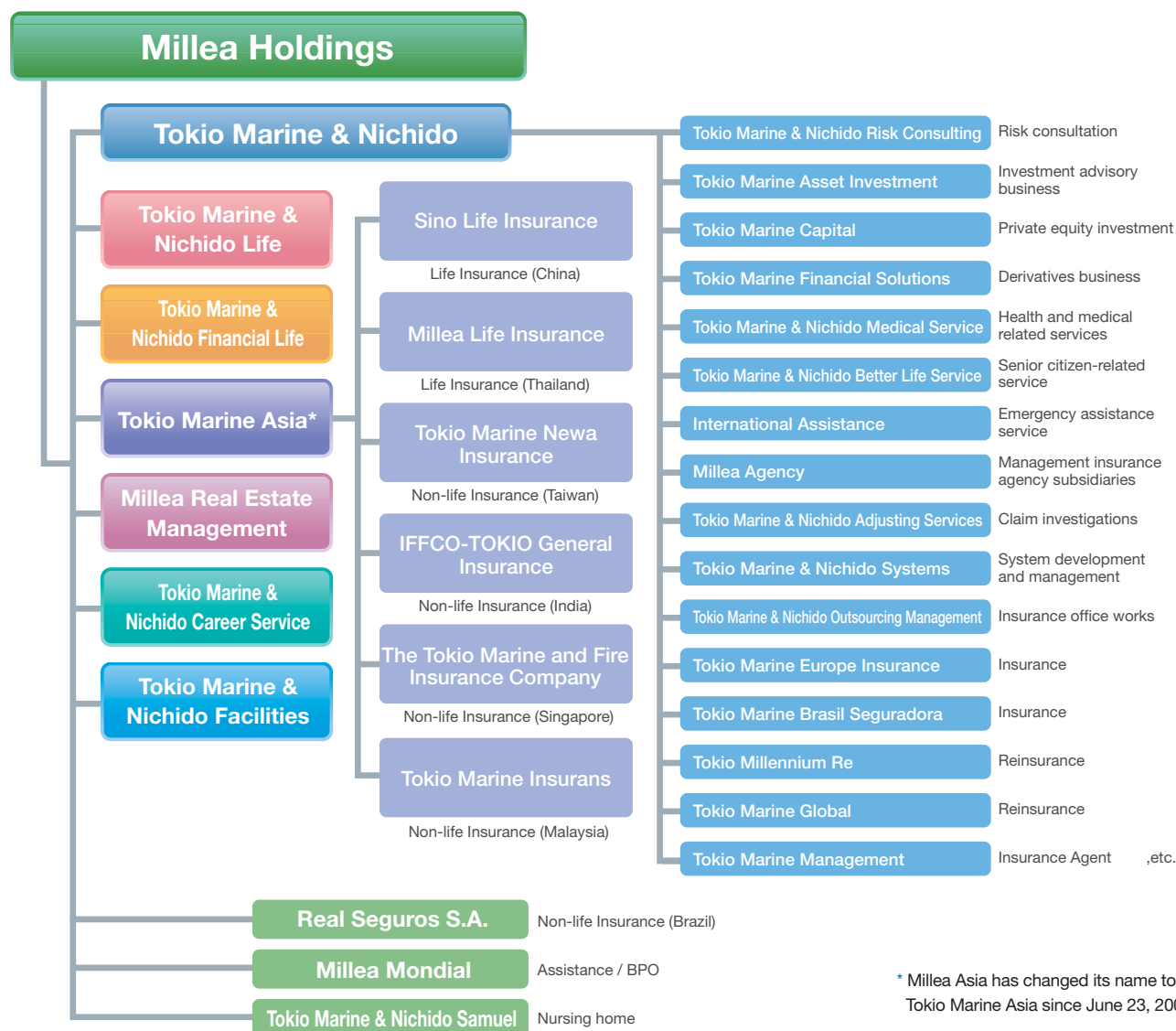


# Millea Group CSR Report 2006



## ■ Overview of the Millea Group (as of March 2006) The descriptions of "Inc." and "Co., Ltd" have been omitted throughout the report.



\* Millea Asia has changed its name to Tokio Marine Asia since June 23, 2006.

## ■ Company Overview (As of March 2006)

Official Name	Millea Holdings, Inc.
Company President	Kunio Ishihara
Address	Tokyo Kaijo Nichido Building Shinkan 9F, 1-2-1 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
Date of Establishment	April 2, 2002
Common Stock	150 billion yen
Stock Exchange Listings	Tokyo, Osaka and NASDAQ (U.S.)
Supported CSR Related International Charter / Guideline	United Nations Global Compact (Expression of participation in April 2005)

## ■ Main Financial Indicators (Consolidated)

Consolidated Fiscal Year	FY 2003	FY 2004	FY 2005
Ordinary Income(Million Yen)	2,775,700	2,899,500	3,400,000
Net Premiums Income(Million Yen)	1,943,600	1,925,100	1,978,700
Operating Earnings(Million Yen)	191,700	140,000	136,600
Current Net Earnings(Million Yen)	111,400	67,600	90,000
Total Asset Value(Million Yen)	11,006,300	11,624,500	14,260,000
Equity Capital Ratio(%)	21	19.8	22.5
No. of Employees*	19,779	18,910	19,761

\*Full time workers only, excluding part-time employees.



## ■ Editorial Policy

- This report has the aim of reporting to all our stakeholders plainly the initiatives listed in our FY 2005 CSR Basic Plan and content of other initiatives, and their results.
- This report is composed of special topics and chapters based on our CSR Charter.
- In order to make the Millea Group's stance on CSR clearer, we referred in special topics to the group's medium-and long-term strategy, and the goals that must be strived for through the Millea Group's CSR.
- The philosophy and position relating to the Millea Group's initiatives in corresponding areas are given on the top page of each chapter, and the relationship between this stance and initiatives that are introduced are explained as a story.
- This report reflects feedback and opinions from our readers to the extent possible.
- As a continuation on from last year, we have edited this report with a focus on the employees and agents that are our contact points with all our stakeholders. Also, we are taking introduction of overseas initiatives into even greater consideration than last year.
- We did not make comprehensive coverage of initiatives but tried to mention them according to their importance. On matters which were not included in this report, we will make them public through alternative means such as other disclosure documents, our homepage and other media.

\*Links to Millea Holdings' Disclosure Documents and Homepage

[web http://www.millea.co.jp/en/finance/annualreport.html](http://www.millea.co.jp/en/finance/annualreport.html)  
(Annual Report)

[web http://www.millea.co.jp/en/index.html](http://www.millea.co.jp/en/index.html) (Homepage)

### [Guidelines Referred to]

- GRI (Global Reporting Initiative)  
"Sustainability Reporting Guidelines 2002"
- UN Global Compact Guidelines for  
"Communication on Progress" (COPs)

### [Scope of the Report]

- **Organizations Covered in This Report**  
This report basically covers the activities of all companies within the Millea Group.
- **Reporting Period**  
This report basically covers activities from the 2005 Fiscal Year (from April 2005 to March 2006). However, there are passages where information not belonging to this time period has been provided in order to give complete pictures.

### The Publication Date

- Previous Report: July 2005
- This Report: September 2006
- Next Report: July 2007 (Schedule)

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# Putting Customer Trust at the Base of All Our Activities



## ■In the Beginning

"With customer trust at the base of all its corporate activities" as its Corporate Philosophy, the Millea Group seeks to fulfill its corporate social responsibility (CSR) under the action principle of "pursuing strict compliance in all aspects of its business activities."

It has come to light, however, that there were cases of omission to pay claims for incidental expenses, etc. by our subsidiary, Tokio Marine & Nichido Fire Insurance Co., Ltd., and last November the company received an administrative disposition from the Financial Services Agency (a business improvement order under the Insurance Business Law). Also, in March of this year it was pointed out that there was a partial omission of reference to the warning language in the brochures on our savings-type nursing care expense insurance which we started selling in October 1990.

The fact that we let these things occur damages the trust in us of our customers as well as people at large in society, and once again we would deeply and sincerely apologize for the great inconvenience and concern caused.

In order to prevent a recurrence of similar cases in the future, both management and employees will make a united effort to return to the basics of the insurance business, review thoroughly the way our business should be managed, including our attitude itself, and strive for restoring customers' trust in us by taking every measure possible to put a stop to the recurrence.

A handwritten signature in black ink, reading "Kunio Ishihara".

Kunio Ishihara  
President  
Millea Holdings, Inc.

## ■ New Medium-Term Plan for the Group — Stage Expansion 2008

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As of this April, the Millea Group's new medium-term plan "Stage Expansion 2008" got under way. The key phrase here is "Stage Expansion of Insurance." Contained within the words of this phrase are a determination to fulfill our commitments to society through our day-to-day activities and a strong passion behind it.

This medium-term plan embodies the Millea Group's vision of "expanding the stage of insurance, aiming to be an international top-class insurance group." We consider that the phrase "Stage Expansion of Insurance" is a key to development as a business group indispensable to the world around us, with a picture in mind of the Millea Group 10 years from now. As a business group with insurance operations at its core, it is a matter of course that we will continue to provide sufficient coverage against accidents and illnesses. We do not stop there but seek always to catch precisely what "safety and security" our customers are really in need. Thus, we will continue developing innovative products and services that go beyond the realm of "conventional and traditional insurance," to the goal of growing into an international top-class insurance group.

## ■ The CSR of the Millea Group

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The Millea Group is a business group with insurance operations at its core which have strong social and public natures, and wishes to offer "safety and security" to customers through its core insurance businesses and thus contribute to the growth of affluent and comfortable society. And we think that we can fulfill our commitments to society by being recognized as a presence indispensable to society through such effort and by making sustained growth along with society. For such purposes, we have been doing all we can to earn the complete trust of all our customers by thoroughly observing compliance in every facet of our business activities. At the same time, we will continue our efforts to undertake initiatives proactively in the areas of regional and social contributions, global environmental protection and respect for human rights, while endeavoring to engage in two-way communication with all our stakeholders as a good corporate citizen. It is our intention to enhance our corporate value by gaining the appreciation of customers, regional communities, society and our stockholders for these initiatives and through "a Positive Spiral of Values" in which both our employees and agents, who are our partners, take pride.

As we develop into the future, we are determined to continue our efforts to provide customers with products and services of the highest quality, and spread "safety and security." Furthermore, by adhering to proper management as a good corporate citizen, we will broadly contribute to the growth of society. In addition, we promise to all our stakeholders that we will continue working to improve corporate value while achieving sustainable growth alongside society.

The business activities of the Millea Group are made possible only with support of our many stakeholders. What should we do to continue being trusted and supported? Here, we will explain what the Millea Group seeks to achieve through CSR.

### ■Philosophy behind the CSR of the Millea Group

In the Millea Group we had a dialogue on what we should do to continue being trusted by all our stakeholders. The conclusion we have reached is that the translation of our Corporate Philosophy into practice is no other than CSR itself and that the thorough practice of it will lead to the increase of value we provide for all our stakeholders and, consequently, enhance our corporate value which is the sum total of such value. The Millea Group enacted its "Millea Group CSR Charter" as an action agenda to practice CSR.

#### ►Millea Group Corporate Philosophy

The Millea Group is committed to the continuous enhancement of corporate value, with customer trust at the base of all its activities.

- By providing customers with the highest quality products and services, we will spread safety and security to all around us.
- For fulfilling our responsibility to shareholders, we will pursue global development of sound growing and profitable businesses.
- For promoting the creativity of each and every employee, we will foster a corporate culture which encourages free and open communications.
- While demonstrating responsible management as a good corporate citizen, we will make a positive contribution to society.

#### ►Millea Group CSR Charter

The Millea Group is committed to fulfilling its corporate social responsibilities ("CSR") by implementing its management philosophy to achieve sustainable growth together with the development of society, in accordance with the following principles:

##### Products and Services

- We aim to provide society with products and services to meet its needs for safety and security.

##### Respect for Human Rights and Dignity

- We respect and actively promote the recognition of human rights.
- We strive to ensure an energetic working environment that is both safe and healthy and to promote training and education of our employees.
- We respect the right to privacy and strive to enforce sound information management and control.

##### Protection of the Global Environment

- Acknowledging that the protection of the global environment is an important responsibility for all corporate entities, we respect harmonization with and improvement of the global environment in all of our activities.

##### Contribution to Local Communities and Societies

- As a member of various communities and societies, we respect the diversity of cultures and customs and we aim to contribute actively to the needs of the current era.

##### Compliance

- While striving to maintain high ethical standards at all times, we will pursue strict compliance in all aspects of our business activities.

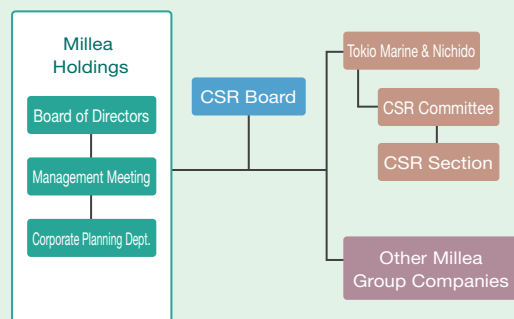
##### Communication

- We intend to disclose information timely and appropriately and to promote dialogue with all our stakeholders to ensure effective corporate management.

### ■CSR Promotion Framework

The Millea Group has set up a "CSR Board" chaired by the president of the Millea Holdings and composed of the presidents of each of the group companies as members. The Board draws up basic policies and plans relating to initiatives, and monitors progress. The group companies promote CSR initiatives within their own companies and subsidiary companies in accordance with the basic policies and plans of the CSR Board. Furthermore, Tokio Marine & Nichido has set up a CSR Section exclusively in charge of promoting CSR, and also has put in place a "CSR Committee" under the Board of Directors which engages in sharing information with departments/sections proceeding with CSR initiatives and in promoting and encouraging their activities.

#### ►Millea Group CSR Promotion Framework



## ■ The Practice of CSR in the Millea Group



### ► CSR Initiatives and Enhancement of Our Corporate Value

With regard to the kinds of initiatives we engage in, respect for human rights, compliance with legislation, and also protection of the global environment and consideration toward local communities and society are all issues that a company should undertake as a matter of course as an entity within society, and we believe that it is only with this foundation that we can provide value to customers. Furthermore, for the Millea Group which provides intangible values such as insurance products and services, the "human power" of our employees and agents who are the points of contact with all our stakeholders is a vital component of practicing CSR. We believe that by gaining appreciation from all our stakeholders for CSR practiced by employees and agents with "human power," we will be able to enhance the value of our corporate brand and, consequently, our corporate value itself will rise.

## ■ The Tokio Marine & Nichido Corporate Value Index – CSR Index

Tokio Marine & Nichido defines corporate value as the sum total of values it provides for the five stakeholders of our customers, shareholders, agents, employees and local communities/society, and each year we quantitatively measure levels of improvement made in the respective fields as a result of annual strategies and policies, by means of the "Corporate Value Index" developed by Tokio Marine in 2003 to evaluate the outcome. Measurement is made by self-assessment on a maximum of 1,000 as a total of points gained in the corresponding fields.

