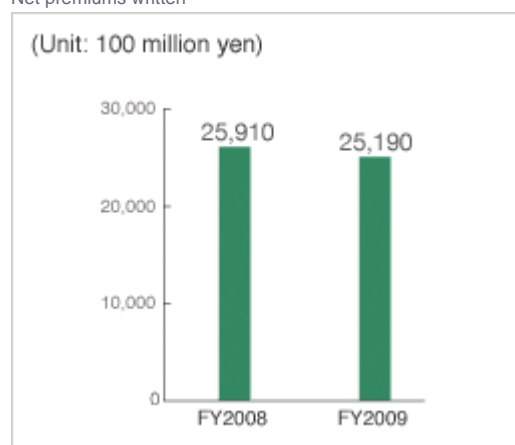
## Financial Statement Highlights

This section presents digest information for the performance of Mitsui Sumitomo Insurance Group Holdings, Aioi Insurance, and Nissay Dowa General Insurance.

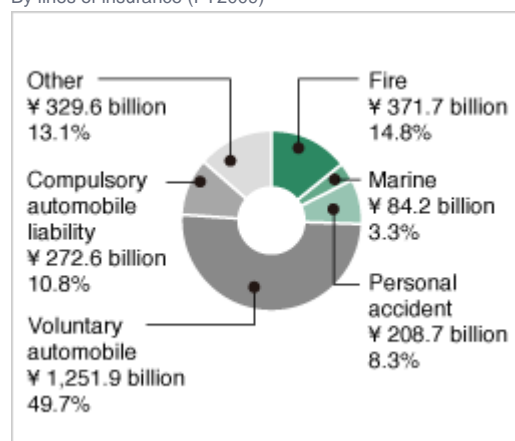
### Net Premiums Written, Ordinary Profit, and Net Income

**Major results of the MS&AD Insurance Group (simple addition (consolidation) of results for the three Group companies)**

Net premiums written



By lines of insurance (FY2009)



\*1 Because the MS&AD Insurance Group was established on April 1, 2010, the figures present the sums from simple addition of the figures for MSIG Holdings (consolidated), Aioi Insurance (consolidated), and Nissay Dowa General Insurance (non-consolidated).

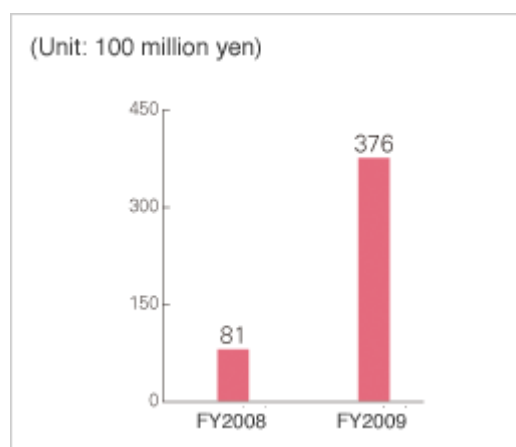
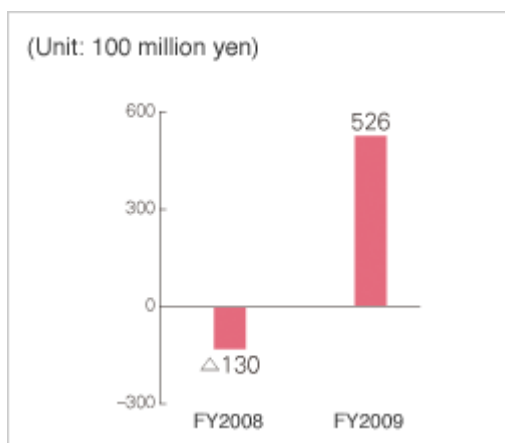
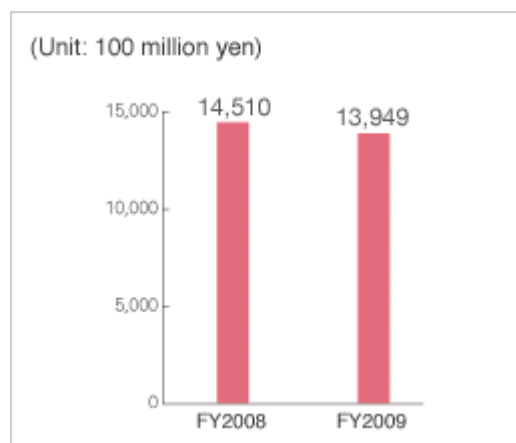
\*2 Figures based on values after deduction of insurance premiums appropriated for refunds under "Modo-rich" (policy with special clause for refunds for payment at maturity), the original automobile insurance product of Mitsui Sumitomo Insurance.

### MSIG Holdings (consolidated)

Net premiums written

Ordinary profit (or ordinary loss)

Net income



\* Figures based on values after deduction of insurance premiums appropriated for refunds under "Modo-rich" (policy with special clause for refunds for payment at maturity), the original automobile insurance product of Mitsui Sumitomo Insurance.

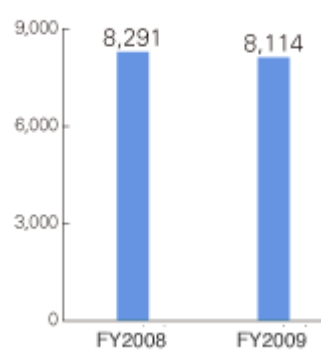
#### Aioi Insurance (consolidated)

Net premiums written

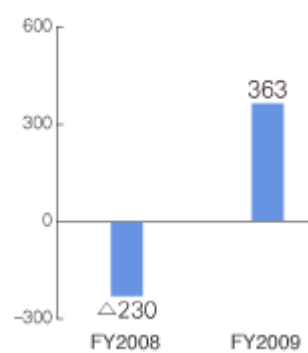
Ordinary profit (or ordinary loss)

Net income

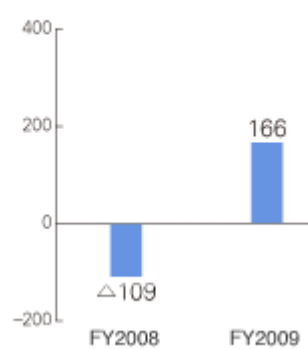
(Unit: 100 million yen)



(Unit: 100 million yen)

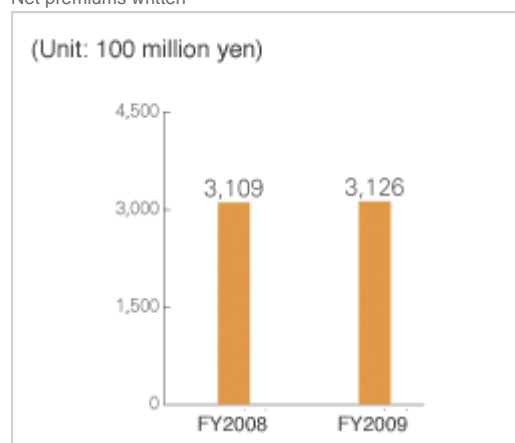


(Unit: 100 million yen)

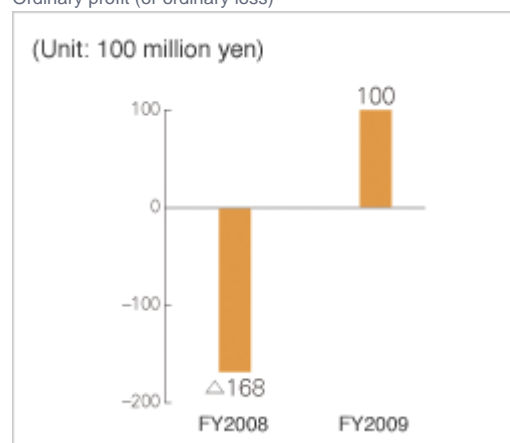


Nissay Dowa General Insurance (non-consolidated)

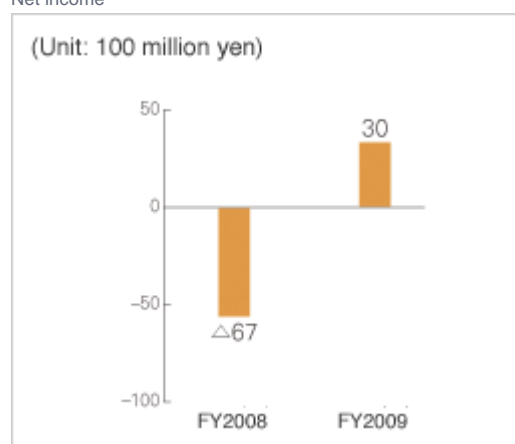
Net premiums written



Ordinary profit (or ordinary loss)



Net income



▶ For detailed information, see the Operating Highlights section

## Holding Company Organization

On April 1, 2010, the Mitsui Sumitomo Insurance Group, Aioi Insurance Co., Ltd., and Nissay Dowa General Insurance Co., Ltd. consolidated their business and made a new start as the MS&AD Insurance Group.

In October 2010, Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. merged and formed Aioi Nissay Dowa Insurance Co., Ltd.

The MS&AD Insurance Group continues to take up new challenges toward its goal of emergence as one of the world's leading insurance and financial groups.

### Organizational structure of the MS&AD Insurance Group

#### Organizational structure as of April 2010



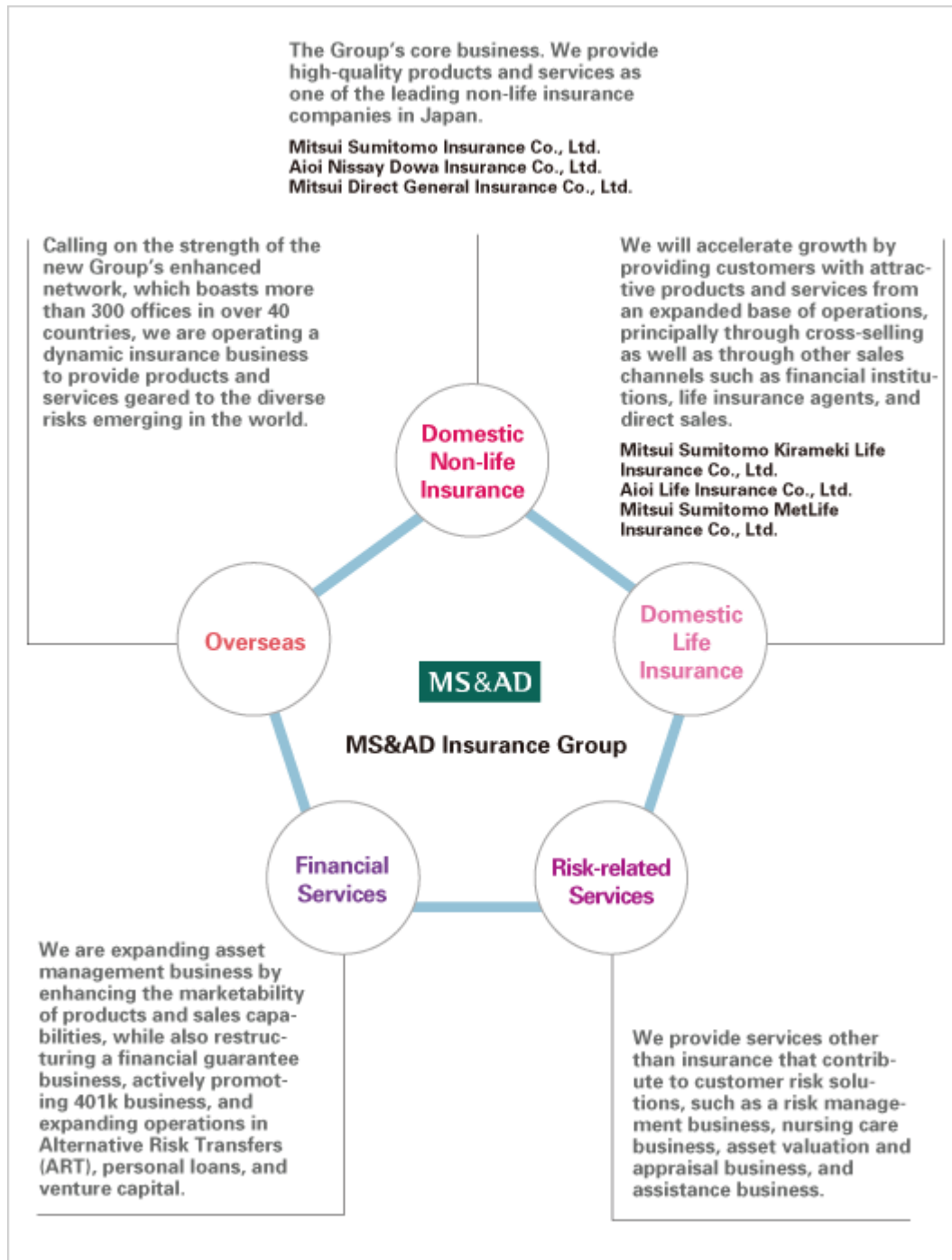
#### Organizational structure as of October 2010



## Development of Group Business

We will pursue group synergies by combining our comprehensive strengths to provide high-quality products and services that meet the needs of individual customers.

Diagram of Group business development







## CSR in the MS&AD Insurance Group

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### Aspiration of the MS&AD Insurance Group (Mission, Vision, and Values)

Presents our mission, vision, and values.

[Detailed information](#) ➤

### CSR Management in the MS&AD Insurance Group

All of our business activities are for realization of our mission and vision. Discharging our corporate social responsibility through all our business activities is the Group's CSR management.

[Detailed information](#) ➤

## Aspiration of the MS&AD Insurance Group (Mission, Vision, and Values)

Through rapid and significant improvement and expansion of our operational base and corporate resources in both qualitative and quantitative terms, we intend to create a globally operating and world-leading insurance and financial services group, and achieve sustainable growth while enhancing enterprise value.

To paint a vivid portrait of the kind of corporate group we aspire to be, we determined our mission, vision, and values, as follows.

### Target Shape of the MS&AD Insurance Group

<b>Our Mission</b> - Significance of the Group	To contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business
<b>Our Vision</b> - Aspiration of the Group	To create a world-leading insurance and financial services group that consistently seeks sustainable growth and to enhance enterprise value
<b>Our Values</b> - Things to be cherished in our daily activities to realize our mission	<b>CUSTOMER FOCUSED</b> We continuously strive to provide security and achieve customer satisfaction
	<b>INTEGRITY</b> We are sincere, kind, fair and just in all our dealings with everyone
	<b>TEAMWORK</b> We achieve mutual growth by respecting one another's individuality and opinions, and by sharing knowledge and ideas
	<b>INNOVATION</b> We listen to our stakeholders and continuously seek ways to improve our work and business
	<b>PROFESSIONALISM</b> We make continuous efforts to improve our skills and proficiency to provide high quality services

### Medium-term Management Plan "MS&AD New Frontier 2013"

[▶ Medium-term Management Plan "MS&AD New Frontier 2013"](#)

MS&AD Insurance Group Medium-Term Management Plan

# MS&AD New Frontier 2013

## 1. Basic Strategy of the Group

**Win customer's trust and realize growth through quality improvement.**

- Make every operation customer focused and deliver to all variety of customers products and services of the highest quality.
- Establish virtuous cycles and realize sustainable growth by injecting profits obtained from growth back into quality improvement.

**Integrate all the power of the Group and pursue group synergies to enhance profitability even further.**

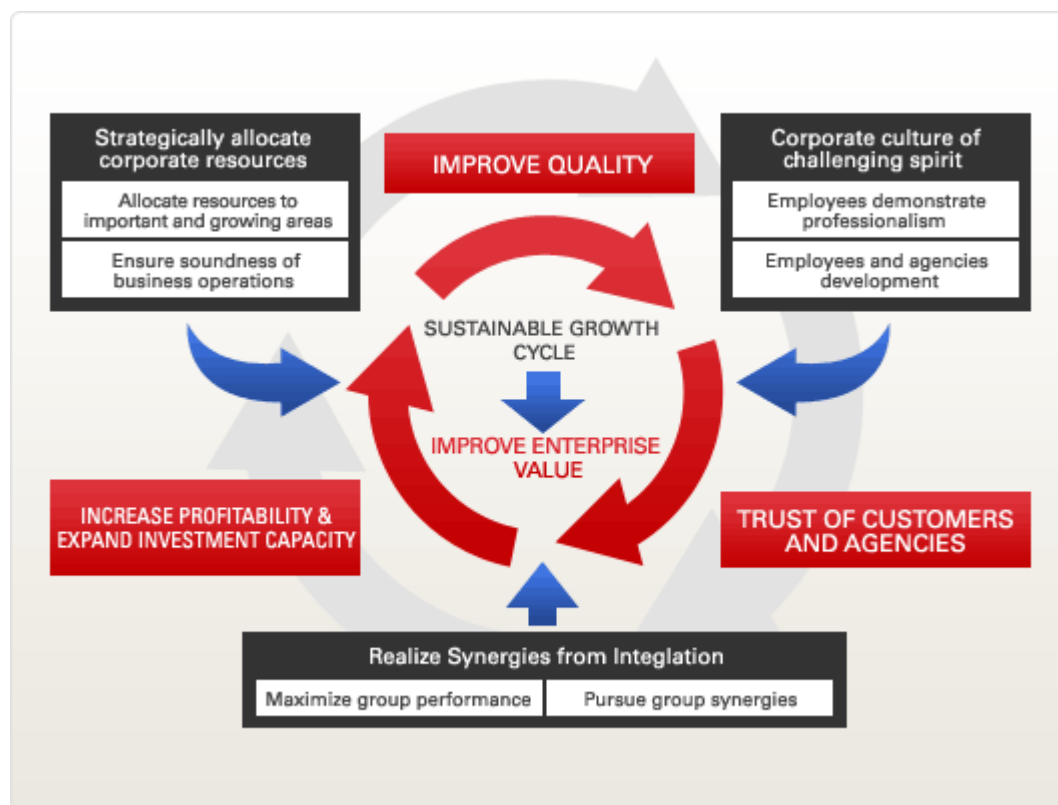
- Aim to enhance efficiencies and increase group profitability by pursuing synergies within the Group.
- Revise all of the Group's operations from the perspective of maximizing performance of the Group, utilizing integration of operational processes and computer systems and development of shared services, and capitalize on economies of scale.

**Allocate resources strategically to selected and focused areas, as well as secure soundness of business operations.**

- Allocate expanded corporate resources into important and growing areas and aim to make an efficient use of resources and to accelerate growth of the Group.
- Secure the soundness of the entire Group, by conducting business operations in each group company with the soundness required in the insurance and financial service businesses and by establishing a Group-wide corporate governance structure with the core of the holding company.

**Foster a corporate culture of challenging spirit as professionals and grow with employees and agencies.**

- Foster a corporate culture under which every single employee tackle challenges as a professional.
- Create a group that its members are proud of and want to work for and in which employees and agencies can grow with the Group.



## 2. Business Domain and Individual Strategies

To grow as a group with business domains of domestic non-life insurance, domestic life insurance, overseas business, financial services, and risk-related services by expanding each of these businesses.

### Domestic Non-life Insurance Business

#### Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, Mitsui Direct General Insurance

- To develop and provide attractive products and services suitable for the various operational bases and customer bases.
- To enhance sales capabilities by developing business models that can satisfy customers' needs in each market, and by concentrating resources in growing areas.
- To improve quality of business processes and to create best practices by utilizing know-hows and infrastructures of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.
- To reduce business expenses significantly and to improve efficiency by integrating operational processes and by consolidating offices for sales and claims handling.
- To ensure profitability while simultaneously expanding business in the high-growth direct sales market.

### Domestic Life Insurance Business

#### Mitsui Sumitomo Kirameki Life Insurance, Aioi Life Insurance, Mitsui Sumitomo MetLife Insurance

- To accelerate growth by providing customers with attractive products and services mainly through cross-selling as well as through other sales channels such as financial institutions, life insurance agencies, and direct sales on expanded operational bases.
- To establish the Group's position as a leading company in the area of individual annuities business by providing products that meet customers' needs and by enhancing sales capabilities.

### Overseas Business

- To expand business actively in the Asian region through the Group's extensive operational bases and superiority.
- To pursue expansion and profits in Europe by enhancing the Group's services structure, and to ensure solid profits in the

Americas.

- Active investment in new business in selected and focused strategic regions and areas.
- To expand overseas reinsurance business.

#### Financial Services Business

- To expand asset management business by enhancing the salability of products and sales capabilities.
- To restructure a financial guarantee business in response to the structural changes in the financial market.
- To actively promote 401k business that responds to both corporate and individual needs.
- To expand ART (Alternative Risk Transfer) business, personal loan related business, and venture capital business.

#### Risk Related Services Business

- To provide services other than insurance services, that contribute to customer's risk solutions. (Risk management business, nursing care business, asset valuation and appraisal business, and assistance business)
- To promote new businesses in light of changes in the business environment.

### 3. Medium-Term Targets (Numerical Targets)

#### Target Business Portfolio

(unit: billion yen)

	Fiscal year 2013 (Target)
Profit Indicators for the group*	150.0
Domestic non-life insurance	100 (67%)
Domestic life insurance	15 (10%)
Overseas business	30 (20%)
Financial services/Risk related service business	5 (3%)

The figures in the ( ) indicate breakdown.

#### Numerical Targets

(unit: billion yen)

	Fiscal year 2013 (Target)
Non-life consolidated net premiums written	2,700
Life annualized premium in force*1	330
ROE based on Group Core Profit*2	7%

\*1: Total of Annualized premium in force of Aioi Life and that of Mitsui Sumitomo Kirameki Life (excluding group insurance)

\*2: ROE based on Group Core Profit=Group Core Profit ÷ Consolidated shareholders'equity (excluding minority interest; average of starting and ending amounts) ROE for FY 2008 is not indicated due to negative number.

#### \*Profit Indicators for the group

Group's Core Profit = consolidated net income - net capital gains/losses on stock portfolio (gains/losses from sale, etc.) - net evaluation gains/losses on credit derivatives - other incidental factors + equity in earnings of the non-consolidated group companies

## CSR Management in the MS&AD Insurance Group

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It is the mission of the MS&AD Insurance Group to contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business.

We intend to discharge our corporate social responsibility through all our business activities based on our basic idea that all of our business activities are for realization of our mission and vision. The MS&AD Insurance Group places this as our CSR management.

### Pillars of Approaches

The two pillars of our approaches to CSR management are creating a sustainable society through our core business and sharing our mission, vision, and values.

#### Pillar I

##### Creating a sustainable society through our core business

As an entity engaged in a global development of business, the Group is required to take action that will help to create a sustainable society. We strive to response to expectations and needs from local and international communities and create a sustainable society through our core operations. To present the status of our approaches in an easy-to-understand manner, we will disclose information with objective indicators.

#### Pillar II

##### Sharing our mission, vision, and values

All Group employees share [the mission](#), [vision](#), and [values](#) in order to realize the first pillar of approaches.

In intangible insurance and financial services, the work of employees and agents in contact with customers is the very product. As we see it, the key to CSR management for creating a sustainable society through our core business is to have each and every employee always consider the linkage of his or her work with the society and to review that work with reference to the Group's mission.

### Determination of KPIs for Promotion of CSR Management

The MS&AD Insurance Group is considering establishment of key performance indicators (KPIs) for further promotion of CSR management.

#### Objective of KPI determination

The instatement of KPIs for further promotion of CSR management will enable incorporation of the perspective of social sustainability right into business activities, numerical expression of the state of progress, and action in line with the PDCA cycle.

We also believe that KPIs will make it possible for employees themselves to learn how they are helping to create a sustainable society through their work.

### Participation in the U.N. Global Compact

In June 2004, the MS&AD Insurance Group became the first financial institution to proclaim its participation in the U.N. Global Compact.

The Global Compact is an initiative that was advocated by Kofi Anan, the former U.N. Secretary-General, in 1999. It calls upon globally active companies to observe and practice ten principles related to human rights, labour, the environment, and anti-

corruption. The Group observes the ten principles posted in the Global Compact and is committed to continued active efforts to uphold them.





## Management

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### Corporate Governance

We have established a management framework equipped with transparency and internal checking functions, and are striving to heighten our corporate value for the purpose of long-term stability and advancement.

[Detailed information](#) 

### Compliance

Each and every one of our executives and employees follows laws, regulations, and internal rules, and engages in business activities grounded in a keen sense of ethics.

[Detailed information](#) 

### Risk Management

We have positioned risk management as a key task of the Group's management, and are taking approaches to ensure our ability to fulfill our responsibilities to all of our stakeholders.

[Detailed information](#) 

### Information Management

For proper handling of customer information, we are working to bolster arrangements for information management throughout the Group.

[Detailed information](#) 

## Corporate Governance

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Our basic philosophy on corporate governance and management structure.

- ▶ [Basic Policies on Corporate Governance](#)
- ▶ [Board of Directors and Board of Corporate Auditors](#)
- ▶ [Items regarding Execution , Audit, Monitoring, Nomination, and Remuneration.](#)
- ▶ [MS&AD's Basic Policy Regarding Internal Control System](#)

### Reference Material



[Articles of Incorporation \(PDF file 21KB/7pages\)](#)

Displays our corporate articles of incorporation.

## Basic Policies on Corporate Governance

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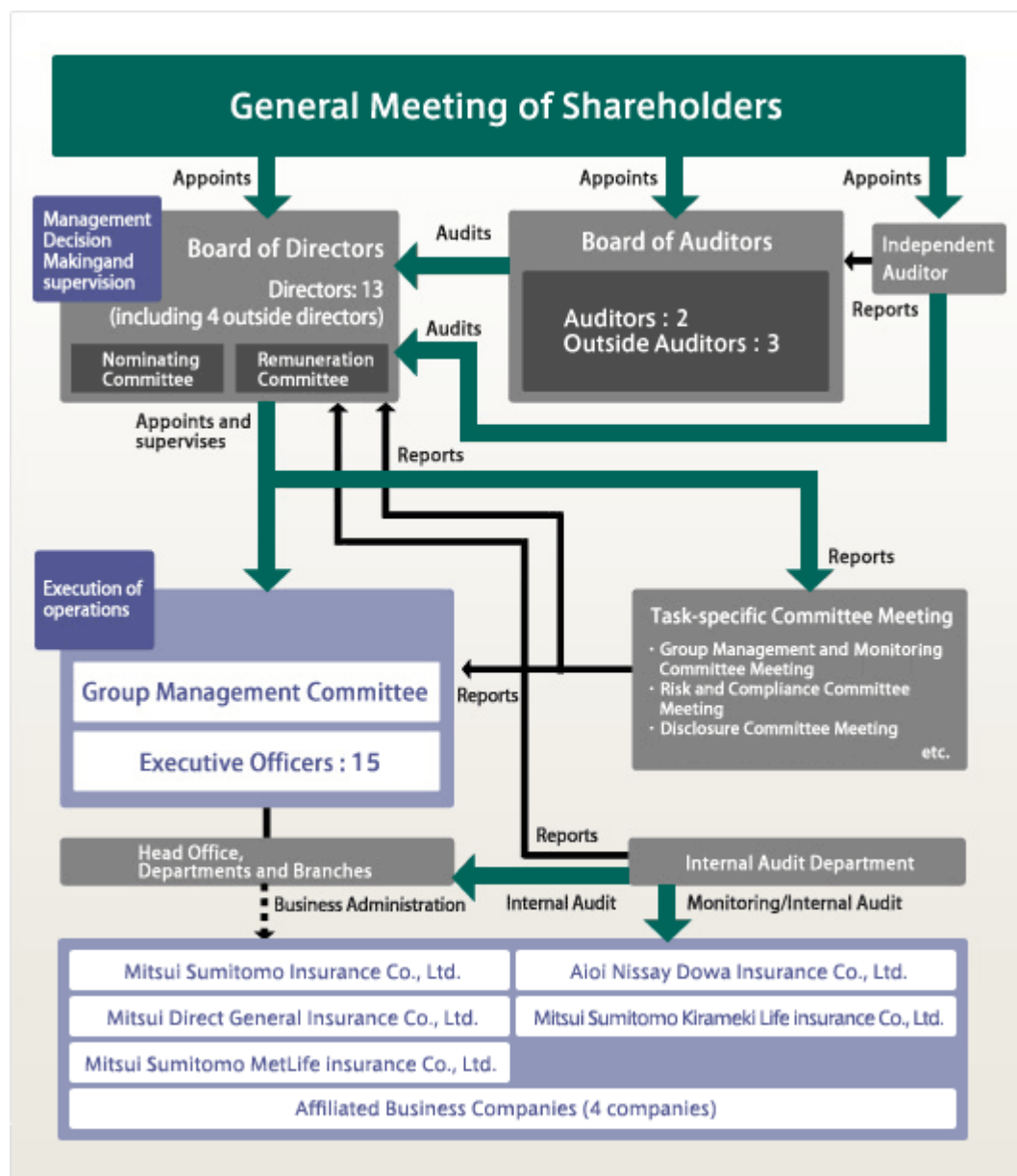
### Basic Policies

In line with its Management Philosophy, MS&AD, as a holding company overseeing all group businesses, has established a transparent management framework that incorporates internal checking functions. The Company's objectives are to sustain consistent growth over the long term by using corporate resources efficiently and managing risks properly and ultimately, to further increase corporate value.

### Corporate Governance Structure

As a company whose operations are reviewed by corporate auditors, MS&AD is working to improve corporate governance in large part by reinforcing the functions of the Board of Directors and Board of Corporate Auditors, and through the active disclosure of information.

MS&AD has introduced an executive officer system and is strengthening the control of MS&AD management by clarifying the roles of the Board of Directors, who are responsible for management decision-making and supervision, and the Executive Officers, who are responsible for business execution. Moreover, MS&AD believes that in order to reinforce the management monitoring and supervision functions, and thereby making the management highly transparent, it is crucial to incorporate perspectives independent of the management. Consequently, 4 of the 13 members on the Board of Directors and 3 of the 5 Corporate Auditors are selected from outside. In addition, the Board of Directors has two internal committees: the Nomination Committee and Remuneration Committee, which are chaired by outside directors who also account for the majority of the members.



#### Management structure for group business

MS&AD has a business management agreement with its directly invested insurance subsidiaries (Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Kirameki Life insurance Co., Ltd., Mitsui Sumitomo MetLife insurance Co., Ltd.) to provide business administrative support.

