

MANAGEMENT SYSTEM

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CORPORATE GOVERNANCE

Aioi Insurance positions the realization of enhanced corporate governance as one of its highest-priority management issues, and is working to improve the effectiveness of its internal control systems, management efficiency through efficient utilization of management resources and transparency through implementation of appropriate and timely disclosure.

BASIC POLICY CONCERNING DEVELOPMENT OF INTERNAL CONTROL SYSTEMS

The Company recognized construction of internal control systems as one of the most important elements of enhanced corporate governance and formulated a basic policy concerning the development of internal control systems.

The Company is developing internal control systems in line with the policy outlined below.

1. System to ensure that directors perform their duties in compliance with laws, regulations and the Company's Articles of Incorporation

- The company shall establish a Code of Conduct, based on its corporate philosophy and corporate vision. All of the Company's directors, executive officers and employees shall share and comply with this Code of Conduct.
- The Company shall establish regulations governing the Board of Directors' activities, and periodically review matters resolved at the Board meeting.

2. System to record and manage information related to the execution of business duties by directors

- The Company shall archive documents and minutes from Board of Directors' meetings and Executive Council's meetings in an easily accessible format.

3. Regulations on management of risk of loss and other systems

- The Company shall clearly identify risks that need to be managed, determine where such risks lie and manage appropriately the risks in consideration of their nature.
- The Board of Directors shall adopt a resolution on the risk management policies, activities and issues, which are to be addressed every fiscal year.
- The Company shall formulate concrete risk management regulations by categories of risk, and periodically revise them as required.

- The Company shall establish a Risk Management Department to oversee risk management activities across the Company and set up a Risk Management Committee which reports directly to the Board of Directors.

- The Company shall establish a framework to ensure that the Risk Management Department centrally manages risk information and reports to the Board of Directors, as needed.

- The Internal Auditing Department shall cooperate with the Risk Management Department in order to practice highly effective business auditing based on risk information.

- The Company shall continuously review and improve its risk management system covering the management of its asset portfolio by reinforcing the system and adopting the most advanced risk management methods.

- The Company shall establish systems to respond to crises such as major natural disasters.

4. System to ensure the efficient execution of function by directors

- The duties and authority of directors shall be clearly set forth.
- Regular meetings of the Board of Directors shall be held once a month and, when needed, extraordinary meetings shall be held. Important matters concerning management strategy, etc., shall be discussed first, deliberated at a meeting of Company executives and then reported or submitted for consideration to the Board of Directors.

5. System to ensure that employees perform their duties in compliance with laws, regulations and the Company's Articles of Incorporation

- The Board of Directors shall pass a resolution on the introduction of a compliance program, oversee its progress, make revisions and ensure rigorous in-house compliance.

- The Company shall establish the Compliance Control Department to centrally manage compliance issues and assign compliance officers to each region.
- The Company shall establish a structure to promote compliance across the Company by establishing the Compliance Committee, which reports directly to the Board of Directors, as well as a regional compliance committee in each region.
- The Company shall educate employees to ensure full compliance by using a compliance manual and other materials.
- The Company shall establish an internal notification system (Compliance Hotline 110) and develop regulations to protect those who disclose information in the public interest.
- The Internal Auditing Department shall conduct regular audits, including visits to branch offices and review auditing policies and items once a year.
- Directors shall promptly report to the Board of Directors and the Board of Corporate Auditors upon the discovery of serious compliance incident.
- To combat antisocial groups that threaten the order and security of civil society, the Company shall cooperate with the police and other government agencies in a steadfast stance against such groups.

6. System to ensure adequate and reliable financial reporting

- With regard to information disclosure mandated by laws and regulations, the Company shall establish a system to ensure the adequacy of disclosure and a system to verify the evaluation of effectiveness of internal control systems.

7. System to ensure that the Group engages in appropriate business activities

- The Company shall develop regulations on the management of affiliated companies. Together, the Corporate Planning Department of the Company and the administrative departments of the head office of each affiliated company shall efficiently oversee the management of affiliated companies.
- The Corporate Planning Department shall play a central role in instructing and supporting affiliated companies to establish compliance and risk management systems (with particular emphasis on crisis management systems).

- The Company and affiliated companies shall share the Company's internal notification system (Compliance Hotline 110) and the regulations to protect those who disclose information in the public interest.

8. Matters concerning employees that are asked by corporate auditors to assist them in their duties

- The Company shall establish an Auditors' Office, and assign its employee(s) (hereinafter referred to as assistants to corporate auditors) to assist the corporate auditors in their duties.

