



Sustainability Report
2012

TOKIO MARINE GROUP

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Sustainability Report 2012

Message from the President

Message from the President



Toward the Realization of a Sustainable Society

The Tokio Marine Group positions customer trust as the foundation of all its corporate activities and adheres to its Corporate Philosophy of providing "safety and security" to customers and realizing a prosperous and comfortable society through its business activities.

Under its new mid-term corporate strategy "Innovation and Execution 2014," which commenced in fiscal 2012, the Tokio Marine Group will realize its medium-term vision of being "a global insurance group sustaining growth by offering quality that customers select." In doing so, the Group aims to achieve sustainable growth in its non-life insurance, life insurance, both domestic and international and financial & general businesses while striving to establish a sound financial base by developing more sophisticated Enterprise Risk Management (ERM) and Business Continuity Management (BCM) to improve customer confidence in our products and services.

The year 2011 witnessed a succession of major natural catastrophes in regions throughout the world, beginning with the Great East Japan Earthquake, as well as floods in Australia, the earthquake in New Zealand, tornadoes and a hurricane in the United States and the floods in Thailand. The Company used full strength of the entire Group to make claims payments and support quick recoveries. Through these initiatives, I once again affirmed the crucial role that insurance plays in helping customers rebuild their lives as a "preparation against unexpected risk." The Tokio Marine Group is directly addressing an array of social issues affecting these regions, including climate change and natural catastrophe damage, as well as measures for the aging of society and traffic accident prevention. We will strive to offer insurance products and services that solve these problems and work to contribute to the realization of a sustainable society.



Since 2006, the Tokio Marine Group has promoted research on climate change and global warming risk in collaboration with the University of Tokyo and Nagoya University. Prompted by the Great East Japan Earthquake, in July 2011 the Tokio Marine Group formed an industry-academia collaboration agreement with Tohoku University for undertaking research on earthquake and tsunami risks. As one contribution to this research, in April 2012 we established the Earthquake Induced Tsunami Risk Evaluation Research Project within the Tohoku University's International Research Institute of Disaster Science (IRIDeS). By enhancing scientific knowledge of climate change and natural disaster risk through industry-academia collaboration and utilizing this knowledge to make recommendations on preventing and mitigating disasters in Japan, we will contribute to the creation of safe and secure communities.

We are also promoting in-house efforts to reduce environmental impacts within the Tokio Marine Group. To this end, Group companies in regions around the world are making efforts to conserve electricity and other types of energy and reforming various processes that includes promoting paperless operations. On a separate front, the Tokio Marine Group is continuing its mangrove planting activities. The Mangrove Planting Project, which commenced in 1999, is now in its 14th year and 7,543 hectares of mangrove have been planted during this time period. By continually undertaking such initiatives, in fiscal 2011 the Tokio Marine Group became carbon neutral*, whereby the volume of CO₂ emitted during the course of the Group's business activities was offset by the absorption and stabilization effects of mangrove tree planting and the use of natural energy. The Tokio Marine Group aims to continue the Mangrove Planting Project for 100 years, thereby helping protect the earth and peoples' lives.

Turning to community and social contributions, we are working to create a future society in which people can live in safety and with a sense of security by contributing to the realization of a sustainable society through our insurance and financial services. As part of these efforts, in January 2012 Tokio Marine & Nichido commenced sales of a lump-sum payment rider for auto insurance in case of total vehicle loss from an earthquake, volcanic eruption or tsunami. The rider aims to ensure that customers suffering damages in an earthquake have a means of transportation, which is essential in their everyday lives. Also in January, Tokio Marine & Nichido launched the One Day Auto Insurance. This new product aims to reduce automobile accidents involving uninsured drivers by encouraging insurance enrolment among young drivers who do not own vehicles. As a member of the community and society, the Tokio Marine Group also promotes a variety of activities that contribute to the realization of a safe and secure society. These include providing support for the Pink Ribbon Movement (a campaign for communicating the importance of the early detection of breast cancer), which is relevant to insurance and financial services, as well as the holding of Green Lessons and Disaster Prevention Lessons for children in elementary schools. Full-scale rebuilding efforts following the earthquake has just begun to get underway and in the future we intend to continue providing various forms of support that include our involvement in a reforestation project along the Tohoku coast being implemented by a non-governmental organization (NGO).

In 2005, the Tokio Marine Group endorsed the United Nations Global Compact and has promoted initiatives based on the Compact's 10 principles concerning human rights, labor, the environment and anti-corruption. Meanwhile, in June 2012 Tokio Marine & Nichido signed the Principles for Sustainable Insurance (PSI) advocated by the United Nations Environment Programme Finance Initiative (UNEP FI) at the UN Conference on Sustainable Development (Rio+20).



In recent years, there have been calls for corporate activities to place a greater awareness on the environmental, social and governance (ESG) elements that contribute to a sustainable society and become more deeply involved in issues facing society. The Tokio Marine Group will address a host of these issues, including responses to climate change and natural catastrophe risk, in addition to dealing with the aging of society and diversity. We will continually consider the roles expected of insurance companies and move to solve various problems in regions worldwide based on dialogue and cooperation with a diverse range of stakeholders. In striving for these objectives, I ask for your continued support.

* Being carbon neutral refers to achieving zero net carbon emissions by balancing a measured amount of carbon released from business activities of a corporation with an equivalent amount sequestered or offset by means of planting mangrove, use of renewable energy, carbon credits and other carbon-absorbing or carbon-reducing activities.

August 2012

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

Shuzo Sumi

President
Tokio Marine Holdings, Inc.

Sustainability Report 2012

Tokio Marine Group's CSR

- Tokio Marine Group's Approach to CSR
- CSR Promotion Structure
- Key CSR Issues of the Tokio Marine Group
- Stakeholder Engagement
- Plans and Results of CSR Initiatives
- External Evaluations and Awards
- Participation in External Initiatives



Tokio Marine Group's CSR

▶ Tokio Marine Group's Approach to CSR

Based on our Corporate Philosophy, we have established the Tokio Marine Group CSR Charter as behavioral guidelines.

▶ CSR Promotion Structure

We introduce the Tokio Marine Group's CSR Promotion Structure.

▶ Key CSR Issues of the Tokio Marine Group

We introduce three key issues of the Tokio Marine Group and the formulation process.

▶ Stakeholder Engagement

We introduce our structure for stakeholder engagement.

▶ Plans and Results of CSR Initiatives

We introduce a reference list for fiscal 2011 results and fiscal 2012 action plans.

▶ External Evaluations and Awards

We introduce external evaluations and awards received as a corporate group that actively undertakes CSR.

▶ Participation in External Initiatives

We participate in and support various initiatives for the realization of a sustainable society.



Tokio Marine Group's Approach to CSR

The Tokio Marine Group is determined to raise its corporate value continuously by realizing its Corporate Philosophy and thus contributing to the sustainable growth of society.

The Tokio Marine Group has provided "safety and security" to society and contributed to its development by making the most of its abundant knowledge and experience accumulated over the years in the insurance industry. Risks surrounding individuals and companies continue to become more diversified and we are well aware of the increasing importance of social roles and responsibilities incumbent on insurance companies.

Based on this rationale, we have formulated the Tokio Marine Group CSR Charter as behavioral guidelines for all employees to execute CSR. Under the "Innovation and Execution 2014" medium-term corporate strategy (FY2012 - FY2014), we aim to become "a global corporate group maintaining growth by offering quality that customers select." We believe the implementation of CSR management will serve as the cornerstone of these efforts and we will proactively support initiatives to solve various social issues through our business activities.

The Tokio Marine Group supports and respects the Universal Declaration of Human Rights, International Labor Standards, as well as OECD Guidelines for Multinational Enterprises. The philosophies and contents of the 10 principles concerning human rights, labor, the environment and anti-corruption advocated by the United Nations Global Compact coincide with the Tokio Marine Group's own approach to CSR as well as its CSR Charter, and for this reason, Tokio Marine Holdings has been participating in the Compact since 2005.

► [Participation in the United Nations Global Compact](#)



Tokio Marine Group Corporate Philosophy

With customer trust as the foundation of all its activities, the Tokio Marine Group continuously strives to raise its corporate value.

- Through the provision of the highest quality products and services, the Tokio Marine Group aims to deliver safety and security to all its customers.
- By developing sound, profitable, and growing businesses throughout the world, the Tokio Marine Group will fulfill its mandate to shareholders.
- The Tokio Marine Group will continue to build an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential.
- Acting as a good corporate citizen through fair and responsible management, the Tokio Marine Group will broadly contribute to the development of society.



Tokio Marine Group CSR Charter

The Tokio Marine Group is committed to fulfilling its Corporate Social Responsibility (CSR) by implementing its Corporate 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 the 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 the training and education of our employees.

We respect the right to privacy and strive to enforce this right through the management 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 the harmonization with and the improvement of the global environment in all of our activities.

Contribution to Local Communities and Societies

As a member of various communities and societies, we respect the diversity of cultures and customs 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 our stakeholders to ensure effective corporate management.

The Tokio Marine Group's Stakeholders



Customers

We continually provide "safety and security" to customers and society. We will continue to promptly and appropriately provide even higher quality products, services and processes that meet the expectations of our customers.

Employees

We respect each and every employee as individuals and recognize their dignity and value, and pay careful attention to ensure that they can adequately fulfill their responsibilities to their families. We aim to be a professional group with very distinctive characteristics while cooperating to ensure all colleagues maximize their performance by assisting each other productively.

Agents and Business Partners

We emphasize mutual trust with our agents and combine our strengths to meet the needs of customers while cooperating to promote mutually sound growth and development. We also aim for healthy mutual growth and development with our business partners.

Local Communities and Societies

As a good corporate citizen, we strive to be recognized by local communities and societies while contributing to the creation of a society where a diversity of people can live healthy lives and with a sense of security. We also make efforts to protect the Earth's environment for future generations.

Shareholders and Investors

By earnestly undertaking all the above-mentioned initiatives, we will work to create a virtuous cycle in which we generate even higher and more appropriate levels of profits and continue to provide value to shareholders.

▶ [Stakeholder Engagement](#)



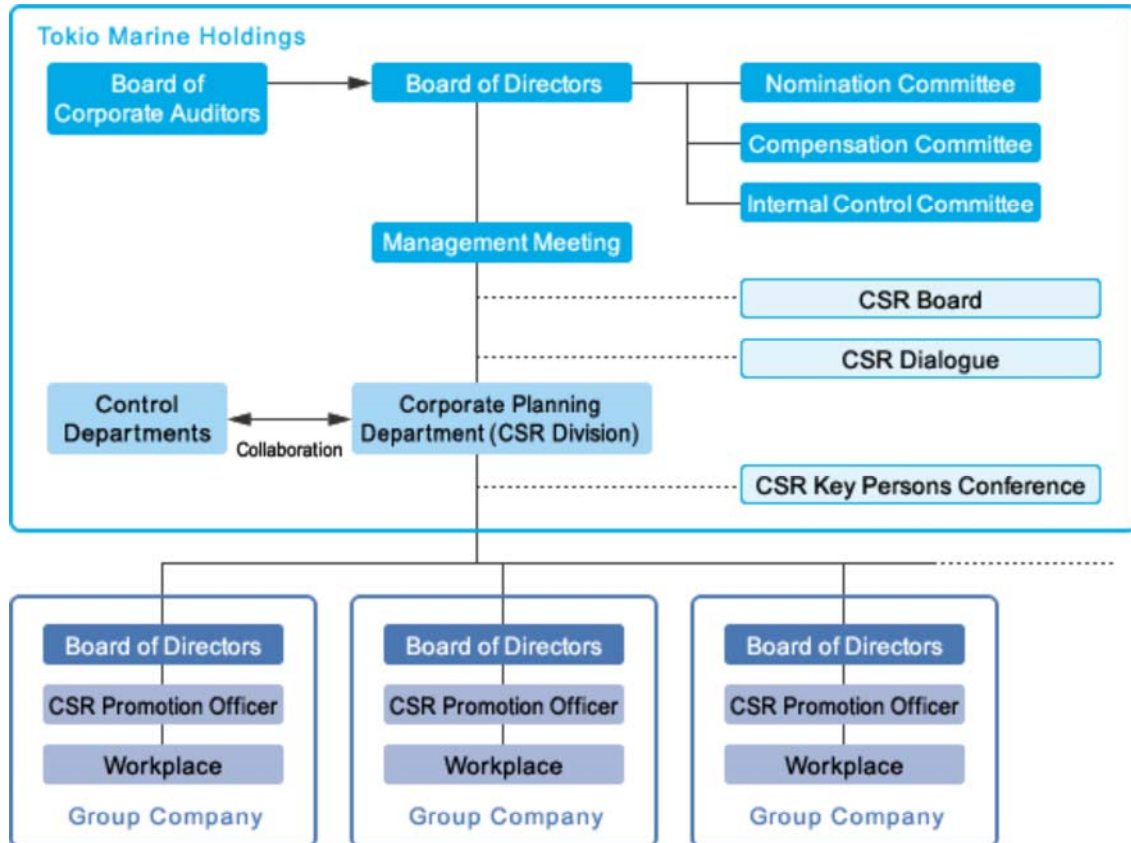
CSR Promotion Structure

Tokio Marine Holdings has established a dedicated CSR Division (CSR Office, Corporate Planning Department) to identify key issues in CSR as well as to formulate and implement CSR strategies and support the CSR activities of Group companies.

The Tokio Marine Group regularly convenes the CSR Key Persons Conference, which consist of Tokio Marine Holdings and Group companies' CSR Divisions, as well as the CSR Board consisting of President of Tokio Marine Holdings (board chairman) and presidents of key domestic Group companies. These bodies evaluate various types of CSR initiatives and discuss response measures for CSR issues (important issues to be shared by each Group company) for the entire Group. Tokio Marine Holdings also convenes CSR Dialogues with external experts, non-governmental organizations (NGOs), non-profit organizations (NPOs) and academics. The dialogues give us opportunities to hear outside opinions about our awareness and approaches concerning the Group's CSR issues. These opinions and other ideas are then reflected in our CSR strategy and our approach to each individual CSR issue.

The Company's Board of Directors receives reports on CSR activities of the entire Group while formulating the Overall Group CSR Strategy (medium-term plan and single fiscal year plans). CSR promotion officers at each Group company play a lead role in promoting and handling common issues to be addressed by the entire Group, as well as in implementing CSR activities based on the characteristics of each business and local communities.

Tokio Marine Group CSR Promotion Structure



Key CSR Issues of the Tokio Marine Group

The Tokio Marine Group has reconfigured its key CSR issues in the new mid-term corporate strategy "Innovation and Execution 2014 (FY2012 - FY2014)" taking into consideration environmental, society and governance (ESG) and the requests and expectations of various stakeholders. As a result, the Tokio Marine Group has identified issues - responding to climate change and natural catastrophe risk, contributing to local communities and societies and strengthening CSR management - as fields with a strong relevance to the operations and the characteristics of the businesses of the Tokio Marine Group (insurance, financial services, consulting, etc.) and will promote activities in these areas.



▶ **Environmental** : Responding to Climate Change and Natural Disaster Risk Key Issue 1

We recognize "climate change and global warming" as a huge risk for future generations in the global community. At the same time, we are aware that this also represents a major risk with a large impact on the Tokio Marine Group's businesses (insurance, financial services, consulting, etc.). The Great East Japan Earthquake and Thai floods have sparked rising interest in the functions and roles of insurance, financial services and consulting as adaptation measures for responding to risks in society.



The Tokio Marine Group has designated "responding to climate change and natural catastrophe risk" as a Key Group CSR Issue. Accordingly, we will strive to raise the resilience to climate change and catastrophe risk across society and contribute to creating a sustainable society by applying our knowledge and experience cultivated in insurance, financial services and consulting, while undertaking initiatives for adapting to and mitigating climate change and thus minimizing the impact of disasters.

[Click here for details](#) ▶

Social : Contributing to Local Communities and Societies

Key Issue 2

The global community is dealing with a host of social issues that include "disasters," "aging of society (healthcare and nursing care)" and "community participation and development (support for emerging countries)." There are also a number of emerging issues in Japan as well that include "preventing and reducing disasters," "aging of society (healthcare and nursing care)" and "preventing automobile accidents."

The Tokio Marine Group has set "Contributing to local communities and societies" as another key CSR issue. The Group intends to make contributions in response to such social issues as "healthcare," "cancer"

and "disasters" through its core businesses of insurance, financial services and consulting. Concurrently, we take great interest in participating in regional activities as collaborative work with local communities and society. These activities include providing recommendations on preventing and reducing disasters, offering disaster prevention education, supporting the Pink Ribbon Movement (raising the cancer examination rate) and promoting education support programs in developing countries. Through these efforts, we will contribute to creating a sustainable society as a good corporate citizen.



[Addressing social issues - Providing value through our core businesses](#)

[Community and social contribution activities](#)

[Click here for details](#) ▶

Governance : Strengthening CSR Management

Key Issue 3

To ensure we are trusted by customers and society and achieve sustainable growth, the Tokio Marine Group must raise the quality of our initiatives in the areas of "business strategies," "governance," and "social responsibilities" and build a sound and highly transparent management structure as a global insurance group.



[Click here for details](#) ▶

The Process for Specifying Key CSR Issues of the Tokio Marine Group

Under the mid-term corporate strategy "Innovation and Execution 2014 (FY2012 - FY2014)," the Tokio Marine Group aims to become a "global corporate group maintaining growth by offering quality that customers select" by fostering the sustainable growth of society and providing increased value to all shareholders.

In recent years, there have been gradually rising expectations and calls for companies to consider ESG (environmental, social, governance) issues and proactively utilize the characteristics of their businesses in making efforts to solve them. In addition, based on the lessons learned from such natural catastrophes as the Great East Japan Earthquake and the Thai floods, society as a whole has taken great interest in the "functions and roles of finance and insurance" as an adaptation measure for risk.

Through the following process, Tokio Marine Holdings has specified its "Key Group CSR Issues" under the mid-term corporate strategy "Innovation and Execution 2014 (FY2012 - FY2014)."

Specifying the Group's Key Issues (Material Issues)

To identify social responsibility and sustainability issues, Tokio Marine Holdings believes it is crucial to evaluate the importance of each issue based on dialogue with stakeholders.

Specifically, the CSR Division, Corporate Planning Dept. identifies "CSR issues related to the Tokio Marine Group's business" based on numerous ESG issues set forth in ISO 26000 (international guidance on social responsibility), the UN Global Compact and UNEP-FI Principles for Sustainable Insurance (PSI) as well as on various types of information and "customer opinions ([customer compliments, complaints and other opinions and suggestions](#)), received by Group companies, communications with employees and agents ([Wednesday Dialogues](#)), communications and investor relations (IR) activities with shareholders, investors and external socially responsible investment ([SRI](#)) rating agencies and CSR communication with external experts ([CSR Dialogue](#)).

We evaluate the importance of CSR issues identified through the above process giving consideration to "issues of influence on stakeholder assessments and decisions" and "issues with significance of economic, environmental, and social impacts on the Tokio Marine Group" and then specify "Key Group CSR Issues."



Monitoring and Verifying the Progress of Key Group CSR Issues

The Tokio Marine Holding's CSR Board, which consists of representatives (presidents) of Key Group companies, discusses "Key Group CSR Issues," while the Company's Board of Directors (Management Meeting) periodically confirms the state of initiatives related to these issues. For the state of its initiatives for Key Group CSR Issues and reporting on these issues, Tokio Marine Holdings undergoes verification process run by a third-party reviewer and publishes the Sustainability Report (for fiscal 2011, the e-CSR Report).

[Environmental: Responding to Climate Change and Natural Disaster Risk](#)

[Social: Contributing to Local Communities and societies](#)

Stakeholder Engagement

In implementing high-quality CSR management, we believe it is essential to develop a relationship of mutual trust through dialogue with customers and all other stakeholders. We are promoting a deeper understanding of the Tokio Marine Group's thinking, values and various types of initiatives via "customer opinions ([customer compliments, complaints and other opinions and suggestions](#))" received by Group companies, communications with employees and agents ([Wednesday Dialogue](#)), communications and investor relations (IR) activities with shareholders, investors and external socially responsible investment ([SRI](#)) rating agencies and CSR communication with external experts ([CSR Dialogue](#)). We work to identify issues of Group companies based on opinions and evaluations obtained through these dialogues.

- ▶ [Tokio Marine Group's Stakeholders](#)
- ▶ [Customer opinions](#)
- ▶ [IR activities](#)
- ▶ [Direct dialogue between employees and executives](#)

Fiscal 2011 CSR Dialogue

Under the theme "CSR Dialogue," the Tokio Marine Group regularly invites third-party experts to exchange views about its CSR initiatives. On November 24, 2011, the Tokio Marine Group invited prominent figures from various fields and asked their opinions about the direction of CSR initiatives from a medium-term perspective. Some opinions offered by these experts are provided herein.



Participants (Affiliations and positions are as of the date of the convening of the dialogue.)



Junko Edahiro
Founder and President, e's Inc.



One Akiyama
President, Integrex Inc.



Yoshihiro Fujii
Professor, Graduate School of
Global Environmental Studies
Sophia University



Shuzo Sumi
President
Tokio Marine Holdings, Inc.



Hiroshi Amemiya
Executive Vice President (at
the time)
Tokio Marine Holdings, Inc.



Koji Iwai
Managing Director
Tokio Marine & Nichido Fire
Insurance Co., Ltd.



■ 1. The Desired Shape of the Tokio Marine Group's CSR from a Medium- and Long-term Perspective

Principal opinions of experts

Akiyama: Although it is necessary to determine the type of company you envision three years from now, it is also important to draw an image of the ideal shape of society and the company the Tokio Marine Group aspires to become over the long term and share details with employees to create a sense of solidarity.

Fujii: It is important to recognize that above all the main target for communicating CSR is customers. I hope you will provide excellent products to customers and raise the level of customer satisfaction, which should eventually lead to increased earnings. In other words, the aim should be to become a company that implements "CSR that raises corporate value."

Tokio Marine Group's Response

Over the medium- and long-term, the Tokio Marine Group aspires to "become a company where corporate value increases through CSR, and whose employees are motivated" and we will share this aspiration with employees. Moreover, we will place top priority on communicating our CSR initiatives in a customer-friendly manner, and utilize external evaluations as a benchmark for assessing the results of these efforts.

■ 2. Implementing CSR through Our Core Businesses Responding to Climate Change and Global Warming

Principal opinions of experts

Fujii: I would like to see Tokio Marine maintain its awareness of "CSR through its core businesses" and create products and services based on the results of research on climate change risk and earthquake and tsunami risk. I am hoping that such products will gain wide acceptance throughout society and that efforts are made to ensure this contributes to business productivity.

Edahiro: I am looking forward to seeing Tokio Marine utilize its unique information source as an insurance company and play a role in raising awareness and providing useful information widely across society.

Tokio Marine's Response

We will firmly instill an awareness of the indispensable role we play in society through our main businesses. Many employees learned about this important role in responding to the Great East Japan Earthquake. Concurrently, we will apply the results of Group research on climate change risk and earthquake and tsunami risk to our products and services and continue to consider ways we can give back to society. Through our core businesses, we will also continue promoting CSR initiatives such as the Green Gift Project.



■ 3. Community and Social Contribution Activities through Responses to Social Issues

Principal opinions of experts

Edahiro: The measurement of effectiveness of community and social contribution activities should not just be limited to the number or percentage of employee participants, but should also measure areas such as the degree of impact (effects) on local communities. I would also like to see Tokio Marine make evaluations from such perspectives as "What did employees learn and what did they bring back to their jobs through these community and social contribution activities?" as well as "How are these activities connected to social issues in local communities?" I would also like to see Tokio Marine further promote community and social contribution activities undertaken in cooperation with domestic NGOs.

Akiyama: Employee awareness can also change through their participation in community and social contribution activities planned by the Company. These initiatives are truly meaningful.

Tokio Marine Group's Response

We would like to work in cooperation with local governments, NGOs and other bodies and strive to solve social issues in a particular community. We will make efforts to further spread and permeate our community and social contribution activities.



■ 4. CSR Management

Principal opinions of experts

Akiyama: I look forward to the implementation of initiatives that consider sustainability (ESG) and feature the cooperation of insurance companies from around the world. I would like to see the Tokio Marine Group raise its presence and contribute to various global initiatives such as UNEP FI-PSI as a leading company in the insurance industry.

Tokio Marine's Response

Based on a global perspective, we will improve our own CSR initiatives while proactively participating such global initiatives as UNEP FI-PSI, The Geneva Association and ClimateWise, and promote efforts that will enable the development of a sustainable society.

Responding to Opinions in the CSR Dialogue

We will solidly instill an awareness of "CSR through our core businesses," which all Group employees learned about and shared in responding to the Great East Japan Earthquake, and will continuously promote community and social contributions. While striving for contact with an even larger number of stakeholders, we will accurately ascertain social issues in communities and steadily expand initiatives that lead to appropriate solutions. We will also continue to build a corporate culture that encourages employees to think, communicate and act on their own.

Hiroshi Amemiya
Executive Vice President (at the time)
Tokio Marine Holdings, Inc.




Plans and Results of CSR Initiatives

CSR Initiatives: Fiscal 2009-2011 Mid-Term Plan (Summary) and Fiscal 2011 Plan (Results)

The Tokio Marine Group's "Innovation and Execution 2011" medium-term corporate strategy (FY2009 - FY2011) and key CSR issues of the fiscal 2011 plan are summarized as follows.

The initiatives for each issue at the beginning of the year were generally attained. On the other hand, emerging new social issues were recognized, which prompted us to further advance our CSR initiatives.

| Key Issues | Medium-term business plan (FY2009-FY2011) Targets/Results | FY2011 Targets/Results | Evaluation | Pages |
|---|--|--|------------|--|
| Providing value through our core businesses | <p>(Medium-term target) Enhance the quality of products and services</p> <p>(Results) Tokio Marine & Nichido and Tokio Marine & Nichido Life carried out "Medical Assist" Tokio Marine & Nichido Life implemented the "Movement to Protect Customers from Cancer."</p> | <p>(Single-year target) - Continue initiatives to become "a global corporate group maintaining growth by offering quality that customers select" (ongoing initiative) - Make utmost efforts directed toward recovery and restoration following the Great East Japan Earthquake</p> <p>(Results) Tokio Marine & Nichido Sales of a "lump-sum payment rider for auto insurance in case of total vehicle loss from an earthquake, volcanic eruption or tsunami"</p> | ◎ | Click here for details |


| Key Issues | | Medium-term business plan (FY2009-FY2011) Targets/Results | FY2011 Targets/Results | Evaluation | Pages |
|------------------------------|--|--|--|---|--|
| | | | <p>Sales of "One Day Auto Insurance," etc.</p> <p>Insurance claims payments for the Great East Japan Earthquake As of May 1, 2012: Number of payments: 155,631 Payment completion rate: 99.2%</p> | | |
| Responding to climate change | Address climate change through our products and services | <p>(Medium-term target)</p> <p>Develop and provide products and services that adapt to and mitigate climate change (includes responses for developing countries)</p> <p>(Results)</p> <p>Tokio Marine & Nichido's Green Gift Project(Project commenced in May 2009)</p> <p>- "Web clause" adoption ratio for auto insurance, etc.:</p> <p>FY2008: No results</p> <p>FY2011: 77.8%</p> <p>(Paper reduction effect: 1,700 tons in the fiscal year)</p> <p>Others</p> <p>- IFFCO-Tokio General Insurance Co., Ltd.(India): Diffusion of</p> | <p>(Single fiscal year target)</p> <p>Develop and provide products and services that adapt to and mitigate climate change (includes responses for developing countries)</p> <p>(Results)</p> <p>Tokio Marine & Nichido's Green Gift Project - "Web clause" adoption ratio for auto insurance, etc.:</p> <p>FY2011: 77.8%</p> <p>(Increase of 3.9% from the previous year)</p> <p>(Paper reduction effect: 1,700 tons in the fiscal year)</p> <p>Others</p> <p>- IFFCO-Tokio General Insurance Co., Ltd.(India): Diffusion of weather insurance</p> |  | Click here for details |

| Key Issues | Medium-term business plan (FY2009-FY2011) Targets/Results | FY2011 Targets/Results | Evaluation | Pages |
|---|--|--|------------|---|
| | <p>weather insurance</p> <ul style="list-style-type: none"> - Tokio Marine Research Institute: More sophisticated research on climate change risk | <ul style="list-style-type: none"> - Tokio Marine Research Institute: Research on climate change risk ⇒ Evaluation of typhoon risk under near-future climatic conditions and publication of related research reports | | |
| <p>Reduce the volume of CO₂ emissions accompanying our business activities</p> | <p>(Medium-term targets)</p> <ul style="list-style-type: none"> - Strengthen reductions of environmental impacts at Group companies (includes expanding the coverage scope of environmental management) - Become carbon neutral in FY2011 <p>(Results)</p> <ul style="list-style-type: none"> - Group CO₂ emissions: FY2008: No data ↓ FY2011: 75,277 tons (CO₂ absorbed and stabilized in FY2011: 75,925 tons) ⇒ Became carbon neutral in FY2011 <p>*<Reference> Tokio Marine & Nichido CO₂ emissions (Scope 1 + Scope 2) FY2008: 63,801 tons</p> | <p>(Single fiscal year targets)</p> <ul style="list-style-type: none"> - Group companies (Japan/overseas): Strengthen reductions of environmental impacts (Includes electric power conservation initiatives in Japan) - Become carbon neutral in FY2011 - Group CO₂ emissions: Reduction of 5% from the previous year - Copier paper use: Reduction of 9% from the previous year <p>(Results)</p> <ul style="list-style-type: none"> - Group CO₂ emissions: FY2011: 75,277 tons (Breakdown) Same boundary as in the previous year: 73,219 tons (Reduction of 0.6% from the previous | <p>○</p> | <p>Click here for details</p> |

| Key Issues | Medium-term business plan (FY2009-FY2011) Targets/Results | FY2011 Targets/Results | Evaluation | Pages |
|------------|---|------------------------|------------|-------|
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↓
FY2011: 42,527 tons

year)
Portion of the expanded scope of companies covered: 2,058 tons
- CO₂ absorbed and stabilized:
FY2011: 75,925tons
⇒ FY2011: Became carbon neutral
- Copier paper use: 2,232 tons (Breakdown)
Same boundary as in the previous year: 2,195 tons (Reduction of 1.3% from the previous year)
Portion of the expanded scope of companies covered: 37 tons

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| Collaborative work with local communities and societies | <p>(Medium-term targets)</p> <ul style="list-style-type: none"> - Group company (Japan) community and social contributions: FY2011 employee participation rate: 50% - Strengthen joint initiatives within the Group for community and social contribution programs <p>(Results)</p> <ul style="list-style-type: none"> - Group company (Japan) community and social contributions: | <p>(Single fiscal year targets)</p> <ul style="list-style-type: none"> - Group company (Japan) community and social contributions: FY2011 employee participation rate: over 50%(total) - Strengthen joint initiatives within the Group for community and social contribution programs <p>(Results)</p> <ul style="list-style-type: none"> - Group company (Japan) community and social |  | <p>Click here for details</p> |
|---|---|---|---|---|

| Key Issues | Medium-term business plan (FY2009-FY2011) Targets/Results | FY2011 Targets/Results | Evaluation | Pages |
|------------|--|---|------------|-------|
| | <p>FY2008 employee participation rate: no data</p> <p>FY2011 employee participation rate: 59.8% (Total)</p> <p>*<Reference></p> <p>Tokio Marine & Nichido community and social contributions:</p> <p>FY2008 employee participation rate: 16% (total)</p> <p>FY2011 employee participation rate: 52% (total)</p> <p>- Strengthened joint initiatives within the Group for community and social contribution programs</p> <p>- Implemented CSR Months (October - November)</p> <p>- Implemented Group joint programs:</p> <p>Mangrove planting volunteers</p> <p>Green Lessons</p> <p>Pink Ribbon Movement</p> <p>AED training sessions</p> <p>Dementia supporter training sessions</p> <p>Disaster relief fund donation activities held in regions around the world</p> | <p>contributions:</p> <p>FY2011 employee participation rate: 59.8% (total)</p> <p>- Strengthened joint initiatives within the Group for community and social contribution programs</p> <p>- Implemented CSR Months (October - November)</p> <p>- Implemented Group joint programs:</p> <p>Great East Japan Earthquake volunteers</p> <p>Green Lessons</p> <p>Pink Ribbon Movement</p> <p>AED training sessions</p> <p>Dementia supporter training sessions</p> <p>Disaster relief fund donation activities held in regions around the world</p> | | |

As a methodology to promote CSR activities, Tokio Marine Holdings, Coporate Planning Dept. undertakes target management (quantitative and qualitative) for the above Key CSR Issues and aims to raise the quality of its management strategies and CSR.

CSR Initiatives: FY2012 - FY2014 Mid-Term Corporate Strategy and FY2012 Targets

Under the mid-term corporate strategy (FY2012 - FY2014) "Innovation and Execution 2014," the Tokio Marine Group has newly established Key CSR Issues. Such recent natural catastrophes as the Great East Japan Earthquake and the Thai floods have spurred rising social interest in the functions and roles of insurance, financial services and consulting as measures for adapting to risk.

In working toward the realization of a sustainable society, we promote initiatives that utilize the characteristics of our own businesses and give consideration to environmental, social and governance (ESG) in solving social issues.

| Key Issues | Mid-Term Strategy (FY2012- FY2014) Targets | FY2012 Targets | Pages |
|--|---|---|--|
| Responding to climate change and natural disaster risk | <ul style="list-style-type: none"> - Provide value through our core businesses <ul style="list-style-type: none"> - Provide insurance and consulting for advanced environmental technologies - Strengthen research on climate change and natural catastrophe risk - Reduce environmental impacts from business activities <ul style="list-style-type: none"> - FY2014 CO₂ emissions: Reduction of 10% compared with FY2010 - Be carbon neutral (ongoing) | <ul style="list-style-type: none"> - Provide value through our core businesses (same as on the left) - Reduce environmental impacts from business activities <ul style="list-style-type: none"> - CO₂ emissions: maintain FY2011 results - Be carbon neutral (ongoing) - Amount of paper use: 8,675 tons (Decrease of 5% from the previous year) | Click here for details |
| Contributing to local communities and societies | <ul style="list-style-type: none"> - Provide value through our core businesses - Contribute to building communities that are strongly resistant to disasters <ul style="list-style-type: none"> Strengthen tsunami risk research, provide disaster prevention education - Contribute to solutions for social issues (traffic accident prevention, aging of society) - Firmly position community and social contribution activities by employees - Foster a corporate culture in which Group companies naturally engage in community and social contribution activities | <ul style="list-style-type: none"> - Provide value through our core businesses (same as on the left) - Firmly position community and social contribution activities by employees - Foster a corporate culture in which Group companies naturally engage in community and social contribution activities (FY2012 employee participation rate: over 80% (total)) - Strengthen joint initiatives within the Group for community and social contribution programs (same as on the left) | Click here for details |

| Key Issues | Mid-Term Strategy (FY2012- FY2014) Targets | FY2012 Targets | Pages |
|------------------------------|---|---|--|
| | <p>(FY2014 employee participation rate: 100%)</p> <ul style="list-style-type: none"> - Strengthen joint initiatives within the Group for community and social contribution programs - Strengthen relationships with NGOs and NPOs in Japan and overseas | | |
| Strengthening CSR management | <ul style="list-style-type: none"> - Strengthen management within the Group <ul style="list-style-type: none"> - Strengthen communications among Group companies (Japan, overseas) - Implement combined ESG initiatives together with business partners (agents, customers) - Enhance dialogue with stakeholders <ul style="list-style-type: none"> - Enhance disclosure of information concerning ESG | <ul style="list-style-type: none"> - Strengthen management within the Group (same as on the left) - Establish a foundation for enhancing dialogue with stakeholders (same as on the left) | Click here for details |



External Evaluations and Awards

Tokio Marine Holdings is making efforts to improve its initiatives in environmental, social and governance (ESG) fields and is receiving high evaluations from socially responsible investment (SRI) rating agencies worldwide.

Evaluations from External SRI Rating Agencies

In recent years, attention has been focused on Socially Responsible Investment (SRI), which evaluates corporate ESG risk and corporate ethics from the perspective of the sustainability of society.

Tokio Marine Holdings works toward enhancing transparency in ESG fields and is earning acclaim from numerous global indexes. As of the end of June 2012, Tokio Marine has been listed in the SRI indexes shown below.

Inclusion in SRI (Socially Responsible Investment)



FTSE 4 Good



Dow Jones Sustainability World Index



Ethibel Sustainability Index



**Status of inclusion in SRI funds**

| Fund Name | Registered and Managed by |
|--|---|
| Eco Partners ("Green Wings") | Mitsubishi UFJ Asset Management Co., Ltd. |
| Sumishin Japan Stock SRI Fund | STB Asset Management Co., Ltd. |
| Sumishin DC Good Company | STB Asset Management Co., Ltd. |
| Sumishin SRI Japan Open | STB Asset Management Co., Ltd. |
| World 6 Asset Equal Distribution (monthly distribution type) | Daiwa Asset Management Co. Ltd. |
| Daiwa Eco Fund | Daiwa Asset Management Co. Ltd. |
| Daiwa SRI Fund | Daiwa Asset Management Co. Ltd. |
| Fukoku SRI Fund | Shinkin Asset Management Co., Ltd. |
| Mitsubishi UFJ SRI Fund | Mitsubishi UFJ Asset Management Co., Ltd. |
| Resona Japan CSR Fund | PineBridge Investments Japan Co., Ltd. |
| 6 Asset Balanced Fund | Daiwa Asset Management Co. Ltd. |

Note: Inclusion in these funds is based on the latest performance reports of each fund as of the end of June 2012.



External Awards



| | |
|--|-------------------------------|
| Ethisphere (USA) - 2012 World's Most Ethical Companies | Tokio Marine Holdings |
| Sam Award - 2012 Silver class | Tokio Marine Holdings |
| Newsweek Green Rankings 2011 - Top 250 Companies | Tokio Marine Holdings |
| Japan Environment Association - Eco Mark Award 2011 Silver Prize | Tokio Marine & Nichido |
| Nagoya City Accreditation and Award System for Companies that Promote Active Roles for Women - 2011 Excellent Award | Tokio Marine & Nichido |
| 2011 Yokohama Good Balance Award | Tokio Marine Millea SAST |
| Ministry of Health, Labour and Welfare - 2011 Excellence Award for Best Practices for Improving Workplaces for the Employment of Persons with Disabilities (Persons with Development Disabilities) | Tokio Marine Business Support |
| The Sunday Times 100 Best Companies to Work for 2012 | Kiln (UK) |



Participation in External Initiatives

The Tokio Marine Group supports and respects the Universal Declaration of Human Rights, International Labor Standards, as well as OECD Guidelines for Multinational Enterprises. The Tokio Marine Group will also fulfill its role in helping realize a sustainable society through its participation in a variety of initiatives that include the United Nations Global Compact and the United Nations Environment Programme Finance Initiative (UNEP FI).

The United Nations Global Compact

The ideas and contents of the 10 principles concerning human rights, labor, the environment and anti-corruption advocated by the United Nations Global Compact coincide with the Tokio Marine Group's own approach to CSR as well as its CSR Charter.

Therefore, Tokio Marine Holdings has been participating in the United Nations Global Compact since 2005.



The UN Global Compact's 10 principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

► <http://www.unglobalcompact.org/>

Every year Tokio Marine Holdings summarizes and reports on the status of initiatives for addressing the 10 principles of the United Nations Global Compact.

► [Communication on Progress](#)

UNEP FI Principles for Sustainable Insurance (UNEP FI-PSI)



Tokio Marine & Nichido is participating in surveys, research and proposal activities on sustainability in the insurance industry as a member of the Insurance Commission in the United Nations Environment Programme Finance Initiative (UNEP FI), as well as serving as its Board Member for Asia. In June 2012, Tokio Marine & Nichido supported the intent and policies of and became a founding signatory of "Principles for Sustainable Insurance (PSI)" launched by UNEP FI during the United Nations Conference on Sustainable Development (Rio+20 Conference). Together with UNEP FI and other insurance companies from around the world, Tokio Marine & Nichido also participated in the formulation of principles of action as a core member of the drafting committee of the PSI (PSI Team). In November 2011, Tokio Marine & Nichido and UNEP FI co-hosted the PSI Regional Consultation Meeting for Asia, which featured the participation of Asian insurance companies, reinsurers, academics and NGOs. Tokio Marine led discussions on such topics as "The roles and responsibilities that should be fulfilled by the insurance industry toward the realization of a sustainable society" and "Agenda for action considering ESG in the insurance business."

▶ <http://www.unepfi.org/>



The PSI Regional Consultation Meeting for Asia held in Tokyo in November 2011



UN Principles for Responsible Investment (UN PRI)



United Nations Principles for Responsible Investment (UN PRI) is an initiative being implemented that expresses stances and policies that consider ESG issues for investment decisions by financial institutions and institutional investors.

In April 2011, Tokio Marine Asset Management Co., Ltd., in its position as an asset manager, supported the policies of and signed the "Principles for Responsible Investment (PRI)," which is led by UNEP FI and the United Nations Global Compact.

Meanwhile, in August 2012, in conjunction with its signing of the UNEP FI-PSI, Tokio Marine & Nichido supported and signed the PRI in its position as an insurance company. Both companies will work toward initiatives that consider ESG issues in carrying out their respective activities.

▶ <http://www.unpri.org/>

Carbon Disclosure Project

CARBON DISCLOSURE PROJECT

The Carbon Disclosure Project (CDP) is an organization that drives an initiative under which the world's principal institutional investors cooperate in calling for companies worldwide to disclose their climate change strategies (risks and opportunities) and greenhouse gas emissions. Tokio Marine & Nichido participates every year as a CDP Signatory and is supporting survey research in the areas of corporate-related climate change strategies and greenhouse gas (GHG) emissions as well as energy usage.

▶ <https://www.cdproject.net/>

The Geneva Association



Tokio Marine & Nichido is a member of the Geneva Association comprised of approximately 80 executives from major insurance companies around the globe. September 2008, insurance companies worldwide convened and established the Climate Change and Insurance (CC+I) Project (subsequently renamed Climate Risk and Insurance Project - CR+I), which is undertaking research on climate change risk. To date, The Geneva Association has issued reports that include "The Insurance Industry and Climate Change" (2009) and "Global Insurance Industry Statement on Adapting to Climate Change in Developing Countries" (2010). In March 2012, The Geneva Association released a report entitled "Extreme events and insurance: 2011 annus horribillus." This report analyzed the major natural catastrophes (New Zealand earthquake, Great East Japan Earthquake, U.S. tornadoes and Thai floods, etc.) that occurred in 2011, the impact of these natural catastrophes on economies and insurance losses, and summarized the functions and roles fulfilled by risk management. Within this report, under the section entitled "11

March Japanese earthquake, tsunami and nuclear emergency: how insurance responded in post-disaster recovery," Tokio Marine & Nichido reported on the lessons the Japanese insurance industry learned from the Great East Japan Earthquake, and identified issues concerning the insurance system and products. Under this same title, Tokio Marine & Nichido also made suggestions that included stressing the need to further advance risk management and the role of insurance to support the realization of a sustainable society and disaster resilient.

► <http://www.genevaassociation.org/>

ClimateWise



In September 2010, Tokio Marine & Nichido became the first Asian member of ClimateWise, a global collaboration of 40 leading insurers focused on reducing the risks of climate change, launched in 2007 by HRH The Prince of Wales. Under ClimateWise, insurers from around the world jointly carry out studies and research on various risks and opportunities related to climate change and make recommendations toward reducing the risks that climate change imposes on economic and social life.

► <http://www.climatewise.org.uk/>

Tokio Marine & Nichido submits an annual activity report based on ClimateWise Principles to ClimateWise (Secretariat: United Kingdom).

► [Activity Report](#)

Sustainability Report 2012

2011 Highlights

2011 Highlights

Here we introduce 2011 highlights and the Tokio Marine Group's key CSR initiatives.

