October 31, 2025
MS&AD Insurance Group Holdings, Inc.
Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.

Report on an Overview of MS&AD Group's Stewardship (July 2024 to June 2025)

- Mitsui Sumitomo Insurance Co., Ltd. ("Mitsui Sumitomo") and Aioi Nissay Dowa Insurance Co., Ltd. ("Aioi Nissay Dowa"), subsidiaries of MS&AD Insurance Group Holdings, Inc., engage in stewardship based on their policies in line with the Principles for Responsible Institutional Investors "Japan's Stewardship Code" (the "Code").
- Mitsui Sumitomo and Aioi Nissay Dowa (the "Companies") will deepen their understanding of investee companies and their business environments, work to enhance the corporate value of investee companies, prevent damage to it, and encourage sustainable growth from a medium- to long-term perspective through constructive, purposeful dialogue with investee companies in consideration of sustainability (medium- to long-term sustainability involving ESG factors), and thereby fulfill their stewardship responsibilities.
- The Companies' stewardship policies and guidelines on the exercise of voting rights, etc. are unified. They have a unified attitude in the promotion of stewardship.

  ■ Please visit the relevant page on Mitsui Sumitomo's website and Aioi Nissay Dowa's website.

The following is a report on the Companies' engagement with investee companies and the results of the Companies' exercise of their voting rights from July 2024 to June 2025.

1. Engagement with investee companies

(1) Basic policy on dialogue

- The Companies will work to enhance the corporate value of investee companies and prevent damage to the investee companies from a medium- to long-term perspective. At the same time, they will participate in constructive engagement with investee companies about management issues, shareholder return policies, sustainability (medium- to long-term sustainability including ESG factors), and other topics to promote sustainable growth and share perspectives. If the Companies need to request that investee companies improve, they will convey their thoughts as shareholders to investee companies to address issues.
- The following is a description of engagement that the Companies have engaged in. The Companies described their policies related to the Code and participated in engagement primarily with investee companies that rank highly in terms of the market value of the shares held by the Companies and the investee companies with which the Companies believe they can engage in particularly important engagement about climate change. When an investee violated the guidelines regarding the exercise of voting rights, the Companies engaged in dialogue with them. The Companies communicated their awareness of the issues to them, exchanged opinions and shared their views with them about the status of and outlook for improvements.

	Number of companies
Mitsui Sumitomo Insurance	198
Aioi Nissay Dowa Insurance	190

(2) Dialog topics

- In its engagement with investees, the Companies particularly discuss the topics below and check the state of the investee companies. In light of the continued importance of addressing ESG issues, the Companies participated in engagement to actively encourage investees to increase their corporate value through the discussion and addressing of ESG issues, financial results, medium- to long-term growth strategies and capital management, including shareholder return policies.
- Regarding climate change, the finance division proactively analyzes and monitors investee companies and communicates with them and actively works to contribute to creating a decarbonized society.

Dialog topics	Details
ESG (Environment, Society, Governance)	- Status of addressing climate change and decarbonization - Effects of climate change on businesses and countermeasures - Efforts regarding natural capital and biodiversity -Formulation and publication of human rights policies and implementation of due diligence - Efforts on human capital - Relationships between social issues and businesses - Status of appointment of independent outside officers and their expected roles - Outside officers' attendance at Board of Directors meetings, etc. - Compliance with Japan's Corporate Governance Code
Financial results	- Results in the current fiscal year and the outlook for results from the next fiscal year - Short-term risk factors
Management strategy	- Medium-to-Long-Term Growth Strategy - Perceptions of the business environment and issues related to it - Consideration of sustainability in business strategies
Capital policy	- Policy on shareholder return and internal reserves - Policy on dividends, and indicators
Business risks	- Handling of risk factors - Formulation of a business continuity plan (BCP)

(3) Dialogue examples (related to ESG)

(i) Mitsui Sumitomo Insurance

Case 1 Climate Change
- Mitsui Sumitomo confirmed with companies in the chemical industry, which have significant GHG emissions, about the establishment of a system for collecting Scope 3 data. - Regarding the creation of carbon footprints, Mitsui Sumitomo found that requests are made selectively to certain suppliers. The calculation methods are not standardized and require individual responses, with current capabilities being insufficient. Therefore, efforts are

- being made to establish data collection systems by promoting the development of industry rules.