9. Matters concerning the independence of assistants to corporate auditors from directors

- An assistant to corporate auditors shall not be involved in the Company's operations, or be subject to the orders of directors.
- An assistant to corporate auditors shall be evaluated solely by corporate auditors, and any personnel issues pertaining to the assistants, such as their appointment or dismissal, shall be approved by corporate auditors.
- The Company shall establish regulations governing assistants to corporate auditors.

10. System to ensure that directors and employees report to corporate auditors and other auditors

- Directors and employees shall provide corporate auditors with reports on their activities on a regular or irregular basis, and report any matter that may affect the operation of the Company without delay.

11. System to ensure that corporate auditors perform their audits effectively

- The Company shall enhance collaboration between all of its operations divisions, with a specific focus on collaboration between the Internal Auditing Department and the Corporate Planning Department to establish an effective auditing system.

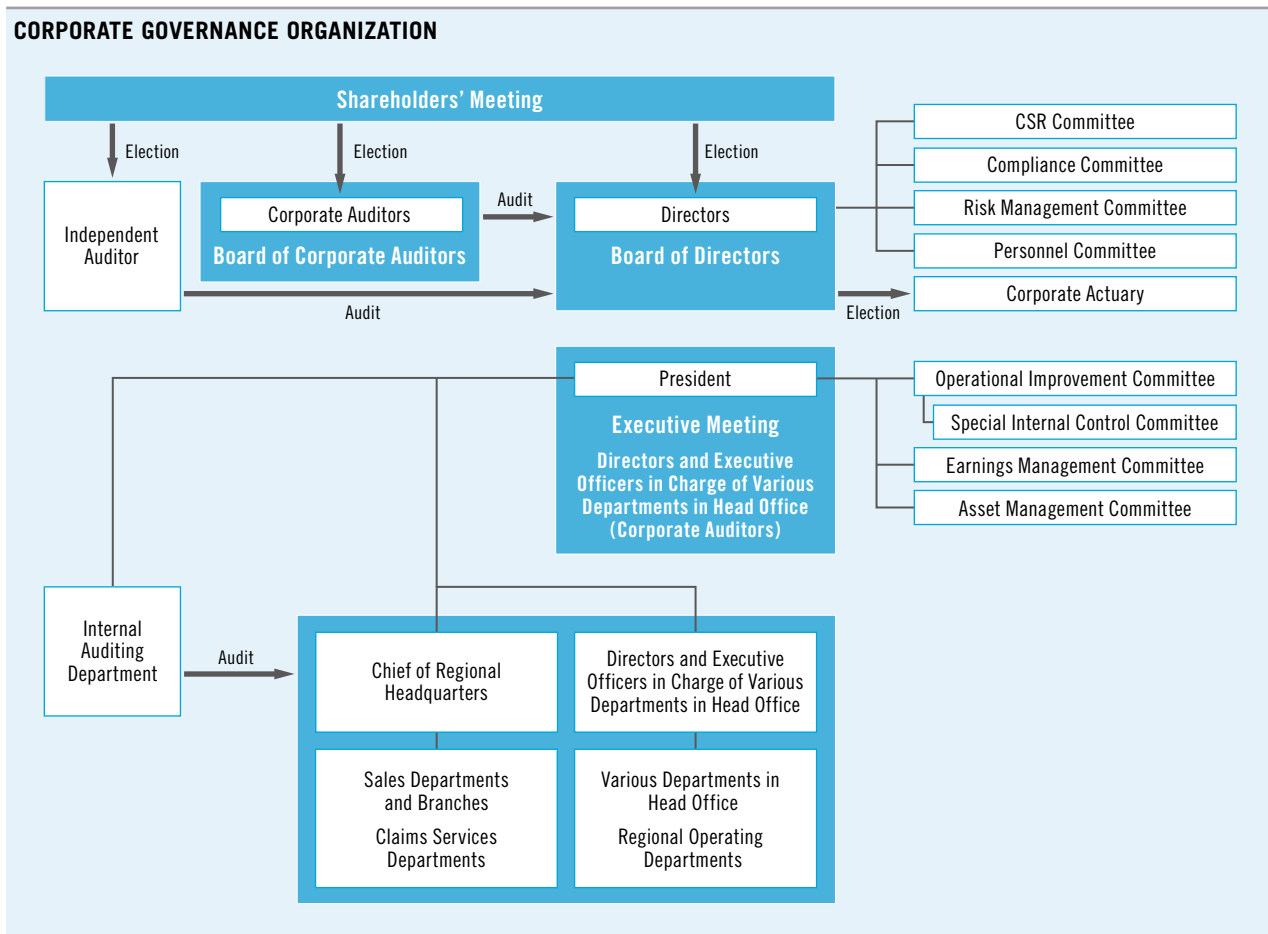
CORPORATE GOVERNANCE SYSTEM

The Company adopted a corporate auditing system and a management structure that clearly separates the decision-making and supervisory functions from the duty execution function. As of July 1, 2008, management comprised of 12 directors, 5 auditors and 23 executive officers. The term of office for directors and executive officers is set at one year to clarify management’s responsibility for business results for each fiscal year and to flexibly respond to changes in the operating environment.