2011 - A Year of Natural Catastrophes that Tested Our True Value as an Insurance Company

The year 2011 witnessed successive natural catastrophes around the world that caused enormous damage. In January, northeastern Australia suffered massive flooding, the worst ever recorded in that country, while Brazil also experienced floods. In February, a magnitude 6.3 earthquake struck near Christchurch, New Zealand. The earthquake caused buildings to collapse, resulting in numerous deaths and injuries, including to Japanese and other foreign students at an English-language school that collapsed.

Shortly thereafter, the Great East Japan Earthquake struck on March 11, a date that is now deeply etched in all of our memories. The magnitude 9.0 temblor, the most powerful ever recorded in Japan, also triggered a massive tsunami that reached a maximum height of 40.5 meters and caused catastrophic destruction along the coasts of the Tohoku and Kanto regions. According to data compiled by the National Police Agency, the number of fatalities or missing due to the earthquake and tsunami reached approximately 19,000 as of April 4, 2012. Later, the U.S. Midwest and South were battered by a series of tornadoes as well as a major hurricane, while Thailand experienced extensive flooding and Turkey was hit by an earthquake.



Reuters/Aflo



Reuters/Aflo

The World's Major Natural Catastrophes in 2011

| | |
|----------|--|
| February | Australia: Cyclone Yasi; New Zealand: Christchurch Earthquake |
| March | Japan: Great East Japan Earthquake |
| April | United States: heavy winds and rain, tornadoes, forest fires, floods |
| July | Thailand: Thai floods (until December) |
| August | United States and Caribbean islands: Hurricane Iris |
| October | Turkey: Turkey earthquake |
| December | Philippines: Tropical storm Washi |

World's Economic Losses from Natural Catastrophes the Largest Ever Recorded

According to a survey by Munich Re, the world's economic losses from natural catastrophes in 2011 amounted to USD 380.0 billion, significantly topping the previous record-high losses of USD 220.0 billion recorded in 2005. Of this amount, economic losses from the Great East Japan Earthquake amounted to approximately USD 210.0 billion, accounting for more than half of the year's total. Meanwhile, the Thai floods virtually inundated entire industrial estates where Japanese companies have set up operations, causing damage not only to manufacturers of finished goods but also to numerous producers of basic components. This disrupted the supply chain and exerted a major impact on the world economy. The economic losses from the Thai floods reached USD 40.0 billion.



Natsuki Sakai/Aflo

Insurance claims paid by insurance companies in response to these catastrophes amounted to approximately USD 105.0 billion, which also represented an all-time high. Comparisons over the past 30 years reveal a sharp rise in the frequency of such natural catastrophes as earthquakes, tsunamis, floods and hurricanes. Although the risk of natural disasters caused by climate change has been rising every year, when and where such catastrophes will strike is unknown and avoiding such natural disasters is not possible.

For this reason as well, the Tokio Marine Group believes its mission is to make preparations for minimizing damage and to make insurance claims payments promptly and appropriately in the event of a catastrophe; support quick recovery and reconstruction following a disaster; and focus on activities to protect the Earth's environment on a regular basis.



Tokio Marine Group's Key Initiatives

E **Environmental** : Responding to Climate Change and Natural Disaster Risk **Key Issue 1**

- ▶ [Enhanced sophistication of natural catastrophe risk evaluation methods](#)
- ▶ [Supported Japanese-affiliated companies during the Thai floods](#)
- ▶ [Became carbon neutral](#)

S **Social** : Contributing to Local Communities and Societies **Key Issue 2**

- ▶ [Launched sales of One Day Auto Insurance](#)
- ▶ [Introduced insurance procedures that use tablet PCs](#)
- ▶ [Undertook initiatives for reconstruction in areas stricken by the Great East Japan Earthquake](#)

Sustainability Report 2012

Key Issue -Environmental-

Responding to Climate Change and Natural Disaster Risk

- Risk Research
- Provision of Insurance Products and Services
- Environmental Investment
- Consulting
- Reduction of Environmental Impact
- Preservation of Biodiversity
- Environmental Enlightenment and Social Contribution

▶ Environmental : Responding to Climate Change and Natural Disaster Risk Key Issue 1



Global warming and climate change have caused increased risks of typhoons, droughts, torrential rainfalls and other disasters around the world, posing a serious threat to our social lives. As risks of natural disasters are rising, which has been anticipated since the 1990s, insurance companies contribute to society by offering appropriate insurance products and making insurance payments.

The insurance business is closely related to climate change and risks of disasters. Naturally, response to these two threats is now considered a major management issue which the global insurance industry has to address in the medium to long term.

We believe that the mission of the Tokio Marine Group is to stably provide insurance products and risk management services against various risks and ensure "safety and security" in society. Insurance companies are also expected to provide various climate change and disaster risk solutions to society based on expertise accumulated in the insurance business encompassing the payment of insurance claims, risk assessment and asset management. In addition to providing products and services in developed countries, another important task of insurance companies is to encourage the establishment of a natural disaster risk insurance mechanism and disaster prevention and risk management practices in developing countries and regions vulnerable to the impact of climate change.

Since December 2006, the Tokio Marine Group has been promoting the Global Warming Research Project, a cross-organizational initiative led by Tokio Marine & Nichido, the Tokio Marine Research Institute and Tokio Marine & Nichido Risk Consulting. The project conducts research on climate change and disaster risks and develops and provides products and services that are designed to mitigate or adapt to climate change. Through these endeavors, the Tokio Marine Group will leverage its total strengths and proactively respond to new risks arising from climate change.



| | |
|--|--|
| ▶ Risk Research | ▶ Provision of Insurance Products and Services |
| ▶ Environmental Investment | ▶ Consulting |
| ▶ Reduction of Environmental Impact | ▶ Preservation of Biodiversity |
| ▶ Environmental Enlightenment and Social Contribution | |
| <ul style="list-style-type: none">▶ Environmental Enlightenment and Social Contribution▶ Participation in International Initiatives | |



Risk Research

With a view towards ensuring the stable supply of products and services in the future, the Tokio Marine Group has been actively engaged in research on risks concerning climate change and disasters, and promoting development and the provision of products and services tailored to these new risks.

Risks and Opportunities Associated with Climate Change

In 2007, the Intergovernmental Panel on Climate Change (IPCC) gave warning to the world by presenting the status, causes and impacts of climate change and associated adaptation and mitigation options in its Fourth Assessment Report. In 2012, the IPCC issued another report entitled "Special Report on Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation," placing special emphasis on adaptation to climate change and management of disaster risks.

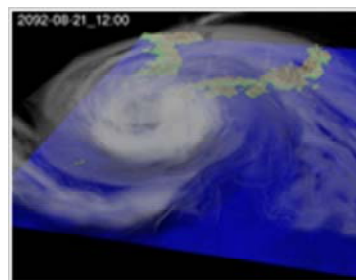
Although weather phenomena are natural occurrences that are beyond our control, we can at least prepare ourselves and adopt measures against climate change and increasing risks of disasters. The Tokio Marine Group regards climate change and evolving risks of disasters as "opportunities" and intends to provide confidence to customers and society at large by developing and offering adequate insurance products and risk management services. In these endeavors, we promote risk research and other activities to respond to climate change and risks of disasters.

Upgrading Natural Disaster Risk Assessment Approaches

In order to refine its natural disaster risk assessment approaches, the Tokio Marine Group combines statistical and engineering techniques that are based on data of past natural disasters and accidents with a meteorological process that uses climate models and other means to forecast future climate conditions.

■ To Use Findings in Developing and Providing Products and Services for Adaptation to Climate Change

Major changes in the frequency of natural disasters and the scale of damage due to climate change and global warming make it very difficult for insurance companies to calculate appropriate insurance premiums, set up adequate liability reserves against the payment of insurance claims in the future or make proper arrangements for reinsurance should they continue to rely only on the assessment of risks based on past statistical data. Accordingly, the Tokio Marine Group has been promoting research into future natural disaster risks by utilizing "climate models," which enable us to forecast future climate conditions based on computer simulations, in



Typhoon simulation model
Source: Japan Agency for Marine- Earth Science and Technology

addition to forecasts mainly utilizing past statistical data. We contribute to the realization of a sustainable society by linking research findings to the development and provision of products and services while disseminating this information to society.

(JAMSTEC) (top)
Nagoya University Hydrospheric
Atmospheric Research Center
(bottom)

In collaboration with the Atmosphere and Ocean Research Institute of The University of Tokyo, Tokio Marine & Nichido and the Tokio Marine Research Institute have been upgrading their natural disaster risk assessment approaches by integrating statistical and engineering techniques into meteorology and utilizing the world's top-class climate models developed by the university.

Through a partnership with the Hydrospheric Atmospheric Research Center of Nagoya University, Tokio Marine & Nichido and the Tokio Marine Research Institute have been conducting research on how variations in typhoon risks affect the amount of insurance claims paid by employing high spatial resolution models to analyze changes in the nature of typhoons occurring around Japan due to climate change.

Tokio Millennium Re based in Bermuda has been conducting surveys and research on climate change and global warming with a focus on North Atlantic hurricanes. To advance its research, Tokio Millennium Re has undertaken actions that include regularly holding the Summit on Global Warming and Climate Change, inviting frontline specialists who study climate change-related risks and provide an assessment of risks caused by natural disaster risks worldwide.

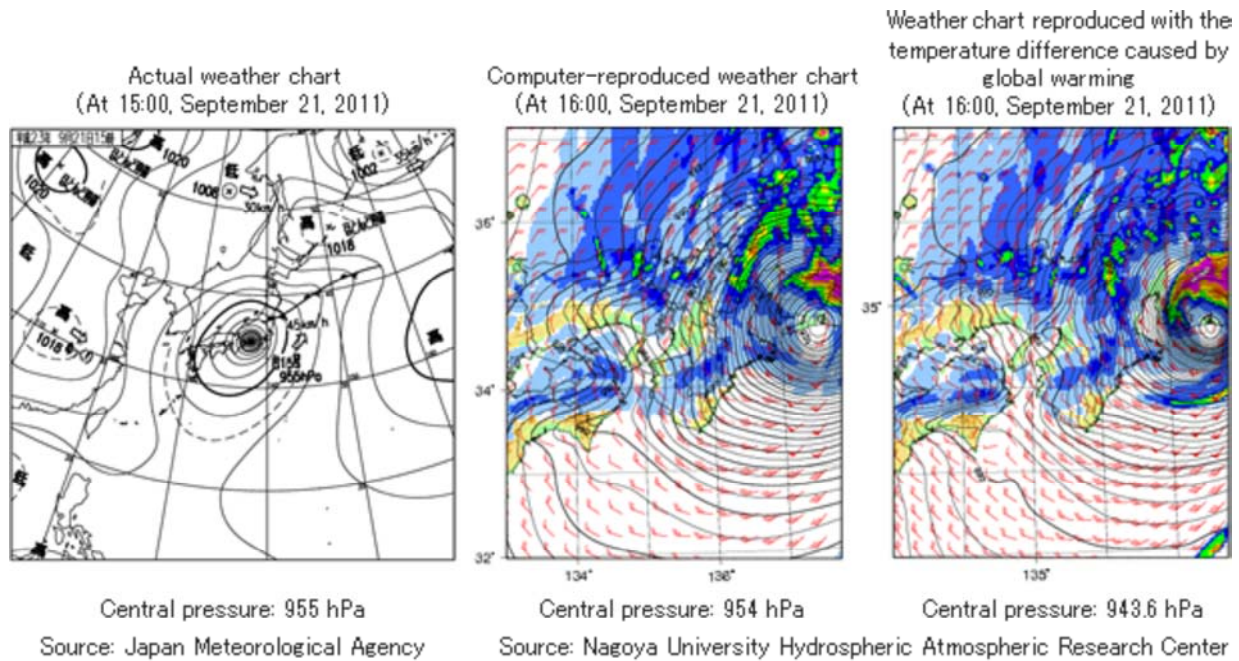
■ Using Climate Model Data of The University of Tokyo and High Spatial Resolution Models of Nagoya University to Reproduce the No. 15 Typhoon in 2011 with and without the Temperature Difference Caused by Global Warming

Jointly with The University of Tokyo and Nagoya University, the Tokio Marine Research Institute conducted a typhoon risk assessment using near-future forecasts of climate conditions in around 2030. The results revealed: (1) there would be an increase in the number of intense typhoons (with a minimum central pressure below 950 hPa); (2) typhoon paths would move eastward; and (3) the area in which typhoons typically form would expand into the northeastern part of the Northwest Pacific Ocean. The research outcome was presented at a symposium of the Meteorological Society of Japan. The Tokio Marine Research Institute also disseminates information related to global warming and natural disasters via its website and by various other means.

▶ [Tokio Marine Research Institute](#)

The chart on the left is the actual weather chart showing the location of the No. 15 typhoon in 2011, while in the center is a weather chart reproduced by using high spatial resolution models. The chart on the right is another weather chart reproduced by high spatial resolution models to which the difference between the current sea surface temperature and that after global warming (temperature difference caused by global warming) has been added.

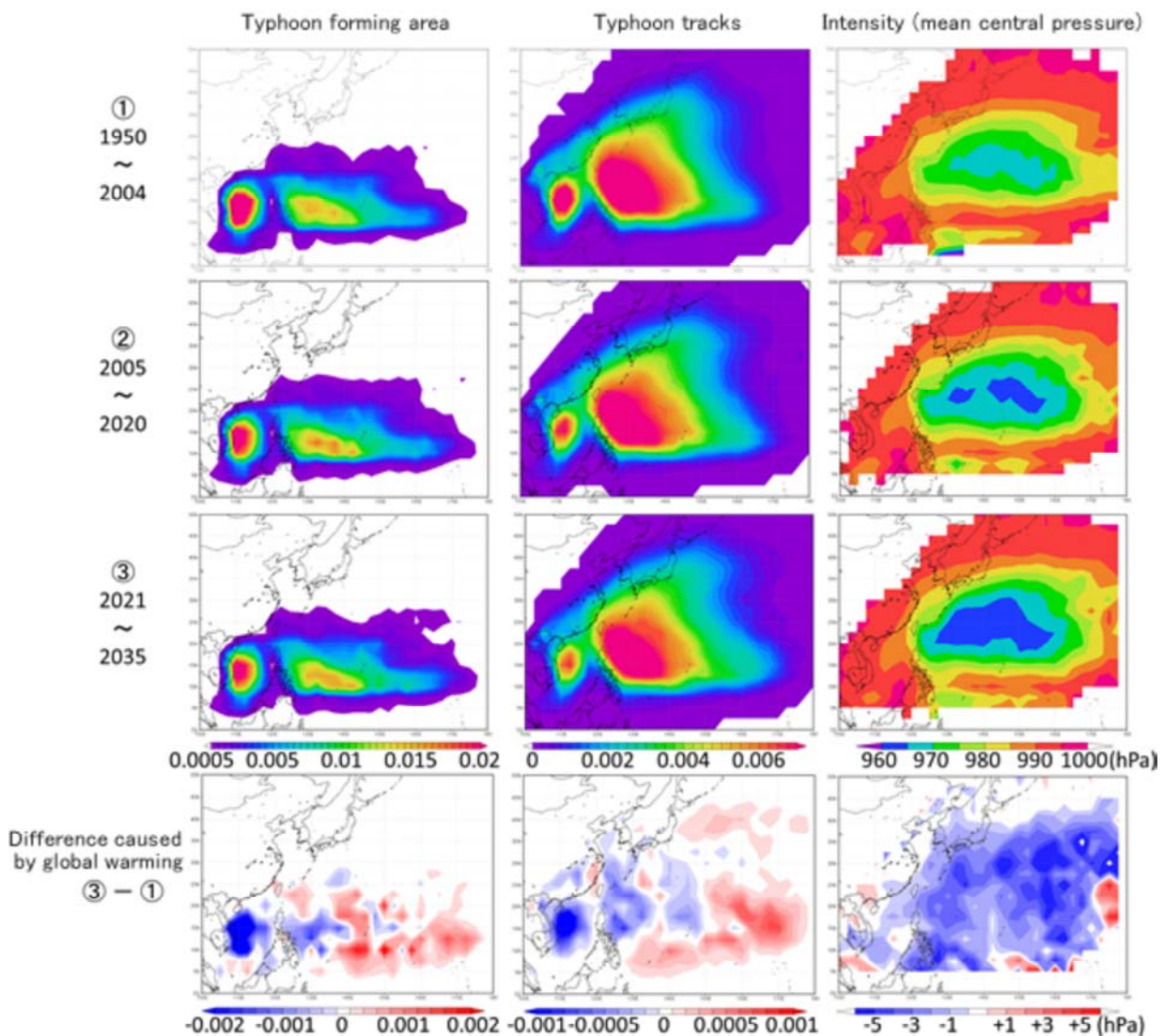
As can be seen from these charts, high spatial resolution models provide an effective means of realistically reproducing typhoons, and the results show that stronger typhoons are likely to occur due to global warming.



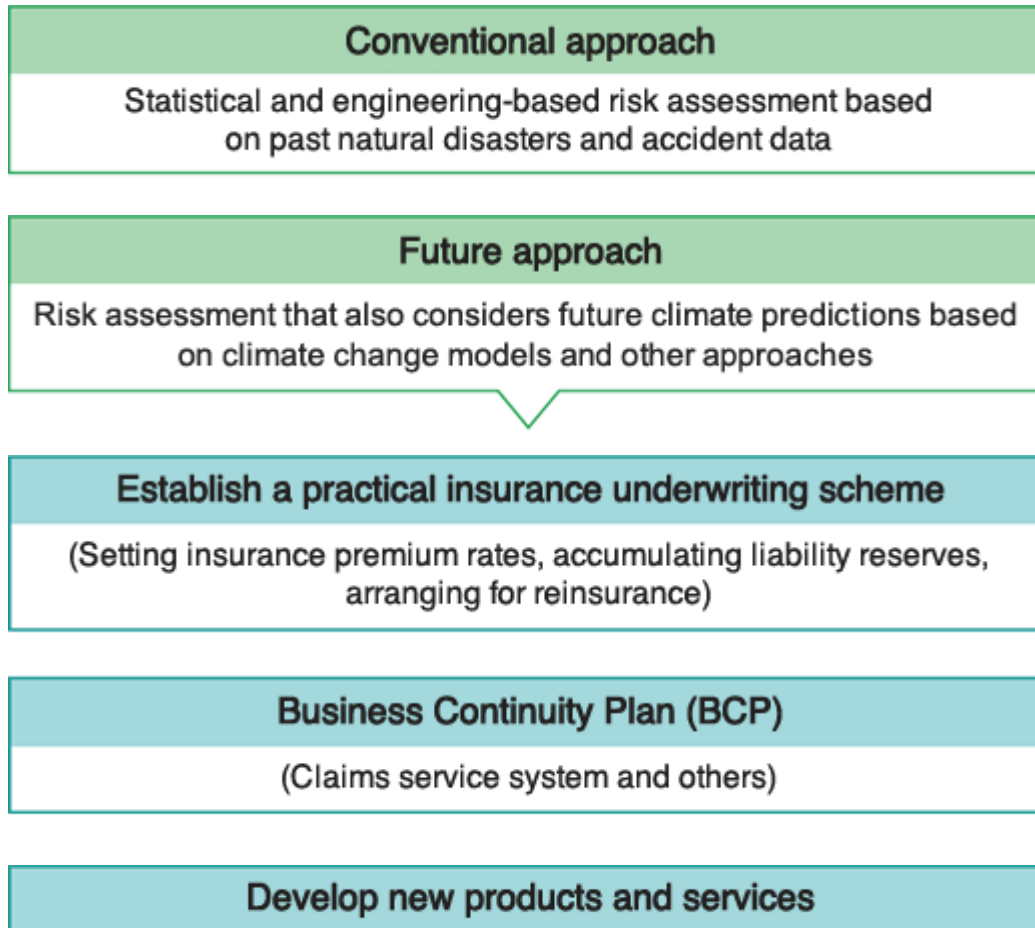
■ Projected Changes in the Nature of Typhoons Based on Climate Model Data of The University of Tokyo

The charts on the left show where typhoons form, and those in the center and on the right represent their paths and distribution of intensity (mean central pressure), respectively.

The charts at the bottom show the difference between the present and future conditions caused by global warming. In the left and center charts (typhoon forming area and typhoon paths), blue represents areas where less typhoons are expected in the future. Red, on the other hand, shows areas with more typhoons. In the chart on the right, the blue area is where lower central pressure is expected. As shown in these charts, the typhoon forming area and tracks of typhoons will move eastward, with their strengths likely to intensify.



■ Upgrading and Applying Natural Disaster Risk Assessment Approaches

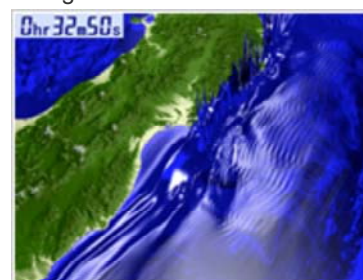


■ Linking Earthquake and Tsunami Risk Assessment to Safe and Secure City Development

In recent years, the world has experienced large earthquakes in Chile, off Sumatra Island, in Sichuan (China) and in eastern Japan, repeatedly sustaining devastating damage caused by these so-called "less-frequent" massive disasters. Against this backdrop, the Tokio Marine Group will leverage its know-how accumulated in the fields of disaster prevention and risk research from offering non-life insurance and risk consulting services to contribute to the safety and security of society.

Tokio Marine & Nichido signed an industry-academia collaboration agreement with Tohoku University in July 2011 and endowed a research program, "Earthquake Induced Tsunami Risk Evaluation (Tokio Marine & Nichido)," to the Endowed Research Division of the International Research Institute of Disaster Science (IRIDeS), Tohoku University, in April 2012. This endowed program analyzes tsunamis (distribution of wave height and arrival time) caused by the recent Great East Japan Earthquake and other massive earthquakes in the past. It also conducts research into sophisticated tsunami risk assessment techniques that integrate more reliable probability of occurrence data and damage estimates

Image of a tsunami simulation model

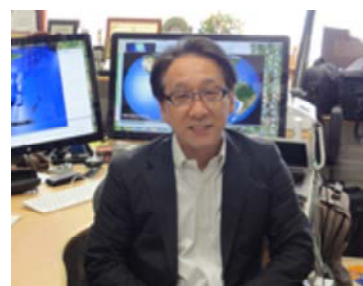


Source: Endowed Research Division (research program endowed by Tokio Marine & Nichido), IRIDeS, Tohoku University

(simulations) based on societal vulnerabilities and disaster preparedness in Japan and overseas. Through these research activities, Tokio Marine & Nichido will work to provide essential information required to formulate disaster mitigation plans for coastal areas and offer recommendations on disaster prevention and mitigation, including disaster preparedness education.

Jointly with insurance agents operating in disaster areas (Kesenuma, Sendai, Ishinomaki, Iwaki and other cities), Tokio Marine & Nichido has been participating in "Michinoku Shinroku-den," an archiving project of Tohoku University for the 2011 Great East Japan Earthquake. This industry-government-academia project creates and maintains records of the disaster areas from immediately after occurrence of the earthquake up to recovery and reconstruction. These records are used by Tohoku University to gain multifaceted insight into what actually happened in these areas. The aim of the project is to pass down lessons learned during and after the Great East Japan Earthquake for improved disaster preparedness and resilience.

Building systematic mechanisms and approaches to earthquake and tsunami risk assessment allows more reliable risk projections. We intend to use these estimates as a basis for developing disaster mitigation plans for coastal areas and help create a safer and more secure society. Tsunami-related risks, in particular, are a new field that has not been explored in the past, and the research outcome will be very valuable for both Japan and other countries. We plan to conduct risk assessment in and outside Japan to support systematic, precautionary disaster prevention and mitigation. Moving one step further, we also aim to build a system of "disaster avoidance," which focuses on minimizing disaster damage by eliminating risks.



Professor Fumihiko Imamura
IRIDeS, Tohoku University

► [Endowed Research Division, IRIDeS, Tohoku University](#)

Provision of Insurance Products and Services

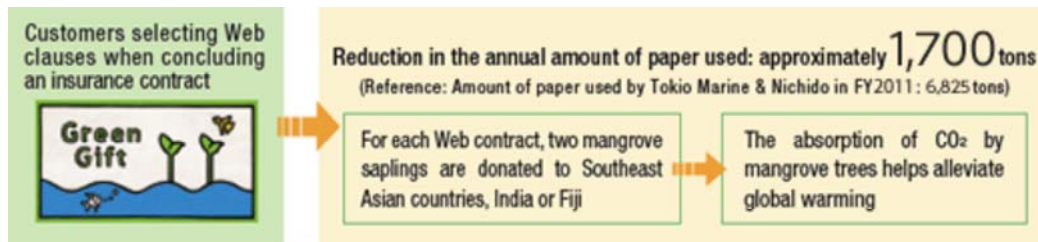
The amount of damage caused by climate change is on the rise globally. The Tokio Marine Group has set up a cross-organizational climate change and global warming working group that is advancing the development of products and services that leverage the accumulated know-how of the Tokio Marine Group and adapt to climate change.

Climate Change

Green Gift Project - Presenting Forests to the 22nd Century

With the support of its customers, Tokio Marine & Nichido initiated the Green Gift Project in May 2009 to reduce environmental impact (i.e., use of paper) by giving policyholders a choice of viewing their respective policies via the company website (Web contract) rather than by receiving them in paper form. To promote its Mangrove Planting Project, the company makes monetary donations equivalent to two mangrove trees per one customer choosing this Web contract.

In fiscal 2011, 77.8% of customers buying auto insurance and "Super Insurance" switched to paperless Web contracts.



From September 2010, Tokio Marine & Nichido has designated customers who participate in the Green Gift Project as its Green Gift Partners and has undertaken a variety of initiatives that give customers a genuine sense that they are participating in and contributing to global environmental protection and social contribution activities.

Tokio Marine & Nichido launched the Green Gift Project website. This website is showing mangrove planting activities in each region, growth of mangrove saplings and how people live in these regions by maps, photographs and videos.

The company reports the amount of CO₂ absorbed by mangroves planted to date.

The company will hold eco-volunteer tours to Iriomote Island in Okinawa (Japan) and to Southeast Asian countries, as well as seminars and various events for customers.

- ▶ [Tokio Marine & Nichido Green Gift Project \(in Japanese\)](#)
- ▶ [Nisshin Fire Web contract \(in Japanese\)](#)
- ▶ ["Creating Mangrove Forests"](#)

Acquired First Auto Insurance Eco Mark Certification for Financial Products

In December 2010, Tokio Marine & Nichido acquired the first auto insurance Eco Mark^{*1} certification for financial products from the Japan Environment Association (JEA) for its efforts to promote various initiatives in the environment-related field. These included promotion of the Green Gift Project, dissemination of information on eco-safe driving and accident reduction via the company website, increased use of recycled parts in auto repairs and premium discount services for hybrid, electric and compressed natural gas vehicles.

In 2011, Tokio Marine & Nichido won the Silver Prize in the Eco Mark Award 2011^{*2} sponsored by JEA, becoming the first company in the financial industry to receive an Eco Mark award. In granting the award, JEA highly recognized the company's efforts to promote the widespread use and increase the visibility of Eco Mark certified auto insurance products (creation of Eco Mark awareness posters and extensive use of the Eco Mark label on auto insurance leaflets and renewal notices) and to offer eco-friendly auto insurance that allows policyholders to participate in activities to reduce environmental impact through the Green Gift Project. Becoming carbon neutral in its domestic business activities in fiscal 2009 and fiscal 2010 was another point that was highly valued by JEA.



^{*1} The Eco Mark environmental label is granted to products that are certified as having less impact on the environment throughout their lifecycles and being effective in preserving the environment.

^{*2} The first award scheme established in 2010 in relation to the Eco Mark. Presents awards to companies and organizations proactively engaged in activities to achieve the objective of the Eco Mark project: "Creation of a sustainable society through the wise choice of environment-friendly products by consumers and environment improvement efforts by companies."

Fleet Accident Reduction Assist Rider and Eco-Safe Driving Assessment

Corporate customers using automobiles in their business activities want to keep the occurrence of car accidents to a minimum, if not avoidable, and obtain steady and long-term savings on auto insurance premiums. To respond to these needs by way of insurance as a professional in auto accident prevention, Tokio Marine & Nichido provides a Fleet Accident Reduction Assist Rider that combines auto insurance and a risk-specific consultation service called the High Accident Rate Response Program. This optional rider assists companies in reducing car accidents and related social costs (lower corporate credibility, loss of business opportunities and costs for accident response) and helps them make a greater contribution to preservation of the environment by means of eco-safe driving.

Tokio Marine & Nichido promotes safety and security for customers through this optional rider and contributes to the development of an enriched and comfortable social life and economic growth of society by reducing accident-related social costs and eliminating wasteful fuel use caused by reckless driving.

▶ [Tokio Marine & Nichido Risk Consulting: Traffic Risk Consulting service \(in Japanese\)](#)

Post-Accident Auto Repairs Friendly to the Environment

Tokio Marine & Nichido and Nisshin Fire & Marine Insurance ("Nisshin Fire") have been undertaking an initiative to promote environment-conscious auto repairs following accidents with the cooperation of customers. This initiative encourages the repair, not replacement, of parts damaged in an accident or the use of recycled or rebuilt parts if the damage is beyond repair, to reduce industrial waste and utilize resources more effectively. Following "The Declaration of the Promotion of the Use of Recycled Parts," a joint statement made by the General Insurance Association of Japan and its member insurance companies, we have decided to step up this initiative by generally requiring the use of recycled parts when repairing company-owned vehicles and encouraging their use in personal vehicles of employees.

For the same purpose, Nisshin Fire provides an environment-conscious auto insurance, "Asante," which provides a 10% discount on insurance premiums if a car repair is done using recycled parts at one of the automobile repair shops specified by the company.

▶ [Nisshin Fire "Asante" \(in Japanese\)](#)



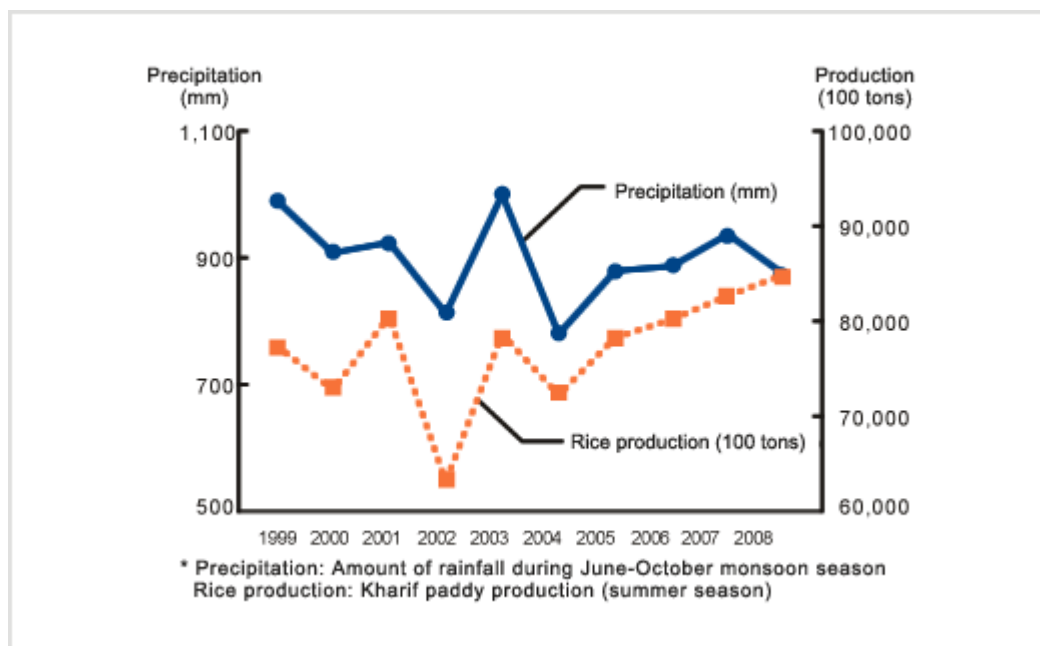
"Asante" environment-conscious auto insurance

Weather Insurance in India

India is an agricultural country with approximately 60% of the working population involved in farming. Many regions, however, do not have a system of irrigation, and about 70% of agricultural water relies on rainwater, making the country particularly vulnerable to drought and other unusual climates. In 2002, for example, almost 60% of the land did not get enough rainfall during the June to October monsoon season, and agricultural production declined by more than 13%. A drought of this magnitude could cause serious economic damage to farmers, sometimes forcing them to sell their livestock and land.

Our desire as an insurance company to counter the situation in India has led to the development of "weather insurance." Insuring risks associated with climate change means that we help farmers achieve a stable living and simultaneously contribute to the stabilization of the food supply in the world.

Correlation between Rainfall and Paddy Production (1999-2008)*



In 2001, the Tokio Marine Group established IFFCO-TOKIO General Insurance Co., Ltd., a joint venture with Indian Farmers Fertilizer Cooperative Ltd. (IFFCO), to begin development of weather insurance. IFFCO is the largest public company in India handling fertilizer.

In designing weather insurance, the Tokio Marine Group used its know-how in weather analysis and the precipitation data collected by observation stations of the Indian Meteorological Department (IMD) located throughout the country to calculate the probability of occurrence of drought in each region. Based on the results of calculation, the Group successfully created a weather insurance product with coverage for rainfall fluctuations, paying fair benefits according to the difference between the average and actual precipitation amounts in each region during the monsoon season, not for a poor harvest. This weather insurance contributes to increased livelihood stability for farmers.

IFFCO-TOKIO has been providing the weather insurance since May 2004. With the percentage of insurance policyholders remaining below 1% in India, it is necessary to explain how insurance works before expanding sales

of its weather insurance. For this purpose, IFFCO, as an agent of IFFCO-TOKIO, has been dispatching staff to villages in provinces across the country and holding study meetings with villagers. Currently, the company's weather insurance has about 70,000 customers, many voicing their gratitude for receiving benefits during a drought-caused hardship. In the face of increased risks on agricultural production arising from climate change, this insurance product is expected to become closely intertwined with lives in rural villages in the future. Through its weather insurance, IFFCO-TOKIO strives to take part in achieving sustainable development of agriculture in India.

► [IFFCO-TOKIO Weather Insurance](#)

Environmental Impairment Liability Coverage Offered by Philadelphia Insurance Companies

In response to the growing need for ensuring compliance with environmental regulations, U.S.-based Philadelphia Insurance Companies (PHLY) offers environmental insurance products with environmental impairment liability coverage against various risks, including impairment liability for contamination of the environment, for manufacturers, processing companies, pharmaceutical firms, hotel operators and real estate agencies.

These insurance products protect policyholders from impairment liability for damage to third parties and remediation expenses caused by environmental contamination, thereby contributing to the protection of the natural environment and the health of local residents while encouraging the promotion of regional industries.



► [Philadelphia Insurance Companies Environmental Products](#)

First Insurance Product Responding to Carbon Credits

U.K.-based Kiln Group Limited has commenced underwriting of an insurance product that covers carbon credit eligibility risk from April 2011.

Under the EU Emissions Trading Scheme, companies and investors can purchase the rights in advance to buy carbon credits at a given price that will be generated as credits at a later date. However, as a result of discussions for reviewing credit certification standards from 2012 onwards, concerns have been raised over various aspects such as emissions reductions of trifluoromethane (HFC-23) and nitrous oxide (N₂O) generated from adipic acid production projects will no longer be approved as credits.

Parhelion Underwriting Ltd., an insurance company based in the U.K. specialized in emissions trading, has developed the current insurance product to cover this certification risk and Kiln implemented the underwriting for a major bank. With this initiative, Kiln will address risks in the emissions trading market, thereby promoting investments in reduction projects with the aim of contributing to climate change countermeasures.

► [Kiln Carbon Credit Insurance](#)

Disaster Risks

Offering a New Rider for Auto Insurance in Case of Total Vehicle Loss from an Earthquake, Volcanic Eruption or Tsunami

Based on the experience gained from the Great East Japan Earthquake, Tokio Marine & Nichido developed a new rider for auto insurance to ensure a means of transportation that is essential to the daily life of customers affected by an earthquake, volcanic eruption or tsunami. This new rider, offering a lump-sum claim payment for total vehicle loss caused by an earthquake, volcanic eruption or tsunami, became available in January 2012.

In order to enable swift payment of claims in the event of a major earthquake, insured vehicles that have been completely written off will automatically receive a uniform amount of 500,000 yen regardless of their values (or the amount that is equal to the vehicle value if it is below 500,000 yen).

▶ [Tokio Marine & Nichido Auto Insurance \(in Japanese\)](#)



Early Disaster Recovery Support Service through a Tie-up with BELFOR

Tokio Marine & Nichido has formed a partnership with BELFOR (Japan) Co., Ltd., a company possessing highly specialized technologies in the disaster recovery support field, and has been providing the Early Disaster Recovery Support Service for customers. BELFOR uses its precision cleaning techniques to restore the condition and functions of contaminated equipment and facilities, for which replacement was the only option available in the past. This helps reduce the business interruption period significantly and is particularly effective in case of customized facilities which require a considerable time to replace.

Tokio Marine & Nichido has started to add a new rider to essentially all of its property insurance* for corporate customers to cover the expenses for emergency stabilization measures from January 2011, allowing policyholders to use the disaster restoration service of BELFOR under specified conditions without incurring additional costs.

The availability of the Early Disaster Recover Support Service jointly provided by Tokio Marine & Nichido and BELFOR has expanded from Japan to the United States in 2006, to Europe in 2008 and to Southeast Asia in 2010. We now have a system to provide support for the early recovery of business operations to customers throughout the world.

* Excluding forest fire insurance and Super Business Insurance that does not cover property damage and loss arising from suspension of operations

Flow of early disaster recovery support

Step 1

Verification of disaster and contamination

Upon being informed by a customer of the occurrence of a disaster or accident, we contact BELFOR after obtaining consent from the customer for dispatching a crew. BELFOR immediately visits the damaged site, conducts an on-site inspection and draws up a "contamination map" that identifies contaminated areas within the site.

Step 2

Emergency stabilization measures

To prevent further damage, BELFOR applies emergency stabilization measures, as necessary, to inhibit the progression of corrosion and rust in facilities.

Step 3

Proposal of an optimal recovery plan

We propose an optimal recovery plan to the customer.

Step 4

Full-scale restoration by BELFOR



During full-scale recovery operations, BELFOR conducts the dismantling of facilities contaminated with smoke due to fire or mud caused by flooding, precision cleaning that uses its special technologies, drying, reassembling and a final inspection of the reassembled facilities.



Contaminated equipment

Equipment after precision cleaning

▶ [My relations with CSR: "Providing Early Disaster Recovery Service"](#)

Thai Flood Task Force to Ensure Insurance Payments and Support Early Recovery

Immediately following the flooding in Thailand, the Tokio Marine Group set up a Thai Flood Task Force at its Group companies in Tokyo, Thailand and Singapore. Employees were dispatched to Thailand from Japan and Singapore to check the status of damage sustained by local Japanese companies and their employees and provide every possible support to ensure smooth insurance payments. Payment of insurance claims is still an ongoing effort, but the Tokio Marine Group is expected to make the greatest amount of claim payments among other natural disasters that have occurred overseas.

The flooding affected locally operating companies and caused a disruption of supply chains and suspension of product and service supplies. Its effects spread globally, even forcing factories with no physical damage to close down or reduce production volumes.

In addition to making insurance payments, the Tokio Marine Group delivered a recovery guidebook entitled For Early Recovery from Flood Damage and worked to provide detailed insurance-related information to affected corporate customers. The Group also assisted their early recovery by informing the availability of services of BELFOR, a company specialized in disaster recovery, which included surveys of damage on equipment and facilities and precision cleaning using the company's special know-how. Moreover, the Group published a booklet, Lessons Learned from the Flooding in Thailand: Points to Consider in Developing Flooding Risk Countermeasures at Overseas Bases, in order to provide reference materials for customers in developing their risk countermeasures.



Environmental Investment

The Tokio Marine Group strives to take an environment-conscious approach in its investment and financing operations.

Integrating Environmental Consciousness into Investment Products

Tokio Marine Asset Management provides "Premium World," an environmental investment trust fund to invest in Japanese and other companies involved in activities under the following themes. These themes are related to environmental or social issues arising from the growing economies and increasing population in the world, which need to be sustained or improved.

● **Environmental**
(e.g., global warming and clean energy)

● **Water and foodstuffs**
(e.g., stable supply of water and food and enhanced productivity)

● **Medical services and healthcare**
(e.g., medical techniques and promotion of better health)

For institutional investors, the company launched a socially responsible investment (SRI) fund targeting Japanese companies in January 2006. Leveraging the comprehensive risk management know-how of the Tokio Marine Group, this fund aims to obtain long-term and stable added value based on the Group's unique environmental, social, governance and risk management (ESGR) analysis and evaluation. In March 2010, the company also launched mutual funds for overseas institutional investors.

In the future, Tokio Marine Asset Management intends to fulfill its social responsibilities as an institutional investor and improve investment performance over the long term while giving due consideration to ESG issues in its asset management operations.



Launching a Solar Energy Fund

At the end of August 2012, Tokio Marine Asset Management rolled out a new fund for institutional investors, including corporate pension funds, to invest in solar power plants. The new fund, "TM Nippon Solar Energy Fund 2012," is the company's first investment product targeting Japan's national infrastructure, with assets under management amounting to approximately 9 billion yen and the investment period covering approximately 20 years.

This fund plans to distribute its investment among 10 large solar power plants in Japan and provides returns to investors from sales of power generated by these facilities.

Japan initiated a feed-in tariff (FIT) system for reusable energy sources in July 2012 with a view to increasing the use of solar, wind and other reusable energy. The system requires all users of electricity, including businesses and households, to pay a surcharge on electricity generated from renewable sources. TM Nippon Solar Energy Fund 2012, which is based on this FIT system, is designed to return investment income to citizens of Japan through corporate pensions funds, the major investor of the fund.

Tokio Marine Asset Management believes that this fund will contribute to the diversification of energy sources. By offering investment opportunities of social significance through this fund, the company strives to fulfill its social roles and responsibilities as an asset management company.



Signed the United Nations-Backed Principles for Responsible Investment (PRI)

Recently, there has been increasing demand on asset owners (investors) and asset management companies to enforce their social roles and responsibilities via responsible investment.

The Principles for Responsible Investment (PRI) require investors to consider environmental, social and governance (ESG) aspects of potential investees in making investment decisions.

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

On April 1, 2011, Tokio Marine Asset Management signed the United Nations-backed Principles for Responsible Investment (PRI) initiative, accepting these principles as an asset management company.

Before joining the initiative, Tokio Marine Asset Management had already established a responsible investment committee comprised of chief asset managers and a responsible investment group to develop basic policies concerning responsible investment and define an organization and processes to conduct investment accordingly.

As an insurance company, Tokio Marine & Nichido also supports these principles and signed the PRI initiative on August 1, 2012.

Tokio Marine & Nichido had also engaged in ESG-conscious activities in its investment department, such as conducting negative screening of compliance and environmental risks concerning potential investees to avoid undesirable investments.

The Tokio Marine Group will make efforts to gain deeper insight into responsible investment and continue to fulfill its social responsibilities in its investment and financing operations.



Consulting

The Tokio Marine Group leverages the knowledge and expertise it has accumulated in the field of risk research to promote comprehensive support for corporate customers in making provisions for climate change and disaster risks.

Climate Change

Environmental Consulting

Tokio Marine & Nichido Risk Consulting supports an array of climate change countermeasures in corporate management. As one example, the company provides a program to support development of corporate carbon management strategies as a means to conduct comprehensive management of CO₂ emission sources. Under the program, the company helps corporate customers identify the overall picture of CO₂ emissions from their business activities and assists them in defining organization-wide carbon management strategies, including reduction targets and specific action plans. These strategies are based on medium- to long-term regulatory trends as well as clients' respective business strategies and positions in the industry. As for measures to be adopted for individual emission sources, the company provides assistance in terms of lifecycle assessment (LCA) and carbon footprint calculation for quantitative analysis of the environmental impact of each product over its lifecycle. To promote energy-saving activities in business offices, the company provides support both in terms of hardware (energy-related facilities and systems) and software (energy management structures). Other initiatives include a program to promote eco-friendly driving, a service specialized in the automobile field.

