



MILLEA  
GROUP

*Millea Group*  
*Corporate Social Responsibility Report 2007*



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## Editorial Policies

- This report is intended to explain to all stakeholders plainly the main content and results, in particular, on the initiatives mentioned in the Fundamental CSR Plan for the 2006 fiscal year, from the standpoint of fulfilling the accountability of the Millea Group to the stakeholders.
- This Report consists of special features and of chapters organized in accordance with the "Millea Group CSR Charter."
- In order to make the Millea Group's fundamental attitude toward CSR clearer, this Report addresses the courses of action that the Millea Group should seek to take in the area of CSR.
- Each chapter of this Report covers the Millea Group's efforts in the relevant field as well as the concepts and approaches behind such efforts.
- To the extent possible, this Report reflects views and opinions received from stakeholders.
- As in the previous fiscal year, this Report has been edited with a focus on employees and agents, who serve as the points of contact between the Millea Group and stakeholders. In addition, this year's Report gives greater consideration to introducing efforts on a groupwide basis, including overseas efforts, than in last year.
- Content included in this Report has been selected based on materiality, not comprehensiveness. To the extent possible, information on matters that could not be covered in this Report will be released via other media, including financial statements and the Group's website.

\*Links to Millea Group financial statements and website:

**web** <http://ir.millea.co.jp/en/AnnualReport.html>  
(financial statements)  
<http://www.millea.co.jp/en/index.html>  
(website)

### Guidelines referred to in preparing this Report:

- Global Reporting Initiative (GRI) "Sustainability Reporting Guidelines 2006" (see p. 47 for a comparative table on GRI guidelines)
- United Nations Global Compact "Guidelines for Communication on Progress (COPs)"

### Scope of this Report:

- **Organizations Covered in This Report**  
Fundamentally, this Report covers Millea Holdings and key group member companies in Japan and overseas\*. It also reports on some activities of other group member companies.

\* Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine & Nichido Financial Life, Tokio Marine Asia, Millea Real-Estate-Risk Management, Tokio Marine & Nichido Career Service, and Tokio Marine & Nichido Facilities

### ● Reporting period:

Although this Report covers the details of activities conducted in the 2006 fiscal year (April 2006 - March 2007), for the purpose of communicating accurate information it also reports on some activities of other periods.

### Dates of publication

(M/Y)

Edition	in Japanese	in English
Previous edition:	09/06	11/06
This edition:	09/07	11/07
Next edition (planned):	07/08	09/08



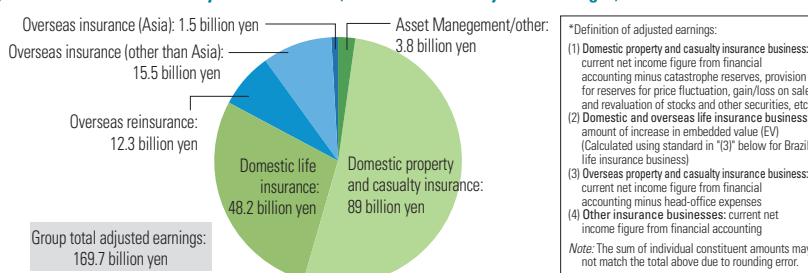
Established in April 2002 as Japan's first insurance-industry holding company, with both Tokio Marine and Nichido Fire as subsidiaries, Millea Holdings handles aspects of management of the group member companies, such as planning management strategies for the Millea Group as a whole and implementing capital policies and consolidated settlement of accounts, and, as the listed company, handles investor relations and public relations for the group.

**Company overview**

<b>Name:</b>	Millea Holdings, Inc.
<b>President:</b>	Shuzo Sumi
<b>Address:</b>	9th Floor, Tokio Marine Nichido Building Shinkan, 1-2-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
<b>Date established:</b>	April 2, 2002
<b>Capital:</b>	150 billion yen
<b>Shares listed on:</b>	Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)
<b>URL:</b>	<a href="http://www.millea.co.jp/en/index.html">http://www.millea.co.jp/en/index.html</a>

**Primary indicators of business performance (consolidated)**

Consolidated fiscal year	FY2004	FY2005	FY2006
Ordinary income (billion yen)	2,899.4	3,399.9	4,218.5
Net premiums written (billion yen)	1,925.0	1,978.6	2,148.6
Ordinary profit (billion yen)	139.9	136.5	168.0
Current net income (billion yen)	67.6	89.9	93.0
Total assets (billion yen)	11,624.4	14,260.0	17,226.9
Capital ratio (%)	19.8	22.5	19.7

**Breakdown of income by business sector (based on FY 2006 adjusted earnings\*)**


## ■ Overview of the Millea Group

With its businesses centered on domestic property and casualty insurance and domestic life insurance in Japan, the Millea Group also carries out overseas insurance businesses, asset management/financial operations, and a range of general business activities having high levels of synergy with its insurance businesses. It seeks to be a globally top-tier insurance group, by expanding its business domains to fields with high levels of profitability and growth potential.

## ■ Domestic Insurance Business

In the fields of life and property and casualty insurance, based on a highly sound financial foundation, the Millea Group provides its customers with "Safety and Security" from unrealized risks through care services following an incident, by providing products and services that make the most of the characteristics of each group member company.


**Tokio Marine & Nichido Fire Insurance Co., Ltd.**

The company made a new start in October 2004 as a leading company in Japan's property and casualty insurance industry, formed through the merger of Tokio Marine and Nichido Fire. It has unrivalled strengths in the areas of product and service development and risk consulting, backed by its sound financial constitution and high levels of specialized expertise, and in its superior network of agents, its claims service network, and its worldwide network.

**Area of business:** property and casualty insurance;  
**founded:** 1879; **capital:** 101.9 billion yen  
**URL:** <http://www.tokiomarine-nichido.co.jp/english/index.html>


**Nisshin Fire & Marine Insurance Co., Ltd.**

September 2006, the company became a wholly-owned subsidiary of Millea Holdings. With an emphasis on the retail field in the Japanese property and casualty insurance market, it is a property and casualty insurer that carries out marketing activities rooted firmly in the communities it serves. Working together with agents to respond to its customers' diverse insurance needs with attention to detail, it seeks to be the retail property and casualty insurer to which customers feel the closest and in which they have full trust.

**Area of business:** property and casualty insurance;  
**founded:** 1908; **capital:** 20.3 billion yen  
**URL:** <http://www.nisshinfire.co.jp/> (in Japanese)


**MILLEA**

**Tokio Marine & Nichido Life Insurance Co., Ltd.**

The company plays a central role in the domestic life insurance business – one of the core businesses of the Millea Group. It seeks to be the "insurer most trusted by customers and agents in Japan," by responding appropriately to customers' diversifying needs and working to implement further innovations in its business model, in a spirit of "inaugurating insurance business all over again."

**Area of business:** life insurance;  
**founded:** 1996; **capital:** 55 billion yen  
**URL:** <http://www.tmn-anshin.co.jp/> (in Japanese)


**Tokio Marine & Nichido Financial Life Insurance Co., Ltd.**

As a wholly-owned subsidiary of the Millea Group since February 2004, the company plays an important part in the Millea Group as a life insurance company specialized in variable annuities, in cooperation with other insurers in the Millea Group. It provides products such as variable annuities insurance and variable insurance suited to its customers' needs as well as customer service with high levels of added value.

**Area of business:** life insurance;  
**founded:** 1996; **capital:** 43 billion yen  
**URL:** <http://www.tmn-financial.co.jp/> (in Japanese)

## ■ Overseas Insurance Businesses

The Millea Group carries on insurance businesses (property and casualty, life, and Takaful) in 260 cities in 36 countries and regions around the world. It has developed a structure suited to the diverse needs of Japanese companies advancing overseas and of its customers traveling overseas. It also is proceeding with business development focused on local markets, based on the unique characteristics of the local community in each country and territory in which it operates.

### Overseas network

(figures current as of July 1, 2007; figures on numbers of local staff current as of March 2007)

»» 260 cities in 36 countries and regions around the world (not including Tianan Insurance)

»» Number of local staff: approximately 10,200 (not including Tianan Insurance)

○ ... Overseas facilities



### Primary Countries and Regions in the Millea Group Overseas Network

**North America:** United States, Canada, Bermuda

**Central & South America:** Mexico, Brazil, Paraguay

**Europe:** United Kingdom, France, Germany, Netherlands, Belgium, Italy, Spain, Ireland, Norway, Denmark, Greece, the Channel Islands (Guernsey), the Isle of Man

**Eurasia:** Russia

**Middle & Near East:** United Arab Emirates, Saudi Arabia, Bahrain, Turkey

**Oceania & Micronesia:** Australia, New Zealand, Guam, Commonwealth of the Northern Mariana Islands

**Asia:** China (Mainland), Hong Kong, Taiwan, Korea, Philippines, Vietnam, Thailand, Malaysia, Singapore, Brunei, Indonesia, India, Myanmar

## ■ Asset Management and Financing Operations

Based on the global investment capabilities it has built up in the insurance business, the Millea Group carries out a wide range of asset management and financing operations in order to provide optimal financial solutions suited to its customers' needs.

### TOKIO MARINE ASSET MANAGEMENT CO.,LTD.

URL: <http://www.tokiomarineam.co.jp/english/>

### TOKIO MARINE CAPITAL, Co.LTD

URL: <http://www.tmcap.co.jp/english/>

### Tokio Marine Financial Solutions Ltd.

URL: <http://www.tokiomarine-fs.co.jp/index-e.html>



### Millea Real-Estate-Risk Management, Inc.

URL: <http://www.mirerim.co.jp/>  
(in Japanese)

## ■ Other Businesses

To respond to the diversifying needs of its customers, the Millea Group provides a general range of services related primarily to "Safety and Security," including integrated human-resources services, facilities management services, risk consulting services, medical/health-care services, and business assistance and business process outsourcing (BPO) services.

### Human - resources services

#### Tokio Marine & Nichido Career Service Co., Ltd.

URL: <http://www.tcshaken.co.jp/>  
(in Japanese)

### Facilities management



#### Tokio Marine & Nichido Facilities, Inc.

URL: <http://www.tkn-f.co.jp/>  
(in Japanese)

### Medical/health - care



#### Tokio Marine & Nichido Medical Service Co., Ltd.

URL: <http://www.tokio-mednet.co.jp/>  
(in Japanese)



#### Tokio Marine Nichido Samuel Co., Ltd.

URL: <http://www.tmn-samuel.co.jp/>  
(in Japanese)

### Risk consulting services



#### Tokio Marine & Nichido Risk Consulting Co., Ltd.

URL: <http://www.tokiorisk.co.jp/>  
(in Japanese)

### Business assistance, BPO



#### Millea Mondial Co., Ltd.

URL: <http://www.millea-mondial.co.jp/en/aboutus/>

### Insurance agents



#### Tokio Marine & Nichido Anshin Consulting Co., Ltd.

# Putting customer trust at the base of all our activities

## Putting customer trust at the base of all our activities

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

Even so, in the domestic insurance business – a core business for the Group – in March 2007 Tokio Marine & Nichido and Nisshin Fire received administrative orders from the Financial Services Agency of Japan (FSA) ordering them to cease some operations related to third-sector insurance products. Other issues that have arisen include nonpayment of incidental claims and other payments and failure to apply various discounts to fire insurance.

Issues of nonpayment of life-insurance claims and other payments and errors in such payment also occurred at Tokio Marine & Nichido Life and Tokio Marine & Nichido Financial Life. The fact that such problems arose in connection with claim payment and insurance policies, which are both fundamental and the most important functions of an insurer, has damaged the trust placed in the Group by its customers and society at large. We apologize deeply for the considerable inconvenience and concern that resulted.

The Millea Group and each insurer have taken the

related circumstances to heart with the utmost sincerity, and each employee including management has reviewed the causes of problems such as these and what kinds of efforts should be taken in the future to prevent their reoccurrence. In April 2007, each Group member company formulated business improvement plans and measures for preventing the reoccurrence of such problems. At present, we are proceeding with efforts toward regaining lost trust by implementing these business improvement plans and measures for preventing the reoccurrence of such problems steadily, one by one.

## CSR in the Millea Group

The Millea Group is a group of companies centered on the insurance business, a business that plays a very important role in society and is of a highly public nature. The Millea Group considers it its role in society and its social responsibility to spread "Safety and Security" by providing customers with the highest-quality products and services centering on the above-mentioned business. For this purpose, we will devote our every effort to earning the full trust of all our customers through a thorough understanding of the "Customer First" principle in all aspects of our business activities, based on an appreciation of current circumstances. In addition, we will continue to work

toward making contributions to our local communities and societies, as a good corporate citizen, toward protecting the global environment, and toward respecting human rights, as well as further strengthening communication with our stakeholders, which is very important in proceeding steadily with these efforts, and improving levels of quality in each of our businesses.

With regard to the issue of global warming in particular, the Millea Group considers this to be one of the greatest risks faced by humanity as a whole. As such, in addition to activities conducted by individual Group member companies as good corporate citizens – such as efforts to reduce the environmental impact of their business activities – each company will implement aggressive efforts towards research into the risks posed to society by global warming, as well as towards its core business including insurance through provision of products and services, based on resources such as the techniques, expertise, and experience they have built up through their wide-ranging business activities.

The Millea Group considers its "Group corporate value" to be the sum total of the value it provides all stakeholders – its customers, shareholders, agents, employees, and local communities and societies – and seeks to be "a group of companies needed in society," by working to increase corporate value while achieving sustainable growth together with societal progress.



A handwritten signature in black ink, appearing to read 'Shuzo Sumi'.

Shuzo Sumi

President,  
Millea Holdings, Inc.

## Efforts toward Ensuring the Appropriateness of Business Operations and Regaining Trust

Recently, the 4 companies of the Millea Group (Tokio Marine & Nichido, Nisshin Fire, Tokio Marine & Nichido Life, and Tokio Marine & Nichido Financial Life) have found themselves in situations leading them to lose the trust of customers and society at large because of their inappropriate handling of operations related to the sale of insurance products and the payment of claims.

The Millea Group offers its deepest apologies for the considerable inconvenience and concern this has caused its customers despite the fact that the payment of claims and other payables is a fundamental and very important duty of an insurance company.

Each of the companies will make determined efforts toward making business improvements and preventing the reoccurrence of such problems, to regain the trust of customers and society as quickly as possible.

In addition, Millea Holdings takes very seriously the fact that such circumstances have arisen in connection with the activities of its subsidiaries and deeply regrets the situation. It gives its promise to be even more mindful of the management of its subsidiaries. It will endeavor to implement appropriate business management to ensure that such problems do not recur in the future. The understanding of stakeholders would be greatly appreciated.

### **1** Improper nonpayment of claims on third-sector insurance products >> Fig. 1

In the area of third-sector insurance products such as health insurance, cancer insurance, and income-indemnity insurance, improper cases of the nonpayment of claims arose as a result of judgment and handling inadequate to an insurance company due to the insufficiency of claims payment and business administration systems appropriate to the characteristics of such products.

### **2** Omission of payment of claims on expense insurance and other products >> Fig. 2

Results of a survey conducted as part of efforts to ensure the appropriate payment of claims to customers showed that there had been omissions in notification and payment to some customers concerning claims on expense insurance and other products (including claims and other payments incidental to auto insurance products). These cases resulted from the insufficiencies of "an explanation of products to customers," "product development" and "claims payment systems."

### **3** Comprehensive inspection related to appropriateness of approach to fire-insurance sales >> Fig. 3

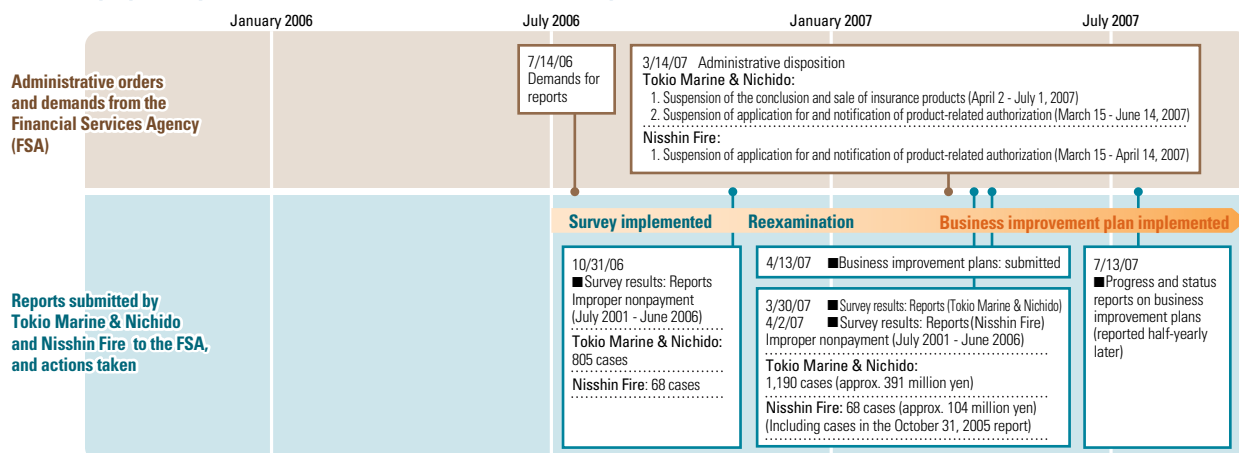
An overall examination from the standpoint of whether correct premiums were applied in fire insurance revealed the fact that there were cases of errors in the application of correct classes of construction, omissions of applicable premiums and charging of excessive premiums.