MS&AD believes that obtaining timely and accurate information regarding the business of its subsidiary companies is beneficial to the smooth operations of the group. Therefore, MS&AD board members concurrently serve as directors of the subsidiary companies. Furthermore, directors from the subsidiary companies participate in Group Management Committees depending on the topic.

MS&AD also has a business management agreement with each of its directly invested affiliated business companies to do business administration and management of them as the parent company.

#### Corporate Governance Top page

- Basic Policies on Corporate Governance
- Board of Directors and Board of Corporate Auditors
- Items regarding Execution , Audit, Monitoring, Nomination, and Remuneration.
- MS&AD's Basic Policy Regarding Internal Control System



## Board of Directors and Board of Corporate Auditors

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### Corporate Relationship with Outside Directors - Applicable supplemental Information

Toshihiko Seki: Professor of Tohoku University, Professor of Hosei University Law School.

Akira Watanabe: Attorney at Seiwa Meitetsu Law Office.

Mitsuhiro Umezumi: Associate Professor of Keio University Business & Commerce.

Daiken Tsunoda: Attorney at Law of Nakamura, Tsunoda and Matsumoto Law Firm.

### Cooperation between Auditors and Accounting Auditor

Plans, operations and outcomes of auditing shall be reported by Accounting Auditors at regular meetings.

Additionally, various issues surrounding accounting audit shall be discussed when necessary.

### Cooperation between Corporate Auditors and Internal Audit Department

Regular liaison meetings shall be convened to discuss issues such as audit policy and its operations.

All audit results from Internal Audit Department shall be reported to Corporate Auditors.

### Relationship between Outside Corporate Auditors and MS&AD - supplement to terms of compliance

Sousuke Yasuda: Senior Adviser of Gyosei & Co., Former Managing Partner of Gyosei & Co.

Kuniaki Nomura: Attorney at Nomura Sogo Law Office

Hirofumi Tezuka: Attorney at Nishimura Asahi Law Office

### Supplement to Information Disclosure of Board of Directors' Remuneration (total of all Directors combined)

The total remuneration of all Board of Directors combined as well as the total remuneration of all Corporate Auditors combined shall be disclosed. Of the amounts involved, each shall also disclose the total remuneration of Outside Directors and that of Outside Corporate Auditors respectively.

Directors and Auditors of the Board receive compensation in cash. We have obliged eight Directors who execute businesses of MS&AD or MSI out of the nine internal Directors to buy our stocks monthly at the market price by a specified amount of money or more based on the remuneration rules that apply. We have no stock option grants. We do not make any loans to Directors and Auditors of the Board. We do not have any pension plans for Directors and Auditors of the Board, and do not make any lump-sum payments to them upon retirement.

### Support system of Outside Directors (Outside Corporate Auditors)

Outside Directors shall be supported by the Corporate Planning Department and Outside Auditors shall be supported by the Corporate Auditors' Office.

The Corporate Planning Department, serving as the administrative office of the Board of Directors, shall explain the agenda of Board of Directors meeting to Outside Directors and Outside Auditors prior to the meeting. In addition, information regarding risks shall be reported as needed to all Directors and Auditors, including those from outside.

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## Items regarding Execution , Audit, Monitoring, Nomination, and Remuneration

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### 1. Execution and Monitoring Functions

#### (1) Board of Directors

To strengthen the functions of decision-making and monitoring of important business operations, the Board of Directors appoints 4 Outside Directors.

The Chairman chairs the Board and does not serve as the chief executive officer from the standpoint of separating supervision and execution.

#### (2) Group Management Committee

The Group Management Committee is responsible for deliberating certain key issues of the Company and MS&AD, including management policy and strategy. It also monitors specific business operations by receiving reports on approved matters from the director in charge.

#### (3) Task-Specific Committee Meetings

The Task-Specific Committee Meetings have been set with the aim to deliberate various key issues in management when executing operations as well as to coordinate perspectives across various departments. The main committees are listed as below.

- Group Management and Monitoring Committee Meeting (basically twice a month)  
Upon receiving reports on matters related to board of directors and management committee of direct subsidiaries of MS&AD, the committee meeting ensures healthy finance of the group companies and insures appropriate risk management and operation.
- Risk Compliance Committee Meeting (basically 4 times a year)  
While monitoring the overall risk management and compliance matters of MS&AD, it also deliberates and coordinates the key issues.
- Information Disclosure Committee Meeting (basically 4 times a year)  
With the aim to appropriately disclose MS&AD corporate information including the financial data, it examines in-house operation procedures and evaluates the effectiveness of internal control.

### 2. Functions for Nomination and setting Remuneration

The Nomination Committee and Remuneration Committee have been established as internal committees of the Board of Directors, to ensure transparency.

- Nomination Committee  
It advises the Board of Directors by deliberating important personnel matters such as nominees for MS&AD Directors and Corporate Auditors or the appointment of Directors and Corporate Auditors for subsidiaries directly invested in by MS&AD.
- Remuneration Committee  
It advises the Board of Directors on matters related to remuneration of MS&AD's Directors and Executive Officers as well as the director compensation system of subsidiaries directly invested in by MS&AD.  
In order for the Remuneration Committee to function sufficiently, there are no overlaps between Directors or Auditors of the Board of MS&AD and the entities to which the outside Directors of the Remuneration Committee belong.

### 3. Audit and Monitoring functions

#### (1) Board of Auditors



The Board of Auditors consists of 2 full-time and 3 part-time Auditors (Outside Auditors). Following the principles and plans of audit laid out by the Board of Auditors, each Corporate Auditor audits the performance of the Directors, internal control and other affairs, by attending key meetings including the Board of Directors Meeting as well as consulting important settlement documents, monitoring each in-house department, and inspecting the subsidiaries.

In addition, an Auditor of the Board may utilize outside advisors at MS&AD's expense as required.

## **(2) Audit Committee**

KPMG AZSA & Co. is to be the appointed accounting auditor, which does not have any conflict of interest with MS&AD.

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## MS&AD's Basic Policy Regarding Internal Control System

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The system stipulated in this policy was established to be in alignment with the Corporation Law in addition to holding "securing trust on financial reporting" as its top priority. The summary of the basic policy is as follows.

### 1. System to ensure appropriate operations of corporate group comprised of MS&AD and its subsidiaries

- (1) From the perspective of maximizing the corporate value of the whole group, the Company shall control business affairs of the whole group and shall exercise its shareholder's right accordingly to its direct subsidiary ("direct investment subsidiary").
- (2) The Company shall conclude a management agreement with its direct investment subsidiary. Based on that contract, the Company shall call for the direct investment subsidiary to comply with the Group Basic Policy as well as to seek approval from and report to the Company on any important matters related to direct investment subsidiary. Additionally, in relation to sub-subsidiary, the direct investment subsidiary shall, in principle, manage its own subsidiaries accordingly as agreed in the contract.

### 2. System to ensure the assignments of the Directors are carried out efficiently

- (1) As well as formulating the Group management plan, the Company shall set the task-specific numerical targets and appropriately distributes the managerial resources needed to realize that plan. In addition, the Company and its subsidiary's execution of business operations shall be reported to the Board of Directors.
- (2) To realize rapid decision-making and appropriate monitoring, the Company shall introduce an executive officer system, appoint outside directors and set the number of Directors at 15 or less.
- (3) To ensure assignments of Directors and Executive Officers are carried out appropriately and efficiently, the Company shall establish rules of organizational and administrative authority and clarify the assignments to be implemented and the relevant authority.

### 3. System to ensure that the assignments of the Directors and the employees adhere to laws and the article of incorporation

- (1) In accordance with the MS&AD Insurance Group Basic Policy on Compliance set out by the Holding Company's Board of Directors, the Company and its Group companies shall make sure that each and every director and employee is aware of the importance of compliance, ensure compliance with all applicable legislation and internal regulations, etc. and maintain high ethical standards as part of all business activities.
- (2) To promote and complete compliance program in the Company and the Group companies, MS&AD shall maintain organizational structure of Compliance Department and report regularly on overall compliance promotion situations of the Group to the Board of Directors. To monitor compliance promotion, it shall set Risk Compliance Committee and take necessary measures on issues identified by it.
- (3) The Company and the Group companies shall set up an internal report system so that all directors and employees may directly report to in-house contacts or outside lawyers on individual or group behaviors that are unjust, illegal, or unethical.

### 4. Regulation and System Related to Managing Risks of Losses (Integrated Risk Management System)

- (1) In addition to establishing a shared basic understanding in accordance with the MS&AD Basic Policy on Risk Management set out by the Company's Board of Directors, the Company and its Group companies shall formulate company-specific risk management policies and take appropriate risk management measures in line with circumstances at each company.
- (2) The Company's Board of Directors shall establish a risk management department and put in place the necessary organizational framework to identify the full range of risks inherent in the Group's activities and effectively implement integrated risk management. To monitor risks and risk management activities, the Company shall also establish a Risk Compliance Committee and take all necessary measures to avoid and minimize risks, based on the results of consultations held by the Committee (including the results of integrated risk management evaluation (quantitative analysis)).
- (3) The Company shall evaluate risk management and business contingency plans at Group companies and establish a risk management and business contingency plan for the Group as a whole.

### 5. System to ensure credibility of Financial Report

- (1) Out of the Corporate Auditors, the Company shall nominate at least one person who is equipped with sufficient knowledge of accounting or finance.
- (2) In accordance with the MS&AD Insurance Group Basic Policy on Disclosure Regulation set out by the Company's Board of Directors, the Company and its Group companies shall put in place the necessary framework to ensure the timely and adequate disclosure of financial information and other information relating to the Group.
- (3) To secure fair disclosure of information, the Company shall set Information Disclosure Committee to maintain internal control regarding financial reports of the Company and the Group, as well as to examine the effectiveness of disclosure system.

## **6. System to ensure effective Internal Auditing**

In line with the "MS&AD Insurance Group Basic Policy on Internal Audit", the Company and its direct investment subsidiary shall maintain internal audit systems tailored to all the business activities of MS&AD in order to ensure efficiency and effectiveness of internal audit. The Internal Audit Department shall report all important items from the internal auditing results of the Company and its direct investment subsidiaries, as well as improvement progress in the audited departments, to the Board of Directors.

## **7. System to manage and store information related to Directors' duties**

The Company shall establish regulations for document management to appropriately store and manage information as well as documents that are related to Directors' and Executive Officers' duties. Directors and Corporate Auditors shall be able to browse the information at all times.

## **8. System to ensure that audits by the Auditors are carried out effectively**

- (1) System related to an employee hired to assist the duties of the Corporate Auditors  
To accommodate the duties of Corporate Auditors, the Company shall set a Corporate Auditor Room with an assisting employee. Respecting the independence of the Corporate Auditor Room, organizational change of the Room as well as transfer or discharge of the hired employee shall only take effect upon reaching a consensus at the Board of Auditors. Employee evaluation shall also take place upon consultation with an Auditor assigned by the Board of Auditors.
- (2) Systems of report to the Auditors
  - Directors and Executive Officers shall report to the Board of Auditors without delay about matters governed by law, decisions that greatly influence business operations and organizations, and the results of internal audits and the internal reporting system.
  - Employees shall be able to directly report to the Board of Auditors about managerial acts that are seriously fraudulent or illegal, and about facts that may have extremely negative impact on the Company.
- (3) Other systems
  - Auditors shall attend important meetings including the Group Management Committee Meetings.
  - Chairman of the Board, President, and Representative Director shall convene regular consultations with the Board of Auditors. Additionally, Internal Audit Department is to cooperate with the audit upon request from the Auditors.

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**MS&AD Insurance Group Holdings, Inc.**  
**Articles of Incorporation**

**Chapter I. General Provisions**

(Trade Name)

Article 1.

The name of the Company shall be *MS&AD INSHUARANSU GURUPU HORUDINGUSU KABUSHIKI KAISHA*, which in English shall be MS&AD Insurance Group Holdings, Inc.

(Purpose)

Article 2.

The purpose of the Company shall be to engage in the following businesses as an insurance holding company:

- (1) management and administration of non-life insurance companies, life insurance companies and companies that it may own as its subsidiaries under the Insurance Business Law; and
- (2) any other business incidental to the business provided for in the preceding item.

(Location of Head Office)

Article 3.

The Company shall have its head office in Chuo-ku, Tokyo.

(Governance Structure)

Article 4.

The Company shall have in place, in addition to shareholders meeting and directors:

- (1) a board of directors;
- (2) corporate auditors;
- (3) a board of corporate auditors; and,
- (4) one or more accounting auditors.

(Method of Public Notice)

Article 5.

The method by which public notices are made by the Company shall be electronic public notice, which shall be substituted by publication in the *Nihon Keizai Shimbun* published in Tokyo and Osaka if an electronic public notice is impracticable for such reason as an accident or unavoidable event.

**Chapter II. Shares**

(Total Number of Authorized Shares)

Article 6.

The total number of authorized shares of the Company shall be 900,000,000.

(Acquisition of Company's Own Shares)

Article 7.

The Company may acquire its own shares through market transactions, etc., upon a resolution of the Board of Directors under Article 165, Paragraph 2, of the Companies Act.

(Number of Shares Constituting One Unit and Non-Issuance of Share Certificates for Less Than One Unit)

Article 8.

The number shares of the Company constituting one unit shall be 100.

(Rights Pertaining to Shares Less Than One Unit)

Article 9.

No shareholder of the Company shall be entitled to exercise any right with respect to shares less than one unit held by such shareholder except for any of the following rights:

- (1) the rights provided in the items in Article 189, Paragraph 2, of the Companies Act;
- (2) the right to allotment of the right to subscribe for shares and stock acquisition rights that are proportionate to the number of shares already held by the shareholder; and
- (3) the right to demand as provided in the following Article.

(Purchase of Shares Less Than One Unit)

Article 10.

Each shareholder may demand the Company to sell to such shareholder such number of shares that, together with the number of shares less than one unit already held by such shareholder, will constitute a unit in accordance with the Share Handling Regulations.

(Administrator of Shareholders Registry)

Article 11.

1. The Company shall have in place an administrator of shareholders registry.
2. The administrator of shareholders registry and the place of its office shall be designated by resolution of the Board of Directors and the Company shall give public notice of them.
3. The preparation, maintenance and other administration relating to the Company's shareholders registry and stock acquisition rights registry shall be delegated to the administrator of shareholders registry; they shall not be handled by the Company.

(Share Handling Regulations)

Article 12.

The administration of, and handling and fees concerning, the Company's shares, and the procedures for exercising shareholder rights and other related matters shall be governed by the Share Handling Regulations, as set out by the Board of Directors, except as otherwise provided by laws and regulations or the Articles of Incorporation.

### **Chapter III. Shareholders Meetings**

(Convening of Shareholders Meetings)

Article 13.

Annual shareholders meetings of the Company shall be convened within 3 months of the close of each business year; extraordinary shareholders meetings shall be convened from time to time when necessary.

(Place of Convocation)

Article 14.

Shareholders meetings of the Company shall be convened within the area of the 23 wards of Tokyo.

(Record Date for Annual Shareholders Meeting)

Article 15.

The record date for the annual shareholders meeting of the Company shall be March 31 every year.

(Chairman of Shareholders Meeting)

Article 16.

1. The President and Director shall chair shareholders meetings. If the President and Director is unable to do so, the Director next in the order previously determined by the Board of Directors shall act in his or her place.
2. The chair of a shareholders meeting convened at a shareholder's demand shall be mutually elected by and from among the shareholders present.

(Reference Documents for Shareholders Meeting, Etc. Deemed Provided)

Article 17.

The Company may deem information relating to matters required to be specified or recorded in reference documents for shareholders meetings, business reports, financial statements, and consolidated financial statements as having being provided to shareholders when such information is disclosed via the Internet in accordance with laws and regulations.

(Manner of Resolution)

Article 18.

1. Except as otherwise provided by laws and regulations or by the Articles of Incorporation, resolutions of shareholders meetings shall be adopted by a majority of votes of the shareholders entitled to exercise their voting rights and present.
2. The resolution provided for in Article 309, Paragraph 2, of the Companies Act shall be adopted by a two thirds or more of votes of the shareholders present at the meeting where the shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(Voting by Proxy)

Article 19.

1. A shareholder may vote through a proxy, who must be a shareholder who has a voting right.

2. A shareholder or his or her proxy, shall at each shareholders meeting submit to the Company document evidencing the authority of proxy.

#### **Chapter IV. Directors and the Board of Directors**

(Number of Directors)

Article 20.

The Company shall not have more than 15 Directors.

(Election of Director)

Article 21.

1. Directors shall be elected at shareholders meeting.
2. Resolutions to elect Directors shall be adopted by a majority votes of the shareholders present at the meeting where the shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights are present.
3. Cumulative voting shall not be used in elections of Directors.

(Term of Office)

Article 22.

The term of a Director shall expire at the close of the annual shareholders meeting for the last business year ending within 1 year of the Director's election.

(Election for Filling a Vacancy)

Article 23.

A vacancy in a Director's position need not be filled unless the number of remaining Directors violates the minimum number of directors provided by laws and regulations.

(Representative Director and Director's Title)

Article 24.

1. The Board of Directors shall by its resolution appoint one or more Representative Directors.
2. The Board of Directors may by its resolution appoint one or more Chairman and Directors, Vice Chairman and Directors, President and Directors, Vice President and Directors, Senior Managing Directors, and Managing Directors.

(Convocation of Board of Directors Meetings)

Article 25.

1. Board of Directors meetings shall be convened by the Chairman and Director except as otherwise provided by laws and regulations.
2. If the office of Chairman and Director is vacant or the Chairman and Director is unable to do so, the President and Director shall act in his or her place. If the President and Director is unable to do so, the Director next in the order previously determined by the Board of Directors shall act in his or her place.

3. The convocation notice for a Board of Directors meeting shall be sent to each Director and each Corporate Auditor at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.

(Omission of Resolution of the Board of Directors)

Article 26.

The Company shall deem that a resolution of the Board of Directors has been adopted when the requirements provided for in Article 370 of the Companies Act have been satisfied.

(Regulations of the Board of Directors)

Article 27.

The administration of the Board of Directors shall be governed by the Regulations of the Board of Directors as set out by the Board of Directors, except as otherwise provided by laws and regulations or the Articles of Incorporation.

(Remuneration of Director)

Article 28.

Compensation and other proprietary interests received from the Company as consideration for performance of duties ("Remuneration") of Directors shall be determined by resolution at a shareholders meeting.

(Exemption of Director's Liability)

Article 29.

1. The Company may, in accordance with Article 426, Paragraph 1, of the Companies Act and by resolution of the Board of Directors, exempt to the extent permitted by laws and regulations a Director (including retired Director) from liability for damages arising out of breach of the Director's duties.
2. The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with an Outside Director limiting the Outside Director's liability for damages arising out of breach of the Outside Director's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.

## **Chapter V. Corporate Auditors and the Board of Corporate Auditors**

(Number of Corporate Auditors)

Article 30.

The Company shall not have more than 6 Corporate Auditors.

(Election of Corporate Auditor)

Article 31.

1. Corporate Auditors shall be elected at shareholders meeting.
2. Resolutions to elect Corporate Auditors shall be adopted by a majority votes of the shareholders present at the meeting where the shareholders holding one third or



more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(Effectiveness of Election of Substitute Corporate Auditor)

Article 32.

The effectiveness of the election of a substitute Corporate Auditor shall expire on the commencement of the annual shareholders meeting for the last business year ending within 4 years of such substitute Corporate Auditor's election, unless the period is shortened at such resolution.

(Term of Office)

Article 33.

The term of a Corporate Auditor shall expire at the close of the annual shareholders meeting for the last business year ending within 4 years of the Corporate Auditor's election.

(Election for Filling a Vacancy)

Article 34.

A vacancy in a Corporate Auditor's position need not be filled unless the number of remaining Corporate Auditors violates the minimum number of corporate auditors provided by laws and regulations.

(Full-time Corporate Auditor and Standing Corporate Auditor)

Article 35.

1. The Board of Corporate Auditors shall by its resolution appoint one or more full-time Corporate Auditors.
2. The Board of Corporate Auditors may by its resolution appoint one or more standing Corporate Auditors.

(Convocation of Board of Corporate Auditors Meeting)

Article 36.

The convocation notice for a Board of Corporate Auditors meeting shall be sent to each Corporate Auditor at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.

(Regulations of the Board of Corporate Auditors)

Article 37.

The administration of the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors as set out by the Board of Corporate Auditors, except as otherwise provided by laws and regulations or the Articles of Incorporation.

(Remuneration of Corporate Auditor)

Article 38.

Remuneration of Corporate Auditors shall be determined by resolution at a shareholders meeting.

(Exemption of Corporate Auditor's Liability)

Article 39.

- 1 The Company may, in accordance with Article 426, Paragraph 1, of the Companies Act and by resolution of the Board of Directors, exempt to the extent permitted by laws and regulations a Corporate Auditor (including retired Corporate Auditor) from liability for damages arising out of breach of the Corporate Auditor's duties.
- 2 The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with an Outside Corporate Auditor limiting the Outside Corporate Auditor's liability for damages arising out of breach of the Outside Corporate Auditor's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.

## **Chapter VI. Accounts**

(Business Year)

Article 40.

The business year of the Company shall start on April 1 of every year and end on March 31 of the following year.

(Dividends)

Article 41.

1. The record date for year-end dividends of the Company shall be March 31 every year.
2. The Company may, by resolution of the Board of Directors, pay interim dividends, the record date for which shall be September 30 every year.
3. The Company may fix a record date and pay dividends otherwise than as set out in the preceding two paragraphs.
4. If the dividend is payable in cash and 3 full years pass after the date it becomes payable, the Company shall be exempt from any obligation to pay the dividend.
5. No interest shall accrue on the dividend provided for in the preceding paragraph.

Last amended on April 1, 2010

## Compliance

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### Basic Policy on Compliance

To sustain ongoing development, it is imperative that companies carry out their business activities in strict adherence to laws while maintaining the highest sense of ethics. As the basis for the fundamental values shared by all MS&AD employees and the execution of appropriate and lawful corporate activities, MS&AD formulated the "MS&AD Insurance Group Basic Policy on Compliance", with the aim of imbuing all officers and employees with a thorough awareness of compliance.

▶ [MS&AD Insurance Group Basic Compliance Policy](#)

### Compliance Promotion Structure

The Compliance Department carries out unified management of compliance matters. Departments in charge of compliance at MS&AD insurance companies plan and implement measures and policies for employees and agencies, as well as operational rules for insurance sales. They also work to strengthen factual inquiry functions in case inappropriate behavior is discovered.

### Activities

#### Compliance Program

As part of a compliance implementation plan by the Company, MS&AD insurance companies each have a Compliance Program that is approved by the Board of Directors. The Compliance Committee of each company submits a regular report on the implementation and issues of the Program to the Board of Directors.

#### Compliance Manual

MS&AD insurance companies each have a Compliance Manual that states their compliance-related policies and regulations, with examples and interpretations, for board members and employees. The Manual is distributed to board members and employees, and its content is familiarized through training and examinations. Procedures for reporting inappropriate behavior is stipulated in the Manual for the speedy handling of misconduct.

#### Compliance-related Training

Based on the Compliance Program, MS&AD insurance companies organize annual education/training programs for employees and agencies to raise stronger awareness of lawful conduct and to enhance knowledge of regulations and company rules.

#### Compliance-related Inspection

MS&AD insurance companies conduct compliance-related inspections in accordance with each company's business model to discover and correct any deficiencies that might occur.

#### Monitoring Group Companies

The Compliance Department monitors and reports on compliance-related activities of MS&AD insurance companies. Group Compliance Division Meetings are held to share knowledge and know-how on compliance-related issues in order to reinforce compliance throughout the group.

## MS&AD Insurance Group Basic Compliance Policy

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Apr. 1, 2010

The MS&AD Insurance Group positions compliance as one of the foremost priorities in the management of the Group. We have adopted the following policies to establish a structure in which all of our officers and employees aim to achieve compliance, with a constant awareness of our corporate social responsibility.

### 1. Basic Policy

- (1) We intend to achieve our mission by ensuring compliance in every aspect of our corporate activities and by establishing corporate ethics.
- (2) We define compliance as "taking sincere, fair, and proper actions to respond to the expectations and requests of society, by complying with all laws and regulations related to our corporate activities, relevant guidelines issued by competent government agencies, and regulations of the holding company and Group companies ("laws and regulations, etc.)."

### 2. Development of Compliance Structure

#### (1) Development of systems

- (i) We will develop a system under which important compliance matters are appropriately reported to senior management.
- (ii) We will manage compliance matters in an integrated manner, establish a department that enforces compliance, and give the department the authority needed to create a compliance structure.
- (iii) We will develop reporting and consulting systems for instances when our officers and employees identify any compliance-related misconduct.

#### (2) Enforcing compliance

- (i) We will create a Compliance Manual setting out specific guidelines for compliance and will become fully familiar with it.
- (ii) We will develop a Compliance Program as a specific plan of action and practice compliance accordingly.
- (iii) We undertake training and inspections to ensure compliance.
- (iv) We will immediately correct any inappropriate behavior related to compliance and analyze the causes to prevent a recurrence.

### 3. Code of Conduct for Officers and Employees Concerning Compliance

#### (1) Faithful conduct

- (i) We will comply with laws and regulations, etc., and if we discover any behavior with the potential to violate laws and regulations, etc., we will have the courage to point out the behavior and correct it in cooperation with related persons.
- (ii) When considering an action, we will ask ourselves if the action is ethical, if we can explain the action to our friends and family with confidence, and if the action will preserve confidence in the MS&AD Insurance Group and its brand.
- (iii) We treat every person faithfully, fairly, and appropriately in every situation.

#### (2) Conduct to ensure that corporate activities are appropriate

- (i) We will not engage in unfair trade, such as restricting competition through collusion or acquiring unfair benefits by abusing our position.
- (ii) We will protect our intellectual property rights and will not infringe on the intellectual property rights of others.
- (iii) We will diligently manage customer information we obtain in the course of our work and use such information only for specified purposes.
- (iv) We will be resolute in dealing with antisocial forces and will not accept any unjust, unlawful demands.
- (v) We will appropriately manage conflicts of interests to ensure that our customers' interests are not compromised unfairly.

- (vi) We will ensure that transactions are fair, for instance when we do business within the Group or form a business alliance.
- (vii) We will ensure that our management is transparent, by disclosing information appropriately on a timely basis.
- (viii) We will not engage in insider trading (trading in stocks, etc. using important undisclosed information).
- (ix) We will appropriately manage assets, important information, and trade secrets, etc. of the Group companies.
- (x) We will not seek personal benefits by making use of our position in business.

### **(3) Respect for Human Rights and Creating a Positive Working Environment**

- (i) We respect human rights and will not discriminate or harass people based on race, nationality, gender, age, profession, region, faith, disability, or other elements.
- (ii) We will create a safe and comfortable working environment.

## Risk Management

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### Risk of Insurance business

There are a variety of risks inherent in the insurance business. Given that the insurance business engages on the payment of insurance claims and benefits, insurance underwriting risks and asset management risks which arise within insurance business must strike a proper balance with return. On the other hand, operational risks stemming from issues such as clerical errors and system failures need to be minimized to prevent losses as far as possible.

The MS&AD Insurance Group takes precise action in response to these risks and regards risk management as its foremost priority in business in order to achieve its corporate vision and management target.

#### 1. Insurance Underwriting Risk

Insurance underwriting risks relate to the possibility of a decline in insurance income as a result of unexpected changes in the frequency and damageability of accidents, or natural disasters.

#### 2. Asset Management Risk

Asset Management risks relate to the possibility of a decline in asset value (including off-balance assets) or income. The major causes are fluctuation of interest rates, stock prices, exchange rates, real estate values, rents, or financial difficulties of investments and loans.

Risks stemming from the inability to matching the mix of assets and the liabilities of payment of insurance claims.

#### 3. Operational Risk

Operational risks relate to areas such as administrative procedure, information system management, personal data protection and legal matters relating to corporate management and transactions, as well as accidents or disasters.

- Liquidity Risk

We shall prevent a lack of funds required for day-to-day operations and establish a framework for efficiently procuring funds for paying back a large amount of claims and refunds resulting from such event as major earthquakes.

- Clerical/Administrative Risk

By recognizing that administrative errors, accident or misconduct could occur in any kind of operations, we shall establish a framework for preventing these risks.

- Information Asset Risk

We shall ensure confidentiality (protection against unauthorized access), integrity (maintaining in perfect condition) and availability (anytime accessibility) of information and a system for processing and managing information.

- Legal Risk

We shall establish a legal checking system for preventing unexpected legal liability arising from day-to-day operations.

- Accident/Disaster Risk

We shall establish a framework for preventing and taking appropriate countermeasures against accidents and disasters, which cause damage to the lives or health of officers/employees and our assets.

### Risk Management Basic Policy

The MS&AD Insurance Group has set out the "Group Risk Management Basic Policy" which stipulates the basic processes and the group wide framework for risk management. The group companies implement and execute commonly shared risk management subject to the Policy.