▶ [Tokio Marine & Nichido Risk Consulting \(in Japanese\)](#)

Lifecycle Assessment (LCA) and Carbon Footprint Calculation Support Service

Certification of Lifecycle Environmental Impact of Customers' Products from Procurement of Raw Materials to Disposal

Companies have a significant impact on society through supplying products and services and are now required to undertake measures to mitigate global warming throughout their business operations in addition to energy-saving and other efforts in their offices and plants. Tokio Marine & Nichido Risk Consulting provides a service to support LCA and carbon footprint calculation, the first process in designing countermeasures to be integrated into products and services.

This service is designed to identify how much resources and energy are channeled into or released from each lifecycle stage of a product. It assists companies in conducting an LCA that converts the volume of resources/energy thus identified into the amount of environmental impact, namely CO₂ emissions. LCA is used for quantitative certification of the environmental impact of each product.

Certification of the volume of CO₂ emissions provides precise numerical data to customers, allowing them to identify issues, gain concrete proof for matters only known qualitatively and gather objective figures from a third-party perspective. These concrete data and information on CO₂ emissions are proactively used in their various

initiatives, for internal and external distribution, and for improving processes and parts that generate a considerable amount of CO₂ emissions.

Voice LCA and Carbon Footprint Calculation Support Service

Japan Drum Reconditioners Association

We have been taking a significant role in reducing environmental impact through drum reuse activities. The LCA and Carbon Footprint Calculation Support Service of Tokio Marine & Nichido Risk Consulting has enabled us to gain a quantitative understanding of the degree of our contribution in terms of greenhouse gas emissions (new drum vs. reused drum = 7:1).

The Association is now encouraging its member companies to conduct measurements using the same technique so as to eliminate variations in our numerical data. The results of the survey have made us renew our determination to achieve a greater reduction in greenhouse gas emissions and promote the reuse of drums.

Disaster Risks

Natural Disaster Consulting

Tokio Marine & Nichido Risk Consulting employs original analysis models to quantitatively identify earthquake and typhoon risks that may vary among regions or types of facilities and, based on these prior analysis results, provides cost effective risk mitigation solutions for customers. For risks concerning earthquakes, in particular, the results of field surveys and document reviews are used to develop estimates of earthquake damage and provide consulting on mitigation of earthquake damage. Other services include the review of real estate structural calculation data, diagnosis of antiseismic capability of buildings and consulting based on tsunami damage simulation models.

- ▶ [Tokio Marine & Nichido Risk Consulting Natural Disasters Consulting \(in Japanese\)](#)

Consulting for Establishment of Business Continuity Management (BCM)

Tokio Marine & Nichido Risk Consulting provides support for the establishment of business continuity management (BCM), a practice to develop, maintain and constantly improve business continuity plans (BCPs) encompassing supply chains. BCPs serve to protect companies from earthquakes, floods, infectious diseases and other contingencies. In addition to providing assistance to each stage of BCM establishment, from introduction and development to operation, the company collaborates with BELFOR, the world's largest disaster recovery specialist, to offer early disaster recovery services to disaster-affected business and production sites.

- ▶ [Tokio Marine & Nichido Risk Consulting Business Continuity Management \(BCM\) \(in Japanese\)](#)
- ▶ [Tokio Marine & Nichido Risk Consulting Early Disaster Recovery Support Service by BELFOR \(in Japanese\)](#)



Reduction of Environmental Impact

The Tokio Marine Group consumes considerable volumes of paper and energy in its business activities. The Group has been making continued efforts to reduce its environmental impact to the extent possible.

Promotion of Environmental Management Systems

The Tokio Marine Group continues to push for protection of the global environment by appointing CSR key personnel in each of the principal Group companies to promote related activities.

Our Group companies in Japan and overseas have introduced their own unique environmental management system (EMS) known as "Green Assist" to accelerate their efforts to protect the global environment through implementation of the Plan-Do-Check-Act (PDCA) cycle and reduce environmental impact from their business activities. The head office of Tokio Marine & Nichido and Tokio Marine & Nichido Facilities adopted an EMS based on the ISO 14001 environmental management standard in fiscal 1999 and 2006, respectively. In addition, the scope of coverage for the environmental impact data was expanded to cover Group companies and have now achieved approximately 100% coverage on a consolidated basis.

Internal and external audits conducted in accordance with the ISO 14001 standard have revealed no major problems or violations of environmental laws, and there have been no environment-related complaints from customers regarding the Tokio Marine Group.

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 is committed to realizing 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 coexist in harmony with the environment.

Environmental Policy

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

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

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

Concept for Reducing Environmental Impact

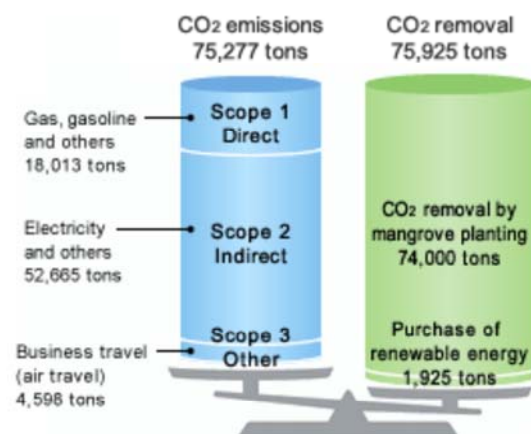
Environmental impact caused by business activities of the Tokio Marine Group is relatively small compared with companies in the manufacturing industry; however, the size of the Group makes it a large consumer of paper and energy. In order to reduce environmental impact wherever possible, we have positioned initiatives for reducing environmental impact as one of our "Key CSR Issues." The entire Tokio Marine Group (Japan/overseas) made efforts to become carbon neutral* by the end of fiscal 2011 under the following strategic concepts.

1. Reduce: Use energy-efficient buildings and facilities and cut back on energy usage.
2. Switch: Switch to natural energy.
3. Offset: Absorb and stabilize CO₂ by mangrove planting and retirement of emissions credits.

* A carbon neutral state means that CO₂ emitted in the course of a company's business activities is equivalent to the volume of CO₂ absorbed and reduced by way of mangrove planting, use of natural energy and retirement of emissions credits by such a company.

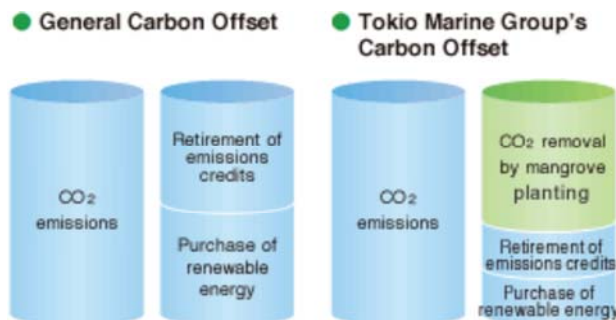
Becoming Carbon Neutral

As a result of environmental impact reduction efforts undertaken by each of the Tokio Marine Group companies, we became carbon neutral on a global basis by successfully offsetting CO₂ emissions from business activities as of the end of fiscal 2011 by CO₂ absorption and stabilization through the planting of mangroves* and purchase of Tradable Green Certificates (wind and biomass). Mangrove trees absorb and fix large volumes of CO₂ and are effective in mitigating and preventing global warming. We have decided to utilize these characteristics of mangrove trees to offset our CO₂ emissions in our effort to become carbon neutral. This is truly a unique initiative in Japan and in the world.



* The calculations of the amount of CO₂ emissions, CO₂ absorption and stabilization through mangrove planting and CO₂ reduction through the purchase of renewable energy in fiscal 2011 have been verified by a third-party organization (Ernst & Young ShinNihon Sustainability Institute Co., Ltd.).

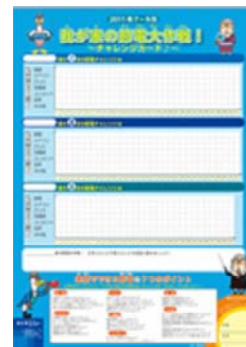
Mangrove Planting for CO₂ Absorption and Stabilization



* Tokio Marine & Nichido's Mangrove Planting Project was initiated in 1999 in Southeast Asia and other regions, under the concept of "insurance for the future of the Earth." As of fiscal 2011 (the end of March 2012), the project had planted 7,543 hectares of new forest in these regions.

Energy and Power Saving Efforts

In response to the tight energy supplies resulting from the 2011 earthquake and subsequent nationwide restrictions on power use, each Tokio Marine Group company implemented a range of initiatives to save power in the summer and winter of 2011. Summertime power saving efforts at offices included switching off lights and setting the temperature of air conditioners at 28 degrees Celsius. Major business bases of the Tokio Marine Group proactively adopted a work from home system and rotational lunch shifts, while reviewing the way employees work for improved work efficiency. At large buildings of Tokio Marine & Nichido, replacement of less energy efficient air conditioners and lighting equipment was also conducted.



For employees and agents, we handed out a leaflet, *Power Saving Checksheet: Save Electricity at Home!*, to promote household power savings.

The Tokio Marine Centre in Singapore Received Merit Award

The Tokio Marine Centre (TMC), the Singapore-based Asia headquarters of the Tokio Marine Group, received a Merit Award for its excellent design and engineering safety.

The TMC is also an eco-friendly building, as it saves electricity through the use of low-energy air conditioning and lighting and makes efficient use of water by rainwater harvesting, with an abundance of greenery on the premises.

▶ [Tokio Marine Singapore Insurance](#)



Helping Suppliers and Agents Reduce Environmental Impact

Tokio Marine & Nichido assists agents operating auto repair shops in receiving certification and registration under the Eco-Action 21 environmental management system, an environmental activity evaluation program for small- to medium-sized companies developed by the Ministry of the Environment. Specifically, the company holds seminars to explain processes required for the certification and offers practical support for agents wishing to receive such services. Through these support activities, auto repair shops of 81 companies successfully acquired the certification by the end of fiscal 2011.



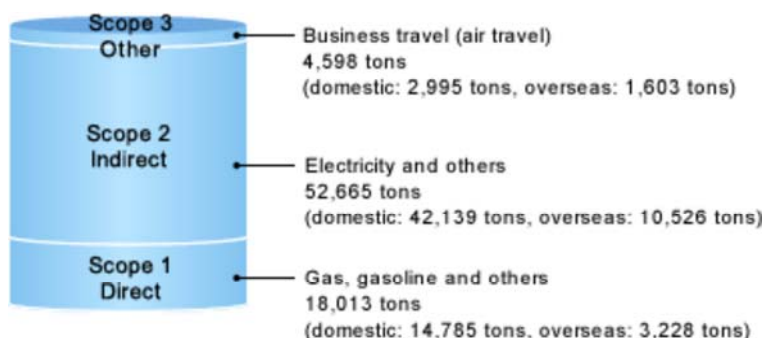
Environmental Impact Data

CO2 Emissions from Energy Use

Total CO2 emissions by the Tokio Marine Group in fiscal 2011 amounted to 75,277 tons, including 59,919 tons in Japan and 15,358 tons overseas, up 2.2% from the previous fiscal year. The major contributing factors were the expansion of the Group's overseas business operations and shutting down of nuclear power plants in Japan. In fiscal 2012, the Tokio Marine Group aims to maintain the fiscal 2011 level and is working toward achieving this goal.

| | |
|----------------------------|--------------------------|
| Unit: tons | |
| Reduction target in FY2011 | 75,277 |
| Reduction target in FY2012 | To maintain FY2011 level |

| | | FY2009 | FY2010 | FY2011 |
|---------|---|-----------------|-----------------|-----------------|
| Scope 1 | Direct (gas, heavy oil, gasoline and others) | 17,789 | 17,231 | 18,013 |
| | | Domestic 15,048 | Domestic 13,790 | Domestic 14,785 |
| | | Overseas 2,741 | Overseas 3,442 | Overseas 3,228 |
| Scope 2 | Indirect (electricity, cold/hot water and others) | 63,882 | 52,147 | 52,665 |
| | | Domestic 49,446 | Domestic 43,800 | Domestic 42,139 |
| | | Overseas 14,436 | Overseas 8,347 | Overseas 10,526 |
| Scope 3 | Other (business travel by air) | 3,940 | 4,314 | 4,598 |
| | | Domestic 3,773 | Domestic 2,645 | Domestic 2,995 |
| | | Overseas 167 | Overseas 1,669 | Overseas 1,603 |



Environmental Impact Data (Tokio Marine Group - Companies Included in Consolidated Financial Statements)

| | Units | FY2009 | FY2010 | FY2011 |
|--------------------------|---------------------|---------|---------|---------|
| Electricity consumption | 1,000 kWh | 142,642 | 138,196 | 133,527 |
| Gas consumption | 1,000m ³ | 1,965 | 1,861 | 1,688 |
| Other fuel consumption | GJ | 45,891 | 42,495 | 35,271 |
| Gasoline consumption | kℓ | 5,559 | 5,515 | 6,360 |
| Business travel (by air) | 1,000km | 26,970 | 29,686 | 39,482 |
| Paper consumption | t | 11,535 | 10,637 | 9,132 |

The subject, activities and CO₂ emission, removal volumes and retirement of emission credits are pursuant to ISO 14064-1 and the "Calculation, Reporting and Publication System for Greenhouse Gas Emissions based on the Act on Promotion of Global Warming Countermeasures."

"Business travel (by air)" shows data corresponding to 77.7% of the entire Group (on the basis of the number of employees).



Environmental Impact Data (Tokio Marine & Nichido)

CO₂ Emissions Reduction Targets

- Fiscal 2012 target: To maintain fiscal 2011 level
- Medium-term target (fiscal 2020): 40% reduction (compared with fiscal 2006 level)
- Long-term target (fiscal 2050): 60% reduction (compared with fiscal 2006 level)

| | Units | FY2009 | FY2010 | FY2011 |
|--------------------------|---------------------|--------|--------|--------|
| Electricity consumption | 1,000kWh | 99,352 | 96,365 | 88,159 |
| Gas consumption | 1,000m ³ | 1,065 | 1,199 | 1,003 |
| Other fuel consumption | GJ | 42,785 | 39,551 | 34,967 |
| Gasoline consumption | kℓ | 2,841 | 2,827 | 2,857 |
| Business travel (by air) | 1,000km | 19,500 | 5,825 | 3,670 |
| Water consumption | 1,000m ³ | 370 | 347 | 354 |
| Paper consumption | t | 9,503 | 7,624 | 6,825 |
| Waste | t | 2,153 | 1,902 | 2,247 |
| Recycling rate | % | 66 | 66 | 69 |

* The subject, activities and CO₂ emission, removal volumes and retirement of emission credits are pursuant to ISO 14064-1 and the "Calculation, Reporting and Publication System for Greenhouse Gas Emissions based on the Act on Promotion of Global Warming Countermeasures."

Paper Usage

Total paper consumption of the Tokio Marine Group in fiscal 2011 amounted to 9,132 tons, including 8,189 tons in Japan and 943 tons overseas, down 14% from the previous fiscal year. For fiscal 2012, the Group has set a reduction target of 5% from the previous fiscal year.

Tokio Marine & Nichido has established a project team to implement initiatives for paper reduction, including a shift to paperless Web contracts and leaflets and promotion of double-sided photocopying and multiple-page in one page printing in daily operations.

U.S.-based Philadelphia Insurance Companies (PHLY) began business process improvement efforts several years ago with the aim of becoming paperless in its underwriting and claims settlement service operations.

As part of these efforts, PHLY added a policy viewer and electronic payment feature to its menu of online customer services. As a result, the company acquired about 36,000 new policies during the period from 2010 to 2011 while successfully reducing its paper consumption by about 11%.



Preservation of Biodiversity

The Tokio Marine Group is promoting initiatives for the preservation and sustainable use of biodiversity.

Relationship with Biodiversity

Preserving biodiversity translates into a variety of benefits, namely, lower emissions of greenhouse gases, mitigation of disaster risks concerning tsunamis and revitalization of regional economies. Under the following vision, the Tokio Marine Group contributes to the preservation of biodiversity through reduction of paper usage as well as mangrove planting and other environmental enlightenment programs.

■ "The Tokio Marine Group's Vision for Biodiversity"

The Tokio Marine Group recognizes the preservation of biodiversity as one of the most important issues and, as a good corporate citizen, conducts initiatives for the preservation and sustainable use of biodiversity under the following two themes.

1. We endeavor to understand our relationship with biodiversity (benefits and impact) in our business activities, to reduce our impact on biodiversity and to preserve biodiversity.
2. We engage in educational activities on the preservation of biodiversity for the general public and work with our stakeholders to contribute to the development of a sustainable society.

Participation in the "Promotion Partners" Program under "The Declaration of Biodiversity by Nippon Keidanren"

Tokio Marine & Nichido supports The Declaration of Biodiversity by Nippon Keidanren and in January 2010 joined the Promotion Partners program under the declaration. Our business activities comply with the declaration and its behavioral guidelines.

- ▶ [The Declaration of Biodiversity by Nippon Keidanren \(in Japanese\)](#)

Contributing to the Preservation of Biodiversity through Our Businesses

Green Gift Project

Our eco-friendly products and services enable us to contribute to protection of the global environment in partnership with our customers and agents.

Since fiscal 2009, Tokio Marine & Nichido encourages its customers to opt for Web-based insurance contracts (clauses), which are available for viewing on the Web instead of in paper form, for auto, fire and other insurance. In the Green Gift Project, every time a policyholder chooses this option, we donate funds for the planting of two mangrove saplings to our Mangrove Planting Project.

By choosing Web contracts, our customers help us to save paper resources. At the same time, they also help to reduce environmental impacts from paper production, transportation to the company, delivery to the customer and disposal as waste. In addition, Tokio Marine & Nichido's contribution to its Mangrove Planting Project provides various benefits to the Earth because of the effectiveness of mangroves in preventing global warming and preserving ecosystems. In fiscal 2011, the number of policies that switched to Web contracts was 8.5 million, which served to reduce the company's paper consumption by 1,700 tons.

Tokio Marine & Nichido has opened a special page on the Green Gift Project on its website in order to allow participating customers to gain a deeper understanding on mangroves and give them a genuine sense of participation in global environmental protection activities. This special page shows mangrove planting activities in each country, growth of mangrove saplings and the volume of CO₂ absorbed by mangroves planted to date. As participatory programs in fiscal 2011, the company sponsored concerts, "Tokio Marine & Nichido Green Gift presents Humanglobe Live" and "Green Gift Concert," and held an eco-volunteer tour to Iriomote Island in Okinawa. In India and Bangladesh where mangrove planting is conducted, the company also participates in the educational support program specifically targeting developing countries, led by the international NGO Room to Read.

Tokio Marine & Nichido looks forward to continuing this project in the future and to contributing to the conservation of paper resources, prevention of global warming and preservation of biodiversity.



▶ [Tokio Marine & Nichido Green Gift Project \(in Japanese\)](#)

Contributing to the Preservation of Biodiversity through Social Contribution Activities

Mangrove Planting Project

Since 1999, Tokio Marine & Nichido has been conducting its Mangrove Planting Project primarily in Southeast Asia. During the 13-year period to fiscal 2011, we planted 7,543 hectares of new forest in nine countries covering Southeast Asia, South Asia and Fiji.

The activity was rolled out as a commemorative project to celebrate the 120th anniversary of Tokio Marine & Nichido, with the original idea coming from employees who voiced their desire to launch a long-lasting initiative in the environmental field. The project is conducted in partnership with the NGOs Action for Mangrove Reforestation (ACTMANG), The Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA) and International Society for Mangrove Ecosystems (ISME) and through collaboration with local governments and communities.

"Mangrove" is a generic term for flora that thrives in brackish waters (where seawater and fresh water meet) along tropical and subtropical coastlines and river mouths in Asia, Africa and South America. Mangroves are sometimes referred to as "forests in the sea" and are effective in mitigating global warming as they absorb and fix large volumes of CO₂, a major cause of global warming. They also serve as natural levees to protect people's lives and local ecosystems from tidal waves, tsunamis and other natural disasters. For example, mangroves protected and saved the lives of many people from the tsunami that occurred in the Indian Ocean as a result of the earthquake off the island of Sumatra in December 2004.

The roots of mangrove trees also serve as a "cradle of life," creating a rich ecosystem by providing a safe home for fish, crabs and shrimps and attracting monkeys and birds. Growing mangroves provide fishery and forest resources to local communities and contribute to sustainable development of the areas in which they are planted.

The Tokio Marine Group considers mangroves as "insurance for the future of the Earth" because they protect the planet and people's lives and bring benefits. We are committed to being involved in the mangrove planting project for 100 years.

<Indian Ocean tsunami from the earthquake off the island of Sumatra in December 2004>



Mangrove planting area in Ranong, Thailand, in which the area behind the mangroves was protected from tsunami damage.



Tale Nok near Ranong, Thailand, which did not have mangroves, was damaged by the tsunami.

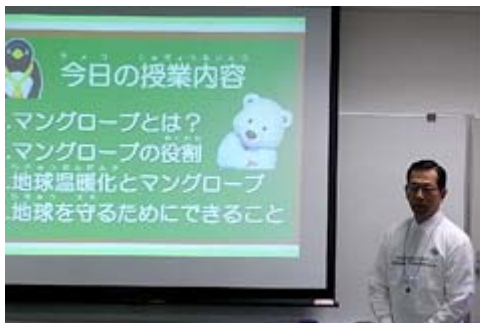
<Fish and other animals living in mangrove forests>



▶ [Mangrove Planting Project](#)

Green Lessons: The Mangrove Story

Since 2005, the Tokio Marine Group has been providing "Green Lessons: The Mangrove Story," an environmental education program for children in elementary and special needs schools. Employee and agent volunteers visit these schools and give lectures on the importance of preservation of biodiversity, in which they show beautiful images of mangroves and tell stories about mangrove planting and the recycling of company uniforms. As of the end of March 2012, the Group visited about 510 elementary and special needs schools throughout Japan and provided Green Lessons to approximately 36,000 children.



▶ [Environmental education program "Green Lessons: The Mangrove Story" \(in Japanese\)](#)



Economic Benefits of Biodiversity and Ecosystems through Mangrove Planting (Thailand)

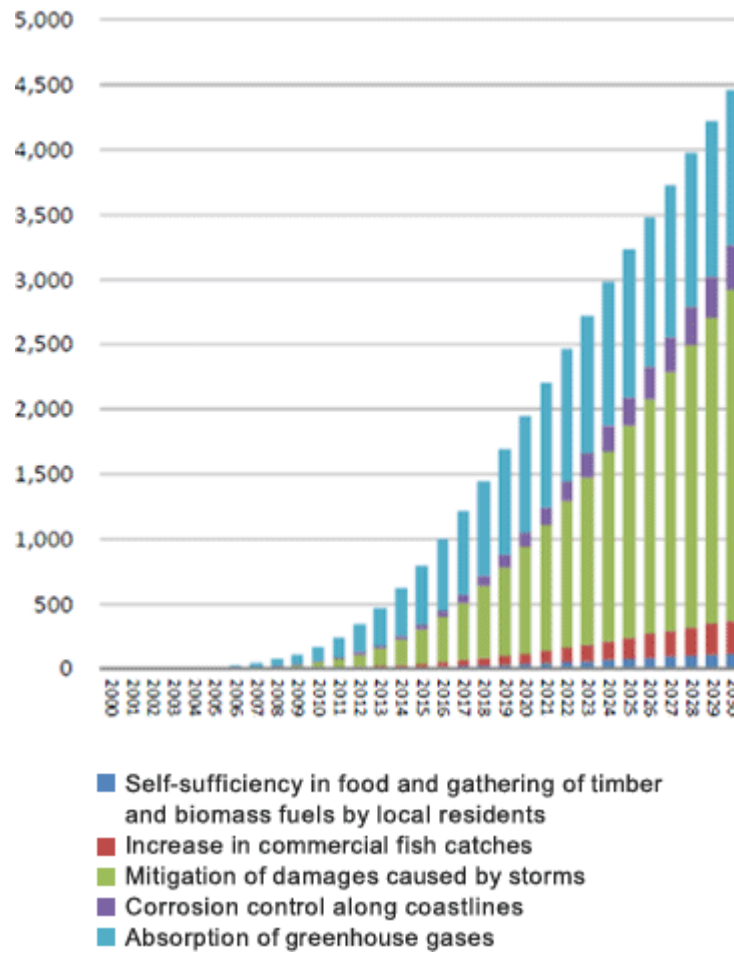
Research related to the economic impact of mangrove forests on biodiversity was reported in The Economics of Ecosystems and Biodiversity (TEEB) study, which was launched at the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) in 2010. Based on the study results, Tokio Marine & Nichido conducted a preliminary calculation of the economic benefits of a mangrove planting project in Thailand in cooperation with Ernst & Young ShinNihon Sustainability Institute Co., Ltd.

Tokio Marine & Nichido initiated its project to plant mangroves in Thailand in 2000. For the total area of 1,016 hectares covered during the 11-year period up until fiscal 2010, we used details outlined in the TEEB study and relevant papers to estimate and compile the benefits by the respective items of "self-sufficiency in food and gathering of timber and biomass fuels by local residents," "increase in commercial fish catches," "mitigation of damages caused by storms," "corrosion control along coastlines" and "absorption of greenhouse gases."

As a result, the economic benefits will amount to a cumulative total of approximately 4.46 billion yen by 2030 (approximately 4.40 million yen per hectare over a total of 30 years from the commencement of mangrove planting). Additionally, the economic benefits for a single year will be increased to more than approximately 250 million yen in 2022, and although it will subsequently trend downward, the amount is expected to remain at a base level of approximately 240 million yen from 2030 onwards per year.

A report of the United Nations Environment Programme (UNEP) stated that the costs of mangrove planting amount to approximately 95,000 yen per hectare, which in turn, indicates that plantations can achieve various benefits from local biodiversity in the long term.

**Total in Economic Benefit
by Fiscal Year for Mangrove Planting
from 2000 to 2010 in Thailand
(Millions of yen)**





Environmental Enlightenment and Social Contribution

The Tokio Marine Group will take an active and broad role in society by working to raise environmental awareness, proposing ways for protecting the environment and facilitating social contribution activities.

Environmental Enlightenment and Social Contribution

The Tokio Marine Group promotes environmental education for children and university students as well as social contribution activities including afforestation efforts.

- ▶ [Protection of the Global Environment](#)

Participation in International Initiatives

The Tokio Marine Group participates in international initiatives related to climate change and actively proposes ways and means to mitigate and adapt to climate change.

- ▶ [Participation in External Initiatives](#)

Sustainability Report 2012

Key Issue -Social-

Contributing to Local Communities and Societies

- Challenging Social Issues – Providing Value through Our Core Businesses
- Local Community and Social Contribution Activities

Social : Contributing to Local Communities and Societies Key Issue 2



Various social issues have surfaced in our society.

In the face of growing issues concerning healthcare, cancer and disasters, the Tokio Marine Group has selected "contribution to local communities and societies" as one of the key CSR issues that have to be addressed by the entire Group. We help resolve these issues through our core businesses of insurance, financial services and consulting. While doing so, we collaborate with local communities to provide solutions for disaster prevention and mitigation, raise awareness for disaster preparedness and take an active role in local community initiatives such as the Pink Ribbon Movement for improved cancer examination rates and a program to offer educational assistance in developing countries. Through these endeavors, the Tokio Marine Group acts as a good corporate citizen and contributes to the creation of a sustainable society.

▶ [Challenging Social Issues -Providing Value through Our Core Businesses-](#)

- ▶ [Climate Change and Risks of Disasters](#)
- ▶ [Healthcare](#)
- ▶ [Cancer](#)
- ▶ [Other](#)

▶ [Local Community and Social Contribution Activities](#)

- ▶ [Growth of Young People](#)
- ▶ [Safety and Security](#)
- ▶ [Protection of the Global Environment](#)



Challenging Social Issues -Providing Value through Our Core Businesses-

Through our core businesses, we deliver new value that ensures the "safety and security" of society against risks that have become increasingly diversified and complex along with the times. The following sections provide examples of our initiatives related to respective social issues.

Climate Change and Risks of Disasters

Against climate change and risks of disasters, the Tokio Marine Group delivers "safety and security" to its customers by enhancing its insurance coverage and providing a diverse range of products and services including support for early recovery.

Healthcare

The Tokio Marine Group delivers "security" to customers by offering insurance products tailored to changes in the social environment and customer needs and through consultation services by healthcare specialists.

Cancer

The Tokio Marine Group provides support to the Pink Ribbon Movement and promotes its own initiative, the "Movement to Protect Customers from Cancer," as part of efforts to fulfill its mission and social roles as an insurance company.

Other

The Tokio Marine Group responds to diversifying customer needs through combining the abilities of its Group member companies to provide new products and services that anticipate the changing times and extend beyond the framework of the existing insurance products and services.



Challenging Social Issues -Providing Value through Our Core Businesses- Healthcare

We deliver "security" to customers by offering insurance products tailored to changes in the social environment and customer needs and through consultation services by healthcare specialists.

Introduced Long-Life Support Whole Life Insurance to Support the Health and Longevity of Customers

Concept and Background of Development of Long-Life Support Whole Life Insurance

This long-life support whole life insurance product is based on the concept of delivering confidence for customers to live long lives with peace of mind.

The population of Japan has been aging at a considerable pace, with one out of every four Japanese people now being above 65. The number of elderly people requiring nursing care is rising every year, and such social issues as "elder care by elderly people" and "long-distance elder care" have become increasingly prevalent in our society. Against this social backdrop, in September 2010 Tokio Marine & Nichido Life Insurance developed a long-life support whole life insurance product featuring nursing care coverage and severe-disability and death benefits, covering policyholders for their entire life.

Characteristics of the Long-Life Support Whole Life Insurance

| | |
|----|---|
| 1. | Provides nursing care coverage for a policyholder's entire life. Nursing care coverage as well as severe-disability and death benefits cover a policyholder for his/her entire life. |
| 2. | Nursing care benefit is made in a lump-sum payment amount. If a policyholder is judged as being in need of second degree nursing care under the public nursing care insurance system or determined as requiring nursing care according to the conditions set out by Tokio Marine & Nichido Life, the policyholder receives a nursing care benefit in a lump-sum payment amount. |
| 3. | Long-living policyholders receive an additional cash contribution to celebrate longevity. policyholder turning 80, 85 and 90 with no records of insurance payments receives an additional cash contribution to celebrate longevity on a specified anniversary date. |
| 4. | A refund is made upon policy cancellation. This product also has a savings feature, and the refund can be utilized as retirement funds. |
| 5. | A special provision for three major diseases is also available as an option. A policyholder who is diagnosed with cancer, acute cardiac infarction or cerebral stroke is exempted from further payment of premiums. |

▶ [Tokio Marine & Nichido Life long-life support whole life insurance \(in Japanese\)](#)

Launched New Services Related to Nursing Care

Tokio Marine & Nichido Life has been offering a range of services and information as an addition to its insurance products for the purposes of preventing and reducing the risks, concerns and distress of customers. Upon the launch of new long-life support whole life insurance, we revamped and added the following to our menu of related services. With "elder care by elderly people" and "long-distance elder care" becoming prevailing issues in our society, we will continue to offer various related services with a view towards delivering confidence to customers to live long lives with peace of mind.

| | |
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| <p>Preferential service for brain medical checkups</p> | <p>A service to provide information about medical institutions offering brain medical checkups, make reservations on behalf of customers and offer a special discount on checkup fees. An addition to the conventional lineup of preferential services for general health checkups and cancer PET examinations, because cerebrovascular disease, namely a cerebrovascular accident, is the major cause of health conditions that necessitate nursing care.</p> |
| <p>Telephone and home-visit consultation services specializing in nursing care</p> | <p>A service in which experienced care managers pay home visits and prepare an outline of a care plan, or a care plan itself, when our long-life support whole life insurance policyholders or their living-together parents are judged as in need of nursing care according to the conditions set out by Tokio Marine & Nichido Life. An addition to the conventional telephone consultation service for nursing care.</p> |

Resource Website: "the Academy of Health and Long Life"

Tokio Marine & Nichido Life opened "the Academy of Health and Long Life," a resource website to convey to the broadest possible audience the importance of disease prevention and health management in leading a healthy life long into the future.

Tokio Marine & Nichido Life guides visitors through the academy and explains what is available at the Health Promotion Center, Retirement Preparations Center and Library. Each "facility" provides easy access to the information possessed by Tokio Marine & Nichido Life, Tokio Marine & Nichido Medical Service, Tokio Marine Nichido Better Life Service and other business partners, which relate to the following topics.



[Examples of Contents]

- Self-examinations and healthy meal ideas to prevent lifestyle-related diseases
- Tips for leading a healthy and long life based on the latest anti-aging research by Professor Hideyuki Negoro, Harvard University
- Knowledge and preparations for nursing care
- Results of awareness survey and market research conducted by Tokio Marine & Nichido Life

▶ [Tokio Marine & Nichido Life Anshin : the Academy of Health and Long Life \(in Japanese\)](#)

Medical Insurance Products: Medical Kit and Medical Kit Love

Medical Kit

Medical Kit is a medical insurance product offering coverage for hospitalization and operations due to illness or injury as well as for radiotherapy. It is a revamped version of the existing Medical Mini insurance product, with revised premium levels and enhanced, easier-to-understand coverage, which applies to the same types of surgical operations covered under national health insurance. Upon the launch of Medical Kit, a new rider was added to the lineup to provide support for the long-term incapacity to work caused by five different types of disease. This new rider was developed in response to a shift in customer needs away from death insurance products to endowment insurance products and an increase in shorter hospital stays. Medical Kit pays an incapacity benefit to policyholders who become incapable of working as specified by the company because of cancer*, acute cardiac infarction, cerebral stroke, liver cirrhosis or chronic renal failure until the age of 65 at the longest.

*Excluding in-situ cancer and skin cancer other than cutaneous malignant melanoma



Medical Kit Love

Medical Kit Love is a medical insurance product with lenient underwriting standards to accept health insurance applications from people with health concerns. Previously, we had to decline applications in certain cases because of pre-existing health conditions. Medical Kit Love was developed to reduce such cases and deliver confidence to the widest possible group of customers. It offers life-long coverage to policyholders for hospitalization caused by illness or injury, operations and radiotherapy.



"More Dish" Project

At Hyldemoer nursing home operated by Tokio Marine Nichido Samuel, we focus on daily oral care and prevention of aspiration of elderly residents while promoting development of "More Dish 3 (MD3)" chopped meal menus for those having difficulty in chewing and swallowing. MD3 is a series of special menus which look appealing and are easy to swallow. Based on its philosophy of "creating value and quality of life in older age," Hyldemoer believes that providing the joy of eating, or letting residents enjoy meals every day, is more important than anything else even when people are in need of nursing care.

▶ [Tokio Marine Nichido Samuel "More Dish" Project \(in Japanese\)](#)



Providing Meal Preparation Support for Caregivers through Recipe Search Service

In May 2011, Tokio Marine Nichido Better Life Service developed a recipe search service via mobile phone jointly with Link & Communication Inc. This service, named "Care-recipe," is designed to support caregivers who have to prepare meals using limited ingredients and within a limited amount of time while taking care of elderly people and doing other chores such as cleaning and washing. Care-recipe provides a collection of more than 1,500 healthy meals, allowing caregivers to arrange an optimum set of menus for respective persons to whom they are providing care. Tokio Marine Nichido Better Life Service will continue to work on achieving greater customer satisfaction and strive to improve the quality of nursing care services and the efficiency of work performed by caregivers.

Providing 24/7 Support for Customers Seeking Advice on Illness or Injury Medical Assist

Medical Assist is a free healthcare consultation service that supports the health of policyholders of Tokio Marine & Nichido Life and Tokio Marine & Nichido, including their families. Assistance is provided mainly via telephone 24 hours a day, seven days a week, including advice on how to handle emergencies such as sudden illnesses or injuries and information about hospitals, clinics and other medical facilities that are available on holidays or late at night. We also arrange transfer to other hospitals on behalf of patients. Such concerns are addressed by highly specialized healthcare professionals who are engaged in roughly 30 medical examination fields, including medical specialists qualified as university professors or assistant professors, emergency medical specialists who take leading roles in emergency medical institutions and experienced nurses. Nurses initially respond to approximately 180-340 customer inquiries a day, and depending on the case, emergency medical specialists address the issue thereafter as necessary.

Medical Assist Service Overview

| | |
|--|---|
| Emergency medical consultation | Emergency medical specialists who are taking the lead in emergency medical institutions and experienced nurses respond to urgent medical consultation requests 24 hours a day/7 days a week. |
| Consultation with medical specialists by appointment | Medical specialists in various diagnostic fields provide consultation via telephone regarding medical care and health by appointment. |
| Information of medical institutions | Information is provided about emergency care hospitals that accept patients at night and on holidays, the closest medical institutions while traveling, etc. |
| Transfers/Arranging patient transfers | A series of services are carried out for customers who become hospitalized in Japan or abroad while traveling, including arrangements for a private ambulance and special procedures for boarding aircraft in the event of transferring such customers from emergency care hospitals to hospitals near their homes. (Expenses incurred in the course of transportation shall be paid by customers.) |
| | |

| | |
|--------------------------------------|--|
| Cancer-specific consultation centers | Highly specialized medical staff attend to the concerns of patients who are fighting against cancer and their families in addition to responding to various concerns about cancer. |
|--------------------------------------|--|

For example, in the case of providing consultation about "a child stung by a bee or bees," a detailed explanation is given about symptoms requiring emergency medical care, including treatment needed in less serious cases. Additionally, utilizing a database of medical institutions throughout Japan, Medical Assist service also introduces the closest medical institutions in the event of being injured or falling ill in unfamiliar places such as while traveling.

▶ [Medical Assist \(Tokio Marine & Nichido Life in Japanese\)](#)

Support for Mental Health Management

Depression is considered a modern-day illness, and the number of patients with depression in Japan has increased to 1.04 million by 2008*1 with the number of suicides exceeding 30,000 for the 14th consecutive year since 1998*2. Following the increased seriousness of the issue, the mental healthcare of employees has become an integral part of corporate welfare systems, and greater importance has been attached to it as a means to promote corporate risk management.

Tokio Marine & Nichido Medical Service offers the Employee Assistance Program (EAP) to support the mental health management of companies. Under EAP, a team of psychiatrists, clinical psychotherapists and other specialists provides a comprehensive range of services from notifying employees who have no clear symptoms but are judged prone to depression based on the results of employee stress checks to providing supportive care during a leave of absence or when returning to work and preventing recurrence. The team provides e-mail, telephone and face-to-face consultation services and gives referrals to tie-up medical institutions nationwide. In addition to these support services for individual employees, the program also assists companies in performing trend analysis of organizational stress levels and building a mental healthcare structure. To date, EAP has been utilized by more than 200,000 corporate employees in every age group, gender, business field and job type. We will continue to offer this program to everyone needing this type of support to assist them in maintaining better mental health.

Sources:*1 Summary of Patient Survey 2008 by the Ministry of Health, Labour and Welfare

*2 White Paper on Suicide Prevention 2012 by the Cabinet Office

▶ [Tokio Marine & Nichido Medical Service health promotion under EAP \(in Japanese\)](#)

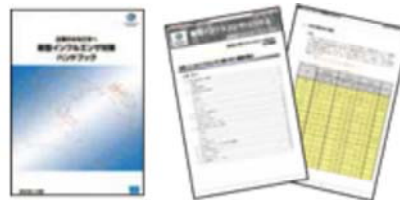
Support for Measures against New Influenza (H1N1 Virus)

A global outbreak of a new strain of influenza virus poses a significant risk for society and companies due to the tremendous impact. Tokio Marine & Nichido Risk Consulting offers consulting services for companies regarding measures against new strains of influenza viruses ranging from methods to prevent infection to formulation of business continuity plans (BCPs). The company has been providing information useful for companies in implementing measures against new strains of influenza viruses by leveraging various means, including the Tokio Marine & Nichido Risk Management Seminar and such publications as the New Influenza Strain Countermeasure Handbook and New Influenza Strain Topics. After the outbreak in 2009 of the H1N1 virus, one of the influenza type A viruses, the company started delivering timely and relevant information on its website. The company has also launched a packaged service encompassing a prototype manual for new influenza countermeasures and a simple consultation service through a dedicated help desk, which can be easily adopted by companies just starting a full-fledged influenza program.

Tokio Marine & Nichido Risk Consulting intends to support initiatives undertaken by many companies, with the ultimate goal of fully being prepared for new strains of influenza viruses based on a diverse range of outbreak scenarios.



During the Tokio Marine & Nichido Risk Management Seminar



*New Influenza Strain Countermeasure Handbook and
New Influenza Strain Topics*

- ▶ [Tokio Marine & Nichido Risk Consulting crisis management \(in Japanese\)](#)



Challenging Social Issues -Providing Value through Our Core Businesses-

Cancer

As part of efforts to fulfill its mission and social roles as an insurance company, the Tokio Marine Group started providing support in 2005 for the Pink Ribbon Movement, a campaign to convey the importance of early detection of breast cancer, to raise cancer awareness among the public. In addition to engaging in these activities and providing financial support to customers via insurance payments, we now seek ways to ease the hardship and suffering of customers and their families fighting against cancer by promoting our own initiative, the "Movement to Protect Customers from Cancer."

Movement to Protect Customers from Cancer

[Basic Policy]

In Japan, cancer is considered a national disease, a source of many griefs. The fact has fueled our desire to protect our customers from cancer, to help ease the suffering of cancer patients and to assist their families going through the ordeal. For us, the social role of an insurance company now extends beyond delivering financial confidence in terms of insurance payments to working to prevent cancer and providing mental support. Accordingly, we have launched the Movement to Protect Customers from Cancer, which consists of the following three steps.

(1) Learning about cancer

Each of our employees and agents is voluntarily studying about cancer, its current status, preventive measures, treatment options and the reality of cancer care in each region, and holding study sessions frequently.

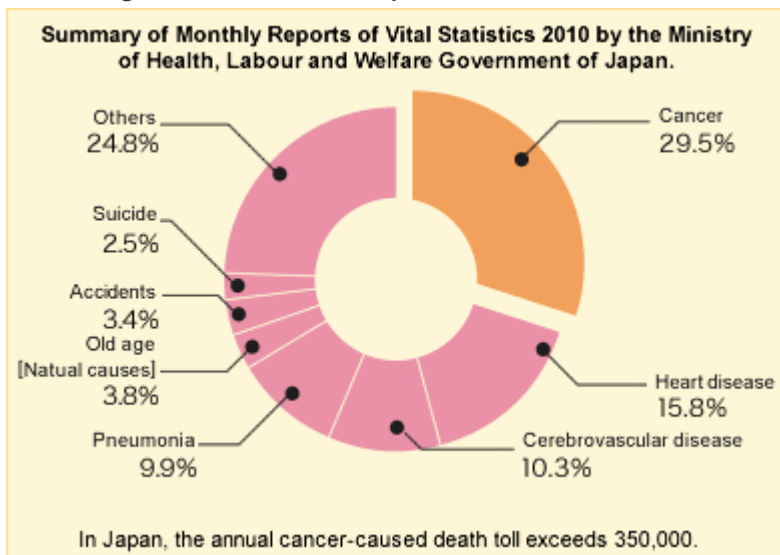
(2) Spreading the message about cancer

Periodical checkups and early detection are two key factors associated with a high probability of being cured of cancer besides such preventive measures as improving dietary habits and quitting smoking. Employees and agents in each region personally take the initiative in raising cancer awareness. We have developed tools to convey the importance of preventive measures and checkups as well as knowledge on cancer in an easy-to-understand manner. We have also been holding seminars, participating in cancer awareness efforts including street campaigns under the Pink Ribbon Movement and promoting collaboration with regulations such as local authorities in Japan.