We will continue to take measurements with this index in the next fiscal year and will publish actual scores as "Key Indicators" for each area of Tokio Marine & Nichido's CSR initiatives that are thought to be important for our stakeholders, and will make use of them to improve our initiatives by reflecting feedback from our stakeholders in them.



## Current Status of Corporate Governance

Millea Holdings has built up sound and highly transparent corporate governance, and effectively exercises control over each of its group companies as the holding company.

## System of Governance

The below is an overview of our system of governance.

Governance Entity	Role	Composition/Tenure
Board of Directors	Decides important business matters, supervises the performance of directors and builds an appropriate internal control system	Generally 10 members. In principle at least 3 members should be directors from outside the company. Tenure is for a term of one year.
Corporate Auditors/ Board of Corporate Auditors	Supervises the performance of directors as an independent organ with a mandate from the shareholders	Generally 5 members. In principle, a majority should be auditors from outside the company. At least one auditor should be qualified as an Audit Committee Financial Expert under U. S. SEC rules.
Nomination Committee	Appoints and removes members of the board and directors and corporate auditors from Millea Holdings and its main subsidiaries, and reports to the Board of Directors on recommendations regarding appointment criteria.	Generally 5 members. In principle, to be more than half made up of members from outside the company. The committee chairperson to be selected from those members from outside the company.
Remuneration Committee	Evaluates the performance of members of the board and directors from Millea Holdings and its main subsidiaries, and reports to the Board of Directors on recommendations relating to the remuneration framework.	

## Remuneration Scheme for Directors

The remuneration scheme for full-time Millea company directors consists of fixed remuneration, bonuses related to the results of company and individual performance, and stock options, with remuneration for auditors and part-time company

directors made up of fixed remuneration and stock options. In June 2005, the retirement benefit system was abolished. Also, the remuneration systems for directors of our main subsidiaries follow this scheme in principle.

## Framework for Governance of Subsidiaries

Millea Holdings exercises appropriate control over the operations of its subsidiaries based on the authority it has under its shareholder's rights, and through management contract arrangements. It also sets out basic policies for promotion of governance, risk management and internal auditing within the Group, and monitors progress. Every year, an evaluation of the business performance of our subsidiaries is carried out and the result of such evaluation is reflected in remuneration for the subsidiary company directors.

## Internal Control Basic Policy

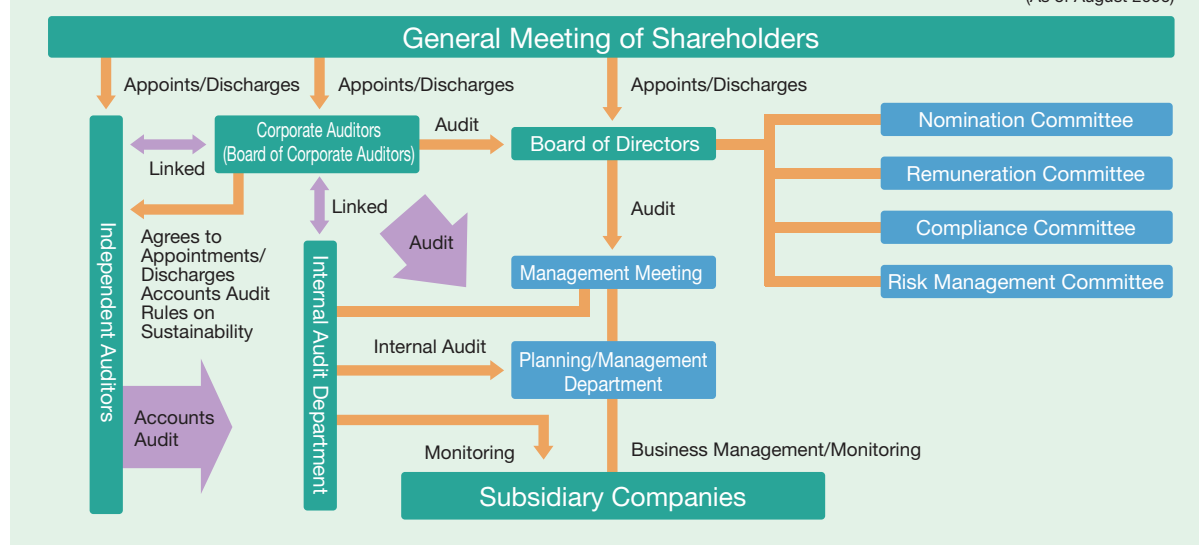
Millea Holdings has set out an "Internal Control Basic Policy"\* with the aim of building a system of appropriate internal control based on the Corporate Law and its Enforcement Regulations. Under this policy, the Millea Group as the holding company has set out the basic concepts of frameworks for supervising business performance in each group company and for promoting compliance, risk management, internal auditing, information management, and audit by corporate auditors. Millea Holdings will continue building up and operating its internal control system appropriately in accordance with this policy.

\* Internal Control Basic Policy:

The full text of this policy is given on the Millea Holdings Homepage and in our disclosure document "Current Situation at Millea Holdings."

## Diagram of the Corporate Governance Framework

(As of August 2006)





## Disaster Response Framework (Business Continuity Plan (BCP))

On the occurrence of a natural disaster such as an earthquake or a typhoon, Tokio Marine & Nichido's social mission as a non-life insurance company is to make timely insurance payments to customers in affected areas and respond to their requests, as well as checking the safety of its employees and their families, cooperating to ensure the safety of local communities, restoring operations in affected areas, and continuing key operations outside the disaster area. Tokio Marine & Nichido has made various advance preparations for these kinds of eventualities.

\* BCP:

This is advance planning for the continuation or recovery of key business operations in the event of the occurrence of a disaster.

## 1. Decision of Policies and Plans

### 1 Basic Policy in the Event of a Natural Disaster (Principles of Action for Employees)

Steps to be taken in the event of a natural disaster are given as follows in order of priority:

1. Ensuring the safety of employees and their families
2. Cooperating to the greatest extent possible in ensuring the safety of local communities
3. Responding to customers in the disaster area, and endeavoring to continue key business functions outside that area.

### 2 Risk and Loss Estimation

A scenario we have in mind is the case of our Head Office building being shaken by an earthquake of "6 Strong" on the Japanese Seismic Intensity Scale with an epicenter directly below the capital. In the worst case, both our Head Office building and the System Center in Tama would become unusable for a certain period of time.

### 3 Selection of Key Business Operations

Business operations designated as being of the highest priority are as follows:

- Payment of insurance claims under earthquake insurance in the disaster area
- Payment of insurance claims and acceptance of insurance business outside the disaster area

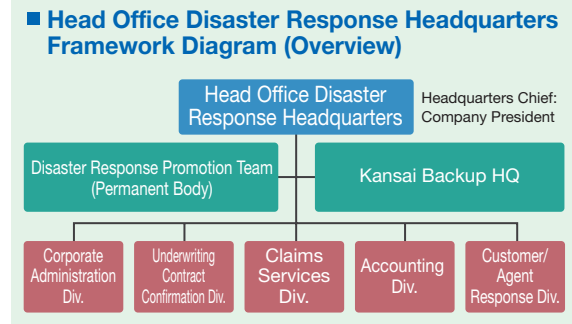
### 4 Setting Target Timeframes for Restoration

Even in cases where the Tama System Center is rendered unusable, we will continue our payment of insurance claims and the acceptance of insurance business outside the disaster area without cease, and will meet the situation manually at first until the necessary back-up systems for the payment of insurance claims and the acceptance of insurance business are restored in 24 hours.

### 5 Setting up of Organizations and Frameworks

On the occurrence of a large scale disaster, we will set up a "Head Office Disaster Response Headquarters" in the Head Office chaired by the company president and consisting of directors overseeing key Head Office business functions. In the case where contact cannot be made with the Head Office for six hours or longer, a "Kansai Backup Headquarters" will be set up in the

Kansai Region. Furthermore, we have also established a "Disaster Response Promotion Team" as a permanent body which makes a study of measures against disasters and gives disaster drills at ordinary times and which supports the directors of the Response Headquarters in case of an emergency.



## Content and Application of Measures

As specific measures to be taken on the occurrence of a disaster, we have prepared manuals tailored for each rank and role, in addition to carrying out the following measures:

- 1 Establishment of a ranked order of substitutes and a chain of command
- 2 Stockpiling, and facilities for the location of the Head Office Disaster Response Headquarters (a dedicated disaster telephone hotline, the in-house intranet, stockpiling of goods for disasters, etc)
- 3 Preparation of alternative locations for head office. (6 locations around Tokyo and its environs)
- 4 Information systems backing up (critical systems operational in 24 hours)
- 5 Introduction of a safety confirmation system
- 6 Cooperation with and contributions to local communities (cooperating insofar as possible to ensure the safety of local communities)

## Education and Training

We run different kinds of training and education programs at each level of roles and ranks within the company.

- Meeting/desktop training for company directors from the company president down (every year since 1992)
- Training simulations run by the Disaster Response Promotion Team (every year since 1996)
- "Disaster Response Basic Training" for all company employees (every year)
- Backup System starting up drills (every month)

## Inspection & Review

Aside from Head Office disaster response preparedness checks carried out by members of the Disaster Response Promotion Team and internal audits carried out by the Internal Audit Department, we also undergo disaster response audits by external bodies and a review covering overall planning that is performed by the management at regular annual meetings.

# Providing Value through the Stage Expansion of Products and Services and the "Human Power" of Our Employees and Agents

Accompanying many changes occurring in the environment, the risks our customers face are becoming diversified and growing in scale. At the Millea Group we will enhance our corporate value not only by providing new solutions to those risks but also by securing customer trust through products and services offered by our employees and agents with "Human Power."

I put "listening to what the customer has to say" at the base of all sales activities, and think that it is important to have customers identify latent risks themselves through a dialogue with them. Also, when providing products and services, I think that by "listening to what the customer has to say" beforehand, it becomes possible for me to provide explanations and proposals from the customer's position and raise satisfaction levels.

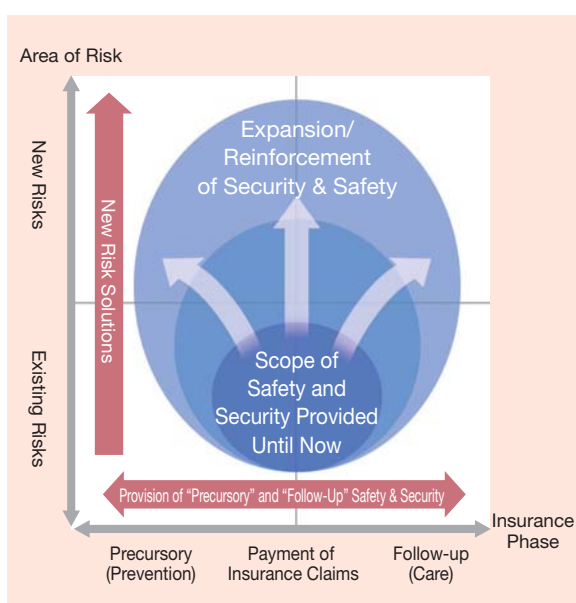
**Tokikatsu Nishikawa,**  
Deputy Manager, Shinjuku Sub-branch,  
Tokyo Shintoshin Branch,  
Tokio Marine & Nichido



## ■ Phased Expansion of Insurance Activities and Challenging New Areas of Risk

With the corporate philosophy of "by providing customers with the highest quality products and services, we will spread safety and security to all around us," the Millea Group has continued to develop innovative products ahead of the times and have gained high appreciation from customers.

Into the future, we will continue meeting our customers' diversifying needs through the stage expansion of products and services by making the most of the Group's overall strength. The insurance companies in the Group are eager to contribute to the realization of better society not only by providing products and services matching new risks and paying insurance claims but also by spreading "safety and security" in society through reinforcement of precursory risk reduction and follow-up care.



**We will contribute to the realization of a better society through providing new value.**

## 1. Challenging New Risks through Provision of Products and Services

### ■ Developing a New Concept of Medical Insurance Specialized for Diabetes (Tokio Marine & Nichido)

It is considered possible to put the progress of diabetes under control or prevent its onset itself by means of proper medical care and improvement in lifestyles. However, until now, there has been almost no insurance tailored to the needs of people suffering from diabetes. As a result, Tokio Marine & Nichido has developed a specialized insurance package "Good Tomorrows" to provide comprehensive relief to diabetes sufferers and those at risk of developing diabetes, by creating an insurance package that includes the functions of providing accurate information about diabetes and offering assistance functions for lifestyle improvements in addition to offering coverage for such areas as complication illnesses of diabetes.

#### ■ Preventive Assistance for Lifestyle-related Diseases

Public and clinical nurses provide the following services tailored for people at risk of developing diabetes, and diabetics:

1. **Regular Hospital Visit Support Service**  
(for people undergoing treatment for diabetes)
2. **Lifestyle Improvement Support Service**  
(for people yet to develop diabetes)
3. **Telephone Health Advice (universal)**
4. **Information Services (universal)**

### ■ Sale of Insurance that Contributes to the Spread of New Treatments for Illnesses such as Leukemia (Tokio Marine & Nichido)

Bone marrow transplants are a well known method of treatment for serious blood related illnesses such as leukemia, and Tokio Marine & Nichido has continuously supported the bone marrow bank system with such steps as the "Bone Marrow Bank Group Injury Insurance" it developed in 1991. Since then, medical advances have seen the development of peripheral blood stem cell transplantation (PBSCT) performed by the extraction of hematopoietic stem cells from peripheral blood taken from a donor without the need for a full body anesthetic. In order to promote the spread of this new type of treatment, in February 2006, Tokio Marine & Nichido in cooperation with the Japan Society for Hematopoietic Cell Transplantation developed "Peripheral Blood Stem Cell Donor Group Injury Insurance." This insurance aims to promote the donation of peripheral blood stem cells by compensating donors for any injuries suffered from the time of leaving one's house to their return (including any accidents occurring due to the medical procedure of peripheral blood stem cell extraction).

## 2. Expansion of "Precursory" and "Follow-Up" Safety and Security that Goes beyond the Boundaries of Conventional Insurance

### ■ Automobile Insurance "Total Assist" (Tokio Marine & Nichido)

In August 2005 Tokio Marine & Nichido developed a new automobile insurance product "Total Assist" that takes on board the idea of amalgamating "Assistance" with the pre-existing "Insurance," in response to customer requests for various services in addition to existing coverage that cover the total flow from the payment of claims through all the aspects of "accident prevention," "when involved in an accident," and in case of "post-accident care."

Since offering this on sale, we have received words of appreciation for this never-seen-before idea from many of our customers, and sales have been growing at a speed unseen in automobile insurance since the insurance market was liberalized. We have received many messages of appreciation from our customers with regard to "Assistance," which we newly added to our insurance (please refer to the table below).

#### ■ Messages of appreciation from our customers:

We have received many messages of appreciation from our customers regarding the brand new framework of "Assistance You Can Choose When Hospitalized" that enables customers to choose their preferred compensation when hospitalized by an accident, including the following:

- "Thanks to services like 'providing flowers' and 'contracting home helpers (specialized cleaning course)', my family that came to visit me everyday was overjoyed"
- "My son who is a high school student was interested in the 'alternate bed fee offer' whereby he could move to a room and study without being disturbed. Furthermore, I think he will also want to take advantage of the 'bookstall provision' of reference books because he has exams coming up. This concept of service is really wonderful, isn't it?"