The Board of Directors shall be comprised of 12 directors, including 1 external director. The Board shall make decisions on important matters concerning management policy and strategy, supervise operations of the Company and meet at least once a month or any other time as needed.

The Company has also established the CSR Committee, Compliance Committee, Risk Management Committee and Personnel Committee, which all report directly to the Board of Directors to strengthen supervisory functions and enhance management soundness and transparency.

With the aim of promoting CSR management generally, the CSR Committee deliberates on policies and issues, and promotes and oversees the implementation of related measures in each organizational division. It also works to ensure Company information disclosure is carried out in a timely, appropriate and fair manner based on the information disclosure policies determined by the Board of Directors.



With the aim of strengthening the compliance system's monitoring and supervisory functions, the Compliance Committee conducts checks on the progress of the compliance program and deliberates on measures to improve the compliance program based on the results of internal and external inspections and supervision.

The Risk Management Committee oversees Groupwide risk preparedness and risk management status, works to ensure management security and deliberates on related issues and problems with the aim of improving profitability.

For the purpose of ensuring fair performance evaluation and compensation for directors and executive officers, the Personnel Committee deliberates on candidate selection for new appointments and re-appointments of directors and executive officers. It also deliberates on such matters as dismissals, promotions and demotions, and benefits and compensation for directors and executive officers.

The Company has established the Executive Council, which discusses important matters concerning business

operations. The Executive Council consists of non-external directors and executive officers who are in charge of the operational departments in the head office and meet at least once a month and any other time as needed.

The Board of Corporate Auditors convenes regularly and supervises directors and executive officers who are performing their duties. They discuss auditing policies and methods, discuss and report on important matters concerning auditing, and attend and submit opinions at important meetings, such as those of the Board of Directors and the Executive Council. In addition, the Company has established an Auditors' Office with a full-time staff to support the activities of corporate auditors.

The Board of Directors shall appoint a corporate actuary, who not only conducts actuarial operations but also studies items stipulated in Insurance Business Law for each fiscal year and then submits written opinions on his/her findings to the Board of Directors.

RELATIONSHIP WITH EXTERNAL DIRECTORS AND EXTERNAL CORPORATE AUDITORS

The Company's external director also serves as a director of Toyota Motor Corporation. Toyota Motor is a major shareholder of Aioi Insurance and held 34.58% of total voting rights as of March 31, 2008. The Company conducts insurance transactions with Toyota Motor on a regular basis. In addition, the Company has contracts with its external

director and three external corporate auditors, based on Article 31 and Article 43, Paragraph 2 of the Company's Articles of Incorporation, which limit liability to the maximum amount stipulated by Article 423, Paragraph 1 of the Corporate Law of Japan.

COMPLIANCE

Aioi Insurance strives to ensure strict compliance to laws and regulations and promotes appropriate business practices and management by placing a specific focus on compliance initiatives as the basis of every operating procedure.

COMPLIANCE POLICY

- Aioi Insurance shall seek to gain customer and public confidence by all executive officers and employees following the Company's Code of Conduct.
- Aioi Insurance shall concentrate its efforts to establish sound, equitable operations based on a rigorous compliance policy, in order to offer customer security and satisfaction.

CODE OF CONDUCT

1. EARN SOCIETY'S TRUST THROUGH CORPORATE ACTIVITIES THAT CONSISTENTLY REFLECT COMMITMENT TO SOCIAL RESPONSIBILITY

- (1) Adherence to laws, social norms, and in-house rules
- (2) Stringent, appropriate management of information
- (3) Wide disclosure of corporate information
- (4) Confrontation with antisocial forces
- (5) Risk management and enhancement of operational efficiency
- (6) Social contribution

2. OFFER CUSTOMERS PEACE OF MIND AND SATISFACTION BY ALWAYS PUTTING CUSTOMERS FIRST

- (1) Provision of outstanding products and services
- (2) Provision of accurate, useful information
- (3) Sincere responses to customer feedback

3. ESTABLISH A FREE AND VIGOROUS CORPORATE CULTURE AND ENSURE ALL EMPLOYEES STRIVE TO ENHANCE THEIR PERSONAL QUALITIES, JUDGMENT, AND ABILITIES

- (1) Respect for human rights and individuality
- (2) Training and utilization of a wide variety of personnel and realization of a free and vigorous corporate culture

COMPLIANCE PROMOTION

Compliance Promotion System

The Company has set up the Compliance Committee as an advisory body to the Board of Directors. Compliance-related departments address a wide range of compliance issues, including the Company's response to customer feedback and insurance sales activities by agents.