Case 2 Human Capital
- Mitsui Sumitomo confirmed with companies handling textile products their initiatives to increase the proportion of female managers in the medium to long term, aiming to expand the pool of internal female director candidates. - It was confirmed that from FY2024, initiatives for developing female talent, previously conducted voluntarily by female managers, have been formalized as a company policy. Additionally, the company is focusing on increasing the ratio of women in new graduate hires, identifying the low number of women aspiring to be engineers as a challenge.

Case 3 Natural Capital
- Mitsui Sumitomo requested companies dealing with transportation equipment to disclose information based on TNFD, as they had not yet done so, and verified their analysis and evaluation status while urging early disclosure. - Mitsui Sumitomo also confirmed their water resource management practices, noting that a water risk analysis is conducted whenever a new factory is opened. Currently, they are trialing a project at domestic factories aiming for circular water use, including rainwater, by FY2030. This initiative will be expanded and applied to overseas factories once established.

Case 4 Human Rights
- Mitsui Sumitomo confirmed with a company engaged in wholesale about their human rights due diligence methods for businesses in which they hold a minority stake. - While the main investor typically conducts due diligence, minority investors may also be involved. Investments are made only when human rights due diligence meets certain standards, ensuring no issues are present at the time of investment. However, acknowledging that human rights risks are always present in the supply chain, Mitsui Sumitomo confirmed that continuous monitoring is conducted to prepare for the emergence of unseen risks.

(ii) Aioi Nissay Dowa

Case 1 Climate Change
- Aioi Nissay Dowa confirmed that a company engaged in metal product manufacturing is behind its peers in calculating Scope 3 GHG emissions. - Aioi Nissay Dowa explained that Scope 3 provides a comprehensive assessment of the environmental impact across the entire supply chain, making it crucial for corporate climate risk management and investor evaluation. - Aioi Nissay Dowa suggested leveraging external support to advance emissions calculation and disclosure, presenting examples from other companies. Aioi Nissay Dowa advised that promoting disclosure can enhance corporate credibility.

Case 2 Natural Capital
- A company in the oil and coal products sector has begun disclosures based on TNFD as part of its initiatives on natural capital and biodiversity. - Aioi Nissay Dowa assessed the current disclosure content and, from the perspective of supporting further corporate efforts, explained the key points investors prioritize in comparisons with other companies. Aioi Nissay Dowa provided advice to expand

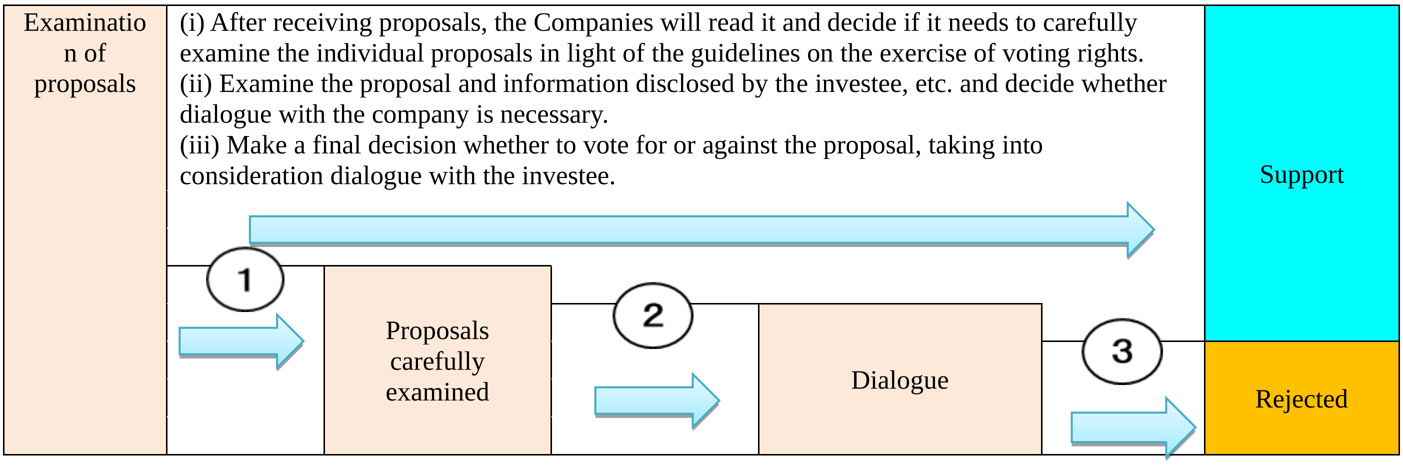
disclosures considering the investor perspective. - Aioi Nissay Dowa received comments expressing interest in reporting the discussion details as reference information to management.
Case 3 Human Rights
- In discussions with a company in the information and communications sector, Aioi Nissay Dowa reviewed their human rights due diligence efforts in light of growing societal interest in human rights issues. - Internally, they are strengthening systems to identify and mitigate potential negative impacts on human rights. Externally, they conduct risk assessments through meetings with partners, hold human rights training sessions, and use surveys to identify issues, confirming a multifaceted approach. - Aioi Nissay Dowa urged further strengthening of initiatives to advance respect for human rights.
Case 4 Governance
- A transportation company sought Aioi Nissay Dowa's opinion as investors when considering the update of its takeover defense measures. - Aioi Nissay Dowa provided detailed information, noting that such measures often receive low ratings from investors due to concerns about limiting acquisition opportunities. Aioi Nissay Dowa emphasized its cautious approach in evaluating the necessity and appropriateness of these measures from a corporate value enhancement perspective. The company expressed interest in using Aioi Nissay Dowa's comments as a reference. - The company decided not to update and to abolish its takeover defense measures at this year's shareholder meeting.