### ■ Automobile Insurance that Supports Initiatives Aimed at Reducing Automobile Accidents (Tokio Marine & Nichido)

Tokio Marine & Nichido began selling "Fleet Accident Reduction Assist"\* automobile insurance in October 2005. This insurance is a corporate-oriented automobile insurance that amalgamates "Insurance" and "Specialized Consulting Aimed at Accident Reduction" offering solutions to the causes of accidents, and is a product developed in response to customers saying that they want "to reduce work related to automobile accidents" and to have "stable low cost automobile insurance on a long-term basis." We provide strong backup to customer initiatives to reduce accidents by providing advice and consulting service on how to prevent a recurrence through detailed analysis of accident causes performed by experts on footage collected from actual risk situations taken by the latest camera-attached drive recorders.

#### \* Fleet Accident Reduction Assist:

We offer the three courses "A," "B," and "C" in accordance with the number of vehicles (more than 10 vehicles) covered by the automobile fleet insurance contract of our customers.

#### ■ Example Overview of Our Service (B Course)



\* We create original accident prevention manuals and run safety measures training based on the analysis of accident patterns and with camera mounted drive recorders within the companies of our customers.



## 3. Aiming to Be Safety and Security Processionals

### ■ How We Think of Our Human Power

Because the Millea Group offers the intangible products of insurance and services, it considers the human power of its employees and agents that are the contact points with our customers, and providing customer value to be of the utmost importance. Specifically, this relates to the need for our employees and agents to have specialized knowledge and motivation, and to act while constantly putting themselves in their customers' shoes. By maximizing our employees' and agents' human power, we will work hard to realize customer satisfaction.

### What is Human Power?

This is made up of the following 3 elements:

1. Abilities as Professionals
2. Energies
3. Acting while constantly considering the position of those one is dealing with

### ■ Employee Human Resource Development Policy

At the Millea Group, our human resources are the very basis of customer satisfaction and competitiveness, and we treat human resource development as a matter of the greatest importance. In order to develop human resources that have a high degree of expertise in dealing with customer needs, and that are trusted by customers for their unerring integrity, we provide a number of systems for developing abilities. By proactively developing our human resources through these systems and initiatives, we will connect this to improved corporate value across the group as a whole.

### ■ Stage Expansion of Opportunities for Female Employees to Be Active

The Millea Group is proactively moving forward with building workplaces where women can be more active. At Tokio Marine & Nichido, we recognize that creating an environment where motivated and able employees of a diverse range of values are able to realize their full potential, irrespective of gender, is essential to improving customer response, and we are proactively engaging in an "Increased Opportunities for Female Employees to Be Active" campaign. Specifically, having the three pillars of raising female employee career awareness, reinforcing management, and developing personnel systems, we engage in a range of other related initiatives such as running new training, holding forums on centralized structures, exchanging information through our intranet, proactively holding off-site meetings, holding management training, correctly managing the human



resource system, expanding the childcare system, and so on, while continuing to reissue messages from top management.

### ■ Holding of the "Millea Women's Forum"

In February 2006, the Millea Group held a "Millea Women's Forum" based on the theme of "Promoting the Activities of Women in Business" open to female employees. This forum had the aim of deepening understanding toward awareness of the activities of women throughout society, to foster the handing down of advice and tips from senior to junior staff, and to connect to proactive and organized activity by all. The first part of this seminar was a panel discussion of four female employees from section managers and above on the theme of "In Order to Actively Participate within the Company." The second session was a lecture given by Masumi Shiraishi, who is a Director at Tokio Marine & Nichido Life and Professor at Toyo University, on the theme of "Building Your Own Work Skills."



Panel discussion in 2006

### ■ Creating Workplaces where People Are Happy to Work "Job Request System"

In order to foster and develop the dynamism of our employees, Tokio Marine & Nichido operates the "Job Request System" as one of our key human resource management related systems and try insofar as possible to help our staff realize their wishes for assignment transfers. Under this system, there are three courses offered. The first of these is a framework for responding to offers made within the company for transfers to specified fields of work. The second is a system that allows people seeking new challenges to freely apply for fields of work that they would like to try working in. The third system was newly created in FY 2004 from the perspective of promoting activities of female staff, which allows them to choose the place of work that they would like to work in (I-Turn<sup>\*1</sup> and U-Turn placements<sup>\*2</sup>). All of these systems achieve increased staff motivation and improvements in work skills by allowing employees to independently choose these systems.

The number of employees applying and the number being accepted in this system grew sharply as a result of proactive internal provision of information on this system.

<sup>\*1</sup> I Turn Placements: "Support for Work/Life Balance" (ref p.34.)

<sup>\*2</sup> U Turn Placements: "Career Development through Use of Our Company System" (ref p.13.)

### ■ JOB Request System Participants

(People)

Fiscal Year	Applicants	Successful
2004	136	32
2005	189	56
2006	356	95

### ■ Employee Training / Skill Development System

Tokio Marine & Nichido operates a wide range of training systems to develop the skills of its employees, such as Rank-Specific Training, Optional Training, and Specialization Training, which are enthusiastically taken up by many of our staff. In FY 2005, we operated middle leader training for the first time that aims to improve the expertise and market value, as well as the fourth year training for regional staff<sup>\*1</sup> (refer below under "Centralized Training"). Moreover, we also have systems such as the External Qualification Support System which is a fee-subsidized system to support employees in their own voluntary studies. Also, we proactively send young employees to overseas business schools (to obtain MBAs), law schools (to obtain LLMs<sup>\*2</sup> and to pass the New York exam), and to universities in non-English speaking countries with the aim of cultivating a staff that have a broad perspective, are internationally minded and that possess a high degree of knowledge. Furthermore, we also provide information through "Tokio Marine & Nichido University" on the company intranet.

<sup>\*1</sup> There are two different kinds of employees : regional staff (not subject to transfers) and nationwide staff (subject to transfers).

<sup>\*2</sup> LLMS (Master of Laws):

Courses offered by graduate schools in Europe and the U.S. to acquire the necessary knowledge about legal affairs required by Tokio Marine & Nichido.

### ■ Centralized Training

In FY 2005, Tokio Marine & Nichido held a new career training course gathered together from all our offices encompassing fourth-year regional staff. This training is in order to produce even greater performance in the workplace and successful activity by providing an opportunity for the enrolled staff to think of their own career in a structured manner. Around 250 people who were gathered from around the country deepened their personal understanding of their job roles and painted out their career vision of "Where I Want to Be 2 Years from Now" through debates, practice issues and enrolling in seminars. A message was imparted in advance of "What I expect of Mr./Ms. X 2 Years from Now" from their supervisors, showing that they hold the enrolled participant in high esteem.

#### 4. Aiming for Work and Services Trusted by Our Customers — "Practicing Human Power"

##### Services and Products Provided by Our Agents

"Greater bonds with our customers through sales of Super Insurance give rise to greater improvements in management quality"

In an age where insurance can be sold even over the Internet, the meaning of agents existing has come to be questioned. Under our Super Insurance that provides a wide range of benefits tailored to the needs of our customers within a single package of insurance, by selling the best fitting plan that we suggest based on asking our customers what their needs are, this not only enables us to have a closer relationship with our customers, but also creates a positive cycle of increasing our efforts to raise management quality in the form of greater customer satisfaction. We hope to continue providing value from higher quality products through Super Insurance by engendering greater dynamism in exchanging opinions with our hardworking local neighborhood agents.



**Yoshikazu Miyachi**  
CEO,  
Miyachi Total Insurance Office

##### Support for Construction of Enterprise Pension / Retirement Allowance Systems

"We want to support the future of small-and medium-sized enterprises"

In recent times, there have been great changes going on in the environment surrounding the retirement allowance system, such as perceptions of entry into the labor market and the large scale retirement of people from the baby boom generation. There has been great concern for many small-and medium-sized enterprises over how existing retirement allowances and pension systems should be reconstituted. At Tokio Marine & Nichido, we provide an objective analysis and information on this situation, and give support to customers in creating systems that match their own company climate. This is challenging work, but being able to have a strong sense of the needs of society is a powerful driving force for people involved in providing services. It is our desire to continue to work with conviction in providing services that resonate with our customers, while feeling a strong sense of being helpful to our customers on a day-to-day basis.



**Fumitaka Kokubo**  
Deputy Manager of Our Sales Management Group,  
401k Plan & Investment Trust Marketing  
Promotion Dept.

##### Response to Customers Involved in Automobile Accidents

"To help as if giving advice to a family member or friend"

Among our customers that find themselves involved in automobile accidents, there are many who also find the shock of a sudden accident to be psychologically traumatic as well. We always consider that our key mission is to alleviate the concerns of our customers, but in these cases in particular, we always act sympathetically, with a feeling as if we were giving advice to family member or a friend. With immediate post accident response being given, we remain in contact with our customers assuaging their concerns, even when final resolution takes months to reach. Hearing words of gratitude from our customers after a matter is resolved is a great source of encouragement to us, and we engage in periodic education to deepen our expertise in order to constantly be able to respond to that expectation. Also, having company systems and frameworks that enable women to work long-term is a source of dynamism on top of continuing work.



**Kae Kubota**  
East Tokyo Claims Service Section,  
Metropolitan Claims Service Dept.

## Sales of Life Insurance by Professionals



**Hideki Katayama**  
 Executive Life Partner,  
 Tokio Marine & Nichido Life

### "This is not just selling insurance, but a job that involves thinking together with a customer about their lives"

I feel that talking about life insurance with customers is joining together with them to review their overall way of life such as how they look at their lives, and their thoughts toward their families. More than just the dimension of receiving contracts, we join together to support those customers in choosing the best lives for them, and also even after our contracts are concluded offer advice to customers on concerns related to illnesses and such that they may not even be able to share with their families, giving me a strong sense that this work involves being a partner that is trusted by customers throughout every instance of their life. It is my sincere wish to continue having the opportunity to think together with customers in this way about their lives into the future, and to be someone thought of as a trusted partner that they were glad to have met.

## Improvements in Customer Satisfaction by an Overseas Female Employee



**Ann Ginn**  
 Underwriting Manager,  
 Chicago Branch,  
 Tokio Marine Management

### Improving Customer Satisfaction through "Hou Ren Sou"

Listening to and understanding clients' needs and recommending the insurance that they are truly looking for are essential to maintaining high levels of customer satisfaction. Focusing on face-to-face communications, we use the principles of Hou Ren Sou (report, contact and advise) to develop strong relationships with brokers and clients, who appreciate a relationship with their underwriter. While the Underwriting group has only been in operation for six months, we are already experiencing a substantial increase in new business submissions. I came to Tokio Marine for many of the strengths that attract both employees and customers; however, the most important reason is that our corporate philosophy and values strongly match my personal values. I believe that it is only through positive employee and customer focus that we achieve corporate success. Furthermore, many of our indigenous brokers and customers that do not know Tokio Marine well, have taken notice. They resonate with our strong customer focus and are quickly spreading the word that we are a strong, vital competitor in the insurance industry.

## Career Development through Use of Our Company System



**Kaori Sobe**  
 Assistant Manager of Sapporo Chuo Branch,  
 Operations Group

### "New Tasks and Human Relationships Connecting to Enhanced Motivation"

I am currently taking advantage of "U Turn" placement that is an in-house system allowing the company staff to further their careers by doing new work in an area different from their previous location, or work that suits them. The positives I can get out of transfers are that by gaining experience in the work of both a sub-branch office and a branch office supporting sub-branch offices, I can develop multiple perspectives on the same tasks, and by looking after new areas of work that I could not attempt in a regional office, such as planning for meetings and operations, I am able to expand the scope of my work. Also, there I found great personal plusses from the stimulation I felt in keeping important links with members from my previous workplace while forging personal relationships in my new one.



# Improvement of Initiatives that Build Trust through Two-Way Communication

In order to raise our corporate value through the practice of CSR, it is essential to inform all our stakeholders of our initiatives and at the same time engage in two-way communication to take on board feedback to improve those initiatives.

Over the telephone, words are relied on to make up for what cannot be seen. To avoid conversations with customers becoming one-sided, first I focus on listening, and then I devote myself to providing easy to understand information. I aim to provide dedicated responses so as to earn the trust of as many customers as possible, and receive words of praise.

### Akiko Mori

Customer Center Division Assistant Manager,  
Corporate Marketing & Planning Dept.,  
Tokio Marine & Nichido

### Misuzu Imai

Gifu Customer Center,  
Corporate Marketing & Planning Dept.,  
Tokio Marine & Nichido



## ■ Visits to Sales Frontline by the Company President

Over the course of five years that Kunio Ishihara has served as Company President of Tokio Marine & Nichido, he has visited nearly every company office and department across all 47 prefectures of Japan, and visited 22 countries and regions abroad building up extensive dialogue with company employees. By listening intently to what company employees have to say, as well as offering his own perspective from the top in down-to-earth terms, this exchange of opinions has added to the energies of our employees.

### ▶ Comment from President Kunio Ishihara

My motto is "the actual place and the actual thing" ("all solutions lie in careful observation of actual materials and conditions"), and consider going to the front lines and talking directly to employees to be of the utmost importance. Sometimes stern words can come out as a result of the situation on the front lines, and sometimes people talk to me with bright eyes of the sense of fulfillment they get from their work. I think that this kind of direct communication is of great help in narrowing the distance felt between management and employees. Furthermore, there are also times when I feel that hearing the words of company employees lends me a greater sense of courage. I intend to continue on in this approach.



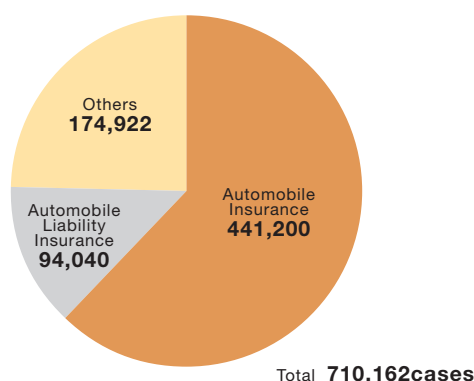


## 1. Improving Customer Satisfaction through Dialogue with Our Customers

### ■ Largest Scale in the Industry ! Enlargement of Our Customer Centers

At Tokio Marine & Nichido, we built a 200-booth customer center in Gifu City in October 2005, which, together with the existing facility in Toshima Ward in Tokyo, adds up to the customer center framework leading the industry in scale (450 booths). Furthermore, in conjunction with the creation of this new center, we have also expanded our service hours and introduced Sunday service to achieve even greater convenience to our customers.

■ Consultation and Inquiries Gathered through Our Customer Centers (FY2005)



### ■ Opinion and Consultation Interface on Our Homepage

At Tokio Marine & Nichido, we have installed an "Opinion/Consultation Section" on our homepage which offers a 24 hours a day and 365 days a year interface for customer feedback and consultation. Throughout FY 2005, we received approximately 6,100 items of feedback and consultation from our clients relating to improvements and expansion of functions on our homepage, opinions regarding improvements in our products and services, and questions relating to contract terms and provisions.