### **4** Survey on payment of life-insurance claims and other payments >> Fig. 4

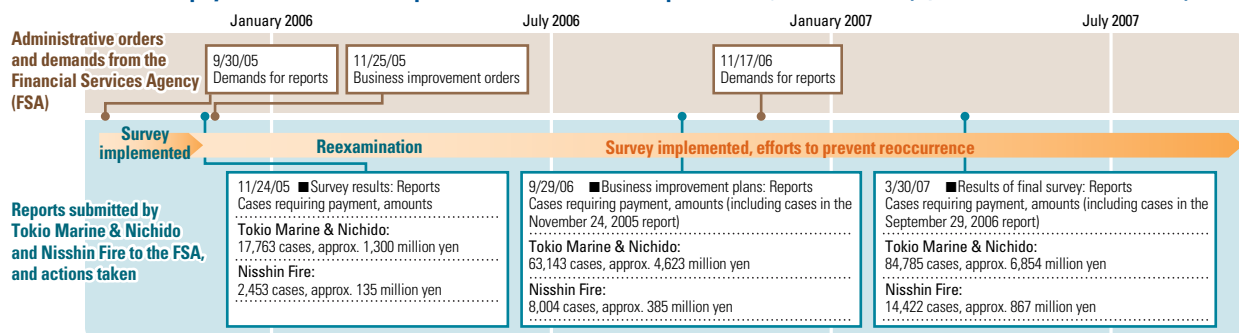
A reexamination of life insurance claims, etc. paid during the 5 years from fiscal 2001 to 2005 revealed the fact that there were cases requiring additional payments mainly for such reasons as inadequate procedures on the insurers' side and their insufficient explanations of cases in which benefits could have been paid, had full explanations been given to customers beforehand.



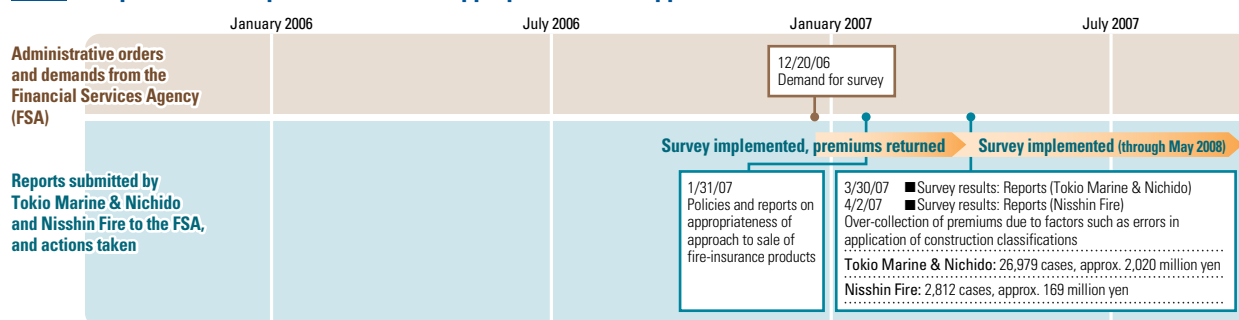
**Fig. 1 Improper nonpayment of claims on third-sector insurance products (e.g., health insurance, cancer insurance, and income-compensation insurance)**



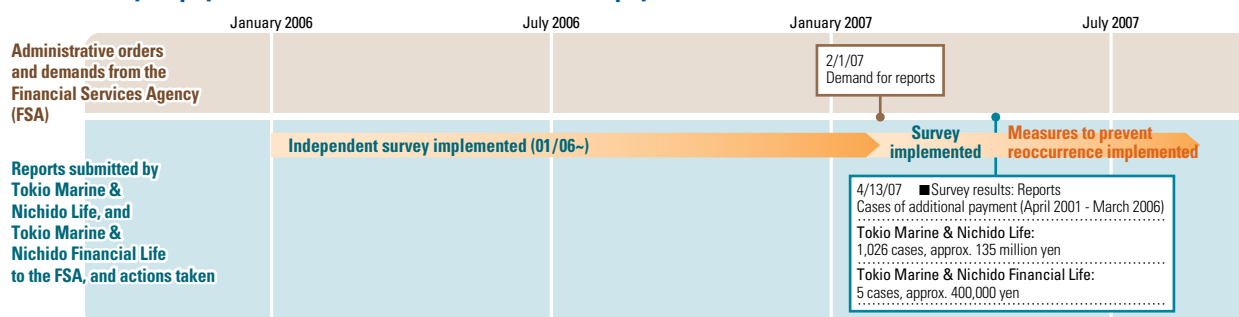
**Fig. 2 Omission of payment of claims on expense insurance and other products (e.g., claims and other payments incidental to auto insurance products)**



**Fig. 3 Comprehensive inspection related to appropriateness of approach to fire-insurance sales**



**Fig. 4 Survey on payment of life-insurance claims and other payments**



# Taking on the Challenge of Global Warming

**The Millea Group considers global warming to be one of the greatest risks faced by humanity as a whole. As such, we are working aggressively to protect the global environment.**



## Devoting the collective strength of the entire Group to the protection of the environment

According to the "IPCC 4th Assessment Report\*," the earth's average temperature has risen by 0.74°C over the past 100 years, due primarily to increases in anthropogenic greenhouse gases, and the temperature is projected to increase in the future as well.

Over the next 50 - 100 years the probability of massive natural disasters such as heavy rain and typhoons could change dramatically due to global warming, resulting in claims payments by insurance companies exceeding all expectations. For this reason, the Millea Group considers management of the risks of global warming to be part of the core business activities of an insurance group, as well as one of its duties as a corporate citizen.

\* A report issued in February 2007 by the United Nations Intergovernmental Panel on Climate Change (IPCC), intended to collect and assess the latest information on climate change from scientific, technological, and socioeconomic perspectives and to provide advice to the world's governments.

For the adaptation to and prevention of global warming, each member of the Millea Group has been making initiatives such as reducing the environmental impacts of their business activities, planting mangrove trees, and providing various products and services that contribute to helping its customers reduce the environmental impacts of their own business activities. In addition, in December 2006 the Group began full-fledged research initiatives intended to prepare for the risks of global warming, by establishing a groupwide "global-warming research project" centered on Tokio Marine & Nichido and the Tokio Marine Research Institute. It also plans to carry out research and other efforts concerning the risks of global warming, from a wide range of perspectives such as forecasting future typhoon damage, through new partnerships with scientific institutions outside the company, such as the Center for Climate System Research at the University of Tokyo.

**Toshiro Yagi,**  
Executive Vice President,  
Millea Holdings, Inc.



## Insurance Products and Services

**Offer of insurance and financial products/services that could help prevent (deter) global warming**

- Development of products and services coping with global-warming risks
- Support for environmental protection by giving discounts for environment-friendly vehicles >> P.33
- Consideration for environmental issues when repairing vehicles >> P.33

**Offer of products and services suited to the manifestation of risks related to global warming**

- Offer of means for hedging against risks, through climate derivatives

## Investment and Finance

**Promotion of efforts to prevent global warming through investment and finance activities**

- Asset management through socially responsible investment (SRI)
- Support for business activities contributing to the prevention of global warming, through investment in environmental venture businesses >> P.34
- Study on the supply of investment means through SRI (investment trust) instruments and other products



## Risk Research

### Research into the risks of global warming through industry-academy partnerships

- Research into typhoon risks through partnerships with scientific institutions outside the company (University of Tokyo, Nagoya University) >> P.10
- Forecast of trends in damage from typhoons, hurricanes, etc. (research by Tokio Millennium Re) >> P.10

# The Millea Group's Responses to Global Warming

## Risk Consulting Services

### Offer of risk consulting services to business organizations related to global warming risks

- Energy-conservation diagnoses and support for buildings (Tokio Marine & Nichido Facilities)
- Natural-disaster risk assessment and risk-reduction consulting (Tokio Marine & Nichido Risk Consulting)
- Consulting on measuring and reducing greenhouse-gas emissions (Tokio Marine & Nichido Risk Consulting)

## Reduction of Environmental Impacts

### Reduction of the environmental impacts of companies' own business activities (reduction and absorption of greenhouse gases)

- Reduction of environmental impacts at business facilities through ISO14001 and our own environmental management systems, "Green Assist" >> P.33
- Reduction of environmental impacts through mangrove afforestation >> P.11
- Participation in Team Minus 6% >> P.33
- Promotion of ecological driving
- Study of reductions in environmental impacts through initiatives such as the acquisition of emission credits

## Environmental Education and Supply of Information

### Wide-ranging environmental education activities intended to help prevent global warming Timely and appropriate disclosure of information by the company

- Environmental education activities conducted through "Green Lessons" >> P.11
- Supply of various types of information through the "Project on Studying the Scientific Foundations for Sustainability" and the "Talisman Environmental Series" publications
- Holding environmental seminars
- Supply of various types of information through participation in the UNEP FI IWG, the UN Global Compact, and the Carbon Disclosure Project >> P.10,12,34

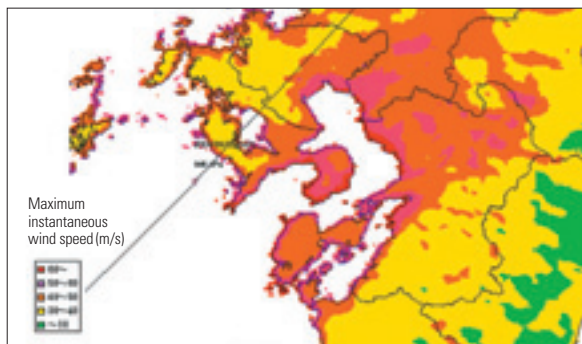




## Joint Research with Scientific Institutions Outside the Company

The UN's IPCC has confirmed the high probability of a causal relationship existing between global warming and unusual weather, although such a relationship has not yet been fully substantiated scientifically. The Millea Group believes an understanding of the latest knowledge such as this is important to its efforts to prevent global warming.

Since November 2005, the Millea Group has participated in an industry-academy partnership with the Center for Climate System Research at the University of Tokyo, which has one of the world's leading climate-simulation models, which can be used to forecast global warming, and a number of private-sector firms. This project conducts research into the future effects of climate change induced by global warming on the occurrence of natural disasters. In



A wind-speed distribution obtained from a typhoon-simulation model developed in-house

addition, in March 2007 the Millea Group began joint research with Nagoya University intended to study in detail the effects of global warming on typhoons.

Furthermore, the Group has been promoting research into global warming overseas as well, centered on hurricanes in the United States, through efforts such as Tokio Millennium Re and Tokio Marine Technologies holding summits on global-warming by inviting well-known researchers from outside the companies as lecturers. The Millea Group will make efforts to be able to make broad-ranging contributions to society through efforts such as providing products and services and communicating information to society at large that could help prevent or deter global warming, utilizing the results obtained in research into global warming.



A global-warming summit



## Participation in the UNEP FI IWG

Since 2005, Tokio Marine & Nichido has been the only participant representing Asia in the Insurance Working Group (IWG) of the United Nations Environment Programme Finance Initiative (UNEP FI). Consisting of 16 members including the world's leading insurers, the IWG conducts a study and research on "sustainable society and insurance." Its report "*Insuring for Sustainability*," issued in May 2007 to cover the "role of insurance in contributing to the sustainable development of society," gives examples of typical activities of individual insurers, ranging from the offer of insurance products and services working to the realization of a sustainable society through reducing impacts on the environment. Tokio Marine & Nichido's "auto-insurance discounts for environment-friendly vehicles" and the "mangrove afforestation project" were shown as good examples in this report.

The insurance business exerts a considerable influence in increasing sustainability because of its characteristics such as the size, strong ties with local communities and the important economic role it plays. Through participation in the UNEP FI IWG, Tokio Marine & Nichido has been working both to pursue the desirable picture of a business that cares about the environment and sustainability and to encourage and promote such activities throughout financial institutions.



"Insuring for Sustainability"





## Protection of the Global Environment and Contributing to Local Communities through Mangrove Afforestation

### ■ Overview of the mangrove afforestation project

Since fiscal 1999 Tokio Marine & Nichido has been planting mangrove trees in Southeast Asia. Through fiscal 2006, it had planted 3,444 hectares of forests – sufficient to absorb the carbon dioxide emitted in the company's business activities. Today, the second phase of this project is under way in 6 countries: 5 nations of Southeast Asia, plus Fiji. (See illustration below.)

This project has been implemented in partnership with an NGOs, Action for Mangrove Reforestation (ACTMANG), and OISCA.

### ■ Significance of this project

Mangrove trees can help prevent global warming by absorbing a large volume of carbon dioxide and can serve as bulwarks to protect people from tsunamis and other hazards. In addition, by providing fishery and forestry resources essential to local residents' lifestyles, they contribute to achieving sustainable development in the areas in which they are planted in addition to stabilizing and improving peoples' living environments. For example, a project to cultivate crabs in Indonesia without felling mangrove trees was given an award by the Indonesian Ministry of Marine Affairs and Fisheries as a sustainable fisheries activity in 2005. Furthermore, "Mangrove Afforestation Volunteer Tour" also provide opportunities for international exchange between employees of the Group member companies and local residents.

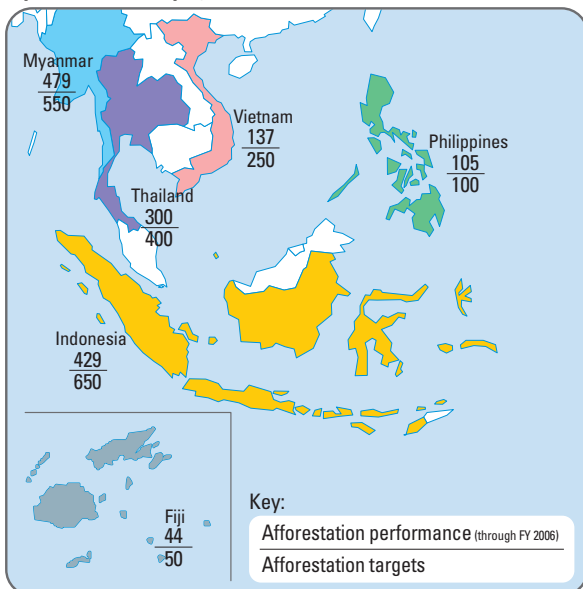
### ■ "Green Lessons: The Mangrove Story" held nationwide

Tokio Marine & Nichido has prepared an environmental education program targeted at elementary-school children, based on the theme of "preventing global warming," and has been sending its employees and agents to those schools as instructors.

This program began in October 2005 to commemorate the first anniversary of the merger that formed Tokio Marine & Nichido. Through March 2007, approximately 4,000 students and other children had taken part in the course, held at approximately 60 elementary schools and schools for handicapped children across Japan.

The course covers the "mangrove afforestation project" – a global environmental-protection activity – and a familiar program to "recycle uniforms of female employees." By showing them beautiful, vivid videos and photographs of mangroves and other vegetation and letting them touch mangrove seeds and other items and listen to stories told by employees and agents who volunteered to participate in planting mangrove trees, this course has created opportunities for the children to think about environmental protection on their own and take action to protect the environment. In addition, students were presented with "planters that degrade naturally into soil." Those planters were made from recycled uniforms of female employees. The children also had the opportunity to think together with instructors on the ecological cycle and the effective use of resources. A decision has already been made to continue this program through the 2008 fiscal year.

**Afforestation targets and performance (in hectares) in phase two of this project**



A course session at Hosen Elementary School in the city of Okayama.



# CSR at the Millea Group

## The Millea Group's Approach to CSR

The Millea Group considers that the execution of its Corporate Philosophy itself is equal to the fulfillment of CSR. The Group's goal is to increase the value it provides every stakeholder and, as a result, to increase its corporate value which is the sum total of the value it provides all stakeholders, through the thorough implementation of CSR practices. It has established the "Millea Group CSR Charter" as a set of behavioral guidelines for such implementation of CSR practices.

### Millea Group Corporate Philosophy

**The Millea Group is committed to the continuous enhancement of corporate value, with customer trust at the base of all of 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 that 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 for all people.
- 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 thorough control of personal information.

#### Protection of the Global Environment

- Acknowledging that the protection of the global environment is an important responsibility for all corporate entities, we respect harmony with and improving 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 in different countries and regions and we aim to contribute actively to society in response 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 of our stakeholders to ensure effective corporate management.

### Participation in the United Nations Global Compact

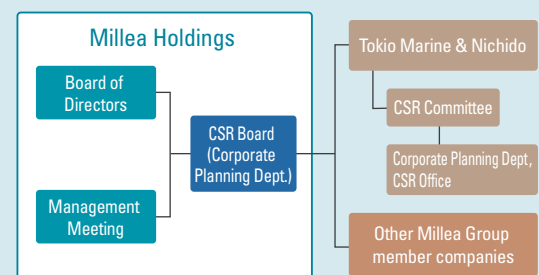
Millea Holdings and Tokio Marine & Nichido have been participating in the United Nations Global Compact since April 2005 because the concept and the content of the Global Compact agree with the Millea Group's approach to CSR initiatives and its CSR Charter. In the future as well, the Millea Group will seek to implement activities complying with the Global Compact's ten principles in the areas of human rights, labor, the environment, and anti-corruption.



## CSR Promotion Structure

The Millea Group has established the "CSR Board" chaired by the President of Millea Holdings and with a membership consisting of the Presidents (CSR Supervisors) of the Group member companies. This Board formulates fundamental policies and plans for CSR initiatives and monitors progress in these initiatives. Each Group member company promotes its own CSR initiatives and those of its subsidiaries in accordance with the policies and plans formulated by the CSR Board. In addition, Tokio Marine & Nichido has established the CSR Office to serve as an organ specialized in the promotion of CSR, as well as the "CSR Committee", under its Board of Directors. These organizations work to share information between departments/sections involved in CSR initiatives as well as to strengthen and promote related efforts.

### The Millea Group's CSR promotion structure



## The Millea Group's CSR Initiatives

In proceeding with its CSR initiatives, the Millea Group considers that the supply of value to its customers is made possible only when it has fulfilled the social responsibility of a corporation for respecting human rights, complying with laws and regulations, protecting the environment and being considerate of local communities and societies. Also, for the Millea Group, which provides intangible value such as insurance and various services, the most important element in practicing CSR is the "Human Power" of its employees and agents who serve as the points of contact with stakeholders. Earning the high regard of stakeholders through implementation of CSR activities by employees and agents with the "Human Power" makes it possible for the Millea Group to increase corporate value and create new social value.