2. Exercise of voting rights

(1) Our thoughts about exercise of voting rights

- The Companies believe that exercising their voting rights affects the management of their investees and it is an important method of enhancing enterprise value. The Companies thus exercise their voting rights based on dialogue with the investee, considering whether their votes will contribute to enhancing enterprise value and increasing shareholder returns over the medium- to long- term instead of deciding whether they will vote for or against a proposal using formulaic and short-term criteria.

- The following is the Companies' process for exercising voting rights. If the investee is considered not to have worked to improve or not to have improved adequately despite the Companies' encouragement regarding the solving of issues through dialogue, the Companies will vote against the proposal.



(2) Guidelines on the exercise of voting rights (criteria for deciding whether to vote for or against the proposal)

- The Companies have guidelines on the exercise of voting rights. They closely examine proposals that violate the guidelines and engage in dialogue with the investee.
- The Companies regularly review proposals so that they are able to contribute to the sustainable growth of the investee, the enhancement of enterprise value and the increase of shareholder return as stipulated in Japan's Corporate Governance Code.
- The Companies revised the guidelines on the exercise of voting rights in July 2024. They strengthened the guidelines as companies are required to strengthen governance, chiefly reflecting the revision of Japan's Corporate Governance Code. The Companies will continue to review the guidelines, considering social conditions, social issues, etc. and engage in dialogue that contributes to the sustainable growth of investees.

Guidelines on the exercise of voting rights (revised in July 2024)

Category of proposals	Matters to be confirmed	Major criteria for deciding whether to vote for or against proposals
Appropriation of Retained Earnings	- State of shareholder return	- The dividend payout ratio has been lower than 20% for the past three consecutive fiscal years.
Appointment of Directors	- State of the enhancement of enterprise value	- Operating profit, ordinary profit or profit has been in negative territory for the past three consecutive fiscal years. - No appropriation of retained earnings is proposed and shareholder return has been low (the dividend payout ratio has been less than 20% for the past three consecutive fiscal years). - ROE below 5% for the most recent five consecutive fiscal years (Prime Market).
	- Situation regarding scandals, etc.	- State of formulation of recurrence prevention measures