### ■ Utilization of Our "Customer Feedback Gathering & Application System"

In order to record, report and analyze customer feedback, beginning with complaints, gathered through our regional sales offices, customer centers and such, Tokio Marine & Nichido and Tokio Marine & Nichido Life set up a "Customer Feedback Gathering & Application System" on our in-house intranet in July 2005. This system enables us to share information throughout the companies, and, at the same time, improve our products, services and operational processes.

### ■ Use of "Customer Feedback" Suggestion Offering System

Tokio Marine & Nichido gathers customer feedback at customer centers. Where any feedback received is recognized as requiring a company-wide response, such feedback is forwarded to the head office as a suggestion for improvement. In FY 2005, 865 suggestions for improvement were made, with 204 put into action.

■ Examples of Products and Services Developed/Improved Based on Customer Feedback

Examples of Developments/Improvements (Partial)	
New Products/Services Developed	[Creation of a Special Customer Page on Our Homepage] We opened "Policyholders' Special Page" on our homepage that enables our policyholders to gain access freely to services and information they often want to know. This offers the following functions: checking of contract terms, change of addresses interface, mail magazines, etc.
Improvements on Existing Products and Services	[Growth in the Acceptance of Overseas Travel Injury Insurance on the Internet] Applications for Overseas Travel Personal Injury Insurance on the Internet had previously been possible for individual customers only, but now we have also added "spouse/family type" applications (up to 5 people in all).

### ■ Fostering of Two-Way Communication through Our Homepage

The Tokio Marine & Nichido homepage was renewed as of April 2006 based on the concept of "Continuing to Grow Together," in order to foster increased two-way communication (dialogue) with all our users. On this new homepage, we plan to expand the functions and role of the insurance industry not just in emergencies, but also through providing such services as precursory accident prevention services and post-accident care services, as well as to provide constant "Safety and Security" to everyone through a communication portal focused on the user interactive content given in "Anshin World."

[Main Content]

- "I See" Insurance Guide
- Products and Services
- Environment and Society
- IR Information
- Anshin World
- Career Information
- Company Information



Internet site of Anshin World

## 2. Timely and Appropriate Information Disclosure and Dialogue with Shareholders

### ■ IR Activities

One of the most important roles of Millea Holdings is to engage in continuous dialogue with shareholders, investors as well as intermediary analysts. In addition to company president Kunio Ishihara giving briefing sessions (four times) such as results briefings and a briefing session for investor meetings throughout Europe, the Americas and Asia (37 in all), and furthermore, a briefing session for individual investors (once), Millea Holdings also had other such meetings with different IR Directors for a total of more than 300 meetings with investors during FY 2005. Through these initiatives, not only does Millea Holdings convey the state of its corporate activities and strategy, but we also have the opportunity to obtain precious feedback from shareholders, investors, analysts and other such market participants on their opinions and suggestions, and work hard to incorporate these into our corporate strategy and such.

### ■ Incorporation into Socially Responsible Investment (SRI\*) Funds

The Millea Group receives favorable evaluations from CSR rating agencies, and is included in many SRI Funds, and domestic and overseas SRI indices. We also strive to improve our CSR initiatives and such based on the feedback reports received from various rating agencies.

#### \* SRI:

An investment approach which, in addition to conventional financial criteria, evaluates and selects companies based on social and ethical, as well as environmental aspects such as legal compliance, employment practices, human rights, consumer issues, and contribution to community, while seeking stable returns.

#### ■ Current Level of Involvement in SRI Funds

Fund Name	Overseeing/Operating Company
UBS Japan Equity Fund, Eco Japan, (commonly referred to as "Eco Hakase")	UBS Global Asset Management
Eco Fund	DLIBJ Asset Management
Eco Balance (commonly referred to as "Sea and Sky")	Mitsui Sumitomo Asset Management
Sumishin SRI Japan Open (commonly referred to as "Good Company")	Sumishin Asset Management

Note: This level of fund involvement is based on the latest operational reports taken from June 2006.

#### ■ Adopting Indices



## 3. Promotion of Communication with Domestic and Overseas Employees

### ■ Use of In-house Satellite Broadcasts

Tokio Marine & Nichido uses in-house satellite broadcasts on "CSN (Communication Satellite Network)" to broadcast all kinds of informational and training programs, customer-oriented seminars and such to all our nationwide sales offices, the Millea Group companies and agents on a daily basis. This also plays an important role in cases of large scale disasters. In FY 2005, a total amounting to approximately 2,100 hours of programming was broadcast.



### ■ Communication with Overseas Employees

With the expansion of our overseas business, we consider it important to share a common vision throughout the Millea Group, and so in August 2005 we started sending out a message through our overseas department leaders calling for the "thorough permeation of our corporate philosophy" throughout our overseas departments, aimed at our frontline employees working throughout the world. We received comments from employees reading this message that "this helped us to understand the thinking at head of the company, and the direction that the group is moving in," and "this gave us a sense of the personality of company leadership which deepened our sense of proximity," making this of great help as a tool for drawing in reader opinions and furthering the taking-up of head office initiatives.

## 4. Tokio Marine & Nichido First CSR Dialogue

In May 2006, Tokio Marine & Nichido held its first ever "CSR Dialogue" inviting six key individuals from different areas. An exchange of views was held on the themes of "Expectations of Tokio Marine & Nichido's CSR," and "Opinions Regarding Specific CSR Activities."



### ■ Guests Present at the Dialogue (in Japanese syllabic order)

#### Nami Otsuka

Service Operations/Business Promotion General Manager of IBM Japan

#### Nobuo Takahashi

Professor at Tokyo University Graduate School Economic Research Department

#### Nobuko Takahashi

Lifestyle Economy Journalist

#### Yoko Takahashi

Chairperson of Japan Philanthropic Association

#### Peter David Pedersen

Chief Executive of E-Square Inc.

#### Yoshihiro Fujii

Professor at Sofia University Graduate School Global Environmental Studies Department

The below is a summary of main opinions expressed regarding each area of Tokio Marine & Nichido's CSR initiatives:

### Products and Services

Businesses should perform business-like CSR, and it is most important to focus on performing CSR through one's core business (providing products and services). Tokio Marine & Nichido should carry out CSR in its own distinct manner, by comprehensively refining the core

function of the non-life insurance industry which is "risk assessment ability", and contribute to society through its core business with a set of high level expertise.

### Human Power

When considering how to balance CSR and profits in the medium term, human power at the management level is also needed. Performing CSR with a sense of resolution demonstrates the company's dignity and raises the value of its corporate brand.

### Two-Way Communication

Enterprises exist within a society, and in this context it is necessary to draw attention to one's own activities and proactively disseminate such information. It is through these that a partnership with society is born, generating new value and resulting in contribution to the healthy growth of society.

### Contributions to Local Communities and Society

By performing philanthropic activities that are closely connected with regional areas, it is possible to newly conceive demand for the development of products not noticed in the course of ordinary sales activities, and to obtain a diverse range of values, not to mention the merits for the people involved and of course the company. We would like to see efforts to transform the corporate culture into one where people who work hard are able to foster initiatives to make contributions to society.

### Global Environmental Protection

We would like to see more products developed that contribute to society by enabling the promotion of broad reductions in environmental burden while being of economic merit. Attention can also be drawn to the company's consistent approach to preventing global warming through the CO<sub>2</sub> sequestering effect of its mangrove reforestation work (through CO<sub>2</sub> absorption), along with the cuts achieved through its core business.

### Compliance

With increasingly complex products and operations, isn't this going to result in problems such as unpaid expense claims and legal violations? There is a need to return to easy to understand simple structures.

### ► "In Light of Opinions Received through Dialogue"

On this occasion, we have had our first ever opportunity as Tokio Marine & Nichido to hold a CSR dialogue in earnest. On the day we went all the way through from discussing policies and plans for CSR initiatives, to specific CSR activities, engaging in a lively exchange of opinions giving us a number of valuable opinions and critiques that could only be obtained through direct discussion. In that sense, I feel that this was an extremely meaningful dialogue. We will of course incorporate the opinions gathered on this occasion into the CSR activities of the Millea Group. Furthermore, as a

'good corporate citizen', we wish to proactively undertake two-way communication with all our many stakeholders, and practice CSR that is distinctive of the Millea Group in character, while providing an appropriate disclosure of information, leading to contributing to the growth of prosperity and well-being and society as a whole into the future.

**Toshiro Yagi**  
Senior Managing Director  
of Millea Holdings  
(then, Managing Director  
of Tokio Marine & Nichido)



## Aiming for Harmonious Coexistence with Local Communities & Society

The business activities of the Millea Group become possible only with the support from our customers, agents and people in local communities. In order to exist as a partner of local communities and society, we will continue to promote philanthropic activities firmly rooted in local areas in the future.

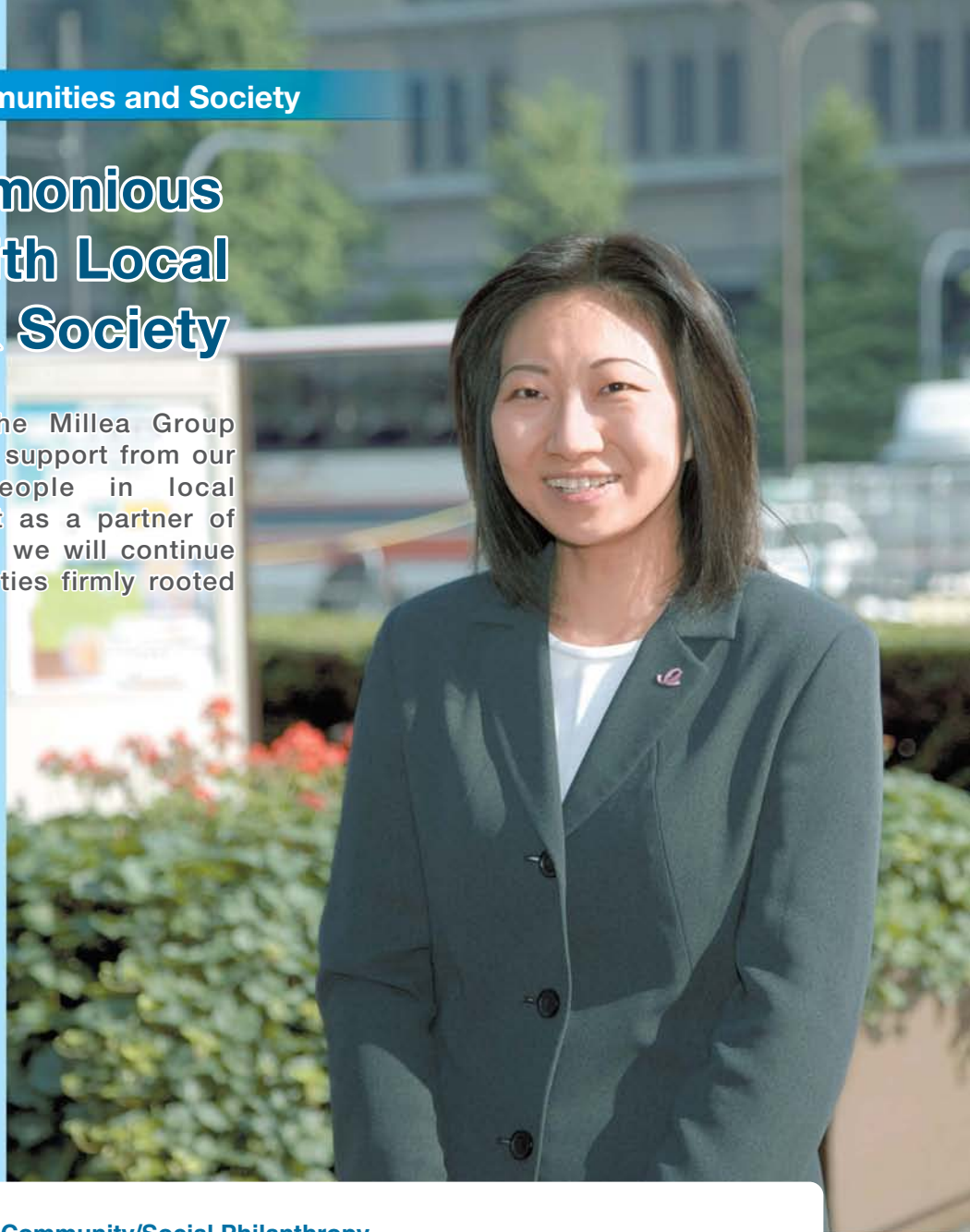
As the organizing office of the "Pink Ribbon Drive,"\* we have been progressing with a wide range of initiatives. Women who are busy with child-raising and work are often prone to setting aside their own matters for later. However, we want to spread the message that breast cancer is not just somebody else's problem, and we are anxious that people undergo an examination for their own sake and those important to them, regardless of how busy they are.

\* Pink Ribbon Drive

Awareness-raising activities that stress the importance of early detection of breast cancer, and the need for medical examinations.

### Hisae Keino

Assistant Manager, Corporate Administration Group,  
Personnel Planning & Corporate Administration Dept.,  
Tokio Marine & Nichido Life



### ■ Policy on Community/Social Philanthropy

The Millea Group considers it very important to demonstrate "harmony with the people of local communities and society" through action, and engages in a broad range of philanthropic activities at the grassroots of communities in all regions of the world.

#### ► Operational Policy

We define philanthropic activities as: "Activities we voluntarily do in areas not related to our core areas of business, for promotion of the public interest without expectation of any direct payback in return."





## 1. Practicing Philanthropy as a Member of Local Communities and Society

### ■ Environment/Community Philanthropy Promotion Month, and the Presidential Commendation Award System

In FY2004 Tokio Marine & Nichido started an "Environment/Community Philanthropy Promotion Month" so that volunteer activities by our employees may take root in the company, and offers "Presidential

Awards" for initiatives from among various activities which were performed in different regions each fiscal year and which were considered to be well connected with local communities and society and to have earned high plaudits locally.

In FY 2005, there were 245 such activities held across our offices and departments nationwide, with a total of 318 including those of all our group companies and overseas offices. From among these, 7 activities received Presidential Awards.

#### ■ Kyoto Branch, Keiji Automobile Industry Production Dept., Keiji Hokuiku Claims Service Dept., and Kansai Production Dept. IV

We invited a local fire department rescue chief as a speaker in a "Seminar on CPR and Haemostasis for Adults Including the Use of AED"\* given on several occasions, with 70 participants mainly from among our employees, employees from affiliate companies, agents, and local store associations. Furthermore, following the seminars, we installed an AED device on the first floor lobby of the Kyoto Building.

##### \* AED (Automated External Defibrillator):

A portable electronic device that diagnoses and treats cardiac arrest by reestablishing an effective heart rhythm by electric shock to the entire heart muscle.