## The Tokio Marine & Nichido Corporate Value Index

Tokio Marine & Nichido defines corporate value as the sum total of the values it provides each of the following stakeholders: customers, shareholders, agents, employees, and local communities and societies. In 2003 the company developed the "Corporate Value Index", its own scoring system, from the standpoint that it is important to review measures taken by quantifying the degree of progress made in such value as a result of measures implemented each year. The Index classifies value provided to each of the 5 stakeholders – customers, shareholders, agents, employees, and local communities and societies – into 9 fields and designates matters that should be evaluated and scored on a 1200-point scale by themselves. These indexes are intended for use in the quantitative measurement and verification of progress in the company's Corporate Philosophy and CSR and are shared within the company, thus being helpful in the assessment and formulation of management strategies.

Fields subject to assessment	Primary indexes
Customer fundamentals	Number of individual customers, results of customer surveys, number of comments received in "System for Collection and Utilization of Customer Comments," etc.
Agent fundamentals	Percentage of net premiums written accounted for by leading agents, results of customer surveys (on satisfaction with agents), etc.
Management leadership	Results of external surveys on corporate image, results of employee surveys, etc.
Organization and Human Resources System	Percentage of employees with disabilities, number of female employees (at or above a certain rank), results of employee surveys, etc.
Organizational culture	Number of employee activities making contributions to local communities, number of leaves taken for volunteer activities, results of external surveys on corporate image, etc.
Employee capabilities Operational-process capabilities	Results of customer and agent surveys (on subjects such as employee behavior and services), results of internal audits in Production Departments, branches, Claims Service Departments, and Service Departments, greenhouse-gas emissions, etc.
Product strength	Results of external surveys on corporate image, results of agent and employee surveys, etc.
Brand strength	Results of external surveys on corporate image etc.
Profitability/soundness	Financial ratings, return on equity (ROE), etc.

# Performance of FY 2006 CSR Initiatives and FY 2007 Plans

## FY 2006 Summary

The Millea Group has proceeded with initiatives intended to "implement CSR activities through its own core business activities, demonstrating the Group's own individuality and foresight." Although it has achieved successes in areas such as strengthening various types of communication and enlivening activities for making contributions to local communities and societies, incidents such as the improper nonpayment of claims were discovered in each Group insurance company, leading to the substantial loss of trust placed in the quality of the Group's products and services by customers and society. In light of this, all Group member companies are working to regain this trust, through reaffirming their social responsibility and the importance of carrying out appropriate business operations.

Conducted fields		Related stakeholders	Focused themes of efforts (entire Group)	Page
Value Provided to Customers	Products/services	Customers	<ul style="list-style-type: none"> <li>■ Thorough implementation of appropriate business operations and improving business quality</li> <li>■ Provision and promotion of products and services related to "Safety and Security"</li> </ul>	P.6~7 P.18~21
	"Human Power" of employees and agents	Employees, agents	<ul style="list-style-type: none"> <li>■ Improving employees' "Human Power"</li> </ul>	P.22~23
Two-Way Communication		Customers, shareholders, employees, agents, local communities/ societies	<ul style="list-style-type: none"> <li>■ Promoting communication with customers (through website improvements etc.)</li> </ul>	P.24~27
			<ul style="list-style-type: none"> <li>■ Promoting communication among employees (i.e., permanent employees, temporary staff) and agents</li> </ul>	
			<ul style="list-style-type: none"> <li>■ Promoting communication with society</li> </ul>	
Contributions to Local Communities and Societies		Local communities/ societies	<ul style="list-style-type: none"> <li>■ Adoption and promotion of systems of time off for volunteer activities and matching gifts</li> </ul>	P.28~31
			<ul style="list-style-type: none"> <li>■ Implementation of efforts to make contributions to society by each company on its own</li> </ul>	
Protection of the Global Environment		Local communities/ societies	<ul style="list-style-type: none"> <li>■ Adoption in core insurance businesses (including asset-management and financial businesses) of efforts to protect the environment</li> </ul>	P.8~11 P.32~35
			<ul style="list-style-type: none"> <li>■ Monitoring and reducing volumes of energy used and wastes emitted</li> </ul>	
			<ul style="list-style-type: none"> <li>■ Promoting green purchasing</li> </ul>	
			<ul style="list-style-type: none"> <li>■ Continuing the mangrove afforestation project</li> </ul>	
			<ul style="list-style-type: none"> <li>■ Environmental protection efforts other than the above, conducted by each company on its own</li> </ul>	
Compliance		Customers, employees, agents	<ul style="list-style-type: none"> <li>■ Improving both awareness of and approaches to compliance, and promoting hotline use</li> </ul>	P.36~39
			<ul style="list-style-type: none"> <li>■ Thorough management of personal information</li> </ul>	
Respect for Human Rights and Dignity		Employees	<ul style="list-style-type: none"> <li>■ Continued promotion of human-rights training</li> </ul>	P.40~43
			<ul style="list-style-type: none"> <li>■ Promoting employees' health and reducing pressure on employees</li> </ul>	
			<ul style="list-style-type: none"> <li>■ Promoting advancement of women in society</li> </ul>	

\*1 Efforts of Millea Holdings, Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine & Nichido Financial Life, TM Asia, Millea Real-Estate-Risk Management, Tokio Marine & Nichido Career Service, and Tokio Marine & Nichido Facilities, which have prepared CSR plans, are reported here.



## FY 2007 Plans

Based on the medium-term corporate strategy "Stage Expansion 2008" and an overview of the previous fiscal year, the Group will proceed with efforts directed at issues of concern shared by all member companies as well as the individual initiatives of the Group members. In addition to the "thorough implementation of appropriate business operations," each Group member company will implement steady efforts to utilize "customer comments" in various operations including products and services. In addition, as a corporate citizen the Group will further strengthen cooperation among the Group member companies and the member companies will work together in activities to protect the environment and make contributions to local communities and societies.

FY 2006 performance/progress (Items concerning entire Group indicated with ■, items concerning individual companies with ●) *1	Future topics (entire Group) *2
<ul style="list-style-type: none"> <li>■ Implementing various initiatives seeking to improve business quality</li> <li>■ Providing products and services suited to customer needs</li> <li>■ Implementing various initiatives seeking to secure safety and quality in products and services</li> </ul>	<ul style="list-style-type: none"> <li>■ Steady implementation of initiatives toward appropriate business operations</li> <li>■ Building a structure for aggressively collecting "customer comments" and utilizing these in provision of products and services</li> </ul>
<ul style="list-style-type: none"> <li>■ Enhancement of training and self-development systems</li> <li>■ Improving competency, improving specialization of each section</li> <li>● Enhancing training program for Life Partners (Tokio Marine &amp; Nichido Life)</li> </ul>	<ul style="list-style-type: none"> <li>■ Enhancing and strengthening systems for supporting efforts such as training and self development for improving employees' skill levels, in particular through career development (Stage Expansion) for female employees</li> </ul>
<ul style="list-style-type: none"> <li>■ Enhancing functions (including structures) for communication with customers</li> <li>● Strengthening initiatives to respond to customer comments, such as customer-satisfaction surveys (Tokio Marine &amp; Nichido Life, TM Asia)</li> </ul>	
<ul style="list-style-type: none"> <li>■ Improvement initiatives based on opinions from employees, agents, etc. and enhancing Two-Way Communication</li> <li>● Trial implementation of agent-satisfaction surveys (TM Asia)</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthening communication with customers, shareholders, and agents</li> <li>■ Improving Group member companies' employees' awareness of CSR</li> <li>■ Thorough disclosure of timely and appropriate information</li> </ul>
<ul style="list-style-type: none"> <li>■ Implementing IR activities corresponding to shareholder attributes (e.g., institutional and individual investors)</li> <li>■ Issuing CSR reports/enhancing their content based on surveys etc.</li> <li>● Participating in the "UNEP FI IWG" and issuing a report on the "role of insurance in contributing to the sustainable development of society" (Tokio Marine &amp; Nichido)</li> <li>● Implementing "CSR Dialog" with external experts (Tokio Marine &amp; Nichido)</li> </ul>	
<ul style="list-style-type: none"> <li>■ Adoption of a system of time off for volunteer activities (adopted at one company in FY 2006, for a total of 7 companies)</li> <li>■ Adoption of a matching gift system (adopted at 2 companies in FY 2006, for a total of 6 companies)</li> <li>● Participation of employees of the Group member companies in events for making contributions to local communities and societies (each Group member company in Japan)</li> <li>● Expanding pink-ribbon campaigns and implementing new donation activities (Tokio Marine &amp; Nichido Life)</li> <li>● Implementing social-contribution activities in Asian nations (throughout TM Asia Group: 31 projects at 11 companies) (TM Asia)</li> <li>● Supporting events on behalf of people with disabilities (Tokio Marine &amp; Nichido Career Service)</li> </ul>	<ul style="list-style-type: none"> <li>■ Enlivening activities to make contributions to local communities and societies through strengthening cooperation among the Group member companies in individual localities (e.g., joint efforts)</li> <li>■ Aggressively seeking volunteers to take part in mangrove afforestation project</li> <li>■ Adopting and promoting utilization of systems of providing time off for volunteer activities and matching gifts</li> </ul>
<ul style="list-style-type: none"> <li>■ Establishing the "Global Warming Project Team" and beginning joint research with universities</li> <li>■ Monitoring volumes of energy used (began at 2 companies in FY 2006, for a total of 5 companies)</li> <li>■ Monitoring volumes of waste emissions (began at 1 company in FY 2006, for a total of 3 companies)</li> <li>■ Beginning green purchasing and promoting related efforts (began at 4 companies in FY 2006, for a total of 6 companies)</li> <li>● Promoting phase two of the mangrove afforestation project (achieving a total of 4938 hectares) (Tokio Marine &amp; Nichido)</li> <li>● Holding "Green Lessons: The Mangrove Story" nationwide (course held for a total of 4,000 school children and other children at approximately 60 schools nationwide) (Tokio Marine &amp; Nichido)</li> <li>● Attaining ISO 14001 certification (Tokio Marine &amp; Nichido Facilities)</li> </ul>	<ul style="list-style-type: none"> <li>■ Adoption of environmental management systems (Seeking Group standardization as a mid-term goal)</li> <li>■ Reducing volumes of energy used and wastes emitted</li> <li>■ Starting and promoting use of green purchasing</li> </ul>
<ul style="list-style-type: none"> <li>■ Implementing various initiatives such as revising manuals and strengthening in-house training</li> <li>■ Opening an external hotline and ensuring that all employees understand how to use the hotline</li> <li>■ Implementing training for employees (including temporary personnel) and building and strengthening monitoring structures at each workplace</li> </ul>	<ul style="list-style-type: none"> <li>■ Improving and strengthening compliance promotion structures</li> </ul>
<ul style="list-style-type: none"> <li>■ Implementing continuous training on human rights for all employees</li> <li>■ Administration of health examinations undergone by employees and ensuring all employees are aware of these examinations</li> <li>■ Promoting the taking of time off by employees, to relieve stress</li> <li>● Implementing efforts such as mental-health surveys and mental healthcare training (Tokio Marine &amp; Nichido Life, Millea Real-Estate-Risk Management)</li> <li>■ Holding seminars on career development</li> <li>■ Following up on employees taking childcare leave</li> </ul>	<ul style="list-style-type: none"> <li>■ Systemic and operational enhancement such as "maintenance of working environments" and "support for work-life balance" implemented by each company on its own, corresponding to its own business attributes</li> <li>■ Promoting efforts in the area of mental healthcare</li> </ul>

\*2 Since FY 2007, with the addition of 3 companies – Nisshin Fire, Tokio Marine & Nichido Medical Service, and Tokio Marine & Nichido Anshin Consulting – as new operating subsidiaries of Millea Holdings, CSR plans are formulated by Millea Holdings and 10 Group member companies.

# Corporate Governance

## Current Status of Corporate Governance

**As a holding company, Millea Holdings shall maintain a sound and transparent corporate governance system and exercise appropriate control over the Millea Group companies.**

## Corporate Governance Structure

The following is an overview of the corporate governance structure

Body	Role assigned (top) and composition (bottom)
Board of Directors	The Board of Director is responsible for decisions on important matters relating to the execution of Millea Holdings' business, for supervising the performance of individual directors and establishing an appropriate internal control environment and an effective internal control system. Approx. 10 members, at least 3 of whom in principle must be outside Directors.
Corporate Auditors, Board of Corporate Auditors	Audits the performance of Directors, as an independent body entrusted by shareholders. Approx. 5 members. In principle, a majority of these must be outside Corporate Auditors.
Nomination committee	Deliberates and reports to the Board of Directors on appointment and removal of Directors and Corporate Auditors of Millea Holdings and major subsidiaries and on requirements for such appointment. Approx. 5 members, a majority of whom must in principle be outside members. The committee chair shall be chosen from among the outside members.
Remuneration committee	Deliberates and reports to the Board of Directors on performance evaluations of Directors and Corporate Auditors of Millea Holdings and major subsidiaries and on the executive compensation system. Approx. 5 members, a majority of whom must in principle be outside members. The committee chair shall be chosen from among the outside members.

## Executive Remuneration System

Remuneration for full-time directors of Millea Holdings consists of three elements: fixed remuneration; bonuses related to the business performance of Millea Holdings and the performance of the individual; and stock options. Remuneration for corporate auditors and part-time directors of Millea Holdings consist of two elements; fixed remuneration and stock options.

## Corporate Governance of Subsidiaries

As the holding company of the Millea Group, Millea Holdings shall exercise high-level control of and supervision over the business subsidiaries of the Millea Group. Millea Holdings shall exercise its rights as a shareholder. Millea Holdings shall enter into business management agreements with each business subsidiary. Millea Holdings shall develop fundamental policies relating to its corporate compliance structure, risk management system and internal audit system and monitor implementation. Millea Holdings shall evaluate the business results of each business subsidiary of the Millea Group. The results of such evaluations shall be considered in the determination of remuneration for the directors of each business subsidiary.

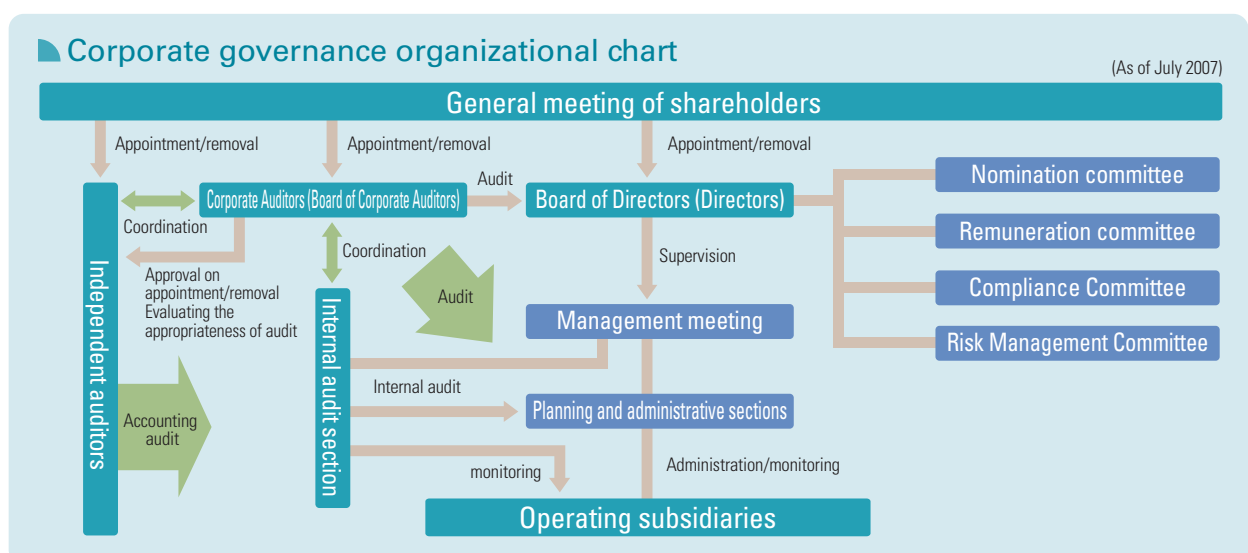
## Basic Policy for Internal Controls

In accordance with the Corporation Law and the Enforcement Regulations of the Corporation Law, Millea Holdings has resolved at a meeting of the Board of Directors to adopt basic policies for internal controls as a framework to establish and operate an effective internal control system. The policy set forth the fundamental components of the internal control system, including the system for supervision by Millea Holdings, as a holding company, of the appropriate execution of business activities by the Millea Group companies as well as compliance, risk management, internal audit, preservation of information, and audit by Corporate Auditors.

[web http://www.millea.co.jp/en/company/basic.html](http://www.millea.co.jp/en/company/basic.html)

## Risk Management

In the Millea Group, management of risks accompanied with the individual business activities is conducted primarily by subsidiaries. Millea Holdings establishes policies on risk management, integrated risk management, and crisis management, and comprehends the risks surrounding the entire Millea Group. In this way, Millea Holdings performs its risk management of the Millea Group.



## Disasters Response Framework (Business Continuity Plan\*)

In the event of an earthquake, typhoon, or other natural disaster, Tokio Marine & Nichido has a mission in society to continue its important business operations as a property and casualty insurer of accepting claim notices, paying claims and making maturity refunds, and concluding insurance contracts, not just in the areas affected by such a disaster but in other areas as well. For this reason, Tokio Marine & Nichido implements a wide range of disaster-response measures including the establishment of a Business Continuity Plan (BCP).

\* A Business Continuity Plan (BCP) is a plan established in advance concerning how a company will continue or recover its key business functions in the event of a disaster or similar contingency.

### Decision of Policies and Plans

#### 1 Basic policies for responding to disasters

The following basic policies have been established for responding to disasters:

- (1) Principles of employee responses
  - (i) Checking the safety of employees and their families, customers, agents, and others
  - (ii) Making every effort to cooperate in ensuring the safety of local communities
- (2) Basic policies on business continuity
  - (i) Working to continue and quickly restore key business operations in the area affected by the disaster
  - (ii) Working to continue key business operations outside the area affected by the disaster

#### 2 Anticipated risks and damage

The worst-case scenario envisions damage to the Head Office building and the Tama Systems Center from an earthquake occurring directly below the Tokyo area, shaking the Head Office building with a "seismic intensity (on the Japanese scale) of greater than 6," making both facilities unusable for a certain period of time.