	- Appointment of Independent Outside Directors	- The number of Independent Outside Directors who are reported (or to be reported) to the financial instruments exchanges as independent officers is as stated below. Prime Market: less than a third of board members Standard Market: less than two Other markets: no Independent Outside Directors
	- Tenure of Independent Outside Directors	- Tenure of Independent Outside Directors exceeds 12 years (Prime Market)
	- Status of Female Executive Appointments	- No female directors, including candidates (Prime Market)
	- Attendance at Board of Directors meetings, etc.	- The attendance rate (the latest fiscal year) is less than 75%.
	- Handling of issues related to sustainability (medium- to long-term sustainability involving ESG factors)	- For companies in industries with high GHG emissions, if no reduction targets for GHG emissions (including CO2 emissions) are set, inquire about the reasons and any future action plans (Prime Market).
Appointment of Audit & Supervisory Board Member	- Situation regarding scandals, etc.	- State of formulation of recurrence prevention measures
	- Appointment of independent outside Audit & Supervisory Board Members	- No outside Audit & Supervisory Board Members who are reported (or to be reported) to the financial instruments exchanges as independent officers
	- Tenure of independent outside Audit & Supervisory Board Members	- Tenure of independent outside Audit & Supervisory Board Members exceeds 12 years (Prime Market)
	- Attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings	- The attendance rate (the latest fiscal year) is less than 75%.
Appointment of Accounting Auditor	- Accounting Auditors have not caused any accounting fraud.	- If Accounting Auditors have been involved in serious problems (scandals, errors in audits, etc.), have appropriate actions been taken, such as disciplinary actions against the people who are responsible for the problems and formulation of recurrence prevention measures?
Remuneration and Bonuses for Directors	- State of the enhancement of enterprise value	- Operating profit, ordinary profit or profit has been in negative territory for the past three consecutive fiscal years. - No appropriation of retained earnings is proposed and shareholder return has been low (the dividend payout ratio has been less than 20% for the past three consecutive fiscal years).

		- ROE below 5% for the most recent five consecutive fiscal years (Prime Market).
Retirement benefits and condolence money for officers		- Principally disagree
Issuance of Share Acquisition Rights and Stock Compensation	- Presence or absence of performance-linked remuneration, eligible people	- Rationality of performance-linked remuneration - Whether outside people are included in the people eligible for share acquisition rights and stock compensation
	- Whether the proportion of shares held by existing shareholders has declined or not	- A decline of 5% or more (in a single year)
Change in the Articles of Incorporation	- Careful examination of individual cases	- Possibility of damage to the rights of existing shareholders
Takeover Defense Measures	- Careful examination of individual cases	- Whether the proposal contributes to ensuring and enhancing enterprise value and common interests of shareholders
Matters Proposed by the Shareholders	- Careful examination of individual cases	- Whether the proposal contributes to enhancement of enterprise value and sustainable growth over the medium- to long- term.

-To encourage the strengthening of governance, the Companies believe it is necessary to address issues such as the number of concurrent positions held by Outside Directors and cases where the introduction or update of takeover defense measures is decided solely by the Board. Therefore, the Companies will revise the guidelines in July 2025.

Proposal type	Confirmation Items	Criteria and Viewpoints for Judging	
		Current Guidelines (Until June 2025)	After July 2025
Election of Directors	Progress in Corporate Value	・ROE below 5% for the most recent five consecutive fiscal years (Prime Market).	・ROE below 5% for the most recent five consecutive fiscal years ~~(Prime Market)~~ ⇒Expand the scope to all markets
	Authority for approving the introduction or update of takeover defense measures	（New）	・Cases where the introduction or update of takeover defense measures is decided solely by the Board

	Sustainability	・For companies in industries with high GHG emissions, if no reduction targets for GHG emissions (including CO2 emissions) are set, inquire about the reasons and any future action plans (Prime Market).	・~~For companies in industries with high GHG emissions~~ ⇒Expand the scope to all industries
		(New)	・If a human rights policy has not been formulated or published, inquire about the reasons and any future action plans (Prime Market).
	Number of Concurrent Positions Held By Outside Directors	(New)	・When the number of concurrent directorships, including the company in question, is six or more at the time of their appointment (Prime Market)
Election of auditors	Number of Concurrent Positions Held by Outside Auditors	(New)	

- At the Companies, the finance division, which is independent of the sales division, alone decides whether to vote for or against proposals on which the Companies exercise their voting rights under the basic policy on the exercise of voting rights (Principle 5).
- Processes for the exercise of voting rights and the results of exercise of voting rights are regularly reported at meetings of the Board of Directors attended by the Outside Directors and to other bodies.