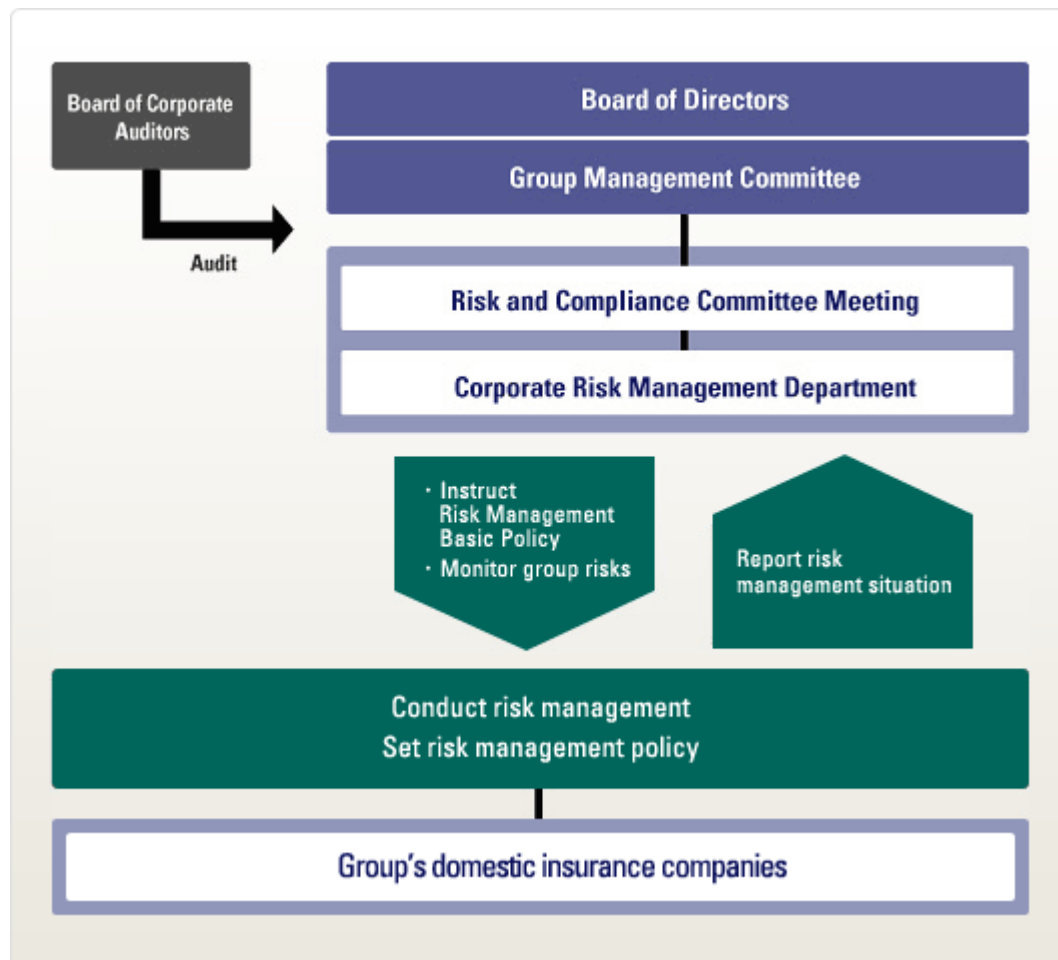
It also defines the categories of risks which our Group should identify and manage them.

The Group companies under our holding system set out their own "Risk Management Policies" and manage risk by their own responsibilities in line with the "Group Policy".

### Risk Management Structure

The Group insurance companies implement risk management on an individual basis. The Holding Company implements an

enterprise-wide risk management program and monitors integrated risk and group companies' risk management activities. The Corporate Risk Management Department obtains and analyzes the enterprise-wide risk reported from group insurance companies on a regular basis at the Risk Compliance Committee and the all important items are to be reported to the Board of Directors.



## Enterprise Risk Management

Based on risk reports and risk management activities at the Group's insurance companies, the Company manages risk in both the ways of a quantitative and qualitative approach.

### • Quantitative approach

Based on quantitative analysis (VaR), the Company periodically measures insurance underwriting risk, asset management risk, and operational risk to confirm that the risk threshold is in alignment with group capital.

The Company also monitors the risk of the Group insurance companies to confirm it does not exceed the set-up limit.

For the purpose of quantitative analysis, the Company conducts periodic stress tests to ascertain uncertainty of an anomalous but probable event such as a large-scale natural disaster or turmoil in the financial markets.

\* VaR (Value at Risk) is the particular level of maximum loss in terms of its chance of occurrence.

### • Qualitative approach

To evaluate insurance underwriting risk, asset management risk, and operational risk, the Company assesses Group insurance company's risk management activities and risk management framework.

The Company also regulates the accumulation of loans and investments, and monitors transactions between Group companies.

This is to ensure that propagation, maldistribution and concentration of risk shall not have an impact on the soundness of MS&AD Insurance Group.

## Crisis Management Structure

To prepare for risk discovery and having its influence spreading within the group. The Group's companies have created crisis management manuals and business contingency plan, and perform drills to assure the effectiveness of these measures. The

Company promotes these preparations and oversees the situation.



## Information Management

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### Basic Perspectives and Policies

In light of the importance of protection for personal information, and in the interest of compliance with related laws and regulations as well as proper handling of customer information, we have formulated the MS&AD Insurance Group Holdings, Inc. Basic Policy on Customer Information Management and the MS&AD Insurance Group Holdings, Inc. Basic Policy on Sharing Customer Information.

- [MS&AD Insurance Group Holdings, Inc. Basic Policy on Customer Information Management](#)
- [MS&AD Insurance Group Holdings, Inc. Basic Policy on Sharing Customer Information](#)

### Arrangements for Information Management

Matters related to the Group's information management are under the jurisdiction of the Compliance Department of the holding company. In accordance with the aforementioned Basic Policies, the domestic insurance companies in the Group determine guidelines and internal rules related to information management, instate security initiatives, and prepare and execute various other measures. They also plan and operate programs for the education of employees and agents, and perform related checks and monitoring. In addition, they make arrangements for response in the event of incidents such as information leaks, take steps for prompt post-incident correction and recurrence prevention, and otherwise work for appropriate handling in this respect.

### Monitoring activities

The Compliance Department of the holding company monitors the status as regards arrangements for information management at domestic insurance companies in the Group, ascertains the related situation in the entire Group, and reports on the same to management. In addition, it applies the findings of its monitoring activities in its efforts to reinforce arrangements for information management in the entire Group, through steps such as sharing of know-how with and provision of requisite support to domestic insurance companies in the Group.

### Privacy Policy (Policy for Protection of Personal Information)

The holding company and the domestic insurance companies in the Group have formulated respective privacy policy for various items related to the handling of customer information, including a declaration of commitment to observance of related laws and regulations, appropriate acquisition, and limitation of the purposes of use. They have disclosed these policies on their respective websites. Please see the following links for our privacy policy and those of the domestic insurance companies in the Group.

Privacy policy (policy for protection of personal information) of each company

- [MS&AD Insurance Group Holdings, Inc.](#)
- [Mitsui Sumitomo Insurance Co., Ltd.](#)
- [Aioi Nissay Dowa Insurance Co., Ltd. \(Japanese only\)](#)
- [Mitsui Direct General Insurance Co., Ltd. \(Japanese only\)](#)
- [Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. \(Japanese only\)](#)
- [Aioi Life Insurance Co., Ltd. \(Japanese only\)](#)
- [Mitsui Sumitomo MetLife Insurance Co., Ltd. \(Japanese only\)](#)

## MS&AD Insurance Group Holdings, Inc. Basic Policy on Information Management

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Apr. 1, 2010

### Handling of Personal Information

Given the importance of protecting personal information, and seeking to maximize public confidence in its business, MS&AD Insurance Group will strictly adhere to laws regarding the protection of personal information (Act on the Protection of Personal Information), as well as other laws and ordinances to properly handle personal information and take appropriate measures for secure management.

1. MS&AD Insurance Group will obtain personal information to the extent necessary for business in a fair and legitimate manner. We will also report or make public our purpose for using the personal information, and use it only for the stated purpose.
2. MS&AD Insurance Group will not offer personal data to third parties without prior permission, unless stipulated by law.
3. MS&AD Insurance Group may share personal data to introduce the products and services best suited to customers, and to manage the businesses of the Group companies. (Click [here](#) for our Policies of Shared Use).  
▶ [Policies of Shared Use](#)
4. MS&AD Insurance Group will endeavor to prevent leakage, damage, or defamation of personal data. It will also ensure adequate security measures such as the maintenance of policies regarding use, as well as implementation of systems for the maintenance of policies regarding use of data and secure management. We will also offer the necessary and relevant supervision when personal data is trusted to external parties on behalf of the Group.
5. MS&AD Insurance Group will ensure that personal information is not mishandled, and will properly educate and supervise employees on the appropriate handling of personal information. We will also continue to review and improve our handling of personal information and our methods for secure management.
6. MS&AD Insurance Group will respond quickly and appropriately to complaints and requests for consultations regarding its handling of personal information. If customers request the disclosure or correction of their own personal information held by the Group, we will promptly respond in compliance with the law.

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## MS&AD Insurance Group Holdings, Inc. Basic Policy on Sharing Customer Information

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Apr. 1, 2010

MS&AD Insurance Group accords the greatest priority to customer satisfaction in its activities and offers risk solutions of the highest quality. For this reason, we occasionally share information about our customers when necessary, within the boundaries noted below.

To handle customer information appropriately, we will strictly comply with laws for the protection of personal information (Act on the Protection of Personal Information) as well as other laws and ordinances.

### Note

1. For MS&AD Insurance Group Holdings, Inc. (hereinafter, the "Holding Company") to manage the business of the MS&AD Insurance Group companies, MS&AD Insurance Group may share personal data between the Holding Company and the MS&AD Insurance Group companies based on the following conditions.

#### (1) Items of personal data

- 1) Shareholder information (name, address, number of shares etc)
- 2) Customer information held by the Holding Company or the Group companies (name, address, phone number, email address, gender, date of birth, other information related to customer transactions such as those noted in contract forms or information regarding insured events, etc).

#### (2) Scope of users of shared information and management representative

Group companies sharing information are domestic and overseas insurance companies, reinsurance companies, and related business companies of the MS&AD Insurance Group (click [here](#) for the list).

The management representative for the shared use of information will be the Holding Company.

2. To introduce or offer products and services of MS&AD Insurance Group companies to customers, personal information may be shared among Group companies based on the following conditions.

#### (1) Items of personal data

Name, address, phone number, email address, gender, date of birth, other information related to customer transactions such as those noted in contract forms or information regarding insured events etc.

#### (2) Scope of users of shared information and management representative

Please click [here](#) for a list of Group companies sharing information.

The management representative of the shared use of information will be the Holding Company.

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## MS&AD Insurance Group Holdings Privacy Policy

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- ▶ [MS&AD Insurance Group Holdings, Inc. Basic Policy on Information Management](#)
- ▶ [MS&AD Insurance Group Holdings, Inc. Basic Policy on Sharing Customer Information](#)

October 1, 2010

### Handling of Personal Information

Given the importance of protecting personal information, MS&AD Insurance Group will strictly adhere to the Act on the Protection of Personal Information (so-called "Personal Information Protection Act"), as well as other laws, ordinances and guidelines to properly handle personal information and take appropriate measures for secure management. We will also ensure that personal information is not mishandled, and will properly educate and supervise employees on the appropriate handling of personal information. We will continue to review and improve our handling of personal information and our methods for secure management.

### 1. Collection of Personal Information

MS&AD Insurance Group will obtain personal information to the extent necessary for business in a fair and legitimate manner. We may also obtain personal information from phone calls involving questions and consultations, which will be recorded to accurately record their content.

### 2. Purposes of Use of Personal Information

MS&AD Insurance Group will also notify individual respondents of or make public our purposes for using the personal information, and use it only to the extent necessary to accomplish the following purposes. We will define the purposes of use clearly for respondents to understand and we announce it on a Web site as in the following. We limit the purposes of use to an extent relevant to specific cases where personal information is obtained. In cases where obtained personal information is intended to be used beyond the extent necessary to accomplish the said purposes, we should acquire consent from the relevant individuals to such use unless it meet any item of Article 16, paragraph (3) of the Act on the Protection of Personal Information.

#### Purposes for Using Personal Information

- For corporate management of group companies
- For appropriate and smooth performance of transaction with the relevant individual

### 3. Provision of Personal Data to Third Parties

MS&AD Insurance Group will not offer personal data to third parties without prior consent from the relevant individual except for the following cases:

1. When required to do so by law;
2. When offering the information to consigned companies to the extent necessary for operations;
3. When offering the information to third parties via procedures based on Article 23, paragraph (2) of the Act on the Protection of Personal Information (i.e. opting out);
4. When sharing information between our Group companies (please refer to item 5 below).

### 4. Consignment of Personal Data Handling

MS&AD Insurance Group may provide a certain portion of obtained personal information to external third parties for consigned operations within the extent necessary to accomplish the purposes of use. According to pre-set criteria for selecting consigned companies, we will check their information management system and conduct other necessary and adequate supervision on the consigned company prior to making an order and trusting personal data to it.

## 5. Shared Use of Personal Data

For MS&AD Insurance Group Holdings, Inc. (hereinafter, the "Holding Company") to manage the business of the MS&AD Insurance Group companies, MS&AD Insurance Group may share personal data between the Holding Company and the MS&AD Insurance Group companies based on the following conditions.

### (1) Items of personal data

- a) Shareholder information (name, address, number of shares, etc.)
- b) Customer information held by the Holding Company or the Group companies (name, address, phone number, email address, gender, date of birth, other information related to customer transactions such as those noted in contract forms or information regarding insured events, etc).

### (2) Scope of users of shared information and management representative

Users of shared information are domestic and overseas insurance companies, reinsurance companies, and related companies of the MS&AD Insurance Group. (Click [here](#) to see the users.) The management representative for the shared use of information will be the holding company.

## 6. Handling of Sensitive Information

In accordance with Article 53-10 of the Enforcement Regulation of Insurance Business Law, MS&AD Insurance Group will not obtain, use, or offer to third parties personal information regarding political opinions, faith (religion, thoughts and beliefs), membership of labor unions, race or ethnicity, family and domicile of origin, health condition and medical treatment, sexual orientation or criminal records (hereinafter, "sensitive information"), unless otherwise stipulated by the Act on the Protection of Personal Information, other laws, ordinances or guidelines.

## 7. Request for Notification, Disclosure, Corrections, etc.

Please refer to the information desk below for requests for notification, disclosure, corrections, etc. of matters regarding information that we hold under the Act on the Protection of Personal Information or discontinuation, etc. of their use.

We will reserve the right to verify the identity of the claimant, who will be required to complete the prescribed forms and the application procedure. In principle, requests will be answered in writing at a later date. At the time of responding, we will require claimants to pay the standard fees for any requests for disclosure.

If we find that information about the claimant is incorrect, we will correct the information based on the results of our investigation. (Click [here](#) for details of the procedure.)

## 8. Summary of Secure Management Procedures for Personal Data

MS&AD Insurance Group will make efforts to prevent leakage, damage, or defamation of personal data. It will also ensure adequate security measures such as the maintenance of policies regarding use as well as that of systems in place for secure management procedures.

Please contact the information desk below for queries regarding secure management procedures.

## 9. Information Desk

MS&AD Insurance Group will respond quickly and appropriately to complaints and requests for consultations regarding its handling of personal information. Please contact the desk below for enquiries, disclosure, corrections, etc. regarding the handling of personal information, requests for discontinuation, etc. of use of personal data, and questions about secure management procedures.

### Contact Desk

MS&AD Insurance Group Holdings, Inc., Compliance Department  
Telephone Number: 03-3297-4841  
Business Hours: 9:00-20:00 (Monday through Friday)

\* The office is closed during the year-end and new-year period.

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## Improvement of Quality of Products and Services

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The fundamental strategy of the MS&AD Insurance Group is to earn and keep the trust of customers and achieve growth through improvement of quality. To this end, we endeavor to better our business and raise its level of quality by making the most of views from stakeholders.

### Improvement of Quality by Making the Most of Stakeholder Views

The MS&AD Insurance Group has constructed various schemes for absorbing the views of customers and external experts, and is reflecting them in efforts to improve our products and services.

[Detailed information](#) 

### Improvement of Work Quality

Drawing on the effects of the business integration of the Mitsui Sumitomo Insurance Group, Aioi, and Nissay Dowa, we are unifying administrative work and systems to provide high-quality, appealing products and services to customers of all types.

[Detailed information](#) 

## Improvement of Quality by Making the Most of Stakeholder Views

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The MS&AD Insurance Group has constructed various schemes for absorbing the views of customers, external experts, agents, and employees, and is reflecting them in efforts to improve our products and services.

To remain a corporate group that is truly needed by society, we consider it important to know what our stakeholders expect and need for improvement of our products and services. We consequently reflect stakeholder views not only in the processes of all work, but also in discussions on the management level.

We shall continue to treasure feedback from shareholders and mount approaches to making the most of them for improvement of our routine business activities.

### Reflecting Customer Views in Business Improvement

To see that thoughts expressed by customers are treasured, we actively use the expression “customer views” for opinions we receive from customers in consultation, inquiries, and complaints. To provide products and services that satisfy customers, we listen closely to what they say and constantly reflect it in our operations.

We disclose the substance and results of these activities for improvement on our website so that the customers can see the actual improvement.

Domestic insurance companies in the Group: Approaches related to customer views

-  [Mitsui Sumitomo Insurance Co., Ltd. \(Japanese only\)](#)
-  [Aioi Nissay Dowa Insurance Co., Ltd. \(Japanese only\)](#)
-  [Mitsui Direct General Insurance Co., Ltd. \(Japanese only\)](#)
-  [Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. \(Japanese only\)](#)
-  [Aioi Life Insurance Co., Ltd. \(Japanese only\)](#)
-  [Mitsui Sumitomo MetLife Insurance Co., Ltd. \(Japanese only\)](#)

### Questionnaires with customers

Through questionnaire surveys we conduct with customers, we ascertain their views and reflect them in business improvement.

MSI encloses questionnaire forms with insurance policies it sends to customers. These questionnaires ask about the degree of satisfaction with handling by the company and its agents at the time of sales, to check whether the sales followed the proper procedures.

Aioi Nissay Dowa became the first insurance company in Japan to conduct questionnaire surveys by computer and mobile telephone. Through these surveys, the company gets an accurate picture of the level of customer expectations and degree of satisfaction in areas such as the understandability of explanations of important items and various procedures at the time of contracting, and claim handling.

### Reflecting Views of External Experts in Business Improvement

MSI aspires to give feedback of customer views throughout the company and to link them to provision of products and services that satisfy customers. To this end, its management team engages in discussion with external experts in the Council on Promotion of Customers' Viewpoint. Items found to require improvement are the subject of recommendations presented to the Board of Directors.

-  [The Council on Promotion of Customers' Viewpoint \(Japanese only\)](#)



Approaches to reflecting customer views in efforts for business improvement while absorbing the opinions of external experts and other parties are also exemplified by the checks made by an ad-hoc unit. The findings of these checks are regularly reported to the Audit Committee, an internal committee of the Board of Directors.

More specifically, the services of an organization devoted to consumer affairs are utilized in checks to see whether obligations to provide customers with explanations are being properly discharged in connection with the pamphlets and applications forms used in selling insurance, instructions regarding contracting procedures, and explanatory materials supplied in response to the filing of claims. In fiscal 2009, there were 15 regular meetings for evaluation of documents by the consumer affairs institution, which also conducted interviews with the general public.

### Reflecting Agent Views in Business Improvement

As one of its measures for closer communication with agents, MSI has instated the MSA (Mitsui Sumitomo Insurance Agent Association) Product Monitor Program. The program was instituted in July 2002 as a means of utilizing the opinions and information of agents for the development and revision of easily understandable products from the customer's perspective. By the end of fiscal 2009, the program had been held a total of 20 times.

MSI continues to broadly accept opinions and requests of agents and those received from customers via agents to utilize them for product development and revision.

### Reflecting Employee Views in Business Improvement

MSI and MSI Kirameki Life are conducting the Customers' Viewpoint Campaign, which encourages every employee to review his or her routine work and behavior, find points needing improvement, and take action for this improvement.

Sites for sales and claim service hold meetings in workplaces regarding response to complaints, identifying tasks, and formulating measures for improvement. Similarly, the bulletin board on the in-house intranet (entitled Everybody's Circle of Wisdom) is a tool for the sharing of issues and proposals from employees by all employees. Proposals are studied in the head office divisions, and the conclusions are disclosed on the bulletin board.

Since fiscal 2006, the assigned corporate executives from the head office divisions have made visits to sites across Japan to hold the Management Meetings for exchange of views with employees. In fiscal 2009, there were 60 such meetings.

To improve the quality of work from the customer's viewpoint, Aioi Nissay Dowa is conducting a program to absorb the views of employees in charge of sales and claim handling, which involve a lot of contact with customers. For reflection of employee views in corporate initiatives, the company is conducting the *Kaizen-no-Ougi* (previously called the *Nandemo Box*) and Employee Monitoring Program applying e-learning for two-way communication with the head office. The *Kaizen-no-Ougi* is a system for receiving improvement proposals from employees. Proposals are studied in the head office, and the consultations are disclosed on the bulletin board. The Employee Monitoring Program is a tool for the collection of employees' opinions in the form of a questionnaire. For both programs the company has installed a bulletin board exclusively for display of summary views and feedback on measures for improvement based on those views.

### Reinforcement of the Complaint Response System

The MS&AD Insurance Group has formulated its Basic Policy on Complaint Response. The domestic insurance companies in the Group establish their own complaint response policies in accordance with the Basic Policy, and study response to complaints and measures for improvement in the same. The personnel assigned to complaint response at each of these companies regularly hold meetings to confirm that the system for complaint response is being properly operated. They also make reports on the complaint situation to the Management Committee of the holding company each quarter. We at the MS&AD Insurance Group perceive information on complaints as vital for efforts by all employees to earn and keep the trust of customers, achieve business growth, and further improve quality. Furthermore we are actively collecting and analyzing information regarding complaint in order to reflect it in our initiatives for improvement of quality and customer satisfaction.

Situation of complaint receipt at each company

-  [Mitsui Sumitomo Insurance Co., Ltd. \(Japanese only\)](#)
-  [Aioi Nissay Dowa Insurance Co., Ltd. \(Japanese only\)](#)
-  [Mitsui Direct General Insurance Co., Ltd. \(Japanese only\)](#)
-  [Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. \(Japanese only\)](#)
-  [Aioi Life Insurance Co., Ltd. \(Japanese only\)](#)
-  [Mitsui Sumitomo MetLife Insurance Co., Ltd. \(Japanese only\)](#)

In fiscal 2009, MSI received a total of 40,245 complaints. This was a slight increase of 0.2% (65 complaints) from the previous fiscal year. The increase derived from the emergence of new types of complaint, which outweighed the decrease in the number of the usual types as a result of the new measures and approaches taken by the whole company (e.g., "Once a Year Notice" and reinforcement of customer center capabilities).

#### **Conformance of the complaint response management system with the international standard ISO 10002**

MSI and MSI Kirameki Life run a complaint response system in conformance with the international standard ISO 10002 (Quality management—Customer satisfaction—Guidelines for complaints handling in organizations).

Conformance with ISO 10002

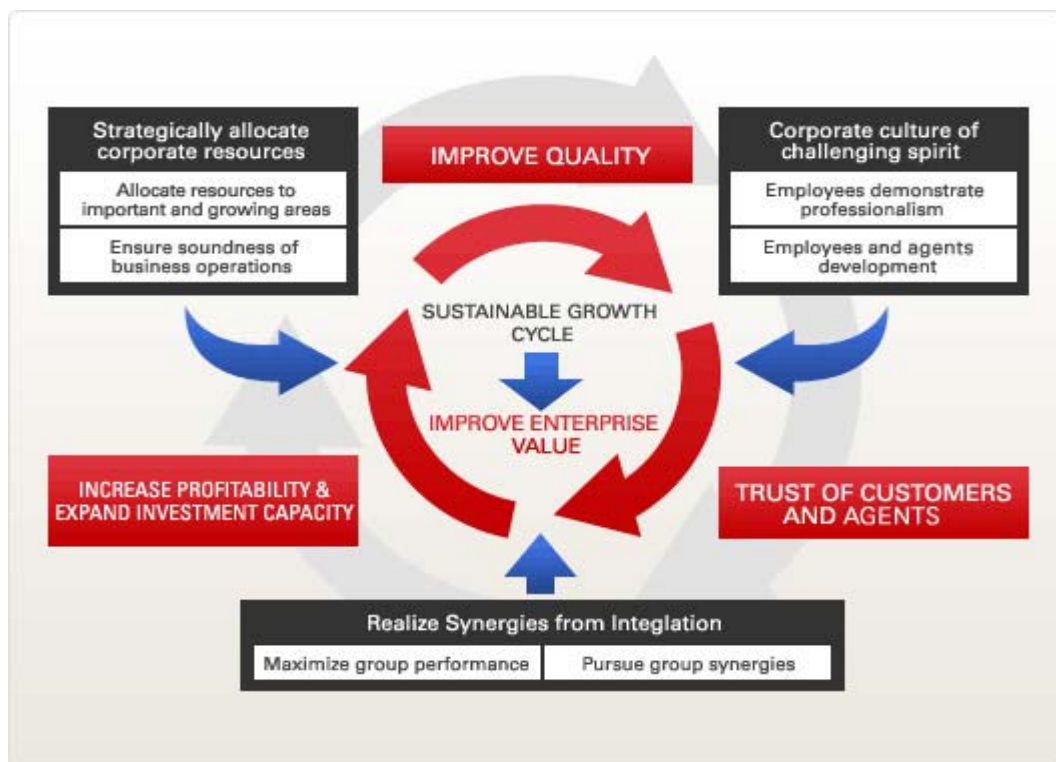
 [Mitsui Sumitomo Insurance Co., Ltd. \(Japanese only\)](#)

 [Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. \(Japanese only\)](#)

The former Aioi received a total of 44,239 "Customer Views" in fiscal 2009. This was a decrease of 10.1% (4,984 complaints) from the previous fiscal year. The decrease came due to a reduction in the number of complaints of the ordinary type as a result of activities such as the determination of issues and targets for improvement by each division based on opinions received through "Customer Views" and other means, and promotion of the IOI Quality Improvement Campaign (current AD Quality Improvement Campaign) aimed at linking these to improvement of work. The company has incorporated the complete rooting of activities to improve quality in routine work as a guideline for the Campaign, and is taking company-wide approaches with involvement of its affiliated companies.

## Improvement of Work Quality

The MS&AD Insurance Group has adopted basic strategy which lies in earning and keeping the trust of customers and achieving growth through improvement of quality. We are practicing a customer-focused attitude and striving to develop products that will enable us to provide high-quality, appealing products and services to all sorts of customers.



### Development of Easy-to-understand Products

The domestic insurance companies in the Group are developing readily understandable products from the customer's perspective. This is in response to opinions received from customers about products being too complex and difficult to understand, lack of knowledge about what types of claim payments customers can receive in the event of accidents, and better handling in such events.

MSI and MSI Kirameki Life have laid down in-house rules concerning language to be used in policy clauses and items for notation in pamphlets. In accordance with these rules, we began using more understandable terms in place of specialized jargon, including more charts and tables, and otherwise making policy clauses and pamphlets easier to understand. MSI took the occasion presented by revision of all its products along with the amendment of the Insurance Act to consolidate these products while retaining functions attuned to customer needs. As a result, we reduced the number of products and optional policies in the personal field by about 40%. These activities led to the launch of GK Home Insurance and GK Personal Accident Insurance in January 2010, as new easy-to-understand products to follow GK Automobile Insurance and GK Life Insurance, which were marketed in 2008. These additions filled out our assortment of products bearing the GK brand for individual customers.



Product pamphlets  
GK Automobile Insurance,  
GK Personal Accident Insurance,  
and GK Home Insurance

Aioi Nissay Dowa marketed automobile and total home insurance products in 2008 and other products in the personal field in 2010 around the basic concept of consistency in terminology, tables, and other respects in pamphlets, application forms, policies, and policy clauses.



Product pamphlets  
Medical Insurance, Home Insurance,  
and Automobile Insurance

To respond to a wide range of women's needs, Aioi Life marketed Luna Medical in June 2009. This product combines a "total women's medical care optional policy with non-cancellation refunds" and "whole life medical insurance with variable reserve interest rates". It was studied and developed by a project team composed of female employees. The company also instituted Ladies Support Service for female customers and provides services in consultation about the nature of products and filing of claims as well as health and medical care consultation by female physicians and nurses.



Product pamphlet  
Luna Medical

MSI MetLife is working for a balanced and stable provision of variable and fixed-amount products for customers. The personal annuity insurance sold as its mainstay offers three functions: receipt as annuities, increase through investment, and bequeathing through mortality insurance. Many customers want to leave their assets surely behind to their loved ones. In response to their needs, the company commenced sales of variable and fixed-amount whole life insurance with a focus on the "bequeathing" function in December 2009 and June 2010, respectively. The company is going to continue developing products to meet the diverse needs of customers.

### Approaches for Confirmation of Policy Contents

When performing application procedures for insurance policies, domestic insurance companies in the Group make confirmations and checks as to whether or not the policy is suitable and in line with the wishes of the customer, and provides insurance at correct premiums. They will continue to confirm policy contents in addition to the desires of the customers. For long-term policies as well, they send notices of policy contents every year and ask customers to check the contents.

Approaches to confirmation of policy contents by each company

-  Mitsui Sumitomo Insurance Co., Ltd. (Japanese only)
-  Aioi Nissay Dowa Insurance Co., Ltd. (Japanese only)
-  Mitsui Direct General Insurance Co., Ltd. (Japanese only)

### Increase in customer convenience

#### Electronic contracting procedures

MSI is promoting electronic contracting procedures. Under these procedures, the policy contents are displayed on the screen of a computer brought along by the agent, and the customer signs the policy electronically after confirming the contents. This procedure eliminates the need for customers to have pens and seals on hand. Because changes in content and premium

estimates can be easily made on the computer, there is also no need for filling out and submitting paper application forms. Electronic procedures were first applied for automobile insurance, and were extended to fire insurance beginning in December 2009. As of the end of fiscal 2009, about 50% of the personal policies (i.e., excluding corporate and group policies) were being contracted electronically. We hope to increase this rate to 70% by the end of fiscal 2010, by making the screens easier to understand and expanding usage.

#### **Internet services**

An extended total of more than 650,000 customers are registered for use of the Customer Web Service provided to individual customers on the MSI website. Customers can use the service to check the contents of GK Automobile Insurance, file changes of address, submit notices of vehicle replacement, and perform other procedures on the Internet. They can also check policy contents and perform change of address procedures from their mobile phones.

#### **Adoption of SP codes**

MSI has adopted SP codes, which were developed with the aged and visually impaired in mind, on the pamphlets for its GK products. When the codes are read with a special reading unit, the recorded information is reproduced by voice.