In addition, the Company has set up a compliance committees at regional headquarters and branches, as well as a Compliance Promotion Office which is under the direct authority of the Compliance Control Department, in an effort to supervise all compliance officers, compliance managers and managers responsible for agency audits, and enhance mobility to ensure and promote strict compliance at regional levels.

The Company has established the group within the Compliance Control Department to inspect insurance policy sales materials.

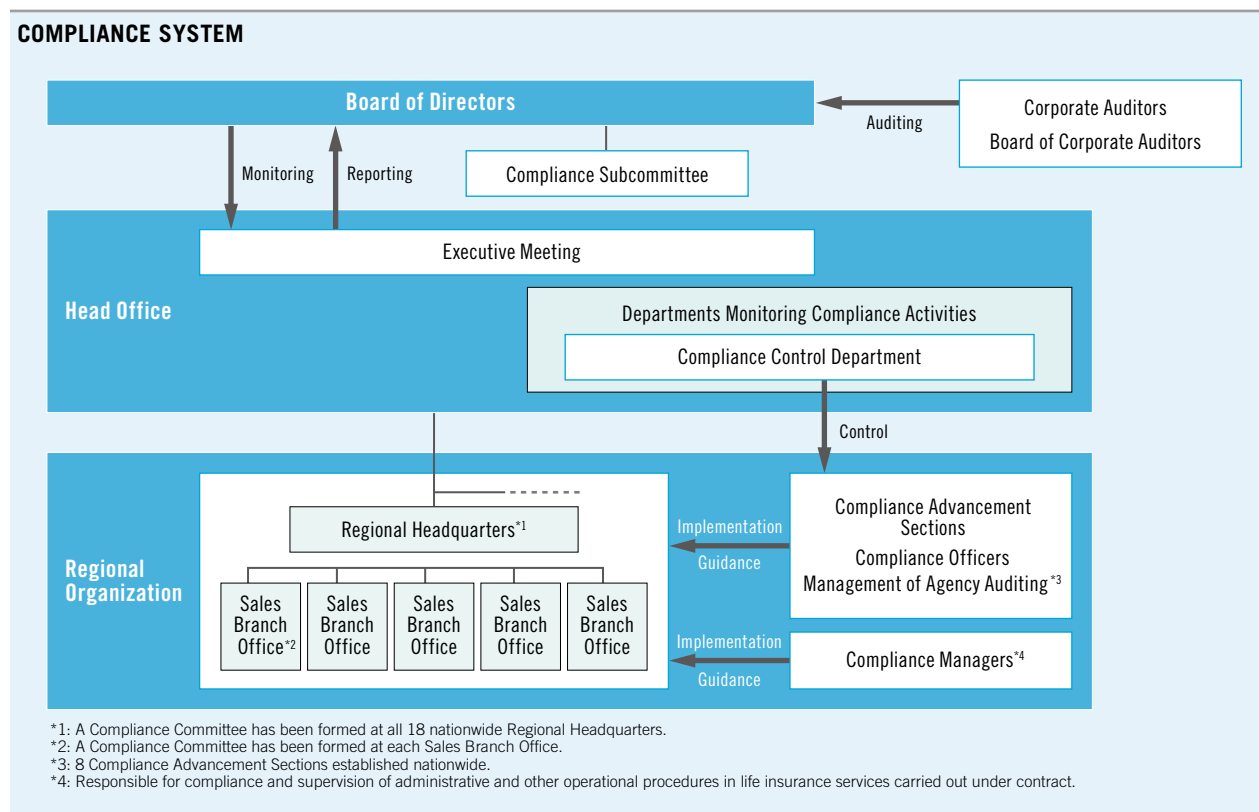
*Since fiscal 2007, with regard to operational execution in the area of life insurance services carried out under contract, compliance managers (CPM)—who promote compliance and lead training programs as well as supervise administrative and other operational procedures—are members of the Compliance Control Department.

Compliance Program and Training

The Compliance Program is a detailed planning tool formulated by the Board of Directors. Based on this program, the Company and Group companies cooperate to conduct compliance-related activities.

Compliance training is carried out in each department and at every level, beginning with the intake training of employees first entering the Company. We are working to enhance the effectiveness of these programs through such tools as a compliance manual and Internet-based videos.