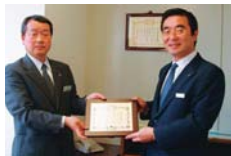
#### ■ Kagoshima Branch

Inviting people from our partner companies along, our Naze Office sponsored the clearing of rubbish from a 1km long coastline in Ohama Marine Park. This year was the third time that we ran this activity, with widespread participation from agents belonging to our office.



#### ■ Sapporo Central Branch

As joint activities for part of the Philanthropy Promotion Month, all sections and sub-branches organized a number of well thought-out charity events (Book Charities, Coffee Charities, PET Bottle Charities, etc). In all, a total of 414 people participated in these activities (185 employees and contract workers, 229 agents), and proceeds were donated to the Hokkaido Office of the Japan Red Cross.



Receiving a Silver Award of Merit from the Japan Red Cross.

#### ■ Chemical Industry Production Dept. / The Sri Muang Insurance

We made 400 novelty umbrellas and donated them to children in Thailand with the cooperation of the Sri Muang Insurance, our local company, the Thai office of the NPO Shanti International Volunteers, and our customers.



#### ■ Ehime Branch/Takamatsu Branch/Tokushima Branch /Shikoku Automobile Industry Production Dept., Shikoku Claims Service Dept., Nishi-Nihon Marine Industry Production Dept., Commercial Lines Claims Dept. Marine Claims Service Section., and Tokio Marine & Nichido Life's Takamatsu Sub-branch and Ehime Sub-branch.

Around 120 members from our offices and departments in the Shikoku region simultaneously cleaned up coastal areas around Shikoku (cleaned areas: Matsuyama/Baishinji Coast, Imabari/Odahama, Niihama/Marine Park, Uwajima/Warejinakeidai, Takamatsu/Yashimaishiba Coast, and Tokushima/Komatsu Coast).



#### ■ Tokio Marine & Nichido Communications (TCC)\*

TCC Shinjuku started a sales stall for bread made at the "Swan Bakery Ochiai Branch" (Rehabilitation Facility for Sufferers of Schizophrenia) on the third Thursday every month with the cooperation of around 180 staff members from the TCC Shinjuku Office. This is also the first group company to run a gift matching scheme and hold various charity events, making donations to the Japan NPO Center and Ashinaga Scholarship.



#### ■ Tokio Marine Newa Insurance (Taiwan)\*

We are engaged in directing traffic for children crossing intersections to protect elementary school children for traffic accidents. Aside from that, we also support the running of computer maintenance, PTA, library services and weekend study classes in elementary schools.



\* Presidential Awards to group and overseas companies, are given on the basis of overall company initiatives rather than single initiatives alone.

## 2. Coexistence with Local Communities and Society

### ■ Support for the Pink Ribbon Drive

Tokio Marine & Nichido Life supports the Pink Ribbon Drive through the NPO J.POSH (Japan Breast Cancer Pink Ribbon Drive). In FY 2005, this was run mainly in October as a street campaign across 88 locations nationwide. Aside from this, the company organized awareness raising seminars by a J.POSH lecturer (in 34 locations nationwide), provided support for the Kid's Program held by J.POSH, and put up campaign messages on the walls of the Head Office building.



Messages on the walls (during the campaign period in FY 2005)

### ■ Support for Fostering of Youth Development

Tokio Marine & Nichido supports the fostering of youth development by co-sponsoring the "JOC Junior Olympic Cup Swimming Tournament", and also acts as a special co-sponsor of the "Japan Track and Field Tournament," as well as "Japan Junior Track and Field Tournament." Also, the Tokio Marine Kagami Commemorative Foundation provides scholarships for Japanese university students as well as graduate exchange students from universities in ASEAN countries. The Tokio Marine Sports Foundation supports regional sports development, and the Tokio Marine & Nichido Educational Development Fund provides support for school education as well as children of traffic victims.

### ■ Support for the Special Olympics

Following the participation of volunteers from our Nagano Branch in the operation of the Winter Special Olympics (SO) held in Nagano in February 2005, Tokio Marine & Nichido now supports SO Japan as an official sponsor for three years beginning in November 2005. Kayoko Hosokawa, the former chairperson of SO Japan, gave a presentation in February 2006 that led to the proactive participation of many of our employees as volunteers.



Volunteer activities at the 9th Special Olympics in Tokyo

### ■ Ties with the Sawayaka Welfare Foundation

Tokio Marine & Nichido, aiming for the "Establishment of a New Interactive Society," has joined with the NPO Sawayaka Welfare Foundation in supporting its efforts to promote initiatives for support for the elderly with help from regional communities and working people. You can have access to "Nationwide Volunteer Network Information" of this NPO from the Tokio Marine & Nichido homepage.

### ■ Disaster Relief

The Millea Group has provided support through the donations of money and goods by its group companies and employees.

#### ■ Donation Recipients and Content (by Tokio Marine & Nichido)

Recipient	Amount	Content of Support
American Red Cross	10 Million Yen	Support in response to Hurricane Katrina that struck Southern part of U. S. A. in August 2005
NPO AMDA (Multinational Doctors' Group)	3.71 Million Yen	
NPO AMDA (Multinational Doctors' Group)	3.86 Million Yen	Relief for the earthquake in Pakistan in October 2005
Miyazaki Disaster Reserve Center	—	Donation of mineral water as relief for damage suffered by Typhoon No. 14

## 3. Philanthropic Activity Support Framework

### ■ Volunteer Activity Support System

The Millea Group has a Volunteer Activity Financial Support System<sup>\*1</sup>, Gift Matching System<sup>\*2</sup>, Volunteer Work Leave System<sup>\*3</sup>, and a Bone Marrow Bank Leave System in place as systems to support volunteer activities.

#### \*1 Volunteer Activity Financial Support System:

A system of providing financial support for NPOs and such that run volunteer activities that our employees are involved in.

#### \*2 Gift Matching System:

A system whereby the company matches donations made by employees of their own initiative.

#### \*3 Volunteer Work Leave System:

A time support system for volunteer work by employees.

#### ■ Achievements of Our Support Systems

System	FY 2005
Volunteer Activity Financial Support System	13 Cases (from Tokio Marine & Nichido)
Gift Matching System	42 Cases, 5.1 Million Yen (from Tokio Marine & Nichido, Tokio Marine & Nichido Life, and Tokio Marine & Nichido Communications)
Volunteer Work Leave System	60 People (from Tokio Marine & Nichido, Tokio Marine & Nichido Life, and Tokio Marine Asia)

## 4. Practicing Philanthropy as a Member of the International Community

### ■ Support for Children in Thailand

Since 2005, Tokio Marine & Nichido, Tokio Marine Asia, The Sri Muang Insurance, and Millea Life Insurance have offered support by way of educational materials and tuition support in partnership with the Thai Social Welfare Council for 280 junior high school, high school and university students from all across Thailand who have trouble attending school for economic reasons. Each year, a scholarship award ceremony and two-day overnight camp is held, and representatives from all four companies participate in the camp with their local employees.

### ■ Support for the Pink Ribbon Drive in Malaysia

In 2005 Tokio Marine Insurans (Malaysia) participated as the main sponsor in the Pink Ribbon Drive run jointly by the Pantai Hospital and local businesses, and received a commendation from the Malaysian government for its support. Throughout the period of the street campaign, breast cancer screening and consultations with doctors were offered free of charge.



### ■ Reforestation Activities in Hong Kong

Tokio Marine & Nichido (Hong Kong) has supported in the Saikun 5 Year Reforestation Program of the NPO OISCA. This program has been in operation since 2001 with the aim of protecting the environment through the reforestation and maintenance of trees. In FY 2005, employees and their families participated in the tree maintenance work.

### ■ Reconstruction of Schools in India

In order to help children who were victims of the Indian Ocean Tsunami, IFFCO - TOKIO General Insurance rebuilt four schools with a total of 2,925,397 Rupees (approx. 7.3 million Yen) gathered from throughout the Millea Group companies.



## Initiatives in Regions around the World

There are also an abundance of volunteer activities carried out by our employees in areas outside Japan. Below are a few of such examples.

### ■ Collection Boxes (Singapore)

Tokio Marine Asia has 10 collection boxes in locations throughout its group companies' offices in Asia that staff returning from business trips can put their leftover coins and changes into. Money gathered in these boxes is donated to NGOs through 10 group companies.



### ■ Donation of Old Stamps (Australia)

Employees at Tokio Marine Management (Australia) gather old stamps throughout the year. These stamps with old stamps from the Head Office are donated to the Japan Overseas Christian Medical Cooperative Service.



### ■ Green Day \*1, Jeans Day \*2 (America)

Tokio Marine Management has set up its own Green Day and Jeans Day as corporate philanthropy.

#### \*1 Green Day:

Tokio Marine Management has developed environmental protection initiatives that they can practice on a monthly basis. Example of initiatives include the handing out mugs to cut down on the use of disposable cups.

#### \*2 Jeans Day:

Tokio Marine Management allows its staff to wear jeans for a day on the final Friday of each month, in exchange for a donation of five dollars. The money collected is combined with a matching donation (refer to P20) and contributed to various charities each month.

### ■ Tokio Marine Angel (Brazil)

Tokio Marine Brasil Seguradora has had an in-house community philanthropic organization called "Tokio Marine Angel" in place since 2003 that is engaged in activities of donating food and clothing to the underprivileged four times a year at such times as Christmas and Easter.





# Initiatives Dealing with Environmental Issues through Our Core Business

Global environmental issues can be considered the greatest risk now facing mankind. In addition to reduction of our company's environmental burden, we will spread safety and security to the global environment through contributions utilizing our business characteristics such as investment and insurance.

Tiny saplings which we plant one by one with a wish through the "Mangrove Reforestation." In the course of the "Green Classroom," we shared the importance of the global environment with children who will shoulder the future. Dreaming of the healthy development of both saplings and children, of the "Forests of the Sea" and of the days when our wish spreads throughout the world, we will continue with initiatives aimed at the conservation of the global environment.

## Atsushi Yasuda

Deputy Manager,  
Production Section 2, Production Dept. 5,  
Tokio Marine & Nichido

## Mitsuko Hamada

Kawasaki Claims Service Section,  
Kanagawa Claims Service Dept.,  
Tokio Marine & Nichido



## ■ Environmental Philosophy / Environmental Policy of Tokio Marine & Nichido

### ▶ Environmental Philosophy

Adopting the conservation of the global environment as one of its key management policies, Tokio Marine & Nichido recognizes that it is an important responsibility of all humans and companies in the present world to protect the environment. Tokio Marine & Nichido commits to taking up the task of bringing about a society where sustainable development is maintained through the efforts of all employees throughout the entire range of our business activities, in order to improve and keep harmony with the environment.

### ▶ Environmental Policy

Tokio Marine & Nichido has established the following policies and will make every effort to realize them in all areas of its activities.

- 1 Preservation of the Global Environment through the Insurance Business
- 2 Effective Use of Resources and Energy
- 3 Compliance with Environmental Laws and Regulations
- 4 Continual Improvement of the Environment and Prevention of Pollution
- 5 Promotion of Environmental Awareness-raising and Philanthropic Activities

The above policies will be made well-known to and understood by all employees and released to the public.  
(October 1st, 2004)

## 1. Promotion of Consideration for the Environment through Insurance and Investments

### ■ Involvement of Insurance Companies in Environmental Issues

The Millea Group has a track record of producing a wide range of environmentally considerate insurance products and services as well as investments and loans with a philosophy enthusiasm for contributing to global environmental protection through our core insurance business (including financial services). We will continue into the future broadly expanding our environmentally considerate insurance products such as automobile insurance, development of products and services dealing with environmental risks such as climate change and soil pollution, and financial services aimed at environment-related businesses. At the same time, we will also continue working toward reducing the environmental burden of our business activities.

### ■ Promoting the Spread of Environmentally Friendly Automobiles through Our Core Business

Tokio Marine & Nichido offers 1.5% discounts on auto insurance for low pollution, low fuel consumption and low emission vehicles with the aim of promoting the spread of environmentally considerate automobiles through insurance. In FY 2005, there were approximately 5.43 million cars entitled to the discounts, representing an increase to around 40% of all cars insured.

Condition of Application	Corresponding Vehicles
Low Pollution Vehicles	Hybrid vehicles, methanol fueled vehicles, compressed natural gas (CNG) vehicles. Vehicles entitled to relief from Vehicle Acquisition Tax because of the kind of fuel they use.
High Mileage Vehicles	Vehicles meeting target mileage standards, and that are entitled to relief from the Vehicle Acquisition Tax.
Low Emission Vehicles	Vehicles complying with the new exhaust regulations since 2001, or that are entitled as being low emission vehicles.

### ■ Environmental Consideration for Repairs of Automobiles

There are around 1.2 million cases each year of repairing automobiles insured with Tokio Marine & Nichido. In the repairs of automobiles, the first aim is to restore them to pre-accident conditions, but we also encourage repairs "friendly to the environment." Specifically, we recommend the reduction of industrial waste and the promotion of the efficient use of resources by continuing to use damaged parts where they can be repaired instead of throwing them away, and by using recycled parts when damaged parts cannot be repaired. As a result of our examination of repairs along with the understanding and cooperation of users and maintenance

workshops, there were more than 160,000 cases of bumper repairs and the use of recycled parts in FY 2005.

### ■ Support for the Development of Clean Energy

Tokio Marine & Nichido has been providing a Wind Condition Risk Hedging Program since 2001 that uses weather derivatives.\* This program offers business stability to wind power generators, which protects the profits of investors in these power generation enterprises and, moreover, contributes to the development of clean energy by wind power generation.

\* Weather Derivatives :

A financial product (derivative) of Tokio Marine & Nichido with the aim of evading customer risks faced in the areas of unusual and variable weather.

### ■ Investments in Environmental Ventures

In FY 2005, with the aim of supporting and fostering the growth of environmental businesses, Tokio Marine & Nichido invested in 5 companies including a wind-power generation company, a consulting company concerning waste collection, and a company utilizing water resources by using purified ground water. Since the year 2000, we have invested a total of 1.1 billion yen with concrete results such as companies appearing that have held share flotations.



### ■ Participation in Carbon Disclosure Project 4 (CDP4)

The Carbon Disclosure Project (CDP) is one where institutional investors from around the world pull together calling on leading international businesses to disclose information on their response to global warming and climate change issues. Tokio Marine & Nichido assented to this project and has participated in it since CDP3 (2005). Corporate awareness of this project has risen sharply, with CDP4 in 2006 showing marked growth in the number of businesses covered over from 500 in the previous year to 1,800, and also in the number of investors from 155 (with total operating assets worth approx. 21 trillion U.S. dollars) to 211 (31 trillion U.S. dollars).