#### **Qualitative improvement of road assistance service**

Through its Road Assistance Service, Aioi Nissay Dowa provides services in towing/transferring a car in the event of accidents and breakdowns, and emergency work on the spot in response to breakdowns and trouble. The service has been given high marks by over 90% of its customers. Beginning in October 2008, it began providing the following two services free of charge in response to desires for improvement expressed by many customers: 1) towing/transferring a car from the garage attached to the house or other site, and 2) towing/transferring a car from places other than the scene of accident or breakdown (so-called secondary towing). As a result, the number of requests for improvement received from customers in fiscal 2009 fell by about 30% from the previous fiscal year. Use of the system for notification of locational information applying the GPS-i capabilities of mobile phones begun around the same time is gradually increasing and assisting more prompt provision of service.



Towing service

#### **CD-ROM clause**

In place of the conventional paper policy clauses, MSI Kirameki Life is delivering policy clauses on CD-ROMs for policies contracted no earlier than March 2, 2010. The CD-ROMs contain the policy explanation and clause. The company gives customers a choice of the paper or CD-ROM clause.

The CD-ROM clause has various features to make the explanation and clause even more easy-to-read and understand for customers. It delivers the ultimate in convenience that could only be offered by electronic media, as exemplified by an operation guide and simple commentary based on voice and motion-video guidance, search for target information using key words, enlargement of text, and a page-turning function allowing customers to treat the electronic clause like a paper one.

#### **Printed materials featuring color universal design**

MSI MetLife's disclosure magazine has been certified by the NPO Color Universal Design Organization (CUDO). The magazine was made neater and more legible by design combining differences of shape as well as color, patterns distinguished by lines and colors, and other features enabling conveyance of information to as many people as possible, regardless of individual differences in perception of color.

In June 2009, the company carried out an overall revision of the annuity payment requests sent to policyholders for higher levels of legibility, readability, and writability, and obtained certification from the CUDO for these as well.



MSI MetLife's disclosure magazine



CUDO

### Claims Service Chosen by Customers

The MS&AD Insurance Group is taking various steps toward its goal of constructing setups that will permanently be given high ratings and trust by all customers, through provision of claim services that gratify them with high levels of accuracy, speed, and integrity.

### Effective use of new systems

To please our customers even more, we are working for speedier, more finely attuned customer services while also installing new systems.

MSI is promoting the Claims Support Innovation around a revision of all work processes from receipt of accident reports to payment of claims.

More specifically, the company instated a "one-accident, one-team" system for reinforcement of coordination when two or more personnel are assigned to a single case of automobile insurance claim handling. In this and other ways, new work processes constructed in response to customer views are in operation at Claim Payment Centers nationwide.

MSI also developed the SPM System (patent pending), which is designed to support new work processes and was instated in Claim Payment Centers across Japan in November 2009. The system is equipped for automatic display of the schedule for action by assigned personnel, and assists sure provision of services tailored to the customer in question.

The company set in motion new work processes for claim handling in fire and other insurance in fiscal 2010.

In fiscal 2009, Aioi Nissay Dowa instated Ensemble, a forerunning system that is the first of its kind in the non-life insurance industry, based on a computer telephony integration (CTI) function integrating the accident response system with telephones. The system automatically and instantly retrieves accident information from the customer's telephone number, and directly links it to the telephone of the personnel assigned to the accident. It also displays this information on the personnel's computer based on telephone information about the caller identity and accident date. It assists smooth response that does not keep the customer waiting.

In January 2010, MSI Kirameki Life commenced operation of a new claims system to better satisfy customers in claim handling and payment of benefits. This system made it possible for the company to provide easy-to-understand guidance on procedures for seeking payments, in correspondence with the nature of the policy and claim. It also manages the progress of payment procedures, allows separate confirmation of payment amounts by two or more personnel, and prevents payment omissions. In addition, when customers make inquiries about the content of policies and filing, it enables prompt confirmation and response at service counters and agents.

### Setup for receipt of accident reports and provision of information on the course of accident response to reassure customers

Through Aioi Nissay Dowa Sonpo Anshin 24 Co., Ltd., its tie-up partner, Aioi Nissay Dowa provides toll-free service for receipt of

accident reports and consultation 24 hours a day, 365 days a year. The company also offers initial response service including dispatch of rental cars (even on holidays and at night) and contact of the other party to the accident. For holders of Aioi Nissay Dowa automobile insurance policies, in case of hospitalization due to injury, the company also provides service for visits by special-assignment staff within three days after receipt of the accident report.

Aioi also makes Anshin (peace of mind) calls to give customers in-depth information on the state of progress and course of developments after accidents. In making these calls, the personnel assigned to the claim report to the customers on four key occasions: 1) when the accident report is received, 2) at the time of initial response, 3) at an interim point, and 4) upon resolution of the accident.

The company also furnishes "My Page (previously called Aioi My Page)" service exclusively for holders of its automobile insurance policies. This service enables customers to view the policy contents and course of accident response on their mobile phone or computer. Customers involved in accidents can easily learn the situation as regards post-accident response by accessing a service page especially for them by mobile phone or computer.

**Approaches for Quality Improvement in the Claims Service Division**

In MS&AD New Frontier 2013, its medium-term management plan, the MS&AD Insurance Group posts the goal of winning customer's trust and realizing growth through quality improvement. To this end, the Group and its Claims Service Division are taking various approaches for quality improvement.

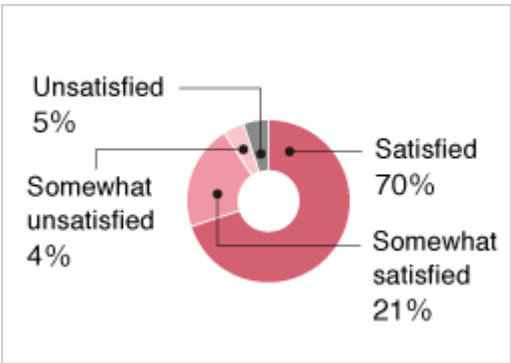
MSI is engaged in activities for qualitative improvement in pursuit of higher levels of customer satisfaction in its Good Job Campaign, which consists of various approaches so that employees will be able to provide services of uniform quality. Basic action is compiled in the *Tozen* (desirable) Quality Guidebook, which is distributed to all of its employees. In each division, there is a Good Job Leader who has been trained by an external specialized institution to lead activities for the rooting of proper practices in the area of customer response.

It should be added that MSI is holding and participating in role-playing competitions related to customer response and call-handling contests. In fiscal 2009, the MSI Claim Payment Center, which has 280 sites across Japan, participated in the Corporate Call-handling Contest hosted by the Japan Telecom Users Association. An employee of one of its sites won a prize in the contest.

**Customer questionnaire**

The domestic insurance companies in the Group execute all sorts of questionnaire surveys to collect opinions and requests from customers and reflect them in measures for work improvement and development of new products to heighten quality even more.

In order to enhance its services for resolution of accidents, Aioi Nissay Dowa has set up a system to check opinions and requests every day received from customers involved in automobile accidents by means of the web questionnaire accompanying claim payment using the Internet and mobile phones.



Questionnaire results for fiscal 2009

**Aspiring to win the trust of customers through daily work**

In handling accidents, I never forget that I myself am viewed by customers as a non-life insurance professional, and that my opinions are sought as such. I try to furnish customers who were unfortunately involved in accidents with kind and courteous service that shows consideration of their position. I also take it upon myself to provide explanations of the flow leading up to solution and points I imagine they have doubts about. In short, I constantly attempt to win their trust.





Naoko Tokuda  
Sendai Fire & Casualty Claims Payment Center  
Tohoku Claims Dept., MSI

### Business improvement activities (LIPS)

Aioi Nissay Dowa is promoting business improvement activities at each workplace in order to heighten customer satisfaction in claim handling. The activities are centered on the personnel assigned to claim handling work in the Claims Service Division. The company is announcing the results of the activities and promoting their spread throughout the Division.

#### Business improvement activities in the Lady Improvement Projects (LIPS) (the previous Ladies' IOI Projects)

Accidents are one of life's emergency situations, and an important part of our job is to help customers get their life back to normal as quickly as possible. We are taking up the challenge of raising efficiency even higher and increasing the time we spend in dialogue with customers to this end. Once we got started, we had to admire the work by personnel who took many ingenious measures on the job to these ends. We also rediscovered the tremendous power exercised by our colleagues in the Tohoku region. For the future, we hope to improve LIPS activities so that personnel will always feel mutual support by their colleagues and do their best for the customer.

\* LIPS activities (Lady Improvement Projects (the previous Ladies' IOI Projects)): Business improvement activities conducted by female employees in the Claims Service Division



Aioi Nissay Dowa employees commended in the presentation of LIPS activities:

(from left) Ayumi Takahashi, Akita Service Center of the Tohoku Claim Service Dept., and Kiyomi Kurosawa, Sendai 1st Service Center of the same Dept.

### Approaches for Quality Improvement at Contact Centers

The Contact Centers of the MS&AD Insurance Group serve as the windows of dealings with customers, and their personnel play a vital role as its "face" in their eyes. They are taking action to further raise the quality of dealings with customers, such as provision of education for communicators in direct dialogue with customers by phone and reconstruction of related systems. Through these measures, they hope to achieve the Group values, which post the "customer focused" and "integrity" principles.

The Group holds the Group Contact Center Strategy Meetings on regular basis, which is composed of representatives of various Contact Centers of domestic insurance companies in the Group. Besides the sharing of information, the meetings are held for the purpose of making the work of all Contact Centers more efficient and improving its quality. We intend to continue with tasks such as joint use of Group systems and consolidation of joint work (such as system maintenance and basic education for communicators).





## Growth with Our Agents

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Search

We aspire to grow with our agents while striving to maintain and improve quality through on-going dialogue with them.

### **Basic Perspectives and Policy**

We aspire to grow with our agents while striving to maintain and improve quality through on-going dialogue with them.

[Detailed information](#) 

### **Improvement of Quality in Agent Work**

We provide support for qualitative improvement of work by agents as the points of contact with customers, in order to deliver high-quality products and services to customers of all types.

[Detailed information](#) 

## Basic Perspectives and Policy

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The domestic insurance companies in the Group have long been making efforts to improve quality among agents as the points of contact with customers. MSI and Aioi Nissay Dowa have jointly established perspectives on quality in the basic activities of agents, and are working to improve quality in line with these perspectives, in order to deliver high-quality products and services to customers of all types.

## Improvement of Quality in Agent Work

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We offer support for qualitative improvement of work by agents as the points of contact with customers, in order to deliver high-quality products and services to customers of all types.

### Support for Improvement of Quality in Agent Work

MSI has established an Agent Quality Certification System (Q Mark system) to make arrangements enabling sure provision of services of uniform quality to all customers. The system operates as a standard for certification of proper execution of various insurance procedures based on accurate knowledge regarding insurance products and claim handling and ability to make correct insurance proposals that suit customers' needs.

To maintain and improve quality through dialogue with agents, Aioi Nissay Dowa established quality standards under the banner "New Customer-First" in fiscal 2010. These standards are centered around customer handling through a proper canvassing procedure. The company regularly examines tasks and furnishes support for qualitative improvement.

### Support for Improvement of Agent Skills

MSI has constructed the Agent Career Up Program for agent education. The program enables agents to acquire knowledge about compliance, products, administrative work, systems and other items required for insurance sales. It offers an assortment of education methods including group seminars and e-learning, and allows canvassers\* to get education matching their skill level. There are also programs designed to give agents just getting involved in sales of insurance products the basic knowledge needed for the job, through means including daily guidance and group seminars.

MSI also makes effective use of MS College, a system for centralized management of information for each canvasser on items such as insurance sales qualifications, participation in group seminars, and history of e-learning. The use of MS College makes it possible to support improvement of skills in line with the level of the individual canvasser. By the end of fiscal 2009, the total of 87 e-learning courses had been taken by about 350,000 persons in all. The system is utilized by about 25,000 agents, and MSI is promoting its further spread in fiscal 2010.

MSI also participates in the Non-life Insurance Canvasser Exam Updating Program and Insurance Product Education Program operated by the General Insurance Association of Japan to improve canvassing quality.

\* Canvassers: Persons who are qualified to sell insurance and have made notification of engagement in insurance sales to the Financial Services Agency

Since fiscal 2007, Aioi Nissay Dowa has been offering ADWeb Lecture (previously called IOI Insurance Lecture), an Internet-based system enabling agents to learn anytime they please using computers with an Internet environment.

The system transmits mainly contents with an emphasis on rationalizing work in both non-life and life insurance. Since November 2008, more than 40,000 canvassers had completed courses under the Insurance Product Education Program.

Since fiscal 2009, besides making arrangements for the Continued Life Insurance Education Program, the company has been providing learning contents for improvement of canvassing quality, including training related to revision of various non-life insurance products, the amended Insurance Act, and confirmation of customer intentions.

In March 2010, Aioi Nissay Dowa began offering e-learning exams to qualify for medical insurance sales. More than 6,000 canvassers have already obtained such qualification. It is going to continue filling out the contents of learning for contribution to improvement of canvassing quality by agents.

To respond to diversifying customer needs, MSI MetLife is enhancing various training programs for agents and reinforcing its setup for sales support through agent education. In addition to training common to the whole industry, the company provides training adapted to agent needs in specialized areas including products, compliance, asset management, annuities, and taxes. Furthermore, besides independently developing a course of training in sales communication aimed at building close communication with customers, the company publishes INFOBOX, an original journal serving as a tool of education. The journal provides information on topics such as compliance, complaints, and administrative work guidance.

## Shareholder Composition and Information Disclosure

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### Basic Perspectives and Policy

The MS&AD Insurance Group is conducting investor relations (IR) activities under the following core principles to win trust from shareholders and other investors, as well as to have our corporate value assessed fairly and properly.

#### [IR Policy](#)

### Basic Policy on Disclosure of IR Information

Besides disclosing such corporate information as we are required to under statutes or regulations of stock exchanges, we proactively release information that we consider helps investors/shareholders make reasoned investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving the disclosure variation. In disclosing such information, we strive to put out timely, fair and easy-to-understand statements.

### Setup for Information Disclosure

#### Disclosure Committee

The Disclosure Committee was instituted by determination of the Board of Directors. The Committee is composed of corporate officers and general managers assigned to divisions related to information disclosure such as the planning division and accounting division, and outside directors. It is regularly convened for the purpose of assessing the efficacy of information disclosure control in the entire Group, taking action for improvement of this efficacy, and checking the appropriateness of disclosure.

#### Outline of the setup for timely disclosure

The outline of the setup for timely disclosure is provided in the Corporate Governance Report.

 [Corporate Governance Report \(Japanese only\) \(PDF, 261KB/10 pages\)](#)

### Stock Overview

This section introduces securities codes, number of issued shares and other basic matters on our stock.

#### [Stock overview](#)

### Dividends

This section shows the history of dividend payouts in recent years.

#### [Dividends](#)

### Communication with Shareholders and Investors

While providing information through our website and presentation meetings on a broadly disseminated basis, we respond in good faith to enquiries from investors/shareholders and securities analysts. We will share within the company such requests and opinions as we have received in the course of IR activities, with a view to making use of them to enhance our corporate value.

#### **Holding of information meetings (for institutional investors and analysts)**

The three companies the former MSIGH, the former Aioi, and the former Nissay Dowa held a joint meeting for presentation of the master integration plan in October 2009 in addition to the two ordinary information meetings (held in June and November on financial results and strategy) for institutional investors and analysts. At this joint meeting, executives from the three companies commented on management policies and business strategy themselves.

Even with the start of fiscal 2010, when we became the MS&AD Insurance Group, we held a meeting to present the Group strategy and policy for related approaches based on MS&AD New Frontier 2013 (our medium-term management plan) in June, in addition to the outline of our financial statement for fiscal 2009 before our business integration and the projected result for fiscal 2010.

#### **Holding of separate meetings inside and outside Japan**

We promote closer communication with institutional investors and analysts inside and outside Japan through separate meetings and response to inquiries. In fiscal 2010, after we made a new start as the MS&AD Insurance Group, MSI and Aioi Nissay Dowa held meetings or discussions in response to requests from institutional investors and analysts both jointly and separately.

In addition, we provide individual investors with information through the presentation meetings and other forums held in Japan.

#### **Information provision through booklets**

We not only report on our business and financial results to our shareholders when sending out invitation of general meetings of shareholders; we also furnish detailed information on these areas when sending out dividend notices. In fiscal 2010, we provide shareholders living in Japan with the MS&AD Report, which presents an outline of the financial results of the three companies in fiscal 2009 and outlook for fiscal 2010.

We also publish a Disclosure Magazine (in Japanese) and Annual Report (in English) for more widespread knowledge of the MS&AD Insurance Group.

#### **Improvement of the IR website**

We are making efforts to improve the IR section within the official website of the MS&AD Insurance Group to give shareholders and investors a timely disclosure of corporate information and financial results information. The site also displays information, in both Japanese and English, on our financial statements and the substance of information meetings, for perusal by shareholders and investors in Japan and other countries.

We should add that our IR website has received the "Internet IR?Best Company Prize" from Daiwa IR for the last four consecutive years.

#### **Feedback to management**

The needs and ratings we receive from our shareholders, investors, and analysts through our IR activities are shared in the Group and applied in efforts to heighten our corporate value.

[▶ Japanese](#)

We will conduct investor relations (IR) activities under the following core principles to win trust from shareholders and other investors, as well as to have our corporate value assessed fairly and properly.

**Basic Policy on Disclosure of IR Information**

Besides disclosing such corporate information as we are required to under statutes or regulations of stock exchanges, we will proactively release information that we consider helps investors/shareholders make reasoned investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving the disclosure variation. In disclosing such information, we strive to put out timely, fair and easy-to-understand statements.

**Improvement of Communications**

While providing information through our website and presentation meetings on a broadly disseminated basis, we will respond in good faith to enquiries from investors/shareholders and securities analysts. We will share within the company such requests and opinions as we have received in the course of IR activities, with a view to making use of them to enhance our corporate value.

**Quiet Period**

In order to ensure fairness in disclosing important information such as financial results, we observe a quiet period with respect to IR activities commencing on the date three weeks prior to the announcement of financial results for each quarter (the "Quiet Period"). During the Quiet Period, we refrain from making comments or responding to enquiries on financial results, and will not in principle hold one-on-one meetings or presentation meetings.

当社のコーポレート・ガバナンスの状況は以下のとおりです。

## I コーポレート・ガバナンスに関する基本的な考え方及び資本構成、企業属性その他の基本情報

### 1. 基本的な考え方

#### (1) 基本的な考え方

当社は、グループの事業を統括する持株会社として、「経営理念」のもと、経営資源の効率的な活用と適切なリスク管理を通じ、長期的な安定と発展を実現するため、透明性と牽制機能を備えた経営体制を構築し、企業価値の向上に努めています。

#### (2) 経営体制

当社は、監査役会設置会社として、取締役(会)および監査役(会)双方の機能の強化、積極的な情報開示等を通じ、ガバナンスの向上に取り組んでいます。

執行役員制度を導入し、経営意思決定および監督を担う「取締役(会)」と業務執行を担う「執行役員」の役割を明確化してグループ経営管理の強化を図ります。また、経営から独立した社外人材の視点を取り入れて監視・監督機能を強化し、透明性の高い経営を行うため、取締役13名のうち4名、監査役5名のうち3名を社外から選任しています。また、取締役会の内部委員会として、「人事委員会」「報酬委員会」を設置し、委員の過半数および委員長を社外取締役とします。

### 2. 資本構成

外国人株式保有比率	30%以上
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#### 【大株主の状況】

氏名または名称	所有株式数(株)	割合(%)
トヨタ自動車株式会社	52,610,933	8.31
日本生命保険相互会社	36,325,258	5.74
日本マスタートラスト信託銀行株式会社(信託口)	30,366,287	4.79
日本トラスティ・サービス信託銀行株式会社(信託口)	30,205,338	4.77
STATE STREET BANK AND TRUST COMPANY	21,917,387	3.46
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	12,554,529	1.98
STATE STREET BANK AND TRUST COMPANY 505225	10,995,416	1.74
NATSCUMCO	9,070,176	1.43
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	7,125,747	1.13
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	6,729,573	1.06

### 3. 企業属性

上場取引所及び市場区分	東京 第一部、大阪 第一部、名古屋 第一部
決算期	3月
業種	保険業
(連結)従業員数	1000人以上
(連結)売上高	1兆円以上
親会社	なし
連結子会社数	50社以上100社未満

### 4. その他コーポレート・ガバナンスに重要な影響を与える特別な事情



## II 経営上の意思決定、執行及び監督に係る経営管理組織その他のコーポレート・ガバナンス体制の状況

### 1. 機関構成・組織運営等に係る事項

組織形態	監査役設置会社
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#### 【取締役関係】

取締役会の議長	社長
取締役の人数	13名
社外取締役の選任状況	選任している
社外取締役の人数	4名

#### 会社との関係(1)

氏名	属性	会社との関係(※1)								
		a	b	c	d	e	f	g	h	i
関 俊彦	学者								○	
渡邊 顯	弁護士				○				○	
梅津 光弘	学者				○				○	
角田 大憲	弁護士				○				○	

※1 会社との関係についての選択項目

- a 親会社出身である
- b 他の関係会社出身である
- c 当該会社の大株主である
- d 他の会社の社外取締役又は社外監査役を兼任している
- e 他の会社の業務執行取締役、執行役等である
- f 当該会社又は当該会社の特定関係事業者の業務執行取締役、執行役等の配偶者、三親等以内の親族その他これに準ずる者である
- g 当該会社の親会社又は当該親会社の子会社から役員としての報酬等その他の財産上の利益を受けている
- h 本人と当該会社との間で責任限定契約を締結している
- i その他

#### 会社との関係(2)

氏名	適合項目に関する補足説明	当該社外取締役を選任している理由
関 俊彦	独立役員 法政大学法科大学院教授	法律学者としての知識や経験を当社の経営に反映していただくため。 法律学者としての専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。
渡邊 顯	独立役員 成和明哲法律事務所弁護士	法曹としての知識や経験を当社の経営に反映していただくため。 法曹としての専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。
梅津 光弘	独立役員 慶應義塾大学商学部准教授	学者として企業倫理などに関する知識や経験を当社の経営に反映していただくため。 学者として企業倫理などに関する専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。
角田 大憲	独立役員 中村・角田・松本法律事務所弁護士	法曹としての知識や経験を当社の経営に反映していただくため。 法曹としての専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。

#### その他社外取締役の主な活動に関する事項

平成21年度は12回の取締役会が開催されており、各社外取締役の出席率は80%以上となっています。社外取締役は、それぞれの知識や経験等に基づいて、有意義な意見を述べています。

#### 【監査役関係】

監査役会の設置の有無	設置している
監査役の人数	5名

#### 監査役と会計監査人の連携状況

定例の打合せにより監査計画、監査実施状況、監査結果等について、会計監査人から報告・説明を受けます。  
また、必要に応じ会計監査上の諸問題について意見・情報交換を行います。

監査役と内部監査部門の連携状況

定期的に連絡会を開催し監査方針、監査の実施状況等について意見・情報交換を行います。  
また、内部監査部門による監査結果は、全件監査役に報告します。

社外監査役の選任状況	選任している
社外監査役の人数	3名

会社との関係(1)

氏名	属性	会社との関係(1)									
		a	b	c	d	e	f	g	h	i	
安田 莊助	公認会計士				○				○		
野村 晋右	弁護士				○				○		
手塚 裕之	弁護士				○				○		

- ※1 会社との関係についての選択項目
- a 親会社出身である
  - b その他の関係会社出身である
  - c 当該会社の大株主である
  - d 他の会社の社外取締役又は社外監査役を兼任している
  - e 他の会社の業務執行取締役、執行役等である
  - f 当該会社又は当該会社の特定関係事業者の業務執行取締役、執行役等の配偶者、三親等以内の親族その他これに準ずるものである
  - g 当該会社の親会社又は当該親会社の子会社から役員としての報酬等その他の財産上の利益を受けている
  - h 本人と当該会社との間で責任限定契約を締結している
  - i その他

会社との関係(2)

氏名	適合項目に関する補足説明	当該社外監査役を選任している理由
安田 莊助	独立役員 仰星監査法人(元)理事長代表社員、(現)特別顧問	公認会計士としての知識や経験を当社の監査に反映していただくため。 公認会計士としての専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。
野村 晋右	独立役員 野村総合法律事務所弁護士	法曹としての知識や経験を当社の監査に反映していただくため。 法曹としての専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。
手塚 裕之	独立役員 西村あさひ法律事務所弁護士	法曹としての知識や経験を当社の監査に反映していただくため。 法曹としての専門的な知識や経験を有しており、一般株主と利益相反が生じるおそれはないと判断しております。

その他社外監査役の主な活動に関する事項

平成21年度は11回の監査役会、12回の取締役会が開催されており、いずれについても各社外監査役の出席率は80%以上となっています。社外監査役は、監査役会、取締役会に出席する他、代表取締役との意見交換会にも出席し、それぞれの知識や経験等に基づいて、有意義な意見を述べています。また、特定の重要委員会(情報開示委員会等)にも出席しています。

【インセンティブ関係】

取締役へのインセンティブ付与に関する施策の実施状況	その他
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該当項目に関する補足説明

執行役員を兼務する取締役の報酬については、会社業績および個人業績に連動する制度としています。

ストックオプションの付与対象者	
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該当項目に関する補足説明

【取締役報酬関係】

開示手段	有価証券報告書、営業報告書(事業報告)
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## 該当項目に関する補足説明

全取締役の報酬等の総額および当該金額のうち社外取締役の報酬等の総額並びに全監査役の報酬等の総額および当該金額のうち社外監査役の報酬等の総額を開示しています。  
平成21年度における当社の取締役に対する報酬その他職務執行の対価の総額は264百万円(うち社外取締役35百万円)、また当社の監査役に対する報酬その他職務執行の対価の総額は65百万円(うち社外監査役13百万円)です。

## 【社外取締役(社外監査役)のサポート体制】

社外取締役は総合企画部が、社外監査役は監査役室が補佐する体制としています。  
なお、取締役会付議議案については、取締役会の事務局である総合企画部が、社外取締役および社外監査役に事前説明を行います。また、リスク情報等については、社内外を問わず全取締役・監査役に対して随時報告を行います。

## 2. 業務執行、監査・監督、指名、報酬決定等の機能に係る事項

(1) 現状の体制の概要および現状の体制を採用している理由  
当社は、監査役会設置会社として、取締役(会)および監査役(会)双方の機能の強化、積極的な情報開示等を通じ、ガバナンスの向上に取り組んでいます。

執行役員制度を導入し、経営意思決定および監督を担う「取締役(会)」と業務執行を担う「執行役員」の役割を明確化してグループ経営管理の強化を図ります。また、経営から独立した社外人材の視点を取り入れて監視・監督機能を強化し、透明性の高い経営を行うため、取締役13名のうち4名、監査役5名のうち3名を社外から選任しています。また、取締役会の内部委員会として、「人事委員会」「報酬委員会」を設置し、委員の過半数および委員長を社外取締役とします。

(2) 業務執行、監督の機能

イ. 取締役会

取締役会は、グループ全体の経営重要事項について議論、決定するとともに、取締役、執行役員の職務の執行を監督しています。これらの機能を一層強化するため、4名の社外取締役を選任しています。

ロ. グループ経営会議

経営方針、経営戦略、会社およびグループの経営に関する重要な事項について協議するとともに、執行役員による決裁事項についてグループ経営会議規程に基づき、報告を受けることにより具体的な業務執行のモニタリングを行っています。

ハ. 課題別委員会

業務執行上の経営的重要事項に関する協議および関係部門の意見の相互調整を図ることを目的に、課題別委員会を設置しています。委員会の協議結果は、必要に応じて担当役員が取りまとめ、取締役会、グループ経営会議等に報告しています。主な委員会は以下のとおりです。

・グループ経営モニタリング委員会(原則月2回)

当社が直接出資する子会社の取締役会および経営会議等の付議事項について報告を受け、グループ会社の財務の健全性、リスク管理および業務の適切性を確認します。

・リスク・コンプライアンス委員会(原則年4回)

グループのリスク管理状況・コンプライアンス態勢のモニタリングおよびこれらの重要事項の協議・調整等を行います。

・情報開示委員会(原則年4回)

財務情報をはじめとする当社の企業情報を適正に開示できるよう、社内の業務プロセスを検証し、内部統制の有効性評価を行います。

(3) 指名、報酬決定の機能

透明性確保のため、取締役会の内部委員会として社外取締役を過半数とする「人事委員会」および「報酬委員会」を設置しています。

・人事委員会

当社の取締役・監査役・執行役員の候補者および当社が直接出資する子会社の取締役・監査役の選任等の重要な人事事項について審議し、取締役会に助言します。

・報酬委員会

当社の取締役・執行役員の報酬および当社が直接出資する子会社の役員報酬体系等について取締役会に助言します。報酬委員会がその機能を十分に発揮するため、当社は、報酬委員会メンバーである社外取締役の所属企業(または法人)との間で取締役または監査役の相互兼任を行っていません。

(4) 監査・監督の機能

イ. 監査役会

監査役会は、常勤監査役2名、非常勤監査役(社外監査役)3名で構成されています。各監査役は、監査役会で定めた監査の方針・計画等に従い、取締役会その他の重要な会議への出席、重要な決裁書類等の閲覧、社内各部の監査、子会社の調査等により、取締役の職務の執行、内部統制等について監査します。なお、監査役は必要に応じて会社費用により外部アドバイザーを活用することができます。

ロ. 会計監査

有限責任あずさ監査法人を会計監査人に選任しました。なお、当該監査法人と当社との間には特別な利害関係はありません。

### III 株主その他の利害関係者に関する施策の実施状況

#### 1. 株主総会の活性化及び議決権行使の円滑化に向けての取組み状況

	補足説明
株主総会招集通知の早期発送	2010年6月29日開催の第2期定時株主総会では、6月7日に発送しました。
電磁的方法による議決権の行使	インターネットによる議決権行使を可能としています。
その他	ホームページに招集通知および招集通知の英訳を掲載しています。