(3) Providing support against cancer

Cancer causes enormous psychological stress on patients and their families. To help alleviate their distress, Tokio Marine & Nichido Life operates a cancer-specific consultation center through which doctors and nurses specialized in many types of cancer and their medical treatment listen to the problems of customers and offer advice over the telephone. Expert advisors also provide home consultation services to support our customers mentally, helping them maintain a strong will to fight against cancer.

Leading Causes of Death in Japan



Learning about cancer

- Enable employees and agents to sufficiently understand various information about cancer
Initiatives include ongoing study sessions or holding seminars by inviting external lecturers (including healthcare professionals and persons who have survived cancer).

Spreading information about cancer

- Raise awareness about cancer by widely conveying various information to customers and society
Initiatives include distributing leaflets that summarize cancer preventive measures and the importance of detecting cancer at an early stage, recommending cancer examinations and holding seminars.

Providing support against cancer

- Support for early detection
Preferential services for general health checkups and cancer PET examinations
- Support in the event of being diagnosed with cancer
Payment of insurance claims and benefits from cancer insurance (guaranteed extended coverage for advanced medical treatment and anti-cancer drug treatment). Providing various information and psychological support via cancer-specific consultation centers, home consultation and other services.



Collaboration with Local Authorities

It is an urgent task to improve cancer examination rates in order to detect the disease at an early stage. However, the checkup rate is as low as approximately 20% on a national average, being far lower than 50% targeted by the government and local authorities. Based on the belief that joint action with as many people as possible is indispensable for improving the situation, Tokio Marine & Nichido Life has signed agreements with 43 prefectural bodies and 16 cities (as of April 30, 2012) and has been actively promoting collaboration with them to call more attention to cancer and raise examination rates.

In October 2009, Tokio Marine & Nichido Life became a promoting partner for "Corporate Actions for Cancer Checkups," a national project commissioned by the Ministry of Health, Labour and Welfare to raise the cancer examination rate to more than 50% through joint efforts by the government and companies. By taking part in this public-private partnership, we intend to contribute to the improvement of the cancer checkup rate in Japan.

Nationwide Regional Activities

Tokio Marine & Nichido Life encourages cancer enlightenment activities in its daily sales operations with the aim of disseminating cancer knowledge and increasing cancer examination rates. In addition to periodic cancer-related study sessions, exchange meetings and seminars for agents/consignees at branch offices across the country, we hold a national conference of employees and agent/consignee representatives (from 61 branch offices nationwide) who are actively and responsibly engaged in these cancer awareness efforts. At the fifth conference held in October 2011, about 2,500 representatives nationwide were simultaneously connected via the company's internal satellite broadcasting system. This national conference serves to extend knowledge and foster a strong sense of mission concerning cancer awareness through lectures by cancer patients, medical workers and medical consultants.

Joint Research with the Shizuoka Cancer Center

In July 2007, Tokio Marine & Nichido Life and Tokio Marine & Nichido Medical Service (TMS), both of which provide insurance products and medical services from patients' viewpoints, concluded a comprehensive agreement on joint research into the "best ways to provide consultation, support and information regarding the treatment of cancer" with the Shizuoka Cancer Center, one of the top-level facilities in Japan for the diagnosis and treatment of cancer and support services for cancer patients and their families. This joint research program has been promoting initiatives to protect customers against risks, worries and anxieties by jointly developing tools to communicate to them in plain language the importance of preventive medicine and medical checkups, as well as knowledge on cancer; carrying out drives for enlightenment through Tokio Marine & Nichido Life's nationwide sales network; and opening a special counter for cancer consultation at TMS's 24-hour Call Center.



Shizuoka Cancer Center (established by Shizuoka Prefecture)



Challenging Social Issues -Providing Value through Our Core Businesses-

Other

The Tokio Marine Group responds to diversifying customer needs through combining the abilities of its Group member companies to provide new products and services that anticipate the changing times and extend beyond the framework of existing insurance products and services.

Efforts to Utilize Insurance Products More Conveniently

Launched One Day Auto Insurance

Tokio Marine & Nichido launched One Day Auto Insurance (driver insurance available in the unit of days), which can be purchased anytime and anywhere via mobile phone. It is the first of its kind ever sold in the insurance industry in Japan, allowing infrequent drivers using cars owned by their parents or friends to purchase insurance at the cost of 500 yen a day for just the number of days needed.

Our One Day Auto Insurance received the Nikkei Veritas Award for Superiority at the 2011 Nikkei Superior Products and Services Awards, an annual award organized by Nikkei Inc. to recognize exceptional new products and services. In addition to the novelty of enabling customers to buy the auto insurance at a reasonable price, with greater ease and when and where needed, the product was highly acclaimed for its ability to help resolve one social issue of increasing traffic accidents involving uninsured drivers.

Currently, the number of traffic accidents by uninsured drivers is estimated to exceed 100,000 a year. Through this product, Tokio Marine & Nichido will continue to contribute to the reduction of uninsured traffic accidents and ensure "safety and security" by providing products and services that are useful in people's daily lives and business activities.

▶ [Tokio Marine & Nichido One Day Auto Insurance \(in Japanese\)](#)

Introduced a Means to Process Contract Procedures on Tablet Devices

In April 2012, Tokio Marine & Nichido introduced "Raku Raku Tetsuzuki (Quick and Easy Online Procedures)," which allows customers to request a premium estimate, view product descriptions and apply for auto insurance on their tablet devices and personal computers. This new process ensures a faster and comfortable customer experience concerning contract procedures. At the same time, the company introduced an electronic credit card processing system and simplified premium payment procedures to offer greater convenience for customers who use credit cards to pay premiums. To improve convenience for agents in using the TNet online agent system, access to which had been only permitted from personal computers in agent offices, the company rolled out a multi-device access service that enables agents to access TNet from their tablet devices and smartphones and perform agent work (customer response) anytime, anywhere.

Tokio Marine & Nichido's Raku Raku Tetsuzuki service is the first online contract process introduced in the industry, which completes the entire procedures on tablet devices. Tokio Marine & Nichido aims to expand the availability of the Raku Raku Tetsuzuki service from auto insurance to other insurance products and pursue greater convenience and comfort for customers.

Addressing New Services via Smartphone

Smartphones accounted for more than half of mobile phones sold domestically in fiscal 2011 and have been rapidly gaining popularity among users. Identifying their increasing popularity from early on, E. design Insurance has worked to deliver improved convenience for smartphone users and began offering a range of auto insurance services via smartphone in April 2011.

These services allow policyholders to access the Internet via smartphones anywhere, anytime and use various services such as reporting accidents, verifying accident response status, making changes to contract details and renewal procedures. Additionally, customers who are considering applying for auto insurance can also complete overall procedures, from requesting an estimate to final application, via smartphones.

After the launch of these services, E. design Insurance received many requests from customers to further expand and upgrade services available on smartphones. In response, a smartphone-version "Kantan Omitsumori (Quick Estimate)" feature was added to the service menu in August 2011. This feature only requires customers to make entries in eight data fields on a single screen before obtaining a formal premium estimate. For the latest models of smartphones, the company plans to conduct operational verification in a timely manner and constantly expand the lineup of smartphone models on which to provide these online services.

The company's efforts to bring better convenience and higher quality to customers have been recognized widely, and E. design Insurance ranked No. 1 overall in the 2012 Oricon Customer Satisfaction Ranking (Automobile Insurance Category) and acquired another top position in the 2012 Auto Insurance Satisfaction Ranking by Kakaku.com. Going forward, we will adequately respond to customer needs, including expanding our lineup of services available on smartphones to ensure comfortable customer experience, and achieve even greater convenience and quality.



▶ [E. design Insurance Annual Report \(in Japanese\)](#)

Reducing Poverty in the World

Establishing Japan's First Fund to Invest in Microfinance-Related Assets

Microfinance is a system to provide financial services, including microcredit loans (small loans usually provided without collateral), savings and insurance, to low-income entrepreneurs who traditionally have no access to these services. The system, for example, provides short-term loans to low-income households, and they use these funds to buy chickens. When they pay off loans in full using profits generated from sales of eggs and poultry products, the system in turn provides funds to build a chicken coop. The major characteristic of microfinancing is that it helps people get out of poverty and become financially independent. It has recently drawn much attention in the international community as a social investment tool that provides direct aid for and generates immediate outcomes in reducing poverty across the world. The number of financial institutions providing microfinance services to low-income entrepreneurs mainly in developing countries (Microfinance Institutions - MFIs) has begun to show rapid growth.

The Microfinance Fund makes direct investments in creditworthy MFIs and purchases bonds issued by the International Bank for Reconstruction and Development and other international financial institutions that are keenly working to improve the business environment for MFIs. Microcredits provided under the microfinancing system generally show a high ratio of repayment and a low tendency of turning into bad loans. Thus, investments in MFIs are simultaneously investments in businesses with high potential. We strive to turn the Fund into a sustainable investment trust with a continued growth capability by taking part in an effort to reduce poverty and seeking higher returns at the same time. In the future, we plan to provide a detailed report on the performance of the Fund both financially and by specifically showing how it has contributed to resolving poverty issues in order to gain support from more investors.

▶ [Tokio Marine Asset Management Daiwa Microfinance Fund \(in Japanese\)](#)

Example of Investment in an MFI

[Mongolia] XacBank



Established in 2001, XacBank is the fourth largest commercial bank in Mongolia. The bank has been actively engaged in microfinancing operations.

The DWM Microfinance Fund J - Class J, the underlying investment vehicle of the Daiwa Microfinance Fund, made local-currency investment in XacBank (the equivalent of approximately USD 3 million) on April 27, 2011. (This does not imply nor guarantee future investment in the bank.)

* Example of a Borrower

The Bakhit family turned their small home into a workshop and started making and selling tanbur, a traditional Kazakh string instrument in 2002. Their products became popular quickly, causing production to lag behind sales. To expand their business, Mr. Bakhit visited XacBank and received the initial loan of 600,000 tugrik (about 40,000 yen). The money allowed him to buy more materials and hire one employee.



The Bakhit family

Use of fund: Production and sales of string instruments

After that, they moved their workshop from home and purchased machines to increase their production capacity, and their business has been showing steady growth.

Providing Microinsurance in India

Approximately 20% of India's population (223.7 million households) is categorized as low-income, with annual earnings of 130,000 yen or less.* Most of these households are on farms. IFFCO-TOKIO (India) considers enhancing the stability of low-income households to be a part of its mission and is working to develop and spread insurance products geared to the needs of farmers.

Since most farmers use fertilizer on their farms, in 2001 the company began offering "personal injury insurance linked to the purchase of fertilizer." A 50 kg bag of fertilizer comes with property insurance coverage at a premium of 1 rupee (approximately 2 yen), and pays out a maximum of 200,000 yen in the event of damage due to lightning, fire, theft or earthquake-induced landslides and other causes. In 2008, the company began offering life and non-life microinsurance products. Microinsurance products are designed for low-income households and enable them to receive the coverage they need for low premiums. In addition to personal injury insurance attached to fertilizer purchases, the company also offers group insurance products for rural communities and insurance designed specifically for women in rural villages.

All of these products are distinguished by their focus on identifying the most significant risks faced by India's farmers and providing coverage at low cost (approximately 100-450 rupees per year). The Tokio Marine Group supports safer, more stable lives for people around the world by developing and offering insurance products customized to their needs.

* 2008 survey by the National Council of Applied Economic Research (NCAER) in India

▸ [IFFCO-TOKIO microinsurance](#)

Providing "Safety and Security" to Customers in Islamic Nations

In Islamic nations, conventional insurance products were not accepted under Islamic law, which prohibits transaction involving a great deal of uncertainty, gambling and paying and receiving of interest. Foreseeing customer needs in Islamic nations, the Tokio Marine Group quickly initiated extensive research and, ahead of other global insurance companies in 2001, started sales of original insurance products based on a mutual-aid and insurance scheme conforming to Islamic law. We now have a system to deliver "safety and security" to people who otherwise have no access to insurance products because of such religious reasons. Currently, the Tokio Marine Group is providing these Islamic-style insurance products in Egypt and engaged in the reinsurance business in Singapore. In Saudi Arabia, preparations are underway to establish and commence operation of a new company.

▸ [Alinma Tokio Marine \(Saudi Arabia\)](#)

▸ [Nile Takaful \(Egypt\)](#)



Launching an Engagement-Focused Fund to Invest in Japanese Companies

In the United States and Europe, there has been an increasing tendency among institutional investors, including pension funds, to emphasize engagement with investee companies with a view to promoting responsible investment. This type of engagement has not yet been as popular in Japan as in the United States and Europe.

Jointly with Governance for Owners (GO)*, Tokio Marine Asset Management (TMAM) launched the TMAM-GO Japan Engagement Fund in March 2012. This engagement-focused fund primarily invests in small- to medium-sized Japanese companies having strong core businesses. By promoting engagement with investee companies as an investor fully understanding the corporate culture in Japan, TMAM intends to deepen mutual understanding between investors and Japanese companies and provide increased corporate value over the long term.

* Governance for Owners

An independent asset management partnership based in London, characterized by its investment strategy that focuses on enhancement of long-term corporate value through amicable engagement with investee companies listed on the European stock markets.

▶ [TMAM-GO Japan Engagement Fund](#)

Local Community and Social Contribution Activities

The Tokio Marine Group undertakes local community and social contribution activities across the world, focusing on the three areas of "growth of young people," "safety and security" and "protection of the global environment." These activities emphasize voluntary engagement by employees of the entire Group and collaboration with non-profit organizations (NPOs) with the know-how and a network required for local community and social contribution activities.

Under the mid-term corporate strategy (FY2009-FY2011), the Tokio Marine Group worked to attain a target of having 50% of all domestic Group company employees engage in local community and social contribution activities by the end of fiscal 2011. As a result, the employee participation rate reached 59.8% in fiscal 2011.



Plans and Results of Fiscal 2011/Highlights

[Target]

To increase the ratio of domestic Group company employees participating in local community and social contribution activities to 50% by the end of fiscal 2011.

[Results/Highlights]

- During fiscal 2011, a total of about 14,700 domestic Group company employees (59.8% of the entire workforce) participated in a range of volunteer activities* throughout Japan. Tokio Marine & Nichido Facilities, in particular, successfully raised employee awareness through periodic in-house promotion campaigns, resulting in 100% of employees taking part in volunteer activities in fiscal 2011.

* Volunteer activities include engaging in cleanup activities, serving as an instructor in the Green Lessons program and participating in workshops for using Automated External Defibrillators (AEDs) and practicing other life-saving skills, as well as in courses to foster support for dementia care.



Engagement with Non-Governmental Organizations (NGOs)

The Tokio Marine Group promotes local community and social contribution activities in collaboration with NPOs committed to solving various issues in local communities. In the Mangrove Planting Project, one of the most notable initiatives undertaken by the Group, we have formed a long-term partnership with the NPOs Action for Mangrove Reforestation (ACTMANG) specialized in mangrove planting, The Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA) and International Society for Mangrove Ecosystems (ISME). Besides planting mangroves, we also cooperate in improving environmental awareness and promoting industries in the designated planting regions, such as providing environmental education and workshops for local residents and children.

Activities by Individual and Groups of Employees

The Tokio Marine Group defines three action themes shared among all countries and regions across the world ("growth of young people," "safety and security" and "protection of the global environment") and encourages employees of every Group company and at every workplace to conduct at least one local community and social contribution activity a year. In fiscal 2011, we added another theme, "support for recovery from the Great East Japan Earthquake," and undertook various activities both in and outside Japan to support areas affected by the disaster.

With a view towards fostering employee volunteerism, the Group designates October and November as "CSR Months" during which many employees take part in a variety of volunteer activities throughout Japan. On November 17 and 18, 2011, Nisshin Fire held a large-scale workshop to practice the use of AEDs at its Head Office in which some 230 employees participated over the two days. The company also hosted a charity bazaar at an open space in front of its Tokyo Headquarters. Overall, 1,191 employees, accounting for 45.5% of the company's total workforce, participated in volunteer activities during the CSR Months. Tokio Marine & Nichido held a forestry tour on November 5 and 6, 2011 in Aki City, Kochi Prefecture, and 50 Group company employees and agents took part in this tour to experience tree-thinning operations.



Support Systems and Programs

All Tokio Marine Group companies encourage the proactive participation of their employees in regional and social contribution activities by introducing them to activities in which they may be able to participate or by creating a volunteer leave system or the Presidential CSR Awards for activities highly regarded by local communities and society.

Overview of Support Systems/Programs and Fiscal 2011 Results (Tokio Marine & Nichido)

| | |
|--|---|
| Matching gift system | A system in which the company makes a donation matching the amount voluntarily donated by employees (15 cases totaling 543,406 yen) |
| Volunteer leave/leave of absence system | A system to support employees for their volunteer time (used by 151 employees) |
| Share Happiness Club | A donation program operated by employee volunteers In fiscal 2011, a total of 2,000,854 yen donated by 1,028 employees was distributed to the following organizations: International Society for Mangrove Ecosystems (ISME) ("protection of the global environment" theme); Support Headquarters for Persons with Disabilities Affected by the Great East Japan Earthquake, Japan Disability Forum (JDF) ("safety and security" theme); and Child Line Japan (NPO) ("growth of young people" theme) |
| Share Happiness Movement | A program to encourage each office, department, Group company, overseas office and agent to conduct at least one volunteer activity a year |
| Presidential CSR Awards for activities contributing to local communities and society and protection of the environment | A scheme to recognize protection of the environment, as well as local community and social contribution activities conducted by offices and branches across Japan, Group companies, overseas offices and agents, which strongly represent the "essence" of the Tokio Marine Group and are highly recognized by local communities and society. In fiscal 2011, awards were presented to seven initiatives undertaken by offices, branches and Group companies nationwide. |

Donations (including Monetary and In-Kind Donations by Employees and Agents)

| | |
|--------------------|---|
| Monetary donations | Approximately 896 million yen Among these donations, amount allocated for disaster relief for the Great East Japan Earthquake: Approximately 183 million yen |
|--------------------|---|

Examples of Activities



Growth of young people

- ▶ [Social Contribution Activities through Foundations](#)
- ▶ [Programs for Preschool and School Children \("Delivery" of Lesson Programs and Environmental Enlightenment\)](#)
- ▶ [Serving as a Special Sponsor of the JOC Junior Olympic Cup Swimming Tournament](#)
- ▶ [Supporting Young Artists through "Showakai-ten" Art Exhibition](#)
- ▶ [Asian Children's Enikki \(Illustrated Diaries\) Festa](#)
- ▶ [Participating in Room to Read's Educational Support Program in Developing Countries](#)
- ▶ [Scholarship Program for Children in Thailand](#)
- ▶ [Scholarship Program for High School Students in Indonesia](#)
- ▶ [Educational Assistance for Children in China](#)
- ▶ [Asia CSR Day](#)



Safety and security

- ▶ [Initiatives to Support Recovery of Areas Affected by the Great East Japan Earthquake](#)
- ▶ [Initiatives for Disaster Prevention Lessons](#)
- ▶ [Cooperating with the NPO Association for Assistance to Children Orphaned in Traffic Accidents](#)
- ▶ [Courses to Foster Support for Dementia Care](#)
- ▶ [AED Workshop to Practice Life-Saving Skills](#)
- ▶ [Promoting the Pink Ribbon Movement](#)
- ▶ [Collaboration with the Iwate Hospice Association](#)
- ▶ [Collaboration with Japan Deaf-Blind Association](#)
- ▶ [Collaboration with the Special Olympics \(SO\) Nippon Foundation](#)
- ▶ [Working Together with the Sawayaka Welfare Foundation](#)
- ▶ [Participating in the TABLE FOR TWO Charity Initiative Aimed at Achieving an Optimal Food Balance in the World](#)
- ▶ [Providing Support to the Himawari no Kai](#)
- ▶ [Contributing to Safety and Security in Local Communities](#)
- ▶ [Providing Japanese-Language Medical Services in the United States](#)
- ▶ [N Program to Support Young Physicians to Gain Clinical Experience in the United States](#)
- ▶ [Activities to Assist Recovery of Disaster Areas by Overseas Group Companies](#)



- ▶ [Mangrove Planting Volunteers](#)
- ▶ [Support for the "Ten-Year Restoration Project of the Coastal Forests of Tohoku Region"](#)
- ▶ [Green Lessons: The Mangrove Story](#)
- ▶ [Collaborative Afforestation Efforts in Kochi Prefecture: Tokio Marine & Nichido's Forest for the Future](#)
- ▶ [Children's Environmental Award](#)
- ▶ [Cooperation for the Internship Program for International Environmental Leaders Jointly Operated by Waseda University and Beijing University](#)
- ▶ [Sophia University Endowment Fund](#)
- ▶ [Marunouchi Citizens Environmental Forum](#)
- ▶ [Global Warming Seminar by Tokio Marine & Nichido and the Tokio Marine Research Institute](#)
- ▶ [Efforts Related to the Green Gift Project](#)
- ▶ [Group Company in Hong Kong Taking Part in Earth Hour](#)
- ▶ [GREENPHLY Environmental Awareness Program by Philadelphia Insurance Companies](#)



Local Community and Social Contribution Activities

Growth of Young People

The Tokio Marine Group is engaged in a wide array of activities to support the growth of children and young people who will lead the next generation.

Japan

Social Contribution Activities through Foundations

Tokio Marine & Nichido promotes social contribution activities through three public interest incorporated foundations with such aims as helping young people grow, encouraging international cultural exchange and promoting sports in the local community.

The Tokio Marine & Nichido Kagami Commemorative Foundation was established in 1939 and initiated a scholarship program in 1941. The foundation provides scholarships to students at Japanese universities and graduate school exchange students from ASEAN nations and assists academic studies by researchers.

The Tokio Marine & Nichido Educational Development Fund, established in 1984, offers assistance to elementary school and junior high school children orphaned through traffic accidents and for educational research by educators.

The Tokio Marine Sports Foundation was established in 1937 with the aim of promoting sports activities among the public to help bring bright and enriched lives to the people of Japan. The two facilities owned by the foundation, Nasu Sports Park and Toda Boathouse (a water sports facility), are used annually by about 50,000 visitors from every generation, from young children to senior citizens. The foundation also involves in the running of local support exchange events planned by members of Tokio Marine & Nichido's sports teams and charity concerts given by the company's orchestra.

Overview and Fiscal 2011 Activities of Each Foundation

| Public Interest Incorporated Foundation | Summary | Activities in Fiscal 2011 |
|--|---|---|
| Tokio Marine & Nichido Kagami Commemorative Foundation | Provides scholarships and educational training assistance to students at Japanese universities and graduate school exchange students from ASEAN nations | Provided a total of 47.27 million yen to 84 new and existing scholarship students in addition to other activities |
| Tokio Marine & Nichido Educational Development Fund | Provides assistance for educators and to children orphaned through traffic accidents | Financial assistance for education and research: 148 cases Scholarships for children |

| Public Interest Incorporated Foundation | Summary | Activities in Fiscal 2011 |
|---|---|---|
| | | orphaned through traffic accidents: 105 individuals |
| The Tokio Marine Sports Foundation | Promotes sports activities in local communities | Number of persons using Nasu Sports Park: 41,165 Number of persons using Toda Boathouse: 9,149 |

- ▶ [Tokio Marine & Nichido Kagami Commemorative Foundation scholarships for exchange students from ASEAN nations \(in Japanese\)](#)
- ▶ [The Tokio Marine Sports Foundation youth exchange project through sports activities \(in Japanese\)](#)
- ▶ [Tokio Marine & Nichido Educational Development Fund \(in Japanese\)](#)

Programs for Preschool and School Children ("Delivery" of Lesson Programs and Environmental Enlightenment)

We encourage children who will take the lead in the next generation to think about environmental issues and disaster preparedness through our lesson programs "delivered" to schools and other environmental initiatives.

- ▶ [Green Lessons: The Mangrove Story](#)
- ▶ [Disaster Prevention Lessons](#)
- ▶ [Children's Environmental Award](#)

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

Tokio Marine & Nichido started providing support to the Japan Swimming Federation as one of the initiatives undertaken to commemorate its 110th anniversary in 1989. Specific efforts include serving as a special sponsor of the National JOC Junior Olympic Cup Swimming Tournament held twice a year and providing support for the costs of attending overseas competition and of training camps for Junior Olympic athletes. The company contributes to the healthy growth of young people who will represent the future by promoting swimming.

- ▶ [Go! Go! Junior Swimmers! \(in Japanese\)](#)

Supporting Young Artists through "Showakai-ten" Art Exhibition

As part of efforts to assist the promotion of art and culture, Tokio Marine & Nichido has been supporting the Showakai-ten Art Exhibition and presenting the Tokio Marine & Nichido Award to a talented young artist every year since 1991.

The Showakai-ten Art Exhibition, sponsored by the Galerie Nichido in Ginza, Tokyo, was organized to support, award and encourage the growth of young artists in the fields of Western- and Japanese-style paintings and sculpture. It is one of the oldest art exhibits in Japan, serving as a "gateway" to success for young artists, and commemorated its 47th anniversary in fiscal 2011.



"Gekko (Moonlight)" by Hana Taharasako, the winner of both the Tokio Marine & Nichido Award and the Showakai Sculpture Award at the 47th Showakai-ten Art Exhibition

▶ [Galerie Nichido \(in Japanese\)](#)

Asian Children's Enikki (Illustrated Diaries) Festa

The Mitsubishi Public Affairs Committee, in which Tokio Marine & Nichido is participating, has been sponsoring the Mitsubishi Asian Children's Enikki Festa since 1990 as an effort to encourage people in Asia to understand each other's cultures and build a better future together.

The Enikki Festa is an exhibition of illustrated diaries solicited from children in Asia between the ages of 6 and 12. The aim of the exhibition is twofold, specifically, to support literacy education and serve as a platform to foster mutual understanding among children. The Enikki Festa has been presenting the outstanding works of children in Japan and overseas. Some of these works have been turned into learning materials and distributed to participating countries and regions to promote literacy education.



▶ [Mitsubishi Asian Children's Enikki Festa](#)

Overseas

Participating in Room to Read's Educational Support Program in Developing Countries

In fiscal 2010, Tokio Marine & Nichido participated in the educational support effort led by the international NGO Room to Read. During the three-year period until fiscal 2012, the company donated about USD100,000 annually in India and Bangladesh to provide comprehensive support for impoverished and vulnerable girls to help them attain independent living in the future and offer a study environment for children by opening reading rooms. For girls not attending school for economic reasons or because they are tied to household duties as a result of their parents' lack of understanding, the program offers financial aid for tuition fees and endeavors to convey the importance of education to their families through home visits. These efforts have allowed girls to continue education, with many achieving excellent performance in their schoolwork to make their dreams a reality. In the last two years (2010 and 2011), the company's cooperation assisted a total of 557 girls and led to the opening of four reading rooms.



India and Bangladesh are two mangrove planting regions covered under the company's ongoing Mangrove Planting Project initiated in 1999. Through the Mangrove Planting Project and educational support program, Tokio Marine & Nichido will thus carry out the dual-purpose global social contribution activities of "nurturing both trees and people."

▶ [International NGO Room to Read](#)

Scholarship Program for Children in Thailand

In partnership with the National Council on Social Welfare of Thailand, Tokio Marine & Nichido, Tokio Marine Asia, Tokio Marine Sri Muang Insurance and Tokio Marine Life Insurance (Thailand) have been offering scholarships in Thailand since 2005. These scholarships have been providing support for tuition fees and the costs of learning materials to an accumulated total of about 580 junior/senior high school and university students having difficulty in entering a higher level of schooling for economic reasons. In September 2011, we held a scholarship conferment ceremony, and all scholarship students visited an elderly facility afterward to conduct volunteer activities with Japanese and locally hired employees in Thailand.



Scholarship Conferment Ceremony



Volunteer activities at an elderly facility

Scholarship Program for High School Students in Indonesia

Tokio Marine & Nichido, Tokio Marine Asia and Tokio Marine Indonesia provide a scholarship program in Indonesia jointly with the Putera Sampoerna Foundation, an organization engaged in activities to raise the level of education in the country. The program offers support for tuition fees and costs of learning materials to 50 high school students in the suburbs of Jakarta, who are achieving excellent performance in school but having difficulty in continuing their education because of economic hardships. A scholarship conferment ceremony was held in November 2011 during which scholarship students made Japanese traditional paper cranes called senbazuru to convey their wish for the swift recovery of the country from the Great East Japan Earthquake.



Scholarship conferment ceremony

▶ [Student Scholarship Program](#)

Educational Assistance for Children in China

In China, the Tokio Marine Group has been supporting children of migrant workers since 2009. In fiscal 2011, we donated books, stationery, personal computers and goods used in physical exercise and provided scholarships to elementary and junior high schools of migrant worker children in Henan, Jilin and Hunan Provinces. In September 2011, Tokio Marine Holdings Chairman Kunio Ishihara and 23 other employee volunteers visited two elementary schools in Changchun, Jilin Province. During the trip, they interacted with children and local university student volunteers by making paper cutouts, reading Chinese poetry and enjoying folk dancing and sports activities in the school yard and in the "Room of Rainbows" donated by the Tokio Marine Group. The Room of Rainbows is a classroom equipped with learning tools and a TV phone for children to talk with parents working in distant places and is also used to provide emotional support. Employees of The Tokio Marine & Nichido Fire Insurance Company (China) Limited also participated in events to communicate with children in Henan and Hunan.

- ▶ [Support for growth of young people in China \(in Japanese\)](#)



Asia CSR Day

On November 6, 2011, Tokio Marine Asia (TM Asia), Tokio Marine Life Insurance Singapore (TMLS) and Tokio Marine Insurance Singapore (TMiS) conducted a volunteer activity as part of the Tokio Marine Group's CSR Months initiative. They took 35 children to an outside playground and enjoyed various activities together. The event was conducted jointly with the NGO Club Rainbow, a charity organization supporting children with chronic and life-threatening illnesses and their families in Singapore. The three companies also made a monetary donation totaling SGD 15,000 to Club Rainbow.



Local Community and Social Contribution Activities

Safety and Security

The Tokio Marine Group also places great emphasis on "safety and security," which are closely linked to the insurance business, and engages in social contribution activities while working to enhance traffic safety as well as crime and disaster prevention in local communities.

Japan

Initiatives to Support Recovery of Areas Affected by the Great East Japan Earthquake

Employees of the Tokio Marine Group have been engaged in volunteer activities in areas affected by the Great East Japan Earthquake. Starting from May 2011, Group company employees, agents and their families across the country have provided support to disaster areas in Otsuchi-cho (Kamihei-gun) and Rikuzentakata City in Iwate Prefecture and Ishinomaki City and Kesennuma City in Miyagi Prefecture by conducting activities such as cleaning up tsunami-soaked houses, removing mud from houses and street drainage gutters, assisting in fishery-related work and cleaning damaged and mud-covered photographs. In November 2011, we joined the Sanriku Cultural Recovery Project* led by Tono City, Iwate Prefecture, and have since undertaken various volunteer activities, including cleaning and repairing cultural properties, books and documents owned by disaster-damaged museums and libraries and organizing, sorting, recording and storing donated books (approximately 260,000 books as of April 2012) for delivery to affected public and school libraries in disaster areas. We plan to continue these activities in fiscal 2012. A total of some 440 employees (as of March 31, 2012) have participated in these volunteer activities.

* A project led by Tono City, Iwate Prefecture, which has been providing logistics support to the Sanriku coastal area since immediately following the Great East Japan Earthquake. Aims to re-establish and heal the culture, history and minds of people in the coastal area by restoring books and cultural properties lost, damaged or soiled in the disaster. The project has been undertaken by the city in parallel with its physical support for recovery, such as the removal of disaster debris and construction of temporary housing.

The Tokio Marine Group also supported the "Let's Eat and Provide Encouragement!" initiative promoted by the Ministry of Agriculture, Forestry and Fisheries to support disaster-stricken areas. From May to October 2011, we held "Let's Eat and Provide Encouragement! - East Japan Vegetable Fair," an event to sell agricultural and other products from the affected areas and surrounding regions, a total of five times in Tokyo and Osaka.



At the "Let's Eat and Provide Encouragement! - East Japan Vegetable Fair"



Employee volunteers working in disaster areas

- ▶ [Response to the Great East Japan Earthquake](#)

Initiatives for Lessons on Disaster Prevention

In response to the Great East Japan Earthquake, employee volunteers of Tokio Marine & Nichido Risk Consulting developed a disaster educational program to raise disaster awareness among elementary school children and started providing lessons themselves to schools.

The goal of this program is to communicate the expert knowledge we have accumulated in our everyday work in an easy-to-understand manner to children so that they know how to protect themselves in an earthquake or tsunami.



- ▶ [My relations with CSR](#)

Cooperating with the NPO Association for Assistance to Children Orphaned in Traffic Accidents

Nisshin Fire supports children who have lost one or both of their parents in traffic accidents through the NPO Association for Assistance to Children Orphaned in Traffic Accidents.

In fiscal 2011, the company donated a total of 319,222 yen to the association. The amount consisted of 162,422 yen raised in a charity event held at its Tokyo Head Office, which was open for both employees and visitors; and 156,800 yen, which corresponds to the number of applications made to a photo contest held in commemoration of the launch of the company's new comprehensive auto insurance "You-Side."

We will continue to provide assistance to orphaned children through this association.



Presentation of a donation to the NPO Association for Assistance to Children Orphaned in Traffic Accidents

Courses to Foster Support for Dementia Care

As one volunteer initiative to ensure "safety and security" in society, the Tokio Marine Group offers courses to foster support for dementia care, which are internal educational sessions to promote a correct understanding of dementia. With the ultimate goal of creating a safe society for people with dementia, the program is designed to develop more persons who support dementia care within the Group and who have the correct knowledge to share with friends and families as well as give compassionate consideration to people with dementia and their families in work and private life.

During the one-and-half-hour program conducted in each work department, attendees watch a DVD, listen to a lecture given by an employee (called "caravan mate") who has received special training on this subject and participate in a role-playing session. As of March 2012, a total of around 470 employees have participated in this educational program and become supporters for dementia care. We intend to promote this program further, as it gives us a good opportunity to think about our own aging workforce and deepen our understanding about dementia.

AED Workshop to Practice Life-Saving Skills

The Tokio Marine Group provides a workshop to practice the use of Automated External Defibrillators (AEDs) and to perform cardiopulmonary resuscitation (CPR), with employees having specialized knowledge serving as trainers. Around 1,460 employees mainly from Tokio Marine & Nichido as well as other Group companies and agents attended the workshop in fiscal 2011. Through the workshop, participants have realized that they do not have to be an expert to perform CPR and gained enough confidence to take action rather than just standing by in case of an emergency situation.



Promoting the Pink Ribbon Movement

Tokio Marine & Nichido Life supports the Pink Ribbon Movement through J.POSH, an NPO engaged in pink ribbon movements for breast cancer awareness in Japan. The number of breast cancer patients has been increasing in Japan, but it is a disease with a high survival rate if detected and treated early based on correct knowledge. The company promotes the Pink Ribbon Movement by disseminating various information, including the importance of receiving examinations for early detection of breast cancer.



▶ [J.POSH \(Japan Breast Cancer Pink Ribbon Movement\)](#)

Collaboration with the Iwate Hospice Association

In 2009, Tokio Marine & Nichido Life joined initiatives undertaken by the Iwate Hospice Association, a citizens' group in Morioka City, Iwate Prefecture, to support cancer patients and their families and help them gain courage to fight against the disease. The company has been cooperating in making terry cloth caps for patients undergoing anticancer drug treatment. In fiscal 2011, Tokio Marine & Nichido Life donated 1,030 terry cloth caps that were hand-sewn by employees, their families and persons associated with the Tokio Marine Group.

In response to the Great East Japan Earthquake in March 2011, Tokio Marine & Nichido Life donated funds for disaster support activities and delivered a total of 2,130 summer clothing items to Rikuzentakata City, Iwate Prefecture, and other disaster-affected areas through the association in July 2011.



▶ [Iwate Hospice Association \(in Japanese\)](#)

Collaboration with Japan Deaf-Blind Association

The Japan Deaf-Blind Association is engaged in activities to support people with hearing and vision disabilities across the country. Their activities include dispatching sign language interpreters and helpers, training interpreters and publishing a biannual magazine for the hearing and visually impaired. Tokio Marine & Nichido became a supporting member of the association in 2008. At the association's annual national conference, employees working in offices and branches in respective areas serve as volunteer staff to cooperate in the running of the event.

▶ [Japan Deaf-Blind Association](#)

Collaboration with the Special Olympics (SO) Nippon Foundation

In support of the Special Olympics (SO) Nippon Foundation's vision of creating a society where people with and without disabilities understand and respect each other's differences and live and grow together, Tokio Marine & Nichido became an official sponsor of the foundation in fiscal 2005 and has been supporting their activities by providing funds and volunteers. In fiscal 2011, a total of 70 employees of Tokio Marine Group companies in the Fukushima and Sendai areas volunteered to assist in the running of the Fifth Special Olympics Nippon National Winter Games in Fukushima.



The company's employee clubs also provide support to the certified NPO Special Olympics Nippon - Tokyo (SONT) through their respective club

activities. Examples include assistance provided by the company's track team for the running of the SONT-sponsored "Walk and Run Festival" charity event and the holding of a boating experience event by the boat club.

- ▶ [Special Olympics Nippon Foundation](#)

Working Together with the Sawayaka Welfare Foundation

The Sawayaka Welfare Foundation forms a network with a number of volunteer organizations across the country and works to build a system of mutual assistance in each local community with the ultimate goal of "building a new society in which all people can develop a close rapport with each other." Tokio Marine & Nichido empathizes with this organizational philosophy and partners with the foundation.

- ▶ [National volunteer network information of the Sawayaka Welfare Foundation \(in Japanese\)](#)

Participating in the TABLE FOR TWO Charity Initiative Aimed at Achieving an Optimal Food Balance in the World

Tokio Marine & Nichido participates in the TABLE FOR TWO initiative and has been offering a TABLE FOR TWO menu in the employee cafeteria at its Head Office.

TABLE FOR TWO is an initiative to donate a part (usually 20 yen) of the price of a lunch offered in a company cafeteria to school meal programs in developing countries.

Of the total world population reaching some seven billion, one billion people suffer from hunger while another billion are experiencing obesity and other diet-linked, lifestyle-related diseases. To eliminate this serious food imbalance, the TABLE FOR TWO initiative was launched in Japan in fall 2007. The amount of 20 yen donated from every lunch is equal to one school meal in developing countries. Thus, the name "TABLE FOR TWO" came from the idea that each of us in a developed country shares a table with one child in a developing country. We are having lunch together, beyond time and space.

Overview of TABLE FOR TWO in Tokio Marine & Nichido

| | |
|-----------|---|
| Location: | Employee Cafeteria at the Head Office |
| Method: | Purchasing a 560-yen TABLE FOR TWO lunch (680-800 kcal) automatically donates 20 yen through the NPO TABLE FOR TWO International, which will be used to buy school meals for children in developing countries |

- ▶ [TABLE FOR TWO](#)

Providing Support to the Himawari no Kai

Tokio Marine & Nichido and Tokio Marine & Nichido Life have been supporting the NPO Himawari no Kai since 2011. Himawari no Kai is an NPO approved by the Cabinet Office, Government of Japan that was established in 1997 with the aim of assisting expectant mothers and their families. Their most notable activity is increasing public recognition of their "Maternity Mark." They hand out traffic safety stickers bearing this mark to protect new mothers from traffic accidents. By supporting the organization, we will further contribute to the creation of local communities and society where expecting mothers and their families can live with peace of mind.



▶ [Himawari no Kai \(in Japanese\)](#)

Contributing to Safety and Security in Local Communities

Since September 2007, Tokio Marine & Nichido has been providing support to the "Daijoubu Campaign," a movement led by the Mainichi Newspapers, and holding disaster preparedness and anticrime interactive events throughout Japan.



In September 2010, Tokio Marine & Nichido also partnered with 38 FM radio stations across the country to promote the "Human Conscious Act - Loving Home Campaign." Under the campaign, the company sponsors a radio program and holds events throughout Japan according to the theme of "making your community safer and more secure by building ties ("Kizuna") among residents."

In fiscal 2011, Tokio Marine & Nichido, the Mainichi Newspapers and Tokyo FM jointly held an anticrime educational event, "Workshop to Create Local Community Safety Maps." During the event, we invited Professor Nobuo Komiya of Risho University, a developer of local community safety maps and an expert in criminal sociology, as a lecturer and held a training seminar for Tokio Marine & Nichido employees and agents. The participants then became trainers themselves and conducted safety map workshops for students of local elementary schools.



Overseas

Providing Japanese-Language Medical Services in the United States

The Japanese Medical Practice outpatient clinic operated by Beth Israel Medical Center in New York City with donations from Tokio Marine & Nichido has been providing medical services in Japanese since 1990. In fiscal 2009, the Japanese American Association of New York celebrated its 100th anniversary, and the Japanese Medical Practice outpatient clinic offered medical consultation services and held medical seminars for elderly Japanese-American people living in New York.

▶ [Japanese Medical Practice outpatient clinic \(in Japanese\)](#)

"N Program" to Support Young Physicians to Gain Clinical Experience in the United States

In collaboration with Beth Israel Medical Center, Tokio Marine & Nichido has been offering the "N Program" since 1991. This is a medical residency program to promote the exchange between the two countries in the medical field by dispatching every year young doctors with the desire to gain clinical experience in the United States.

The N Program has made remarkable progress thanks to the cooperation of teachers at U.S. medical institutions and the efforts of residents who participated as trainee physicians. From 1991 to 2011, the total number of trainees rose to 142.

▶ [N Program \(in Japanese\)](#)

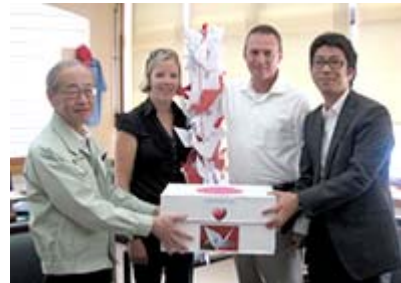


Activities to Assist Recovery of Disaster Areas by Overseas Group Companies

Tokio Millennium Re (TMR), a reinsurance company based in Bermuda, worked with other reinsurers in Bermuda and raised approximately USD 12,000 (about 1 million yen) from residents of the islands to support recovery of areas affected by the Great East Japan Earthquake. In June 2011, three TMR employees visited Japan and personally delivered the relief money to the Japanese Red Cross Society and Tagajo City, Miyagi Prefecture. They gave paper cranes with messages, which were made by elementary school children in Bermuda, to children in elementary schools, hospitals and evacuation centers near Sendai Airport. They also participated in volunteer activities in Tagajo City, cleaning up houses and clearing away debris.



TMR employees engaging in a volunteer activity



Presenting relief fund to the mayor of Tagajo City, Miyagi Prefecture

Tokio Marine Indonesia (TMI) ran an origami booth at the Jak-Japan Matsuri 2011 (Jakarta Japan Festival) held in Jakarta in September 2011. At the booth, TMI showed a video of disaster-stricken areas and handed out Japanese paper fans on which tips to follow in case of an earthquake were printed. TMI employees and local visitors also made senbazuru, Japanese origami paper cranes, to wish for the early recovery of disaster areas. These cranes were delivered to elementary schools in Keserenua City through Tokio Marine & Nichido in December of the same year.

Local Community and Social Contribution Activities

Protection of the Global Environment

The Tokio Marine Group designates the "protection of the global environment," a social issue of growing concern, as one of its key focus areas in promoting local community and social contribution activities and strives to raise environmental awareness both internally and externally.

Japan

Mangrove Planting Volunteers

Since 1999, Tokio Marine & Nichido has been promoting its Mangrove Planting Project in Southeast Asia and other regions and conducting a volunteer tour to plant mangrove trees about once a year. Tokio Marine Group employees, agents and retired employees as well as their families participate in these tours as volunteers to plant mangrove seeds and saplings with local residents and children and visit villages and elementary schools in respective regions to promote international exchange. As of March 2012, we have conducted 12 mangrove planting volunteer tours, in which a total of some 400 members have participated.