Through self-checks and audits, we work to prevent and deter improper actions and fraud. The Company has also set up a hotline for reporting compliance violations as part of its efforts to promote self-detection and compliance system improvements.



RISK MANAGEMENT SYSTEM

Aioi Insurance constantly seeks to enhance risk management by identifying and analyzing increasingly diverse and complex risks.

The operating environments surrounding companies are changing dramatically due to such factors as economic globalization, advancing deregulation, competition from new entrants from outside the industry and transformation of communication methods such as the advent of the Internet. As a result, a non-life insurance company faces increasingly diverse and complex risks. It is now more important than ever to analyze these risks, analyze and evaluate their impacts and manage them appropriately to ensure operational stability and enhance profitability.

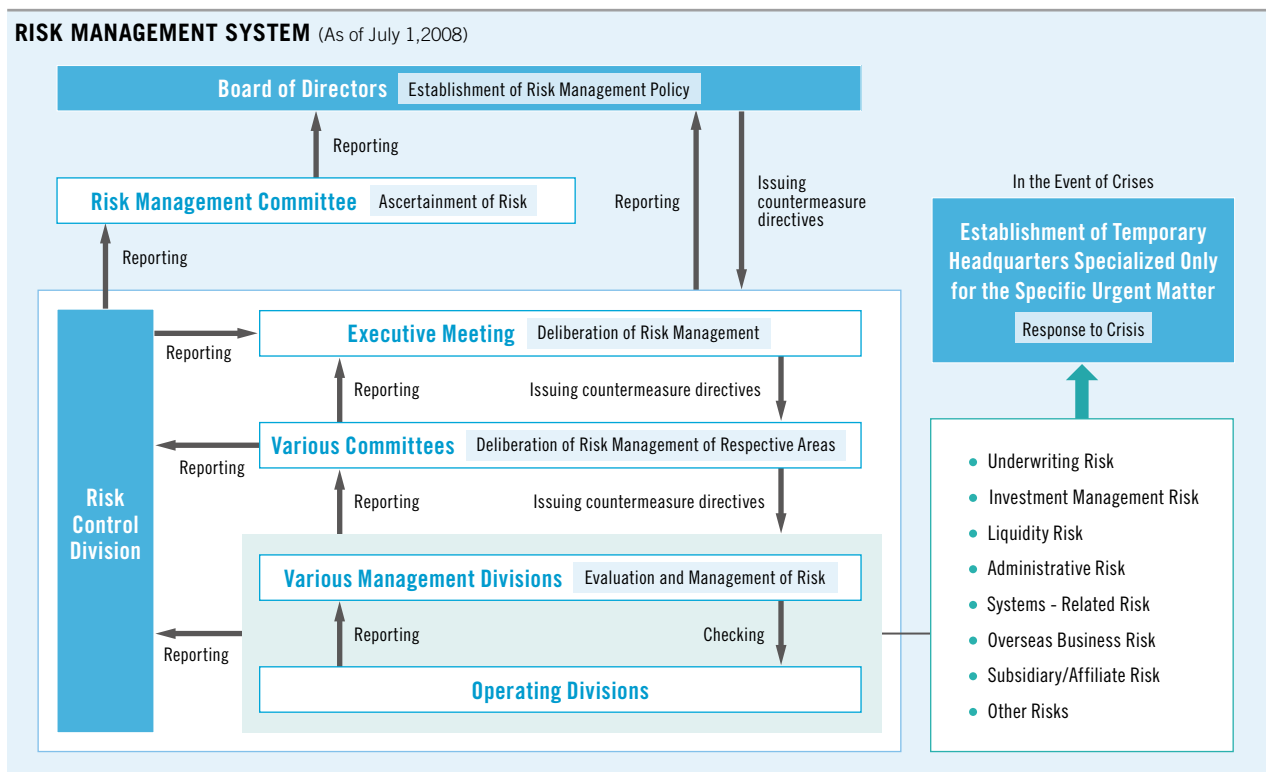
The Board of Directors has formulated the Risk Management Policy and each fiscal year determines the Risk

Management Action Policy and Action Issues, through which it identifies risks that should be managed. The Company has established the Risk Management Department to manage risk and coordinate risk management on a Company-wide level and to unify the management of risk information. Through deliberations by the Risk Management Committee, which reports directly to the Board of Directors, we ensure that the risk management situation is effectively communicated to the Board of Directors and other management bodies.

FUNDAMENTAL RISK MANAGEMENT POLICY

The Company shall eliminate risks that may interfere with smooth business operations and manage risks by curbing any excessive risk-taking activities aimed at earning profits

and strive to prevent the occurrence of risks to ensure management safety, improved profitability and superior quality services for customers.