#### 2. IRに関する活動状況

	補足説明	代表者自身による説明の有無
アナリスト・機関投資家向けに定期的説明会を開催	年2回、決算（年度・中間）発表後に実施しています。	あり
海外投資家向けに定期的説明会を開催	米国、欧州等の海外を訪問し、投資家向けに個別説明等を行っています。	あり
IR資料のホームページ掲載	ホームページに掲載するほか、アナリスト・機関投資家向けにニュースリリースのメール配信も実施します。	あり
IRに関する部署（担当者）の設置	広報・IR部内に専任担当者を配置しています。	

#### 3. ステークホルダーの立場の尊重に係る取組み状況

	補足説明
社内規程等によりステークホルダーの立場の尊重について規定	「経営理念」において、社会の発展と地球の健やかな未来を支えることを明記しています。
環境保全活動、CSR活動等の実施	当社および主たるグループ会社で環境マネジメントシステムの国際規格ISO14001の認証を維持しており、インドネシアにおいて植林活動も実施しています。本業を通じた地球環境保護の活動をグリーン電力基金への寄付と連動させる「Green Powerサポーター」などの取組みを行っています。
ステークホルダーに対する情報提供に係る方針等の策定	MS&ADインシュアランス グループ ディスクロージャー基本方針を策定し、インターネットホームページで開示しています。
その他	CSRに関わる報告を、インターネットホームページ上で広く開示します。

## Ⅳ内部統制システムに関する基本的な考え方及びその整備状況

### 更新 1. 「内部統制システムに関する基本方針」の概要

当社は、「内部統制システムに関する基本方針」において、会社法で定められる体制に加え、「財務報告の信頼性を確保するための体制」を体制整備の重要な視点として定めています。基本方針の概要は、以下のとおりです。

(1) 当社およびその子会社から成る企業集団における業務の適正を確保するための体制

イ. 当社は、グループ全体の事業を統括し、グループ全体の企業価値を最大化する観点から、当社が直接出資するグループ国内保険会社および関連事業会社(以下、直接出資会社という)に対し、適切に株主権を行使します。

ロ. 当社は、直接出資会社との間で経営管理契約を締結し、同契約に基づき、グループの基本方針について遵守を求めるとともに、直接出資会社の重要事項について、当社の承認または当社への報告を求めることとします。また、原則として、孫会社については、経営管理契約に基づき、直接出資会社が自らの子会社について適切に経営管理を行います。

(2) 取締役の職務の執行が効率的に行われることを確保するための体制

イ. 当社は、グループ経営計画を策定するとともに、その実現に向けて、事業分野別の目標数値を設定し、適切な経営資源の配分を行います。また、当社および子会社の業務執行状況を取締役に報告します。

ロ. 当社は、迅速な意思決定と適切なモニタリングを両立させるため、執行役員制度を導入するとともに社外取締役を選任し、取締役の員数を15名以内とします。

ハ. 当社は、取締役および執行役員の職務執行が適正かつ効率的に行われるよう、組織・職務権限規程等を制定し、遂行すべき職務および職務権限を明確にします。

(3) 取締役および使用人の職務の執行が法令および定款に適合することを確保するための体制

イ. 当社およびグループ会社は、当社の取締役会が策定する「MS&ADインシュアランス グループ コンプライアンス基本方針」に従い、全役職員に対しコンプライアンス意識の徹底に取り組み、法令や社内ルール等を遵守し、高い倫理観に基づいた事業活動を行います。

ロ. 当社は、当社およびグループ会社におけるコンプライアンスの推進・徹底を図るため、コンプライアンス統括部門などの組織・体制を整備し、グループ全体のコンプライアンス推進状況を定期的に取締役会に報告します。なお、コンプライアンス推進状況のモニタリングを行うためリスク・コンプライアンス委員会を設置するとともに、同委員会で確認された課題について必要な措置を講じます。

ハ. 当社およびグループ会社は、組織的または個人による不正・違法・反倫理的行為について、全役職員が社内の窓口および社外の弁護士に直接通報できるグループ内部通報制度を設けます。

(4) 損失の危険の管理に関する規程その他の体制(統合的リスク管理体制)

イ. 当社およびグループ会社は、当社の取締役会が策定する「MS&ADインシュアランス グループ リスク管理基本方針」に従って基本的な考え方を共有するとともに、各社の事情に応じて会社別のリスク管理方針を策定し、適切なリスク管理を実行します。

ロ. 当社の取締役会は、グループに内在する各種リスクを把握し統合的なリスク管理を適切に行うため、リスク管理部門などの組織・体制を整備します。また、リスクおよびリスク管理の状況をモニタリングするため、リスク・コンプライアンス委員会を設置し、同委員会における協議結果(統合リスク管理(定量)確認結果を含む)に基づき、リスクの回避・削減などの必要な措置を講じます。

ハ. 当社は、グループ会社の危機管理・事業継続計画の整備状況を確認するとともに、グループ全体の危機管理・事業継続計画を整備します。

(5) 財務報告の信頼性を確保するための体制

イ. 当社は、監査役のうち最低1名は経理または財務に関して十分な知識を有する者を選任します。

ロ. 当社およびグループ会社は、当社の取締役会が策定する「MS&ADインシュアランス グループ 情報開示統制基本方針」に従い、財務情報その他グループに関する情報を適時かつ適正に開示するための体制を整備します。

ハ. 当社は、公正な情報開示を担保するための情報開示委員会を設置し、当社およびグループ会社における財務報告に関する内部統制の整備・運用状況、ならびに情報開示統制の有効性を検証します。

(6) 内部監査の実効性を確保するための体制

当社およびグループ国内保険会社は、「MS&ADインシュアランス グループ 内部監査基本方針」に従い、グループ全ての業務活動を対象として内部監査体制を整備し、効率的かつ実効性のある内部監査を実行します。当社の内部監査部門は、当社およびグループ国内保険会社等が実施した内部監査の結果等のうち重要な事項、被監査部門における改善状況等を当社の取締役会に報告します。

(7) 取締役の職務の執行に係る情報の保存および管理に関する体制

当社は、文書管理規程を制定し、取締役および執行役員の職務の執行に係る文書その他の情報を適切に保存および管理します。取締役および監査役は、これらの情報を常時閲覧できるものとします。

(8) 監査役監査の実効性を確保するための体制

イ. 監査役を補助すべき使用人に関する体制

当社は、監査役の職務を補助するため、監査役室を設け専任の従業員を置きます。また、監査役室の独立性に配慮し、監査役室の組織変更、上記従業員の人事異動および懲戒処分を行うにあたっては監査役会の同意を得るほか、人事考課についても監査役会が定める監査役と協議の上行います。

ロ. 監査役への報告に関する体制

・取締役および執行役員は、法令に定める事項のほか、事業・組織に重大な影響を及ぼす決定、内部監査の実施結果、内部通報制度における通報状況および内容を遅滞なく監査役会に報告します。

・従業員は、経営上重大な不正・違法行為、会社に著しい損害を及ぼすおそれのある事実について、監査役会に直接報告することができるものとし

ます。

ハ. その他

・監査役は、グループ経営会議等の重要な会議に出席します。

・取締役会長、取締役社長および代表取締役は、監査役会と定期的に意見交換を行います。また、内部監査部門は、監査役から求められたときは、監査役の監査に協力します。

### 2. 反社会的勢力排除に向けた基本的な考え方およびその整備状況

(1) 反社会的勢力排除に向けた基本的な考え方

当社は、反社会的勢力排除のための体制整備に取り組み、反社会的勢力に対しては毅然とした姿勢で臨み、不当・不正な要求には応じない旨を全役職員に徹底します。

(2) 反社会的勢力排除に向けた整備状況

イ. 当社は、「MS&ADインシュアランス グループ 反社会的勢力に対する基本方針」において全役職員が共有する基本姿勢と対応方針を定め、社内外に公表しています。

ロ. 当社は、反社会的勢力による不当要求が発生した場合の対応を統括する部署を定めるとともに、反社会的勢力に関する対応マニュアルを定め、社内公表しています。

ハ. 当社は、平素から警察、暴力追放運動推進センター、弁護士等の外部専門機関と緊密な連携関係を築き、情報収集や相談を積極的に行える態勢を構築しています。

ニ. 当社は、反社会的勢力に関する社内研修を定期的に実施しています。

## **V**その他

### 1. 買収防衛に関する事項

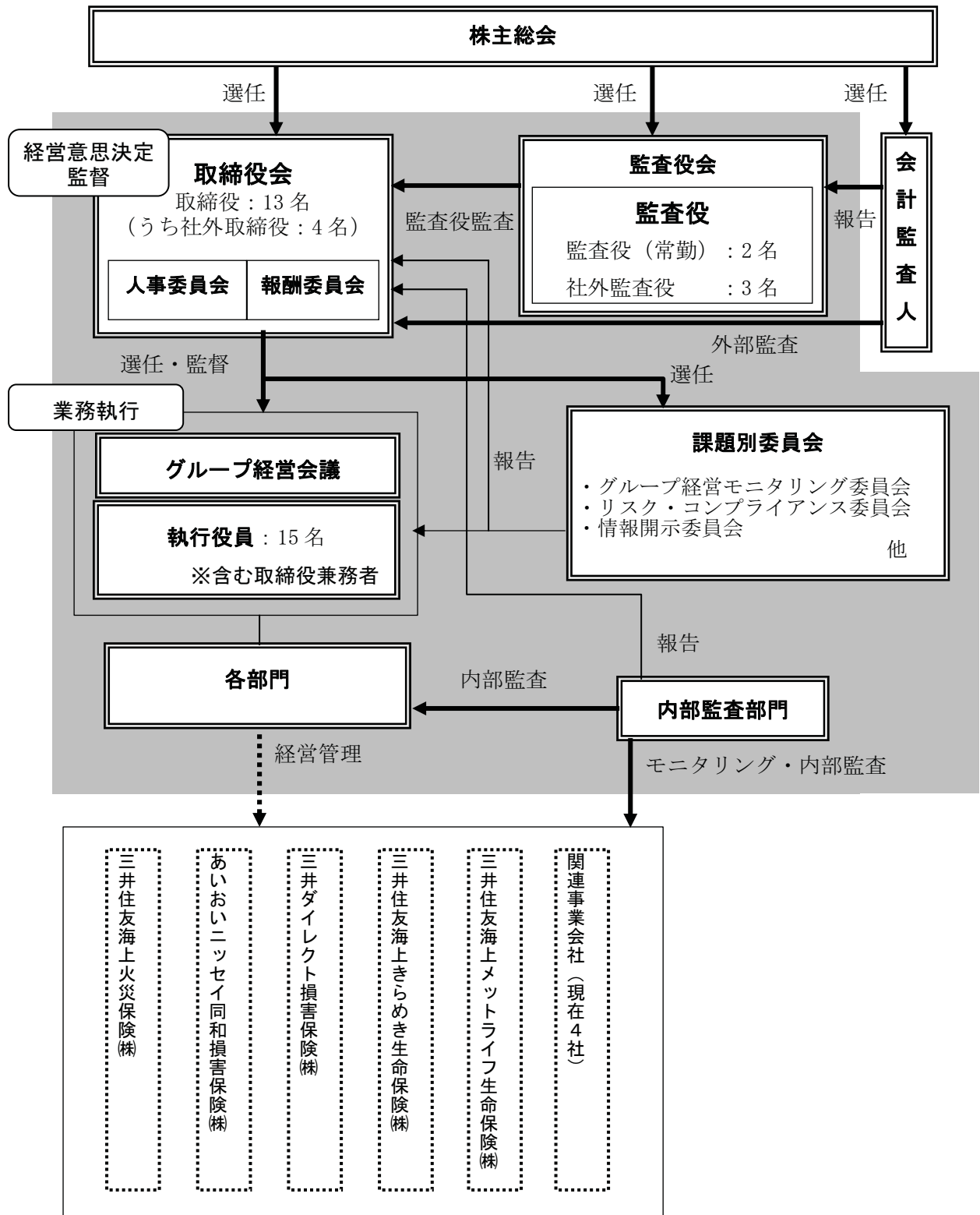
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### 2. その他コーポレート・ガバナンス体制等に関する事項

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**【当社の経営体制】**2010.10.1 現在



## 【適時開示体制の概要】

### 1. 基本的な姿勢

当社においては、情報開示に係るコンプライアンスの観点及び企業の社会的責任を果たすうえで、迅速、正確かつ公平な会社情報の開示を行うことが不可欠との認識のもと、開示書類を適時かつ適正に作成するための統制を構築するとともに、情報開示統制の有効性を評価し、開示書類の記載内容の適正性を確認するための情報開示統制及び手続に関する社内規程を制定しています。

### 2. 社内の統制

#### (1) 情報開示委員会

取締役会の決議により、情報開示委員会を設置しています。情報開示委員会は、企画部門・経理部門その他情報開示に関連する各部門を担当する役員及び部長並びに社外取締役により構成し、情報開示に関する審議や開示情報の適正性の検証等を行っています。

#### (2) 情報開示に関する統制及び手続

上記1. の社内規程に基づいて、以下の各部門がそれぞれの役割を果たすと同時に、部門内の統制の有効性や手続の適切性について定期的に検証しています。

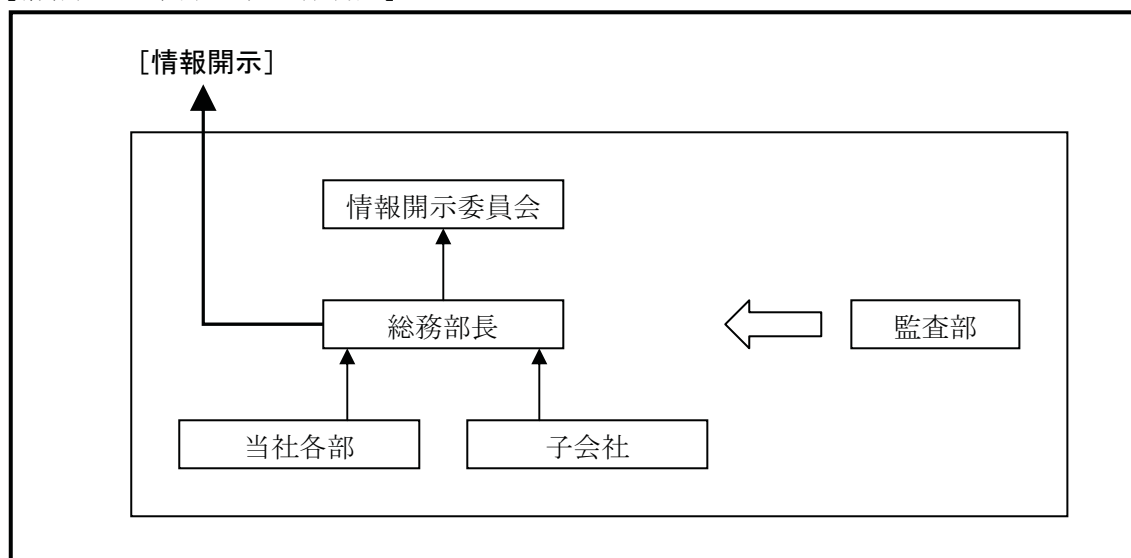
- ① 当社各部及び子会社は、取締役会・グループ経営会議への付議事項、担当役員への報告事項等につき、証券取引所が定める適時開示項目に該当するか否かを判断します。
- ② 上記①において、適時開示項目に該当すると判断した場合は、当社各部及び子会社は、その内容を総務部長に報告します。
- ③ 総務部長は、上記②の報告を受けたときは、適時開示の要否の最終判断を行い、適時開示項目に該当する場合は、所定の手続により、情報開示を行います。
- ④ 情報開示委員会は、適時開示を行う内容について報告を受け、その適正性を検証します。なお、必要に応じ、情報開示委員会において、事前に協議を行います。

#### (3) 情報開示に関する統制の監査

監査部は、定期的に、業務遂行状況、内部管理体制及び経営管理体制に関する内部監査を実施し、監査結果を取締役に報告します。



【情報開示に関する社内体制図】



## Stock Overview

[▶ Japanese](#)

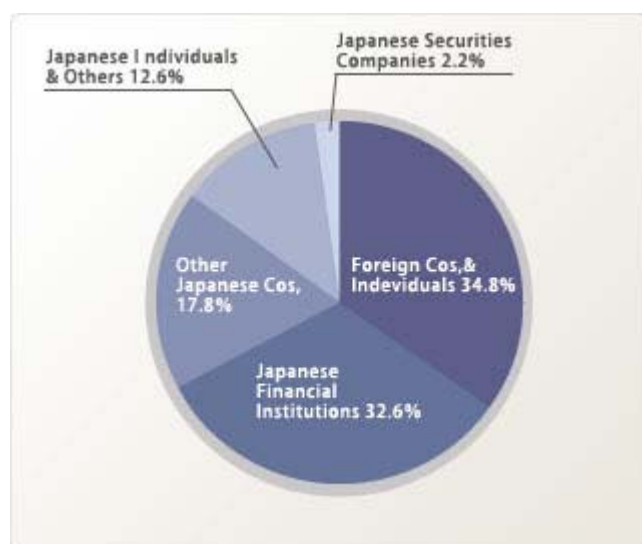
As of Sep. 30, 2010

Stock Exchange Listings	Tokyo, Osaka and Nagoya stock exchanges (first sections)
Securities Code	8725
Class of Stock	Common stock
Authorized Shares	900,000,000 shares
Issued Shares	633,291,754 shares
Number of Shares per Unit	100 shares
Fiscal Year	Apr. 1 to Mar. 31 of the following year
Date of Record for Dividends	Sep. 30 for interim dividends Mar. 31 for year-end dividends
Annual Shareholders' Meeting	Within 3 months of the end of each fiscal year
Administrator of Shareholders' Registry	The Sumitomo Trust and Banking Co., Ltd. (Kitahama 4-5-33 Chuo-ku, Osaka-shi)
Place of Business of Administrator of Shareholders' Registry	The Sumitomo Trust and Banking Co., Ltd., Stock Transfer Agency Dept. (Yaesu 2-3-1, Chuo-ku, Tokyo)
Contact	The Sumitomo Trust and Banking Co., Ltd., Stock Transfer Agency Dept. (Nikko-cho 1-10, Fuchu-shi, Tokyo 183-8701, Japan)

## Shareholding Profile

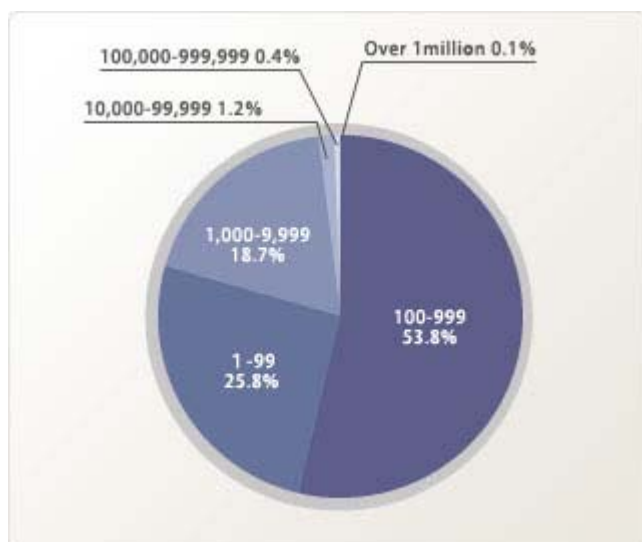
### Breakdown by Sector (Percentage of shares issued)

As of Sep. 30, 2010



### Breakdown by number of shares held (Percentage of all shareholders)

As of Sep. 30, 2010



#### Large Shareholders

As of Sep. 30, 2010

Shareholder Name	Shares Held (in thousands)	Percentage to Shares Issued(%)
TOYOTA MOTOR CORPORATION	52,610	8.31
Nippon Life Insurance Company	36,325	5.74
Japan Trustee Services Bank, Ltd. (Trust account)	30,843	4.87
The Master Trust Bank of Japan, Ltd. (Trust account)	29,654	4.68
STATE STREET BANK AND TRUST COMPANY	22,724	3.59
STATE STREET BANK AND TRUST COMPANY 505225	9,919	1.57
NATSCUMCO	9,037	1.43
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	8,474	1.34
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	7,825	1.24
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	7,052	1.11
Total	214,468	33.87

Note: Shares Held are shown as rounded down; Percentages to Shares Issued are shown as rounded to the nearest hundredth percent. Apart from the shares shown above, the company holds 11,361 thousand shares (1.79%) as treasury shares.

## Dividends

Search

▶ Japanese

### Dividend Policy

Based on the "Capital Management Policy", the Company aims to maintain an increasing trend of dividends by enhancing profitability over the medium term, while maintaining a stable level of dividend per share.

### Capital Management Policy

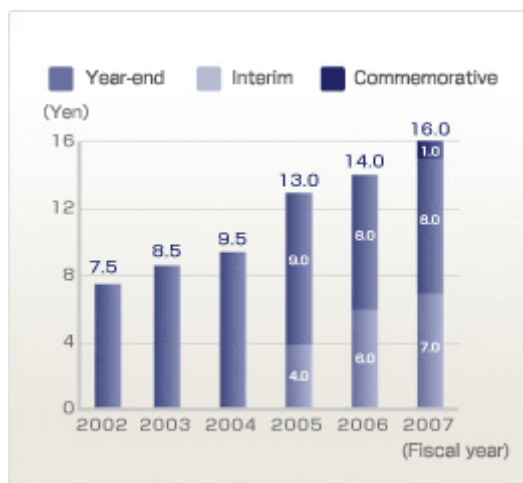
- Allocate resources to high-growth areas both in Japan and overseas, aiming to become a global insurance and financial services group, while seeking to enhance the growth and business diversification of the Group.
- Enhance the risk/capital management structure to secure financial soundness of the Group, while going on with further reduction of risk-weighted assets and good use of capital, with a view to improving the capital efficiency of the Group.
- Return to shareholders approximately 50% of Group Core Profit over the medium-term through dividends and share buyback.

(Extract from the [Master Integration Plan \(PDF file 329KB/22pages\)](#))

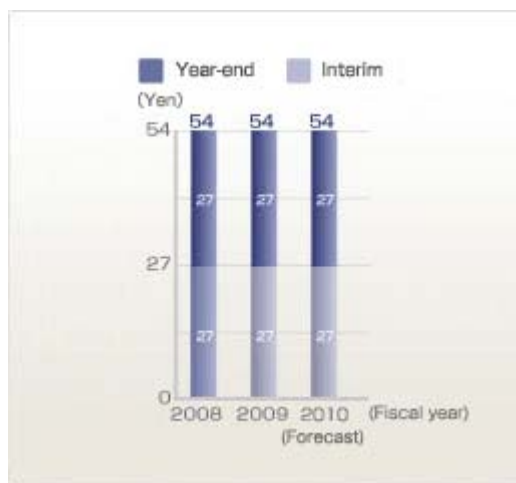
### Track Record of Dividends (ref.)

The charts below show the track record of the Company in dividends per share.

As of September 30, 2010, dividends for FY2010 (Year- interim and year-end ) represents the forecast by the Company.



<MSI>



<MS&AD (from FY2010)>

<MSIG (FY2008 & FY2009)>

\* The FY2007 dividend per share of ¥16.0 is equivalent to ¥53.3 on an MSIG basis.

[Track record of dividends \(Aioi insurance FY2005 to FY2009\) \(Excel File 14KB\)](#)

[Track record of dividends \(Nissay Dowa General Insurance FY2005 to FY2009\) \(Excel File 14KB\)](#)

## Growth with Our Employees

Search

The element supporting improvement of quality at points of contact with customers is the growth of each and every employee.

### Basic Perspectives and Policy

We believe creating a working environment that helps employees feel their own growth and gives them a sense of fulfillment will lead to the growth of the MS&AD Insurance Group.

[Detailed information](#)

### Employment Situation

The hiring practices of the MS&AD Insurance Group are transparent, fair, and people-centered.

[Detailed information](#)

### Human Assets Development

We strive to heighten the professionalism of each and every employee, and to maximize the total power of the organization.

[Detailed information](#)

### Support for Challenges

We nurture the growth of a corporate culture in which each and every employee takes up challenges as a professional.

[Detailed information](#)

### Approaches to Human Rights

Through education about human rights, we develop conscientious employees who respect fundamental human rights and take action with a keen awareness of them.

[Detailed information](#)

### Building a Friendly Working Environment

A good work-life balance is indispensable for employees to be able to work with pride and fulfillment.

[Detailed information](#)

## Basic Perspectives and Policy

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While accepting diverse outlooks on value, the MS&AD Insurance Group has a full assortment of training and other provisions to help employees take up challenges, and provides measures of nurturing and support so they can work professionally with a sense of pride and fulfillment.

MS&AD New Frontier 2013, the Group's medium-term management plan, positions employee growth as one of its basic strategies.

- Foster a corporate culture under which every single employee tackle challenges as a professional.
- Create a group that its members are proud of and want to work for and in which employees and agents can grow with the Group.

Excerpt from MS&AD New Frontier 2013, the Group's medium-term management plan

## Employment Situation

### Basic Perspectives and Policy

The hiring practices of the MS&AD Insurance Group are transparent, fair, and people-centered.

#### Hiring of New Graduates

MSI engages in transparent, fair, and people-centered hiring practices under the watchwords "tough spirits, big heart". The company aims to secure human assets\* endowed with an international perspective, good powers of independent thought and action, and an ability to help pioneer the new age.

Aioi Nissay Dowa bases its hiring practices on the recognition that talented human assets are the most important factor in building a company that places customer-focused, and improving the quality of our services. The company is committed to hiring diverse human assets with individuality and a drive to take on new challenges.

\* Human assets: The MS&AD Insurance Group uses this term instead of "human resources", in keeping with its intention of cherishing each and every employee.

#### Internship

MSI implements a one-day internship program in which students can learn about the non-life insurance business and get firsthand experience of the social worth of such insurance. In fiscal 2010, the program drew the participation of about 1,800 students from across Japan. About 150 students took part in an overnight (one night and two days) internship program that brings interns closer to the actual work of sales and claims handling.

#### Communicating management vision, corporate culture, and other information about the company

Aioi Nissay Dowa is committed to hiring diverse human assets with individuality. The company actively communicates its management vision and corporate culture by publishing employment information for new graduates on a dedicated employment opportunities website, expanding and enhancing its seminars and opportunities for employee visits, and enhancing partnerships with career counseling departments of universities.

#### Round table seminars with employees

Aioi Nissay Dowa holds seminars at which small groups of potential hires can hold a dialogue with its employees. The goal of these seminars is to improve university students' understanding of insurance-related jobs. About 600 employees and about 14,000 students have participated in the seminars.

#### Employee visits by web

About 1,100 of the MSI employees post profiles of themselves on the hiring page of the company website. The company has prepared a system under which students can freely select employees they would like to meet and pay visits to them during a four-month period (from December 2009 to March 2010). In fiscal 2009, about 3,200 students made use of this system, which many said was extremely helpful for learning about the nature of the work and the corporate culture.

#### Support for growth after making preliminary provisional job offers

With the goal of supporting the growth of students until they enter the company, Aioi Nissay Dowa holds seminars in August for university students to which it has made preliminary provisional job offers, and in October it holds a ceremony for those who have received provisional job offers and a seminar for those individuals on the same day. Distance training and other programs are used to improve the knowledge, awareness, and skills of provisional hires before entering the company.

The number of newly-hired employees (new graduates)

Unit: persons

	April, 2008	April, 2009	April, 2010
MSI	672	720	488
The former Aioi	195	406	216
The former Nissay Dowa	238	238	110
Mitsui Direct	0	10	0
MSI Kirameki Life	26	46	50
Aioi Life	1	0	1
MSI MetLife	0	0	0

The number of employees (March, 31, 2010)

Unit: persons

MSI	15,151
The former Aioi	9,346
The former Nissay Dowa	4,445
Mitsui Direct	473
MSI Kirameki Life	1,355
Aioi Life	367
MSI MetLife	474

#### Rehiring Program

The program for rehiring employees who have reached retirement age allows employees who so desire to continue exercising their talents by applying the experience and skills they have accumulated in their past work. MSI and Aioi Nissay Dowa are running the following respective programs.

MSI has a program to rehire employees after they have reached retirement age. Employment contracts can be renewed in accordance with such factors as the company's operating needs and the nature of the job, enabling employees to work until a maximum age of 65.

Aioi Nissay Dowa's rehiring program of retired employees enables employment contracts to be extended to a maximum age of 65.

Actual data for use of the rehiring program of retired employees

Unit: persons

	Additional cases of rehiring in April 2010	Continued rehiring in April 2010
MSI	62	163
The former Aioi	58	75
The former Nissay Dowa	19	48
Mitsui Direct	6	24
MSI Kirameki Life	1	1
Aioi Life	4	6



**Employment of the Challenged**

The MS&AD Insurance Group companies continue to engage in hiring activities to expand and anchor places of employment for the challenged. They are also conditioning workplaces and developing duties to facilitate work by challenged persons.

As of 1 April 2010, challenged employees numbered 210 at MSI and 237 at the former Aioi, for employment rates of 1.87% and 1.91%, respectively.

## Human Assets Development

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### Basic Perspectives and Policy

We endeavor to develop human assets toward the goals of heightening levels of professionalism among each and every employee, pursuing betterment as opposed to remaining complacent with the status quo, and maximizing the total power on the organizational level as the aggregate of individual capabilities.

### Education and Training

#### Education and training for the management layer

In the interest of more careful grooming of subordinates and younger employees, MSI's personnel assessment system lays more emphasis on the role of human assets development. Similarly, superiors appoint certain employees to serve as "brother/sister" colleagues and coach newly hired employees for smooth familiarization with the workplace and acquisition of the requisite knowledge and skills.

We consider communication important even in routine management duties performed by unit heads. We continue to implement the management training begun in fiscal 2007 to hone the communication skills of managers. In fiscal 2009, the program had unit heads look back on their own management work and deepened their understanding of the basic principles of management.

#### Trainee systems

MSI has the In-house Trainee System that enables employees to experience work in which they have not engaged so far and workplaces not heavily involved in their own work, to assist their career development. One participant said that firsthand experience of each other's work deepened mutual understanding of positions and his appreciation of the importance of his own work. Another commented that the training enabled him to learn the perspectives and thinking typifying other departments but not found in his own. Fiscal 2008 saw the start of a trainee system for training of employees of one Group company at another one. In fiscal 2009, trainees numbered 387 in the In-house Trainee System and 15 in the Group Trainee System.