## 2. Practice of Environmental Education and Awareness Raising Aimed at Society

### ■ Support for the "Research on the Scientific Basis for Sustainability" Project

Tokio Marine & Nichido has given across-the-board support to the "Research on the Scientific Basis for Sustainability" project since April 2005. 170 scientists and experts from Japan and abroad participate in this project, combining the latest top level knowledge relating to challenges facing the global environment with the aim of analyzing and evaluating the current situation while communicating this to lay readers in an easy-to-understand manner. With regard to the final outcome of this project, a symposium was given in October 2005 with the backing of the Nihon Keidanren, followed by a second symposium in November aimed at business, and another symposium given in December for the general public that provided information on their findings in an easy-to-understand manner.

web [http://www.sos2006.jp/english/rsbs\\_summary\\_e/about-rsbs.html](http://www.sos2006.jp/english/rsbs_summary_e/about-rsbs.html)



The main report, "Science on Sustainability 2006"

### ■ Open Course at Peking University

Tokio Marine & Nichido, in conjunction with "Peking University and Waseda University Joint Courses" became the first Japanese business to set up a regular course of study at Peking University beginning in September 2005. The course title is "Sustainable Development in China—Now and the Future," and in its first year of operation in FY 2005 took up the topic of the "environment" which is of great interest at present in China, with seminars across a total of 15 lectures given by experts and people in government. We received feedback from people taking the course at Peking University such as "this was meaningful in broadening my outlook on the environment" and "this gave me greater awareness of the environmental issues for China's growth," and proved to be a good opportunity to think about the global environment. Furthermore, as this course is an open one available to the general public, there was participation from people involved in such areas as Chinese Environmental NPOs, governmental agencies and the media. The second year of this course is due to begin in September 2006.

### ■ Presentation Given at the UNEP FI International Conference

In October 2005, Tokio Marine & Nichido was an attendee at the UNEP FI (United Nations Environment Program Finance Initiative) International Conference held in the United Nations Building in New York joined by over 160 financial institutions from around the world. Shunpei Okada, Planning Group Leader of the Commercial Lines Underwriting Department at the time gave a presentation at the session on "Use of Weather Derivatives towards a Sustainable Society" discussing the theme of weather-based risk and hedging, and also presented an overview of the "Research on the Scientific Basis for Sustainability" project that Tokio Marine & Nichido supports.

### ■ Other Environmental Awareness-raising Activities

Tokio Marine & Nichido carries out a wide range of environmental communication and awareness-raising activities going beyond those given above.

■ Table: Other Significant Environmental Awareness-raising Activities

Other Significant Environmental Awareness-raising Activities
<p><b>Display at "Eco-Products 2005":</b> We held a display for the third year running at Japan's largest general environmental exposition held at Tokyo Big Sight. [FY 2005 Initiatives]</p> <ul style="list-style-type: none"> <li>• We put up a panel display and showed videos on our environmentally related products, our mangrove reforestation project, "The Green Classroom—the Mangrove Story (refer to page 27)," and the "Research on the Scientific Basis for Sustainability Project."</li> </ul>
<p><b>Marunouchi Environmental Civic Forum:</b> Held jointly by the three companies of Japan Airlines, Mitsubishi Corporation and Tokio Marine &amp; Nichido since 1993 for the general public to hear lectures on contributions towards global environmental issues. [FY 2005 Initiatives]</p> <ul style="list-style-type: none"> <li>• 40th "Living with the Forest, Learning from the Forest" (Lecturer: Hiroshi Yagyu)</li> <li>• 41st "Looking at the World from Antarctica" (Lecturer: Yumi Nakayama)</li> <li>• 42nd "Looking at the Environment through Large Trends—How do we Understand and How do we Respond?" (Lecturer: Itaru Yasui)</li> </ul>
<p><b>Holding of an "Environmental Seminar":</b> Seminar given on environmental themes. [FY 2005 Initiatives]</p> <ul style="list-style-type: none"> <li>• Final report of the "Research on the Scientific Basis of Sustainability" Project and a discussion on the topic of "The Relationship between the Economy and the Environment—How to Incorporate a Value of Nature into an Economic System?"</li> </ul>
<p><b>Publication of the Environmental Magazine "Talisman Special Edition":</b> We publish a magazine giving information on developments in overseas environmental law and business-oriented explanations of environmentally related topics. [FY 2005 Initiatives]</p> <ul style="list-style-type: none"> <li>• "The Kyoto Protocol and Business" (Japan Edition)</li> <li>• "Chinese Environmental Regulation and Japanese Business Solutions" (Asian Edition)</li> </ul>
<p><b>Other Environmental Awareness-raising Aimed at Employees and Agents:</b> Promoting environmental awareness among our employees and agents using all available media and the intranet. [FY 2005 Initiatives]</p> <ul style="list-style-type: none"> <li>• Publication of "Environmental Topics"</li> <li>• Listing environmental articles in our in-house and agent magazines.</li> </ul>



### 3. Reduction of Environmental Burden Associated with Business Activities

#### ■ Participation in "Team Minus 6%"\*

Tokio Marine & Nichido participates in the global warming prevention citizens' movement of "Team Minus 6%," and practices appropriate temperature setting for cooling and heating, green purchasing, eco-drive and other specific activities that lead to minimizing the use of energy and resource. We proactively develop these drives through the use of posters, in-house satellite broadcasting, and in-house magazines, in order to raise employee awareness. Furthermore, Kunio Ishihara, President of Tokio Marine & Nichido also participates in "Team Minus 6%" on an individual basis.

\* Team Minus 6%:

A national project to realize Japan's targeted figure of reducing greenhouse gas emissions by 6% under its Kyoto Protocol obligations in order to prevent global warming.

#### ■ Reduction of Paper Consumption through Developing IT Solutions for Extension of Insurance Applications

Tokio Marine & Nichido has developed and is promoting services provided through a system called "e-ZONE" for existing corporate auto insurance customers (automobile insurance handled as groups) to make renewal applications

on the Internet. In the past, renewal applications were made predominantly on a paper basis from the notice of expiration date to a contract conclusion. By doing this on the Internet, we are able to reduce papers consumed and its distribution work load. In FY 2005, we began a campaign for all contracts with Tokio Marine & Nichido employees to be done in an entirely paperless manner through "e-ZONE," as part of an initiative to reduce annual paper consumption by 1 ton.

#### ■ Promotion of the ISO14001 Environmental Management System

We have had an ISO14001 environmental management system in place in Tokio Marine & Nichido since 1999, and by carrying out a PDCA cycle, we have been proceeding with the promotion of environmental conservation activities and continuously working to improve our environmental burden. This is overseen by Corporate Planning Dept. the CSR Group, and we have a Social/Environmental Key Person in place to promote this in each department of our Head Office. In FY 2005, we underwent our second renewal audit, and an audit for transferred accreditation under the new ISO14001 standard. Furthermore, as of FY 2006, we have also deployed our own independent environmental management system "Green Assist" in branches other than our Head Office, and other Tokio Marine & Nichido group companies.

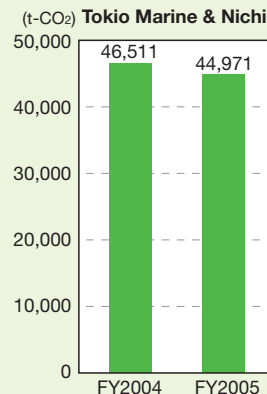
### The Environmental Burden of Our Business Activities

The Millea Group gathers data on the environmental burden associated with our daily business activities and is undertaking initiatives to reduce the burden. Furthermore, Tokio Marine & Nichido has undertaken the "environmental accounting" that quantitatively grasps/measures insofar as possible the cost of environmental protection within our business activities and the benefits of those efforts, with results to be published in next fiscal year's CSR report.

#### ■ Energy Based Carbon Dioxide Emissions (kg-CO<sub>2</sub>)

	FY2004	FY2005	
	Tokio Marine & Nichido (including Group Companies)	Millea Group Major Companies	Tokio Marine & Nichido (including Group Companies)
Electricity	31,695,271	35,721,100	30,941,863
(Purchased Renewable Energy)	▲378,000	▲378,000	▲378,000
Gas	3,097,609	3,803,401	3,508,568
Other Fuels	3,845,103	3,238,854	2,893,039
Gasoline	8,251,368	8,005,560	8,005,560
Total	46,511,351	50,390,915	44,971,030

#### ■ Fiscal Year Comparison of CO<sub>2</sub> Emissions of Tokio Marine & Nichido (t-CO<sub>2</sub>)



Note 1) Calculation Units: All nationwide offices of Tokio Marine & Nichido for gasoline, in other cases taken from the main 85 office buildings of Tokio Marine & Nichido (including group companies) and the Millea Group companies.

Note 2) Millea Group Major Group Companies: Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine & Nichido Career Service, Tokio Marine & Nichido Facilities, and Tokio Marine & Nichido Financial Life.

Note 3) Carbon Dioxide Emission Factor: "Methodology for Calculating Greenhouse Gas Emissions By Businesses (Draft Version 1.6)" used for electricity and purchased renewable energy. "Calculation, Reporting and Publication System for Greenhouse Gas Emissions" used as the calculation base for other fuels and gasoline.

## 4. Carbon Neutral and Contribution to Local Communities through Mangrove Reforestation

### ■ Overview of the Mangrove Reforestation Project

In FY 1999 Tokio Marine & Nichido began mangrove reforestation in Southeast Asia. The first phase of this project achieved the reforestation of 3,444 hectares, making us a "carbon neutral\*" company. Today, we are developing the second phase of this project in six countries made up of the original five Southeast Asian countries plus Fiji. Furthermore, this project is being run in partnership with the NGOs, Action for Mangrove Reforestation (ACTMANG) and OISCA.

#### \* Carbon Neutral:

The term "carbon-neutral" is used to reflect the fact that the emissions of carbon dioxide from business activities are offset by methods such as reforestation and energy efficiency efforts, resulting in no net addition of carbon to the atmosphere.

### ■ Significance of the Project

Mangroves absorb a large amount of carbon dioxide, help us prevent global warming, and also act as a breakwater protecting people from tsunamis. Also, mangroves provide marine and forest resources for the daily lives of local inhabitants, giving them the stabilization and improvement in the lifestyle environment, and contribute to local areas. Furthermore, we are also undertaking international exchanges with people in these areas through "Mangrove Volunteer Tours."

### ■ Project Phase 2

Project Phase 2 kicked off in FY 2004 with a reforestation goal of 2,000 hectares over five years. By the end of FY 2005, the project was progressing smoothly having completed half of the reforestation target.

### ■ The 8<sup>th</sup> Mangrove Reforestation Volunteer Tour

Tokio Marine & Nichido holds mangrove reforestation tours once or twice a year. We promote the tours to participants from Millea Group employees, agents, retired staff, and their families as an opportunity to provide environmental education and international exchanges. In FY 2005 the 8<sup>th</sup> Mangrove Reforestation Volunteer Tour visited Ranong in Thailand with 28 participants and planted 23,000 mangroves for three days.

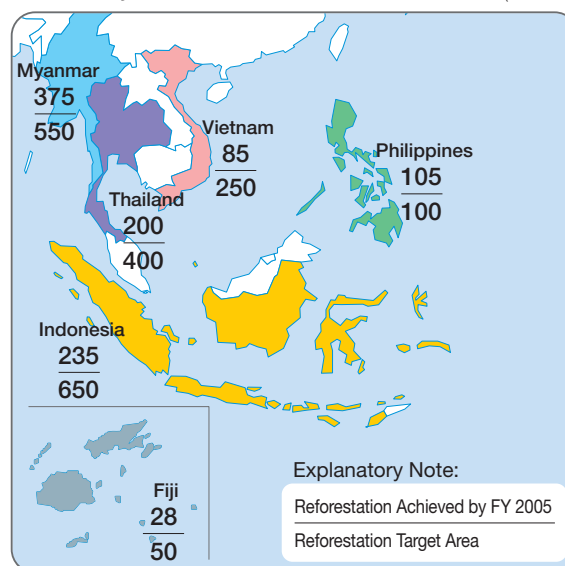
#### Comments from the Participants

- I was moved to see all the participants working together in reforestation. Participating in this tour has raised my sensitivity to global environmental protection. I want to tell other employees at Tokio Marine Nawa Insurance about this experience.  
[Tokio Marine Nawa Insurance (Taiwan) Employee, Wei Ming Lin]



■ Table: Project Phase 2 Reforestation Results

(in Hectares)



### ■ The Green Classroom—the Mangrove Story

In FY 2005 Tokio Marine & Nichido, began "The Green Classroom—the Mangrove Story" as a way to commemorate the first anniversary of the merger. In this scheme, employees and agents visit elementary schools and become speakers, giving classes on the theme of "Preventing Global Warming" using mangrove reforestation and donating flowerpots made of recycled uniforms as materials.

And in FY 2005, 49 of our employees became speakers visiting 20 schools in Tokyo, giving classes to around 1,550 children and donating flowerpots to around 10,000 children. The schools applauded our raising of the children's environmental awareness, which also increased the environmental awareness of the speakers themselves, adding to the energy of our employees. Company president Kunio Ishihara also acted as one of the speakers, giving a lecture in front of around 100 children about his own experience engaging in reforestation in Thailand. We have decided to continue with this project until the end of the Project Phase 2 in FY 2008.

Furthermore, we also feature on the Tokio Marine & Nichido homepage "Activities Everyone Does to Protect the Environment," which we received from all the children participating in these classes.

### ■ Winner of a Special Prize in the CSR Division of the 9th "Asia Insurance Industry Awards"

The Millea Group was acclaimed for its mangrove reforestation project and contributions to local Asian communities and the environment. We were awarded a special prize in the CSR Division of the 9th "Asia Insurance Industry Awards." The Asia Insurance Industry Awards are an annual contest held by Singaporean<sup>\*1</sup> and English<sup>\*2</sup> insurance industry journals that present awards to non-life insurance, life insurance, reinsurance companies and such in the Asian market that have been involved in activities considered deserving of recognition.

<sup>\*1</sup> Singaporean insurance industry journal:  
Asia Insurance Review.

<sup>\*2</sup> English insurance industry journal:  
The Review-Worldwide Reinsurance.



Company president Kunio Ishihara as a speaker at the Green Classroom



The Green Classroom at an elementary school in Mitaka city



# Building Trust through Proper Day-to-day Operation

At the Millea Group, which places customer trust at the base of all its activities, it is important that all of our employees and agents forming our points of interaction with customers have strong senses of ethics, and that we demonstrate this through our day-to-day operations. We will raise the sense of ethics of our employees and agents through a range of initiatives, and practice honest and equitable business activities.

What should we do when we are unable to make a decision? In response to various consultations from our employees and agents, I advise them not only to comply with rules but also to follow through with honest and equitable attitude. I always make an effort to respect customers' feelings in recognition of the fact that the translation of compliance into action is equal to responding to demand from society.

## Shigetaka Ayata

Manager, Telecommunication & Broadcasting Dept. /  
Marine Industry Production Dept.,  
Tokio Marine & Nichido



## ■ Code of Conduct

The Millea Group has formulated the "Millea Group Code of Conduct" which all the directors and employees of the Group companies should observe from the standpoint that the development of business in strict accordance with laws and rules is the fundamental basis of management.