#### 3 Selection of key business operations

In light of the nature of the casualty insurance business, the following operations have been selected as key business operations, whether occurring within or outside the area affected by a disaster:

- Receiving of insurance claims
- Payment of claims, refunds on maturity, and other payables
- Conclusion of insurance policies

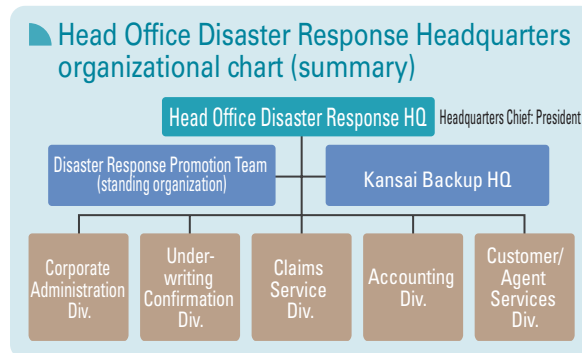
#### 4 Setting a recovery target

The target for recovery is to handle key operations, whether taking place within or outside the area affected by the disaster, manually at first if the Tama Systems Center is unavailable for use and, in 24 hours, to make the backup systems ready for receiving claim notices, paying claims and other payables, and concluding policies up.

#### 5 Setting up required organizations and framework

In the event of a large-scale disaster, the "Head Office Disaster Response Headquarters" will start up at the Head Office, with the President serving as chair and Directors, General Managers, and other members of management in charge of key Head Office functions serving as team members. In cases such as when the Head Office cannot be contacted for a period of 6 hours or longer, the "Kansai Backup HQ" will be established in the Kansai region. In addition, the "Disaster Response Promotion Team" has been established as a standing organization handling on a regular basis efforts related to responding to disasters. In the event

of a disaster, the Disaster Response Promotion Team will provide support to the Directors in the Head Office Disaster Response Headquarters.



### Measures for Continuation of Key Operations

As specific measures in the event of a disaster, it has been arranged to put the following into action after having made maximum cooperation in securing safety in the local community, and various manuals for such purposes different according to roles and ranks have been made ready for use:

- 1 Establishment of systems for priorities assigned to various substitutions and chains of command
- 2 Preparation of the planned location for establishing the Head Office Disaster Response Headquarters  
(Emergency telephones, in-house intranet, storage of disaster supplies, etc.)
- 3 Advance preparation of substitute head-office locations  
(6 locations in the Greater Tokyo Metropolitan area)
- 4 Preparation of backup information systems  
(Starting up key business systems in 24 hours)
- 5 Adoption of a system for checking employee safety

### Education and Training

Various types of education and training have been implemented separately for roles and ranks.

- Meetings and desktop training for the president and other directors (annual since 1992)
- Practical training by the Disaster Response Promotion Team (annual since 1996)
- Basic disaster-response training for all employees (annual)
- Training for starting up backup systems (monthly)
- Desktop disaster-response training for regions, sections, and branches (annual)

### Inspection and Corrective Measures

The Disaster Response Promotion Team conducts an inspection on the level of measures implemented at all departments and branches, and internal auditors carry out internal audit. In addition, an audit of disaster-response measures is made by external organizations also. Any inadequacies discovered in these inspections will be improved or corrected in an appropriate manner.

### Review of Plans by Management

At a regular annual meeting on disaster-response measures, the President and other Directors review all aspects of these plans.

# Contributing to Comfortable Living and the Development of Society

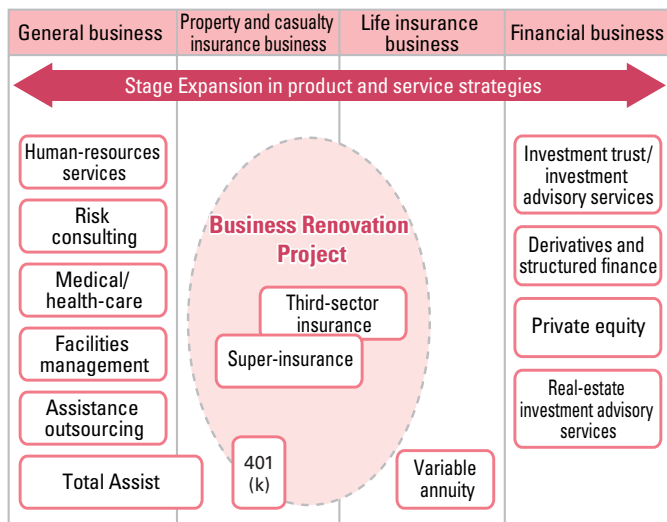
"That's exactly what we'd expect from Tokio Marine & Nichido!" Our goal is to deliver customer satisfaction. For this purpose, we think it is important to analyze and study risks together with customers. I think that an analysis and study from our customers' point of view could make our insurance products and a broad range of solutions we and the other members of the Millea Group provide even more beneficial to our customers.

**Hideki Tairaku,**  
Deputy Manager, General Production Department 1,  
Tokio Marine & Nichido



## Stage Expansion in product and service strategies

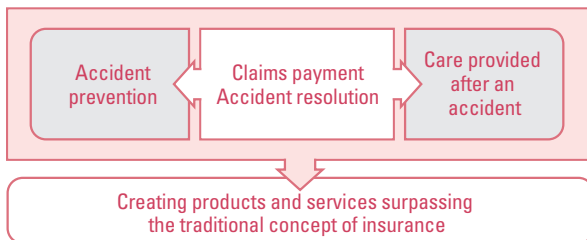
Based on its Corporate Philosophy, "by providing customers with the highest quality products and services, we will spread safety and security to all around us," the Millea Group has earned the high regard of its customers by providing products and services that are ahead of their time. From the medium-to long term perspective, new risks could arise as social and economic conditions in Japan and around the world undergo substantial changes. The Millea Group will respond to the diversifying needs of its customers through joining together the combined strengths of the Group to provide new products and services that are ahead of the changing times and surpass the boundaries of traditional insurance.





## Auto Insurance that Surpasses the Traditional Concept of "Insurance"

In the area of automobile insurance, which is one of the core products of Tokio Marine & Nichido and Nisshin Fire, the Millea Group seeks to provide products and services suited to its customers' needs while surpassing the traditional concept of "insurance," by joining together the combined strengths of the Group to consider the provision of value related to the "Safety and Security" both before and after covered accidents, including the enhancement of accident-prevention services, care services provided after an accident, and peripheral services.

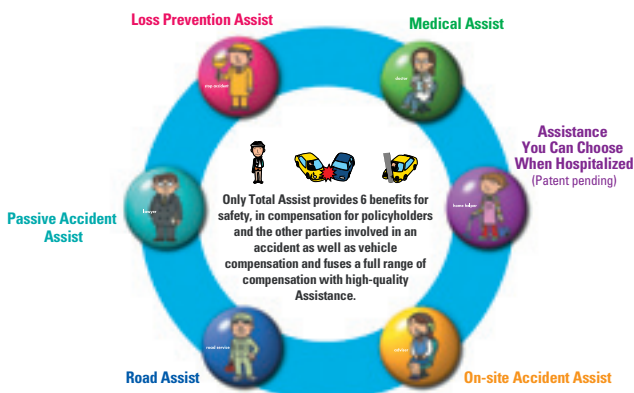


### Automobile Insurance "Total Assist"

Tokio Marine & Nichido offers an automobile insurance product "Total Assist," which fuses traditional "Insurance" with "Assistance." To enable customers to enjoy their driving life with greater safety and security, "Total Assist" adds 6 assistance services, such as "Assistance You Can Choose When Hospitalized," to traditional compensation services. By doing so, it provides economic and mental support from accident prevention through follow-up care after an accident.

This new concept in automobile insurance, which adds various types of high-quality assistance services such as support for hospitalization resulting from an accident (Assistance You Can

#### 6 types of assistance "Total Assist" only can provide

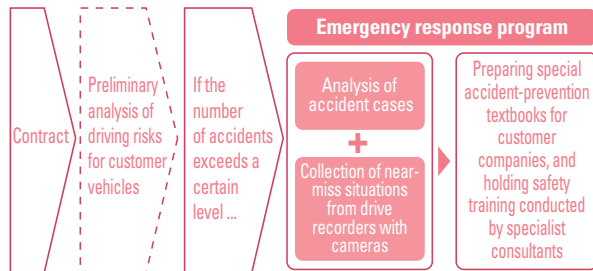


Choose When Hospitalized) and medical consultation for daily living (Medical Assist), in addition to emergency support in the event of an automobile accident or breakdown (Road Assist) and the offer of information on preventing accidents (Loss Prevention Assist), has earned the support of a great number of customers.

### Automobile Insurance that Provides Support for Efforts to Reduce the Number of Automobile Accidents

Tokio Marine & Nichido offers "Fleet Accident Reduction Assist," automobile insurance for corporate customers that fuses "Insurance" with "Specialized Consulting Aimed at Accident Reduction." This is a type of automobile insurance suited to customers who would like "to reduce their numbers of automobile accidents occurring during working" and "to achieve stable reductions in their automobile insurance premiums." This product provides strong support for customers' efforts to reduce accidents by installing the latest drive recorders with cameras in customers' vehicles and providing thorough analysis by experts of the causes of accidents and consulting services on accident prevention, based on driving data covering dangerous driving. In the 2006 fiscal year, the consulting menu was enhanced, through efforts such as the establishment of a new animated menu, and the number of products sold per year exceeded 450.

#### Sample service overview (Course B)



#### Example of a near-miss situation



## Utilizing the Combined Strengths of the Group to the Maximum Extent, to Take on the Challenges of New Risks

Factors such as intensifying environmental problems on a global scale, falling birth rates and the aging of society, rapid development of information technology, companies' overseas expansion, and the globalization of business have led to growth in the diversity and complexity of the risks faced by individuals and companies. Based on the knowledge and experience it has built up through today, the Millea Group utilizes its combined strengths to the maximum extent to provide support to its customers in resolving the risks its customers face in today's changing society.

### Providing "Safety and Security" in an Aging Society with Low Birth Rates

#### ●Providing "Lifetime Comfort and Security" through Personal Variable Annuity Insurance Products

As declining birth rates and the aging of society accelerate further, increasing the importance of self-directed asset-formation efforts, Tokio Marine & Nichido Financial Life seeks to support its customers' asset-formation efforts and provide "lifetime comfort and security" through its personal variable annuity insurance and other businesses. Our key product, "Personal Variable Annuity Insurance with Guaranteed Minimum Income Benefit GF" makes it possible for customers to secure returns on investment when the investment goals have been met during the investment period (after at least three years have passed), by setting goals for asset investment when taking out the policy. In addition, this product guarantees the minimum base total amount of annuity benefits received in the event the amount accumulated at the end of the investment period is less than the base benefit amount.

#### ●Personal variable annuity insurance products

Personal variable annuity insurance	Products
Multifunctional Personal Variable Annuity Insurance GF	<ul style="list-style-type: none"> <li>•As You Like</li> <li>•Nenkin Shin-Sedai</li> </ul>
Personal Variable Annuity Insurance with Guaranteed Minimum Income Benefit GF	<ul style="list-style-type: none"> <li>•Best Scenario</li> <li>•Good News</li> <li>•Sanmi Ittai</li> <li>•Marine Wave</li> <li>•Todokundesu</li> </ul>

#### ●Advancing into the Nursing-care Field

As society ages, needs for nursing care are projected to grow in diversity in the future. To respond to the expectations of such an aging society, Tokio Marine & Nichido Samuel, established in February 2006, seeks to make contributions to society through the planning and operation of senior residences such as premium retirement homes. As of June 2007, it had opened 10 facilities (in

Tokyo and in Kanagawa, Kyoto, and Nagano prefectures) with a total of 408 rooms. Based on its corporate philosophy "Making Senior Citizens Proud of Their Old Age,"



Hyldemoer senior residence with nursing care (Sankeien)

Tokio Marine & Nichido Samuel plans to build a structure that will enable more and more people to enjoy its services, by further increasing its number of facilities.

### Responding to the Risks Companies Face

#### ●Supporting Formulation of Business Continuity Plan (BCP) for Responding to Disasters

A large number of natural disasters and large-scale accidents in recent years has led to an increase in interest in the Business Continuity Plan (BCP). Serving as the secretariat of the Corporate Evaluation/Business Continuity Working Group of the Central Disaster Prevention Council of Japan's Cabinet Office, Tokio Marine & Nichido Risk Consulting has played an important role in the formulation of the first edition of the Japanese government's "Business Continuity Guidelines." The company also established the "Business Continuity Group" in 2006 to provide more highly specialized BCP consulting services. In addition, its DVD and CD editions of easy-to-understand summaries of "Key Points in BCP Formulation" (distributed free of charge) also have been well received.

#### ●Provision of Programs for Improving Living Habits

The health of employees and their families can be considered key elements in the sustainable development of companies and other organizations. Since beginning in the 2008 fiscal year health insurers will be required to provide health examinations and health guidance targeted primarily at lifestyle-related illnesses\*, companies' health measures are becoming even more important. The "Health Challenge Club" for making improvements targeted at lifestyle-related illnesses provided by Tokio Marine & Nichido Medical Service creates individual improvement programs for patients based on the results of their health examinations and follows up on these programs via e-mail and telephone. As such, it provides support for health insurers' efforts in response to the above requirement to provide health examinations and health guidance.

\* In June 2006, the Diet passed a law concerning reforms to Japan's medical system. As a result, beginning in the 2008 fiscal year health insurance associations and other health insurers will be required to provide examinations for lifestyle-related illnesses and "Specific Examinations and Health Guidance" as needed following such examinations.

#### ●Responding to Leakage of Personal Information

In April 2005, the "Act on the Protection of Personal Information" took effect, requiring businesses to implement thorough

management of personal information. At the same time, technological advances in areas such as the internet and information-technology devices have led to a dramatic increase in the danger of leakage of personal information, resulting in a number of actual cases of such leakage.

In addition to providing the "Personal Information Leakage Insurance," which covers liability and expenses arising as a result of a leak of personal information, the Millea Group provides integrated support in this area through its "Information-Security Consulting Services," which help clients prevent such leaks before they arise.

## A System for Providing Compassionate and Caring Insurance Services

### From Concluding a Policy through Paying Claims

In insurance products such as automobile, fire, and life insurance, the details of compensation provided by the insurer to the insured are determined in advance through contractual agreements and other means. When concluding policies, the insurance companies in the Millea Group provide their customers with all relevant information on the insurance products, including matters requiring caution, and make sure that the customers have a correct understanding of the details of the products they purchase. In addition, when a demand has been received for payment of a claim, they work to provide caring service, from receipt of notice of a covered incident through payment of the claim itself, that can reduce the emotional burden on the customer as well as handle his or her claim with speed and accuracy, through communication intended to achieve mutual understanding between the insurer and the customer.

### Building a Foundation for Improving Service Quality

To regain the trust of its customers, Tokio Marine & Nichido has been making united efforts to improve its service quality in accordance with the "Business Renovation Project." It has made progress in areas such as simplifying insurance products, improving business processes, and developing systems to support such efforts so that customers may be provided with products which meet their needs and whose characteristics are easy for them to understand. In the 2006 fiscal year, in addition to proceeding with studies intended to simplify products, the company began making early notification to customers of the maturity of their policies and promoting cashless payments that are more convenient to customers, by adopting a new credit-card payment system with simple procedures involving filling out credit-card information on special postcards and returning these to the company.

## Claims Service Structure Expands in Japan and around the World

Tokio Marine & Nichido and Nisshin Fire have built up a nationwide network of claims service structures enabling them to provide swift and caring services anywhere in Japan. They extend a wide range of claims services by assigning professional staff, lawyers, advisory doctors, tax accountants, and other specialists throughout Japan. In cooperation, further, with its Group company, International Assistance (INTAC), Tokio Marine & Nichido provides emergency assistance services at the "International Helpdesk" located in Tokyo that can receive calls on overseas accidents and illnesses 24 hours/day, 365 days/year.

### ● Claims service system (as of July 2007)

	Tokio Marine & Nichido	Nisshin Fire
Service locations	246 locations	98 locations
Staff	approx. 8,100 people	approx. 980 people
Lawyers	approx. 520 people	approx. 10 people
Advisory doctors	approx. 140 people	approx. 40 people
Tax accountants, accountants	approx. 70 people	—
Number of automobile accidents handled	approx. 2,400,000 accidents	approx. 210,000 accidents

Note: The number of staff for Tokio Marine & Nichido is as of July 2006.

Tokio Marine & Nichido and Nisshin Fire provide toll-free telephone support for reports and consultation from customers on accidents. Tokio Marine & Nichido also accepts automobile accident reports in English and handles various inquiries, as well as accepting accident reports from customers and letting them check up on the progress of response services, on its website.

### ● Number of reports of accidents handled (FY2006)

	Tokio Marine & Nichido	Nisshin Fire
Accident reports handled	903,023	98,154
Other (e.g., Road Assist, insurance consultation)	372,415	8,958
Total	1,275,438	107,112

## First Financial/Insurance Company Call Center in Japan to Gain "COPC-2000®" Certification

In June 2006, Tokio Marine & Nichido Communications gained certification under the "COPC-2000®" international standard for quality in the call-center industry.\* This certification reflects the company's continuous activities to provide high-quality helpdesk services. The company intends to contribute to improving the services provided to customers via agents, by providing speedy services suited to the needs of insurance agents working for the company.

\* A standard established in 1996 by management-system specialists at companies such as Microsoft and Dell that work aggressively to improve customer satisfaction through call-center management.



## What is Human Power?

The Millea Group, which provides intangible goods such as insurance products and services, considers the "Human Power" of its employees and agents, who work to provide its customers with various types of value, to be extremely important for its business. To put it in concrete terms, all employees and agents are expected to act always from customers' viewpoints with professional knowledge and enthusiasm.