#### Career Development Program

Aioi Nissay Dowa implements the Career Development Program (previously called the "IOI Career Development Program") as a framework for lifelong human assets development for its employees. The program aims to support the improvement of individual capabilities and achievement of life plans. It includes the Layer-specific Training, Career Design Seminars, and the Career-building System which helps employees obtain requisite qualifications. The company is going to continue planning and implementing curricula adapted to the needs of the times and its employees. Its target vision is employees who learn and think by themselves, take up challenges, and continue to grow. To this end, it is striving to develop employee capabilities and produce "human assets" befitting a world-class insurance and financial group.

More specifically, Aioi Nissay Dowa provides training to groom female employees for management positions by instilling the proper awareness and increasing management understanding and motivation, as well as training aimed at developing candidates for next-generation executive positions.

The career design seminars are opportunities for the participants to take a retrospective look at their corporate life to date and think for themselves about future career-building.

## Support for Challenges

The MS&AD Group has instated various programs to enable employees to achieve their own ideals. These programs provide back-up for employee career-building.

### Programs to Support Employees Taking up the Challenge of New Posts or Categories

#### Post Challenge Program

MSI's Post Challenge Program provides support for career-building by employees who have a strong challenging spirit and have recorded a certain amount of achievement in their current position. The program allows such employees to freely apply for posts of their choice and take up the challenge of getting them. Besides the job descriptions and requisite skills, the intranet displays comments by employees who have actually utilized the program. In fiscal 2009, the program attracted 198 applicants and resulted in transfer of 30 of them.

Number of applicants and transferees under the Post Challenge Program			Unit: persons
	FY2007	FY2008	FY2009
All-area employees/ Area-specific employees (Type I)	121 (17)	118 (15)	130 (16)
Area-specific employees (Type II)	67 (10)	82 (15)	68 (14)

\*Figures in parentheses indicate the number of employees transferred to new posts.

#### In-house application system (Challenge Entry System)

Aioi's Challenge Entry System enables employees who desire specific units or posts, or are interested in specific themes, to make application for them and reflect their wishes in personnel reposting. The scheme is one of interactive application aimed at unearthing human assets with high levels of motivation and specialization. The company announces the prerequisites for specialized knowledge and capabilities, and makes appointments from among the employees filing applications. In fiscal 2009, nine employees were given appointments through this system. This raised the cumulative number of such employees since instatement of the system to 162.

#### Program for change of employment category

This program was established at MSI to support employees who want to take up the challenge of higher goals and broaden their sphere of activity. Employees in the area-specific (Type I or II) or part-time (termed "job partners" in the company) category who so desire can use it to change their employment category after passing a prescribed screening. Some employees in the area-specific (Type II) (the former operations) category want to switch to the area-specific (Type I) (the former regional career-track) category. For such employees, the company's Step Up Job System gives the candidates who will be faced with work in the all-area employee (the former career-track) category for the first time a one-year period of preparatory experience. During this period, the company also provides follow-up support by implementing group training, for example.

The company augmented the program for change of categories. As a result, employees who made the transition with use of the Step Up Job System numbered 14, and 13 of them changed their categories in fiscal 2009. In fiscal 2010 the number of employees using the same system was 10.

Implementation of the program for change of employment category		Unit: persons		
Status of application and change		FY2008	FY2009	FY2010
The number of applicants for Program for change of employment category		59	54	37

Number of employees making the transition with Step Up Job	18	14	10
Number of employees changing employment categories	17	13	-

### Goal Challenge Program

MSI's Goal Challenge Program is a setup for helping employees to set high goals and take up the challenge of their attainment. The employee and his or her superior engage in direct dialogue three times a year. In this dialogue, the employee clearly defines his or her goals. The objective is to make the screening decisions more convincing and fair in the eyes of the employees, and link this to their growth.

In this program employees perform the goals they set themselves, which presumably helps to root a corporate culture keyed by a challenging spirit, initiative and self-reliance, and emphasis on speed.

In addition to the daily communication with superiors, MSI arranges opportunities for direct dialogue between the two. This dialogue offers support for employees who want to work in new domains or play bigger roles, strengthens their motivations, and helps them to feel more fulfilled on the job.

### Program for Overseas Training

To produce specialists in each field equipped with an abundance of cosmopolitan sense and expertise, MSI has established MS Business University, a training program for sending all-area employees to in-house and external sites in Japan and other countries. Aioi Nissay Dowa, too, has a program for overseas training under which it sends employees to the United States and China, for example. The program's objective is to have these employees get language skills, survey and research the host-country society, and acquire knowledge about insurance in them. Aioi Nissay Dowa's MBA Study Program sends employees who have passed the in-house screening to universities to earn MBA degree (two-year course).

### Direct Employment of Part-timers

Since July 2009, MSI has been employing, directly as a general rule, part-timers (termed "job partners" in the company) contracted through temp staff firms. The company hopes to have other staff in the workplace and part-timers deepen communication with each other, acquire a good understanding of each other's work and position, and further heighten the quality of their work.

### Communication with Employees

Each year, MSI conducts the Survey of Staff *Hatz-ratz* Spirit with all employees.

In fiscal 2009, the survey focused on the questions of whether values that ought to be treasured are being shared and whether employees are working energetically (*hatz-ratz*) and with a sense of purpose. It reaffirmed that the employees generally shared the desire to win the customer's trust by doing work from the customer's perspective and were coming to form career targets for the future. Besides working to have the mindset and behavior of each employee reflect these results, the company is using them as the basis for a check of the effectiveness of various programs and measures, and further reinforcement of approaches.

## Approaches to Human Rights

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### Education about Human Rights

#### Human rights seminars

As a company that respects human rights, MSI holds seminars to educate employees about them and takes other action to see that its employees respect basic human rights and act conscientiously and with an awareness of them.

The organization for promoting these seminars consists of the Human Rights Education Seminar Promotion Division instituted in the Head Office (the secretariat is within the Human Resources Department) and Committees for Promotion of Human Rights Education in each branch and department (chaired by the general managers of branches and departments). This setup serves as the framework for on-going and organized approaches.

The company provides workplace seminars for all employees and layer-specific seminars for individual groups such as new hires and newly appointed managers. It also holds seminars for specific divisions as necessary. In fiscal 2009, the main themes of the workplace seminars were "human rights problems as viewed from the standpoint of familiar issues" and "problems of sexual harassment" .

Aioi Nissay Dowa promotes corporate activities based on respect for the human rights of employees and all other stakeholders. Besides fair screenings in hiring, it is aiming for a corporate culture that is free of discrimination, fair, and fulfilling. It set up the Human Rights Promotion Conference in the head office organization and prepared a scheme for coordination with sub conferences established in each division. Under this setup, it engages in educational activities in forms such as introductory seminars for newly hired employees and uniform seminars for all employees.

In particular, the company holds an e-learning seminar in units of workplaces. In fiscal 2009, the theme of this seminar was "thinking about human rights in the workplace" .

#### Sexual harassment and power harassment consultation

At MSI, the Staff Consultation Office serves as the channel for consultation about and handling of sexual harassment and power harassment cases. Matters are arranged so that employees who feel victimized can consult staff there with peace of mind. Preparations are made for swift performance of fact-finding investigations. The company is also making efforts for prevention. The layer-specific seminars are led by members of the Staff Consultation Office, who act as teachers and educate the employees about prevention of harassment. The plans for fiscal 2010 call for the implementation of MS1-Learning (an e-learning program) based on a manual for prevention of sexual harassment in addition to the seminars, in order to see that all employees have a keen awareness of prevention.

At Aioi Nissay Dowa, consultation services for victims of sexual harassment are outsourced to an external organ to enable the employees to use them without any reluctance. The organ is staffed with expert counselors who provide consultation services for solution of the problem. Since July 2007, the Employee Assistance Program (EAP) Center instituted within the Personnel Department also has a desk especially for consultation about sexual and power harassment, and has been taking steps to heighten the degree of employee satisfaction in the workplace.

## Building a Friendly Working Environment

The formation of an employee's career is greatly influenced by developments in his or her personal life, such as marriage, childcare, and nursing. Family interaction and growth as a human being through contact with the community are also vital for career development.

The MS&AD Insurance Group accepts diverse employee outlooks on value and has made arrangements for striking a good work-life balance. We give all employees so motivated the opportunity to grow and exercise their talents on the job.

### Perspectives on Work-life Balance

We are conditioning work environments and augmenting measures of support so that employees will be able to work energetically while striking a good balance with their private-life activities.

#### Approaches to creation of margin

We think performance of expected roles and achievement of results during limited hours heightens the employee's sense of fulfillment. MSI encourages its employees to go home early in August, November, and February, which it has designated as months for creation of margin, and treats Wednesdays and Fridays throughout the year as no-overtime days. The company's intranet introduces cases that serve as good practices for more efficient work to create more time. In each workplace, meetings are held on the work-life balance twice a year.

#### Support for diverse work styles

##### Posting of substitutes for employees on childcare leave and provisions for shorter hours

To make it easier for female employees who are going to give birth to take childcare leave, MSI has their substitutes work with them starting three months before the maternity leave, to get fully accustomed to the duties. If they opt for shorter hours upon their return to the workplace, the substitutes continue to sub for them until the end of the fiscal year in which the child turns three years old.

The provisions for shorter hours give employees a choice of six patterns. MSI has taken steps enabling employees on leave for childcare to access the intranet at home, in order to allay their apprehensions about returning to the workplace. These full provisions related to childcare are behind the steady increase in the number of employees taking advantage of them every year.



Handbook on work-life balance

##### Recertified as a company supporting the development of the next generation

To attain the goals contained in its General Business Owner Action Plan, Aioi Nissay Dowa instated provisions for shorter hours, rehiring of employees who reach retirement age, and leave for volunteer work, among other things. In March 2010, the company was again certified by the director of the Tokyo Labour Bureau as a company actively striving to support the development of the next generation. It immediately formulated its third General Business Owner Action Plan and embarked on efforts toward achievement of its goals.



Accreditation mark "KURUMINN"  
for a company actively striving to support  
the development of the next generation

### Provisions for change of place of employment

In fiscal 2007, Aioi Nissay Dowa introduced provisions for a change of place of employment entitled "Ai Move". The provisions enable area-specific employees\* (previous category: fixed area type employees) to move and continue working for the company instead of quitting when they are compelled to move for reasons such as the transfer of their spouse or care for aged parents. Previously, fixed area type employees could not change their place of employment as a general rule. As a result, many could not continue to work and had to quit if they were compelled to move due to the transfer of their spouse or other reasons. The new provisions are helping to support employees' work-life balance as well as to stem the efflux of first-rate personnel.

\* Area-specific employees: employees who are not subject to transfer entailing a change of residence

### Papa Preparation Leave—leave to prepare for the spouse's childbirth

To assist employees who prize a good work-life balance and want to be actively involved in childcare, Aioi Nissay Dowa instated Papa Preparation Leave, a provision for leave so husbands can prepare for impending childbirth by their wives. The husband is given one day of the week before the scheduled day of birth off with pay, to allow him to support the family as the father beginning before the birth of his child. At the same time, to make it easier for employees to take leave for childcare, the company started to offer such leave with pay for up to five days. Aioi Nissay Dowa is also making other arrangements for environments facilitating energetic work by employees, such as measures to assist them with expenses for childcare and nursing services.

### Environmental conditioning to help employees keep their jobs while raising children

In fiscal 2008, Aioi Nissay Dowa launched its Job Return Support Program with a view to erasing all sorts of worries and assisting a smooth return to work by employees who take childcare leave. The Program provides a guidebook setting forth what employees on childcare leave can do and what assistance is available from the company (i.e., superiors and workplaces). It also encompasses discussion with superiors and provision of information on activities in the company during leave. The idea is to assist the smooth return to the workplace and enable employees to have a full life both on and off the job.

In March 2008 the nursery school on the premises of Aioi Nissay Dowa opened its doors in the building housing the Contact Center Department in the Hikarigaoka district of Nerima Ward. Named Kids Club (the former Aioi Kids Club), the facility was established to allow employees to raise children without quitting their jobs and help them to work as energetically as always. It is positioned as a means of supporting higher levels of activity by employees. Because it is in the same building as the office, the employees can take their children along to work and immediately come to see what is wrong if the kids feel out of sorts.



The nursery school at Aioi Nissay Dowa

## MSI

### Actual use of main programs for a good work-life balance

Unit: persons

	FY 2007	FY 2008	FY 2009
Leave for childcare	69	131	137
Leave for nursing	4	4	5
Provisions for shorter hours	9	59	90

## The former Aioi

### Actual use of main programs for a good work-life balance

Unit: persons

	FY 2007	FY 2008	FY 2009
Leave for childcare	88	87	127
Provisions for shorter hours for childcare	62	81	127
Papa Preparation Leave	-	-	13

## The former Nissay Dowa

### Actual use of main programs for a good work-life balance

Unit: persons

	FY 2007	FY 2008	FY 2009
Leave for childcare	27	19	28
Provisions for shorter hours for childcare	10	7	17

## Promotion of Female Employees' Activity

### Support for activity by female employees

In December 2009, the three companies MSI, the former Aioi, and the former Nissay Dowa held a three-company meeting for sharing of consolidation experience. And in July 2010, they prepared a tool to support more extensive activity by female employees as part of their approaches to this end.

Titled "Happy Career + Happy Life—Thinking about Careers", the tool carries interviews with female employees at the three companies as well as perspectives on and approaches to career-building.

The three companies are working to deepen understanding for promotion of a wider role for women at all workplaces, inclusive of their male employees.

Aioi Nissay Dowa has instituted the Women's Activity Promotion Office to further bolster support and initiatives for activity and exercise of capabilities by female employees. The company is taking the occasion presented by the Office's institution not only to strengthen support for female employees aiming for management positions but also to develop a diversity of activity models and expand the range of sites of activity and styles of work for them. The company also provides various tools for the purpose of encouraging understanding of the need for and orientation of promoting a wider role for female employees as well as programs to help them keep their jobs while raising children and work style options. In addition, it provides training for female employees hoping to be promoted to management posts, "challenge" training for those trying to enter the section head layer, and other training for career-building and improvement of management skills, in order to expand appointments of women to positions of leadership.



#### An example of approaches to support for activity by female employees

At MSI, the Women's Action Team was organized within the Human Resources Department. Its goals are to assist the growth of both employees and company by helping employees to grow through their work and exercise their skills to the fullest, and to make MSI a company where motivated employees can take up challenges at various stages. We hope to provide female employees with support for attempting challenging new work so that they can taste the feeling of accomplishment, avoid imposing undue limits on their own potential, and steadily move forward.



Makiko Baba  
Team Leader, Women's Action Team, Human Resources Department, MSI

#### Share of all employees and management positions occupied by women (as of 1 April 2010)

	Share of all employees occupied by women	Share of all management positions occupied by women (figures in parentheses indicate number of persons)
MSI	48.3%	1.3% (55)
The former Aioi	47.5%	3.0% (80)
The former Nissay Dowa	47.0%	1.5% (13)

#### Number of employees taking time off with pay

We encourage employees to take time off with pay in a systematic manner as part of our policy for building a friendly working environment.

#### MSI

#### Number of days off with pay taken by employees in each category (April 2009 - March 2010)

Employee category* <sup>1</sup>	Average number of days taken off		
	Carry-over and ordinary total	Accumulated	Special days off* <sup>2</sup>
All-area employees (Type I)	1.62	0.17	9.85
Area-specific employees (Type I)	3.42	0.25	10.99
Area-specific employees (Type II)	6.86	0.40	11.63
Sales and claims support	4.05	0.00	10.86
Exclusive duty I	7.20	0.15	11.54
Average number of days of above categories	4.63	0.19	10.97
Average number of days of all employees	5.71	0.21	10.87

\*1) Indication of only categories with at least 100 employees. However, average number of days of all employees consists of all categories.

\*2) Figures for special days off are totals for summer vacation and other days off.

#### The former Aioi

Number of days off with pay taken by employees in each category (April 2009 - March 2010)

Employee category* <sup>1</sup>	Days off with pay	Average/ Special days off for sickness	Special days off* <sup>2</sup>
Nationwide employees	2.33	0.07	8.97
Fixed area type employees	6.19	0.09	11.47
Career employees	14.71	0.00	6.89
Claims-dedicated employees	5.53	0.08	11.16
MI employees	6.09	0.01	9.92
Part-time staff	8.03	0.00	6.35
Premium collection staff	7.19	0.00	0.77
Contract-base employees	8.63	0.01	3.52
Average number of days of above categories	5.49	0.06	8.52
Average number of days of all employees	5.46	0.06	8.48

\*1) Indication of only categories with at least 100 employees. However, average number of days of all employees consists of all categories.

\*2) Figures for special days off are totals for summer vacation and other days off.

\*3) Employee categories represent those of former Aioi.

#### The former Nissay Dowa

Number of days off with pay taken by employees in each category (April 2009 - March 2010)

Employee category* <sup>1</sup>	Days off with pay	Special days off* <sup>2</sup>
Nationwide employees	3.00	4.97
Managers	9.24	6.55
Area-specific employees	7.84	6.03
General part-time staff	10.71	6.31
Part-time adjusters	8.03	5.31
Contract-base employees	9.45	6.12
Average number of days of above categories	6.30	5.61
Average number of days of all employees	6.14	5.53

\*1) Indication of only categories with at least 100 employees. However, average number of days of all employees consists of all categories.

\*2) Figures for special days off are totals for summer vacation and other days off.

\*3) Employee categories represent those of former Nissay Dowa.

## **Workplace assimilation by the physically challenged**

MSI established a unit called Team WITH to assist the acceptance and assimilation of physically challenged employees in the workplace.

The members of Team WITH engage in dialogue with superiors and the challenged themselves in the workplace, and take action such as preparation of a manual for workplace assimilation.

Once a year, they conduct training for employees with hearing impairments. In fiscal 2009, they provided training on the themes of "commentary on amendment of the Insurance Act" (for specialized knowledge) and "improvement of communication capabilities" (for basic skills).

## **Approaches to mental health**

The MS&AD Insurance Group strives to breed workplace environments facilitating energetic work by all employees in good physical and mental health. In our view, mental health care is not merely a matter of disease prevention and countermeasures; we think workplaces marked by good communication and facilitating work with peace of mind are also effective for assuring mental health.

### **Mental health care programs**

As part of their provisions for employee health care, each group company has established health management centers and employee consultation offices (or officers). The holding company has likewise established a health management center and employee consultation office, and is making efforts to see that employees throughout the Group have access to mental health care of uniform quality.

The health management centers are staffed with full- and part-time industrial physicians and industrial nurses, and stay with the employee over the entire process from initial consultation to reinstatement in the workplace.

Although they are ready for consultation on any matters, the employee consultation offices emphasize support for reinstatement in the workplace, and work in collaboration with the health management centers.

### **Activities to prevent mental illness**

MSI provides separate training in mental health care and stress management led by full-time industrial physicians and nurses as well as the head of the employee consultation office in each layer, division, and region.

Its website displays a stress checking system employees can use to easily ascertain their own stress level and take steps for their own care.

In fiscal 2010, the company added a mental health manual to its website and started an in-house correspondence course using this manual.

The full-time industrial physicians and nurses regularly make the rounds of workplaces to learn of the employee health status and workplace environment. If necessary, they also offer guidance and advice for improvement.

In its e-learning system, Aioi Nissay Dowa has incorporated issues related to mental health in its "master program" for all employees, and is implementing the same.

The Personnel Department provides training about mental health in the context of programs for newly appointed line section heads and line department managers. In addition, the company has constructed a setup for ready consultation by employees about mental health, by intranet display of contact information for the in-house consultation organ (the EAP Center) and outsourced consultation organ (IMF).

### **Health management and follow-up services for employees with mental health problems**

In MSI's setup for health management and follow-up services, employees experiencing difficulties are instructed to get a proper diagnosis of their condition by the physician in charge, and industrial nurses regularly check their condition during their rehabilitation. In the period of recovery, it also furnishes follow-up services for reinstatement in the workplace based on cooperation between the health management center and the employee consultation office.

## Contribution to Local and International Communities

Search

As a member of local communities and the international community, the MS&AD Insurance Group assists their sustainable growth through activities of social contribution.

### Basic Perspectives and Policy

In our view, action by each employee as a citizen of the local community is a precious opportunity for learning the issues in that community.

[Detailed information](#)

### Social Contribution through Our Core Business

The MS&AD Insurance Group makes efforts for contribution to customers and local communities with full application of its technology and know-how.

[Detailed information](#)

### Support for Social Contribution Activities by Employees

Various provisions are in place to support activities of social contribution by employees.

[Detailed information](#)

### Social Contribution Activities in the Cultural and Welfare Fields

We support various activities in these fields.

[Detailed information](#)

### Responsibility in Transactions

We are committed to fair and just transactions based on bonds of mutual trust with the transaction partners.

[Detailed information](#)

## Basic Perspectives and Policy

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As a member of local communities and the international community, the MS&AD Insurance Group assists their sustainable growth through activities of social contribution it leads. The Group also has made various provisions to support activities of social contribution by its employees.

## Social Contribution through Our Core Business

The MS&AD Insurance Group is taking various approaches for contribution to its customers and local communities by drawing on the technology and know-how of the Group companies. As a non-life insurance enterprise handling automobile insurance and life insurance enterprise involved with life and medical care, we regard the prevention of preventable accidents and assistance with correct knowledge of and arrangements for medical care as important parts of our social mission.

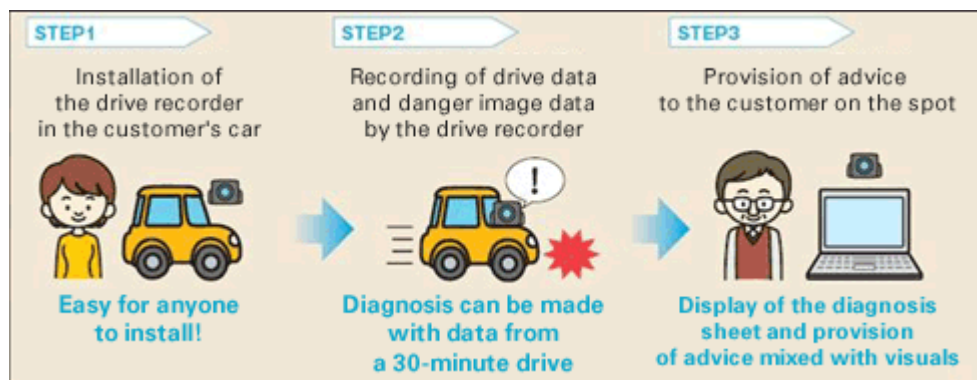
### Approaches Related to Traffic Safety

#### Provision of automobile risk management services to corporate customers

For companies, reduction of automobile accidents is linked to a decrease in the cost of insurance premiums and other items as well as economic loss. MSI and Aioi Nissay Dowa provide various services in automobile risk management to corporate customers. Besides collaborating with the InterRisk Research Institute & Consulting, Inc., a member of the Group, in consulting services with the aim of preventing and reducing traffic accidents, the companies send instructors to accident-prevention seminars hosted by corporate customers and makes assessments of driving aptitude.

#### Driving-diagnosis service for personal customers

In fiscal 2010, MSI launched driving-diagnosis service utilizing of a simple type of drive recorder, provided to personal customers through agents.



Driving-diagnosis service for personal customers (conceptual diagram)

#### Campaign for customer education in safe driving

MSI is deploying a campaign for education in safe driving. In this campaign, it is advocating safe driving habits among customers and promoting measures to prevent traffic accidents. In fiscal 2009, it prepared a cartoon leaflet describing safe eco-driving, which improves fuel efficiency and prevents accidents through moderate driving that is friendly to the global environment, and advocated safe driving to customers through its agents nationwide.



Since fiscal 2005, Aioi Nissay Dowa has been conducting a nationwide campaign to enhance awareness of traffic safety and support activities to prevent automobile accidents among companies and other organizations. Through this campaign, the company furnishes all sorts of know-how and tools related to publicity and education about zero-accident promotion and safe driving. In fiscal 2009, more than 10,000 companies and organizations participated in this campaign, which also interwove elements of safe eco-driving based on measures to preserve the global environment.

#### **Presentation of yellow traffic safety pennants**

During Traffic Safety Week in spring and fall, Aioi Nissay Dowa presents yellow pennants to nursery schools, kindergartens, primary schools, police stations, and welfare facilities across the country in the hope that they will promote traffic safety. This activity began in 1971, and was therefore in its 39th year in 2009.



Yellow pennant

#### **Approaches to accident prevention using the Internet**

Mitsui Direct holds "e-checks of driving aptitude" through its website. The checks enable customers to make a self-diagnosis of abilities required for safe driving (i.e., ability to instantly get a grasp of situations, remember things, and react) through a game format.

 [E-check of driving aptitude \(Japanese only\)](#)

#### **Approaches Related to Life and Medical Services**

##### **Activities conveying the advanced medical technology**

The MS&AD Insurance Group is actively taking approaches to information provision and publicity activities related to leading-edge medical services. As a part of these activities, MSI Kirameki Life distributes, free of charge, a guidebook for knowledge of advanced medical technology (a pamphlet describing mainly care with the latest medical technology) and a visual DVD on the same subject.

The company also provides information on advanced medical treatment through "Advanced Medical Technology.net", an IP-oriented dedicated website offering information in the form of in-depth reports and columns by medical institutions performing such treatment, and "Advanced Medical Technology Navi", a search-oriented dedicated website allowing visitors to find basic knowledge about advanced medical treatment and medical institutions where it is available.

In addition, the company holds nationwide seminars on particle beam treatment for cancer, which provide simple explanations of this form of advanced medical care. As of 31 March 2010, these seminars had been held over 100 times and attended by over 16,000 people.

##### **Kirameki Stroke Project**

MSI Kirameki Life was the first company in the industry to launch sales of a special "alpha" policy emphasizing support for treatment of victims of strokes. Upon marketing this policy, it embarked on a campaign for publicity about prevention of strokes to protect customers from the condition. The company has concluded a joint project agreement with the Japan Stroke Association and is conducting this campaign, which is called the Kirameki Stroke Project, nationwide.

The company also held seminars on strokes for the general public together with the chapters established by the Association in all prefectures of Japan. These seminars gave the participants basic knowledge of the condition and simple



explanations of ways to prevent it. From the 25th to the 31st of May each year, which has been designated Stroke Week by the Association, it engaged in publicity for prevention by putting up posters in its sales offices and agents across Japan. Seminar on strokes

#### **Campaign for the diffusion of and publicity about tests for cervical cancer**

Out of its desire to promote the health and happiness of customers and communities, MSI Kirameki Life is conducting a campaign for the diffusion of and publicity about physical examinations for cervical cancer. As a part of this campaign, it distributes "Cervix—Choosing not to Get Cervical Cancer", an information magazine prepared for the spread of the testing.

 [MSI Kirameki Life's website \(Japanese only\)](#)

#### **Heart Life Project**

In July 2008, Aioi Life launched the Heart Life Project for social contribution in fields bound up with life and medical care. Under the project, it began a campaign for donation of sums corresponding with the number of new Premium W<sup>\*1</sup> and Just One W<sup>\*2</sup> policy contracts, to defray the cost of purchase of vaccine and other materials. Thus far, it has donated enough money to purchase vaccine for 212,000 people to the Japan Committee Vaccines for the World's Children, a certified non-profit organization (NPO).

In fiscal 2009, along with its marketing of new Luna Medical policies for women, the company made donations corresponding with the number of new contracts for the same to the NPO Cancer Ribbons, to support women undergoing treatment for cancer.

\* 1) Premium W: whole life insurance with floating reserve interest rates and special clause for low cancellation refunds (without dividends)

\* 2) Just One W: new income security insurance (without dividends)

#### **Social Contribution Activities outside the Fields of Traffic Safety, Life, and Medical Care**

##### **Regional AD Club (the former Regional IOI Club)**

The Regional AD Club has been started up at Aioi Nissay Dowa. The club is engaged in provision of services and information, programs of interchange among participating companies, and activities of community contribution. Through these activities, it hopes to be of service to all in the community. More specifically, it plans and stages various seminars, meetings for exchange among different industries, and events for environmental protection, accident prevention, disaster prevention, and various charities, all in units of communities. In addition, it has divided Japan into 15 areas and launched its own websites in each of them. It provides information closely tied to the community and business information through these websites and e-mail newsletters.



Activity in Sapporo

##### **Approaches by Fureai Do-Life Service**

Fureai Do-Life Service Co., Ltd., an Aioi Nissay Dowa affiliate, is taking approaches rooted in the community through its operation of day service centers. In October 2009, Do-Life Ibaraki held a lecture for local residents on the topic of how to enjoy an active senior life. Do-Life Shinagawa makes opportunities for intergenerational interchange by, for example, periodically inviting groups of from 10 to 30 elementary and junior high school students to its facilities for communication with the senior citizens using them.





Do-Life Ibaraki event

### Participation in the bell mark campaign

In April 2000, Aioi Nissay Dowa became the first financial institution in Japan to participate in the bell mark campaign as a supporter. It affixes bell mark points to its products for automobile insurance, fire insurance, personal accident, and installment savings insurance. At present, more than 28,000 PTAs across Japan participate in the bell mark campaign and are assisting improvement of the education environment through it.

 [Bell mark \(Japanese only\)](#)

### Affixing bell marks to automobile insurance to put smiles on the faces of more children

Endorsing the aspiration of allowing all children alike to receive an education in an excellent environment, Aioi Nissay Dowa became the first company in the financial industry to begin participating in the bell mark campaign in 2000. We affix bell marks to our automobile insurance product and various other insurance products for ordinary homes. Our bell mark collection rate has been rising year by year. As I go about my work, it makes me happy to think that we are helping to put smiles on the faces of more children.



