

The 2nd CSR Dialog at Tokio Marine & Nichido

Since 2006, Tokio Marine & Nichido has held "CSR Dialog" inviting experts from various fields. These dialogs are intended to seek opinions from outside the company and reflect them in the company's CSR initiatives. For the 2007 CSR Dialog, the same experts who participated in the previous year's dialog were invited, in order to follow up on the opinions obtained in the previous year and to achieve continuous improvements. This year's discussions concentrated in particular on the theme, "Thorough Implementation of Appropriate Business Management – towards the realization of Corporate Philosophy – ." This year's Dialog also reviewed the initiatives in the previous year and obtained a large number of valuable opinions on plans for this fiscal year, based on the theme, "Main Opinions from the Previous Year and Responses to Them, and Opinions for 2007." The main opinions obtained in this Dialog are described below, by theme and field of activity. (Dialog held: May 11, 2007)

Attendees (listed in Japanese *kana* order)



Manager,
Global Administration,
Human Resources
IBM Japan, Ltd.

Nami Ohtsuka



Professor, Graduate School
Economic Research Department,
University of Tokyo

Nobuo Takahashi



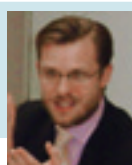
Lifestyle Economy Journalist

Nobuko Takahashi



Chairperson,
Japan Philanthropic Association

Yoko Takahashi



Chief Executive,
E-Square Inc.

Peter David Pedersen



Professor, Graduate School
Global Environmental Studies
Department,
Sophia University

Yoshihiro Fujii

Thorough Implementation of Appropriate Business Management – towards the Realization of Corporate Philosophy –

- A characteristic of service businesses is that even if a company handled 99% of its tasks successfully and failed on only 1%, the company could tend not to be evaluated at "100-1=99" but at zero, or even below zero in some cases. Every effort is necessary to avoid such a situation. In addition, since human beings are central to a service business, it is necessary to have a correct understanding of the fact that "employees and agents are responsible for the Tokio Marine & Nichido brand" and to make judgments and act based on the same measures of value. Without an understanding of these 2 fundamental natures of service businesses, it is not possible to provide true service.
- The term "monitoring" is used frequently in connection with initiatives for appropriate operational improvements, which means that there is a need to implement the PDCA cycle thoroughly and reliably and to improve efficacy.
- There tends to be an "asymmetry in information" between consumers and insurers, and it is very difficult for consumers to remember the details of insurance policies. Since the insurer clearly has an "information advantage," claims payments should not be made on a "demand -basis" from policyholders. Instead, insurers should take full responsibility of informing policyholders of all the claims they are eligible for and paying claims based on this approach.
- Improving corporate quality is essential to operational quality improvements. The Corporate Philosophy is the core of all such efforts. Improvements in the dispositions of the directors and employees who implement and realize this philosophy thoroughly are extremely important. It is important that what the company seeks to achieve is communicated thoroughly and permeated to customers, employees, and agents, and educational functions are very important for this reason.
- If the method of addressing the true causes of problems is incorrect, true countermeasures cannot be implemented. When presented with a difficult choice between company profits and payment to policyholders, it could be said that the issue of whether the criterion to choose between ethics or profits has not been clearly addressed as the true cause of problem. If the company does not choose ethics, there will definitely be a price to pay.
- Even if an agent sells insurance products, it is the insurer that is asked to pay in the event of a covered incident. In the end, the product is the insurer's brand itself. In order to maintain and improve its brand, it is essential that Tokio Marine & Nichido improve the quality of its operations while at the same time improving the quality of its agents.