▶ [Creating Mangrove Forests](#)

Support for the "Ten-Year Restoration Project of the Coastal Forests of Tohoku Region"

In March 2012, Tokio Marine & Nichido made a monetary donation of 10 million yen to the "Ten-Year Restoration Project of the Coastal Forests of Tohoku Region" led by The Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA). In addition to restoring coastal pine tree forests, this project aims to facilitate regional revitalization through the recovery of agricultural land and creation of job opportunities in disaster areas. These ideas correspond to the philosophy of the Mangrove Planting Project undertaken by Tokio Marine & Nichido, which is to protect the global environment and contribute to the local community and society. Going forward, the company will provide physical support in addition to financial assistance by encouraging employee volunteer activities. As an additional effort in fiscal 2011, a fundraising campaign was conducted jointly with OISCA at the venue of a concert event, "Green Gift Concert - Presenting Forests to the 22nd Century," held by Tokio Marine & Nichido on March 3, 2012, in which donations amounting to 416,550 yen were received from concert guests.



Fundraising at the concert venue

*A project to restore "beaches of white sands and forests of green pine trees" in the Tohoku Region. It aims to restore coastal forests of the Sendai plain in Miyagi Prefecture, which were devastated by the earthquake-induced tsunami in the March disaster, by promoting production, nursery and the planting of seedlings while creating local job opportunities through these operations.

Green Lessons: The Mangrove Story

As part of its effort to raise environmental awareness, the Tokio Marine Group provides "Green Lessons: The Mangrove Story," an environmental education program for children in elementary and special needs schools. Employee and agent volunteers visit these schools and give lectures on the theme of "prevention of global warming and preservation of biodiversity," in which they tell stories about mangrove planting and the recycling of company uniforms. Children participating in these lessons receive flower pots made from recycled uniforms.

As of fiscal 2011, the Group visited about 510 elementary and special needs schools throughout Japan and provided Green Lessons to approximately 36,000 children.

- ▶ [Green Lessons: The Mangrove Story \(in Japanese\)](#)



A class at Sakaine Elementary School in Kashiwa City, Chiba Prefecture

Collaborative Afforestation Efforts in Kochi Prefecture Tokio Marine & Nichido's Forest for the Future

In May 2009, Tokio Marine & Nichido concluded a five-year partners agreement with Kochi Prefecture, Aki City and the Eastern Kochi Forestry Association to promote afforestation in Aki City under the Prefecture's "Collaborative Afforestation Project with Environmentally Advanced Corporations." The forest covered under the agreement encompasses 47.1 hectares and has been named the "Tokio Marine & Nichido's Forest for the Future." In November 2011, approximately 50 Group employees and agents including their families participated in the 3rd Tree-Thinning Forestry Volunteers to experience tree thinning and socially interact with local residents. Participants recognized the hard work involved in tree thinning and felt that a strong bond was created by closely communicating with local people.



Children's Environmental Award

Together with the Asahi Shimbun Company (Newspaper), Tokio Marine & Nichido launched the Children's Environmental Award program in 2008 as one initiative to raise environmental awareness among elementary school children who will take the lead in the future and, in turn, raise awareness among society as a whole. We solicit illustrations and essays about the environment from elementary school children and invite the award winners and their parents to join the Iriomote Island Eco Experience Tour during the



spring school holidays. For the fourth Children's Environmental Award in fiscal 2011, we received 4,779 works from throughout Japan.

During the tour, children learned about various global issues in the rich natural surroundings of Iriomote Island. They explored Japan's largest mangrove forest, picked up garbage that had washed ashore and separated the trash by country of origin, and under the guidance of experts, experienced the thrill of coming into contact with fish, shellfish and small animals. Through these nature activities, the children gained valuable experience and were eager to take action for protecting the Earth and global environment.

▶ [Tokio Marine & Nichido: Children's Environmental Award \(in Japanese\)](#)

Cooperation for the Internship Program for International Environmental Leaders Jointly Operated by Waseda University and Beijing University

Tokio Marine & Nichido provided support to the Joint Graduate School Initiative between Waseda University and Beijing University by endowing a course entitled "Practical Studies on the Environment in Japan and China" for three years from fiscal 2009 to fiscal 2011.

During the course, graduate school students of the two universities in their first year of the master's course visited companies, administrative agencies and universities in Japan and China to directly observe their activities. Through the exchange of ideas and discussion with local students, they worked to examine organizational as well as system and policy issues concerning the environment and develop respective solutions. Our aim was to develop environmental leaders through this course.

Sophia University Endowment Fund

Tokio Marine & Nichido implemented an endowment fund (Special Study Group for Carbon Materiality) in providing support to the Graduate School of Global Environmental Studies at Sophia University for three years from fiscal 2010 to fiscal 2011.

The goal of this program was to study how to identify, evaluate, report and apply carbon materiality factors, which companies and organization cannot ignore in reducing their greenhouse gas emissions. Tokio Marine & Nichido participated in sessions of the study group and cooperated in promoting their research.

Marunouchi Citizens Environmental Forum

Every year, Tokio Marine & Nichido holds a social and environmental awareness seminar, the Marunouchi Citizens Environmental Forum, jointly with Mitsubishi Corporation. At the 53rd forum held in fiscal 2011, we invited Japanese alpinist Ken Noguchi to talk about how he started cleanup activities on Mount Everest and Mount Fuji, the difficulties he faced and what he has recognized through these activities. More than 200 attendees, including Tokio Marine Group employees and other guests, were impressed by his humorous, true-to-life talk, and felt a genuine sense of empathy and expressed their strong desire to be physically active and take part in such an environmental program.



Global Warming Seminar by Tokio Marine & Nichido and the Tokio Marine Research Institute

Tokio Marine & Nichido and the Tokio Marine Research Institute jointly held a seminar on global warming entitled "Green Economy and Sustainable Management" on February 9, 2012. The global warming seminar is provided free of charge to citizens and company employees for the purpose of helping them gain a better understanding of global warming through panel discussions and lectures by experts on subject matters.

- ▶ [Seminar by the Tokio Marine Research Institute](#)

Efforts Related to the Green Gift Project

In fiscal 2011, Tokio Marine & Nichido conducted a variety of events for its Green Gift Project, which was initiated in 2009, to increase customer recognition of the project and give supporting customers a sense that they are participating in global environment protection activities. Examples included sponsoring two concert events to convey information on environmental protection and our activities to plant mangroves, "Tokio Marine & Nichido Green Gift presents Humanglobe Live" (May 2011) and "Green Gift Concert - Presenting Forests to the 22nd Century" (March 2012); planning and cooperating in the Iriomote Island Eco Experience Tour (June 2011) to explore real-life mangrove forests; and participating in the Eco-Products Exhibition (December 2011), which is one of the largest environmental exhibitions held in Japan.



- ▶ [Green Gift Project \(in Japanese\)](#)



Overseas

Group Company in Hong Kong Taking Part in Earth Hour

Since fiscal 2010, The Tokio Marine and Fire Insurance Company (Hong Kong) Limited has been an official sponsor of the Earth Hour event organized by the World Wide Fund for Nature (WWF), an international environmental conservation organization. Earth Hour is an international event that encourages households and businesses to turn off their lights at the same time on the same day to raise awareness for the prevention of global warming. In 2012, the event was held from 8:30 to 9:30 p.m., on March 31. In addition to participating in the "Lights Out" and other official events held by WWF, the Company also conducted an environmental awareness seminar for children at elementary schools in Hong Kong, including a Japanese school. More than 300 children from several elementary schools gathered and participated in a lecture by WWF staff, which included such topics as WWF activities and global warming issues and solutions. In the future, we will continue this environmental seminar activity, extending our reach to other Japanese schools and to the entire Japanese community in Hong Kong.



GREENPHLY Environmental Awareness Program by Philadelphia Insurance Companies

Employees of U.S.-based Philadelphia Insurance Companies (PHLY) have been conducting an environmental awareness program called GREENPHLY. A team of employees forming the GREENPHLY council leads an array of activities to reduce environmental impact at offices and publish internal magazines to improve awareness among employees so that they can guide their families and communities to take green action. GREENPHLY also encourages charity drives to reuse clothing items that are no longer used by employees or their families. Activities in fiscal 2011 included a "Shoe Drive," which collected and donated 350 pairs of shoes, and "Coat Drive Challenge," an inter-branch coat collecting competition held among branches in the United States that collected and donated about 900 coats.



Sustainability Report 2012

Key Issue -Governance-

Strengthening CSR Management

- Corporate Governance
- Internal Control Systems



To be trusted by customers and society and achieve sustainable growth, the Tokio Marine Group must raise the quality of its "business strategies," "governance" and "social responsibility" and build a sound and highly transparent management structure as a global insurance group.

The Tokio Marine Group has established "Strengthening CSR Management" as a key CSR issue and aims to raise the quality of its risk-based management (ERM: Enterprise Risk Management), compliance and corporate governance from the perspective of strengthening its global-based management and control, thereby increasing the level of trust by its stakeholders and fulfilling its social responsibilities.

The Tokio Marine Group is determined to raise its corporate value continuously while contributing to the sustainable development of society by implementing its Corporate Philosophy. Based on this rationale, we have formulated the Tokio Marine Group CSR Charter as behavioral guidelines for all employees to execute CSR. Additionally, Tokio Marine Holdings has established the Corporate Governance Policies and is appropriately governing Group companies.

In accordance with the Basic Policies for Internal Controls, Tokio Marine Holdings is appropriately enhancing and operating internal control systems, including systems for management control, compliance and risk management at Group companies. We are making efforts to properly operate these systems to ensure that we develop into a corporate group that combines profitability, growth potential and soundness.





▶ [Corporate Governance](#)

▶ [CSR Promotion Structure](#)

▶ [Internal Control Systems](#)

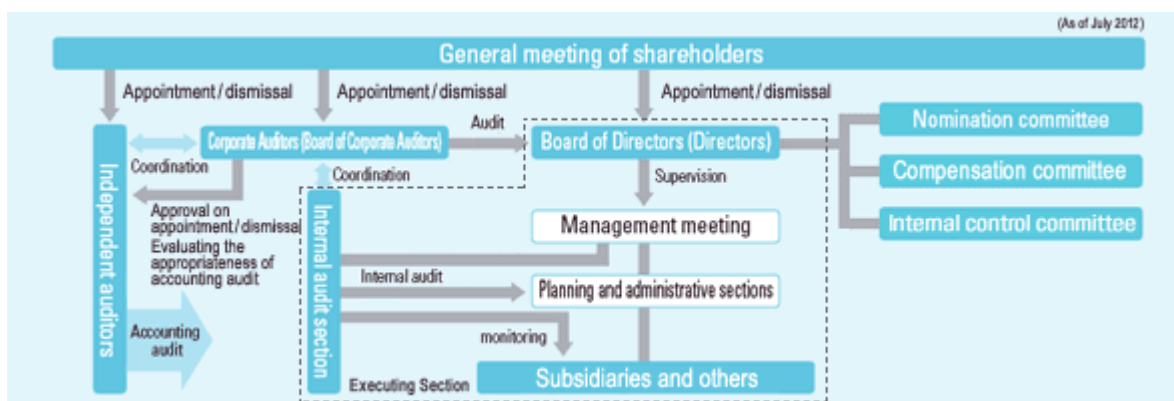
- ▶ [Compliance](#)
- ▶ [Respect for Human Rights](#)
- ▶ [Risk Management](#)
- ▶ [Information Security](#)
- ▶ [Information Disclosure](#)

Corporate Governance

Tokio Marine Holdings, in line with the Tokio Marine Group Corporate Philosophy, is committed to the continuous enhancement of the Group's corporate value by fulfilling its responsibilities to shareholders, customers, society, employees and other stakeholders. For this purpose, the Company hereby maintains a sound and highly transparent corporate governance system. As a holding company, it aims to exercise appropriate control over Tokio Marine Group companies. The Corporate Governance Policies of the Company shall be reviewed and amended as necessary to adapt to changes in the business environment.

- ▶ [Corporate Governance Policies](#)

Corporate governance organizational chart



Corporate Governance Structure

1. The Board of Directors

(1) Responsibilities of the Board of Directors and its Members

The Board of Directors is responsible for decisions on important matters relating to the execution of the Company's business, supervising the performance of individual directors and establishing an effective internal control system. In addition, as the Board of Directors of a holding company, it is responsible for determining medium- to long-term business strategies and various basic business policies such as the Basic Policies for Internal Controls for the Tokio Marine Group.

Each director shall endeavor to enable the Board of Directors to fulfill these responsibilities and functions.

(2) Composition of the Board of Directors

The number of directors shall generally be approximately 10 members, of whom, as a general rule, at least three shall be outside directors.

(3) Directors' Term of Office

Directors shall be appointed for a term of office of one year. Directors may be re-appointed.

2. Corporate Auditors and the Board of Corporate Auditors

(1) Responsibilities of Corporate Auditors and the Board of Corporate Auditors

Corporate auditors, as an independent body entrusted by shareholders, shall audit the performance of directors, with the aim to ensure sound and fair management and accountability.

Corporate auditors shall endeavor to conduct a high quality audit in accordance with the regulations of the Board of Corporate Auditors, auditing standards, auditing policies and auditing plans determined by the Board of Corporate Auditors.

(2) Composition of the Board of Corporate Auditors

The number of corporate auditors shall generally be around five. As a general rule, a majority of the corporate auditors shall be outside corporate auditors.

3. Nomination Committee and Compensation Committee

(1) Responsibilities of the Nomination and Compensation Committees

The Company shall have a Nomination Committee and a Compensation Committee to serve as advisory bodies to its Board of Directors.

The Nomination Committee shall deliberate on the following matters and report to the Board of Directors:

- The appointment and dismissal of directors (including non-members of the Board) and corporate auditors of the Company and its principal business subsidiaries*; and
- The criteria for the appointment of directors (including non-members of the Board) and corporate auditors of the Company and its principal business subsidiaries. The Compensation Committee shall deliberate on the following matters and report to the Board of Directors:
 - Evaluation of the performance of directors (including non-members of the Board) of the Company and its principal business subsidiaries; and
 - The compensation system for directors (including non-members of the Board) and corporate auditors of the Company and its principal business subsidiaries and the level of compensation for full-time directors (including non-members of the Board) of the Company and its principal business subsidiaries.

* The term "principal business subsidiary" refers to companies in which the Company directly holds a majority of the voting rights.

(2) Composition of Nomination and Compensation Committees

The Nomination Committee and the Compensation Committee shall generally consist of approximately five members each. As a general rule, a majority of the members of each committee shall be selected from outside of the Company, and the chairman of each committee shall be one of the outside members.

Compensation System for Directors and Corporate Auditors of the Company

(1) Determination Policy

Basic policies for determining compensation for directors and corporate auditors of the Company and its principal business subsidiaries are as follows:

- Ensure "transparency," "fairness" and "objectivity" regarding compensation for directors (including non-members of the Board) and corporate auditors;
- Strengthen incentives for improving the business performance of the Company by introducing a performance linked compensation system;
- Enhance accountability through sharing returns with shareholders by introducing a compensation system linked to meeting the Company's business results indices based on the management strategy and Company share price; and
- Fully implement a performance-based pay system through processes designed to objectively evaluate individual performance of directors (including non-members of the Board) with respect to management objectives.

In order to determine the level of compensation for directors (including non-members of the Board) and corporate auditors, the Company shall set the standard of compensation for each position, depending on the responsibilities of directors (including non-members of the Board) and corporate auditors, and take the business performance of the Company and the level of compensation of other companies into consideration.

(2) Compensation of Directors and Corporate Auditors of the Company

Compensation for full-time directors (including non-members of the Board) consists of three elements: fixed compensation, bonuses related to the business performance of the Company and the performance of the individual and stock options.

Compensation for part-time directors consists of two elements: fixed compensation and stock options.

Compensation for corporate auditors consists of one element: fixed compensation.

(3) Compensation of Directors and Corporate Auditors of Principal Business Subsidiaries

The compensation system for directors (including non-members of the Board) and corporate auditors of the Company's principal business subsidiaries shall generally be identical to that applied to directors (including non-members of the Board) and corporate auditors of the Company.



Corporate Governance of Subsidiaries

(1) Governance System

In the various basic business policies for the Tokio Marine Group, the Company shall prescribe basic terms for the management of the business subsidiaries and compliance, risk management and internal auditing of the Tokio Marine Group, and the Company shall manage its subsidiaries through the establishment and operation of a governance system based on these basic terms.

(2) Evaluation of Business Results of the Business Subsidiaries

The Company shall evaluate the business results of each business subsidiary of the Tokio Marine Group on an annual basis, comparing actual results with the Company's business results indices based on the management strategy. The results of such evaluations shall be considered in the determination of the compensation for the directors (including non-members of the Board) and corporate auditors of each business subsidiary.

Internal Control Systems

Compliance

We believe it is crucial for each and every employee and agent to maintain high ethical standards and to convey this stance through day-to-day business operations.

Respect for Human Rights

In executing our Corporate Philosophy, we have formulated the Tokio Marine Group CSR Charter as behavioral guidelines required from the perspective of social responsibility and we strive to respect and promote the recognition of human rights for all people, including customers, agents/business partners, employees, society and shareholders.

Risk Management

For the purpose of securing and maintaining the soundness of business operations, the Tokio Marine Group manages various risks related to the operation of its businesses and strives for stable management.

Information Security

In accordance with the Act on the Protection of Personal Information and related guidelines, each Group company has established internal rules and regulations and undertakes employee education and monitoring as part of thorough information management.

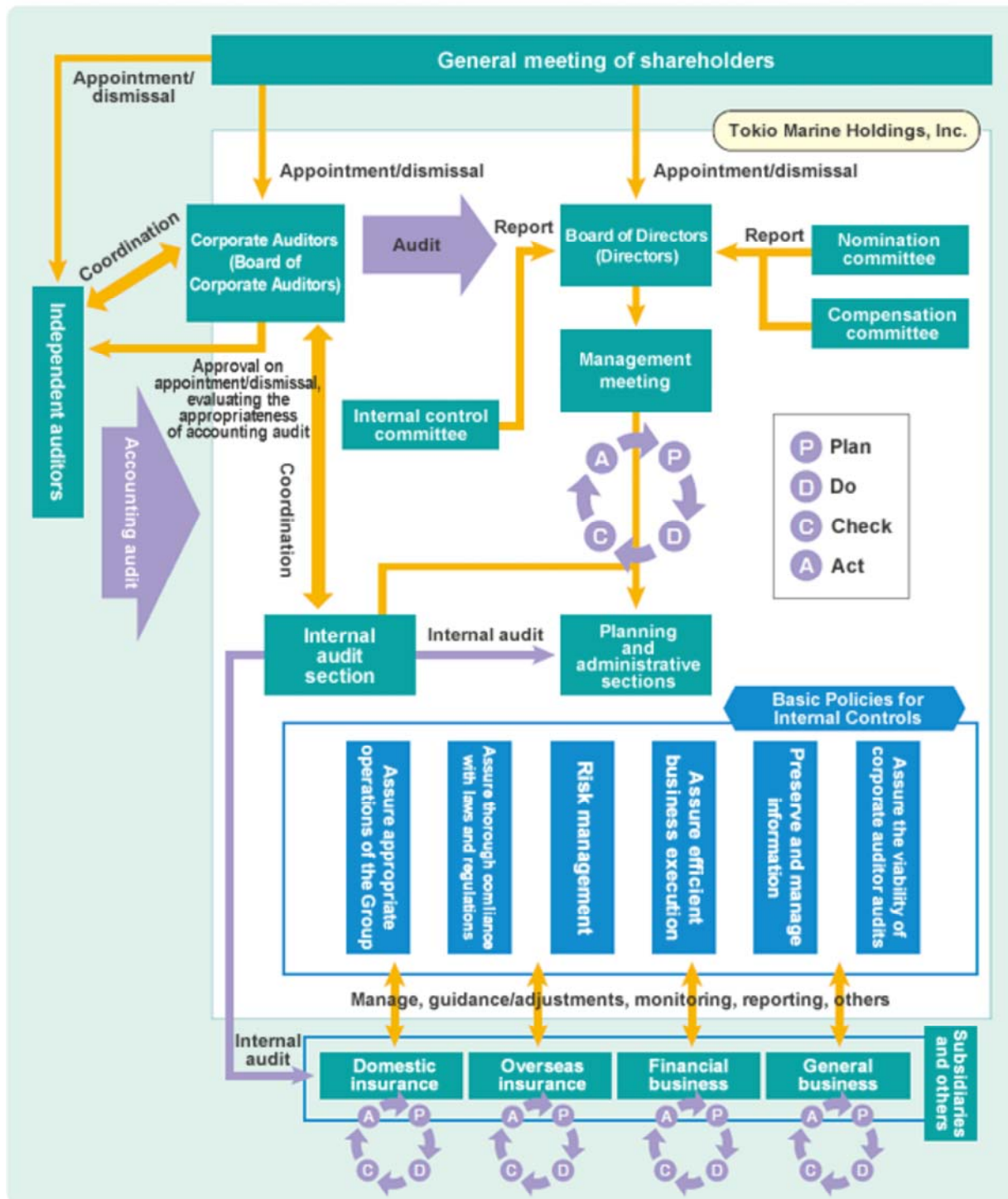
Information Disclosure

The Tokio Marine Group is striving to enhance disclosure that is fair and easy to understand so that each stakeholder can quickly and accurately understand the current status of the Tokio Marine Group and its future business development.

Establishment of Internal Control Systems

In accordance with the Companies Act of Japan and the Enforcement Regulations of the Companies Act of Japan, Tokio Marine Holdings has formulated its Basic Policies for Internal Controls. Under these policies, Tokio Marine Holdings is appropriately establishing internal control systems for the entire Tokio Marine Group that include Group company management systems, compliance and risk management. Also based on these policies, the Internal Control Committee formulates various types of policies and measures, evaluates the state of implementation and deliberates on improvements, and reports the results to the Board of Directors.

Internal Control Systems



Basic Policies for Internal Controls

In accordance with the following principles of conduct, the Tokio Marine Group is fulfilling its Corporate Social Responsibility (CSR) by implementing its Corporate Philosophy to achieve sustainable growth together with the development of society.

- System for ensuring proper operations within the Tokio Marine Group
- System for ensuring the execution of professional duties in accordance with applicable laws, regulations and the Articles of Incorporation
- System for risk management
- System for ensuring efficient execution of professional duties
- System for maintaining and managing information concerning the execution of directors' duties
- Matters concerning support personnel to the corporate auditors and their independence from the directors
- System of reporting to the corporate auditors
- Other systems for ensuring effective audits by the corporate auditors

▶ [Tokio Marine Holdings Basic Policies for Internal Controls](#)

Internal Audit System

Within the Tokio Marine Group, internal audits are executed based on the aim that "in order to play an effective role in achieving the Group's management targets, internal audits covering the full scope of operations performed in its business should not simply identify and indicate problems in the internal office processes but also assess the internal controls and propose measures for improvements." Within Tokio Marine Holdings and its insurance subsidiaries, each company has its own internal audit department, which performs appropriate internal audits mainly on risk management and compliance, which are the pillars of internal controls, in accordance with the type and level of risks.

The Internal Audit Department of Tokio Marine Holdings directly carries out auditing and monitoring of the internal controls of those subsidiaries that do not have their own internal audit department.

The results of these audits are reported to the Internal Audit Department of Tokio Marine Holdings and the Board of Directors of each member company of the Group. If any serious issue is found in the audit results, it is reported to the Board of Directors of Tokio Marine Holdings as well.



Unified Framework of Internal Audits within the Tokio Marine Group

A set of unified Basic Policies for Internal Audits and Internal Audit Rules are applied to all internal audits that are performed by internal audit departments of the Group companies in order to ensure consistent internal auditing within the Tokio Marine Group. In addition, priority issues and checking points on internal audits are defined every year and internal audit plans of the subsidiaries require the prior approval of Tokio Marine Holdings. Through these approaches, Tokio Marine Holdings endeavors to enhance the consistency of internal auditing throughout the Group.



Internal Control Systems Compliance

The Tokio Marine Group, which places customer trust as the foundation of all its activities, is implementing various compliance-related initiatives based on its belief that it is important to thoroughly implement compliance through its day-to-day business, with employees and agents maintaining high ethical standards.

The Tokio Marine Group Compliance System

The Tokio Marine Group defines compliance as "observing applicable laws, rules and regulations and internal regulations, and conducting fair and equitable business activities within social norms," and thoroughly implements compliance in this manner. Additionally, the Company has formulated the Tokio Marine Group Code of Conduct that incorporates matters that directors, executive officers and employees should comply with from the perspective of compliance.

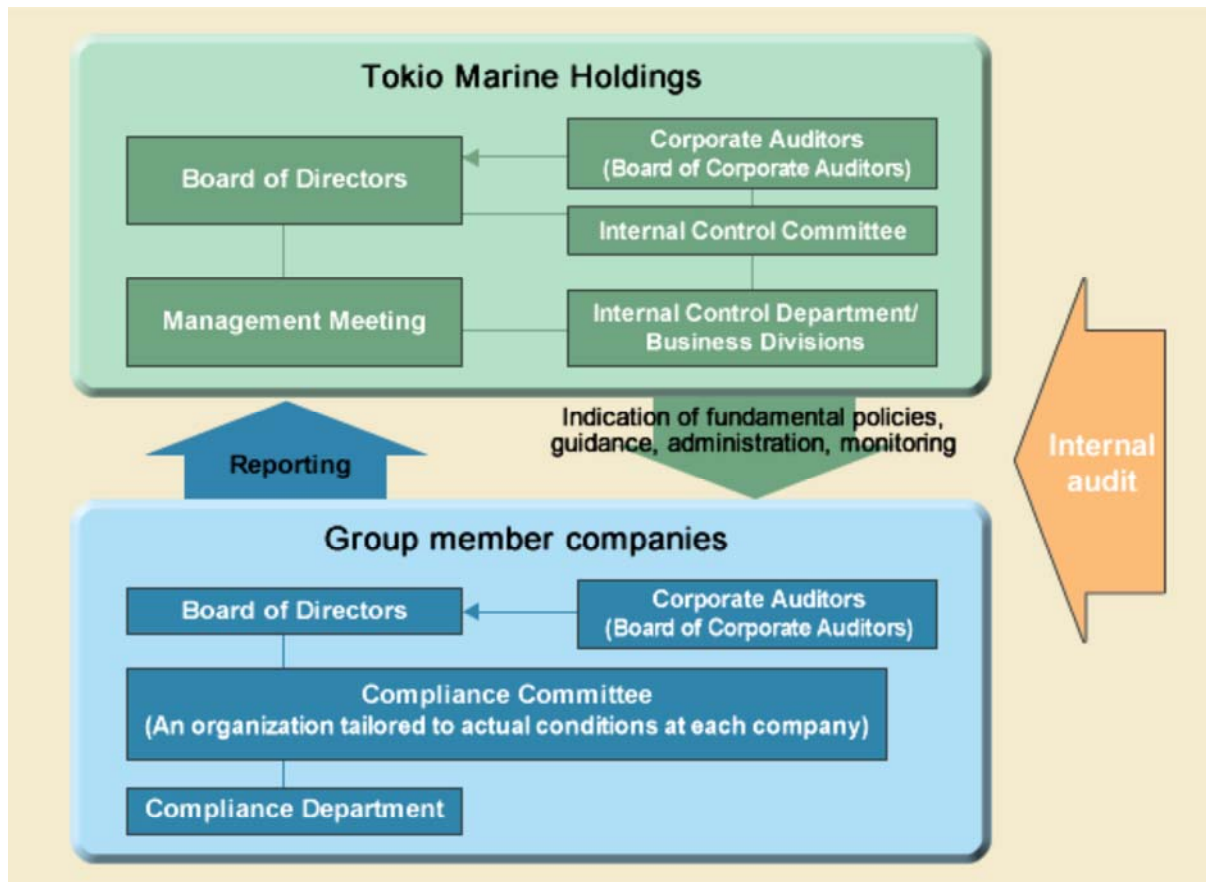
The Role of Tokio Marine Holdings

To thoroughly implement compliance as a Group, Tokio Marine Holdings prepares measures and policies for the entire Group. This includes formulating the Tokio Marine Group Basic Policies for Compliance and Compliance Standards that stipulate such items as laws and regulations that are commonly applicable within the entire Group. Also, Tokio Marine Holdings has built a structure to ensure group-wide compliance through periodic monitoring of the status of compliance within the Group in addition to receiving reports from Subsidiaries and Others on important matters, discussing and making decisions on these matters via the Board of Directors, Management Meeting and the Internal Control Committee while providing guidance and advice about the activities of Subsidiaries and Others when necessary.

Role of Subsidiaries and Others

Subsidiaries and Others proactively undertake thorough compliance in accordance with the Tokio Marine Group Basic Policies for Compliance. Subsidiaries and Others build compliance structures in a format suited to the content of their respective businesses while reporting to Tokio Marine Holdings on the status of thorough compliance and important items concerning compliance.

Tokio Marine & Nichido has also established a Quality Improvement/Compliance Committee, which has a majority of members from outside the company, that evaluates the establishment of compliance systems from an external perspective and checks, monitors and provides suggestions on the appropriateness of overall business operations. The Company has also appointed a Compliance Leader (CPL) in each production department who provides guidance on initiatives for compliance and fulfills a check-and-balance function, among other responsibilities. It also has appointed a Compliance Officer (CPO) in each region's business support department who fulfills a check-and-balance function with regard to production departments and supports the CPL. In this way, Tokio Marine & Nichido has built up a system for thorough compliance throughout a wide range of operations it conducts. As for overseas Group companies, compliance is promoted primarily under the lead of the CPOs in the respective companies on the basis of undertaking proper business in accordance with the above policies and with respect for local laws and regulations.



Declaration of Commitment to Compliance

The Tokio Marine Group is committed to the continuous enhancement of its corporate value, with customer trust at the base of all its activities. Strict compliance is at the heart of our corporate philosophy. The Tokio Marine Group Code of Conduct is a compilation of important matters that must be strictly observed. We, the directors, officers and employees of the Tokio Marine Group companies, promise to prioritize compliance in the conduct of business activities in accordance with the Code of Conduct.



Shuzo Sumi

President
Tokio Marine Holdings, Inc.

Tokio Marine Group Code of Conduct (Outline)

The Tokio Marine Group Code of Conduct is a compilation of important matters to be adhered to from the perspective of compliance when the spirit of our Corporate Philosophy is put into specific action and the Code is given the highest priority in carrying out all Tokio Marine Group business activities.

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

▶ [Tokio Marine Holdings - Tokio Marine Group Code of Conduct](#)



Tokio Marine Group Basic Policies for Compliance

To thoroughly implement compliance as a Group, we have formulated the Tokio Marine Group Basic Policies for Compliance, which prescribe the role of Tokio Marine Holdings, its Subsidiaries and Others and the basic rationale regarding the implementation of compliance.

Organizational Structures

The Tokio Marine Group has set up specialist departments for controlling internal compliance at each Group company. Subsidiaries and Others have established internal structures enabling organized responses for compliance. This includes setting up compliance committees that, depending on the actual state of operations, formulate policies and measures for compliance as well as check on the state of compliance implementation while assigning compliance officers and persons in charge of compliance to each department and branch office.

Compliance Manual

Based on the Compliance Standards formulated by Tokio Marine Holdings, we have prepared our own Compliance Manual that features the addition of necessary items in the respective businesses of Tokio Marine Holdings and Subsidiaries and Others and we have made this manual available for the reference of directors, officers and employees.

Compliance Training

To nurture an awareness of compliance while instilling persons in charge of business operations with necessary knowledge about compliance, the Tokio Marine Group implements training on laws, regulations and internal regulations that must be adhered to by directors, officers and employees.

Evaluation and Improvement Activities (including Inspections and Monitoring)

The Tokio Marine Group formulates a fiscal year action plan concerning the enhancement of structures for thorough compliance and prepares viable measures in accordance with the action plan.

The Tokio Marine Group makes autonomous checks and also undertakes monitoring in combination with internal audits for verifying the effectiveness of these measures.

Hotline System (Internal Whistle-Blower System)

The Tokio Marine Group has installed hotlines as a system for handling reports and consultation from employees and the management of Group member companies in the event a compliance-related issue has arisen or there is a likelihood of such an issue occurring. An external hotline is also established at an external law office so that the persons making such reports are able to select the hotline most convenient for them.

The Group keeps personal information on individuals making such reports strictly confidential and ensures that such individuals are not put in a disadvantageous position.



Response to Anti-social Forces

1. The Tokio Marine Group has prescribed the basic policies concerning responses to anti-social forces so that Subsidiaries and Others can resist anti-social forces and make concerted and uniform responses. Initiatives are being promoted based on the following basic concepts.
 - (1) To ensure it consistently undertakes fair management and widely contributes to the development of society as a good corporate citizen, the Tokio Marine Group shall sever all relationships with anti-social forces and forcefully repudiate any illicit demands made by them as a basic matter in the application of its management philosophy. In association with lawyers, police and other professionals, it will respond to anti-social forces in an uncompromising and organized manner.
 - (2) Subsidiaries and Others shall respond to anti-social forces based on the following measures.
 - 1) Take action as a unified organization while ensuring the safety of directors, officers and employees;
 - 2) Contact relevant external institutions (specialized in such matters);
 - 3) Sever all known relationships, including transactions and repudiate any illicit demands;
 - 4) Take legal action at either the civil or criminal level for any contingency; and
 - 5) Prohibit backroom deals and access to capital.
2. Taking into consideration the basic policies for responding to anti-social forces, the Tokio Marine Group shall promote initiatives that include setting up controlling departments, establishing reporting and consultation rules and systems for when a problem occurs, and implementing training activities.

Management of Transactions Involving Conflicts of Interest

The Tokio Marine Group has formulated Policies for Managing Transactions Involving Conflicts of Interest and through compliance with these policies by directors, officers and employees works to manage conflict-of-interest transactions to ensure that clients' interests are not unduly harmed.

The Tokio Marine Group Policies for Managing Prevention of Transactions Involving Conflicts of Interest (Summary)

1. Transactions Involving Conflicts of Interest

"Transactions Involving Conflicts of Interest" shall be defined as any of the following actions during the course of the Tokio Marine Group's business activities.

- (1) Transactions in which there is a potential conflict between the interest of a customer and the interest of the Tokio Marine Group.
- (2) Transactions in which there is the potential for the interest of a customer to be harmed by the interest of another customer of the Tokio Marine Group.
- (3) Transactions involving the use of customer information held by the Tokio Marine Group without the consent of the customer (with the exception of transactions involving a Purpose of Use specified beforehand in accordance with the Act on the Protection of Personal Information in Japan or provisions of other laws and regulations applicable to the Tokio Marine Group).

- (4) Besides transactions specified in (1) to (3) above, transactions or other actions that especially require management from the perspectives of protecting customers of the Tokio Marine Group and maintaining confidence in the Tokio Marine Group.

2. Structure for Managing Transactions Involving Conflicts of Interest

Tokio Marine Holdings, a holding company, uniformly controls matters concerning the management of conflict-of-interest transactions for the Tokio Marine Group. To do so, Tokio Marine Holdings has established a structure that includes setting up a department that controls the managing of conflict-of-interest transactions at the companies mentioned below as it appropriately manages conflict-of-interest transactions.

- (1) Tokio Marine Holdings, Inc.
- (2) Tokio Marine & Nichido Fire Insurance Co., Ltd.
- (3) Tokio Marine & Nichido Life Insurance Co., Ltd.
- (4) Nisshin Fire & Marine Insurance Co., Ltd.
- (5) Tokio Marine & Nichido Financial Life Insurance Co., Ltd.
- (6) Tokio Marine Financial Solutions Ltd.
- (7) Tokio Marine Capital Co., Ltd.
- (8) E. design Insurance Co., Ltd.

3. Methods for Managing Transactions Involving Conflicts of Interest

The Tokio Marine Group manages transactions involving conflicts of interest through the following methods.

- (1) Tokio Marine Group companies shall report beforehand to Tokio Marine Holdings on any intended transactions with a potential conflict of interest.
- (2) When Tokio Marine Holdings determines that such reported transactions will unduly harm the interests of a customer or has the potential for such harm, it shall take action using the methods below.
 - 1) A method that separates the department executing the relevant transaction and the department executing other transactions with the customer involved in the relevant transaction.
 - 2) A method that changes the conditions or methods of the relevant transaction or of other transactions with the customer involved in the relevant transaction.
 - 3) A method that properly discloses to the customer involved in the relevant transaction that there is the potential that the customer's interests will be unduly harmed along with the execution of the relevant transaction.
 - 4) A method that obtains the consent of the customer concerned for the use of customer information held by Tokio Marine Holdings and Tokio Marine Group companies along with the executing of the relevant transaction.
 - 5) A method that suspends the relevant transaction or other transactions with the customer involved in the relevant transaction.
 - 6) Any other method recognized by Tokio Marine Holdings as being necessary and appropriate.

4. Verification of Management Structure for Transactions Involving Conflicts of Interest

Tokio Marine Holdings shall periodically verify the appropriateness and effectiveness of the Tokio Marine Group's structure for managing conflict-of-interest transactions.



Internal Control Systems

Respect for Human Rights

Basic stance

In implementing our Corporate Philosophy, we have formulated the Tokio Marine Group CSR Charter as principles of conduct required from the perspective of social responsibility and we strive to respect and promote the recognition of human rights for all people, including customers, agents/business partners, employees, society and shareholders.

Tokio Marine Holdings supports and respects the Universal Declaration of Human Rights, the ILO Core Labour Standards as well as the OECD Guidelines for Multinational Enterprises and has signed the United Nations Global Compact. The Tokio Marine Group sufficiently understands international action principles and guidelines concerning human rights and participates in and contributes to initiatives concerning social responsibility, and by doing so, fulfills its role toward realizing a sustainable society.

Tokio Marine Group CSR Charter (excerpt)

The Tokio Marine Group is committed to fulfilling its Corporate Social Responsibility (CSR) by implementing its Corporate Philosophy to achieve sustainable growth together with the development of society in accordance with the following principles:

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 this right through the management of personal information.

We express the following in the Tokio Marine Group Code of Conduct, which summarizes important matters given the highest priority in our day-to-day business. Under the Code, directors, officers and employees conduct fair and equitable business activities in conformity with laws and social norms and the Group undertakes equitable business activities.

Tokio Marine Group Code of Conduct (Scope of application: Tokio Marine Group directors, officers and employees of Tokio Marine Group companies (includes dispatched employees))

In the event of a violation of this Code of Conduct, laws, regulations and internal rules, the companies of the Tokio Marine Group shall take necessary measures in accordance with internal rules, which includes investigating the facts, formulating countermeasures, submitting reports to supervisory authorities, taking disciplinary measures against the involved parties and formulating measures to prevent recurrences.

Respect for Human Rights

We shall respect the human rights of our customers, directors, officers, employees and all other people.

- Anti-discrimination

Human rights are values widely recognized around the world, and any discrimination on grounds of sex, age, profession, nationality, race, thought, creed, religion, social status or birth as well as any act constituting an infringement of human rights should never be tolerated.

- Anti-harassment

Sexual or any other kind of harassment or intimidation should never be tolerated.

- Private Information

In compliance with applicable laws, rules and regulations as well as the Tokio Marine Group Privacy Policy, we shall safeguard private information, including customers' information, and we shall not use such information except on a need basis to carry out our business operations in order to avoid any breach of privacy.

Tokio Marine Global HR Policy

Amid the growing importance of global business in recent years, the Tokio Marine Group believes it essential to hire and nurture diverse personnel, regardless of nationality, age and gender at each Group company in respective countries and regions worldwide and develop an environment in which employees can fully exert their capabilities.

In December 2010, we established the Tokio Marine Global HR Policy as a universal philosophy and concept for human resources management to be shared in respective countries and regions worldwide. We are working to share the thinking and values of 1) "human resources being our largest assets," 2) "respect diversity" and 3) "provision of fair and equal opportunities" and will promote various personnel affairs measures, including employee training and support.

Management Stance concerning Respect for Human Rights and Various Initiatives

Tokio Marine Holdings regularly carries out monitoring of initiatives for human rights, compliance and risk management in the business operations of Group companies. At the same time, Group companies are implementing various initiatives related to respect for human rights.

At Tokio Marine & Nichido, a dedicated department (Human Rights Enlightenment Office, Human Resources Planning Department) formulates Basic Policies and Measures Concerning Human Rights every year and is implementing measures concerning human rights in all departments.

(Principal Initiatives)

- **Human Rights Training (target: training attended by all employees), fair hiring selection, realization of internal normalization**
- **Promotion of employment of persons with disabilities, prevention and enlightenment of sexual harassment and other types of harassment and appropriate responses to harassment, execution of daily business operations with an awareness of human rights**

From the perspective of social responsibility, the Company distributes the Principle of Transactions to its business partners (suppliers and business consignees) and requests them to promote initiatives that encompass human rights domains in the areas of "Compliance with laws, regulations and social norms," "Promoting fair and honest transactions," "Thorough information management" and "Consideration for the environment."

Every year, each member company of the Tokio Marine Group holds human rights training in the workplace, in which all employees and other co-workers take part to build a dynamic corporate culture without discrimination or harassment. In addition, in working to achieve more comfortable workplaces, the Group carries out preventative and enlightenment activities regarding sexual harassment and other forms of harassment by establishing a consultation service (hotline), which is staffed by internal and external specialists.

Human rights training participants (domestic group companies)

| FY2009 (As of March 31, 2010) | FY2010 (As of March 31, 2011) | FY2011 (As of March 31, 2012) |
|----------------------------------|----------------------------------|----------------------------------|
| 99.9% | 99.9% | 99.9% |



Internal Control Systems

Risk Management

Overall Profile of Risk-Based Management (ERM:Enterprise Risk Management)

The Tokio Marine Group strives to maintain soundness and raise the profitability (capital efficiency) of the Group by strengthening its Risk-Based Management (ERM). Properly identifying and managing risks is necessary to "maintain financial soundness" and "improve profitability (capital efficiency)," which serve as two pillars in undertaking risk-based management.

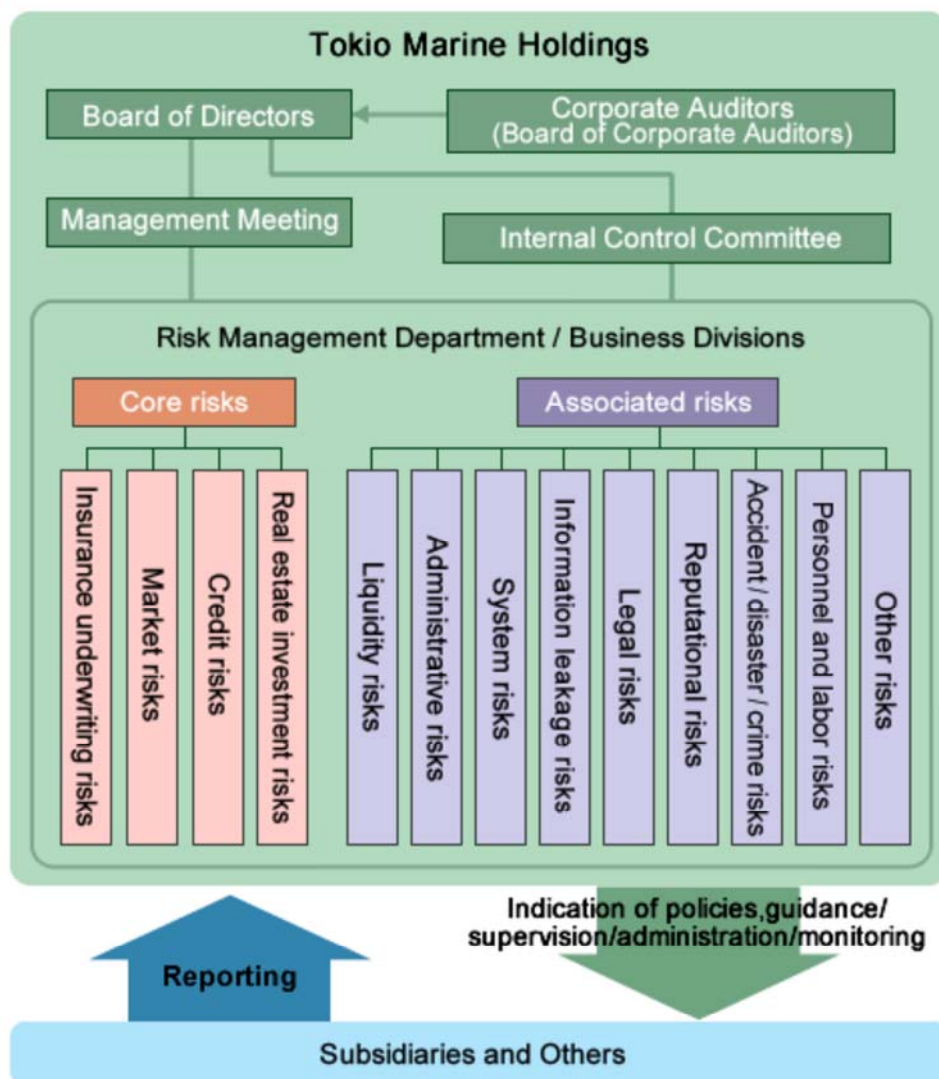
Maintaining Financial Soundness

Risk Management System of the Tokio Marine Group

The Company formulates the basic policies concerning risk management for the entire Tokio Marine Group as well as ascertains the state of risks for the Group. Subsidiaries and Others manage risks on their own initiative in accordance with these basic policies.