### The three elements that make up "Human Power"

1. "Abilities as Professionals"
2. "Energies"
3. "To think and act always by putting yourself in the other party's shoes"

## Seeking to Serve as Professionals in the Areas of "Safety and Security"

### Employee Training / Skill Development System

The Millea Group considers the development of "human resources," which serve as the source of customer satisfaction, to be the most important issue it must face. For this reason, each Group member company maintains various skill development programs and human-resources systems suited to the attributes of its own business. To improve the skills of its employees, Tokio Marine & Nichido implements a wide range of training activities, including Rank-Specific Training, Optional Training, and Specialization Training. In the 2006 fiscal year, 2,262 employees underwent Rank-Specific Training and 1,429 underwent Optional Training. In addition, it has worked to improve the skill development program itself by developing and implementing a new program in its Optional Training menu, "Foresight and Creativity Improvement Training." To support self-directed study by its employees, it has adopted systems to subsidize their costs of such study, including the External Qualification Support System.

## Maintaining and Expanding Employee "Energies"

### Job Request System

Tokio Marine & Nichido has implemented the "Job Request System" as a key system for maintaining and expanding the energies of its employees. Through this system, it works to enable employees to transfer into positions they desire, to the degree possible. This system includes internal recruiting, in which employees apply for positions indicated in advance, and area selection\*, intended to increase opportunities for female employees to be active in the company. Each of these leads to increased motivation and improved work skills by enabling employees to take the initiative in choosing their own positions. Nisshin Fire and Tokio

Marine & Nichido Financial Life have developed similar internal recruiting systems as well.

\* This consists of "U-turn" transfers (in which regional employees not subject to relocation can be relocated temporarily to take on the challenge of employing their own aptitudes in jobs not available in their own locality, on the condition that they will return to their original locality after the temporary relocation) and "I-turn" transfers (in which regional employees not subject to relocation can continue working after changing localities due to reasons such as marriage or a spouse's relocation).

### Job Request System (Tokio Marine & Nichido)

Fiscal Year	Applicants	Approval
FY2006	307	99
FY2007	190	75

### Increased Opportunities for Female Employees to Be Active

The Millea Group considers constructing a work environment in which motivated and capable employees with diverse senses of value can demonstrate their abilities to the maximum extent regardless of gender to be an important part of raising the level of services provided to customers. For this reason, it has been working aggressively to provide "Increased Opportunities for Female Employees to Be Active." As of August 1, 2007, the Group had 103 female managers, including four General Managers (heads of departments). Tokio Marine & Nichido has been proceeding aggressively with efforts to construct a workplace in which women can thrive, based on the 3 pillars of developing career orientation among female employees, strengthening their management abilities, and developing various related human-resources systems. In the 2006 fiscal year, it carried out training for regional employees in their sixth through eighth years since joining the company, with the objective of increasing their consciousness of career vision.

### Numbers of female managers (for the entire Millea Group, as of August 1, 2007)

Insurance business	Tokio Marine & Nichido	43
	Nisshin Fire	14
	Tokio Marine & Nichido Life	2
	Tokio Marine & Nichido Financial Life	14
	TM Asia	4
Other businesses	Group total (Japan only)	26
<b>Total</b>		<b>103</b>

### "Cultural Exchange Among Female Employees" in China, Korea, and Japan

In November 2006, the "Cultural Exchange Among Female Employees" organized by 3 companies – PICC (China), Samsung Fire & Marine Insurance (Korea), and Tokio Marine & Nichido (Japan) – was held in Beijing, China. Five female managers from each company participated in this event, which included a lively and meaningful exchange of opinions.

Through frank discussion among female employees working in different cultures and environments of topics such as the social environments in which they live, their concerns in continuing work, and their roles as managers, this event proved very educational for all participants.



## Voices from the Front Lines

One of the three elements making up "Human Power" is "to think and act always by putting yourself in the other party's shoes." Such an approach begins with listening to customers' opinions and thinking of things from their points of view in one's day-to-day duties.



Patrick W. H. Lau,  
Director, General Manager  
(Insurance Service)  
The Tokio Marine and Fire Insurance Co.  
(Hong Kong) Ltd.

### Improvements in Customer Satisfaction Achieved by Overseas Employees

#### "Providing risk-reduction methods from customers' points of view"

At the Tokio Marine and Fire Insurance (Hong Kong), we have risk consultants who provide support for assessing risks at the time of underwriting. A risk consultant will investigate risks from a customer's point of view, make presentations to the customer directly on the results of this investigation and the content of our proposals, and propose methods of reducing risks, including points that the customer could easily overlook. This approach has been well received by customers here in Hong Kong. For example, some customers drafting plans to open new shops will even ask us to employ our risk consultants in advance. I think this response from customers proves the high level of customer satisfaction with the quality of the services our risk consultants provide.



Company personnel

Hidehito Tokumasu  
(second from right in middle row),  
President,  
Expert Co., Ltd.  
(Insurance Agent)

### Providing High Quality Products and Services through Insurance Agents

#### "Communication with as many people as possible"

Insurance is a product that is complex and difficult to understand, and one from which customers tend to keep a distance because they think it too hard to understand. What should an agent do to make insurance products easier to understand? I think our business does not begin with selling insurance products but with communicating information about them to customers. As customer needs diversify, I believe that the selling of an insurance policy comes after we have diagnosed customers' risks, awakened their needs, proposed solutions, thought fully about them with customers and obtained their good understanding of the products we offered. In any case, it is customers – not us – that decide whether a product is good or not. In the future as well, I would like to work every day as an insurance missionary, helping a great number of people to understand our products.



Akiko Kurihara,  
Support Center,  
Tokio Marine & Nichido Financial Life

### Helping Customers over the Phone

#### "Seeking to provide service that exceeds customer expectations"

In telephone service, "each call is an opportunity" for customer satisfaction. In dealing with customers who call us with questions and concerns, I try first of all to respond with customers' points of view in mind. For this purpose, in addition to providing them with correct information it is very important to "sympathize with" what the customer is saying and to "listen attentively" from the heart. When as a result I get a message from a customer saying, "Thank you for your easy-to-understand explanation," I myself am filled with gratitude. This is because I truly feel as if by interacting with customers I have been able to grow myself as well. In the future as well, I would like to work to be able to provide customers with services that exceed their expectations, by identifying issues that the customers themselves may not have noticed, through abundant sensitivity, imagination, and enthusiasm.

## Business Activities Based on Interaction with Stakeholders

The way we interact with customers becomes an embodiment of how "Tokio Marine & Nichido Life" interacts with its customers. I work to respond to customer applications and requests correctly so that customers can "feel secure and be glad they called." Furthermore, I would like to "handle customer calls with kindness and politeness, keeping customers' points of view in mind."

**Taeko Toyama,**  
Customer Service Department,  
Tokio Marine & Nichido Life



### Wednesday Dialogs

With the goal of providing a venue for the frank exchange of opinions between employees and executives, in September 2006, Tokio Marine & Nichido started an offsite meeting known as "Wednesday dialogs." In the 2006 fiscal year, 4 sessions were held, with 50 or more people in attendance at each, for a total of 243 participants. Each dialog consists of two parts: an exchange of opinions (part one) and informal discussion (part two). In part one, based on the theme "what I can do to be thorough about the customer first concept," employees are divided into small groups of 5 to 6 people each. These groups exchange opinions with company executives including the President. In part two, employees speak frankly on subjects such as issues they face in their own duties, future career development, and their opinions on company policies, while executives speak on subjects such as company policies and career-development advice to employees based on their own experience and opinions.

These dialogs will continue in the future as opportunities to promote interaction between employees and executives.



Exchange of opinions in a Wednesday dialog



## Fundamental Concept behind Two-Way Communication

The Millea Group has been performing a wide range of activities such as increasing the transparency of management through disclosure to customers and other stakeholders of timely and appropriate information on Group business activities and reflecting opinions and information obtained through direct interaction with stakeholders in the management of business, in recognition of the importance of such activities.

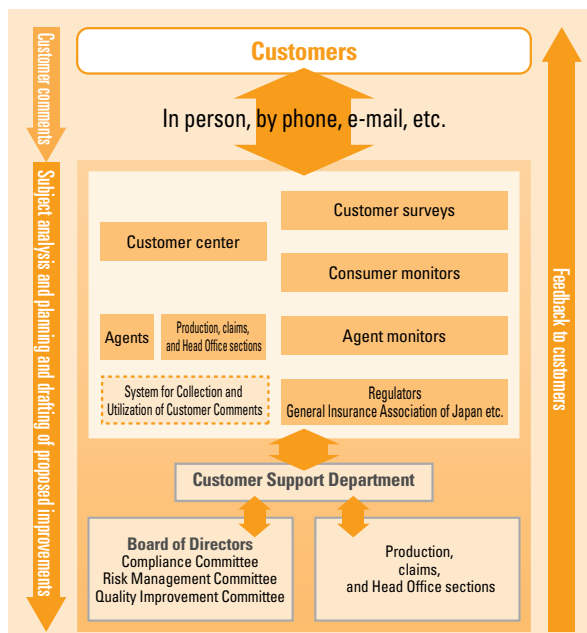
## Increasing Customer Satisfaction through Dialog with Customers

### System and Initiatives for Utilizing Customer Comments

With customer trust placed at the base of all its activities, each company of the Millea Group has structured systems maintained to make the most of customer comments by listening sincerely to them and meeting customers' expectations.

Tokio Marine & Nichido and Tokio Marine & Nichido Life have developed the "System for Collection and Utilization of Customer Comments" on the intranet to gather and analyze customer comments received through production departments/sections, sub-branches, and customer centers, for the purposes of sharing information within the company and making improvements. Customer comments considered to require companywide responses are passed on to the attention of departments/sections in charge for a study of improvements.

### ● Flow of "Customer Comments" (Tokio Marine & Nichido)



### ● Number of improvements proposed and implemented (FY 2006)

	Improvements proposed	Improvements implemented (incl. those planned for implementation)	Improvements for which implementation is being studied
Tokio Marine & Nichido	889	320	357

### ● Samples of product and service improvements

Tokio Marine & Nichido	Developed a new search system, "Let's Search," enabling the company not to overlook claims payable, inform customers of them and pay them without omission.
Tokio Marine & Nichido Life	Added the "Anshin Search" feature to its website to explain, by audio and on video, key points in selecting insurance products and make it simple and easy for customers to understand them.

## Increasing Transparency in Connection with Customer Comments (complaints)

In the 2006 fiscal year, the Millea Group received 36,720 customer complaints, requests, and other comments. Tokio Marine & Nichido, Nisshin Fire, Tokio Marine & Nichido Life, and Tokio Marine & Nichido Financial Life disclose the content of such complaints and requests from customers received through their customer centers and other channels, on their websites for higher transparency in connection with the customer comments received.

### ● Customer comments (complaints) received (at Tokio Marine & Nichido in FY 2006)

Content	Number
Contract procedures	7,613
Products and services	796
Contract administration	4,482
Claims payment	9,664
Personal information	407
Others	641
<b>Total</b>	<b>23,603</b>

## Statement of Compliance with Complaints Management System Standard

Tokio Marine & Nichido and Tokio Marine & Nichido Life have reviewed their approaches to business in light of the ISO 10002 Complaints Management System standard, for the purpose of companywide standardization of the quality of handling "Customer Comments." In June 2007, they were the first financial institutions in Japan to have their compliance with this standard confirmed, and they announced this achievement publicly in July of the same year. In the future, they will continue working to improve the quality of operations in areas such as products and services, based on customer comments.

## Customer Survey

Tokio Marine & Nichido, Nisshin Fire, Tokio Marine & Nichido Life, and Tokio Marine & Nichido Financial Life conducted a survey of their customers to reflect valuable opinions, requests, and other comments received in the promotion of efforts directed toward improving their quality of business.

## Timely and Appropriate Disclosure of Information to and Exchange of Opinions with Shareholders

### Proactive IR activities

Millea Holdings carries out continuous interaction (IR) with shareholders, investors, and securities analysts under the lead mainly of the President and other executives. In the 2006 fiscal year, it met with a total of approximately 350 institutional investors in Japan and around the world, through activities including 3 IR meetings held for investors, a total of 91 meetings with investors in Europe and North America, and 8 IR meetings held for individual investors. Through these efforts, the company has described the state of its business activities and its strategies in a highly transparent manner, worked to firmly utilize the valuable opinions, requests, and other comment received from capital-market participants such as shareholders, investors, and securities analysts, and implemented various efforts such as stock splits, payment of midterm dividends, and sale of stock.



IR meeting for individual investors

### Inclusion in Socially Responsible Investment (SRI)\* Funds

The Millea Group has been evaluated highly by CSR assessment institutions and its stocks are included in the Socially Responsible Investment (SRI) funds and in SRI indices in Japan and around the world. In addition, it has been working to make improvements in areas such as CSR efforts based on feedback from each assessment institution.

\* Socially Responsible Investment (SRI)

This refers to a means of investment that seeks to achieve stable returns while assessing and choosing companies based on social, ethical, and environmental perspectives, such as legal compliance, hiring issues, human-rights issues, responses to consumers, and contributions to local society, in addition to investment criteria based on traditional financial analysis.

#### ● State of inclusion in SRI funds

Fund	Registered and managed by:
AIG/Resona Japan CSR Fund	AIG Global Investment Corp.
Eco Balance	Sumitomo Mitsui Asset Management Co., Ltd.
Eco Fund	DLIBJ Asset Management Co., Ltd.
Sumishin SRI Japan Open	STB Asset Management Co., Ltd.
Daiwa SRI Fund	Daiwa Asset Management Co. Ltd.
Fukoku SRI Fund	Shinkin Asset Management Co., Ltd.
UBS Japan Equity Eco Fund	UBS Global Asset Management (Japan) Ltd.

Note: The above information on inclusion in funds is based on the latest reports from these funds as of July 31, 2007.

## Building Cooperative Relations with Agents Based on Trust

### Initiatives to Utilize Evaluations and Opinions from Agents

Each domestic Japanese insurance company in the Millea Group has been working to strengthen its partnership with agents, who serve as its business partners, by utilizing frank evaluations and opinions from agents in formulating company policies and in front-line production and claims operations.

Tokio Marine & Nichido Life holds annual "Management Quality Meetings" in which Head Office personnel collect opinions from agents personally and reflects the opinions, requests, and other comments received in future company practices.

### Sharing Information with Agents

Through their online agent systems, Tokio Marine & Nichido, Nisshin Fire, and Tokio Marine & Nichido Life provide agents with resources such as information on new products, information on various changes, and tools useful in insurance sales and agent's business management. The "Tokiomarine Nichido Highway" provided by the Tokio Marine & Nichido generates hit counts of about 1,700,000 every month.

They also provide information beneficial in areas such as agent's business management and customer services, by issuing publications targeted at agents that contain content such as various types of information based on the Corporate Philosophy and case studies on agents' efforts from across Japan in connection with insurance sales.



The quarterly "Club Nextage," (Tokio Marine & Nichido)



The monthly newspaper "Nisshin News," (Nisshin Fire)

#### ● Adopting Indices



MS-SRI  
Morning Star Socially Responsible Investment Index (Japan)



FTSE4Good  
FTSE4Good(UK)

## Promoting Communication with Employees

### Communication across the Group

Since July 2007, the Millea Group has published the group journal "Group Nextage" featuring content such as profiles of Group member companies and Group news. This publication serves to promote mutual understanding and cooperation between the Group member companies. In addition, Tokio Marine & Nichido's in-house satellite broadcasting services, "Communication Satellite Network (CSN)," distributes programming such as various informational programs, training programs, and seminars for customers to production and claims-service facilities across Japan, and the Millea Group member companies each day.



Group Nextage

### Communication with Overseas Employees

Millea Holdings publishes the "Tokio Marine Journal," an English-language newsletter begun more than 20 years ago, four times a year. The goal of this newsletter is to share information with the overseas branches and overseas Group member companies and to improve cohesion within the Group. This newsletter, covering information on a wide range of themes including messages from top management, introductions of branches and CSR efforts in individual countries and regions, and introductions of a wide range of topics related to domestic Japanese business, is distributed to employees working overseas.

## Communicating Information to and Exchanging Opinions with Local Communities and Societies

### Holding the "'Safety and Security' Seminar for Local Communities"

For the purpose of introducing crime- and disaster-prevention activities underway in cooperation with local residents and thinking together about local safety and security, in October 2006 Tokio Marine & Nichido sponsored the "'safety and security' seminar for local communities." In this seminar, an agent participated as a panelist and introduce to local residents case studies of contributions made to local "Safety and Security" utilizing the expertise and personal networks built up as casualty insurance agents.

### Nikkei CSR Project

Over the period October - November 2006, as part of the Nikkei CSR Project Tokio Marine & Nichido sent 4 employees to visit high schools and universities to hold "Bridge to Tomorrow" classes in which they spoke about the rewards for their own work. After these courses, students submitted comments including "I got a feel for the importance of meeting people and working hard at everything, without giving up."



An instructor in the "Bridge to Tomorrow" classes: Nanaho Takahashi, 401k Plan Promotion Department

### Dialog with Students

Tokio Marine & Nichido believes it is important that university students choose their places of work not only from information found on websites and in other media but also from information from a dialog with actual employees. For this reason, it carries out recruiting activities that attempt to prevent mismatches between student's expectations and prospective job duties by enabling potential recruits to speak frankly with as many employees as possible, based on the concept of "Let's meet and talk together." As an opportunity for a direct dialog, the company has held seminars in which students were able to participate freely in the themes in which they are interested, such as career discussions with employees and direct advice from personnel in charge of

hiring, in 6 major cities across Japan. In the 2006 fiscal year, a total of 13,000 people participated in these seminars. In addition, the company provides internships in which interns take part in group projects, to provide an opportunity for students to learn about the company's corporate culture and "what it means to work there." In the 2006 fiscal year, approximately 1,350 people took part in these internships.