(3) Results of the exercise of voting rights

(i) Mitsui Sumitomo Insurance

Type of proposal	Number of proposals	Support	Rejected
Matters proposed by the Company	1,385	1,361	24
① Appropriation of surplus	302	301	1
② Election (dismissal) of Directors	564	561	3
③ Election (dismissal) of Audit & Supervisory Board Members and Accounting Auditors	216	215	1
④ Remuneration and Bonuses for Directors	105	105	0
⑤ Retirement benefits and condolence money for officers	25	6	19
⑥ Issuance of Share Acquisition Rights and Stock Compensation	70	70	0

⑦ Organizational change	1	1	0
⑧ Change in the Articles of Incorporation	84	84	0
⑨ Takeover Defense Measures	7	7	0
⑩ Other	11	11	0
Matters Proposed by the Shareholders	114	0	114
Total	1,499	1,361	138

(ii) Aioi Nissay Dowa

Type of proposal	Number of proposals	Support	Rejected
Matters proposed by the Company	1,264	1,229	35
① Appropriation of surplus	271	266	5
② Election (dismissal) of Directors	534	524	10
③ Election (dismissal) of Audit & Supervisory Board Members and Accounting Auditors	188	186	2
④ Remuneration and Bonuses for Directors	104	101	3
⑤ Retirement benefits and condolence money for officers	17	5	12
⑥ Issuance of Share Acquisition Rights and Stock Compensation	46	46	0
⑦ Organizational change	7	7	0
⑧ Change in the Articles of Incorporation	75	75	0
⑨ Takeover Defense Measures	13	10	3
⑩ Other	9	9	0
Matters Proposed by the Shareholders	130	0	130
Total	1,394	1,229	165

(4) Major examples of the exercise of voting rights

(i) Mitsui Sumitomo Insurance

Examples of Rejections

Example 1. Election of Audit & Supervisory Board Members
- A private broadcasting company lacked an independent outside auditor last year, so Mitsui Sumitomo requested the appointment of one through dialogue. They responded that candidates were being selected, and Mitsui Sumitomo, anticipating governance improvements, agreed with this approach. However, as there is still no independent outside auditor this year, further dialogue revealed they are still selecting candidates. Therefore, Mitsui Sumitomo concluded that no improvement has been made and expressed its disagreement.
Example 2. Election of Directors
- A company involved in the manufacturing and sales of glasses and lenses was found to violate performance and payout ratio criteria, prompting dialogue. Although initial forecasts anticipated operating and ordinary profits, the company has posted operating

and ordinary losses for five consecutive periods. Based on the lack of performance improvement, Mitsui Sumitomo expressed its disagreement.
Example 3. Appropriation of surplus
- A company engaged in food-related wholesale has had a dividend payout ratio below 20% for three consecutive years. Last year, Mitsui Sumitomo requested an increase in this ratio through dialogue, but they indicated no intention to enhance shareholder returns, leading to its disagreement. In the recent dialogue, the company again expressed no plans to increase shareholder returns, and Mitsui Sumitomo found no special circumstances justifying the low payout ratio, resulting in continued disagreement.
Example 4. Retirement benefits
- An oil wholesale company continues to use a seniority-based retirement bonus system, and a proposal for retirement bonuses for departing directors was submitted. During their dialogue, Mitsui Sumitomo shared its view that performance-linked compensation is preferable for enhancing corporate value and noted that both the Prime and Standard markets of the Tokyo Stock Exchange are moving towards performance-linked pay systems. Consequently, Mitsui Sumitomo expressed its disagreement.

An example of Supports despite the violation of the guidelines on the exercise of voting rights

Example 5. Election of Directors
- A company involved in the manufacturing and sales of hydraulic and pneumatic equipment submitted a proposal for the reappointment of an independent outside director with a tenure exceeding 12 years. During their dialogue, it was discussed that long tenures could weaken independence. Mitsui Sumitomo confirmed that the Nominating and Compensation Committee is addressing this issue and has begun selecting a successor. As they share Mitsui Sumitomo’s concern and show intent to address the criteria violation, Mitsui Sumitomo agreed to support the proposal.
Example 6. Election of Directors
- A company involved in the manufacturing and sales of electrical equipment engaged in dialogue due to its dividend payout ratio being low and violating the criteria for director appointments. The result showed that although the dividend payout ratio is below 20%, they disclosed a target total return ratio of 40% and are proceeding with dividends and share buybacks as planned. Additionally, their consistent annual dividend increases demonstrate a commitment to shareholder returns, leading to Mitsui Sumitomo’s agreement with their approach.