*The Internal Auditing Department shall conduct internal audits covering such areas as the risk management systems and statuses of each department, the situation regarding compliance with internal rules, the appropriateness of operational management and the effectiveness of management systems. The Internal Auditing Department shall report the results of these audits to the Board of Directors.

RISK CAPITAL ALLOCATION

Separate from the risk identified under solvency margin ratio regulations, the Company uses an internal risk model to reflect the specific risk characteristics of the Company by measuring and identifying risk. This method enables the Company to measure various risks based on standard criteria and allocate risk capital to operations and divisions based on the level of risk they possess.

The Company conducts stress tests on its risk management systems by simulating various scenarios, such as major earthquakes and typhoons, as well as sudden changes

in the asset management environment, measuring the potential effect of these events on capital, to determine whether or not the Company's capital is adequate in such scenarios.

In this way, the Company ensures that management security is maintained, and uses a system for managing the allocation of capital based on an internal model to ensure that capital is utilized effectively. These systems are aimed at increasing the sophistication of the Company's risk management.

PRINCIPAL RISKS AND RELATED MANAGEMENT SYSTEMS

1. Underwriting Risk

Underwriting risk refers to the risk of suffering losses due to a significant difference in economic conditions or circumstances surrounding insured events that the Company expected when it determined premiums. The Company calculates appropriate premiums on the basis of adequacy, equitability and other factors to be included. In addition, it regularly identifies and manages risks based on loss ratios by products and concentrations of risk arising from natural

disasters such as earthquakes. When an abnormal risk value is identified location of causes and factors of the risk are analyzed, and the concerned products are improved or eliminated while reviews of underwriting criteria and sales policies are conducted.

In addition, the Company seeks to prevent excessive accumulation of risk by setting risk retention benchmarks for underwriting and diversifying risk through reinsurance or other methods.

Reinsurance

(1) Explanation

In order to fulfill insurance claim payment obligations and ensure operational stability, insurers equalize and spread risks by transferring all or a part of insurance claim payment obligation to other insurance/reinsurance companies. This process is called "reinsurance" and is an important method of stabilizing and strengthening insurance business management.

(2) Outward Cession Policy

The primary aim of the Company's outward cession policy is to ensure the long-term stability of net operating results. In particular, once a natural catastrophe occurs, the Company may face very large insurance claim payment obligations. To reduce that burden, the Company is enhancing its outward reinsurance covers sufficient in conjunction with cat reserves to meet obligations for earthquakes on the scale of the Great Kanto Earthquake (1929) and typhoons on the scale of 70-year return period, such as Typhoon Vera (1959).

With regard to the placement of outward reinsurance contracts, the Company carefully selects reinsurers with high credit ratings, in accordance with the Company's "Business Partner Credit Standards", which are based on the ratings provided by the major rating agencies.

(3) Inward Reinsurance Underwriting Policy

The Company focuses its marketing of inward reinsurance on high-quality contracts, emphasizing profitability and guided by a policy of strengthening risk management and tightening the stringency of underwriting standards.

2. Investment Management Risk

Investment management is principally exposed to three risks: market risk, credit risk and real estate investment risk. Aioi Insurance has adopted a risk limitation management strategy which calculates the estimated maximum loss for each risk to ensure that the loss will not exceed investment capital. Meanwhile, the Company manages risks as below.

(1) Market risk

Market risk refers to the risk of losses incurred by a decline in the value of assets due to fluctuations in interest rates, stock prices or currency exchange rates, etc. Aioi Insurance monitors the sensitivity of assets to changes in the market environment and uses a variety of tools to manage market risk, such as the loss cut rule and stress testing. To handle long-term insurance contracts such as savings insurance, the Company uses asset liability management (ALM) to maintain balance in the liability period while constructing a portfolio to ensure stable earnings.

(2) Credit risk

Credit risk refers to the risk of losses incurred by a decline in asset value or the loss of asset value due to deterioration in the financial position of a borrower. The Company manages credit risk by establishing and managing credit limits based on in-house ratings, using dynamic analysis to make its own credit assessments and determining credit screening policies.

(3) Real estate investment risk

Real estate investment risk refers to the risk of suffering a decline in income from properties due to changes in rental rates or a decline in real estate prices due to changing market conditions. Aioi Insurance manages this risk by establishing standards for the return on investment and the scale of unrealized gains or losses on real estate by setting a specified point for the Company to take necessary action.

3. Liquidity Risk

Liquidity risk comprises two types of risk; funding liquidity risk and market liquidity risk.