Emiko Yamazaki  
Planning Group, Sales Planning and Development  
Department  
Aioi Nissay Dowa

### Endowed lectures at Waseda University

The fast-paced globalization and trend of population aging strongly demand development of insurance business with a truly customer-focused stance. The times require innovation in respect of the setups and orientations in Japan's insurance industry as well. Aioi Nissay Dowa and the MS&AD Research Institute Company Limited sponsored a series of 13 endowed lectures in the Waseda University School of Commerce under the title "Insurance Business in the New Age—Facing Global Standards and the Low Birthrate, Aged Society" with the object of supporting the development of human resources of the next generation. The series was coordinated by the university faculty, and the lectures were delivered by experts in the respective fields as well as executives and employees of Aioi Nissay Dowa and its affiliates.



Endowed lecture at Waseda University

### **Donation of scholarships to the International University of Health and Welfare**

To address the needs of the aged society, Aioi Nissay Dowa is bolstering its approaches to nursing services and senior business. One case in point is its scholarship program for students of the International University of Health and Welfare (in the city of Ohtawara, Tochigi Prefecture), which is producing human resources to support services in the medical and welfare field, in areas such as nursing care and rehabilitation for the aged.

Students recommended by the university are given scholarship grants by the time of their graduation as a general rule. In fiscal 2010, the company donated a total of 20 million yen in such scholarships. Since its creation in fiscal 1997, the program has awarded scholarships to a total of 87 students, including some who went on to graduate school. Many of them are now active professionals in the field of medical and welfare services.

### **Activities of social contribution overseas**

#### **Contribution to improvement of the social environment**

MSI's Taiwanese affiliate, Mingtai Insurance Co., Ltd. is engaged in various activities of contribution to local communities in areas such as free advisory service for policyholders, donations for victims of disasters, and support for English classes in local elementary schools. In 2009, its approaches won external recognition when it was awarded the grand prize in the "movement for creation of beautiful community environments\*" by the Taiwanese environmental ministry. In an in-house campaign implemented along with this event, the winning division spontaneously donated the prize of rice to a welfare group, the Taiwan Fund for Children and Families. In such ways, the company is promoting further activities of social contribution.

\* The movement was conceived by the Taiwanese environmental ministry for the purpose of mobilizing the energies of local communities and companies to create beautiful community environments.

#### **Holding of a special insurance course in Indonesian universities**

With the cooperation of the Group's affiliate Inter Risk Asia Co., Ltd., MSIG Indonesia (subsidiary of MSI) has been holding risk management (RM) seminars since 2007 in order to deepen interest in and knowledge of non-life insurance and RM among Indonesian university students. In fiscal 2009, it held the seminar for about 120 students of the Bandung Institute of Technology, the famous university whose graduates include Sukarno, the first president of the country. The participating students listened intently to the lecture, which was followed by a lively question-and-answer session. The reaction ran so high that the seminar time was extended. The company plans to hold similar seminars periodically in various universities.



Lecture at the university

#### **MSIG (Asia) wins the Corporate Social Responsibility Award**

In November 2009, the MSIG (Asia) received the Corporate Social Responsibility Award at the 13th Asia Insurance Industry Award ceremony hosted by the journal Asian Insurance Review. The award is presented to insurance companies which have made the biggest contribution in the social, economic, and environmental fields in the Asian region. It was selected in recognition of its network activities on behalf of the Global Compact and Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB) as well as its efforts to prevent global warming through "solar loans" and other activities in its insurance business. It was the first Japanese non-life insurance company to win the award.

## Support for the Social Contribution Activities of Employees

In our view, action by each employee as a citizen of the local community is not only linked to his or her growth but also vital for learning about the kinds of issues in the society forming the foundation of our business activities, and what is expected of us in it.

### Matching Gift Program for Donation in the Event of Disasters

Under this program, the MS&AD Insurance Group matches the amount of funds collected from employees for victims of disasters.

#### Types of disaster covered

- **Domestic:** disasters covered by the Disaster Relief Act, for which donations are collected
- **Overseas:** large-scale disasters for which the Japan Business Federation provides information related to assistance

#### Amount of donation

As a general rule, the same as the amount of donations collected from employees

[Data for past donations](#)

### Provisions for Leave and Days Off for Volunteer Activities

MSI has provisions allowing employees who have been with the company for at least one year to take leave for activities such as welfare work, bone marrow donation, environmental beautification, and disaster relief. The provisions allow leave for up to the number of days off with pay in the year. In addition, employees who have been with the company for at least three years and are engaged in volunteer activities can take off for anywhere from six months to two years and four months for that purpose.

### Employee-participation Social Contribution Activities

#### Attendance of seminars on AED

Employees of MSI, Aioi Nissay Dowa, and MSI Kirameki Life attend seminars to learn about first-aid techniques and handling of automatic external defibrillators (AEDs). The seminars are held at fire departments or other such sites nationwide, and enable those attending to learn how to deal with emergency situations and people requiring emergency care.

#### One Activity a Year at Each Office-activities for contribution to the global environment and community

At MSI, social activity supporters appointed at each office throughout Japan act as promoters of activities rooted in the community.

In the fields of the environment, security, safety, and welfare, these supporters lead activities for contribution to the global environment and community under the banner "One Activity a Year at Each Office". In fiscal 2009, employees at 155 offices, representing 77.5% of the nationwide total, took part in these activities.

[Activities for contribution to the global environment and community](#)



Employee volunteers and  
their families of the Chugoku Claims Dept. 1st  
Clean-up activity  
in the Akiyoshidai Cave

#### Support for greening and flower-bed planting in Zoorasia

At MSI Kirameki Life, employees engage in volunteer activities for protection of the environment and community contribution, in forms such as the planting of flower beds and green areas on the grounds of Zoorasia Yokohama Zoological Gardens. This activity has been undertaken twice a year (spring and autumn) since fiscal 2006, with the participation of an extended total of 511 volunteers (342 employees and 169 employee families).




Support for greening  
and flower-bed planting in Zoorasia

#### Activities for contribution to the local communities by all employees

At Aioi Nissay Dowa and its affiliate companies, employees, agents, and their families have been engaged in social contribution activities in order to communicate with local communities nationwide. In 2009, which saw the seventh year of this program, some 7,000 employees, etc. participated in a total of 109 projects. After the activities, the results of an employee questionnaire survey and opinions received from NPOs and other concerned parties provided the basis for commendation of the programs rated as the top ten in terms of desires to execute or take part. Please see the Aioi Nissay Dowa website for a list of programs nationwide (Japanese only).



Activity for contribution  
to the local community in Saitama

 [Activities for contribution to the local communities](#)  
(Japanese only)

#### Club and Donation Activities Led by Employees

##### MS&AD Smile Heart Club

At the MS&AD Insurance Group, employees volunteer to donate an amount of their choice from their wages for contribution to various activities. These include programs to support the world's children through charity Christmas cards, aid for NPOs such as the project for giving knitted goods to children around the world, financial assistance for the social contribution activities of Group offices, and support for children inside and outside Japan.

 [Activities of the MS&AD Smile Heart Club](#)

##### Unison Donation Program

Unison Donation Program is a voluntary group at Aioi Nissay Dowa for collection of donations. It is composed of executives and employees of Aioi Nissay Dowa and its affiliate companies. The members make donations of at least 101 yen apiece (due to the resemblance to IOI, the former Aioi's logo). These donations are matched by the company, and the funds are donated to organizations conducting activities of social welfare and environmental protection such as the Guide Dog and Service Dogs Association of Japan. In fiscal 2009, the membership topped 5,500.



"Happy" kun, an assistance dog  
(Donation to the Guide Dog and Service Dogs Association of Japan)



Donation of wheelchair

## Systems and Performances to support the activities

### Days off leaves of absence for volunteer work

#### Days off

Employees may apply for days off for volunteering equal to his or her annual paid vacation days.

#### Leaves of absence

Employees may apply for a leave of absence of 6 to 28 months to participate in volunteer activities.

### Social activities Supporter System

One employee at each branch will be nominated as responsible for the promotion of socially contributive work. The person in charge will work to fulfill targets such as at least one socially contributive work per year per branch.



### Matching Gift Program for donations made to the MS&AD Smile Heart Club

When the Smile Heart Club make a donation to an NPO, the company will donate the same amount.

Total amount of donations in 2007 ... 7.5 million yen





For donations collected from employees and made for relief of disasters in Japan where the national disaster act is applicable and of major disasters around the world, the company will match the amount as additional donation.



#### Past Records

Year	Disaster Relief Donation	Accrual Date	Number of Collaborators	Aggregate Sum
	Total Sum		41,928	171,553,9
2009	Yearly Total		8,419	24,624,0
	Haiti earthquake	Jan. 13	2,473	7,662,0
	Sumatra earthquake (Indonesia/Sumatra)	Sep. 30	1,029	2,767,0
	Typhoon Ketsana (Philippines typhoon #16)	Sep. 26	954	2,467,0
	Typhoon Etau (Hyogo/Okayama typhoon #19)	Aug. 9	1,094	3,046,0
	Typhoon Morakot (Taiwan typhoon #8)	Aug. 8	922	2,628,0
	Fukuoka Pref. rainstorm	Jul. 24	831	2,504,0
	Yamaguchi Pref. rainstorm	Jul. 21	1,116	3,550,0
2007	Yearly Total		5,934	23,110,0
	Bangladesh cyclone disaster relief donation	Nov.15	956	3,130,0
	Akita prefecture rain disaster relief donation	September	590	2,028,0
	Niigata prefecture Chuetsu Coastal Earthquake disaster relief donation	Jul.16	2,224	9,406,0
	Kumamoto prefecture rain disaster relief donation	July	766	2,704,0
	Noto Peninsula Earthquake disaster relief donations	Mar.25	1,398	5,842,0
2006	Yearly Total		3,838	15,542,0
	Miyazaki Prefecture Typhoon No.13 Damages	Sep.17	822	2,776,0
	Nagano, Kagoshima, Miyazaki Heavy Rain Disaster	July	911	3,718,0
	Indonesia Jawa Island Earthquake	May 27	2,105	9,048,0
2005	Yearly Total		3,353	12,985,4
	Pakistan Disaster Relief Donation	Oct.8	1,139	4,638,0
	Victims of Typhoon No.14 Support Donation	Sep.6	784	2,803,4
	US Hurricane Katrina Disaster Relief Donation	Aug.23	1,430	5,544,0
2004	Yearly Total		9,653	63,937,5
	Fukuoka Prefecture Western Offshore Earthquake Disaster Relief Donation	Mar.20	661	2,796,0

	Victims of Sumatra Earthquake Support Donation	Dec.26	4,087	40,875,5
	Niigata Prefecture Chuetsu Earthquake Disaster Relief Donation	Oct.23	3,111	15,620,0
	Victims of Hyogo Prefecture Typhoon No. 21 and 23 Donation	Oct.20	1,794	1,426,0
	Tokushima Prefecture Typhoon No. 23 Disaster Relief Donation	Oct.20		418,0
	Victims of Gifu Prefecture Typhoon No. 23 Support Donation	Oct.20		442,0
	Victims of Kyoto Prefecture Typhoon No. 23 Support Donation	Oct.20		674,0
	Miyazaki Prefecture Typhoon No. 23 Disaster Relief Donation	Oct.20		394,0
	Kagawa Prefecture Damages Caused by Typhoon No. 23 and Heavy Rain Disaster Relief Donation	Oct.20		442,0
	Shizuoka Prefecture Damages Caused by Typhoon No. 22 Relief Donation	Oct.9		420,0
	Victims of Ehime Prefecture Typhoon No. 16 and 21 Support Donation	Aug.30, Sep.29		430,0



## Social Contribution Activities in the Cultural and Welfare Fields

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### Promotion of Culture

#### Shirakawa Hall

Opened in 1994 in Nagoya, Shirakawa Hall is a venue of diverse events, from first-rate concerts to programs for children as tomorrow's principals. In keeping with its mission of helping music do what it can for a better society, it aspires to be a genuinely premium concert hall that furnishes the community with wonder and helps to enrich it.

 [Shirakawa Hall \(Japanese only\)](#)

#### The Phoenix Hall

Aioi Nissay Dowa has positioned the Phoenix Hall as a site for *mecenat* activities in support of the arts and culture. The Hall continues to provide quality musical programs through concerts of its own planning. In the Phoenix Delivery Concert program, orchestras bring fine music to youth and local residents. The Hall also runs Phoenix OSAQA, a project for the spread of string quartet music designed to nurture the growth of performers and audiences for the next generation. The Hall is used for more than 200 concerts a year.

 [The Phoenix Hall \(Japanese only\)](#)

#### Mitsui Sumitomo Insurance Cultural Foundation

The Mitsui Sumitomo Insurance Cultural Foundation\* engages in activities aimed at supporting efforts to promote culture on the local level, and provides assistance in the fields of music and folk arts. Its main activities are concerts for local residents held in civic halls in various areas and assistance for programs of international cultural interchange. In fiscal 2009, it staged a total of 588 concerts for local residents in 523 cities, towns, and villages, and furnished a total of 257 million yen in aid for programs of international cultural interchange.

 [Mitsui Sumitomo Insurance Cultural Foundation \(Japanese only\)](#)

\* Mitsui Sumitomo Insurance Cultural Foundation: Established in 1988, change of status to a public welfare corporation in December 2009

### Support for Traffic Safety and Welfare Services for the Aged

#### Mitsui Sumitomo Insurance Welfare Foundation

The Mitsui Sumitomo Insurance Welfare Foundation\* funds to provide assistance for research and other activities in the two fields of traffic safety and welfare services for the aged. It also presents the MSI Welfare Foundation Prize to the authors of excellent publications and papers. In fiscal 2007, it began a program of aid for overseas research targeting Southeast Asia. By the end of fiscal 2009, it had furnished 2,013.9 million yen in aid for 1,637 projects (cumulative totals since its establishment).

 [Mitsui Sumitomo Insurance Welfare Foundation \(Japanese only\)](#)

\* Mitsui Sumitomo Insurance Welfare Foundation: Established in 1975; change of status to a public welfare corporation in December 2009

### Support for Sports Participation by the Physically Challenged

As a non-life insurance company, Aioi Nissay Dowa wants to help people who have incurred disabilities due to traffic accidents or other such causes to lead self-supporting lives and to return to and participate in society. Out of this desire, the company acts as an official sponsor for the Japanese national wheelchair basketball team, supports all sorts of tournaments, and does volunteer work for tournaments.

Wheelchair basketball (Japanese only)



Support for the Japanese national wheelchair basketball team

MSI Kirameki Life is working for the diffusion and reinforcement of sports for the physically challenged. It supports the activities of the Japan Sports Association for the Disabled, the Japan Judo Association for the Visually Handicapped, and the Japan Association of Athletics Federations for the Disabled. The company also helps the challenged to get back into the community life and find fulfillment. It is committed to continued support for improvement of the quality of life.

Support for participation in sports by the physically challenged (Japanese only)



Support for participation in sports by the physically challenged

## Responsibility in Transactions

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We endeavor to engage in fair and equitable transactions, and to achieve on-going advancement and fulfillment of social responsibilities together with our business partners.

### Basic Perspectives and Policy

When companies engage in transactions, they must not only observe the related laws and regulations as well as social norms but also be fair and equitable.

MSI determined the Mitsui Sumitomo Insurance Transaction Policy (on May 27, 2005) to lay down minimum requisite basic rules for transactions in areas such as outsourcing and purchase of supplies. The company is striving for on-going advancement and fulfillment of social responsibilities with its business partners.

### Basic Policy

1. We shall select business partners (contractors, suppliers, etc.) without being bound by past transaction records and with comprehensive consideration of factors including transaction terms, business status, technical capabilities, and concern for the environment.
2. We shall properly manage and protect all information received through transactions.
3. We shall ask all business partners (contractors, suppliers, etc.) to observe all related laws, regulations, and social norms.
4. We shall ask all business partners (contractors, suppliers, etc.) to constantly provide optimal quality, prices, delivery terms, and services.

## Approaches to the Global Environment

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Search

Viewing approaches to all types of environmental problems as part of our social mission, we promote them through a concerted effort by all of our employees.

### Environmental Policy

We shall strive for the preservation and improvement of the global environment through our corporate activities.

[Detailed information](#)

### Contribution to the Global Environmental Protection through Insurance and Financial Products and Services

Through our core business, we are mounting approaches to prepare for natural disasters and mitigate global warming, even if only a little.

[Detailed information](#)

### Reduction of Environmental Burden from Business Activities

The MS&AD Insurance Group operates group-wide environmental management systems to reduce the environmental burden of its business activities.

[Detailed information](#)

### Coexistence with Society through Environmental Awareness Activities

We provide all stakeholders with opportunities to deepen their understanding of the environment, and lead network activities to address global environmental problems.

[Detailed information](#)

### Approaches to Preservation of Biodiversity

We are promoting approaches to preservation of biodiversity throughout the Group while also building corporate networks and conducting awareness-enhancing activities in this area.

[Detailed information](#)

## Environmental Policy

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Our Mission Statement expresses "Through our insurance and financial service businesses bringing security and safety to people and businesses around the world and making a lasting contribution to the enrichment of society." Based on this mission, we determined the MS&AD Basic Environmental Policy for action on global environmental problems by the entire Group on 1 April 2010.

The action plans contained in this policy make clear stipulations in areas such as preservation of biodiversity. We regard approaches to all types of environmental problems as part of our social mission to be promoted by all Group employees.

### MS&AD Basic Environmental Policy

April 1, 2010

#### Basic philosophy

MS&AD Insurance Group Holdings, Inc. ("MS&AD") will continue to make efforts to preserve and improve the global environment through business activities in line with the Group Mission Statement, "Through our insurance and financial service businesses bringing security and safety to people and businesses around the world and making a lasting contribution to the enrichment of society." The Group will also promote stable and sustainable activities based on its action policy summarized below.

#### Action plans

1. Contribute to global environmental protection through our insurance and financial service businesses
2. Reduce the environmental burden incurred in conjunction with our business activities and preserve biodiversity
3. Improve our environmental management system (EMS)
4. Coexistence with society through environmental awareness activities

## Contribution to the Global Environmental Protection through Insurance and Financial Products and Services

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### Basic Perspectives and Policy

If global warming continues at the current pace, the world will reportedly be at risk of higher rainfall intensity in the event of torrential rains and stronger typhoons. As a provider of insurance and financial services, it is a vital part of our role to convey the risks of climate change accurately to customers and offer products to prepare for related damage, including insurance products for natural disasters, and climate derivative products for abnormal and unfavorable weather. As we see it, however, our role is not limited to preparing for damage; we consider the discharge of our responsibility to mitigate the worsening of global warming, even if only a little, to be one of our most important tasks for contribution to the building of sustainable societies.

Toward the end of mitigating global warming through our core business, the MS&AD Insurance Group is working to devise and develop new products and services not bound by conventional frameworks.

### Specific Approaches

#### Environment-friendly products and services

We strive to alleviate environmental burden through provision of environment-friendly products and services.

MSI is promoting the Green Power Supporter program, under which it makes donations to environmental protection activities promoting and backing the spread of renewable energy, in amounts corresponding with the number of cases of web policy clauses, electronic contracting procedures, and other items reflecting concern for the environment in its business.

The provision of web policy clauses, which is one of the company's approaches, enables customers to view policy clauses from the website instead of on paper. An extremely large amount of paper is consumed for the printing of paper policy clauses (the volume came to about 800 tons in fiscal 2008). If it spreads, the use of web policy clauses could make a great environmental contribution. MSI is encouraging their use, especially for its GK series\*, to improve convenience and protect the global environment. In addition, customers can file applications for automobile insurance and fire insurance electronically, by performing procedures on their computer. This helps to reduce levels of paper consumption and CO<sub>2</sub> emissions associated with paper transport.

It should be noted that all contract data are encrypted, and that full arrangements have been made for security. We are therefore encouraging use of the electronic procedures also to make things more convenient for customers.

In fiscal 2009, MSI donated about 4.4 million yen under its Green Power Supporter program.

\* GK series: a line-up of products for personal customers delivering ease of understanding and selection, developed by analyzing customer views

#### Green Power Supporter (Japanese only)

Aioi Nissay Dowa furnishes various products linked to reduction of environmental burden.

#### Eco<sup>2</sup> discounts for environment-friendly vehicles

To encourage the spread of automobiles making a higher environmental contribution, Aioi Nissay Dowa offers insurance discounts for environment-friendly automobiles such as hybrid vehicles\* and electric vehicles.

\* Hybrid vehicles: automobiles that change the motive source (generally to one or more electric motors) in correspondence with the driving situation.

#### Dohn! to Omakase

Automobiles that reflect improvements to make them less liable to breakdown and easier to repair not only lower repair costs in the event of accidents but also contribute to reduction of the parts to be replaced (= decrease in parts scrapped) because of limitation of the scope of damage. As such, they are also environment-friendly, as they save resources, reduce the burden of work in repair shops, and decrease emissions of paints, solvents, and other environment-burdening substances. We measure and assess the accident-vulnerability and repair amenability of newly marketed models by means of collision tests, and offer

discounts of up to 15% on automobile physical damage insurance premiums for those found to be environment-friendly.

#### PAYD, automobile insurance linked to driving distance

Aioi Nissay Dowa developed and is selling a landmark type of automobile insurance in which premiums are linked to the driving distance. In PAYD policies, drivers pay premiums only for the distance actually driven, as determined by vehicle-mounted terminals. The premiums are lower for customers who drive less monthly distance. The insurance is therefore environment-friendly, in that it encourages less use of gasoline and consequently reduction of CO<sub>2</sub> emissions.



PAYD

#### Heartful Recycling

Aioi Nissay Dowa developed and is selling special contracts for use of recycled parts in conformance with the Act on Recycling, etc. of End-of-Life Vehicles, to help build the recycling-oriented society. In April 2002, the company launched sales of Heartful Recycling, an automotive insurance policy with an optional policy for use of recycled parts. The policy offers a 5% discount on the automobile physical damage insurance premiums.



Heartful Recycling pamphlet

#### ISO/HACCP discounts

Since July 2007, Aioi Nissay Dowa has been offering corporate customers which have been certified under the environmental management system the ISO/HACCP discounts on premiums for (comprehensive general) liability insurance.

\* HACCP: Hazard Analysis and Critical Control Point, one of the systems for food sanitation management

#### Use of recycled automobile parts

Automobiles damaged in traffic accidents can sometimes be repaired with recycled parts. To help make society recycling-oriented and reduce environmental burden, MSI gives repair shops and customers whose automobiles must be repaired because of accidents explanations about recycled parts in an easy-to-understand manner. Repair shops are encouraged to make extensive use of recycled parts in doing repairs for customers who prefer their use.

#### Green Power Supporter/Recycled parts (Japanese only)

Aioi Nissay Dowa developed a wreck network auction system together with an NGP group<sup>\*1</sup> to promote use of recycled automobile parts. The system, which is the first of its kind in the non-life insurance industry, is operated to encourage use of recycled parts and proposal of the same to repair shops, toward the ends of lawful disposal of wrecked automobiles and commercialization of recycled parts. In fiscal 2009, the auction drew about 15,000 vehicles and about 1,350 participating businesses.

In June 2009, "eco action points"<sup>\*2</sup> started to be given to customers holding automobile physical damage insurance policies who had repairs done with recycled parts. Such customers all get 500 points (equivalent to 500 yen) per accident.

<sup>\*1</sup> NGP group: a nationwide network of dismantling businesses

<sup>\*2</sup> Eco action points: a program promoted by the Ministry of the Environment, under which points are awarded for purchase of environment-friendly goods and services and energy-saving acts. The accumulated points can be exchanged for goods and services.

#### Eco-maintenance and eco-inspection

Through the Advance Club, an organization of service and repair shop agents, MSI is promoting the spread of eco-maintenance and eco-inspection. Eco-maintenance and eco-inspection consist mainly of engine washing; the interiors of combustion chambers in automobile engines are washed by a special procedure. Besides curtailing emissions of toxic gas, the removal of residue of carbon and other substances in the chambers helps to reduce CO<sub>2</sub> emissions because it improves fuel efficiency and thereby decreases fuel use. As of March 31, 2010, the number of repair shops performing engine washing reached 440.

 [Green Power Supporter/Eco-maintenance and eco-inspection \(Japanese only\)](#)

#### Support for certification under Eco Action 21

The Nationwide Professionals Group\* is making efforts to prevent global warming in collaboration with local small and medium enterprises (SMEs). As a key agenda to this end, it has started a program of support to help SMEs obtain certification under Eco Action 21 for environmental management systems of the kind recommended by the Ministry of the Environment. In fiscal 2009, it held seminars in units of the 86 chapters of the Professionals Group across the country and encouraged more than 5,000 firms to get the certification. Besides giving SME managers a good understanding of the value of eco approaches, it assists the construction of in-house environmental management systems.

\* The Nationwide Professionals Group: an organization of dedicated agents of Aioi Nissay Dowa and Aioi Life. Its members are persons qualified for business in non-life and life insurance.



Brochure for promotion  
of Eco Action 21 certification

#### Approaches to certification under Eco Action 21

With the cooperation of the Hokkaido Government and other groups, our seminars and study groups attracted the participation of numerous agents and corporate customers. As a result, in Hokkaido as a whole, we got 54 entries and 38 firms certified under Eco Action 21. While we were groping when we first started out, exchange of information among the participating firms became more lively as the number of meetings grew. We managed to prepare a really hand-made report and achieve results through eco practices. By drawing on this experience in fiscal 2010, we hope to propose certification to a wider circle of customers and also use the meetings to cultivate business among more establishments.



Takayuki Takagi  
Manager, Sapporo 1st Sub-branch,  
Sapporo Branch  
Aioi Nissay Dowa

#### Solar loans

Photovoltaic (PV) power generation systems are the system that converts the energy of solar light into electricity. An environment-friendly energy source free of CO<sub>2</sub> emissions, they are indispensable for building the low-carbon society. Because they can also be installed in ordinary homes, the systems meet the needs of consumers who want to use green power.

MSI was one of the first companies to develop loans especially to make it easier for general consumers to purchase PV systems, and offers them through credit loan companies.

MSI is supporting the diffusion of PV systems among homes in general. For example, in partnership with JACCS Co., Ltd. and Sharp Corporation, it also implemented a two-year (fiscal 2008 and 2009) model project centered around purchase of, and issuance of Green Power Certificates for, that portion of the value of power generated by residential PV systems which helps the



cause of environmental protection.

 [Green Power Supporter/Solar loans \(Japanese only\)](#)

Aioi Nissay Dowa provides solar loans in tie-up with credit loan companies as part of its loan products for personal customers. It is contributing to the diffusion of PV systems through its handling of these loans.

#### **Support for eco safe driving**

For companies faced with soaring fuel prices, reduction of fuel costs in use of company vehicles is an urgent priority ranking alongside reduction of accidents.

The MS&AD Insurance Group has prepared tools to assist promotion of eco safe driving, a term referring to practices that are gentle to the environment, help to reduce fuel costs, and also decrease accidents. We are actively advocating these practices to corporate customers.

#### **Promotion of green power use**

MSI has been in the vanguard of efforts to promote the spread of green power in Japan. To fill all the power needs of its Surugadai Building with green power, MSI used the system of Green Power Certificates to meet its entire requirement of 7.6 million kWh a year with power deriving from natural energy.

## Reduction of Environmental Burden from Business Activities

The MS&AD Insurance Group operates group-wide environmental management systems to reduce the environmental burden of its business activities.

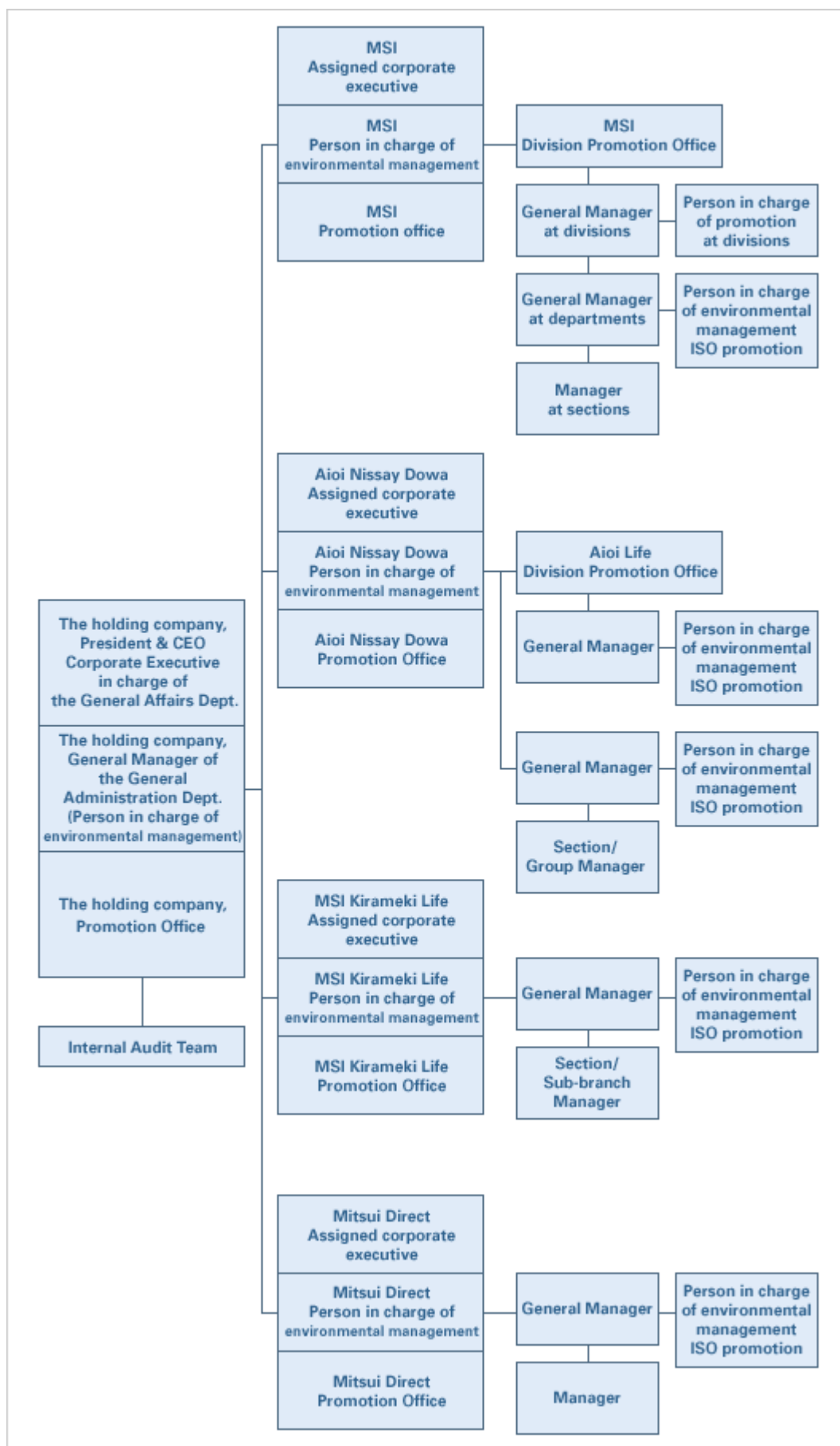
### Environmental Management

For on-going promotion of environmental approaches, the MS&AD Insurance Group is promoting the acquisition and maintenance of certification under ISO 14001, the international standard for environmental management systems.