# Seeking to Live in Harmony with Local Communities and Societies



• **Sending a powerful message to local communities by implementing a "cancer eradication campaign"**  
Employees and agents of Tokio Marine & Nichido and Tokio Marine & Nichido Life in Tochigi Prefecture (Japan)

• **Supporting the Special Olympics**  
Kumamoto Branch of Tokio Marine & Nichido (Japan)



• **Together with agents, expanding "Home of Dial 110 for Kids" activities providing safe places for children to find refuge if they encounter suspicious persons**  
Agents under the Okayama Branch of Tokio Marine & Nichido (Japan)



• **Holding "Green Lessons" jointly by three offices in Shizuoka**  
Branches and departments of Tokio Marine & Nichido in Shizuoka Prefecture (Japan)



• **Continuously carrying out "zero rubbish" activities, charity bazaars, and blood donation campaigns.**  
Tokio Marine & Nichido Systems (Japan)



• **Continuously implementing cleanup activities at the Peace Memorial Park**  
Departments and branches of the Millea Group located in the Hiroshima Building, and affiliate companies (Japan)



• **Implementing activities to make contributions to society through efforts such as helping people with disabilities, cancer patients, and slum dwellers**  
Brazilian subsidiary Tokio Marine Seguradora S.A. (Real Seguros S.A.) (Brazil)



• **Continuously implementing the Basketball Clinic Festival in cooperation with the local community**  
Tokio Marine & Nichido's Head Office basketball club (Japan)



• **Holding regular charity concerts**  
Tokio Marine & Nichido's orchestra club (Japan)



• **Donating money and supplies to Java earthquake victims**  
Tokio Marine & Nichido (including overseas branches such as the Shanghai Branch in China), TM Asia, and member companies of the TM Asia group

## The Millea Group's Activities to Contribute to Local Communities and Societies

The Millea Group defines social contribution activities as "activities that contribute to the promotion of the public interest, initiated by employees on their own with no expectation of direct reward." The Millea Group believes it is important to express by its behavior the fact that "the Millea Group forms part of the local communities and societies in which it operates." Toward this end, the Group carries out a wide range of social-contribution activities deeply rooted in local communities around the world.

### Operating Policy

1. With the basic concept of "protecting the global environment" in mind, the Millea Group concentrates its efforts on the fields of ensuring "safety and security" in local communities, "helping the growth of young people," and contributing to "international exchange (international cooperation)."
2. The Group supports "activities contributing to local societies" in every local community.
3. The Group supports volunteer activities conducted by individual employees.

### Structure for Supporting Social-Contribution Activities

In the Millea Group, key personnel for social and environmental activities are appointed at Tokio Marine & Nichido and its subsidiaries and at other key member companies of the Millea Group, with the responsibility of promoting social contribution and environmental protection activities within the Group. In addition, such activities are promoted by maintaining various support systems and through cooperation with nonprofit organizations. At Tokio Marine & Nichido, each department, branch, overseas office, group member company, and agent is encouraged to carry out at least one activity each year under the "Share Happiness" program for promoting making contributions to society and protecting the global environment. In the 2006 fiscal year, 179 departments, branches, and companies carried out a total of 387 social contribution activities under this program.

#### ● Overview and performance of support systems

System	Summary (top) and FY 2006 performance (bottom)
Volunteer Activity Financial Support System	A system for providing financial support to nonprofit and other organizations at which employees work as volunteers 12 cases, for a total of 1,706,000 yen (Tokio Marine & Nichido, TM Asia)
Matching gift system	A system under which the company matches the amount of donations made by employees on their own 44 cases, for a total of 4,906,803 yen (Tokio Marine & Nichido, Tokio Marine & Nichido Life, Millea Real-Estate-Risk Management, TM Asia, etc.)
System of providing time off for volunteer activities	A system of supporting employees' volunteer activities by providing them with the time they need 113 persons (Millea Holdings, Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine & Nichido Financial Life, Millea Real-Estate-Risk Management, Tokio Marine & Nichido Career Service, etc.)

### Social-Contribution Activities Conducted via Foundations

Tokio Marine & Nichido promotes social contribution activities via 3 foundations.

#### ● Overview and Performance at each foundation

Foundation	Summary	FY 2006 activities
Tokio Marine Kagami Commemorative Foundation	Provides scholarships to students at Japanese universities and graduate-school exchange students from ASEAN nations	Provided a total of approx. 28.7 million yen to 70 new and existing recipients, in addition to other activities
Tokio Marine Sports Foundation	Promotes sports activities in local communities	Nasu Sports Park used by: 26,397 people Toda Boathouse used by: 7,813 people
Tokio Marine & Nichido Educational Development Fund	Provides assistance for education and to children orphaned through traffic accidents	Financial assistance provided to educators for education and research: 215 cases Scholarships for education of children orphaned through traffic accidents provided to: 127 people

### Social Contribution Activities Conducted through Core Business Activities

The Millea Group works aggressively to utilize in social contribution activities the knowledge and experience it has amassed through the insurance business.

#### ● Donated Course at the University of Tokyo Hospital

Since December 2005, Tokio Marine & Nichido has participated, together with other companies, in the University of Tokyo Hospital's "22nd Century Medical Center Project," which conducts research into preventive medicine and epidemiology. (Tokio Marine & Nichido plans to participate in this project for 10 years.) Tokio Marine & Nichido holds a donated course on "medical safety management," based on the theme of preventing medical accidents and finding true solutions.

#### ● Support for First Aid Day Activities

On September 9 of each year – *Kyu-kyu-no-hi* ("First Aid Day") – events jointly sponsored by the Ministry of Health, Labour and Welfare, the Fire and Disaster Management Agency, the Japan Foundation for Emergency Medicine, and other organizations are held. Tokio Marine & Nichido and Tokio Marine & Nichido Medical Service also support these events. In September 2006, an event held at Tokyo Station featured an introduction by Tokio Marine & Nichido Medical Service to case studies from a pediatrics emergency-care hotline, as well as actual consultation services for attendees.

#### ● Interns from the University of Hawaii

For the purposes of increasing students' level of interest in the insurance industry and expanding the human-resources based for the insurance industry in Hawaii, beginning in 2004 Tokio Marine & Nichido has implemented, in cooperation with its affiliate First Insurance Company of Hawaii (FICOH), a leading casualty insurer in Hawaii, an internship program for students from the University of Hawaii. This program accepts roughly 2 students each year. The students spend 1 week gaining hands-on experience in operations and other aspects of the insurance business and then, on the final day, report on what they have learned.



## "Safety and Security" in Local Communities

### Supporting the Pink-Ribbon Campaign

Through the nonprofit organization J. POSH, Tokio Marine & Nichido Life provides support for the pink-ribbon campaign. In the 2006 fiscal year, mainly in the month of October, this campaign was conducted on the streets of 75 locations across Japan. It also held 17 educational seminars led by J. POSH instructors, supported a program for kids and families sponsored by J. POSH, and carried out activities promoting the sharing of happiness.



Campaign street activities

### Working Together with the Sawayaka Welfare Foundation

With the goal of "building a new society in which all people can develop a close rapport with each other," Tokio Marine & Nichido works together with the Sawayaka Welfare Foundation, which promotes the building of structures for local communities and workers to support senior citizens, in providing continuous assistance. In July 2006, with the goal of encouraging interaction between senior citizens and local children, this foundation sponsored the second Sawayaka Basketball event at the "Hakusui no Sato" home for elderly people requiring special care. A total of 10 coaches and players from the Tokio Marine & Nichido basketball club participated in this event.

### Disaster Aid

Collecting money from the Group companies and employees, the Millea Group provides disaster aid through donation of funds, supplies, etc. In the 2006 fiscal year, in addition to providing donations to the Hokkaido chapter of the Japan Red Cross to aid victims of the tornado that struck the Hokkaido town of Saroma in November 2006, the Group implemented the following disaster-aid programs.

#### ● Recipients of donations and other aid, and details (Millea Group)

Recipient	Amount	Content of Support
Round Table India	approx. 7.3 million yen	Aid to victims of the earthquake occurring off the coast of Sumatra, Indonesia in December 2004; also donated school supplies.
UNICEF	approx. 4.5 million yen	Aid to victims of the earthquake occurring on Java, Indonesia in May 2006
Thai Red Cross Society	—	Helping to pack emergency supplies (1000 sets) sent to flood victims in Thailand

## Helping Young People to Grow

### Serving as a Special Sponsor of the "JOC Junior Olympic Cup Swimming Tournament"

Based on its goal of contributing to the "sound development of Japanese young people" and helping "Japan regain its status as a swimming power," since 1989 Tokio Marine & Nichido has provided support to the Japan Swimming Federation as one of the pillars of its social-contribution program. Specifically, it provides support for the costs of training camps for Junior Olympic athletes and of attending overseas competitions, in addition to serving as a special sponsor of the "JOC Junior Olympic Cup Swimming Tournament," held twice each year (in spring and summer). Since the 2003 fiscal year, it also has assisted in tournament operation, with employees and their families participating as volunteers.

### Supporting the Special Olympics

Over the three-year period from November 2005, Tokio Marine & Nichido is an official sponsor for the Special Olympics Nippon. In November 2006, the Fourth Special Olympics Nippon National Summer Games in Kumamoto were held, with a total of 52 employees, consisting of employees from Tokyo and from Kagoshima, Saga, and Ibaraki prefectures as well as local employees, volunteering to help run the Games. In addition, in the 2006 fiscal year 104 employees, including 6 from Tokio Marine & Nichido Career Service, took part in various Special Olympics Nippon events as volunteers.



Photo courtesy of Special Olympics Nippon Tokyo

### Charity Fund Raising for Ashinaga Ikuei Kai

Each year since 1999, Tokio Marine & Nichido Life has raised funds, through Life Partner\* volunteers, for use in providing scholarships to children who have lost their parents because of illnesses, disasters, or suicide. In the 2006 fiscal year, once again the total amount of funds raised was donated to this cause, together with a matching gift from the company. One Life Partner taking part in this fund raising



At the headquarters of Ashinaga Ikuei Kai

said, "Through this activity, I was able to get an even stronger understanding of the mission of my job as a Life Partner."

\* Life insurance planner



## Implementing Social-Contribution Activities as a Member of International Society

### Providing Japanese-language Medical Services in the United States

Since 1990, Tokio Marine & Nichido has provided Japanese-language medical services in the Japanese Medical Practice outpatient clinic for Japanese people established in cooperation with New York City's Beth Israel Medical Center. The substantial support provided over many years has enabled this clinic to serve more than 220,000 people since it opened. It also works to provide medical services deeply rooted in the local community, including dispatching nurses in response to the September 11 terrorist attacks.



other expenses of 280 junior-high-school, high-school, and university students from across Thailand who found it difficult to go to school for economic reasons. In addition to all students receiving these scholarships, a number of employees stationed in Thailand and local Thai staff members participate in the camp held in July of each year, as volunteers.

### Rebuilding Schools in India

As support for recovery provided to children in India who were victims of the Indian Ocean tsunami, disaster aid from each member company of the Millea Group has been used to rebuild 6 schools and to donate school supplies to 4 schools. The school rebuilding projects have been subcontracted to the Round Table India, a nonprofit organization specialized in school construction, and conducted with the support of the Millea Group's Indian subsidiary IFFCO-TOKIO General Insurance.



### Providing Scholarships to Thai Children

Since 2005, in partnership with the National Council on Social Welfare of Thailand, Tokio Marine & Nichido, TM Asia, Sri Muang Insurance (Thailand), and Millea Life Insurance (Thailand) have provided support for the tuition, educational-materials costs, and

## Examples of Activities Contributing to Local Communities and Societies around the World



### ■ Providing a course at elementary schools (Taiwan)

Each Saturday, Tokio Marine Newa Insurance (Taiwan) holds book readings for and helps with the homework of elementary-school students. 85 employees participated in this program.

### ■ Planting trees (Mexico)

Tokio Marine Compañía de Seguros has planted 500 trees in the "Cruz Blanca Forest" in Mexico City. In addition to 132 employees, employees' families and friends and the partner NGO "Naturalia" also participated in this project.

### ■ Cleanup activities at a marine park (Saudi Arabia)

Hussein Aoueini, a local agent for Tokio Marine & Nichido in Saudi Arabia, implements cleanup activities at a marine park along the Red Sea coast in the city of Jeddah, in cooperation with the local authorities.



### ■ Donating Christmas presents (Australia)

Tokio Marine Management (Australia) donated toys as Christmas presents for children.

## Seeking Harmony with the Global Environment

Seeing the children listening and taking notes intently during the "Green Lessons" (see p. 11) was an experience in which I saw something very pure and from which I had much to learn. I became more convinced of my desire that I should continue efforts to protect the global environment, to protect the environment that supports the healthy growth of these children. I believe that we can be a very powerful force if we start with familiar things we can do as individuals, rather than waiting for somebody else to do something.

**Kana Nishigaya,**  
Assistant Manager,  
Shizuoka Claims Service Department,  
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 Policies

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)

## Toward the "Safety and Security" of the Global Environment

Environmental problems can be said to be the greatest risks ever faced by humanity today. The Millea Group will work to spread "Safety and Security" throughout the global environment by not only reducing its own environmental impact but also making contributions appropriate to the characteristics of its business activities including the insurance and investment businesses.

### The Millea Group's Structure for Promoting Environmental Protection

In the Millea Group, the CSR Board consisting of the presidents of the key Group member companies and company boards of directors formulate and monitor groupwide plans related to protecting the global environment. Key personnel for social and environmental activities are appointed at Tokio Marine & Nichido and its subsidiaries and at other key member companies of the Millea Group. These personnel work to promote social contribution and environmental protection activities within each company and among the Group member companies.

### Environmental Management System

In 1999, the Head Office of Tokio Marine & Nichido acquired the certification of ISO14001 environmental management system. Through implementing the plan-do-check-act (PDCA) cycle, it works to promote environmental protection activities and make continuous improvements in its environmental impact. Departments not located at the Head Office, branches, and member companies of the Tokio Marine & Nichido group expand the unique "Green Assist" environmental management system. In addition, in the 2006 fiscal year Tokio Marine & Nichido Facilities newly attained ISO14001 certification.\*

\* Scope of certification: 9 business facilities (not including Construction Department) and 3 building locations (providing maintenance, cleaning, and security services)

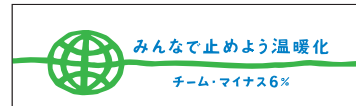
### Environmental Education Directed at Employees and Agents

Tokio Marine & Nichido and the members of its group companies carry out basic environmental training once each year. In the 2006 fiscal year, training was conducted at each department, branch, and company, using video teaching materials, covering overviews of the environmental issues the company faces and its environmental management system as well as subjects such as environmental objectives and targets for the 2006 fiscal year. In addition, internal

publications targeted at employees and agents and the quarterly newsletter for agents feature articles on the environment in every issue, to develop environmental awareness on a continuous basis.

### Participating in "Team Minus 6%"

Tokio Marine & Nichido participates in "Team Minus 6%," a national campaign (secretariat: the Global Environment Bureau of the Ministry of the Environment) working to prevent global warming. It has established the following 6 fundamental action plans for the Tokio Marine & Nichido group and implement practical activities for achieving these action plans: (1) appropriate setting of air conditioner temperatures, (2) conserving water resources, (3) green purchasing, (4) conserving gasoline, (5) waste reduction, and (6) conserving electricity. In addition, the company provides its own "Team Minus 6%" registration page on its website to encourage customers and agents to participate as well.



## Promoting Environmental Considerations through Core Business Activities

### Discount Insurance Premiums for Environment-friendly Vehicles

To promote the use of environment-friendly vehicles through insurance, Tokio Marine & Nichido gives a discount of 1.5% off automobile insurance premiums on low pollution, energy saving, and low emissions vehicles. In the 2006 fiscal year, the total number of eligible vehicles was approximately 6,320,000, and the percentage of all vehicles eligible for this discount had grown to approximately 48%.

### Environmental Considerations in Auto Repairs

The Millea Group encourages "environment-friendly" repairs at the time of restoring a vehicle which met with an accident to its state before the accident as the primary purpose of repairs. Tokio Marine & Nichido makes efforts to reduce industrial wastes and utilize resources effectively by recommending repairs and the continued use of damaged parts that can be repaired, without disposing of them, and utilizing recycled parts when the damaged parts cannot be repaired. In the 2006 fiscal year, the number of cases such as bumper repairs and the use of recycled parts exceeded 180,000. The "Asante" automobile insurance offered by Nisshin Fire discounts automobile insurance premiums by 10% for policyholders who agree to have their vehicles repaired after accidents using recycled parts at garages designated by the company.



### Investing in Environmental Ventures

To support and nurture environmental businesses, in the 2006 fiscal year Tokio Marine & Nichido invested in a business that recycles silicon for use in solar batteries and an environmental consulting business. Since 2000, it has invested a total of 1.2 billion yen, achieving steady financial results such as initial public offerings by companies in which it invested.



Equipment used to recycle silicon for use in solar batteries

### Participation in the Carbon Disclosure Project 5 (CDP5)

The Carbon Disclosure Project (CDP) is a scheme established through the cooperation of institutional investors from around the world, demanding that key companies around the world disclose information on their responses to the issues of global warming and climate change. Tokio Marine & Nichido supports this project and has participated since CDP3 in 2005.

### Supporting the "MOTTAINAI Campaign"

Nisshin Fire supports the "MOTTAINAI Campaign," an environmental protection campaign proposed by Kenyan Nobel Prize laureate Wangari Maathai. This project began with the profound impression Dr. Maathai had when she learned the Japanese phrase "mottainai" (meaning "what a waste!"). In the 2006 fiscal year, Mainichi Newspapers, which runs the campaign, accepted 500,000 yen in donations from Nisshin Fire. That year, deposits to Mainichi Newspaper by Nisshin Fire totaled 33 times with the total amount of 30,158,104 yen. The company intends to make additional donations from a portion of the revenues of "Asante" automobile insurance in the 2007 fiscal year and a portion of the amount of paper costs saved using Web-based agreements in the 2008 fiscal year.



An eco bag and wrapping cloths made from recycled plastic bottles

## Reducing Environmental Impacts from Business Activities

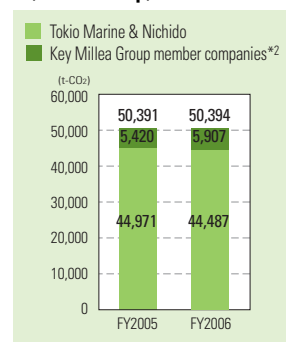
### In-the-Office Activities Intended to Prevent Global Warming

Tokio Marine & Nichido has been making practical energy conservation efforts such as setting air conditioners at appropriate temperatures and turning off office lights during the lunch hour. In addition, it conducts quarterly energy conservation patrols to ensure the thorough awareness of energy issues in the head office.