Funding liquidity risk refers to the risk of problems occurring in maintaining sufficient funds to meet obligations in the event of large-scale fund outflows triggered by a major disaster or other such event. Market liquidity risk refers to the risk of incurring losses owing to market instability, which may cause the value of assets held by the Company to fall and transactions unavoidably conducted at prices disadvantageous to the Company.

The Company manages these risks by maintaining sufficient liquid assets, carefully monitoring capital outflows and inflows, and implementing appropriate cash management. In the case of market liquidity risk, the Company manages risk using both qualitative and quantitative techniques, and strives to prevent the manifestation of such risk.

4. Administrative Risk

Administrative risk refers to the risk of losses incurred through deterioration of the quality of customer operations due to procedural negligence, accidents or impropriety on the part of officers, employees or agents, or confusion created by the introduction of new administrative systems that have not been verified or tested sufficiently during development and before deployment.

To ensure that our nationwide sales offices and service centers provide consistent, high-quality service, the Company provides employees and agencies with manuals and trainings on administrative procedures and personal information protection.

In addition, the Company strives to prevent the manifestation of administrative risk by verifying the effectiveness of its risk management systems. Specifically, each head office division monitors administrative performance benchmarks and internal audits are carried out on sales branch offices and service centers.

5. Systems-Related Risk

Systems-related risk refers to the risk of losses or customer dissatisfaction, caused mainly by abnormal stop, malfunction, improper operations or unauthorized use of computer systems or any mistake or delay in system development. To mitigate systems risk, the Company has established a basic policy concerning information management (“Security Policy”) to ensure that a new computer system will be thoroughly tested before its introduction. In addition, system operation has been outsourced to a specialty company that offers a high level of safety and reliability.

Since Aioi Insurance handles a large volume of important information on customers, it positions the prevention of leaks of personal information as one of the vital elements of the Company’s risk management policy and takes all possible measures to protect customer information and network security.

In addition, the Company has established a contingency plan to ensure that it will be able to respond swiftly to a natural disaster or unforeseen accident.

6. Overseas Business Risk

Overseas business risk refers to the risk of the Company incurring losses owing to the manifestation of such risk as insurance underwriting risk and administrative risk in its overseas operations, leading to deterioration in the quality of customer operations. Centered on its overseas business departments, the Company constantly monitors the risk management situation in each country as part of its efforts to prevent the manifestation of a diverse range of the overseas risks. Furthermore, to strengthen its system of checks and balances in overseas business operations, the Company appoints overseas risk managers independently from overseas business operations to increase the transparency and appropriateness of its overseas business.

7. Risks Related to Subsidiaries and Affiliates

This category of risk refers to the risk of a decline in the quality of customer operations or the position of the Aioi Insurance Group due to the manifestation of such risks as underwriting and administrative risks at Group companies, both in Japan and overseas.

Group companies strive to maintain their own financial soundness based on the principle of self-responsibility. The Company provides the necessary support and guidance to Group companies to help them strengthen their risk management systems and maintain the quality of their operations. By providing such support, the Company strives to ensure that the entire Aioi Insurance Group meets its earnings goals and maintains its financial strength.

8. Other Risks

The Company is aware of a variety of other risks including legal risk, natural disaster risk, risk to reputation of the Company and risk associated with planning and development activities. Individual operating divisions strive to manage these risks.

Aioi Insurance has established a crisis response system to ensure that it can systematically respond to major risks such as a major disaster that requires a Companywide response in a swift and effective manner. In such an event, the Company will immediately set up a Temporary Headquarters specialized only for the specific urgent matter to gather unified information and systematically respond to the matter by way of transferring authority for timely making decisions.

AUDITING AND INSPECTION SYSTEM

Aioi Insurance conducts detailed and effective auditing and inspection for the realization of itself as a “customer-oriented company.”

INTERNAL AUDITING AND INSPECTION SYSTEM

In addition to audits, which are carried out by corporate auditors pursuant to laws and regulations, the Internal Auditing Department, which operates independently from any of the Company’s executive bodies, also conducts internal audits.