### ▶ Millea Group Code of Conduct (as amended Feb 6<sup>th</sup>, 2006)\*

\*Itemized outline only

#### Basic Principles

#### 1 Compliance

- 1-1 Compliance
- 1-2 International Rules and Local Laws
- 1-3 Free and Fair Competition
- 1-4 Conflicts of Interest
- 1-5 Insider Trading
- 1-6 Intellectual Properties
- 1-7 Working Environment

#### 2 Social and Political Issues

- 2-1 Anti-social Forces
- 2-2 Political Activities and Political Funding
- 2-3 Gifts and Entertainment

#### 3 Appropriate Actions of and High Transparency in Management

- 3-1 Appropriate Transaction
- 3-2 Public Disclosure
- 3-3 Accurate Information
- 3-4 Confidential Information

#### 4 Respect for Human Rights and the Environment

- 4-1 Anti-discrimination
- 4-2 Anti-harassment
- 4-3 Personal Information
- 4-4 Protection of the Global Environment

The Applicable Laws, Rules,  
Regulations and Internal Rules

Reporting

web <http://www.millea.co.jp/en/conduct/index.html>

## 1.Compliance Promotion Framework

### ■ Compliance Promotion Framework

The Millea Group defines compliance as "complying with applicable laws, rules, regulations, internal rules, and conducting fair and equitable business activities within social norms," and has been proceeding with the promotion of compliance.

#### 1. The Role of Millea Holdings

Millea Holdings has provided for the "Basic Policy for the Promotion of Compliance" for the purpose of realizing thoroughgoing compliance in the entire Millea Group and makes planning of measures concerning the entire Group such as the submission of annual policies for initiatives. Furthermore, aside from periodically monitoring the state of progress, it also receives reports on key items, holds meetings and makes decisions on the Compliance Committee, the Management Meeting, and the Board of Directors, and constructs a structure which enables the entire Group to act properly by giving, where necessary, advice and guidance regarding the activities of the Group companies.

#### 2. Promotion of Compliance among the Group Companies

The group companies construct structures of their own for the promotion of compliance appropriate to the types of business they conduct, in accordance with the basic policies set out by Millea Holdings and, in cases where they have their own subsidiaries under them, monitor the promotion of compliance in such subsidiaries. The group companies have been established departments specialized in supervising the progress of compliance in the respective companies, and also compliance committees engaged in planning the promotion of compliance and monitoring its progress. In addition, persons responsible for the promotion of compliance, as well as those who handle it, have been appointed in all departments and branches; thus, the systematic approach to the promotion of compliance has become possible. The system and mechanism for promoting compliance and important rules to be adhered to are dealt with in manuals of the respective companies which are available to their directors and employees. Moreover, in addition to preparing manuals appropriate to the content of business and making rules clearer, efforts are being made at the thorough application of rules and the spread and improvement of the awareness of compliance by training for directors and employees of the group companies.

### ■ Compliance Committee (Tokio Marine & Nichido)

Tokio Marine & Nichido has the Compliance Committee in place, more than half of its members being comprised of the learned people unrelated to the company, such as lawyers and university professors, for the purpose of listening to a broad range of opinions from outside the company for the promotion of compliance. This committee is an organ directly under the Board of Directors and makes recommendations directly to the management. The company is appreciative of many valuable opinions and suggestions received from their insight and professional knowledge.

### ■ Hotline System

The Millea Group has installed various hotline systems enabling directors and employees to make reports or seek advice in such times as when a compliance-related issue arises or looks like arising. There is also a hotline to an external law firm set up in consideration of offering a choice to facilitate use by people reporting or seeking advice.

Furthermore, the Millea Group will not make disadvantageous treatment of reporting parties such as dismissal, pay reduction and demotion. All information reported will be kept strictly confidential.

#### Details of the Hotline System

- Millea Holdings Hotline
- External Hotline (to an external law firm)
- Internal Hotlines:
  - (Tokio Marine & Nichido set up a dedicated helpline)
    - ▶ Compliance Help Line (handling calls for cases other than sexual harassment or human rights)
    - ▶ Human Rights Awareness Office (handling calls for Sexual Harassment / Human Rights)
- Compliance Consultation Box:
  - (Tokio Marine & Nichido opened an interface for written submissions via in-house computer terminals)

## 2. Fostering the Ethics of Our Employees and Agents

### ■ Initiatives Aimed at Thorough Compliance

Tokio Marine & Nichido carries out initiatives for improving the system of promoting compliance and enhancing compliance awareness in order to maintain a constantly high level of ethics and to ensure that compliance is thoroughly achieved throughout all the company's business activities.

### ■ Compliance Staff Training

The Millea Group holds various seminars in accordance with positions and workplaces for permeating the knowledge of compliance required at the respective levels throughout the offices. In addition, Tokio Marine & Nichido also runs compliance tests (through its e-Learning system) and e-Review (with the same content of e-Training tests transmitted to its agents) that uses its intranet to enable its staff to check whether they have necessary compliance-related knowledge.

#### Policies Aimed at Promoting Compliance among Staff (Examples from Tokio Marine & Nichido)

- Training for management (seminars by external lecturers)
- Workplace training (common topics)
- Training by rank
- e-Learning using the company network (for management and staff)
- Information distributed by Compliance Department (providing information on useful examples of initiatives)

### ■ Compliance Promotion Tools

Tokio Marine & Nichido has distributed compliance manuals to all directors and employees, enabling them to refer to these at any time. Furthermore, for thoroughness' sake, the company has given portable compliance cards containing important compliance items to all directors and employees.



### ■ Compliance Promotion among Our Agents

Tokio Marine & Nichido provides specific training programs for key agents selected by each department and branch.

Furthermore, the company has also taken various initiatives in order that the awareness about compliance may take root by supporting, for example, the development of compliance frameworks among its agents under the lead of a "Compliance Leader" in each department and branch. In FY 2005, the company won plaudits from many of its agents by starting an "e-Training Compliance Course" for compliance training that uses animation and is easy to follow on the Internet in the office or at home.



The screen of "e-Training Compliance Course"

### The Experience of an Agent



Makoto Ibaraki  
President of  
Tokyo Business Support  
Co., Ltd.

In the ongoing consolidation of agent's offices, I was concerned about the increasing difficulty of gathering everyone together for collective training as in the past and also of letting various kinds of things fully understood to every person. Elaborating on matters relating to compliance is a particularly important initiative. Through the "e-Training Compliance Course"

given on the Internet, all staff can take lectures when they have free time, and finish them quickly. Moreover, for a difficult subject like "compliance," the use of videos and animated characters with voices enables learning without becoming bored. All the staff will be able to grasp their levels of understanding from course and test results. I would like to continue using this proactively in the future, and expect that content will be further developed in such areas as products, office tasks and responding to claims.



### 3. Establishment of Information Security Governance

#### ■ Policy for Initiatives Relating to Information Security

The Millea Group has clarified its initiatives concerning the personal information of its customers by defining and publishing the "Millea Group Privacy Policy," and each company of the group has set out and published initiatives of its own in accordance with the Policy.

For details on the above Privacy Policy, please refer to the links below:

**web** For details on our privacy policy from the web, please refer to the links below:

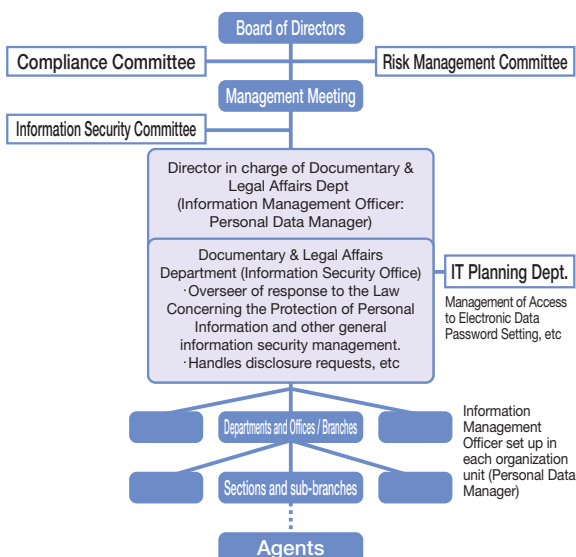
<http://www.millea.co.jp/en/info/privacy.html> (Millea Group)

#### ■ Information Security Governance (Tokio Marine & Nichido)

##### (1) Information Security Management Framework

Tokio Marine & Nichido has appointed a person responsible for the total management of information security (a person responsible for personal data) from among its directors and established under the person a system in charge exclusively of information management. In conjunction with this, the general managers of departments and branches have been designated as persons responsible for information management (persons responsible for personal information) and have been made responsible for overseeing all aspects of information management within their respective areas. Furthermore, the "Information Security Committee" under the direct control of the Management Meeting has been established to discuss and report on the leakage of information and other important matters concerning the management of information security in general.

#### ■ Tokio Marine & Nichido Information Security Management Framework



##### (2) Education/Training, Inspection/Monitoring

We have been making efforts to make the importance of the appropriate management of customer information fully understood by distributing an "Information Security Management Guidebook" to all employees and an "Agent Information Security Management Manual" to all agents, which give rules for information security management, as well as by providing guidance and education through various kinds of training sessions. Also, we perform a periodic self-inspection of the progress of information security management.

Moreover, when the handling of customer information is outsourced, we perform an investigation into the arrangement in accordance with our selection criteria and make it an obligation on the part of the outsourced company to maintain security management at the same level as Tokio Marine & Nichido's by way of a contract or otherwise.

##### (3) Response to Leakage of Customer Information

In the event that documents or computers containing customer information should be misplaced by an employee or agent or should be stolen, we would take thoroughgoing action after the fact by quickly informing customers of the case and avoid the occurrence of secondary damage. At the same time we would take measures to prevent a recurrence of similar cases.

#### ■ Acquisition of External Certification

The Millea Group has been active in acquiring external certification for information security as a means to reinforce its management structure, and has been awarded the "Privacy Mark" and certification under the "Conformity Assessment Scheme for Information Security Management Systems (ISMS)" (refer to the table below) for the initiatives taken for the protection of personal information at the Group. The Group is determined to continue making improvements and make its structure stronger.

■ Table: External Certification among the Millea Group's Companies

Group businesses	Date	Certification	Remarks
Tokio Marine & Nichido Communications	November 2005 March 2006 March 2006	Privacy Mark ISMS BS7799	First member of the group to obtain the Privacy Mark, ISMS/BS7799 Certification
Tokio Marine & Nichido Life	April 2006	Privacy Mark	First life insurance company in Japan to obtain the Privacy Mark
Tokio Marine & Nichido Career Service	June 2006	Privacy Mark	Obtained the Privacy Mark, as required for sales development of the Temp Staffing Industry



# Enabling Comfortable Workplace Environments That Respect Diversity

Improvement in the satisfaction of our customers and other stakeholders cannot be realized without raising the satisfaction levels of our employees who are at the starting point of providing value. We will make continued efforts to realize an environment where our employees find it more comfortable to work, by improving various systems considerate of diversity and improving convenience at their workplaces.

I feel that I can reasonably coordinate work in the office with childcare at home, only with "support" from coworkers and family in addition to improvement in childcare system in the office. I want to fulfill my responsibilities "as a mother" and "as a member of society" with the sense of appreciation for those around me, thinking much of the importance of communication.

## Natsuko Suzuki

Assistant Manager,  
Tokyo Automobile Industry Production Support Division,  
Tokio Marine & Nichido



### ■ The Millea Group's "Human Rights Awareness-raising Criteria"

The Millea Group has set out its "Human Rights Awareness Raising Criteria" in order to promote awareness about human rights at its group companies. "Human Rights Awareness-Raising" is meant to advance public relations and other corporate activities to spread respect for human rights at the group companies, to deepen the understanding of employees about such rights and thus establish culture of respecting human rights at the companies.

The group companies have been processing systematically with initiatives for human rights in accordance with the "Human Rights Awareness Raising Criteria."

### ■ Human Rights Awareness-Raising Initiatives

Tokio Marine & Nichido has held training sessions for human rights awareness at workplaces every year since 1983, with participation of all the company employees and people working with them for the purpose of building up comfortable workplaces where each and every member has a solid awareness of human rights, fosters "culture of respect for human rights" and esteems each other. Training for FY 2005 was run on "Thinking about Discrimination," and in the survey forms collected from participants after the training were such opinions as "there is meaning to continuing implementation"; "I have renewed my sense of awareness about discrimination"; and "I want to act in consideration of others." Also, we have given training separate for positions and awareness raising programs, which attracted a lot of attention. We have been going on with other initiatives for furthering a general awareness of respect for human rights, such as a campaign for collecting human rights slogans during the Human Rights Week, a thorough prohibition of harassment, etc.

## 1. Creating Comfortable Workplaces for All Workers

### ■ Establishment of a Continued Employment System for the Elderly

The Millea Group has decided to continue actively employing people who have a strong will to contribute to the enhancement of its corporate value (up to the age of 65 in principle), in light of the aims of recent amendments to the Law for the Stable Employment of the Elderly and from the purposes of CSR. This decision has come from the thought that the active promotion of workplaces for elderly employees is one of the key management issues for maintaining the sustainable growth of the group as a whole. We will continue encouraging the self-development and reformation in awareness and actions of our employees themselves and create the fields of activities where they can make use of their experience and strengths and create newly-added value while maintaining high levels of motivation.

### ■ Promotion and Normalization of Employment of the Disabled

The Millea Group has been proceeding with initiatives aimed at the promotion and normalization of employment of the disabled. In particular, Tokio Marine & Nichido has been making efforts to improve its working environment by establishing an "In-house Normalization Promotion Center" in 1991 to make its workplaces more comfortable for employees with disabilities. In FY 2005 the company moved forward with efforts to make its buildings barrier-free by improvements to its facilities through such measures as door automation, the addition of ramps and rails, and the installation of emergency lamps. Furthermore, the company holds annual interviews with disabled employees (biannually for employees with less than 2 years' experience) to provide support for employees with disabilities in their work and workplaces. These counseling sessions have enabled progress on the resolution of issues that exist and the improvement of retention, reflected in the fact that Tokio Marine & Nichido has a disabled employment rate of 1.92% (as of March 31, 2006), maintaining an employment level above the Japanese legal threshold of 1.8% since March 2001.

### ■ Introduction of "Coordinating Staff" Supporting Searching for Suitable Placement

Tokio Marine & Nichido Career Service oversees the dispatch of around 13,000 temporary employees to its group companies. In order to match the various preferences of temporary employees as to workplace locations/configuration and area of work with human resources sought by each company, a specialist staff (Coordinating Staff) was set up in April 2006. The

Coordinating Staff is a position that, with a firm grasp of the preferences of our group companies, stands in the position of our temporary employees and extensively searches out a workplace where needs on both sides match and where those people can work with vitality. In support of Coordinating Staff and for purposes of better matching of needs, Tokio Marine & Nichido Career Service has been making a reform of its business process regarding the organizational structure, system, book, etc. Through the establishment of the Coordinating Staff, the company has been making efforts to offer services satisfactory to both temporary employees and the group companies.

### ■ Accepting Students from the University of Hawaii as Interns

Tokio Marine & Nichido has run an internship program for students from the University of Hawaii since 2004, in cooperation with First Insurance Co., (FICOH) which is a major non-life insurance company in Hawaii. We accept about two student interns each year under this program. This initiative was started for the purposes of fostering student's interest in the insurance industry and expanding the range of human resources available in Hawaii for the industry. Generally, two students are invited every year and, during the course of two weeks, they visit agents, experience actual business and make presentations on the final day. By this program we will continue contributing indirectly to the CSR activities by FICOH to develop the Hawaiian insurance industry and economy.