#### ● Purchasing Natural Energy

Tokio Marine & Nichido purchases electric power from wind power generating facilities. In the 2006 fiscal year, it purchased 1 million kWh of energy from this source, corresponding to a reduction of 378 tons in carbon dioxide generated.

#### ● Trends in carbon dioxide emissions from energy sources\*1 (Millea Group)



\*1 See p. 35 for calculation methods.

\*2 Key Millea Group member companies located in 85 main buildings managed by Tokio Marine & Nichido (Millea Holdings, Tokio Marine & Nichido Life, Tokio Marine & Nichido Financial Life, Tokio Marine & Nichido Career Service, Tokio Marine & Nichido Facilities, and member companies of the Tokio Marine & Nichido group)

### Reducing Paper Use

Each member company of the Millea Group has implemented a wide range of efforts to reduce paper use in its business. In addition to promoting double sided and reduced size printing and adopting printers that can print on both sides of paper in order to reduce use of copier paper and utilizing CD-ROMs to reduce use of computer printer paper (used for printing materials such as statistical tables and administrative materials), the member companies have eliminated and digitized forms to reduce the volume of forms and other printed materials.

However, due to factors such as responding to principles of appropriate business operations and compliance, the use of computer printing paper and form paper increased in the fiscal year 2006.

#### ● Volume of paper used (Tokio Marine & Nichido) (t)

	FY2005	FY2006
Volume of paper used	9,274	9,453

### Promoting Recycling

Tokio Marine & Nichido has adopted large shredders for use in recycling shredded paper at 6 facilities in Japan. Confidential documents were turned into resources for recycling in strict confidentiality. In addition, the company has been working at the recycling of plastic by building at its "Office Equipment Recycling Center" a system for recycling wastes such as used toner cassettes and ink ribbons from printers at all its facilities.

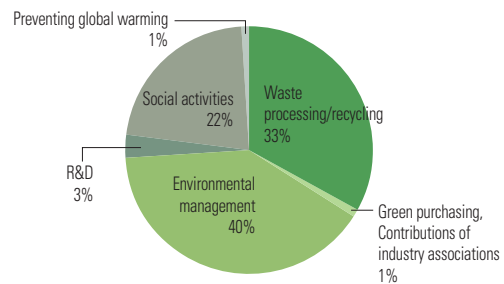
### Promoting Green Purchasing

Tokio Marine & Nichido promotes "green purchasing" by giving priority to environment-friendly products and services, from standards such as the Eco Mark, the Green Mark and "products complying with the Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities." In the 2006 fiscal year, Tokio Marine & Nichido and the members of its group companies implemented efforts including setting numerical targets on green purchasing percentages and switching to the use of recycled paper in window envelopes.

### Environmental Accounting

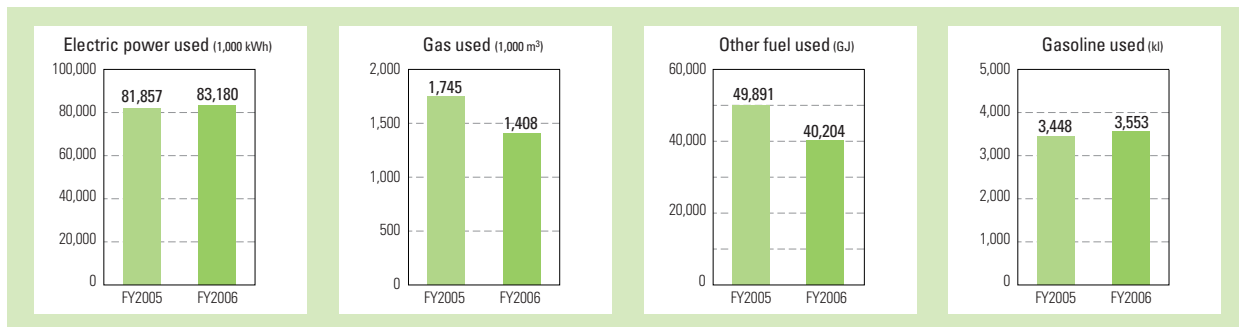
For purposes of the disclosure of information to the stakeholders, beginning in the 2006 fiscal year Tokio Marine & Nichido has totaled and released the costs spent on environmental protection efforts and returns from such activities, referring to the "Environmental Accounting Guidelines (2005 edition)" published by Japan's Ministry of the Environment. In the 2006 fiscal year, the company invested approximately 6 million yen in connection with protecting the environment, primarily for construction intended to conserve energy and water in each of its buildings. Environmental expenses totaled approximately 550 million yen, primarily for purposes such as costs of outsourcing waste processing and costs of operating environmental management systems. The economic returns on environmental protection measures represented approximately 110 million yen in energy cost reductions. In the future as well, the company will work to make improvements that will lead to even more effective environmental indicators through continuously ascertaining environmental accounting data and promoting its environmental protection efforts.

#### ● Environmental expenses by category (FY2006)

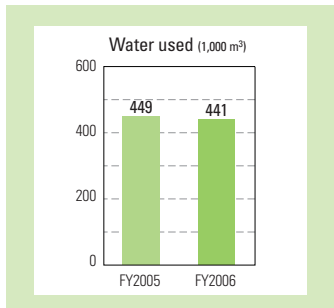


### Environmental Impact Data (Tokio Marine & Nichido)

#### ● Energy used



#### ● Water used



#### ● Methods of calculating environmental impact data

- Volumes of paper and gasoline used are based on actual performance data.
- Volumes of electric power, gas, and other fuels used and of water used have been calculated based on percentages of floor area used in the 85 main buildings managed by Tokio Marine & Nichido (not including areas occupied as tenants).
- Carbon dioxide emissions coefficient: For purchases of electric power and natural energy, emissions coefficients pursuant to "Methodology for Calculating Greenhouse Gas Emissions By Businesses (Draft Version 1.6)" (issued by the Ministry of the Environment) have been used, and for gas, gasoline, and other fuels emissions coefficients pursuant to the "Calculation, Reporting and Publication System for Greenhouse Gas Emissions" have been used.

# To Earn the Trust of Customers and Society at Large

We focus our energies on “building a culture in which people feel free to consult on any compliance-related matters and in which nothing is ever concealed.” In addition, we consider “knowing our agents well to be the first step in compliance guidance.” We instruct our personnel on such matters on a daily basis. To make it easier to implement such efforts in the field, we work to “make priorities clear” and “provide clear guidance.”

**Hiroshi Takeuchi,**  
 Manager, Operations Group,  
 Yokohama Chuo Branch,  
 Tokio Marine & Nichido



## Millea Group Code of Conduct (revised October 1, 2006) (excerpted section titles)

The Millea Group has established the "Millea Group Code of Conduct" to cover matters with which the employees and management of all Group member companies must comply, considering that the foundation for its management activities lies in carrying out its business activities in compliance with laws, regulations, and various rules.

### Basic Principles:

#### 1 Compliance with laws and regulations

- 1-1 Compliance with relevant laws
- 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, 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 Private Information
- 4-4 Protection of the Global Environment

Applicable Laws, Rules, Regulations and Internal Rules  
 Reporting

**web** <http://www.millea.co.jp/en/conduct/index.html> (See this web page for details.)



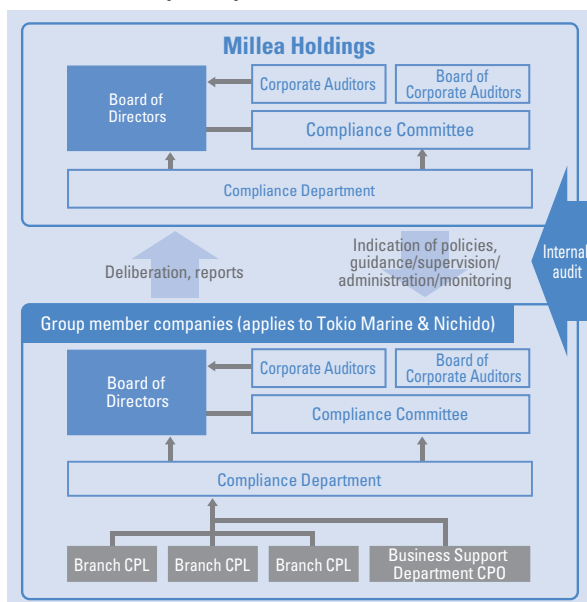
## Promoting Compliance through Daily Operations

The Millea Group, placing customer trust at the base of all its activities, considers that it is important for every member of its employees and agents, who serve as the points of contact with customers, to have a high sense of ethics and to communicate this approach to business through their day-to-day duties. Through a wide range of initiatives, the Group will conduct fair and honest business activities and make every effort to improve the sense of ethics among all its employees and agents.

### The Compliance Structure in the Millea Group

Millea Holdings draws up groupwide measures including the Group's "Basic Policy for the Promotion of Compliance" and policies for annual initiatives for compliance. In addition to monitoring the progress of those initiatives within the Group periodically, Millea Holdings receives reports on important matters, deliberates and makes decisions on compliance-related matters in bodies such as its Compliance Committee and its Board of Directors, and provides the Group member companies with guidance and advice as needed. It is the basic principle of the Millea Group that each Group member company should make a self-directed effort to promote compliance in accordance with tactics appropriate to the size and types of business it handles. Tokio Marine & Nichido has established a Compliance Committee to ensure thorough compliance throughout the company and appointed a Compliance Leader (CPL) in each production department and branch to provide support for promotion of compliance and fulfill a checks-and-balances function, and a Compliance Officer (CPO) in each business support department to fulfill a similar function.

#### ● The Millea Group's compliance structure



### Compliance Structure at Overseas Group Member Companies

The overseas group companies promote thoroughgoing compliance on their own on the foundation of appropriate business operations pursuant to local laws and regulations, under the lead of a Compliance Officer appointed in each company. Each company must report its compliance plan and its progress to Millea Holdings regularly and in addition conducts an annual inspection by using a checklist to ensure the appropriateness of business operations including compliance.

Millea Holdings provides guidance according to the situation of compliance in each company and makes efforts to ensure the thorough compliance in the overseas business in its entirety.

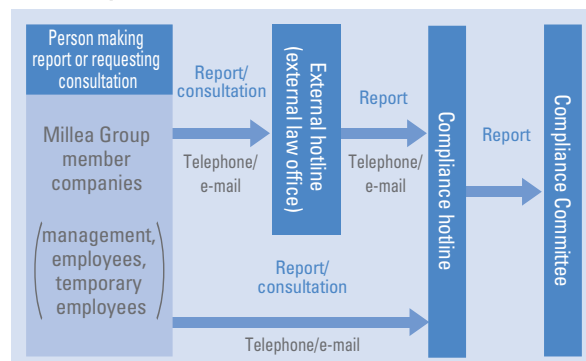
### Compliance Committee

Millea Holdings has established a Compliance Committee as a committee of the Board of Directors. This committee, consisting of directors in charge of departments supervising compliance at the Group member companies, works to promote compliance throughout the entire Millea Group, by discussing the Group's annual policies and their progress and sharing with each other the initiatives pursued by each company.

### Hotline System

The Millea Group has established internal and external hotlines as a system for handling reports and consultation from employees and management of the Group member companies in the event a compliance-related issue has arisen or is feared to arise. In the 2006 fiscal year, this system accepted 180 reports and consultations throughout the Group and responded to each issue appropriately. All personal information received will be kept strictly confidential and there is no fear at all of a reporter receiving unfair treatment because of the report he or she made.

#### ● Hotline system structure



## Nurturing a Sense of Ethics among Employees and Agents

### Compliance Education and Training for Employees

The Millea Group has covered systems and structures for ensuring thorough compliance, as well as important rules to be followed, in documents such as the compliance manuals of member companies, so that management and employees can refer to them any time. In addition, the Group has prepared various manuals clarifying rules corresponding to any particular requirements of business, and has also implemented various types of training for individual positions, levels and for each workplace in order to ensure employees have firm knowledge of compliance as needed in their own duties.



Group member companies' compliance manuals

### Implementing thorough Compliance on the Front Lines

Tokio Marine & Nichido proceeds with thorough compliance on the front lines of its business, such as production and claims, on the understanding that all day-to-day business activities are related to compliance. The Compliance Leader (CPL) assigned to each production department plays the important role of supporting compliance efforts on the front lines, such as handling inquiries on individual matters from production sections and sub-branches, as well as conducting compliance training for employees. For this purpose, the company holds CPL training to further improve the level of CPLs' abilities in addition to making efforts to construct an environment in which it is easy for people to consult with the CPL at each workplace, for example, by appointing as CPLs employees who are well versed in practical operations.

### Implementing Thorough Compliance at Agents

The agents of each insurance company in the Millea Group handle a wide range of products, including non-life insurance, life insurance and investment trust. Compliance required of them is different according to the types of business and each Group member company

is bound to make efforts at thorough compliance by taking such differences into account.

Tokio Marine & Nichido provides its agents with training, helps them in the construction of their compliance systems and offers them compliance courses via the internet. Tokio Marine & Nichido Life conducts training for agents by using CD-ROMs it has prepared for role playing related to sales rules, and Tokio Marine & Nichido Financial Life conducts training intended for compliance supervisors at financial-institution agents.



A screen used for e-training system

## Information Security Initiatives

### Policy for Information Security

The Millea Group has drawn up and released the "Millea Group Privacy Policy" concerning the private information of customers and has clarified its initiatives for the matter. Following this, each member company of the Millea Group has also drawn up and released its own policy on this matter in accordance with this Privacy Policy.

\* See the URL below for details of the Privacy Policy:  
[web http://www.millea.co.jp/en/info/privacy.html](http://www.millea.co.jp/en/info/privacy.html)

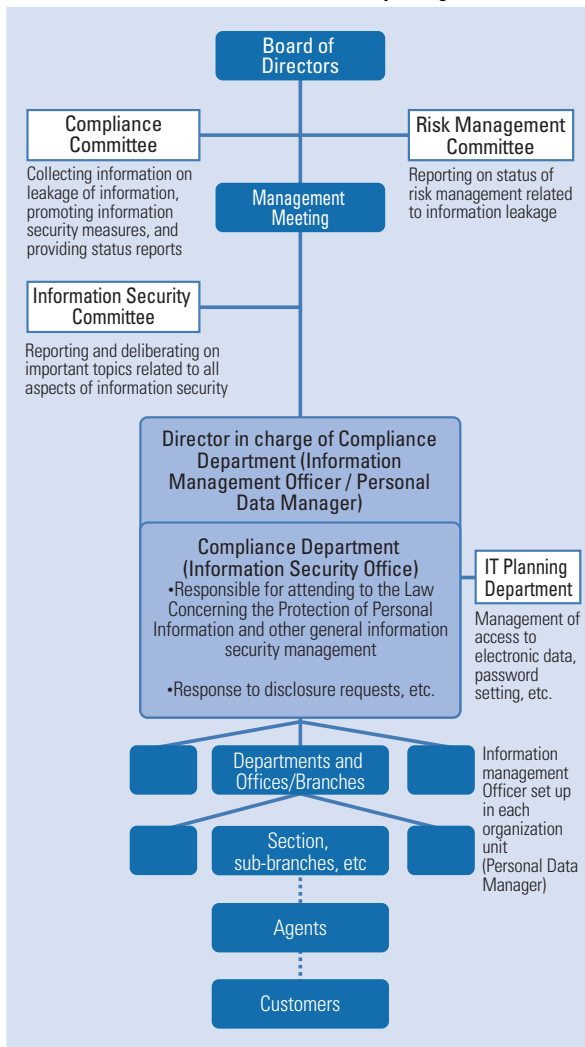
### Information Security Governance

Tokio Marine & Nichido has been proceeding with various initiatives led by the Information Security Office established in the Compliance Department, under the supervision of the director in charge of the Compliance Department who is responsible for the total management of information security. In addition, the general manager of each department or branch serves as the person responsible for information management, leading the department or branch in information management. Documents explaining rules for information security management have been distributed to each employee and agent to ensure the thorough understanding and implementation of the appropriate management of private

information, and the related guidance and education are provided at each training venue. Also, periodic self-inspections of the state of information security management are conducted.

In the event a document, computer, or any other item containing customer information is lost by an employee or agent or stolen, the company will implement thorough measures including promptly contacting the affected customer(s) to prevent secondary damage and will take action to prevent the reoccurrence of such a situation.

● **Tokio Marine & Nichido's information-security management framework**



**Acquisition of External Certification**

As part of its efforts to strengthen its information management structure, the Millea Group has been making aggressive efforts to acquire external certifications related to information security. The certifications it has acquired include the "Privacy Mark" and the "Information Security Management System (ISMS)" certifications. In the 2006 fiscal year, Tokio Marine & Nichido Life became the first life insurer in Japan to acquire the Privacy Mark certification and Tokio Marine & Nichido Systems attained both ISMS certification and first certification in Japan under ISO/IEC20000, the international standard for IT Service Management. These achievements represent the official acknowledgement of efforts within the Group to protect personal information. The Group intends to make continuous improvements and to further strengthen the related structures in the future.

● **Status of acquiring external certifications related to information security**

Group member company	Certification date (M/Y)	Certification
Tokio Marine & Nichido Communications	11/05 03/06 03/06	Privacy Mark ISMS BS7799
Tokio Marine & Nichido Life	04/06	Privacy Mark
Tokio Marine & Nichido Career Service	06/06	Privacy Mark
Tokio Marine & Nichido Systems	08/06	ISMS ISO/IEC20000*

\* Third-party certification system on the operational management of IT services

**Certifications acquired by Tokio Marine & Nichido Communications**



BS7799-2-2002/IS502163 ISMS Ver2.0/IJ02066



## Toward Creating a Comfortable Workplace that Respects Diversity



Since I have two children, I use the "Short Working Hours System." Although raising children sometimes involves difficult situations like their sudden illnesses, I am able to lead a fulfilling life every day with the support of a wide range of people, including the understanding of people in the workplace, cooperation of my family, and support of people in the community. I would like to make the most of my precious time, with a cheerful attitude and energy, never forgetting the feeling of gratitude to great many people who support me.