Among the various risks, the Company recognizes that insurance underwriting risks and investment risks (market risks, credit risks and real estate investment risks) are risks (core risks) that must be managed in sources of earnings, and therefore, actively manages these risks. The Company also identifies administrative risks, system risks and other risks pertaining to the Group's business activities and strives to prevent the occurrence of or reduce these risks as it works to execute proper risk management and ensure stable business operations.

Tokio Marine Group risk management organizational chart



(1) Roles of Tokio Marine Holdings

Tokio Marine Holdings develops basic policies for risk management of the Tokio Marine Group and promotes the enhancement and sophistication of the risk management system for the entire Group in accordance with the Tokio Marine Group's basic policies for risk management. The Company also manages quantitative risks for the Group in order to retain credit ratings and prevent bankruptcies.

(2) Roles of Subsidiaries and Others

Subsidiaries and Others actively conduct their own risk management by developing their own risk management policies in line with the basic policies for risk management of the Tokio Marine Group.

Basic Policies for Risk Management

The Tokio Marine Group has developed the basic policies relating to risk management described below. Tokio Marine Holdings, its Subsidiaries and Others manage risks in line with these basic policies.

(1) Basic Policies for Risk Management

The Basic Policies for Risk Management of the entire Group sets forth the department supervising risk management, definition of risks, organizations and guidelines for risk management that Subsidiaries and Others shall establish, and the issues that must be reported. Subsidiaries and Others conduct risk management based on the policies.

(2) Basic Policies for Integrated Risk Management

The Tokio Marine Group has developed the Basic Policies for Integrated Risk Management, which establishes the fundamental matters concerning the quantitative risk management of the entire Group, definition of risk amount and returns, and monitoring.

(3) Basic Policies for Crisis Management

The Tokio Marine Group has developed the Basic Policies for Crisis Management of the entire Group. The policies clarify the principles of actions in an emergency situation related to the measures to minimize losses and recover ordinary business operations and the crisis management systems that should be established by Subsidiaries and Others. Subsidiaries and Others establish risk management systems based on the policies.

▶ [Tokio Marine & Nichido Basic Policy for Responding to Disasters \(in Japanese\)](#)

Integrated Risk Management

Through integrated risk management, the Company quantitatively ascertains and properly manages every risk to ensure that any risk that emerges is within the scope of net asset value. We also assume stress scenarios, such as a major natural catastrophe and turmoil in financial markets, which would create detrimental effects in the future and implement stress tests to evaluate and analyze the impacts of such scenarios.

(1) Risk quantification

The Tokio Marine Group quantifies potential losses on all risks held that could arise within the given time horizons (1 year) and that could exceed the given probability levels (99.95%). The risk quantification method used is a risk indicator called "value at risk" (VaR).

(2) Determination of allowable risk parameters

Integrated risk management aims to maintain ratings and prevent bankruptcies by keeping risk volume within the prescribed allowable parameters. The allowable risk parameters for the Tokio Marine Group as a whole have been defined in terms of an upper limit on the entire quantity of risk. The Tokio Marine Group determines the allowable risk parameters semiannually and properly manages operations so that risk quantity does not exceed this.

(3) Evaluation and monitoring of capital allocation plans

Tokio Marine Holdings ensures that the expected risk volume is within the allowable risk parameters set out in the Group capital allocation plan. In other words, the Risk Management Department, which has an internal

control function, checks and examines the capital allocation plans to make sure that they are appropriate in terms of equity capital. Moreover, the status of the risk volume is periodically monitored.

Improving Profitability (Capital Efficiency)

■ Business Portfolio Management and Capital Allocation System

To continuously expand earnings (adjusted earnings), raise the Group's capital efficiency (adjusted return on equity (ROE)) and maximize corporate value, the Group carries out a relative evaluation of each business and prioritizes the allocation of management resources (business portfolio management). This is achieved by using risk/return indicators for each business and applying a scoring indicator covering market growth potential and profitability, competitive advantages and expected effects of strategies. Allocated management resources include funds, human resources and risk capital. By allocating these resources to business units and new businesses with even higher profitability and growth potential, we aim to improve the profitability and growth potential of our business portfolio.

Following the prioritizing of management resources to each business field through business portfolio management, we determine a concrete risk capital allocation plan for each business under a structure for allocating risk capital designated as the risk capital allocation system. Risk capital referred to here is not the amount of statutory capital but is identified as pseudo-capital based on a risk volume calculated by a uniform gauge of all types of risk.

The capital allocation system and integrated risk management are intricately related and based on the same risk evaluation methods. The Company maintains financial soundness through integrated risk management while the introduction of a decision-making process based on the quantitative analysis method enables us to select business units with deeper insights and to utilize limited capital more effectively.

■ Integrated and Comprehensive Discussions as Our Group Corporate Finance

We evaluate business plans under our business portfolio management and allocate capital based on these evaluations under our capital allocation system. Therefore, business plans and capital allocation are closely related. Additionally, because the execution of business plans also requires funds and risk capital, it is also necessary to ensure sufficient coordination with the Group Corporate Finance under which funds and risk capital are handled.

Aside from business portfolio management and the capital allocation system, the Tokio Marine Group also includes cash management, debt finance and shareholder returns as the Group Corporate Finance. All of these are organically linked and discussed at the Management Meeting and the Board of Directors Meeting.

Basic Policy for Responding to Disasters

In the event of a natural disaster such as an earthquake or a typhoon, Tokio Marine & Nichido has a crucial social mission of ensuring that it can continue its important business operations as a non-life insurer such as receiving accident notices, paying on claims, maturity refunds and other payables, and concluding policies in both the disaster-stricken area and elsewhere.

Therefore, Tokio Marine & Nichido has prescribed the following two points as its "Basic Policies of the Business Continuity Plan for Disasters" and formulated a Business Continuity Plan (BCP).

- ▶ [Tokio Marine & Nichido's "Basic Policies of the Business Continuity Plan for Disasters," abridged version \(PDF: 245KB\)](#)

Based on the experience of the Great East Japan Earthquake, Tokio Marine & Nichido has reviewed its manual and action plan in accordance with its BCP to establish an even more effective preparedness system. Tokio Marine & Nichido will implement further reviews when needed on the basis of any new announcements by the government and municipal authorities about anticipated damage from an earthquake that directly strikes the Metropolitan area and a major earthquake in the Nankai Trough.

■ Basic Policies of the Business Continuity Plan for Disasters

1. Principles of employees' conduct in times of disasters

The priority order for employees' conduct in times of disasters is as follows.

- Assure the safety of human life
- Cooperate in securing the safety of local communities
- Continue important operations (business continuity)

2. Basic policy for business continuity

The following three business operations shall be regarded as important business operations during a disaster, management resources (personnel, funds) shall be transferred as needed and top priority shall be given to the continuation of these important business operations.

- Receiving of accident notices
- Payment of claims, maturity refunds and other payables
- Conclusion of insurance contracts

■ Preparation of a Claims Service Structure for Use in the Event of a Disaster Striking the Metropolitan Area

Should the Head Office facilities in particular become unusable because of a disaster such as a major earthquake striking the Metropolitan area a backup office shall be established within the Kansai Backup HQ and claims payment services shall be undertaken for earthquake claims cases, including for residential earthquake insurance, until lifeline and other services are restored in the disaster-stricken area (the Metropolitan area). Non-earthquake regular claims cases shall be allocated to and handled by claims service bases throughout Japan.

If the Metropolitan area is struck by the disaster, a Claims Service Headquarters would be set up within the Head Office Disaster Response Headquarters. At the same time, a satellite office centering on the Claims Service Dept.

in charge of Tokyo and Chiba, Saitama and Kanagawa prefectures shall be set up and will accept support personnel from throughout Japan and provide claims services that include on-site claims assessments.

An infrastructure needed to provide claims services swiftly to the Metropolitan area in the event of a natural disaster has been built in advance in the locations where the backup office and satellite office would be established. Also, we have established a scheme for dispatching support personnel as needed from branch offices across the entire company.

■ **Response to the Great East Japan Earthquake**

▶ [Click here for details](#)



Internal Control Systems

Information Security

The Internal Control Department of Tokio Marine Holdings supervises information security for the entire Group as the controlling department while sections in charge of information security have been established at each Group company. In this manner, the Group is working to build an effective management structure for information security.

Initiatives for Information Security

We thoroughly adhere to information security management rules to prevent information leakages. In particular, each Group company is adopting physical and technological safety-control measures that include locking away customers' personal information and confidential documents when not in use, placing restrictions on taking documents and other items outside the company, and using encryptions and setting passwords for electronic information.

In fiscal 2010, Tokio Marine & Nichido introduced thin-client* terminals for its in-house intranet. Thin-client terminals are not equipped with hard disks and information is centrally managed and deployed from a server, which thereby further strengthens information security.

*A method whereby the PC environment (client OS and applications) for each user is consolidated into and operated by the server

Protection of Personal Information

In the area of personal information on customers, the Tokio Marine Group has formulated and released the Tokio Marine Group Privacy Policy, which clarifies the Group policy for dealing with such information. At the same time, each Group company formulates and releases a policy of its own in accordance with the Privacy Policy.

Privacy Policy

■ Tokio Marine Group Privacy Policy

The Tokio Marine Group is committed to the continuous enhancement of corporate value, with customer trust at the base of all its activities. Guided by this corporate philosophy, we, the Tokio Marine Group, shall comply with laws, rules, regulations and guidelines related to the protection of personal information, appropriately manage personal information as described below and implement other appropriate security measures for the protection of personal information of our customers.

1. We shall acquire personal information of our customers in a manner that is both legal and fair. Unless prescribed by law, rule or regulation, we shall notify or publicize the purposes for using personal information of our customers and shall use such information within these limits.
2. Unless prescribed by law, rule or regulation, we shall not provide personal information of our customers to third parties without prior consent of each such customer.

3. We will strive to prevent the divulgence, destruction, impairment and unauthorized access of personal information of our customers. When we contract out the management of personal information of our customers to an outside service provider, we shall supervise the service provider appropriately, as needed.
4. Whenever we receive requests from our customers to view or update their personal information we hold, we shall respond promptly in accordance with laws, rules and regulations. We also welcome comments and questions regarding the management of personal information of our customers.
5. We shall provide comprehensive supervision, instructions and education to our employees who handle personal information of our customers to ensure that such information is managed appropriately.
6. We will continue to revise and aim to improve our internal systems and procedures to protect personal information of our customers.

Adopted on February 7, 2005

Revised on July 1, 2008

■ Tokio Marine Holdings Privacy Policy

With customer trust at the foundation of all our activities, the Company aims to commit to the continuous enhancement of corporate value through strategic planning of the entire Tokio Marine Group and managing the subsidiaries of the Tokio Marine Group companies. The Company will properly handle personal information as described below in compliance with the Personal Information Protection Law (the "Privacy Law"), other relevant laws, ordinances and guidelines, and the Tokio Marine Group Privacy Policy, and will take appropriate measures to ensure that personal information is secure. The Company will make an effort to conduct training and education of the Company's employees so that personal information will be properly handled.

The Company will review and improve the contents described below from time to time.

1. Collection of Personal Information

The Company will collect personal (including for shareholders, the same shall apply hereinafter) information in a lawful and proper manner to the extent necessary for its business.

2. Purpose of Use of Personal Information

The Company shall use information received from customers for the purposes (hereinafter referred to as Purpose of Use) of undertaking the following business operations. The Purpose of Use shall be specifically prescribed for clarification for customers and disclosed on our Website as stated below. Moreover, depending on the situation in which the information is obtained, we shall make efforts to limit the Purpose of Use.

- (1) Business administration of Group companies*
- (2) Contacting shareholders, providing them with various information and undertaking shareholder management
- (3) Exercising the Company's rights or fulfilling its obligations in accordance with the Companies Act of Japan and the Enforcement Regulations of the Companies Act of Japan
- (4) Responses to customer inquiries, requests, others
- (5) Undertaking other operations incidental to those stated in the above (1) to (4) as well as operations for ensuring the proper and smooth execution of the Company's business operations

When handling personal information that transcends the scope needed to attain the Purpose of Use, the consent of the relevant person shall be obtained except in the cases stipulated in Article 16-3 of the Act on the Protection of Personal Information.

* For details on the scope of Group Companies, refer to 10. Company List.

3. Provision of Personal Data to Third Parties

With the exception the following cases, the Company shall not provide personal data to third parties without obtaining the consent of the relevant individual.

In the case this is in accordance with laws and regulations

In the case data is provided to consignees within the scope necessary for the Company to execute its business activities (refer to the following 4. Consigning the Handling of Personal Data)

In the case of joint use between the Company's Group companies and business partners (Refer to the following 5. Joint Use with the Company's Group Companies and Business Partners)

4. Consigning the Handling of Personal Data

There are cases in which the Company consigns the handling of personal data to outside parties within the necessary scope for attaining the Purpose of Use. In the event the handling of personal data is consigned to outside parties, the Company shall prescribe standards for selecting a consignee and carry out necessary and appropriate supervision that includes confirming the consignee's information management structure beforehand. The Company consigns the handling of personal data, for example, in cases such as the following.

Consigning the management of the shareholders' register

5. Joint Use with the Company's Group Companies and Business Partners

To attain the Purpose of Use shown above in 2. (1) - (5), personal data is used jointly among the Company, Group companies and business partners* as described below.

(1) Personal Data Items

- a. Data on shareholders (Address, name, situation regarding holding of Company stock, etc.)
- b. Personal data held by Group companies (information related to transactions such as details of accident notices and details of contracts listed on application forms that include address, name, telephone number, gender, date of birth and other items)
- c. Personal data from persons making inquiries and requests of the Company (name, contact information, details of inquiry/request, etc.)

(2) Party responsible for managing personal data: Tokio Marine Holdings Co., Ltd.

*For details on the scope of Group Companies, refer to 10. Company List.

At present, there is no joint use of personal data with business partners.

6. Handling of Sensitive Information

The Company will not collect, use or provide to a third party Sensitive Information, including, but not limited to information regarding healthcare or case history, except for cases provided by the Act on the Protection of Personal Information, other relevant laws, ordinances and guidelines.

Note: "Sensitive Information" refers to sensitive information set forth in Article 6 of the Guidelines for Personal Information Protection in the Financial Field.

7. Notice of Matters, Disclosure, Amendment or Suspension of Use of Personal Data Held by the Company under the Act on the Protection of Personal Information

In accordance with the Act on the Protection of Personal Information, the Company makes efforts to respond appropriately and promptly to requests concerning notice of matters, disclosure, amendment or suspension of use of personal data.

For details on specific requests, please direct requests as shown below in 9. Contact Information. While confirming that the person making the request is the actual relevant person, procedures will be undertaken after

filling out the Company's designated forms and, in principle, the Company will respond in writing at a later date. The Company shall receive its self-prescribed service fee for responding to disclosure requests.

[Procedures for requesting disclosure, etc. \(in Japanese\)](#)

8. Management of Personal Data

To prevent divulgence, loss or damage of personal data and ensure safety management of other personal data, the Company implements adequate security measures while working to assure the accuracy and recentness of data needed to attain the Purpose of Use.

9. Contact Information

The Company responds appropriately and quickly to complaints and consultations regarding the handling of personal information. For referrals and consultations concerning the Company's handling of personal information or personal data, please make inquiries as follows.

Point of contact: Tokio Marine Holdings Internal Control Department

Telephone: 0120-789-967

Business hours: 9am - 5pm, excluding Saturdays, Sundays, holidays and year-end and new year holidays

10. Company List

The Company's Group companies and business partners mentioned in 2. Purpose of Use of Personal Information and in 5. Joint Use with the Company's Group Company's and Business Partners are indicated below.

(1) Group Companies: [Tokio Marine Group](#)

(2) Business partners: There are no business partners to which the Company provides personal data.

Note: Personal information of employees of the Company shall not necessarily be treated in accordance with this policy.

Adopted on March 7, 2005
Revised on August 11, 2011

■ Acquisition of External Certification

The Tokio Marine Group has acquired external certification for information security that includes the Privacy Mark and Information Security Management System (ISMS) certifications. These achievements recognize the initiatives taken within the Group to protect personal information. The Group intends to make continuous improvements and to strengthen further its information security management structure.

Status of acquiring external certifications related to information security

| Group member company | Certification date | Certification |
|--|------------------------|---------------|
| Tokio Marine & Nichido Communications | Mar. 2006 | ISMS |
| Tokio Marine & Nichido Systems | Aug. 2006 Dec. 2006 | ISMS ITSMS* |
| Tokio Marine & Nichido Risk Consulting | Jun. 2007 | Privacy Mark |
| Millea Mondial | Aug. 2007 | Privacy Mark |
| Tokio Marine & Nichido Medical Service (Health Promotion Dept.) | Sep. 2007 | ISMS |

*Third-party certification system on operational management of IT services (ISO/IEC 20000)



Internal Control Systems

Information Disclosure

We make every effort to disclose information about the Tokio Marine Group's current financial condition and future business development in a fair and understandable manner that facilitates precise and expeditious understanding for our investors and financial analysts.

Disclosure Policy of the Tokio Marine Group

We aim to disclose meaningful information regarding the Tokio Marine Group that enhances management transparency and fairness in connection with our corporate social responsibility.

1. Disclosure Policy

It is our policy to expeditiously disclose information in accordance with the "Securities Listing Regulations" stipulated by the Tokyo Stock Exchange. We strive for timely, accurate and fair disclosure of other information that is relevant to our customers, shareholders and investors, representative offices and employees, as well as Japanese society at large.

2. Disclosure Methods

Disclosure pursuant to the Tokyo Stock Exchange rules, regulations and other requirements is made through the Timely Disclosure network, or TDnet, as well as the press and other appropriate means. We subsequently post disclosed information on our website. Other disclosure is made in a manner appropriate to the content of the relevant information.

3. Disclaimer

Disclosure made based on this Disclosure Policy is intended to accurately, expeditiously and fairly inform the public regarding the Tokio Marine Group's activities and is not intended to constitute an investment offer or solicitation.

Adopted on November 30, 2004

Revised on September 29, 2010



■ Disclosure Materials

Tokio Marine Holdings and its domestic insurance business companies prepare and strive to enhance the content of disclosure materials.

- ▶ [IR Library](#)

■ Website

Please refer to the following for information disclosure concerning Tokio Marine Holdings and each insurance business company.

- ▶ [Tokio Marine Holdings](#)
- ▶ [Tokio Marine & Nichido Fire Insurance](#)
- ▶ [Nissin Fire & Marine Insurance \(in Japanese\)](#)
- ▶ [E. design Insurance \(in Japanese\)](#)
- ▶ [Tokio Marine Millea SAST Insurance \(in Japanese\)](#)
- ▶ [Tokio Marine & Nichido Life Insurance \(in Japanese\)](#)
- ▶ [Tokio Marine & Nichido Financial Insurance \(in Japanese\)](#)

■ Rating Information

Please refer below for information concerning rating information for Tokio Marine Group companies.

- ▶ [Rating Information](#)

Sustainability Report 2012

Relations with Stakeholders

- Relations with Customers
- Relations with Shareholders and Investors
- Relations with Employees
- Relations with Agents
- Relations with Suppliers
- Relations with Local Communities and Society

Relations with Stakeholders

The Tokio Marine Group believes that building a relationship of trust through dialogues and cooperation with all stakeholders, including customers, is important for implementing high quality CSR management.



Relations with Customers

The Tokio Marine Group values feedback from our customers and is carrying out daily initiatives to enhance quality in order to earn customer trust.

Relations with Shareholders and Investors

The Tokio Marine Group is working to realize sound and highly transparent corporate governance through promoting information disclosure and the exchange of opinions in a timely and appropriate manner.

Relations with Employees

The Tokio Marine Group will continuously build an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential.

Relations with Agents

The Tokio Marine Group is building trustworthy partnerships and undertaking collective efforts to truly enhance operational quality from a customer standpoint.

Relations with Suppliers

The Tokio Marine Group aims to realize sustainable development and fulfill our social responsibility together with all business partners.

Relations with Local Communities and Society

Business activities are realized with the support of everyone in local communities. With this in mind, the Tokio Marine Group conducts various activities in respective regions worldwide.

*Linked with "Local Community and Social Contribution Activities" pages.



Relations with Customers

Basic policies for protection of customers' interests

The Tokio Marine Group establishes the basic policies for protection of customers' interests and develops a system to thoroughly promote being customer-oriented and pursue various aspects including customer protection.

Quality Improvement Initiatives

The Tokio Marine Group continuously promotes initiatives to enhance quality from a customer standpoint in accordance with the Group's corporate philosophy: "Through the provision of the highest quality products and services, Tokio Marine Group aims to deliver safety and security to all our customers."

Response to Customer Feedback

Based on the Group's common standards related to customer comments, each company of the Tokio Marine Group has formulated a response policy in order to develop a structure to utilize customer opinions for improving products and services.



Relations with Customers

Basic policies for protection of customers' interests

The Tokio Marine Group establishes the basic policies for protection of customers' interests and develops a system to thoroughly promote being customer-oriented and pursue various aspects including customer protection.

Additionally, we have formulated the Tokio Marine Group Policies for Managing transactions involving conflicts of interest and through compliance with these policies by directors, officers and employees work to manage transactions involving conflicts of interest to ensure that clients' interests are not unduly harmed.



Relations with Customers

Quality Improvement Initiatives

The Tokio Marine Group's Approach to Quality

The Tokio Marine Group has earned high regard from its customers by providing products and services which are ahead of the times in accordance with the Group's corporate philosophy: "Through the provision of the highest quality products and services, the Tokio Marine Group aims to deliver safety and security to all its customers." From a medium- to long-term viewpoint, it is conceivable that social and economic changes such as the declining birthrate and aging population and global warming inside and outside Japan could give rise to new risks. In response to the diversifying needs of both individual and corporate customers in connection with such changes, the Tokio Marine Group will combine the capabilities of all Group member companies and will do its best to provide new products and services that anticipate the changing times and extend beyond the framework of conventional insurance products and services in areas such as the financial, medical and consulting fields.

"Anshin Quality" and "Business Renovation Project"

In order to realize the Group's corporate philosophy, Tokio Marine & Nichido designates specific quality standards that are indispensable for products and services provided to customers in terms of "Anshin Quality" and is promoting an array of initiatives to realize this.

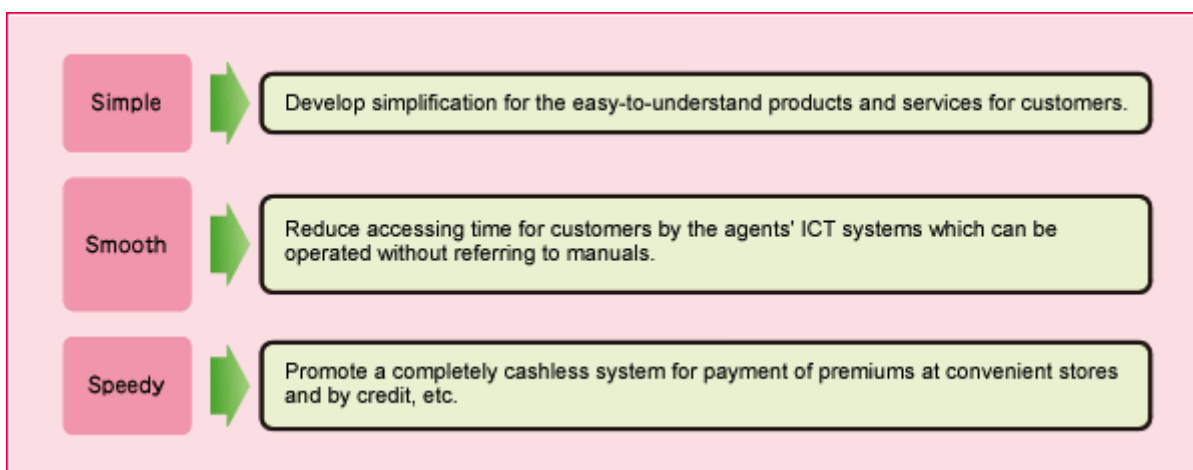
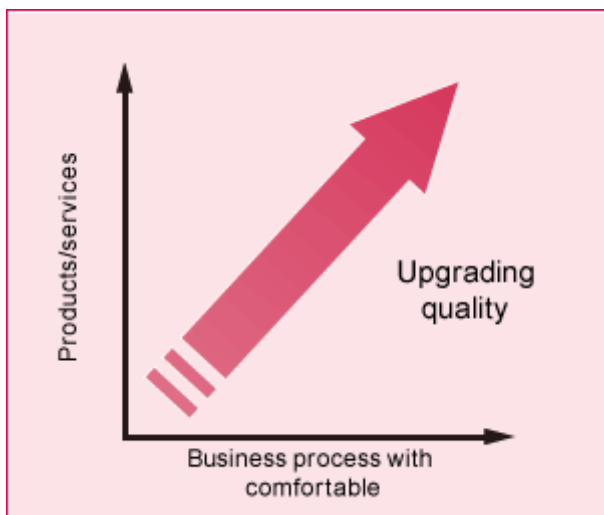
Specifically, in addition to enhancing the quality of products and services, we are also promoting the Business Renovation Project throughout the company based on the concept that quality enhancement can be truly achieved by "making all business processes more prompt and accurate at the time of providing products and services to customers, thereby earning a sense of comfort and trust from customers."

This project is aimed at realizing reform towards new ways of doing business for employees and agents in all processes from the signing of contracts to the payment of claims. Based on the fundamental concept of making complex insurance business practices simple, smooth and speedy to increase customer convenience, we have drastically revised our products, administrative procedures and systems to provide "simple and easy-to-understand products to customers," "quick administrative procedures in response to customers' needs" and "easy-to-operate systems for agents." At the same time, in the course of drastically revising the conventional ways of doing business, we have initiated such arrangements as the cashless payment of premiums and early notices of renewal, and our employees and agents have been proceeding with business steadily along these lines.

Going forward, we will aim to achieve growth by securing stable product quality through business process reforms and the enhancement of product quality. At the same time, we will also promote reforms to realize a new business model that utilizes tablet devices and smartphones in order to further realize a comfortable experience for customers as they enroll in insurance.

Improving quality = Improving products/services x Business process with comfort and accuracy

■ Image of improving quality that Tokio Marine & Nichido is aiming for



Ensuring Customers Have a Clear Understanding of Insurance Products

Tokio Marine & Nichido is pursuing the concepts of "easy-to-understand" based on customer feedback, including opinions. Accordingly, the company devised rules for creating forms that make customers feel at ease in order to make significant improvements to forms that customers can understand (fill out) by reading them by themselves. Forms that have been created from March 2007 onwards are based on these rules.



Providing "Anshin Quality" of Claims Services to Customers

True value as an insurance company is questioned in the unlikely event that customers are involved in accidents. We consider that it is our mission to provide the highest quality claims services in such an eventuality.

Tokio Marine & Nichido designates specific quality standards that are indispensable for products and services provided to customers in terms of "Anshin (Reassuring) quality" and the company and agents have been undertaking concerted efforts to thoroughly promote initiatives towards the realization of "Anshin (Reassuring) quality." When we receive accident notices, we utilize a system that verifies whether or not such an accident is covered under any other contracts that will allow payment for that accident, thereby providing claimants with information about the payments of claims. Specifically, in terms of auto insurance, we have introduced a system that has various functions according to which we cannot close the file until after we have paid all incidental claims without any omission. By means of this system and various types of training, we are now confident in making appropriate payment of claims to customers.

Information regarding details of coverage and a list of possible claims payable will be sent to customers upon receipt of the notification of an accident and personnel in charge provide information on the amount of claims payable in an easy-to-understand manner.

When insurance claims are paid, personnel in charge will explain in an easy-to-understand manner while also sending a statement of claims payable which not only verifies the amount but also provides a detailed breakdown.

When insurance claims cannot be paid, we will inform customers of the reason both verbally and in written form in an easy-to-understand manner. Additionally, inquiries and claims from customers are accepted via an exclusive toll-free telephone line. Assistance by external specialists such as lawyers is also available via the Re-examination Request System*.

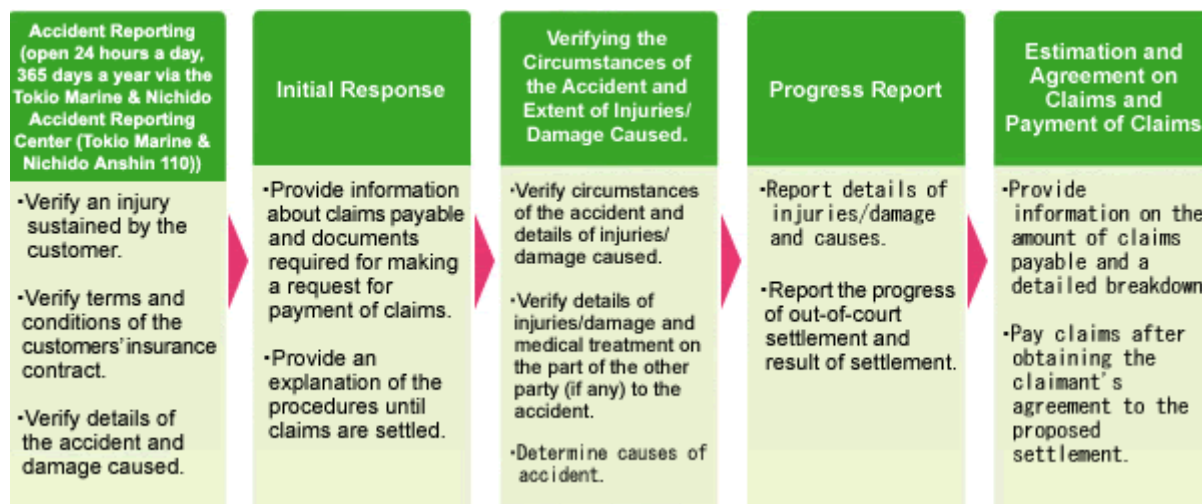
*Re-examination Request System(Tokio Marine & Nichido).

In cases where customers do not concur with the decision made by the claims service bases that are involved with the payment of insurance claims, the Re-examination Request System can be used upon request by customers (including policyholders and insured persons). Under the Re-examination Request System, the Claims Service Examination Committee, which is a closed-door committee comprised of external specialists (doctors and lawyers), re-examines the decision made by the claims service base responsible for the case using re-examination request documents and materials submitted by relevant parties. The results are subsequently reported to customers who requested the re-examination via correspondence.

▶ [Tokio Marine & Nichido Re-examination Request System \(in Japanese\)](#)

▶ [Tokio Marine & Nichido Re-examination results by the Claims Service Examination Committee \(in Japanese\)](#)

■ Claim Payment Procedures



Further Enhancing Customer Reassurance

We are making efforts to eliminate customer anxiety through such means as Tokio Marine & Nichido Medical Service's free medical advice service, highly specialized services provided by each Group member company and accurate advice offered by affiliated lawyers, doctors and other experts.

▶ [Providing Value through Our Businesses -Medical Assist, Hospitalization Assist](#)

■ Claims Service System in Japan (As of July 2012)

| | Tokio Marine & Nichido | Nisshin Fire |
|---|--------------------------------------|----------------------|
| Number of service bases | 239 | 98 |
| Staff | Approx. 9,800 (As of August 2011) | 1,163 |
| Lawyers | Approx. 440 | 53 |
| Consulting physicians | Approx. 95 | 12 |
| Tax accountants /Accountants | Approx. 65 | - |
| Number of automobile accident settlements reached (/year) | Approx. 2.70 million | Approx. 0.22 million |



Initiatives to Improve Quality of Products and Services through Manufacturing (Monozukuri) Theory

Since 2007, Nisshin Fire has been conducting joint research with the Manufacturing Management Research Center, Graduate School of the University of Tokyo in pursuit of enhancing quality from a customer standpoint by applying manufacturing (monozukuri) theory in the manufacturing industry to non-life insurance. The Service Planning Office within the Product Department was newly established in fiscal 2009 and has since carried out the planning of products and services that utilize the concept of monozukuri. For our new comprehensive auto insurance product You-Side (launched in April 2011), we revised the details of coverage and significantly revamped pamphlets by applying the know-how of monozukuri in the manufacturing industry in order to provide coverage details, contract procedures and product explanations that are easy-to-understand for customers. Additionally, we have also established standard operation processes in claims services response with the aim of further pursuing the "prompt and appropriate payment of insurance claims" by responding in accordance with these processes while also realizing services that will meet customer expectations.

Relations with Customers

Response to Customer Feedback

Critical opinions and demands from customers are valuable assets for us to provide more quality services to customers. Based on the Group's common standards related to customer comments, each company of the Tokio Marine Group has formulated a response policy in order to develop a structure to utilize customer opinions for improving products and services.

Tokio Marine & Nichido Customer Feedback Response Policy

Basic Philosophy

Tokio Marine & Nichido sincerely accepts and actively applies customer feedback to its corporate activities with customer trust as the basis of all of its business activities.

Basic Policy

- (1) We will proactively accept and appreciate customer feedback.
- (2) We will undertake company-wide initiatives to take full responsibility for addressing customer feedback.
- (3) We will utilize customer feedback to enhance the quality of our operations, including products and services.
- (4) We will deliver greater "safety and security" based on customer feedback.

Structure to Make Improvements Based on Customer Feedback

We are undertaking initiatives to improve products and services by sharing information about customer feedback gained through various tools such as surveys and needs perceived by employees and agents as they come in contact with customers. For example, Tokio Marine & Nichido, Tokio Marine & Nichido Life and Nisshin Fire enter such feedback into a unified management system which is set up on their respective intranets, in order to analyze customer feedback. This feedback is then utilized for various purposes such as the development and improvement of products, administrative work and systems. Additionally, Tokio Marine & Nichido conducts regular meetings with consumer advisors in order to identify problems and improve the situation from external standpoints. In this way, such activities are helping to enhance the ease of understanding of the details of documents.

Self-Declaration of Compliance with the ISO 10002 standard

As a means of standardizing the quality of response toward customer feedback company-wide, Tokio Marine & Nichido and Tokio Marine & Nichido Life have reviewed operation systems in conformity with the ISO 10002 standard, the international complaint-management standard. Additionally, the companies were the first in the domestic financial industry to verify compliance with the standard in June 2007 and subsequently made an external announcement in July. We will continuously strive to enhance the quality of operations in terms of products and services and other relevant aspects based on customer feedback. Nisshin Fire also made a self-declaration of compliance with the ISO 10002 standard in July 2008.



Websites for respective Group companies: Initiatives to respond to customer feedback (in Japanese)

- ▶ [Tokio Marine & Nichido "In order to maintain customer trust"](#)
- ▶ [Nisshin Fire "Initiatives to respond to customer feedback"](#)
- ▶ [Tokio Marine & Nichido Life "Initiatives to respond to customer feedback"](#)

Listening to Customer Feedback

Each Group member company is actively listening to customer feedback through various means such as via customer surveys, customer consultation calls, consultation and inquiries sections on company websites, information gathering via agents and personnel in charge of sales. From the perspective of enhancing the transparency of initiatives regarding customer feedback, the number of feedback comments received, details of claims and examples of developing and improving products and services carried out based on such feedback are made public via company websites in greater detail.

Tokio Marine & Nichido is conducting surveys for policyholders in relation to auto insurance, fire insurance, Super Insurance and medical insurance products. The aim is to validate whether the company is appropriately providing explanations regarding details of coverage, premiums payments and explanations to rider services as well as important terms, and verifying the intent and the scope of insurance coverage, including building structures.

Tokio Marine & Nichido Life is obtaining customer feedback by enclosing surveys along with notices regarding contract details, insurance policies and other relevant documents that are sent to all policyholders once a year.

Nisshin Fire is obtaining evaluations or the level of satisfaction toward the company or agents from 3,000 customers who are randomly selected from among auto insurance policyholders. In fiscal 2011, 696 customers responded and opinions received are being utilized to enhance the quality of products and customer response.

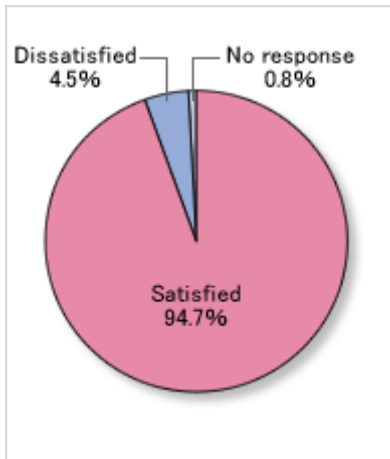
Additionally, initiatives are also being undertaken whenever necessary at the time of contract or payment of insurance claims by directly asking customers about their evaluation of the company and agents in terms of customer response. Surveys at the time of signing a contract are being conducted via the Internet while surveys

during claims payment are conducted via mail. A total of approximately 35,000 customers responded in fiscal 2011.

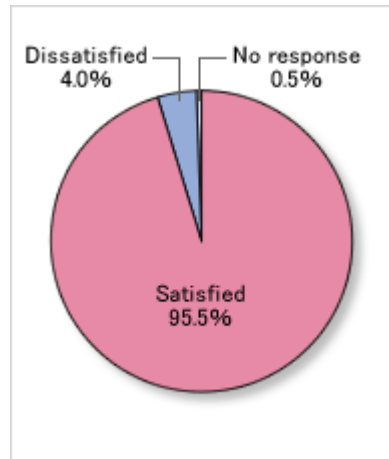
Customer Satisfaction (Fiscal 2011)

Tokio Marine & Nichido

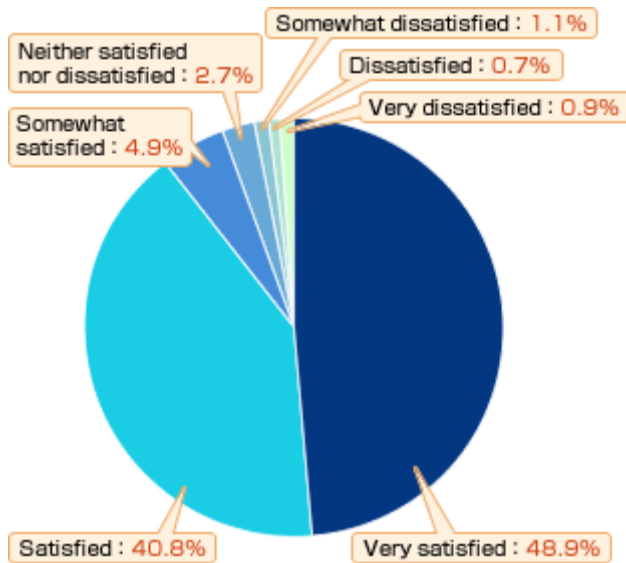
Overall Level of Satisfaction regarding Products and Services



Overall Level of Satisfaction regarding Contract Procedures

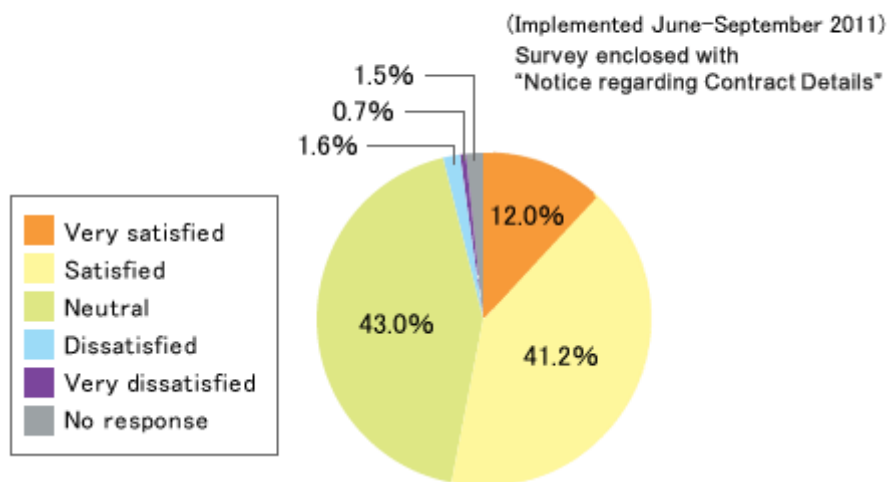


Results of Auto Insurance Survey: Level of Satisfaction regarding Overall Claims Services 94.6%



■ Tokio Marine & Nichido Life

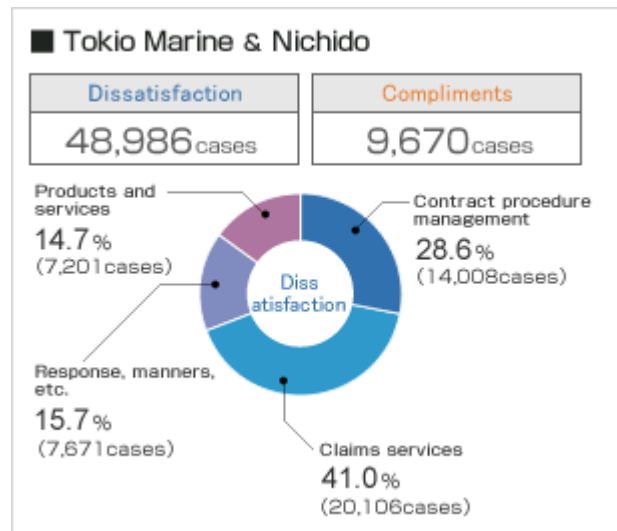
To what extent are you satisfied by the enrollment of life insurance of Tokio Marine & Nichido Life?



The survey enclosed with the Notice Regarding Contract Details to which 27,805 people responded by the end of September 2011 was analyzed.

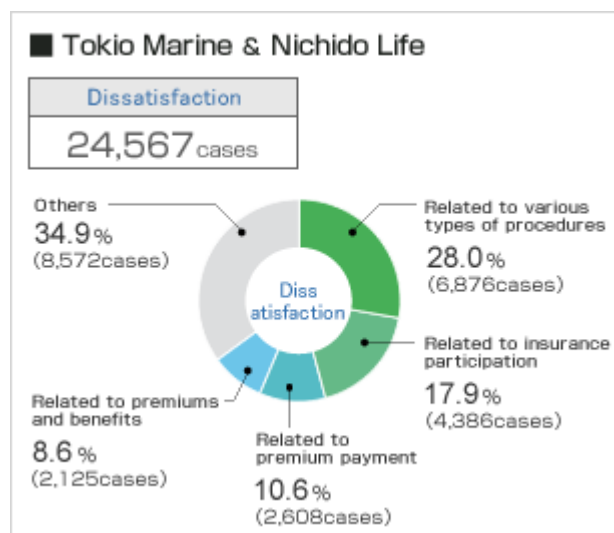
Dissatisfaction Feedback

■ Tokio Marine & Nichido



Dissatisfaction Feedback

■ Tokio Marine & Nichido Life



Status of customer feedback for respective Group company websites (in Japanese)

- ▶ [Tokio Marine & Nichido: "Overview of customer feedback"](#)
- ▶ [Nisshin Fire: "Response to customer complaints"](#)
- ▶ [Tokio Marine & Nichido Life: "Status of customer feedback"](#)

Examples of Improvements Based on Customer Feedback (Fiscal 2011)

<Customer comments>

I get worried when I borrow a car from my parents or friends. It would be nice to have an auto insurance that I can enroll in only when I borrow a car.