(ii) Aioi Nissay Dowa

Examples of Rejections

Example 1. Appropriation of surplus, Revision of Executive Compensation, Payment of Executive Bonuses, Takeover Defense
- A company engaged in the wholesale of sporting goods was found to have a dividend payout ratio below 20% for the past three years, despite having sufficient capacity for dividends, which fell short of the guidelines. Dialogue last year revealed no intention to improve the payout ratio, leading to Aioi Nissay Dowa’s disagreement. This year, while there was an increase in dividends due to special profits, the amount was insufficient and the payout ratio significantly declined from last year. In this year's dialogue, Aioi Nissay Dowa again found no intention to improve the payout ratio, resulting in continued disagreement.
Example 2. Election of Directors / Audit & Supervisory Board Members
- A company in the entertainment sector lacked an independent outside auditor last year, violating the guidelines. Dialogue revealed their intention to appoint one, leading to their agreement. However, this year, an independent outside auditor remains absent. Additionally, the number of Independent Outside Directors decreased from two last year to one this year, falling below Aioi Nissay Dowa’s requirement of two. In this year's dialogue, they indicated that the auditor would not be reported as an independent officer and that the reduction in directors was part of streamlining efforts. Due to no expressed intent to improve, Aioi Nissay Dowa disagreed.
Example 3. Appropriation of Retirement benefits
- A company in the manufacturing and sales of housing equipment proposed retirement bonuses for departing directors, which conflicted with the guidelines. Aioi Nissay Dowa engaged in dialogue and conveyed its view that, for long-term corporate value enhancement, executive compensation should be performance-linked rather than seniority-based. Consequently, Aioi Nissay Dowa disagreed with the proposal.
Example 4. Election of Directors
- A company in the food manufacturing and sales business had Independent Outside Directors with tenures violating the guidelines, prompting dialogue last year to discuss improvements. However, this year's dialogue confirmed that no tenure limits have been set, and they indicated that immediate improvements are challenging. Due to the lack of commitment to address the issue, Aioi Nissay Dowa disagreed.

An example of Supports despite the violation of the guidelines on the exercise of voting rights