#### Comment from a Student Intern

In spite of being for the short period of just two weeks, I found my experience as an intern at Tokio Marine & Nichido invaluable in that I was able to learn about such things as Japanese business methods, the Japanese work ethic, the style of interaction here and the approach to conversation. Also, I was offered a glimpse at how Tokio Marine & Nichido works hard to create superior customer service under its Corporate Philosophy of providing customers with the highest quality services. Presently, I am involved in claim services at FICOH. Through this, I have developed a sense of the challenge that lies in providing superior services to customers in this work, as a contact point between the company and its customers. This experience as an intern has been invaluable in helping me discover my professional calling. (Ms. Romella Feliciano)



Ms. Romella Feliciano



## 2.Supporting for Coexistence between Work and Nursing Care / Childcare / Housework

### ■ Support for Work/Life Balance

Tokio Marine & Nichido has various systems in place as support for work/life balance, such as a nursing care leave system and a volunteer work leave system. There is also the "I-Turn system" which is one of the Job Request systems in place to provide opportunities for employees to work in different geographic areas. This system enables employees to change the locations of their places of employment in cases of such changes in the environment as the transfer of a parent or spouse, or marriage. Under this system, the company can respond to employees' wishes "to continue working long for the company."

#### ■ Number of Staff Taking Nursing Care / Volunteer Work Leave

Fiscal	Nursing care Leave	Volunteer Work Leave
2003	2	19
2004	3	45
2005	6	58

### ■ 8 Packages that Provide Full Childcare Support

Tokio Marine & Nichido considers it necessary to broaden the work options on offer to employees in a manner that accounts for their diverse values and lifestyles in order to promote further activities. As such, the company has built up a system called "Childcare Full Support, 8 Packages," for further improvement in the maternity protection and childcare support system feedback from its employees to the greatest extent possible. Through various systems such as the Short Working Hours system of working for a maximum 3 hours a day, a system that supports the hiring of temporary replacements, a system to support the resumption of employment, and various fee subsidies and partnerships with 300 childcare centers nationwide, as well as refinements in our own operations, we have been creating a climate throughout the company that makes it easier for employees to make use of these systems if they so wish, by constantly undertaking to shift employee awareness and actions in the right directions.

#### ■ Childcare Support System Content

	System Type	Features
1	Female Staff Rehiring System	<ul style="list-style-type: none"> <li>● Rehiring of retired female who fulfill prescribed criteria.</li> <li>▶ Female Staff Rehiring System used by 42 people (as of 1 April 2006)</li> </ul>
2	Maternity Leave System	<ul style="list-style-type: none"> <li>● Available from 8 weeks prior to the expected date of delivery (exceeding the legal requirement of 6 weeks).</li> <li>● 100% of salary provided before and after giving birth during the leave period (bonuses are provided through the Employee Cooperative)</li> </ul>
3	Childcare Leave System	<ul style="list-style-type: none"> <li>● Available for up to 2 years (Legal criteria is up to 18 months)</li> <li>● Spousal criteria abolished (can be received even if a spouse capable of child rearing exists).</li> <li>▶ Childcare leave used in FY 2003: 69 people, FY 2004: 83 people, and FY 2005: 118 people</li> </ul>
4	Short Working Hours System	<ul style="list-style-type: none"> <li>● Enables reduced working hours to the shortest hours of 10am through 3pm (applicable in 30 minute units)</li> <li>● Short Working Hours System can be used up for caring for children up to their third year of elementary school, used by 55 people (as of 1 July 2006).</li> <li>● Possible for pregnant employees to reduce working hours to facilitate commuting (30 minutes in morning and evening).</li> <li>● Entitlement to 100% of salary for time spent on childcare for raising children up to one year of age (for up to one hour each day).</li> <li>● Exemption from overtime work for parents raising children of less than three years of age.</li> </ul>
5	Substitution by Full Time Employees	<ul style="list-style-type: none"> <li>● Full time employees are placed for substitution.</li> </ul>
6	Resumption of Work Support System	<ul style="list-style-type: none"> <li>● Dialogue with supervisors prior to, during leave, and prior to resumption, and support for personal development.</li> </ul>
7	Support of Use of Babysitters	<ul style="list-style-type: none"> <li>● Offering of support in paying the costs of using babysitters, as well as purchasing and rental of childcare goods.</li> </ul>
8	Partnered Childcare Centers	<ul style="list-style-type: none"> <li>● 330 partnered childcare centers nationwide.</li> </ul>

\*Note that the systems explained under 3, 4, and 6 were all newly added in FY 2005.

### 3. Creating Workplaces with Dynamism

#### ■ Healthcare Management and Mental Care

Tokio Marine & Nichido offers care covering both the body and mind of its employees through health check-ups and counseling, with psychiatrists and clinical psychotherapists within the Health Consultation Centers in each of its regional operational support departments, as well as having the Healthcare Center at its Head Office and Healthcare Management Offices and Healthcare Consultation Offices staffed with nurses in 46 locations nationwide. Since 1992, the company has maintained a 100% record of staff taking health check-ups, and its industrial healthcare staff made up of industrial doctors, nurses and such offer strict but sympathetic guidance on lifestyle habits based on the check-up results. With regard to mental care, the company has set up an easy-to-use framework of externally partnered counseling rooms for its employees and their families to use in addition to the company's in-house industrial healthcare staff. Furthermore, in FY 2005 the company ran a "mental health check-up" for each employee, and provided consultations with general managers based on the analysis of the results in each of branch and office, in addition to giving feedback to individuals.



Giving feedback about health check-ups

#### ■ Healthy Labor Relations

Tokio Marine & Nichido conducts discussions and negotiations with Tokio Marine & Nichido Labor Union nearly 30 times a year in the framework of joint labor-management meetings and through daily routine negotiations on the basis of the labor agreement entered into with them to build up mutually reliable relationships to foster a corporate culture which encourages free and open communication, enabling every employee to demonstrate creativity on all matters covering compensation, personnel systems and other management issues. Furthermore, the company also carries out negotiations and discussions with other labor unions aimed at resolving various issues, in good faith and in an energetic manner.

#### ■ Creating Workplaces with Satisfaction

All businesses are required to improve their working environments to respond to the rapidly declining birthrate in recent years and as well as changes in the environment surrounding families and local communities. Under these circumstances in society, the Millea Group has been proceeding with initiatives that support diverse and flexible ways of working.

Tokio Marine & Nichido Facilities, which came directly under Millea Holdings in FY2005, has been advancing the creation of a working environment where employees are able to work lively. Specifically, in order to create a dynamic workplace, it is important to enable employees to take a sufficient amount of rest and refreshment, and the company has taken various measures to realize an environment where employees find it easy to take holidays following the lead shown by a managerial staff.

#### ■ Tokio Marine & Nichido's Major Measures for Improvement of the Working Environment

##### Major Measures

- New Establishment of Refreshment Leave
- Extension of Days for Special Continuous Paid Leave
- Extension of Days for Leave for Retirement\*
- Promotion of Taking the Annual Paid Leave, etc.

\* This is an increase in the number of days that can be taken as special paid holidays in the year before retirement for employees who have worked for more than 15 years.

#### ■ Introduction of a Discretionary Work System

Tokio Marine & Nichido has introduced a Discretionary Work System\* with the aims of "improving productivity" and "enhancing employee motivation levels." Employees, given the discretion to decide when and how they get through their work, feel, for example, that "having flexibility over working hours gives stimulation to my work, and as a result, it has contributed to my personal life," voices like these from them show that the system has been achieving the expected result.

##### \* Discretionary Work System:

This is a system which leaves working hours and the manner of carrying out work up to the discretion of workers themselves, and ascribes a fixed number of hours rather than normal working hours.

A prologue to "Deductive CSR." This is my first impression after having read the Millea Group CSR Report 2006. "Deductive" is an expression of the approach of beginning by searching through the concept of what a company should aspire to and drawing out what Millea Group's ideal CSR should be. There is a feel of freshness in this kind of method, which at the same time struck me as being the way that CSR should be. This is because thinking through what CSR one's company should have leads to CSR that fits that company.

Arranging CSR in a deductive manner has brought a positive effect to this report. That is the realization of a narrative. There are still many examples that exist elsewhere of showing the practice of CSR as points, without being structured overall. This necessarily leaves CSR reports with patchwork-like content. In contrast, by showing an "Overall CSR Diagram (Pyramid)," the Millea Group has succeeded in representing CSR activities as "lines" linking "points" with other "points." The effect of this is that the readers of this report should be able to read through the many initiatives given from "Providing Value to Our Customers" to "Respect for Human Rights and Dignity" as a continuous narrative.

Furthermore, the placement of practicing the corporate philosophy as CSR itself will most likely have a positive meaning at the company as well. Corporate philosophies are often prone to being pushed to the fringes of awareness. Also, I often hear that with regard to CSR people do not understand how to go about undertaking it. At the Millea group, both of

these have been tied together. By reporting detailed initiatives, CSR activities will likely permeate throughout the company, and life will be fed into the corporate philosophy. Bringing forth this kind of positive feedback cycle is one of the roles expected of a CSR Report.

On the reverse side of this, there have also been a number of cases at Millea Group involving non-payment of claims for incidental expenses and such. This is disappointing, even just from the perspective of including compliance as an essential condition of corporate existence within its CSR overall diagram. One can broadly evaluate the point that this matter has been discussed in all seriousness, from the analysis of causes through measures taken to prevent recurrences of similar cases. However, what matters most is future initiatives. While expecting PDCA to work and no recurrence to take place, at the same time I would like to keep watch over this. In this report, a roadmap is shown demonstrating that the raising of the corporate brand value through the practice of CSR leads to the raising of the corporate value to all our stakeholders overall. There is also a commentary given on the CSR Index that measures this. It appears that this index will continue to be published next year and onwards. It is likely that by adding quantitative information to qualitative information, the CSR report would have even more accountable content. I expect the further development of Millea Group CSR activities such that this Millea Group CSR Report 2006 will be viewed in the future as a historic report forming the base point.

### ► Biography of Yusuke Nakajo



March 1992: Received Later Period Doctorate in Commerce from Hitotsubashi University Graduate School;

April 1992: Became a full time lecturer at Yokohama City University Economics Department, April 1993: Became an assistant professor at the same university; August 2004: Became a full professor at the same university; April 2005: Under a reorganization within the university, was made a professor of postgraduate international general scientific studies.

The main academic conferences of which Mr. Nakajo is a member of are the Japan Accounting Association, the Japanese Association for Research in Disclosure (administrative officer), and the Japan Academic Society of Investor Relations (chairperson).

The main books he has had published are "Accounting of Intangible Assets" ("*Mukei Shisan no Kaikei*") (collaboration, 2006), "Consolidated Accounting and Group Management" ("*Renketsu Kaikei To Gurupu Keiei*") (collaborative, 2004) among others.


Fields of specialty are accounting, corporate analysis, disclosure, and investor relations (IR).



# GRI Guidelines Comparative Table

## ■ GRI Guidelines Comparative Table

Items selected in order of importance are introduced in this report and therefore the report does not cover all of the Millea Group's CSR initiatives.

GRI Elements and Indicators Page		
Vision and Strategy		
1.1	Statement of the organisation's vision and strategy regarding its contribution to sustainable development	P2-3
1.2	Statement from the CEO describing key elements of the report	P2-3
Profile		
Organisational Profile		
2.1	Name of reporting organisation	P0
2.2	Major products and/or services, including brands if appropriate	P0
2.3	Operational structure of the organisation	P0
2.4	Description of major divisions, operating companies, subsidiaries, and joint ventures	P0
2.5	Countries in which the organisation's operations are located	P0
2.6	Nature of ownership; legal form	P0
2.7	Nature of markets served	—
2.8	Scale of the reporting organisation	P0
2.9	List of stakeholders, key attributes of each, and relationship to the reporting organisation	P4-5
Report Scope		
2.10	Contact person(s) for the report, including e-mail and web addresses	P37
2.11	Reporting period (e.g., fiscal/calendar year) for information provided	P1
2.12	Date of most recent previous report (if any).	P1
2.13	Boundaries of report (countries/regions, products/services, divisions/facilities/joint ventures/subsidiaries) and any specific limitations on the scope	P0-1
2.14	Significant changes in size, structure, ownership, or products/services that have occurred since the previous report	—
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that can significantly affect comparability from period to period and/or between reporting organisations	—
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	No material changes exist.
Report Profile		
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report.	P1
2.18	Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits	—
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information	P25
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report	—
2.21	Policy and current practice with regard to providing independent assurance for the full report	P36
2.22	Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organisation's activities, including facility-specific information (if available).	The URL references with symbol,  are given in the relevant pages.
Governance Structure and Management Systems		
Structure and Governance		
3.1	Governance structure of the organisation, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organisation	P6
3.2	Percentage of the board of directors that are independent, non-executive directors	P6
3.3	Process for determining the expertise board members need to guide the strategic direction of the organisation, including issues related to environmental and social risks and opportunities	P6
3.4	Board-level processes for overseeing the organisation's identification and management of economic, environmental, and social risks and opportunities	P6
3.5	Linkage between executive compensation and achievement of the organisation's financial and non-financial goals (e.g., environmental performance, labour practices)	P6
3.6	Organisational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies	P4,6-7, 29,31
3.7	Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, and social performance and the status of implementation	P2-7, 18,22,28-29, 31
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	—

Stakeholder Engagement		
3.9	Basis for identification and selection of major stakeholders	P4-5,17
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	P14-17
3.11	Type of information generated by stakeholder consultations	P5,14-17
3.12	Use of information resulting from stakeholder engagements	P5,14-17
Overarching Policies and Management Systems		
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	P6-7,31
3.14	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses	P0-1
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organisations	—
3.16	Policies and/or systems for managing upstream and downstream impacts	P6,30-31
3.17	Reporting organisation's approach to managing indirect economic, environmental, and social impacts resulting from its activities	—
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations	—
3.19	Programmes and procedures pertaining to economic, environmental, and social performance	P25
3.20	Status of certification pertaining to economic, environmental, and social management systems	P25,31
Economic Performance Indicators		
EC1	Net sales	P0
EC10	Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group	P20
Environmental Performance Indicators		
EN8	Greenhouse gas emissions	P25
EN17	Initiatives to use renewable energy sources and to increase energy efficiency	P25
Social Performance Indicators		
Labour Practices and Decent Work		
LA10	Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring	P10
LA12	Employee benefits beyond those legally mandated	P33-35
LA16	Description of programmes to support the continued employability of employees and to manage career endings	P10-11,13
Human Rights		
HR1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	P32
HR4	Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	P32
Society		
SO2	Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption	P28-29
SO3	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions	P28
SO4	Awards received relevant to social, ethical, and environmental performance.	P27
SO7	Description of policy, procedures /management systems, and compliance mechanisms for preventing anti-competitive behaviour	P28-29
Product Responsibility		
PR3	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy	P31
PR8	Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction	P10-11

\*Additional indicators should be indicated in blue.

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