<Details of improvement>

Tokio Marine & Nichido launched One Day Auto Insurance (driver insurance available in the unit of days). This product has enabled customers to enroll in insurance only during necessary days through a simple procedure using mobile phones. The product is available as of January 2012.

Status of customer feedback for respective Group company websites (in Japanese)

- ▶ [Tokio Marine & Nichido: "Development and improvement examples based on customer feedback"](#)
- ▶ [Nisshin Fire: "Examples of improvements that have been carried out based on customer feedback"](#)
- ▶ [Tokio Marine & Nichido Life: "Main items that have been developed and improved based on customer feedback"](#)

Shared Value for Giving Consideration to Customers

At Tokio Marine & Nichido, although it is not tangible, we believe that giving careful consideration to customers first and foremost is a component of product quality of claims services. To this end, a booklet entitled "Kokorokara (From Our Hearts)" is distributed to all members engaged in claims services, including new employees who join the company each year. The booklet summarizes the values on which we place importance, including the shared ideas of all members involved with claims services for customers, working in harmony with colleagues and in pursuit of expertise. We hope to continuously hand down our purpose, pride and sincerity in claims services from a customer standpoint as part of our DNA.



Kokorokara Booklet

Cover page and inside text "We want to make our field of specialization the cultivation of human values. There is no end to the cultivation of human values."

Note: Japanese, English and Chinese versions are also available.



Relations with Shareholders and Investors

Tokio Marine Holdings aims to be a company that earns the trust of shareholders and investors and realizes sound and highly transparent corporate governance by undertaking the disclosure of information and the exchange of opinions in a timely and appropriate manner.

Enhancing Returns to Shareholders

Tokio Marine Holdings strives to enhance returns to shareholders through the payment of dividends and acquisition of treasury stocks, while also securing the collateral strength needed for sound business management.

Regarding dividends, we are maintaining stable dividends with a target payout ratio of 40% - 50% of average adjusted earnings (excluding embedded value (EV)). In fiscal 2011, the amount of total annual cash dividends was 50 yen per share with a dividend payout ratio of 48% versus average adjusted earnings (excluding EV).

Additionally, acquisition of treasury stocks will be implemented flexibly by taking into account the market environment, capital status and business opportunities in a comprehensive manner.

▶ [See "Returns to Shareholders" for details.](#)



Information Disclosure and Investor Relations

The Tokio Marine Group is striving to enhance disclosure that is fair and easy to understand so that each stakeholder can quickly and accurately understand the current status of the Tokio Marine Group and future business development.

Disclosure Policy of the Tokio Marine Group

We aim to disclose meaningful information regarding the Tokio Marine Group that enhances management transparency and fairness in connection with our "Corporate Social Responsibility."

1. Disclosure Policy

It is our policy to expeditiously disclose information in accordance with the Securities Listing Regulations stipulated by the Tokyo Stock Exchange.

We strive for timely, accurate and fair disclosure of other information that is relevant to our customers, shareholders and investors, representative offices and employees, as well as Japanese society at large.

2. Disclosure Methods

Disclosure pursuant to the Tokyo Stock Exchange rules, regulations and other requirements is made through the Timely Disclosure network, or TDnet, as well as the press and other appropriate means.

We subsequently post disclosed information on our website.

Other disclosure is made in a manner appropriate to the content of the relevant information.

3. Disclaimer

Disclosure made based on this Disclosure Policy is intended to accurately, expeditiously and fairly inform the public regarding the Tokio Marine Group's activities and is not intended to constitute an investment offer or solicitation.

Adopted on November 30, 2004

Revised on September 29, 2010

Proactive IR Activities

Tokio Marine Holdings carries out continuous dialogue (investor relations) with shareholders, investors and securities analysts, with the President and other executives playing central roles.

In fiscal 2011, in addition to two briefings for institutional investors, a total of 173 meetings were held through visiting institutional investors overseas along with meeting with institutional investors in Japan and around the world. Additionally, briefings were also held for individual investors.

Opinions and suggestions received via various types of briefing sessions, one-on-one meetings and other means are indispensable for realizing sound and highly transparent corporate governance. We truly value investors' opinions and will continue to work to reflect such feedback in future operations.



Briefing for individual investors

| | |
|--|--|
| IR Briefings for Individual Investors | September 2011: Implemented investor seminar hosted by a securities company in addition to a briefing for individual investors. |
| Briefings for analysts and institutional investors | Held financial results and investor relations briefings (twice annually) and briefing sessions for institutional investors as appropriate. |
| Briefings for overseas investors | Held a total of seven briefings in the United States, Europe and Asia and implemented individual meetings for 173 overseas institutional investors. |
| IR materials posted on website | Posted information of financial results and disclosure materials besides financial results on the company website in an appropriate and timely manner, as well as annual security reports, IR briefing materials and videos, and explanatory videos of preliminary reports regarding the monthly business results of principal subsidiaries. |

Additionally, we proactively disclose information on our website with regard to financial information, Group structure, management strategies and CSR activities. Through our website, we are striving to promote "visible IR" that familiarizes people with the Group and gives them a sense of trust. In recognition of these initiatives, the Company website was number one in the insurance industry for the third consecutive year on Gomez Consulting's "Investor Relations Site Ranking 2012." It was also selected as the best website (ranked number one by industry) for the second consecutive year in Nikko Investor Relations Co., Ltd.'s "Fiscal 2011 Listed Company Website Quality Ranking."



Relations with Employees

Fair and Honest Personnel Affairs

We are aiming to enhance employees' work satisfaction along with efforts to "continuously build an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential" through a transparent and fair personnel system.

Development of Human Resources

The Tokio Marine Group considers its employees to be its most valuable assets. With this in mind, the Tokio Marine Group is creating "a corporate culture that encourages self-improvement and the development of human resources" through comprehensive employee training centered on on-the-job (OJT) training and ongoing support for self-development.

Utilizing Diverse Human Resources

The Tokio Marine Group promotes diversity throughout the group by progressively moving forward in the promotion of the employment of individuals with disabilities, promotion of female employees taking active roles and the creation of a workplace in which older employees with a wealth of knowledge and experience can take active roles.

Work/Life Balance

In response to changes in environments faced by families and local communities, the Tokio Marine Group has been working to achieve a harmonious balance between work and personal life from the perspective of creating a corporate climate in which employees respect each other's diverse values.

Health Management

Each member company of the Tokio Marine Group has been making efforts to create an environment in which employees can work with vitality by providing both physical and mental health care for its employees.

Communication with Employees

The Tokio Marine Group is working to enhance communication with employees through various initiatives such as direct dialogue between employees and executives, building of sound labor-management relations and holding of Family Day for employee families to gain an understanding about employees' work.



Relations with Employees

Fair and Honest Personnel Affairs

The Tokio Marine Group aims to enhance employee motivation through promoting a transparent and fair personnel system. The Group also endeavors to realize a corporate culture in which all employees respect human rights through various initiatives such as human rights training.

Fair and Honest Personnel Affairs

The Tokio Marine Group believes it essential that motivated and capable employees who possess a diverse sense of values should fully demonstrate their capabilities, regardless of gender, age, nationality or other attributes, to improve the quality of the products and services that we provide to customers. We are aiming to enhance employees' job satisfaction along with efforts to "continuously build an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential" through a transparent and fair personnel system.

Basic Data

Number of employees (as of March 31, 2012)

| | |
|---------------------------|--|
| Total number of employees | 30,831 |
| Domestic Group companies | 24,624 |
| Overseas Group companies | 6,207 (Asia: 2,229; North and Central Americas: 3,414; Europe: 564) |

Basic employee data (at Tokio Marine & Nichido as of March 31, 2012)

| | |
|--------------------------------------|----------------------------|
| Average age: | 41.0 |
| Average years continuously employed: | 10.6 years |
| Average salary: | Approx. 7,540 thousand yen |



Relations with Employees

Development of Human Resources

The Tokio Marine Group considers its employees to be its most valuable assets as the Group works toward achieving sustainable growth as a corporate group selected by customers for its quality. With this in mind, the Tokio Marine Group has been undertaking efforts to become a group truly trusted and supported by customers through creating "a corporate culture that encourages self-cultivation and the development of human resources." This is being accomplished through comprehensive employee training centered on on-the-job training and ongoing support for self-development.

Development of Human resources as Professionals

We are working to leverage the "Human Ability" of employees, which is very important for them to provide value to customers in selling intangible products such as insurance products and services.

"Three elements that make up "Human Ability": Abilities as professionals, energies and to always think and act by putting yourself in the other party's shoes

The three elements that make up "Human Ability"

1. Abilities as professionals
2. Energies
3. Always think and act by putting yourself in the other party's shoes

Each of the Tokio Marine Group companies is building skill development programs and personnel systems appropriate for the characteristics of their respective offices.

Tokio Marine & Nichido has undertaken measures to develop its human resources by cultivating a culture in which every employee "continuously takes up the challenge of innovation from a customer perspective" and "identifies and solves problems through flexible thinking and a broad vision as an insurance professional." More specifically, interviews between supervisors and their staff are held four times a year to develop each employee's competencies (in behavior and thinking). At the interviews, employees share their career visions and personal strengths and weaknesses with supervisors. On the basis of assigning roles utilizing each person's strengths, this is undertaken in combination with on-the-job training (OJT), off-the-job training (Off-JT) and self-development efforts.

In addition to a wide range of correspondence-based training activities, including Rank-Specific Training, Optional Training, Specialization Training and e-Learning services, the company also actively sends employees to training at business schools, law schools and other institutions both in Japan and around the world to develop personnel who possess a broad perspective, international sensibilities and a high degree of specialized knowledge. Tokio Marine & Nichido also works to enhance the career development of employees of Group member companies overseas through efforts including group training in their own countries and in Japan.

- ▶ [Global training](#)
- ▶ [Global Job Rotation](#)

Human Resources Development Cycle (Tokio Marine & Nichido)



Job Request System

Tokio Marine & Nichido is implementing 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 desired positions to the extent possible. This system includes internal recruiting, in which employees apply for positions indicated in advance, and area selection. Each of these leads to increased motivation and improved work skills by enabling employees to take the initiative in choosing their own positions. Additionally, "U-turn" transfers^{*1} and "I-turn" transfers^{*2} utilized by locally based employees are also functioning as support measures to promote and enable female employees to take active roles in the company.

^{*1} "U-turn" transfers: A transfer in which regional employees not subject to relocation can be relocated temporarily to take on the challenge of utilizing their own aptitudes in jobs not available in their own localities, on the condition that they must return to their original localities after the temporary relocation.

^{*2} "I-turn" transfers: A transfer in which 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 |
|-------------|------------|----------|
| Fiscal 2010 | 271 | 99 |
| Fiscal 2011 | 303 | 126 |



Relations with Employees

Utilizing Diverse Human Resources

The Tokio Marine Group believes it essential that motivated and capable employees who possess a diverse sense of values should exert their capabilities to the full extent, regardless of gender, age, nationality or other attributes, to improve the quality of the products and services that it provides to customers worldwide. Specific initiatives per Training to the promotion of diversity group-wide include the promotion of employment of individuals with disabilities, promotion of female employee taking active roles, and creating a workplace in which older employees with a wealth of knowledge and experience can take active roles.

Promoting the Employment of Persons with Disabilities

Based on its vision to "broadly accept persons with disabilities without adhering to the statutory employment rate to become a corporate Group in which diverse personnel are working enthusiastically," the Tokio Marine Group is promoting the employment of persons with disabilities and working to achieve normalization (creating a workplace culture in which employees can exert their capabilities to the fullest regardless of disabilities). The percentage of employees with disabilities within the overall domestic Group stood at 2.08% as of June 1, 2012.

Promoting the Employment of Persons with Disabilities through a Special Subsidiary

In January 2010, we have established Tokio Marine Business Support Co., Ltd. with the aim of promoting the employment of persons with intellectual and developmental disabilities. The company hires employees centering on persons with intellectual and developmental disabilities who are considered to have less employment opportunities among persons with disabilities. The company is conducting operations that include document shipping, data input and processing, printing, production of name cards and wet shredder processing.

The company initially commenced operations with 54 executives and regular employees (including 34 persons with disabilities). In April 2011, Tokio Marine Business Support merged with Tokio Marine & Nichido Operations, which specializes in management, delivery and printing of business documents, and Tokio Marine & Nichido Corporation, the provider of office services which include sales of office supplies. As of July 1, 2012, 236 people (including 82 persons with disabilities) are working at bases in Tokyo, Osaka, Nagoya and Fukuoka.

Based on its management philosophy to (1) be an organization that provides support instead of being a support recipient, 2) be a company in which employees can have their dreams and take pride in, and 3) expand opportunities for taking active roles, the company is focusing on creating an environment in which employees can work enthusiastically with a sense of satisfaction. This is achieved through adopting various initiatives such as assigning work according to the suitability of each and every employee, implementing monthly individual interviews and making visual appeals of points to take note of or work processes using a whiteboard. Work quality is becoming more advanced as a result of conducting operations for nearly one year.

In the future, the company plans to broaden the field for persons with intellectual and developmental disabilities to take active roles by expanding operations through cultivating operations that could be outsourced from respective Tokio Marine Group companies.

▶ [Tokyo Marine Business Support \(in Japanese\)](#)



Employment of Persons with Disabilities as Part of a Measure to Enhance Work Satisfaction

Tokio Marine & Nichido Systems Co., Ltd. is actively working to employ persons with disabilities, such as responding to barrier-free offices and hiring physically challenged persons as engineers. In 2008, we hired visually impaired persons and commenced internal massage services. In 2009, the company also launched an internal cafe, Smile Cafe, and Smile Office Service, which provides general administration services such as producing name cards and ordering stationery to promote the employment of persons with intellectual disabilities. By having opportunities for general employees and persons with disabilities to work together, synergetic effects are also being created in terms of gaining strength from each other and enhancing work satisfaction.



▶ [Tokio Marine & Nichido Systems \(in Japanese\)](#)

Promoting Career Opportunities for Female Employees

Given that about 50% of its employees are women, the Tokio Marine Group considers it important to make the most of their attributes and strengths, and to give them the opportunity to participate in a wider field of activities. This, in turn, improves our ability to respond to the diverse needs of customers.

Each domestic Group member company has been regularly holding the WOMEN & MEN's FORUM since fiscal 2005 to provide opportunities for creating a corporate culture in which female employees can take active roles and enable them to personally consider about their future career visions. In fiscal 2011, to progress from "female employees taking active roles" to "each and every employee taking active roles," the forum convened under the theme of "aiming to be a company that continuously achieves growth." Approximately 220 Tokio Marine Group employees participated in the forum, which consisted of lectures from invited external lecturers and group discussions by participants. Additionally, initiatives are also carried out to create a workplace to support employees' active participation throughout the company. By doing so, we aim to accelerate the reform of roles of each and every employee who has been continually promoted to date, and in turn, contribute to realizing growth of the Tokio Marine Group.

Number of female managers (Tokio Marine Group as of July 1, 2012)

| | |
|---------------------------------------|------------|
| Tokio Marine & Nichido | 91 |
| Nisshin Fire | 13 |
| Tokio Marine & Nichido Life | 10 |
| Tokio Marine & Nichido Financial Life | 26 |
| Total | 196 |

| | |
|------------------------------------|------------|
| Tokio Marine Millea SAST Insurance | 5 |
| E. design Insurance | 2 |
| Other | 49 |
| Total | 196 |

System for Continued Employment for Older Employees

The Tokio Marine Group considers actively promoting the employment of older members to be an important management issue in maintaining the sustainable growth of the Group as a whole. In addition to encouraging continuous self-advancement and changes in consciousness and behavior on the part of employees themselves, the Group intends to provide fields of activity in which employees can utilize their past experiences and strengths to generate new added value while maintaining high levels of motivation.

Numbers of employees using the system for continued employment (Tokio Marine Group as of July 1, 2012)

| | |
|---------------------------------------|------------|
| Tokio Marine & Nichido | 312 |
| Nisshin Fire | 23 |
| Tokio Marine & Nichido Life | 4 |
| Tokio Marine & Nichido Financial Life | 5 |
| Other | 64 |
| Total | 408 |

Promotion of Intercultural Communication

Amid the growing importance of overseas business, the Tokio Marine Group considers it essential to promote global communication by employing and nurturing diverse human resources in each Group company in respective countries and regions worldwide regardless of nationality, age and gender.

In July 2010, Tokio Marine Holdings established the Global Human Resources Group within the Company to strengthen human resources development and personnel affairs strategies from a global perspective.

The Company regularly held the Global Human Resources Meeting by gathering human resources department managers in principal Group companies to discuss measures to strengthen cooperation between respective company human resources departments, human resources development common to the Group and personnel affairs strategies.

We will continue to actively incorporate the opinions and requests of Group companies in respective countries and regions worldwide while also promoting intercultural communication through expanding specific measures, including the global rotation of personnel and personnel training.



Global Training

The Tokio Marine Group launched the Senior Global Leadership Development Program (SGL), a training program for overseas local employee managers aimed at nurturing various human resources in respective countries worldwide regardless of nationality, age and gender. For this program, future leader candidates gather from respective countries around the world to participate in programs that are conducted over a five-month period, including group training held on three occasions in Odawara, London and Tokyo.

Through SGL, participants are expected to achieve the following three goals:

- (1) Gain a deep understanding of management philosophy, culture, history and business strategies of the Tokio Marine Group
- (2) Influence Tokio Marine Group management strategy through proposing projects to management
- (3) Build a global personnel network

Participants are divided into three teams, whereby three project themes established by each team are promoted. The projects are promoted while interacting with members possessing various backgrounds and experiencing two-way sessions related to leadership skills. On the last day of training, each group proposes a project to Tokio Marine Group management.

Global Job Rotation

The Tokio Marine Group started the Global Job Rotation Program from fiscal 2011 as part of promoting the appropriate allocation of personnel in order to actively utilize overseas local employees with enthusiasm and ability. This program is an important project for the Group's globalization. The Tokio Marine Group believes that the effective utilization of personnel will enhance the Group's competitiveness and deepen its human resources base, and in turn, lead to evolving the corporate culture. The three main objectives of developing the Global Job Rotation Program are as follows.

- (1) Provide overseas local employees with opportunities to advance their careers and aim to boost their motivation as a means of securing and maintaining competent personnel.
- (2) Fully utilize the experience and knowledge accumulated in the Tokio Marine Group transcending countries or regions.
- (3) Promote globalization with a particular emphasis on the Head Office in Japan with the aim of realizing corporate cultural reforms and fostering a global mindset.

Since the program was launched in fiscal 2011, the Head Office in Japan has been accepting approximately 10 local employees from respective countries overseas over a short period, in which they work together with Japanese employees in various departments, including the human resources, IT and reinsurance departments. In the future, we are considering further enhancing this program by accepting overseas local employees to the Head Office in Japan over a long period.

Enhancement of Work Satisfaction

Each Group member company is working to create an environment in which employees can work enthusiastically.

Tokio Marine & Nichido Systems believes that employees' voluntary participation in the process of considering what can be done to make our workplace more comfortable will contribute to enhancing work satisfaction. On this basis, the "Waku Waku Workstyle" is being promoted as a company-wide effort.

"Waku Workstyle Office" is an activity in which employees carry out initiatives by themselves by soliciting improvement ideas based on the concept of creating a workplace environment in which all employees, including persons with disabilities, can work with a sense of enthusiasm. Various ideas, whether they are small or major, have been realized to date. These include the establishment of signboards and library corners, the introduction of a free layout that allows moving desks freely and the establishment of the Future Center for developing creative discussions. At the same time, we focused on system planning to enhance teamwork such as quickly introducing the mentor-mentee system. In recognition of these initiatives, in fiscal 2011, we received the Corporate and Organizational Vitalization Category Award at the 2nd National General Affairs Award (Nana Corporate Communication) and were selected as a company that is a great place to work (as determined by the Great Place to Work® Institute Japan and published in *Nikkei Business* magazine) for the third consecutive year since 2008. Additionally, we were ranked as the best company in the 6th Listing of Great Places to Work 2012.

- Free Layout Office

Changes were made to offices by adopting movable desks and eliminating side file cabinets so that the layout of desks can be changed according to team meetings and work phases.

- Future Center

A conference room was established in a building located at a distance slightly away from the head office as a place to discuss issues that are difficult to resolve in daily workplaces in a cooperative and creative manner in a free-flowing atmosphere. Employees who have received facilitator training facilitate meetings to enable more effective discussions.

- Mentor-mentee system

Under this system, senior employees (mentors) from different departments offer advice and support young employees (mentees) to build relationships between supervisors and subordinates.





Relations with Employees

Work/Life Balance

In response to changes in the environments faced by families and local communities, the Tokio Marine Group has been working to achieve harmony between work and life from the perspective of creating a corporate climate in which employees respect each others' diverse values.

Diverse and Flexible Style of Working

As an initiative to support diverse and flexible working styles, the Group has established 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.

*"I-turn" transfers: A transfer in which employees not subject to relocation can continue working after changing localities due to reasons such as marriage or a spouse's relocation. The Tokio Marine Group supports the balance between work and childcare.

Number of Employees Who Used the Systems (Domestic Companies Subject to Consolidation)

| | Fiscal 2010 | Fiscal 2011 |
|-----------------------|-------------|-------------|
| Nursing care leave | 9 | 4 |
| Volunteer work leave* | 152 | 151 |

* Results of Tokio Marine & Nichido only.

Work/Life Balance Support



The Tokio Marine Group supports the balance between work and childcare.

Tokio Marine & Nichido has introduced "8 packages of full childcare support" as a system for protecting motherhood and childcare support. In recognition of this system and the company's other proactive initiatives for employees' childcare support, Tokio Marine & Nichido received the Himawari Award 2010 in the corporate category from Himawari no Kai, a non-profit organization approved by the Cabinet Office, Government of Japan. Additionally, in October 2010, the company won the excellent prizes in both sections of the "equality promotion company section" and "family-friendly company section" by the Director of the Tokyo Labor Bureau at the 2010 Equality/Balance Promotion Company Commendation, which is hosted by Japan's Ministry of Health, Labor and Welfare. In February 2011, the company also received the Outstanding Award under the 2010 Nagoya City Childcare Support Company Certification and Commendation System, which is implemented by Nagoya City; and in January 2012, the company won the Excellent Award under the system of approving and awarding companies promoting the active participation of women in Nagoya City in fiscal 2011.

At the same time, Tokio Marine & Nichido Life has been promoting the upgrade of systems such as enabling employees, who utilize the Life Balance System (Short Working Hours System), to set their working hours in 30-minute increments.

Additionally, in recognition of proactive initiatives for employees' childcare support, Tokio Marine & Nichido, Tokio Marine & Nichido Life and Tokio Marine & Nichido Systems were granted the "Next Generation Certification Mark (Kurumin)" subsequent to accomplishing the "General Business Owner Action Plan based on the Next Generation Nurturing Support Measures Promotion Law" by the Tokyo Labour Bureau.

Number of Employees Who Used the Systems (Domestic Companies Subject to Consolidation)

| Systems | Fiscal 2010 (As of July 1, 2011) | Fiscal 2011 (As of July 1, 2012) |
|--------------------------------|----------------------------------|----------------------------------|
| (1) Retiree rehiring system | 26 | 26 |
| (2) Maternity leave system | 302 | 405 |
| (3) Childcare leave system | 505 (incl. 25 male employees) | 630 (incl. 17 male employees) |
| (4) Short working hours system | 414 | 501 |

In addition to the above-mentioned systems, Substitution by Full-Time Employees, Resumption of Work Support System, Support of Use of Babysitters and Partnered Childcare Centers (approximately 1,000 locations as of April 2010) and other systems have been established to support female employees who are raising children.



Relations with Employees

Health Management

Each member company of the Tokio Marine Group has been making efforts to build an environment in which employees can work with enthusiasm by providing both physical and mental health care for its employees.

Health Management

Each member company of the Tokio Marine Group establishes Health Management Offices and Health Consultation Offices with industrial physicians and nursing staff at main bases and carries out various measures such as measures for metabolic syndrome and helping persons to stop smoking.

Rate of Employees who Received Health Check (Domestic Companies Subject to Consolidation)

| Fiscal 2010 | Fiscal 2011 |
|-------------|-------------|
| 99.9% | 99.6% |

Industrial Accidents (Domestic Companies Subject to Consolidation)

| | Fiscal 2010 | Fiscal 2011 |
|------------------------|-------------|-------------|
| Occupational accidents | 60 persons | 58 persons |
| Commuting accidents | 52 persons | 48 persons |

Mental Health Care

The Tokio Marine Group established the Basic Policy on Mental Health Measures and is actively promoting mental health measures by recognizing the importance of pursuing the maintenance and improvement of employees' mental health in terms of corporate management.

As a measure to maintain good mental health, Tokio Marine & Nichido posts information related to mental health on the company's intranet to promote self-management and line care. At the same time, initiatives are also undertaken to maintain a good workplace environment by posting stress check tools for measuring the level of mental health in the organization. Additional support includes setting up a mental health counseling desk with nursing staff and counselors, and providing assistance for employees who are on leave in resuming work by specialists both internally and externally.

Other Group companies, including Nisshin Fire, Tokio Marine & Nichido Life and Tokio Marine & Nichido Financial Life have also been working to deepen understanding of mental health matters by conducting mental health training while also developing counseling systems.

Relations with Employees

Communication with Employees

The Tokio Marine Group is working to vitalize internal, two-way communication through various occasions.

Direct Dialogue between Employees and Executives

With the goal of vitalizing communication between employees and executives, since fiscal 2006 Tokio Marine & Nichido has held offsite meetings known as "Wednesday dialogues." In fiscal 2011, four sessions were held in total at the Head Office and in Osaka. A total of 130 people took part in these dialogues, which featured the frank exchange of opinions between employees and executives. A total of 45 dialogues have been held since fiscal 2006.



In addition, regarding dialogues with the president held during his visits to the front lines of business since fiscal 2007, a total of 371 employees participated and dialogues were held with 5,758 employees in Hokkaido, Sendai and Osaka. A total of 159 persons have also taken part in "Free Talks," in which executives in charge of the service departments visit the front lines. Free Talks sessions were held in six locations nationwide.

Each of these programs has been evaluated highly as leading to an improvement in motivation through the direct communication of management's rationale and the directions in which the company is moving.

Sound Labor-Management Relations

Tokio Marine & Nichido builds strong relationships of trust by means of labor contracts concluded between the company and its labor union (approximately 15,400 members). The company conducts negotiations and consultations nearly 40 times annually with its labor union regarding a wide range of topics, from payroll and human resources systems and workplace health and safety to management policies, through such means as joint labor management conferences and daily consultations between permanent representatives. Additionally, the company is also conducting negotiations and consultations in a sincere manner with other labor unions.

Labor Union Participation Rate(Domestic Group Companies)

| Fiscal 2010 | Fiscal 2011 |
|-------------|-------------|
| 81.1% | 79.8% |

CSR Communication Meetings

The Tokio Marine Group is holding CSR Communication Meetings across domestic subsidiaries to promote the exchange of opinions with employees, with the goals of deepening employees' understanding of CSR initiatives and penetrating these initiatives throughout the organization as well as reflecting these opinions in future CSR initiatives and measures. These meetings featured a straightforward exchange of opinions on the Tokio Marine Group's CSR initiatives and CSR activities conducted in respective workplaces. Comments received from participants included that "understanding CSR initiatives has led to increased motivation."

"Family Day" for Families to Understand Employees' Work

Each member company of the Tokio Marine Group is holding Family Day, in which employee families are invited to the company to deepen understanding about the company and work tasks. Tokio Marine & Nichido provides opportunities for children to learn the relevance of insurance for handling various troubles such as traffic accidents through a puppet show and games. The Tokio Marine & Nichido Life head office and Shinjuku Building also provided an opportunity to enjoy experiencing the workplace through name card exchange and issuing an insurance certificate. Comments received from family members who participated the event included that "it was a good opportunity for the children to think about their parents' work."





Relations with Agents

▶ Working Together with Agents to Enhance Quality

The Tokio Marine Group endeavors to build partnerships based on trust and improve the quality of operations through smooth communication with agents.

▶ Education and Training Systems for Agents

In order to meet customer expectations and earn their trust so that customers are able to consult us about insurance with reassurance, each company of the Tokio Marine Group is developing various measures, including educational programs and training systems for agents.



Relations with Agents

Working Together with Agents to Enhance Quality

To build partnerships based on trust and to provide "safety and security" that truly is based on customers' points of view, the company endeavors to mutually improve the quality of operations through smooth communication with agents.

The Roles of Agents in the Tokio Marine Group

In auto insurance and life insurance, for example, the roles of agents in the Tokio Marine Group are to protect customers from risks by providing various kinds of insurance products and services as intermediaries between customers and the insurance company. Agents are carrying out a broad range of consulting activities such as introducing optimal insurance tailored to the needs of each customer and quickly supporting customers to provide security for customers in the event of disasters or accidents.

For agents to be indispensable persons truly relied upon by customers, every member company of the Tokio Marine Group has been proceeding with initiatives directed toward its agents such as various kinds of training, the construction of administrative systems and management support.

Working Together with Agents on Initiatives to Improve the Quality of Operations

To realize "Anshin (reassuring) quality," which is basic standards that are indispensable in terms of products and services provided to customers, Tokio Marine & Nichido perpetually implements "risk-based" initiatives, which involves efforts carried out since fiscal 2010 to realize improvements based on qualitative clerical work indicators. At the same time, with regard to an agent commission system, we conduct assessments using various factors that include "quality items," "growth items (scale, revenue increase rate, claims ratio)" and "partnership items (including consulting capability, quality of agent management and claims service response capability). By doing so, we have established an incentive system that supports "agents that are achieving growth by being selected by customers in terms of quality." Going forward, we will promote reforms towards a new business model utilizing tablet devices and smartphones to realize a comfortable experience for customers when they enroll in insurance. In this respect, insurance companies and agents will work hand-in-hand to deliver "Anshin (reassuring) quality" to all customers and strive to expand customer support.

Nisshin Fire has also established its "Customer Standards" for agent operations such as the procedures for binding insurance contracts, an explanation of products and actions to be taken when an accident occurs, and has been proceeding with initiatives so that all its agents across Japan may provide customers with uniform and a high level of services. Additionally, although agents' commissions were conventionally determined by considering the level of contribution and other relevant factors in addition to the size of premiums written, Nisshin Fire drastically changed the structure, whereby the company will conduct an evaluation of "level of achievement of operations as an agent in terms of providing services and support for customers" to decide agents' commissions. In this respect, the company has shifted the concepts from "scale" to "function" and from "quantity" to "quality," thereby adopting

an "agent commission system based on the customer's perspective" that is aimed at raising the quality of insurance sales.

Sharing Information with Agents

Tokio Marine & Nichido is developing the agent's ICT system TNet* in order to readily provide functions that are related to insurance administrative procedures as well as product information and sales tools that are necessary for agents as they respond to customers. Additionally, as a means of enhancing the quality of customer response, we mutually share the records of responses between customers and agents and between customers and customer centers. We will continuously endeavor to enhance communication between agents and Tokio Marine & Nichido through successive advancement of TNet to provide services that will further achieve customer satisfaction.



TNet top screen

*TNet is an online agent system provided by Tokio Marine & Nichido with the intent of supporting agents in enhancing the quality of insurance business operations and increasing operational efficiency.

Business Administration Management Support for Agents

Tokio Marine & Nichido is introducing Agent Compass as a business administration management support tool based on the difficult circumstances of agency managers to easily comprehend management issues and other relevant problems in line with a shift toward more complex operation processes accompanied by the growth in size and organizational development of agents. This compass serves as a management support model that enables agent management issues to be visualized using quantitative and objective indicators, analysis to be conducted on relevant issues and initiatives to be undertaken to resolve issues according to business processes. By centralizing support measures to resolve agents' management issues and incorporating all these mechanisms into the agent system TNet, we seek to further enhance communication with agents and employees and improve agents' quality of operations and customer services.

Relations with Agents

Education and Training Systems for Agents

In order to meet customer expectations and earn their trust so that customers are able to consult us about insurance with peace of mind, we support the development of professional human resources through a qualifications system and training programs.

Qualification Systems for Salespersonship

Tokio Marine & Nichido stipulates the condition that "agency owners must see to it that their salespersons finish a training course designated by the company" from the standpoint of realizing insurance sales activities that fulfill the standard of "Anshin (reassuring) quality." In addition to general tests for salespersons of property and casualty insurance (basic units/product units) operated by the General Insurance Association of Japan, the company has also been making efforts to improve the quality of sales activities by having salespersons obtain qualifications and complete training as designated for individual products as well as building a New Salesperson Management System (BOSS) to manage sales qualifications, training records and other relevant matters according to each salesperson. We are promoting various measures to enhance the quality of salespersons such as by utilizing a system, whereby salespersons who have not acquired designated sales qualifications are unable to handle contracts.

Provision of Training Programs for Agents

Tokio Marine & Nichido Academy

In order to train agents and salespersons capable of satisfying the requirements of the standard of "Anshin (reassuring) quality," Tokio Marine & Nichido conducts the "Tokio Marine & Nichido Academy" training program covering a broad range of business knowledge such as product details, sales techniques, claim services and compliance. With regard to product details, in particular, this program has achieved a high level of educational efficiency by using moving visual images such as animations and videos which enable agents and salespersons to picture actual business scenes, as well as case studies and tests to check on what has been learned.

This program is available via TNet.



Screen shot of Tokio Marine & Nichido Academy

Voice Comments from Agents Who Utilized Tokio Marine & Nichido Academy

Text and narrations using moving visual images in the Tokio Marine & Nichido Academy training program were practical, very easy to understand and useful.

The content produced for the Tokio Marine & Nichido Academy training program consists of various items such as animation and illustrations, which were easy to understand for beginners as well. Practical examples using moving visual images are very useful for daily communication with policyholders. We hope to continue using these contents on a regular basis.

Tokio Marine & Nichido Life Training College

Tokio Marine & Nichido Life provides the "Tokio Marine & Nichido Life Training College" training program for life insurance agencies who aim to develop professional insurance salespersons. In this program, for roughly six months agency salespersons and life insurance promoters take part together in group training and Web-based training, in which the most advanced training program has been adopted, while also carrying out practical activities on the front lines of business. These practical activities provide the latest programs for supporting the sales activities of participants, such as the adoption of "Antore Hiroba," a site where agencies can exchange information with each other. Also, the programs give salespersons opportunities to continue helping each other to improve their skills after the completion of their training, including follow-up training at branch offices.



Antore Hiroba

Agent Trainee System

Tokio Marine & Nichido and Nisshin Fire have established trainee systems for the development of their exclusive professional agents. As of the end of March 2012, 1,131 persons participate in the system of Tokio Marine & Nichido, learning highly professional knowledge and skills in areas such as insurance products and sales techniques over a period of 38 months. In addition to this group training across all outlets, practical education is also conducted through training by advisors in the workplace and on-the-job training as a means of nurturing excellent risk consultants.

Nisshin Fire also has established the Risk Advisor Employee System for acquiring various knowledge and practical work experience that are necessary for selling insurance while being engaged in soliciting contracts and related work for a certain period.

▶ [Tokio Marine & Nichido Insurance Planner System \(in Japanese\)](#)



Relations with Suppliers

The Tokio Marine & Nichido Group formulated the Group Code of Conduct and the Principle Transactions, which outlines the items that should be followed in terms of conducting transactions. In doing so, the Group and business partners will fulfill their social responsibilities while also mutually achieving sustainable development.

Tokio Marine & Nichido Group Principle of Transactions

The Tokio Marine & Nichido Group conducts transactions based on the following policies and aims to realize sustainable development with business partners (purchasers and consignees) and to fulfill its social responsibilities.

1. Compliance with laws, regulations and social norms

The Tokio Marine & Nichido Group complies with laws, regulations and social norms in every country and area when conducting transactions. We make every effort to reject relationships with anti-social forces and any undue claims from them.

2. Promoting fair and honest transactions

The Tokio Marine & Nichido Group selects business partners in a fair and honest manner based on comprehensive consideration of compliance with laws, regulations and social norms, business conditions, reliability, environmental activities, quality and prices of products, services and certainty of delivery period, among others.

3. Thorough information management

The Tokio Marine & Nichido Group thoroughly conducts appropriate management and protection of information acquired through business partners.

4. Consideration for the environment

The Tokio Marine & Nichido Group promotes the purchase of products with the least impact on the environment (purchase of green products) and works in cooperation with business partners to promote the creation of a recycling-oriented society.

5. Strengthening relationships of trust

The Tokio Marine & Nichido Group endeavors to build good partnerships based on trust through frequent communication with domestic and overseas business partners and mutually gaining a deeper understanding.



Outsourcing Management

The Tokio Marine Group has established the Tokio Marine Group Policies for Outsourcing Management in order to protect customers, enhance convenience and ensure soundness and appropriateness of our operations in the event of outsourcing a portion or all of our operations.

Based on this policy, Tokio Marine & Nichido also selects its contractors according to the standard for selecting outsourcing contractors and information security management system standard. At the same time, each year, the company also conducts investigations of the actual status of outsourcing contractors based on the regulations related to outsourcing contractor management, which stipulates the management system for outsourcing contractors.

Sustainability Report 2012

Management Information



Management Information

Introduction to Tokio Marine Holdings' management information

Corporate profile

Company name: Tokio Marine Holdings, Inc.

Headquarters: Tokio Marine Nichido Building Shinkan,
1-2-1 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan

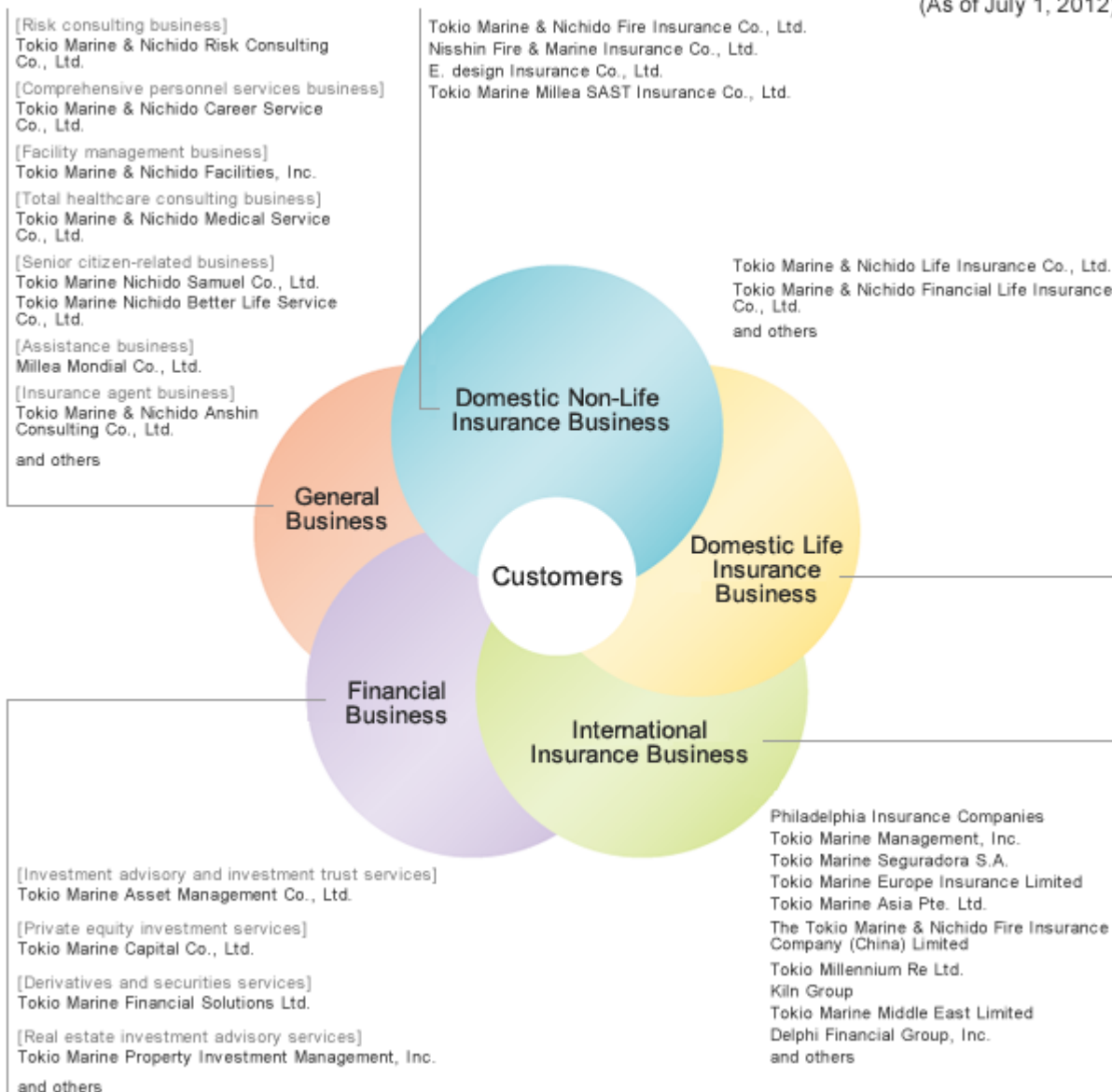
Telephone: 03-6212-3333



[Access Map](#)

Business Domains of the Tokio Marine Group and major Group Companies

(As of July 1, 2012)





Major Insurance Business Companies

Non-Life Insurance Business Companies (Domestic)

Tokio Marine & Nichido Fire Insurance Co., Ltd.

Established: August 1, 1879

Capital: 101.9 billion yen

Net premiums written: 1,783.0 billion yen

Total assets: 8,368.0 billion yen

Number of employees: 17,465

Headquarters: 1-2-1 Marunouchi,

Chiyoda-ku, Tokyo, Japan

(As of March 31, 2012)



Nisshin Fire & Marine Insurance Co., Ltd.

Established: June 10, 1908

Capital: 20.3 billion yen

Net premiums written: 136.6 billion yen

Total assets: 408.9 billion yen

Number of employees: 2,606

Headquarters: 2-3 Kanda

Surugadai, Chiyoda-ku, Tokyo,

Japan

(As of March 31, 2012)



Life Insurance Business Companies (Domestic)

Tokio Marine & Nichido Life Insurance Co., Ltd.

Established: August 6, 1996

Capital: 55.0 billion yen

In-force policies (individual insurance + individual annuity):

19,778.1 billion yen

Total assets: 3,882.8 billion yen

Number of employees: 2,254

Headquarters: 5-3-16 Ginza, Chuo-

ku, Tokyo, Japan

(As of March 31, 2012)



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

Established: August 13, 1996

Capital: 68.0 billion yen

In-force policies (individual insurance + individual annuity):

2,706.7 billion yen

Total assets: 2,239.3 billion yen

Number of employees: 263

Headquarters: INTEGRAL

TOWER, 1-2-1 Kamiogi, Suginami-

ku, Tokyo, Japan

(As of August 13, 2012)





International Insurance Business Companies

Philadelphia Insurance

Companies

Established: 1962

Net premiums written: USD2,034 million

Total assets: USD7,417 million

Number of employees: 1,573

Headquarters: Bala Cynwyd, Pennsylvania, USA

(As of December 31, 2011, local financial accounting basis, number of employees as of March 31, 2011)



Kiln Group

Established: 1962

Net premiums written: GBP437 million

Total assets: GBP1,309 million

Number of employees: 341

Headquarters: London, United Kingdom

(As of December 31, 2011, local financial accounting basis, number of employees as of March 31, 2011)



Delphi Financial Group, Inc.