Example 5. Appropriation of surplus, Election of Directors

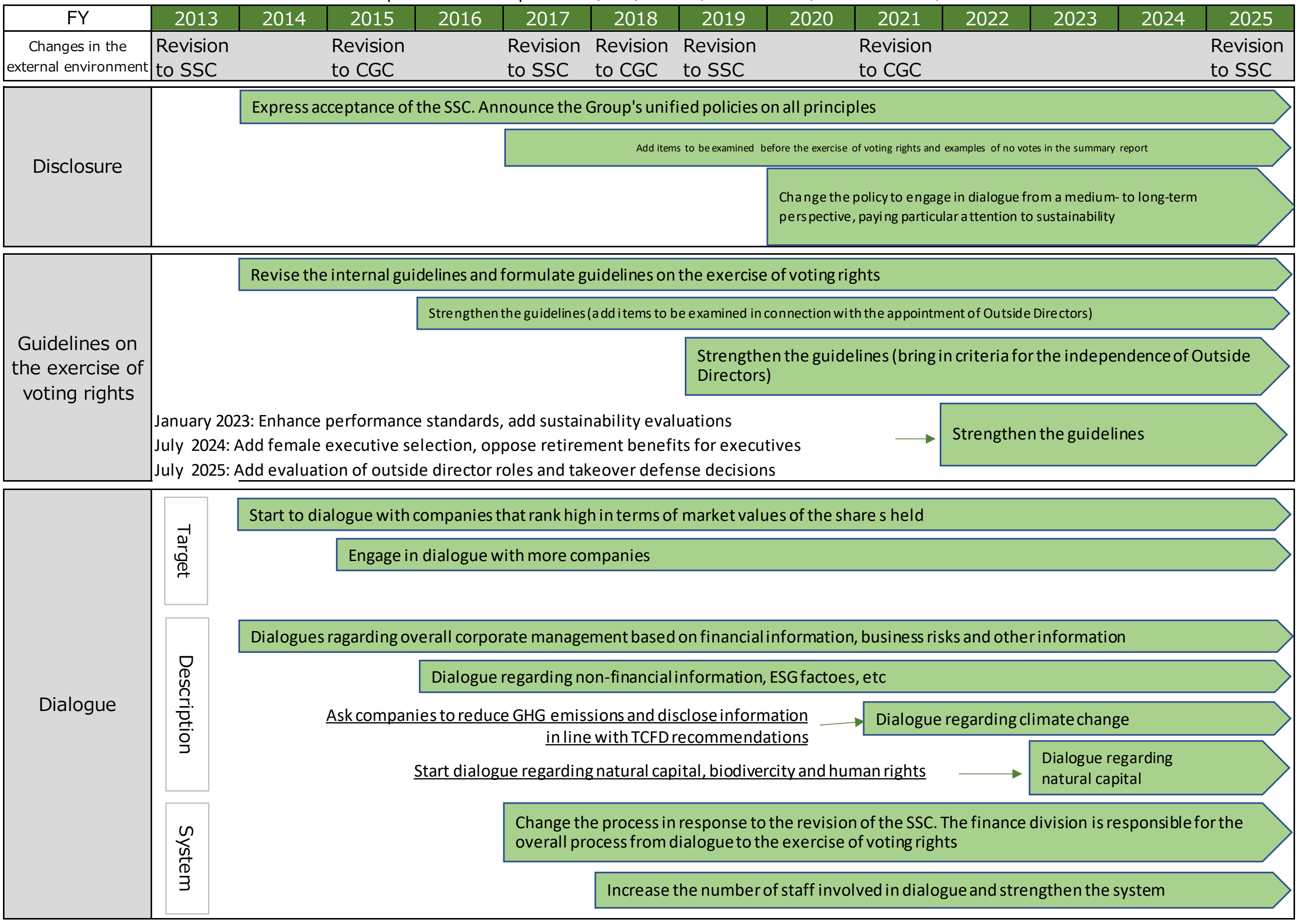
- A transportation company had a dividend payout ratio below 20% for the last three years and an ROE below 5% for five consecutive periods, violating the guidelines, prompting dialogue. Aioi Nissay Dowa have been in continuous discussions since the company faced losses and suspended dividends during the COVID-19 pandemic. With performance recovery, they have resumed and increased dividends, and made public their focus on ROE and stock price goals. Noting these significant improvements, Aioi Nissay Dowa agreed with their approach.
Example 6. Election of Directors
- A financial company had an ROE below 5% for five consecutive periods, violating the guidelines, which prompted dialogue. With lending rates on the rise and an improving external environment, they announced a management goal of achieving over 7% ROE in the future and demonstrated a proactive approach to share buybacks to improve ROE. Expecting future improvements, Aioi Nissay Dowa agreed with their strategy.

- The Companies do not disclose the results of their exercise of voting rights related to each investee because disclosure may affect the constructive dialogue with them, etc. To ensure that you are aware of the Companies' policies and activities, however, they have disclosed their thoughts about the exercise of voting rights, criteria for deciding whether to vote for or against proposals, a tabulation of votes, examples of no votes, etc.

3. Recap of initiatives

- The Companies endorsed the purpose of the Japan Stewardship Code's Principles for Responsible Institutional Investors and expressed its acceptance of the code in 2014. The Companies revised their policies following the revisions of the code in 2017, 2020 and 2025.
- They have engaged in dialogue with investees from a range of perspectives. The topics include ESG factors, financial results, business strategies, capital management and business risks. They have worked to help investees to achieve sustainable growth. The Companies asked investees facing important issues about their situations. If the Companies need to ask them to make improvements, the Companies convey their opinions as a shareholder to solve problems.
- In addition to maintaining their dialogue on climate change, the Companies broadened the themes of dialogue concerning ESG by intensifying discussions on natural capital.
- When exercising voting rights, the Companies closely examine proposals according to the guidelines on the exercise of voting rights. The Companies engage in dialogue with investees and examine proposals carefully to enhance enterprise value over the medium to long term. They do not decide whether they will vote for or against proposals by following formulaic and short-term criteria. The Companies disclose the results of their exercise of voting rights and major examples of their exercise of voting rights to make their thoughts and activities known.
- The Companies' stewardship is reported in the Report on an Overview of the MS&AD Group's Stewardship every year. The report is presented at a meeting of the Board of Directors that the Outside Directors participate in and is disclosed publicly to enable the public to understand the Companies' activities.