#### Status of the acquisition and maintenance of ISO 14001 certification

Company	Approaches up to fiscal 2009
The former MSIG	MSI, MSI Kirameki Life, and 15 other companies constructed environmental management systems covering all of their locations in Japan. In December 2000, the Group became the first financial institution doing business nationwide to obtain certification, which it still retains.
Aioi Nissay Dowa	Three companies including the former Aioi and Aioi Life obtained certification for their head office buildings in October 2004, and still retain it.  The former Nissay Dowa received certification for the Tokyo head office in February 2006, and still retains it.

To operate environmental management systems on a group-wide scale, the MS&AD Insurance Group is reconstructing the operation method and pursuing maintenance of ISO 14001 certification through a concerted effort by all Group employees.



Environmental management setup

### Always bearing eco approaches in mind and wearing a smile in the workplace

Our eco activities help to strengthen the bonds among employees.

Thoughtfulness for those around and desires to support colleagues on the part of each employee encourage casual communication and underpin the current activities with a sense of togetherness and solidarity.



Eiko Kanemura  
(the person in red cardigan sitting  
in the center)  
Operational Management Dept.,  
Aioi Nissay Dowa  
Screening of ISO 14001 certification

### Specific approaches

To promote concrete practice of our Environmental Policy, Aioi Nissay Dowa released the Aioi Nissay Dowa Statement (the former IOI Environmental Statement) in April 2009. The Nationwide Professionals Group, which is composed of dedicated agents, likewise released an environmental statement at the same time. The company is therefore promoting the Eco Challenge Campaign and the Eco Smile Campaign for preservation of the global environment by its executives, employees, and agents.

[Environmental approaches \(Japanese only\)](#)

### Reduction of Environmental Burden

#### Use of energy in the MS&AD Insurance Group

In the MS&AD Insurance Group, all employees are involved in activities of energy and resource conservation and recycling. Efforts to reduce levels of energy use and waste are also making steady progress at the head office buildings and system center buildings of each business company, where they are highest.

#### Results of energy-saving approaches at head office and system center buildings of business companies

	Usage of electricity (Unit: thousands of kWh)	Usage of gas (Unit: thousands of m <sup>3</sup> )	Usage of thermal energy (Unit: GJ)
	Upper figures: usage in FY2009 Lower figures: rate of decrease from the previous fiscal year	Upper figures: usage in FY2009 Lower figures: rate of decrease from the previous fiscal year	Upper figures: usage in FY2009 Lower figures: rate of decrease from the previous fiscal year
MSI	31,031 ▲3%	508 +5%	26,953 ▲24%
The former Aioi (only Ebisu head office)	5,501 +0.2%	129 ▲9.9%	- -
The former Nissay Dowa	5,893 ▲6%	201 ▲4%	- -

#### Results of resource conservation and recycling approaches

	Recycling rate	Final disposal (Unit: tons)
		Upper figures: Actual data Lower figures: rate of decrease from the previous fiscal year
MSI	95%	46 ▲27%
The former Aioi	78%	29 ▲29%
The former Nissay Dowa	- -	19 ▲12%

## Coexistence with Society through Environmental Awareness Activities

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### Basic Perspectives and Policy

Global environmental problems cannot be resolved by the efforts of a single business working alone. As a first step, the MS&AD Insurance Group is furnishing all of the various stakeholders, including our employees, their families, agents, and local communities, with opportunities to deepen their environmental understanding.

### Awareness-enhancement among Employees, Families, and Agents

#### Awareness-enhancement among employees

The MS&AD Insurance Group is conducting a campaign of environmental education for all employees under the banner "MS&AD Eco smile". In it, employees check and score their own activities with reference to items including "eco life" practices, waterside biodiversity, human- and environment-friendly shopping, and volunteer work. The scores of all participating employees are added up and converted to a monetary amount that we donate to groups working for environmental protection in the following fiscal year. In fiscal 2009, the campaign garnered the participation of an extended total of 43,236 employees.

#### Environmental education and questionnaire surveys

Once a year, Aioi Nissay Dowa (including its affiliated companies) holds a course in environmental education based on e-learning to maintain and raise the environmental awareness of all employees. In departments in the Head Office, which has been certified under ISO 14001, it holds seminars as necessary for new hirees and transferees.

The company also conducts the Eco de Questionnaire survey three times a year. The survey enables it to check the progress of approaches in workplaces and homes, and helps to enhance awareness. The company also donates funds in correspondence with the point scores of the respondents. In fiscal 2009, it donated about 180,000 yen to the Nature Conservation Society of Japan through this survey.



Scene at an environment seminar

#### Implementation of MS&AD Family Environmental Classes

To bring environmental problems in their midst to the attention of our employees and their families, we hold MS&AD Family Environmental Classes at locations across the country. In fiscal 2009, the classes were held at six locations.

Beginning in fiscal 2010, we plan to embark on activities for preservation of waterside biodiversity in wetlands registered under the Ramsar Convention, to make employees and their families more familiar with the nature near them and help them appreciate its preciousness. As an initial project, we plan to conduct activities to protect ecosystems, clean up habitats, and survey wildlife at eight locations around Japan.

## Approaches to Preservation of Biodiversity

### Basic Perspectives and Policy

While assisting the reduction and prevention of, and providing economic compensation for, all sorts of risks facing customers, non-life insurance businesses also consume paper in large quantities. The MS&AD Insurance Group is involved in a tropical reforestation project as a part of its efforts to discharge its responsibility as a big paper consumer.

Through this project, we awakened to the importance of preserving biodiversity and recognized the need for even resolute approaches. This is why the action plans in the MS&AD Basic Environmental Policy formulated in April 1, 2010 explicitly include approaches to preservation of biodiversity.

We also realized that risks related to biodiversity could possibly become customer risks in the future. For this reason, we also set about constructing a corporate network for joint research on preservation of biodiversity. Besides stepping up Group approaches in this area, we are engaged in activities to deepen understanding of the need for preservation of biodiversity among companies and in research regarding mitigation of risks.

### Specific Approaches to Preservation of Biodiversity

#### Project for tropical reforestation

Since April 2005, MSI has been working for the rehabilitation and regeneration of the Paliyan Wildlife Sanctuary (in Java, Indonesia). The project is aimed at restoration of lost plant and animal wildlife and economic contribution to the local area. As of March 31, 2010, about 300,000 fruit and other trees of native Java species planted by the project exhibited favorable growth in an area of 350 hectares. A survey conducted by Indonesia's Gadjah Mada University in December 2009 confirmed that guenons (a protected species of monkey) were living in the area. The special class held to convey the importance of forests to local elementary school students begun in fiscal 2008 has, in addition, taken solid root. In February 2010, 50 students attended it.



Special class for elementary school students  
in Paliyan

 [Indonesia reforestation project](#)

#### Expansion of green area at the Surugadai Building

MSI is expanding green tracts on the grounds of its Surugadai Building to an area of about 7,000 square meters along with construction of the new annex (which is slated for completion in February 2012). It is also reviewing the current planting and making plans to prepare an environment forming a habitat for wild birds by measures such as an increase in the amount of deciduous trees. The completion of this new green stretch will create an ecological network corridor of green linking the Imperial Palace, Yushima Seido Temple, and Ueno Park. The network may be expected to greatly expand the habitat and provide more safety for wild birds such as the Japanese pygmy woodpecker.

 [Surugadai Building green space](#)

#### Approaches through the JBIB

April 2008 saw the establishment of the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), which serves as a network for joint research by firms concerned about preserving biodiversity and making sustainable use of biological resources. Ever since its establishment, MSI has been supporting the JBIB's activities as the chair company. (As of May 2010, the JBIB had a membership of 45 companies.)

In fiscal 2008, the JBIB developed an interrelationship diagram as a tool for visual representation of the impact of corporate activities on biodiversity. In fiscal 2009, such diagrams were also prepared for non-JBIB companies. As might be gathered from this, the JBIB is producing a steady stream of output to lead approaches by domestic companies. In fiscal 2009, it prepared a Biodiversity Handbook for use in employee education. This handbook can also be used for education of the general public.

 [Biodiversity conservation project](#)

### **The Story of Biology Told by Corporations-Part 3**

In November 2009, MSI held "The Story of Biology Told by Corporations-Part 3", a symposium on biodiversity held for concerned corporate personnel, to enlighten them about avenues of corporate action on biodiversity. The event was backed by the national Ministry of the Environment and received special support from JBIB. In a program mixing keynote addresses and panel discussions, it presented the agenda for talks at COP10, which was held in Nagoya in October 2010, and recommended action by firms. It was given high marks by the 210 participants.

 [Symposium "The Story of Biology Told by Corporations" \(Japanese only\)](#)

### **Provision of consulting services in the areas of corporate greening and biodiversity**

In June 2009, InterRisk Research Institute and Consulting began providing services in simple diagnosis of use of land associated with business establishments, factories, and company-owned forests from the perspective of preserving biodiversity.

In May 2010, it developed Japan's first tool for assessment of the biodiversity potential of business establishments, together with Regional Environmental Planning Inc. and Sumitomo Forestry Landscaping Co., Ltd. This tool enables quantitative assessment of biodiversity potential, i.e., how companies can contribute to the construction of local ecosystem networks through use of their land. The assessment results make it easy to determine which of several establishments should be accorded priority in action on biodiversity. As such, the tool supports corporate approaches to preservation of biodiversity.



## CSR Report 2010 Results and Future Tasks

This table lists the FY2009 tasks, targets, implementation status at the former MSIG and MSI, and the future tasks and targets carried over to the MS&AD Insurance Group and MSI

- Improvement of Quality of Products and Services
- Staff Hatz-ratz
- Contribution to Local and International Communities
- Qualitative Improvement of Employees and Agents
- Protection of the Global Environment

### Improvement of Quality of Products and Services

#### Improvement of quality by making the most of stakeholder views

##### Measure: Reflection of stakeholder views in business improvement

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Full reflection of results of customer questionnaire surveys conducted by each company</li> </ul>	<b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Conducting of questionnaire surveys by each company</li> </ul> <b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Holding of interviews with MSA product monitor members four times with a view to making forms simpler and developing services</li> </ul>	<b>【MS&amp;AD Insurance Group】</b> <ul style="list-style-type: none"> <li>■ Full use of the results of questionnaire surveys conducted by each company in the Group</li> </ul> <b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Promotion of further use of the MSA Product Monitor Program for development of products and improvement of services from the customer's perspective</li> </ul>
<b>【MSI・MSI Kirameki Life】</b> <ul style="list-style-type: none"> <li>■ Holding of workplace meetings on response to complaints, and rooting of the PDCA<sup>*</sup> cycle in action on complaints</li> </ul>	<b>【MSI・MSI Kirameki Life】</b> <ul style="list-style-type: none"> <li>■ Determination of tasks and formulation of measures for improvement by each workplace in regard to response to complaints, through the Customers' Viewpoint Campaign</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Shift in approaches from ad-hoc measures in response to complaints to preventive measures (for causes)</li> </ul> <b>【MSI Kirameki Life】</b> <ul style="list-style-type: none"> <li>■ Reinforcement of approaches to prevent the occurrence of complaints due to inattentiveness</li> </ul>
<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Use of new schemes and systems to reduce the number of complaints</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Introduction of new schemes and systems such as new work processes</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Broadening of use of new schemes and systems, and linkage to solution of problems and reduction of complaints</li> </ul>

##### Measure: Reinforcement of the complaint response system

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Formulation and execution of plans for companywide approaches in the complaint response management system</li> </ul>	<b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Formulation of policies in each company, in line with the MS&amp;AD Insurance Group Basic Policy on Complaint Response</li> <li>■ Quarterly report to the board of directors on the complaint situation</li> </ul> <b>【MSI・MSI Kirameki Life】</b> <ul style="list-style-type: none"> <li>■ Implementation of complaint response in line with ISO 10002</li> </ul>	<b>【MS&amp;AD Insurance Group】</b> <ul style="list-style-type: none"> <li>■ Formulation of complaint response policies by each company, in conformance with the MS&amp;AD Insurance Group Basic Policy on Complaint Response</li> </ul> <b>【MSI・MSI Kirameki Life】</b> <ul style="list-style-type: none"> <li>■ Preparation of plans concerning the complaint response management system, execution of the plans throughout the company, and check of the appropriateness of the complaint response system</li> </ul>

\* PDCA: an acronym for "plan, do, check, and action", in reference to a work cycle for application in business activities

## Qualitative Improvement of the Work Process and Infrastructure

### Measure: Development of easy-to-understand products

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI・MSI Kirameki Life】</p> <ul style="list-style-type: none"> <li>■ Reduction of the number of products and optional policies in the personal field</li> <li>■ Sale of GK products even in the areas of fire and personal accident insurance</li> </ul>	<p>【MSI・MSI Kirameki Life】</p> <ul style="list-style-type: none"> <li>■ Product slimming and use of simpler terminology</li> <li>■ Launch of sales of GK Home Insurance and GK Personal Accident Insurance. Completion of the line-up of personal products bearing the GK brand</li> </ul>	<p>【MSI・MSI Kirameki Life】</p> <ul style="list-style-type: none"> <li>■ Aim for further improvement in the simplicity of products</li> </ul>

### Measure: Provision of optimal policy contents at correct premiums

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Continued implementation of approaches to confirm policy contents</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Confirmation of customer inclinations at the time of contracting</li> <li>■ Confirmation of the presence or absence of change in writing once a year in the case of long-term contracts</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Continued implementation of approaches to confirm policy contents</li> </ul>

### Measure: Increase in customer convenience

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Broadening of application of electronic contracting procedures to fire insurance, and achievement of a use rate of 50% by the end of FY2009</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Start of contracting procedures by electronic means in the area of fire insurance</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Increase in the rate of use of electronic contracting procedures to 70% by the end of FY2010</li> </ul>
<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Expansion of service capabilities to improve convenience for customers, and increase in their rate of use</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Introduction of policy confirmation services, address change, and other services allowing performance by the Internet or mobile phone</li> <li>■ Introduction of new payment methods including credit cards and payment forms</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Further expansion of service capabilities to improve convenience for customers, and increase in their rate of use</li> </ul>

### Measure: Provision of claim service trusted and preferred by customers

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Rooting of the new business process nationwide</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Continued implementation of claims payment both correctly and without omission</li> <li>■ Application of systems for close-knit response to customer needs</li> </ul> <p>【MSI・MSI Kirameki Life・Mitsui Direct】</p> <ul style="list-style-type: none"> <li>■ Check of the appropriateness of decisions not to pay claims in the Claims Payment Examination Council</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>■ Further practice and rooting of the new business process and the SPM system to support it</li> </ul>

## Qualitative Improvement of Employees and Agents

### Measure: Qualitative improvement of agents

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FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Increase in the number of agents using MSI College</li> <li>■ Periodic analysis of complaints about agents, and repeated implementation of training and routine guidance</li> <li>■ Increase in the number of quality-certified agents</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Encouragement of introduction of MSI College and fuller agent education</li> <li>■ Reflection of customer views in agent training</li> <li>■ Introduction of the Agent Quality Certification System, and certification of about 6,667 agents</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Further increase in the number of agents using MS College</li> <li>■ Continued periodic analysis of complaints about agents, and repeated implementation of training and routine guidance</li> <li>■ Further increase in the number of quality-certified agents</li> </ul>
<b>Measure: Qualitative improvement of employees</b>		
FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI・Mitsui Direct】</b> <ul style="list-style-type: none"> <li>■ Continued holding of study groups and execution of self- and mutual checks to heighten response quality</li> </ul> <b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Periodic holding of meetings for information-sharing among call centers to heighten response quality at them</li> </ul>	<b>【MSI・Mitsui Direct】</b> <ul style="list-style-type: none"> <li>■ Tightening of basic action based on the Tozen Quality Guidebook and other tools</li> </ul> <b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Start of efforts to improve the quality of call response at Contact Centers throughout the Group</li> <li>■ Holding of a call response contest for the entire Group</li> <li>■ Scheduled holding of a call response contest for Group Contact Centers (January 2011)</li> </ul>	<b>【MSI・Mitsui Direct】</b> <ul style="list-style-type: none"> <li>■ Continued holding of study groups and execution of self- and mutual checks to heighten response quality</li> </ul> <b>【MS&amp;AD Insurance Group】</b> <ul style="list-style-type: none"> <li>■ Establishment of the MS&amp;AD Insurance Group Contact Center Strategy Meetings and continued approaches to qualitative improvement of call response at all Contact Centers in the Group</li> </ul>

#### Staff Hatz-ratz

##### Measure: Human assets development?support for challenge and improvement of motivation

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Rooting of the new personnel assessment system</li> </ul> <b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Check of the effects of training, and corresponding improvement</li> </ul> <b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Penetration of the system and increase in the number of users</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Fuller training programs including management training</li> </ul> <b>【The former MSIG】</b> <ul style="list-style-type: none"> <li>■ Implementation of the Group Trainee System (15 participants)</li> </ul> <b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Implementation of the In-house Trainee System (387 participants)</li> <li>■ Implementation of the Post Challenge System (30 chosen from 198 applicants)</li> <li>■ Augmentation of provisions for program for change of employment category</li> <li>■ Area-specific employees (Type II), area-specific employees (Type I): 13 employees</li> <li>■ Step-up job transfer: 14 employees</li> <li>■ Breeding of a corporate culture encouraging learning for self-fulfillment</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Rooting of the new personnel assessment system</li> </ul> <b>【MS&amp;AD Insurance Group】</b> <ul style="list-style-type: none"> <li>■ Check of the effects of training, and corresponding improvement</li> </ul> <b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Penetration of the system and increase in the number of users</li> </ul>

##### Measure: Environmental conditioning enabling various styles of work allowing diversity

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Rooting of various systems and</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Number of employees using</li> </ul>	<b>【MSI】</b> <ul style="list-style-type: none"> <li>■ Further rooting of systems and</li> </ul>

increase in the number of users	<p>personnel systems/programs</p> <ul style="list-style-type: none"> <li>Childcare leave: 0 men, 137 women</li> <li>Nursing leave: 1 man, 4 women</li> <li>Short-hour work: 90 employees</li> </ul> <ul style="list-style-type: none"> <li>Promotion of workplace assimilation of challenged employees under Team WITH: 210 challenged, use rate of 1.87%</li> <li>Improvement of the rehiring program (used by 62 in FY2009)</li> <li>Rooting of good work-life balance and diversity activities</li> <li>Prevention of poor mental health and reinforcement of ability to cope</li> <li>Direct hiring of part-time staff (beginning in July 2009)</li> </ul>	<p>increase in the number of users</p> <ul style="list-style-type: none"> <li>Promotion of in-house awareness-enhancing activities through the website for a wider role for women and the company newsletter</li> </ul>
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## Protection of the Global Environment

### Contribution to the Global Environmental Protection through Insurance and Financial Products and Services

#### Measure: Development of products and services for response to climate change

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI】</p> <ul style="list-style-type: none"> <li>On-going consideration of new products and services, and linkage of several approaches to donations to the Green Power Fund through activities as the Green Power Supporter</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Launch of the Green Power Supporter program and start of diffusion of renewable energy</li> <li>Donation of 4.4 million yen to the Green Power Fund in FY2009</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Promotion of the Green Power Supporter program and donation to groups involved with renewable energy</li> </ul>
	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Start of web policy clauses</li> </ul> <p>【MSI Kirameki Life】</p> <ul style="list-style-type: none"> <li>Start of CD-ROM policy clauses</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the rate of use of web policy clauses</li> </ul>
	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Start of CD-ROM policy clauses</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the rate of use of electronic contracting procedures</li> </ul>

#### Measure: Encouragement of use of recycled parts for auto repair

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the rate of recycled part use</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Rate of use of recycled parts at time of auto repair: 4.3%</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Further increase in the rate of recycled part use</li> <li>Increase in the number of wrecks entering the recycling market</li> </ul>

#### Measure: Support for the diffusion of eco maintenance and inspections, and for certification under Eco Action 21

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the number of repair shops executing eco maintenance and inspection to 500 by the end of FY2009</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the number of such repair shops to about 440 nationwide</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Expansion of the number of cases of eco maintenance and inspection</li> </ul>
<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the number of businesses certified under Eco Action 21 to 300 by the end of FY2009</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Increase in the number of businesses so certified to 247</li> </ul>	<p>【MSI】</p> <ul style="list-style-type: none"> <li>Support for maintenance and continuation of Eco Action 21 certification</li> </ul>

#### Measure: Provision of solar loans

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> ■ Increase in the amount of solar loans handled	<b>【MSI】</b> ■ Active provision of solar loans ■ Implementation of a model project for green power certification	<b>【MSI】</b> ■ Further increase in the amount of solar loans handled

#### Reduction of Environmental Burden from Business Activities

##### Measure: Management based on ISO 14001

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【The former MSIG】</b> ■ Acquisition of ISO 14001 certification by MSI MetLife and Mitsui Direct	<b>【The former MSIG】</b> ■ Decision in favor of participation by Aioi Nissay Dowa, Aioi Life, MS&AD Business Support, and Mitsui Direct beginning in FY2010, for expansion of the number of Group companies in conformance with ISO 14001 to 21	<b>【MS&amp;AD Insurance Group】</b> ■ Expansion of the scope of ISO 14001 certification to all sites in the MS&AD Insurance Group

##### Measure: Approaches to reduction of CO<sub>2</sub> emissions

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> ■ Announcement of a medium-term plan to reduce CO <sub>2</sub> emissions in FY2010	<b>【MSI】</b> ■ Approaches to CO <sub>2</sub> emission reduction ■ Energy-saving approaches in the Chiba New Town Center Building	<b>【MS&amp;AD Insurance Group】</b> ■ Announcement of a medium-term plan to reduce CO <sub>2</sub> emissions in FY2010  <b>【MSI】</b> ■ Formulation of plans for saving energy in large-scale buildings in Tokyo

#### Coexistence with Society through Environmental Awareness Activities

##### Measure: Enlightenment of staff, families, and agents

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【The former MSIG】</b> ■ Development of appealing activities to increase the number of participants	<b>【The former MSIG】</b> ■ Increase in the number of participants in the Eco Smile to 43,236 (as compared to 14,131 in FY2008) and in the Family Environmental Class to 170 (as compared to 102 in FY2008) due to enhancement of employee awareness in all Group companies	<b>【MS&amp;AD Insurance Group】</b> ■ Rooting of the Eco Smile and Family Environment Class, for further increase in the number of participants  ■ Full-fledged deployment of activities in the Water Creatures Story (a campaign for preservation of waterside environments)

##### Measure: Support for approaches overseas

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【The former MSIG】</b> ■ Promotion of information-sharing inside and outside Japan	<b>【The former MSIG】</b> ■ Introduction of overseas activities on in-house bulletin boards	<b>【MS&amp;AD Insurance Group】</b> ■ Further promotion of information-sharing inside and outside Japan

##### Measure: Preservation of biodiversity

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
	<b>【MSI】</b> ■ Continued implementation of environmental education in the	<b>【MSI】</b> ■ Preparation of the Phase 2 plan for the tropical reforestation project

	tropical reforestation project ■ Holding of "The Story of Biology Told by Corporations?Part 3", a symposium on biodiversity for companies	■ Dissemination of information at COP10
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## Contribution to Local and International Communities

### Social contribution through our core business

#### Measure: Provision of automobile risk management services

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> ■ Development of a total consulting menu revolving around use of drive recorders ■ Reinforcement of safe driving advice for individual customers through agents	<b>【MSI】</b> ■ Provision of consulting services using drive recorders with cameras ■ Fuller assortment of tools for instruction about safe driving <b>【MSI・Mitsui Direct】</b> ■ Posting of tools for diagnosis of driving aptitude and motion-video contents for training in foreseeing danger on the website	<b>【MSI】</b> ■ Broadening of the total consulting menu centered around use of drive recorders and traffic safety management ■ Reinforcement of safe driving advice for individual customers through agents

### Support for Social Contribution Activities by Employees

#### Measure: Stimulation of activities of social contribution at each site

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【MSI】</b> ■ Promotion of information-sharing on the details of activities inside and outside Japan FY2009 implementation status	<b>【MSI】</b> ■ Inclusion of special-feature articles in the company newsletter and sharing of reports on activities inside and outside Japan through Circle of Wisdom, the intranet site for staff input <b>【MSI Kirameki Life】</b> ■ Determination of themes in each workplace and execution of social contribution activities on them	<b>【MS&amp;AD Insurance Group】</b> ■ Promotion of information-sharing on details of activities by each company in the Group

#### Measure: Support for employees activities through the Smile Heart Club

FY2009 tasks and targets	FY2009 implementation status	Future tasks and targets
<b>【The former MSIG】</b> ■ Broadening of the Smile Heart Club to MSI MetLife and Mitsui Direct	<b>【The former MSIG】</b> ■ Increase in the number of Club members to 4,477, up 144 from FY2008, with the addition of MSI MetLife and Mitsui Direct <b>【The former MSIG】</b> ■ Collection of a total of 15,310,600 yen from 10,240 employees for eight disasters under the matching gift program of donations for disasters, and donation of a total of 30,621,200 yen with the matching gift	<b>【MS&amp;AD Insurance Group】</b> ■ Expansion of approaches to all companies in the Group <b>【MS&amp;AD Insurance Group】</b> ■ Expansion of approaches to all companies in the Group

## Third-party Opinion

Search

**Ms. Yukiko Furuya**

Board Member, Nippon Association of Consumer Specialists

- Ms. Furuya was certified as an advisory specialist for consumers' affairs in 1988 and a senior risk consultant in 1998.
- She has been in her current position since 2004, and is assigned to the NACS Consumer Research Institute.
- She has additionally been serving as a member of the Japanese National Committee for ISO Working Group on Social Responsibility since 2004, and a member of the steering committee for the Multistakeholder Forum on Social Responsibility for a Sustainable Future and fellow of the Business Ethics Research Center since 2009. She is also a part-time lecturer at Tamagawa University.



### 1. Expectations for even fuller approaches after the consolidation

Management consolidation has a big impact as far as stakeholders are concerned, too. I am looking forward to approaches that will bring tangible benefits and show them how things have changed with the consolidation. And to prevent it from bringing disadvantage to consumers, I hope that the consolidation will lead to a widening of excellent approaches (to aims such as development of easy-to-understand products and improved work) and improvement of management quality among all members of the Group.

For example, the CSR Report describes how two companies developed shared perspectives on quality among agents and are striving to improve it, and the formulation of the MS&AD Insurance Group Basic Environmental Policy in April 2010. Such efforts to make rules and establish standards will presumably raise the level of quality in all approaches and enable management to better meet the expectations of stakeholders.

### 2. Expectations for active approaches to social issues together with stakeholders

My overall impression was that the Report focused mainly on approaches in the core business. This area is, of course, an important part of accountability, and the active disclosure of information on it deserves high marks. Nevertheless, as it pursues these approaches to CSR through its business, I felt a need for the Group to clearly set forth how it perceives the agenda for a sustainable society, the nature of the responsibility it intends to discharge, and how it is involved with stakeholders in these approaches.

For the future, I would like to see the Group actively engage in dialogue with the surrounding stakeholders on social and environmental issues, and take action with them to build a sustainable society.

### 3. Expectations for improvement of work throughout the Group, through concerted efforts with all concerned parties

The Group aspires to remain one that is genuinely needed by society. I have a high opinion of the efforts being made for improvement of work to this end by all concerned personnel while carefully heeding the views of stakeholders. More specifically, I am thinking of the Council on Promotion of Customers' Viewpoint, whose membership centers around Mitsui Sumitomo Insurance but includes outside experts on consumer problems; the collection of views and information from agents; and the Customers' Viewpoint Campaign being conducted by employees. I hope the future will see enhancement of approaches on the overall Group level.

### 4. Expectations for fuller and wider disclosure of information on CSR approaches

This year, it was decided to dispense with preparation of a printed edition and to release the Report on the web. The Report presents plenty of information in areas such as complaints received from consumers; the number of days taken off with pay and use of provisions for leave for childcare and nursing in each employee category; and data on environmental burden. I was also glad to see the concern for reader convenience, such as the outline available on PDF. To further widen the understanding of its approaches and link this to higher credibility, I think the Group should also develop publicity by putting the focal points of its message into a pamphlet or booklet that can be handed to consumers over the counter or mailed directly to them.

#### **MS&AD comment**

On April 1st of this year, we made a fresh start as the MS&AD Insurance Group.

We are taking the opinions expressed by Ms. Furuya to heart, and are going to launch a discussion on key performance indicators (KPI) with a view to incorporating the perspective of social sustainability right into our business activities and further promoting CSR management. We also hope to assist the spread of activities given high marks at individual companies among the rest of the companies in the Group over the coming years.

We are determined to continue fulfilling our social responsibilities through all of our business activities, in keeping with our underlying belief that all of our business activities are for realization of our mission and vision.

This edition of the Report was published in the first fiscal year of the newly inaugurated Group. Beginning with it, we are going to publish the Report on our website and take aim at a wide-ranging comprehensiveness in our information disclosure. At the same time, to encourage reading by a larger circle of stakeholders, we published a digest edition of CSR Report 2010 for a more compact presentation.

We are continuing with our endeavors for a more reader-friendly provision of information to give all of our stakeholders a good understanding of our perspectives and approaches.

Takashi Kubota  
General Manager, Corporate Planning Dept.  
MS&AD Insurance Group Holdings, Inc.