**Chihiro Shiomi,**  
Production Department 3,  
Tokio Marine & Nichido

### Open Cafe Operated by Female Managers

Tokio Marine & Nichido holds "Open Cafes" as opportunities for female employees from all levels to think about their career visions and get ideas for success and to examine the issues and topics faced at each level in the company. It consists of 2 sessions, mini-lectures which include female managers talking about their own experiences and offering advice to their juniors, and free discussions among participants. In the 2006 fiscal year, a total of 5 Open Cafes were held, at the Head Office (Tokyo) and in Hokkaido. A total of 215 women took part in these sessions. Comments from participants included "I could identify with the managers and feel closer to them when I learned that they, too, had encountered difficulties in the course of their careers" and "I, too, would like to do my best in a forward-looking way, encouraging the younger people around me."

This activity will continue in the future, as part of the company's efforts to build an environment in which motivated and capable employees can thrive regardless of gender. (See also "Increased Opportunities for Female Employees to Be Active" on p.22.)



At an Open Cafe

## Toward Creating a Comfortable Workplace

**An increase in the satisfaction level of employees, who are the starting point for providing value, is indispensable for enhancing the satisfaction of customers and other stakeholders. The Millea Group implements a wide range of initiatives for realizing a comfortable working environment.**

### Approach to Human Resources

Each company of the Millea Group seeks to "foster a corporate culture which encourages free and open communications for promoting the creativity of each and every employee," as stated in the Group's Corporate Philosophy, and has developed a wide range of human resource systems corresponding to its own business.

#### ● Numbers of employees in the Millea Group (on a consolidated accounting basis in the quarter ended March 2007)

Total number of employees	23,280
Total at Group member companies in Japan	20,821
(Tokio Marine & Nichido)	male: 8,770; female: 6,197
(Group member companies in Japan)	male: 3,180; female: 2,674
Total at overseas Group member companies	2,459

#### ● Basic employee data (at Tokio Marine & Nichido as of the end of March, 2007)

Average age	40.3
Average years continuously employed	10.6
Average salary	approx. 8,510 thousand yen

### The Millea Group's Human Rights Enlightenment Criteria

The Millea Group has established the "Human Rights Enlightenment Criteria" for the purpose of promoting the awareness of human rights at each Group member company. Raising the awareness of human rights means to promote the concept of respect for human rights throughout the company and proceed with educational and other company activities to deepen employees' understanding of this concept. Each company of the Group aims to establish within it a culture of respect for human rights, and has been making united efforts to cope with human rights in accordance with these Human Rights Enlightenment Criteria.

### Initiatives for Human Rights Enlightenment

Every company of the Millea Group holds human-rights training annually in the workplace, in which all employees and other coworkers take part. In addition, in the 2006 fiscal year every company implemented thorough checks to ensure that discriminatory or prejudicial expressions are not included in its day-to-day operations (such as preparation of documents) and made efforts to proceed with day-to-day business with full awareness of human rights.

### Evaluation System

The Millea Group seeks to create a working environment where all employees feels fulfilling in their work through fair and transparent personnel evaluations.

Tokio Marine & Nichido has abolished the grouping of employees by career-track and general-employee status and instead adopted a role-based grading system according to employees' roles and the localities in which they work. The company conducts evaluations based on "roles," "competency," or "achievements." In addition, it has clarified the requirement that employees be evaluated appropriately based on the performance of appropriate operational duties. In the area of employee skill development, it carries out competency and career-development interviews between supervisors and their subordinates.

## Diverse Human Resources and Diverse Ways of Working

### System for Continued Employment for the Elderly

The Millea Group considers it an important management issue for the sustainable growth of the Group as a whole to promote the positive employment of the elderly employees so that they may stay active in business. The Group encourages them to continue making self-development and innovation in their consciousness and behavior, providing them with fields of activity in which they can make the most of their experiences and strengths to generate new added value while maintaining high levels of motivation.

#### ● Numbers of employees using the system for continued employment (FY 2006)

Tokio Marine & Nichido	71
Nisshin Fire	28
Tokio Marine & Nichido Life	2
Total	101

### Promoting and Firmly Establishing Employment of the Disabled

The Millea Group has been promoting the regular employment of people with disabilities. Through its "In-house Normalization Promotion Center" established in 1991, Tokio Marine & Nichido holds regular interviews annually (biannually for employees who have been with the company for less than 2 years) between employees with disabilities and counselors. In the 2006 fiscal year, the company proceeded with efforts to make company-owned buildings barrier-free, including the installation of automatic doors, ramps, handrails, and emergency lamps, to remove physical barriers pointed out in these interviews. The percentage of Tokio Marine & Nichido employees with disabilities has exceeded the legally required percentage of 1.8% since March 2001, reaching 2.04% as of March 31, 2007.

### Support for Work/Life Balance

As a result of a rapid drop in birth rates in recent years and changes in environments faced by families and local communities, employers are faced with demands for flexible working styles. In light of such social conditions, the Millea Group has been making an effort to achieve harmony between work and living, from the perspective of building up an environment in which employees respect each others' diversified values. As initiatives for supporting diverse and flexible working styles, the Group has introduced a range of systems including nursing care leave and volunteer work leave. The "I-Turn system" under Tokio Marine & Nichido's Job Request system has also been designed in consideration of flexible working styles. (See p. 22.)

#### ● Number of employees taking nursing care leave (at Tokio Marine & Nichido in FY 2006)

	FY2005	FY2006
Nursing care leave	6	9

Note: See p. 29 concerning the system of volunteer work leave.

### Establishing a System for Supporting Maternity and Childcare

The Millea Group has been pursuing proactive initiatives for diversification in employment and work styles, on the understanding that a wider range of the choice of working styles corresponding to employees' diverse values and lifestyles is essential for their higher motivation for work. Among these initiatives, Tokio Marine &

Nichido has established a system for supporting maternity and childcare, consisting of "8 packages that provide full childcare support" (see the table below). The company has improved this system, by making a portion of childcare leave (the first 5 days) eligible for pay beginning in October 2006.

### Adoption of a Discretionary Work System

With the goal of "improving productivity" and "enhancing employee motivation levels", Tokio Marine & Nichido and Tokio Marine & Nichido Life have adopted a discretionary work system.\* This system makes it possible for employees to achieve their objectives by leaving to them decisions on working hours and how to proceed with their work.

\* 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.

#### ● Details and performance of "8 packages of full childcare support" (Tokio Marine & Nichido)

System	Summary	FY 2006 performance
Female Staff Rehiring System	• Rehiring of retired female who fulfill prescribed criteria.	31 people
Maternity Leave System	• Available from 8 weeks prior to the expected date of delivery (exceeding the legal requirement of 6 weeks). • 100% of salary provided before and after giving birth during the leave period (bonuses are provided through the Employee Cooperative).	103 people
Childcare Leave System	• Available for up to 2 years (Legal criteria is up to 18 months). • Spousal criteria abolished (can be received even if a spouse capable of child rearing exists). • First 5 days now paid.	158 people (including 7 males)
Short Working Hours System	• Enables reduced working hours to the shortest hours of 10am through 3pm (applicable in 30 minute units). • Short Working Hours System can be used up for caring of children up to their third year of elementary school. • Possible for pregnant employees to reduce working hours to facilitate commuting (30 minutes in morning and evening). • Entitlement to 100% of salary for time spent on childcare for raising children up to 1 year of age (up to 1 hour each day). • Exemption from overtime work for parents raising children of less than 3 years of age.	79 people
Substitution by Full Time Employees	• Full time employees are placed for substitution.	—
Resumption of Work Support System	• Dialog with supervisors prior to, during leave, and prior to resumption, and support for personal development.	—
Support of Use of Babysitters	• Offering of support in paying the costs of using babysitters, as well as purchasing and rental of childcare goods.	—
Partnered Childcare Centers	• Partnered childcare centers nationwide.	approx. 1000 centers*

\* As of April 2007



### Support Seminar for Working Mothers and Temporary Staff Registration Sessions with Nursery

In order to support women who wish to continue working while dealing with the hassles of childcare, Tokio Marine & Nichido Career Service (TCS) held the "Support Seminar for Working Mothers and Temporary Staff Registration Sessions with Nursery" in March 2007. In this seminar, working mothers employed by TCS spoke about subjects ranging from how to find nursery, the importance of understanding and cooperation by the family, and specific details of a daily schedule, to how to resolve issues that working mothers tend to face, all based on their own experiences. Participants evaluated the seminar highly for the very practical information it provided. In



Temporary nursery established in TCS Head Office (Otemachi, Tokyo)

addition, the seminar introduced jobs to all participants, many of whom said they were glad they came.

## Building a Lively Workplace

### Health Management

The Millea Group has been proceeding with initiatives for building up an environment in which employees can work with enthusiasm, and each Group member company provides both physical and mental care for its employees through services such as medical checkups and counseling. Tokio Marine & Nichido carries out a wide range of initiatives principally in the Health Management Offices and Health Consultation Offices established at the Head Office and 46 departments and branches across Japan and has maintained the actual rate of 100% of its employees undergoing medical checkups since 1992.



Tokio Marine & Nichido pamphlet and record sheets used in Health Promotion Month

### Mental Health Care

The Millea Group actively provides mental-health care, in recognition of the fact that the maintenance and improvement of employees' mental health is important to company management. In addition to care provided by in-house industrial health staff, Tokio Marine & Nichido has established a structure that makes it easy for employees and their families to undergo counseling, in partnership with external counseling centers. Interest in mental health has increased at Nisshin Fire and Tokio Marine & Nichido Life which implemented mental-health training in FY 2006.

### Conducting Employee Attitude Surveys on Childcare Support

Tokio Marine & Nichido has been making efforts to build up a positive workplace environment by enhancing various human-resources systems in consideration of employees' attitudes, through initiatives such as an employee attitude survey on childcare support conducted jointly with its labor union in December 2006. Tokio Marine & Nichido Life made a similar survey in April 2007 to ascertain employee needs, as it works to implement initiatives for achieving the objectives in employer action plans pursuant to the Law for Measures to Support the Development of the Next Generation and the Promotion of Lifelong Learning.

### Sound Labor-Management Relations

In order to foster a corporate culture that encourages free and open communications for promoting the creativity of each and every employee, with regard to a broad range of issues from payroll and human-resources systems and workplace health and safety through management policies, Tokio Marine & Nichido conducts repeated negotiations and consultation with its labor union through means such as joint labor-management conferences held nearly 30 times annually and day-to-day business negotiations, on the basis of labor contracts concluded against the background of a strong relationship of trust between the company and its labor union (with approximately 13,100 members). It also conducts repeated negotiations and consultation in good faith and vigorously with other labor unions toward resolving various issues.

# The 2nd CSR Dialog at Tokio Marine & Nichido

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

## Attendees (listed in Japanese *kana* order)



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

**Nami Ohtsuka**



Professor, Graduate School  
Economic Research Department,  
University of Tokyo

**Nobuo Takahashi**



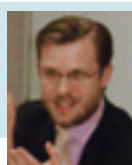
Lifestyle Economy Journalist

**Nobuko Takahashi**



Chairperson,  
Japan Philanthropic Association

**Yoko Takahashi**



Chief Executive,  
E-Square Inc.

**Peter David Pedersen**



Professor, Graduate School  
Global Environmental Studies  
Department,  
Sophia University

**Yoshihiro Fujii**

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

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

## Main Opinions from the Previous Year and Responses to Them, and Opinions for 2007

### 1 General

The company deserves to be praised for working to implement properly the statements and proposals made in last year's dialog, instead of leaving them as just words alone.

### 2 Products and Services

The insurance industry faces increased risks from global warming, and working to reduce such risks is the insurance business itself. Today, response to environmental requirements is a cornerstone of management strategies. Although steadily afforesting mangrove trees is a positive step, the company needs to contribute to protecting the environment through its core insurance business itself.

### 3 Human Power

It is important to involve male employees in efforts to promote the activities of female employees. In particular, it is important that younger employees and female employees participate in discussions on the theme of what the future of Tokio Marine & Nichido should be like, instead of simply promoting such activities for "women's benefit."

### 4 Two-Way Communication

Viewed from outside the company, Tokio Marine & Nichido Fire Insurance's approach to CSR is still difficult to understand. The company should demonstrate leadership in a future-oriented way with regard to its approach to CSR in the future.

### 5 Contributions to Local Communities and Societies

Although it would be best if employees worked hard on activities to make contributions to society, practically speaking this is difficult. The starting point is creating a firmly rooted "Culture of Donation." The company should nurture a culture in which employees volunteer to make donations as individuals on a day-to-day basis.

### 6 Protection of the Global Environment

As a company active on a global scale, and as an industry leader, the company should take a lead in the industry in protecting the global environment as well.

## » Responding to Opinions Obtained in the CSR Dialog

In this year's CSR Dialog, we obtained a large number of very valuable opinions through thorough discussions with the invited experts on the topic of the thorough implementation of appropriate business management, which currently is the most important challenge the company faces. The companywide implementation of "Anshin Quality" and execution of "Business Improvement Plans" is underway with the aim of preventing a recurrence of similar problems and putting our Corporate Philosophy into practice, including some perspectives which we might otherwise have overlooked without the valuable opinions

we obtained from the experts in this Dialog. Our first CSR Dialog was held last year, and by welcoming back the 6 experts who participated last year, we were able to achieve a true dialog among all participants. The most important step for the future is to assimilate properly the opinions obtained in this Dialog and to shift toward their implementation. In addition, as a "good corporate citizen" the Millea Group will make aggressive efforts toward the timely and appropriate disclosure of information and two-way communication with our diverse range of stakeholders.



**Takaaki Tamai,**  
Managing Director,  
Tokio Marine & Nichido



**Attendees from  
Tokio Marine & Nichido**  
(with their positions and organizations  
as of the time of the CSR Dialog)

**Takaaki Tamai,**  
Managing Director  
**Iwao Kimura,**  
General Manager, Corporate Planning Dept.  
**Michio Nishizawa,**  
General Manager, Corporate Planning Dept.

**Kenichi Ando,**  
General Manager, Personnel Planning Dept.  
**Hiroyuki Watabiki,**  
General Manager, Corporate Communications Dept.  
**Toshifumi Kitazawa,**  
General Manager, Personal Lines Underwriting Dept.

**Shinichiro Okada,**  
Director/General Manager, Commercial Lines Underwriting Dept.  
**Yoshimi Yamamoto,**  
Director/General Manager, Corporate Marketing & Planning Dept.  
**Naoto Ikeda,**  
Director/General Manager, Claims Management Dept.

Chair of the dialog:  
**Mitsuru Muraki,**  
General Manager,  
Corporate Planning Dept.  
General Manager,  
CSR Office



## Comment from a Third Party

In the Millea Group, CSR means the implementation of the Group's Corporate Philosophy. It begins with the text, "with customer trust at the base of all its activities," and continues on with the message, "by providing customers with the highest quality products and services, we will spread safety and security to all around us." Such linkage between the Group's business and CSR is not only an advanced approach but also a desirable approach to advancing sustainable CSR efforts. However, it is very unfortunate that incidents serving to undermine customer trust – such as the omission of paying claims on incidental expenses, etc. and the improper nonpayment of claims on third-sector insurance products – at the Group member companies including Tokio Marine & Nichido and Nisshin Fire have severely damaged the Millea Group's performance in the area of CSR. This undermining of customer trust and failure to live up to the trust of shareholders and society at large has also damaged the Group's corporate value. Such corporate scandals also often throw cold water on efforts to foster a corporate culture that encourages free and open communications for the purpose of promoting employee creativity, by discouraging employees and making them feel as if their efforts are not worthwhile. More than anything else, it is unavoidable to judge the Group harshly for their negative effects it has made on the important social and economic functions of "insurance." The Millea Group's CSR efforts are directed to achieve sustainable corporate growth and development on the strength of the trust it earns from key stakeholders: customers, shareholders, agents, employees, local communities, and societies. If this process forms a virtuous

cycle, the Millea Group's brand power should increase, as should its corporate value. However, a situation like the recent one in which customer trust has been undermined has given negative effects on relations with shareholders, agents, employees, local communities and societies. The Group should take to heart the fact that a brand image built up and polished over many years of business activities can be tarnished in an instant.

At the same time, it is reassuring and encouraging to see younger employees instilled with a sense of crisis working to improve the Group's business operations with a focus on the customer's point of view. At the very least, it was certain that employees on the front lines of business still feel that their efforts are worthwhile. Management's intent to work sincerely to find the causes of these problems seems to have been communicated well to the Group employees.

To conclude, the Millea Group's CSR efforts include a number of excellent programs, such as its environmental-protection activities and its activities intended to help young people grow. However, for these activities to truly shine, it is essential that the Group first earn the trust of its customers in its core insurance business. For this reason, I will not venture to comment on the Group's environmental-protection efforts and other activities at this time. Like the young mangrove trees decorating the cover of this Report, I look forward to seeing the Millea Group grow by polishing its brand image and realizing improvements in its corporate value through the efforts of its many employees, persisting firmly to an orientation toward Anshin Quality, to regain the trust of its customers.

### Profile



#### Yusuke Nakajo

##### Brief personal history

March 1992: Graduated with a Doctorate Degree from the Graduate School of Commerce and Management, Hitotsubashi University. Appointed a full-time lecturer in April 1992, an Assistant Professor in April 1993, and a Professor in August 2004 in the Faculty of Economics and Business Administration at Yokohama City University. With reorganization of the university in April 2005, was appointed a Professor in the International Graduate School of Arts and Sciences.

Primary associations of which Dr. Nakajo is a member include the Japan Accounting Association, the Japanese Association for Research in Disclosure (where he serves as a director), the Japan Academic Society of Investor Relations (where he serves as a secretary). Primary publications include *Mukei Shisan no Kaikei* ("Accounting for Intangible Assets," co-author, 2006) and *Renketsu Kaikei to Gurupu Keiei* ("Consolidated Accounting and Group Management," co-author, 2004). His fields of specialization are accounting, corporate analysis, disclosure, and investor relations (IR).

# Comparative Table on GRI Guidelines

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\* Additional indicators should be indicated in blue.



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