<Initiatives after the establishment of the Japan Stewardship Code> (Note) SSC: Japan Stewardship Code; CGC: Corporate Governance Code



4. Future initiatives and challenges

- The MS&AD Group's purpose (mission) is to contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business. To accomplish the purpose, the Group aims to create shared value with society through corporate activities in line with its value creation story and build a resilient and sustainable society.
- To mitigate global climate change risks, the Group has set the target of reducing its GHG emissions to net zero by no later than FY2050. To achieve this target, the Group has also set an intermediate GHG emissions reduction target for FY2030 and a renewable energy usage rate target for achieving the intermediate target (for details, please refer to next page).

  The Group will undertake initiatives together with investees. Through constructive dialogue and engagement, the Group will encourage investees to take steps to reduce GHG emissions and disclose information in line with the TCFD recommendations. At the same time, the Group will continue working to enhance the corporate value of its investees through the discussion of medium- to long-term growth strategies and capital management, including shareholder return policies.

- Regarding natural capital, the Group endorses the purpose of the TNFD (Taskforce on Nature-related Financial Disclosures) and works to promote the understanding of the TNFD while providing products that compensate for economic losses incurred due to damage to nature. The Group also works to develop a framework for nature-related financial disclosures. The Group follows the United Nations Guiding Principles on Business and Human Rights (UNGPs) and aims to enhance corporate value by developing and operating a human rights due diligence system and developing value chains and internal environments without human rights violations.
  Through its investments and loans, the Group will improve the sustainability of natural capital and promote activities that respect human rights through constructive dialogue and engagement addressing natural capital, biodiversity and human rights.
- The Companies, under the concept of CSV × DX, are advancing efforts to support technological innovation and the transition to net-zero to reduce climate change risks and environmental impact. These efforts are carried out in collaboration with stakeholders through the provision of products and services as well as investments and financing.
- In addition to exercising voting rights simply to approve or oppose proposals, the Companies will share their thoughts with investees through dialogue and continue to improve problems. If the investee is considered not to have worked to improve or not to have improved adequately despite the Companies' encouragement regarding the solving of issues through dialogue, the Companies will vote against the proposal.
  The Companies will consider reviewing their guidelines on the exercise of voting rights regularly based on changes in investees' performance and the social environment.

(For reference)

The MS&AD Insurance Group's plan to achieve Net-Zero emissions and initiatives in investments and loans

1. GHG emissions reduction targets

<table>
<tr><th colspan="2">Category</th><th>FY2030 Target</th><th>FY2050</th></tr>
<tr><td colspan="2">Scope 1,2</td><td>-50% from base year (FY2019)</td><td rowspan="4">Net-Zero</td></tr>
<tr><td rowspan="3">Scope 3</td><td>Category 1,3,5,6,7, 13</td><td>-50% from base year (FY2019)</td></tr>
<tr><td rowspan="2">Insurance clients and investees companies</td><td>In order to promote efforts to reduce GHG emissions with customers, enhance deep dialogues, identification of issues for reduction, and propose solutions to solve these issues.</td></tr>
<tr><td>-37% from base year(FY2019)
(For key domestic clients)</td></tr>
</table>

Scope 1 emissions are the direct emissions of the Group, including the gasoline used by the Group's vehicles.

Scope 2 emissions are indirect emissions associated with the use of electricity, gas, etc.

Scope 3 emissions are from the MS&AD Group's business activities that do not fall under Scope 2.

2. Renewable energy usage rate target

Target Year	Renewable energy usage rate
FY2030	60%
FY2050	100%

3. Initiatives undertaken with investee and borrowing companies

The Group became a signatory of the UN Principles for Responsible Investment* in June 2015. Since then, the Group has been working to contribute to achieving medium- to long-term return on investment and solving sustainability issues.

To address climate change issues, the Group is financing projects and investing in funds to construct solar, wind, biomass and other renewable energy plants. The Group will continue to engage in green investment, including investment in impact investment funds, particularly climate change funds. Through investments and loans, the Group will support companies that work to develop innovative technologies to reduce GHG emissions significantly and will thereby contribute to a steady transition to a decarbonized society. Through constructive dialogue and engagement, the Group will encourage investees and borrowing companies to take steps to reduce GHG emissions and disclose information based on the TCFD recommendations. The Group will also work to clarify technological innovation plans and challenges.

The Group's responses to climate change and nature-related risks and opportunities are published in the "MS&AD Green Resilience Report."

* PRI(Principles for Responsible Investment)
The principles require investors to consider the ESG (the environment, society and corporate governance) practices of investees when they make investment decisions.

End