Established: 1987

Insurance premiums and fee income: USD1,564 million

Total assets: USD8,634 million

Number of employees: 1,964

Headquarters: Wilmington, Delaware, USA

(As of December 31, 2011, local financial accounting basis, number of employees as of March 31, 2011)



Overseas Network

Expatriate staff: 202

Local staff: Approx. 23,000

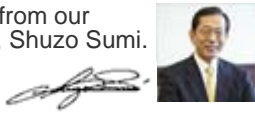
Claims agents: Covers 236 countries and regions
(As of March 31, 2012)



About Tokio Marine Holdings

Message from the President

Message from our President, Shuzo Sumi.



Company Information

Our company profile (common stock, date of establishment, etc.) is outlined.



Members of Management

Lists of directors, corporate auditors and officers.

Corporate Strategy

Explanation of our mid-term corporate strategy "Innovation and Execution 2014".



Corporate Philosophy

With customer trust as the foundation for all its activities, Tokio Marine Group continually strives to raise corporate value.

Group Code of Conduct

Code of conduct of the Tokio Marine Group is outlined.

Basic Policies for Internal Controls

Tokio Marine Holdings establishes basic policies for internal controls under Companies Act and Ordinance for Enforcement of the Companies Act.

Organizational Chart

Organizational chart of Tokio Marine Holdings is described here.

Corporate Symbol

Description of our corporate symbol is outlined.

Sustainability Report 2012

CSR Library

- [Editorial Policy](#)
- [Key Performance Data](#)
- [Download the Sustainability Report](#)
- [External Assurance](#)
- [GRI Content Index](#)
- [Recognition about ISO 26000](#)



CSR Library

▶ Editorial Policy

Our editorial policy is to report on the principle CSR activities of the Tokio Marine Group in fiscal 2011 to all of our stakeholders.

▶ Key Performance Data

Principle quantitative data for the CSR activities of the Tokio Marine Group.

▶ Download the Sustainability Report

Tokio Marine Group's latest sustainability report and its archives.

▶ External Assurance

The Tokio Marine Group has received assurance from an external institution for the e-CSR Report.

▶ GRI Content Index

The Tokio Marine Group's CSR activities that have a high degree of importance and that are highly relevant as topics.

▶ Recognition about ISO 26000

The Tokio Marine Group is reviewing its CSR activities based on ISO 26000 standards to further improve its CSR.

Editorial Policy for the “Tokio Marine Group CSR Report”

This CSR Report is intended to report on the principal CSR activities of the Tokio Marine Group in fiscal 2011 to customers and all other stakeholders.

We have positioned our web-based report on our CSR website as the full report, the "Sustainability Report," which focuses mainly on the philosophy and direction of the Tokio Marine Group's CSR as well as our activities based on three key issues (environment, social and governance), and disclose detailed information on our initiatives for each of our stakeholders along with relative data. This web-based report can also be viewed as a PDF file, the "Tokio Marine Group Sustainability Report 2012." Additionally, this report is issued in conjunction with the "CSR Booklet 2012: Change What Can Be Changed into Tomorrow's Strengths (Japanese only)," of which the intent is to report on the Tokio Marine Group's CSR activities in an easier-to-understand manner.



CSR Website



Sustainability Report 2012 PDF



CSR Booklet 2012 "Change What Can Be Changed into Tomorrow's Strengths" (Japanese Only)

An economic report is issued in Tokio Marine Holdings Annual Report 2012.

▶ [Annual Report 2012](#)



Guidelines referred to in preparing this Report

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2006
United Nations Global Compact "Guidelines for Communication on Progress (COPs)"
ISO 26000 Guidance on Social Responsibility

Scope of this Report

Organizations covered in this Report

Fundamentally, this Report covers Tokio Marine Holdings and its principal domestic and overseas Group member companies.*

*Tokio Marine & Nichido, Nisshin Fire, Tokio Marine & Nichido Life, Tokio Marine Asset Management, etc.

Reporting period

This Report covers details of activities conducted primarily during fiscal 2011 (April 2011 - March 2012). However, for the purpose of further clarification, on occasion, reference is made to activities undertaken outside the reporting period.

Principal changes during the reporting period:

None

Dates of publication (Japanese)

- Previous edition: October 2011
- Current edition: August 2012
- Next edition: August 2013 (planned)

For inquiries concerning the Sustainability Report, please contact:

Tokio Marine Holdings, Inc.
CSR Division, Corporate Planning Department
1-2-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
Tel: +81-3-5223-1552
Fax: +81-3-5223-3025
e-mail: CSR@tokiomarinehd.com



Key Performance Data

Tokio Marine implements a variety of CSR measure.
Here we provide principal CSR data for the Tokio Marine Group.

Reporting Organizations/Reporting Period

Organizations covered: Covered by consolidated accounting (Tokio Marine Holdings and domestic and overseas group member companies)
Reporting period: Report on results for fiscal 2011 (April 2011 - March 2012).

Corporate Governance

For details, please refer to "[Corporate Governance](#)." (as of July 10, 2012).

Items concerning organization composition and organization operation

| | |
|---------------------|-------------------------|
| Organization format | A company with auditors |
|---------------------|-------------------------|

Relationship with Directors

| | |
|---|---|
| Chairman of the Board of Directors | Chairman (except when concurrently serving as president) |
| Number of directors | 10 |
| Status of appointment of outside directors | Appointed |
| Number of outside directors | 3 |
| Number of outside directors designated as independent directors | 3 |

Relationship with Corporate Auditors

| | |
|--|-------------|
| Establishment of a Board of Corporate Auditors | Established |
| Number of corporate auditors | 5 |
| Status of appointment of corporate auditors | Appointed |
| Number of outside corporate auditors | 3 |
| Number of outside corporate auditors designated as independent directors | 3 |

Incentives

| | |
|---|--|
| Implementation of measures concerning the granting of incentives to directors | Introduction of a performance-based compensation system Introduction of a stock option system |
|---|--|

Compensation for full-time directors (including non-members of the Board) of Tokio Marine Holdings consists of three elements: fixed compensation, bonuses related to the business performance of the Company and the performance of the individual, and stock options. Compensation for part-time directors of Tokio Marine Holdings consists of two elements: fixed compensation and stock options. Compensation for corporate auditors of Tokio Marine Holdings consists of one element: fixed compensation. The compensation system for directors (including non-members of the Board) and corporate auditors of the Company's principal business subsidiaries shall generally be identical to that applied to directors (including non-members of the Board) and corporate auditors of the Company.

| | |
|--|--|
| Persons eligible for the granting of stock options | Internal directors, outside directors, employees, directors of subsidiaries, employees of subsidiaries |
|--|--|

Employees of the Company and its subsidiaries who are eligible for the granting of stock options are the executive officers of their respective companies.

Matters Related to Compensation for Directors

| | |
|---|--|
| Disclosure of compensation for individual directors | Compensation disclosed only for some directors |
|---|--|

The amount of compensation is disclosed individually for directors whose total compensation, including consolidated compensation and others, exceeds 100 million yen. There was no such case for fiscal 2011.

| | |
|--|-----|
| Policies for determining compensation amounts and calculation method | Yes |
|--|-----|

Basic policies for determining compensation for directors and corporate auditors of the Company and its principal business subsidiaries are as follows:

- Ensure "transparency," "fairness" and "objectivity" regarding compensation for directors (including non-members of the Board) and corporate auditors;
- Strengthen incentives for improving the business performance of the Company by introducing a performance-linked compensation system;
- Enhance accountability through sharing returns with shareholders by introducing compensation system linked to meeting the Company's performance indicators based on the management strategy and Company share price; and
- Fully implement a performance-based pay system through processes designed to objectively evaluate individual performance of directors (including non-members of the Board) with respect to management objectives.

In order to determine the level of compensation for directors (including non-members of the Board) and corporate auditors, the Company shall set the standard of compensation for each position, depending on the responsibilities of directors (including non-members of the Board) and corporate auditors, and take the business performance of the Company and the level of compensation of other companies into consideration.

Convening of the Board of Directors

| | |
|--------------------------|----------|
| Number of times convened | 11 times |
|--------------------------|----------|

Supplementary note: Outside directors shall attend more than 8 of the 10 meetings. Corporate auditors shall attend more than 90% of the Company's Meeting of the Board of Corporate Auditors.



Investor Relations (IR) Related Information

| | |
|--|--|
| IR information briefings for individual investors | September 2011: IR information briefings for individual investors and securities company investment seminars were convened. |
| Information briefings for analysts and institutional investors | We hold information briefings such as business results IR briefings (twice per year) for institutional investors. |
| Information briefings for overseas investors | We held these meetings seven times in the Americas, Europe and Asia and made a total of 173 individual company visits to overseas institutional investors. |
| Disclosure of IR materials on our website | Through our website , we provide information on our business results, the timely disclosure of materials other than business results, securities reports, IR information briefing materials and videos, video commentary on flash reports of monthly business results of principal subsidiaries and other materials. |

Compliance/Risk Management

Information Security

From the perspective of strengthening compliance, the Tokio Marine Group has acquired certification for information security that includes the Privacy Mark and Information Security Management System (ISMS) certifications.

| Group member company | Certification date | Certification |
|--|------------------------|----------------|
| Tokio Marine & Nichido Communications | Mar. 2006 | ISMS |
| Tokio Marine & Nichido Systems | Aug. 2006 Dec. 2006 | ISMS ITSMS* |
| Tokio Marine & Nichido Risk Consulting | Jun. 2007 | Privacy Mark |
| Millea Mondial | Aug. 2007 | Privacy Mark |
| Tokio Marine & Nichido Medical Service (Health Promotion Dept.) | Sep. 2007 | ISMS |

*Third-party certification system on operational management of IT services (ISO/IEC 20000)

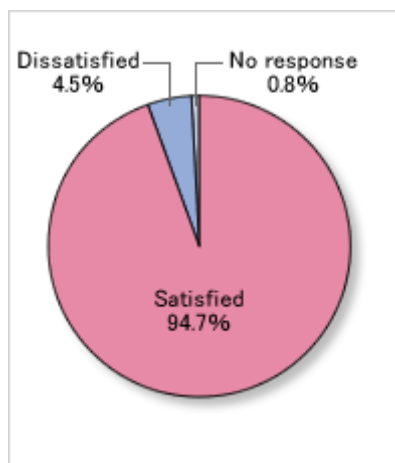
Response to Customers

Customer Survey (Fiscal 2011)

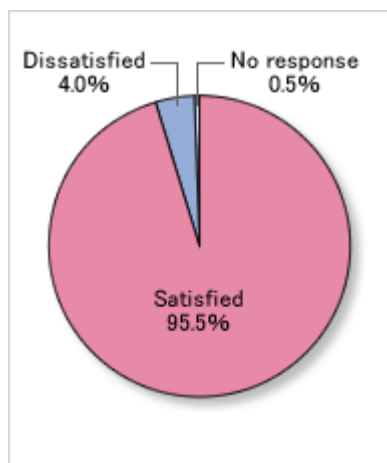
We implement surveys on a regular basis to ascertain customer satisfaction levels and gather customer opinions and requests. For reference purposes, we report on the results of surveys by Tokio Marine & Nichido and Tokio Marine & Nichido Life.

Tokio Marine & Nichido

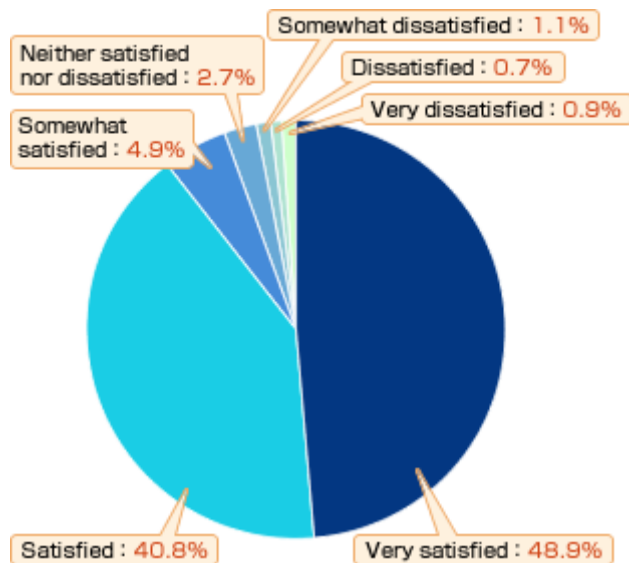
Overall Level of Satisfaction regarding Products and Services



Overall Level of Satisfaction regarding Contract Procedures

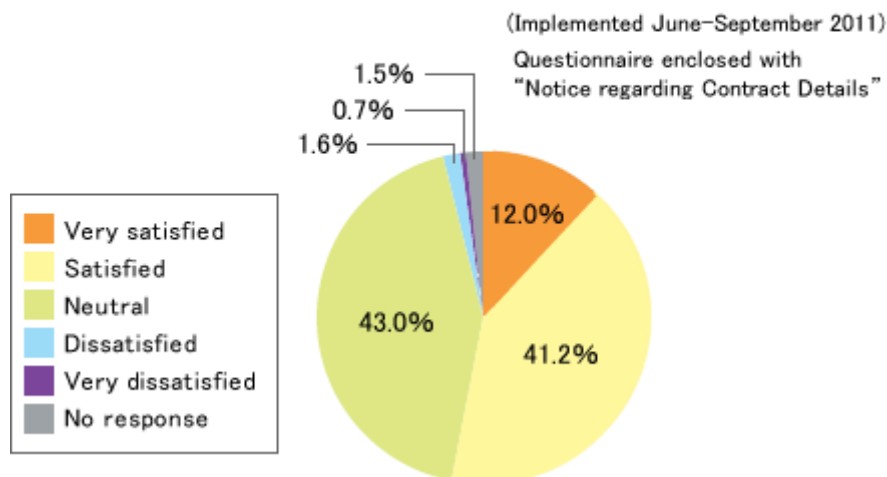


Results of Automobile Insurance Survey: Level of Satisfaction regarding Overall Claims Services 94.6%

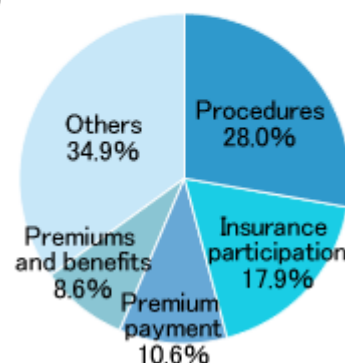


Tokio Marine & Nichido Life

To what extent are you satisfied by the enrollment of life insurance of Tokio Marine & Nichido Life?



Opinions of Customers (Number of cases of dissatisfaction) Tokio Marine & Nichido Life



Declaration of Conformity to Complaint Management System (ISO 10002* Customer Satisfaction Standard)

To standardize the process for responding to "the opinions of customers," Tokio Marine & Nichido, Nisshin Fire & Marine and Tokio Marine & Nichido Life carry out business operations in conformance with ISO 10002 and we are confirming that each company is compliant with ISO 10002.

*ISO 10002: International standard concerning complaint management systems issued by the International Organization for Standardization (ISO).

Environment (Tokio Marine Group)

Emissions of CO₂ from energy sources

Total CO₂ emissions by the Tokio Marine Group in fiscal 2011 amounted to 75,277 tons, including 59,919 tons in Japan and 15,358 tons overseas, up 2.2% from the previous fiscal year. The major contributing factors were the expansion of the Group's overseas business operations and shutting down of nuclear power plants in Japan. In fiscal 2012, the Tokio Marine Group aims to maintain the fiscal 2011 level and is working toward achieving this goal.

| (Unit: tons) | |
|---------------|-------------------------------|
| FY2011 result | 75,277 |
| FY2012 target | To maintain fiscal 2011 level |

| | (Unit: tons) | FY2009 | FY2010 | FY2011 |
|---------|--|--|---|--|
| Scope 1 | Direct (Gas, heavy oil, gasoline and others) | 17,438 domestic:14,006 overseas:3,432 | 17,231 domestic:13,790 overseas:3,442 | 18,013 domestic:14,785 overseas:3,228 |
| Scope 2 | Indirect (Electricity, cold/hot water and others) | 57,873 domestic:47,526 overseas:10,347 | 52,147 domestic:43,800 overseas:8,347 | 52,665 domestic:42,139 overseas:10,526 |
| Scope 3 | Other (Business travel (by air)) | 3,940 domestic:3,773 overseas:167 | 4,314 domestic:2,645 overseas:1,669 | 4,598 domestic:2,995 overseas:1,603 |

Environmental Impact Data (Tokio Marine Group - Companies Included in Consolidated Financial Statements)

| | Units | FY2009 | FY2010 | FY2011 |
|--------------------------|----------------------|---------|---------|---------|
| Electricity consumption | 1,000 kWh | 142,642 | 138,196 | 133,527 |
| Gas consumption | 1,000 m ³ | 1,965 | 1,861 | 1,688 |
| Other fuel consumption | GJ | 45,891 | 42,495 | 35,271 |
| Gasoline consumption | kℓ | 5,559 | 5,515 | 6,360 |
| Business travel (by air) | 1,000 km | 26,970 | 29,686 | 39,482 |
| Paper consumption | t | 11,535 | 10,637 | 9,132 |

[Data calculation method]

- The subject, activities and CO₂ emission, are pursuant to ISO 14064-1 and the "Calculation, Reporting and Publication System for Greenhouse Gas Emissions based on the Act on Promotion of Global Warming Countermeasures."
- "Business travel by air" shows data corresponding to 77.7% of the entire Group (on the basis of the number of employees).

Environment (Tokio Marine & Nichido)

Environmental Impact Data (Tokio Marine & Nichido)

Reduction target of CO₂ emission

- Fiscal 2012 target: To maintain fiscal 2011 level
- Medium-term target (fiscal 2020): 40% reduction (compared with fiscal 2006 level)
- Long-term target (fiscal 2050): 60% reduction (compared with fiscal 2006 level)

| | Units | FY2009 | FY2010 | FY2011 |
|--------------------------|----------------------|--------|--------|--------|
| Electricity consumption | 1,000 kWh | 99,352 | 96,365 | 88,159 |
| Gas consumption | 1,000 m ³ | 1,065 | 1,199 | 1,003 |
| Other fuel consumption | GJ | 42,785 | 39,551 | 34,967 |
| Gasoline consumption | kℓ | 2,841 | 2,827 | 2,857 |
| Business travel (by air) | 1,000 km | 19,500 | 5,825 | 3,670 |
| Water consumption | 1,000 m ³ | 370 | 347 | 354 |
| Paper consumption | t | 9,503 | 7,624 | 6,825 |
| Waste | t | 2,153 | 1,902 | 2,247 |
| Recycling rate | % | 66 | 66 | 69 |

Data calculation method

- The subject, activities and CO₂ emission, are pursuant to ISO 14064-1 and the "Calculation, Reporting and Publication System for Greenhouse Gas Emissions based on the Act on Promotion of Global Warming Countermeasures."

Paper Usage

Total paper consumption of the Tokio Marine Group in fiscal 2011 amounted to 9,132 tons, including 8,189 tons in Japan and 943 tons overseas, down 14% from the previous fiscal year.

For fiscal 2012, the Group has set a reduction target of 5% from the previous fiscal year.

Tokio Marine & Nichido has established a project team to implement initiatives for paper reduction, including a shift to paperless Web contracts and leaflets and promotion of double-sided photocopying and multiple-page in one page printing in daily operations.

Human Rights and Labor
Basic Data
- Number of employees

| | FY2010 As of March 31, 2011 | FY2011 As of March 31, 2012 |
|---------------------------|--|--|
| Total number of employees | 29,758 | 30,831 |
| Domestic | 24,193 | 24,624 |
| Overseas | 5,565 (Asia 1,920, North and Central Americas 3,100, Europe 545) | 6,207 (Asia 2,229, North and Central Americas 3,414, Europe 564) |

- Basic employee data (Tokio Marine & Nichido,)

| | FY2010 As of March 31, 2011 | FY2011 As of March 31, 2012 |
|-------------------------------------|--------------------------------|--------------------------------|
| Average age | 40.7 | 41.0 |
| Average years continuously employed | 10.5 | 10.6 |
| Average salary | approx. 8,210 thousand yen | approx. 7,540 thousand yen |

- Number of female managers (for the entire Tokio Marine Group in Japan)

| FY2009 (as of July 1, 2010) | FY2010 (as of July 1, 2011) | FY2011 (as of July 1, 2012) |
|--|--|--|
| 189 persons (% of all managers: 4.1%) | 182 persons (% of all managers: 4.6%) | 196 persons (% of all managers: 5.3%) |

- Number of employees using the system for continued employment of older employees (domestic companies subject to consolidation)

| FY2009 (as of July 1, 2010) | FY2010 (as of July 1, 2011) | FY2011 (as of July 1, 2012) |
|--------------------------------|--------------------------------|--------------------------------|
| 272 | 414 | 408 |

- Rate of employment of persons with disabilities (domestic Group companies)

| FY2009 (as of July 1, 2010) | FY2010 (as of June 1, 2011) | FY2011 (as of July 1, 2012) |
|--------------------------------|--------------------------------|--------------------------------|
| 2.06% | 2.09% | 2.08% |

Protecting motherhood system

- Retiree rehiring system (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 0 | 26 | 26 |

- Maternity leave system (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 280 | 302 | 405 |

- Childcare leave system (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|-------------------------------|-------------------------------|-------------------------------|
| 400 (incl. 20 male employees) | 505 (incl. 25 male employees) | 630 (incl. 17 male employees) |

- Short working hours system (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 327 | 414 | 501 |

Others

- Rate of employees who received health check (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 99.6% | 99.9% | 99.6% |

- Industrial accidents (domestic companies subject to consolidation)

(Occupational accidents)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 57 | 60 | 58 |

(Commuting accidents)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 42 | 52 | 48 |

- Nursing care leave system (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 6 | 9 | 4 |

- Labor union participation rate (domestic companies subject to consolidation)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 87.4% | 81.1% | 79.8% |

- Human rights training participants (domestic companies subject to consolidation) of employees receiving training

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 99.9% | 99.9% | 99.9% |

**- Job request system (Tokio Marine & Nichido)**

| FY2009 (as of July 1, 2010) | FY2010 (as of July 1, 2011) | FY2011 (as of July 1, 2012) |
|--------------------------------|--------------------------------|--------------------------------|
| Applicants 271 Approval 99 | Applicants 301 Approval 96 | Applicants 303 Approval 126 |

- (Number of people using) Volunteer activity leave system (Tokio Marine & Nichido)

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 184 | 152 | 151 |

Social Contribution Activities**- Employee participation rate in volunteer activities (domestic companies subject to consolidation)**

| FY2009 | FY2010 | FY2011 |
|--------|--------|--------|
| 44.6% | 55.5% | 59.8% |

- Donations (including monetary and in-kind donations by employees and agents)

| FY2009 | FY2010 | FY2011 |
|--------|---|--|
| - | Approximately 722 million yen (includes disaster support of approximately 67 million yen) | Approximately 896 million yen (includes disaster support of approximately 183 million yen) |












Download the Sustainability Report in PDF

The web-based Sustainability Report has been compiled and can be viewed as a PDF file. Archives of past CSR reports can also be viewed in the "Back Number" section.



2012

| | |
|-----------|---|
| All Pages |  7,507KB |
|-----------|---|

By Category

| | |
|--|---|
| Message from the President |  117KB |
| Tokio Marine Group's CSR |  1,364KB |
| 2011 Highlights |  212KB |
| Environmental -Responding to Climate Change and Natural Disaster Risk- |  1,571KB |
| Social -Contributing to Local Communities and Societies- |  1,768KB |
| Governance -Strengthening CSR Management- |  1,300KB |
| Relations with Stakeholders |  696KB |
| Management Information |  152KB |
| CSR Library |  537KB |

CSR Booklet 2012: Change What Can Be Changed into Tomorrow's Strengths

| | | |
|--|---|---|
| CSR Booklet 2012: Change What Can Be Changed into Tomorrow's Strengths (Japanese only) |  |  8.360KB |
|--|---|---|

For inquiries concerning the Sustainability Report, please refer to the following point of contact.

We would also appreciate your feedback on the report through the ["Tokio Marine Group CSR Booklet" questionnaire \(in Japanese\)](#).



Tokio Marine Holdings, Inc.
CSR Division, Corporate Planning Department
1-2-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
TEL:+81-3-5223-1552 FAX:+81-3-5223-3025
E-mail: CSR@tokiomarinehd.com

Back Numbers

CSR Report

| | |
|--|--|
| Tokio Marine Group's e-CSR report 2011 |  5,248 KB |
| Tokio Marine Group's CSR report 2010 |  5,596 KB |
| Tokio Marine Group's CSR report 2009 |  2,949 KB |
| Tokio Marine Group's CSR report 2008 |  1,980 KB |
| Millea Group CSR Report 2007 |  3,770 KB |
| Millea Group CSR Report 2006 |  1,846 KB |
| Millea Group CSR Report 2005 |  1,076 KB |



External Assurance

The Tokio Marine Group has received assurance from an external institution for the Tokio Marine Group Sustainability Report (Fiscal 2012 Version) with the aim of further improving the level of communication with stakeholders.

By obtaining the external assurance, we will effort to keep the quality of the Tokio Marine Group's CSR reporting.

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

Independent assurance report

31 August 2012

Mr. Shuzo Sumi

President
Tokio Marine Holdings, Inc.

1. Purpose and scope of our assurance engagement

We have performed certain assurance procedures, based on the engagement with Tokio Marine Holdings, Inc. (the "Company"), on the Company's key sustainability performance indicators. These comprise the material sustainability information¹ of the Company and its major subsidiaries for the year ended 31 March 2012 that was reported in the Tokio Marine Group Sustainability Report 2012 (the "CSR Report"). The assurance procedures are with respect to whether the key sustainability performance indicators have been measured and calculated accurately and whether material information has been fully disclosed in accordance with the reporting standards for the CSR Report².

The preparation of the CSR Report is the responsibility of the Company's management. Our responsibility is to express an independent opinion on the key sustainability performance indicators.

2. Outline of the assurance procedures performed

We have performed limited assurance procedures³ in accordance with the 2003 International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information of the International Federation of Accountants (IFAC) and the 2012 Practical Guidelines for the Assurance of Sustainability Information of the J-SUS. Therefore, our assurance engagement provides relatively limited assurance compared to a reasonable assurance engagement.

3. Conclusion

Based on the assurance procedures performed, nothing has come to our attention that causes us to believe that the key sustainability performance indicators have not been measured and calculated accurately in accordance with the reporting standards of the CSR Report or that material information has not been disclosed, in all material respects.

4. Independence

Our assurance is compliant with the Ethics Regulations of J-SUS and there is no financial interest between the Company and us.

Akihiro Nakagome
Representative Director
Ernst & Young Sustainability Co., Ltd.

¹ The scope of material sustainability information is stipulated in the 2011 Sustainability Reporting Assurance and Registration Criteria of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS).

² The reporting standards refer to the 2012 Environmental Reporting Guidelines of Japanese Ministry of the Environment, the G3.0 Sustainability Reporting Guidelines of the Global Reporting Initiative (the GRI), and the 2012 Sustainability Reporting Assurance and Registration Criteria of J-SUS in the context of specifying the material subject to disclosure.

³ We have mainly reviewed and assessed the Company's procedures for the collection and aggregation of data, performed analytical procedures, as well as recalculated and reconciled them with the corroborating evidence on the quantitative sustainability information on a test basis. In addition, we have mainly made inquiries and reviewed related records to verify the qualitative information.

GRI Content Index

In this Sustainability Report (Fiscal 2012 Version), we provide information mainly about the Tokio Marine Group's CSR activities that have a high degree of importance and that are highly relevant as topics.

- Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 3.0 (G3)
Application level: B+ (self-declared)

| Item | Link |
|---------------------------|--|
| 1. Strategy and Analysis | |
| 1.1 | Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy. - Message from the President |
| 1.2 | Description of key impacts, risks, and opportunities. - Tokio Marine Group's Approach to CSR Tokio Marine Group Corporate Philosophy, Tokio Marine Group CSR Charter - Key CSR Issues of the Tokio Marine Group - Tokio Marine Group CSR Promotion Structure |
| 2. Organizational Profile | |
| 2.1 | Name of the organization. - Management Information (Corporate profile) |
| 2.2 | Primary brands, products, and/or services. - Management Information (Corporate profile) |
| 2.3 | Operational structure of the organization. - Annual Report |
| 2.4 | Location of organization's headquarters. - Management Information (Corporate profile) |
| 2.5 | Number and names of countries where the organization operates. - Annual Report |

| | | |
|------|--|--|
| 2.6 | Nature of ownership and legal form. | - Management Information (Corporate profile) |
| 2.7 | Markets served. | - Annual Report |
| 2.8 | Scale of the reporting organization. | - Annual Report |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | - Editorial Policy (Scope of Report) |
| 2.10 | Awards received in the reporting period. | - External Evaluations and Awards |

3. Report Parameters

| | | |
|---------------------------|---|--|
| Report Profile | | |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | - Editorial Policy (Scope of Report) |
| 3.2 | Date of most recent previous report (if any). | - Editorial Policy (Scope of Report) |
| 3.3 | Reporting cycle | - Editorial Policy (Scope of Report) |
| 3.4 | Contact point for questions regarding the report or its contents. | - CSR Library |
| Report Scope and Boundary | | |
| 3.5 | Process for defining report content. | - Tokio Marine Group's Approach to CSR - Key CSR Issues of the Tokio Marine Group - Stakeholder Engagement |
| 3.6 | Boundary of the report. | - Editorial Policy (Scope of Report) |
| 3.7 | State any specific limitations on the scope or boundary of the report. | Not Applicable |
| 3.8 | Basis for reporting on entities that can significantly affect comparability from period to period and/or between organizations. | Not Applicable |
| 3.9 | Data measurement techniques and the bases of calculations. | - Reduction of Environmental Impact (Data calculation method) |
| 3.10 | Reasons for any re-statements of information provided in earlier reports. | - Editorial Policy (Scope of Report) |

| | | |
|------|---|---|
| 3.11 | Significant changes from previous reporting periods in 3.6 or 3.9 | Not Applicable |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | - GRI Content Index , - Tokio Marine Group's Corporate Social Responsibility - Management Information |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | - CSR Library (External Assurance) |

4. Governance, Commitments and Engagement

| | | |
|------------|---|--|
| Governance | | |
| 4.1 | Governance structure of the organization. | - Corporate Governance |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | - |
| 4.3 | State the number and gender of members of the highest governance body that are independent and/or non-executive members. | - Corporate Governance |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | - Relations with Shareholders and Investors - Shareholders' Meeting - Communication with Employees |
| 4.5 | Linkage between compensation for management, and the organization's performance (including social and environmental performance). | - Corporate Governance (Compensation) |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | - Corporate Governance (Corporate Auditors (Board of Corporate Auditors)) |
| 4.7 | Process for determining the qualifications, and expertise of the members of the highest governance body for the organization strategy on economic, environmental and social topics. | - Corporate Governance (Nomination) |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, | - Tokio Marine Group's Approach to CSR |

| | | |
|-------------------------------------|---|--|
| | environmental, and social performance and the status of their implementation. | |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance. | <ul style="list-style-type: none"> - Key CSR Issues of the Tokio Marine Group - Tokio Marine Group CSR Promotion Structure - Stakeholder Engagement |
| 4.10 | Processes for evaluating the highest governance body's own performance. | - Tokio Marine Group CSR Promotion Structure |
| Commitments to External Initiatives | | |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | - Participation in External Initiatives |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | - Participation in External Initiatives |
| 4.13 | Memberships in associations and/or national/international advocacy organizations: | - Participation in External Initiatives |
| Stakeholder Engagement | | |
| 4.14 | List of stakeholder groups engaged by the organization. | <ul style="list-style-type: none"> - Tokio Marine Group's Approach to CSR - CSR Dialogue - External Evaluations and Awards |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | - Tokio Marine Group's Approach to CSR |
| 4.16 | Approaches to stakeholder engagement. | <ul style="list-style-type: none"> - Tokio Marine Group's Approach to CSR - Stakeholder Engagement |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to them. | - Key CSR Issues of the Tokio Marine Group |

5. Management Approach and Performance Indicators

| | | |
|----------|------------------------------|--|
| Economic | Aspect: Economic Performance | |
| | EC1 | <p>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other</p> <ul style="list-style-type: none"> - CSR Library (Key Performance Data) - Annual Report - Key Issue-Social- |

| | | | |
|----------------|-----------------------------------|---|--|
| ENVIRONMENTAL | | community investments, retained earnings, and payments to capital providers and governments. | |
| | EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | - Plans and Results of CSR Initiatives - Responding to Climate Change and Natural Disaster Risk |
| | EC3 | Coverage of the organization's defined benefit plan obligations. | - Annual Report |
| | EC4 | Significant financial assistance received from government. | Not Applicable |
| | Aspect: Market Presence | | |
| | EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. | - |
| | EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | - Relations with Suppliers |
| | EC7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation. | - |
| | Aspect: Indirect Economic Effects | | |
| | EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit. | - Mangrove Planting Project - Social -Contributing to Local Communities and Societies- |
| | EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | - |
| | Aspect: Environmental Performance | | |
| | Aspect: Materials | | |
| | EN1 | Materials used by weight or volume. | - Reduction of Environmental Impact |
| | EN2 | Percentage of materials used that are recycled input materials. | - |
| Aspect: Energy | | | |

| | | |
|--|---|---|
| EN3 | Direct energy consumption by primary energy source. | - Reduction of Environmental Impact |
| EN4 | Indirect energy consumption by primary source. | - Reduction of Environmental Impact |
| EN5 | Energy saved due to conservation and efficiency improvements. | - Reduction of Environmental Impact |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | - Reduction of Environmental Impact |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | - Reduction of Environmental Impact |
| Aspect: Water | | |
| EN8 | Total water withdrawal by source | - |
| EN9 | Water sources significantly affected by withdrawal of water. | - |
| EN10 | Percentage and total volume of water recycled and reused. | - |
| Aspect: Biodiversity | | |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Not Applicable |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | - Preservation of Biodiversity - Creating Mangrove Forests |
| EN13 | Habitats protected or restored. | - Creating Mangrove Forests |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | - Preservation of Biodiversity - Creating Mangrove Forests |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | Not Applicable |
| Aspect: Emissions, Effluent, and Waste | | |

| | | |
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| EN16 | Total direct and indirect greenhouse gas emissions by weight. | - Reduction of Environmental Impact |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | - Reduction of Environmental Impact |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | - Reduction of Environmental Impact |
| EN19 | Emissions of ozone-depleting substances by weight. | - |
| EN20 | NO, SO, and other significant air emissions by type and weight. | - |
| EN21 | Total water discharge by quality and destination. | - |
| EN22 | Total weight of waste by type and disposal method. | - Reduction of Environmental Impact |
| EN23 | Total number and volume of significant spills. | Not Applicable |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | Not Applicable |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | Not Applicable |
| Aspect: Products and Services | | |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | - Preservation of Biodiversity - Mangrove Planting Project - Responding to Climate Change and Natural Disaster Risk (Products and Services) |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Not Applicable |
| Aspect: Compliance | | |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions | Not Applicable |

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| Social Performance Indicators | | for noncompliance with environmental laws and regulations. | |
| | Aspect: Transport | | |
| | EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | - Reduction of Environmental Impact |
| | Aspect: Overall | | |
| | EN30 | Total environmental protection expenditures and investments by type. | - |
| | Labor Practices and Decent Work | | |
| | Aspect: Employment | | |
| | LA1 | Total workforce by employment type, employment contract, and region. | - Management Information (Number of employees Labor union participation rate) |
| | LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | - |
| | LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation. | - Relations with Employees (Protecting motherhood systems) |
| | Aspect: Labor/Management Relations | | |
| | LA4 | Percentage of employees covered by collective bargaining agreements. | - Communication with Employees - Management Information (Labor union participation rate) |
| | LA5 | Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements. | - |
| | Aspect: Occupational Health and Safety | | |
| LA6 | Percentage of total workforce represented in formal joint management –worker health and safety committees that help monitor and advise on occupational health and safety programs. | - Health Management - Management Information (Rate of employees who received health check) | |

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| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. | - Health Management - Management Information (Industrial Accidents) |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | - Health Management |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | - |
| Aspect: Training and Education | | |
| LA10 | Average hours of training per year per employee by gender, and by employee category. | - |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | - Relations with Employees - Management Information (Retiree / rehiring system) |
| LA12 | Percentage of employees receiving regular performance and career development reviews. | - Relations with Employees |
| Aspect: Diversity and Equal Opportunity | | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to indicators of diversity. | - Relations with Employees - Management Information (Number of employees) |
| LA14 | Ratio of basic salary of men to women by employee category. | - |
| Human Rights Performance Indicators | | |
| Aspect: Investment and Procurement Practices | | |
| HR1 | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. | - |
| HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. | - |

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| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations. | - Respect for Human Rights - Management Information (Rate of human rights training participants) |
| Aspect: Non-discrimination | | |
| HR4 | Total number of incidents of discrimination and corrective actions taken. | Not Applicable |
| Aspect: Freedom of Association and Collective Bargaining | | |
| HR5 | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. | Not Applicable |
| Aspect: Child Labor | | |
| HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. | Not Applicable |
| Aspect: Forced and Compulsory Labor | | |
| HR7 | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. | Not Applicable |
| Aspect: Security Practices | | |
| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | - |
| Aspect: Indigenous Rights | | |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | Not Applicable |
| Society Performance Indicators | | |
| Aspect: Local Communities | | |

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| SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | - |
| Aspect: Corruption | | |
| SO2 | Percentage and total number of business units analyzed for risks related to corruption. | - |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | - Compliance |
| SO4 | Actions taken in response to incidents of corruption. | - |
| Aspect: Public Policy | | |
| SO5 | Public policy positions and participation in public policy development and lobbying. | - |
| SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | - |
| Aspect: Anti-Competitive Behavior | | |
| SO7 | Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes. | Not Applicable |
| Aspect: Compliance | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations. | Not Applicable |
| Product Responsibility Performance Indicators | | |
| Aspect: Customer Health and Safety | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | Not Applicable |
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and | Not Applicable |

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| | safety impacts of products and services during their life cycle, by type of outcomes. | |
| Aspect: Product and Service Labeling | | |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | - Responding to Climate Change and Natural Disaster (Products and Services - Acquired First Auto Insurance Eco Mark Certification for Financial Products) |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | Not Applicable |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | - Relations with Customers (Response to customer) |
| Aspect: Marketing Communications | | |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | - Relations with Customers (Response to customer) |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. | Not Applicable |
| Aspect: Customer Privacy | | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | - Relations with Customers |
| Aspect: Compliance | | |
| PR9 | Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services. | Not Applicable |

| Item | Link |
|---------------------------|--|
| Aspect: Product Portfolio | |
| FS1 | Policies with specific environmental and social components applied to business lines. - Tokio Marine Group's Corporate Social Responsibility - Key CSR Issues of the Tokio Marine Group |
| FS2 | Procedures for assessing and screening environmental and social risks in business lines. - Key CSR Issues of the Tokio Marine Group (The process for Specifying Key Group CSR Issues) |
| FS3 | Processes for monitoring clients Implementation of and compliance with environmental and social requirements included in agreements or transactions. - Relations with Suppliers - Relations with Customers - Compliance |
| FS4 | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines. - |
| FS5 | Interactions with clients/investees/business partners regarding environmental and social risks and opportunities. - Tokio Marine Group's Approach to CSR - Relations with Shareholders and Investors - Relations with Customers - Relations with Suppliers |
| FS6 | Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector. - Annual Report |
| FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose. - |
| FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose. - |
| Aspect: Audit | |
| FS9 | Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures. - |
| Aspect: Active Ownership | |

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| FS10 | Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues. | - |
| FS11 | Percentage of assets subject to positive and negative environmental or social screening. | - |
| FS12 | Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting. | - |
| Aspect: Community | | |
| FS13 | Access points in low-populated or economically disadvantaged areas by type. | - |
| FS14 | Initiatives to improve access to financial services for disadvantaged people. | - Responding to Climate Change and Natural Disaster Risk (Products & Services) |
| Aspect: Product and Service Labelling | | |
| FS15 | Policies for the fair design and sale of financial products and services. | - Relations with Customers - Tokio Marine Nichido (Respond to customer trust) |
| FS16 | Initiatives to enhance financial literacy by type of beneficiary. | - Relations with Customers - Tokio Marine Nichido (Respond to customer trust) |

Recognition about ISO 26000

ISO 26000, the international standard concerning the social responsibility of organizations, was issued in November 2010.

By referring to the core subjects addressed in ISO 26000, specifically organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues and community involvement and development, the Tokio Marine Group reviews the materiality of its CSR issues and makes efforts to improve them.

Below are website links to the pages introducing the Tokio Marine Group's initiatives for addressing issues described in the ISO 26000 standard.

Core issues in ISO 26000 and the Tokio Marine Group's Initiatives

| Core issues | Organizational governance | Link |
|-------------|---|--|
| | | <ul style="list-style-type: none"> - CSR Promotion Structure - Corporate Governance |
| Core issues | Human rights | |
| Issue 1 | Due diligence | <ul style="list-style-type: none"> - Tokio Marine Group's Approach to CSR - Participation in External Initiatives <li style="padding-left: 20px;">The United Nations Global Compact - Respect for Human Rights - Compliance - Fair and Honest Personnel Affairs and Respect for Human Rights |
| Issue 2 | Human rights risk situations | |
| Issue 3 | Avoidance of complicity | |
| Issue 4 | Resolving grievances | |
| Issue 5 | Discrimination and vulnerable groups | |
| Issue 6 | Civil and political rights | |
| Issue 7 | Economic, social and cultural rights | |
| Issue 8 | Fundamental principles and rights at work | |

| Core issues | Labour practices | |
|-------------|---|--|
| Issue 1 | Employment and employment relationships | - Relations with Employees |
| Issue 2 | Conditions of work and social protection | |
| Issue 3 | Social dialogue | |
| Issue 4 | Health and safety at work | |
| Issue 5 | Human development and training in the workplace | |
| Core issues | The environment | |
| Issue 1 | Prevention of pollution | - Responding to Climate Change and Natural Disasater Risk - Local Community and Social Contribution Activities - Creating Mangrove Forests |
| Issue 2 | Sustainable resource use | |
| Issue 3 | Climate change mitigation and adaptation | |
| Issue 4 | Protection of the environment, biodiversity and restoration of natural habitats | |
| Core issues | Fair operating practices | |
| Issue 1 | Anti-corruption | - Tokio Marine Group's Approach to CSR - Governance - Compliance - Relations with Customers - Relations with Suppliers |
| Issue 2 | Responsible political involvement | |
| Issue 3 | Fair competition | |
| Issue 4 | Promoting social responsibility in the value chain | |
| Issue 5 | Respect for property rights | |



| Core issues | Consumer issues | |
|-------------|---|---|
| Issue 1 | Fair marketing, factual and unbiased information and fair contractual practices | <ul style="list-style-type: none"> - Internal Control Systems - Compliance - Information Security - Relations with Customers - Relations with Agents |
| Issue 2 | Protecting consumers' health and safety | |
| Issue 3 | Sustainable consumption | |
| Issue 4 | Consumer service, support, and complaint and dispute resolution | |
| Issue 5 | Consumer data protection and privacy | |
| Issue 6 | Access to essential services | |
| Issue 7 | Education and awareness | |
| Core issues | Community involvement and development | |
| Issue 1 | Community involvement | <ul style="list-style-type: none"> - Local Community and Social Contribution Activities - Creating Mangrove Forests |
| Issue 2 | Education and culture | |
| Issue 3 | Employment creation and skills development | |
| Issue 4 | Technology development and access | |
| Issue 5 | Wealth and income creation | |
| Issue 6 | Health | |
| Issue 7 | Social investment | |

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TOKIO MARINE

SUSTAINABILITY REPORT 2012

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