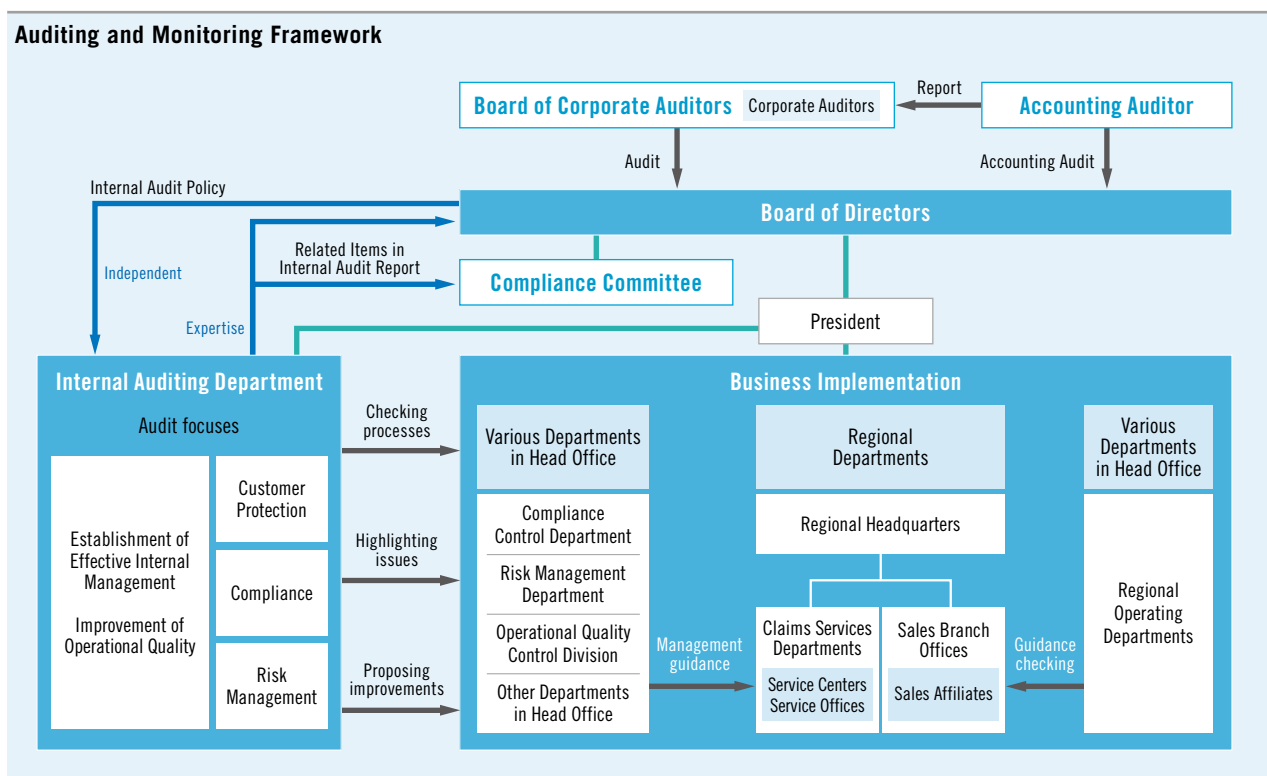
The Internal Auditing Department conducts audits to check the respective operational processes of each department with respect to internal control, internal management systems and operational quality, from the standpoint of customer

protection, compliance and risk management. The Internal Auditing department then submits recommendations for improvements that the audited department finds acceptable. Furthermore, the department ensures its audits are practical and effective by appropriately and consistently conducting follow-up checks of the implementation of improvement plans. The department also audits self assessments of the Company’s assets to ensure their soundness.

THIRD-PARTY AUDITING AND INSPECTION SYSTEM

An independent auditor performs third-party audits of Aioi Insurance according to governing laws and regulations. The Inspection Bureau of the Financial Services Agency and the Finance Bureau of the Ministry of Finance carry out inspections of the Company, as stipulated by Japan’s Insurance Business Law.

Furthermore, the independent auditor, corporate auditors and Internal Auditing Department work together to enhance the Company’s auditing and inspection systems.



DISCLOSURE

The Company implements timely, appropriate and equitable disclosure to further heighten management transparency.

DISCLOSURE POLICY

In order to improve management transparency, the Company shall disclose all material information in a timely, appropriate and fair manner.

The Company aims to build a strong relationship of trust with customers, shareholders and other stakeholders, based on good communication and in the spirit of “empathy, joint creation, and coexistence” as stipulated in its corporate philosophy.

The Company believes that the timely and appropriate disclosure of important corporate information is a central element of effective corporate governance and an important responsibility for management to maintain transparency. The Company’s basic disclosure policy is as follows.

Basic Policy

The Company shall disclose corporate information on the Group in a prompt, appropriate and fair manner to give shareholders and other stakeholders a deeper understanding of the Company and to help them evaluate the Company appropriately.

Disclosure

The Company shall disclose important corporate information as required under Japan’s Financial Instruments and Exchange Law, other laws and statutory regulations and the regulations of the stock exchanges where the Company’s stock is listed. Furthermore, the Company shall be forthright in disclosing other useful information that helps to give a deeper understanding of the Company.

Disclosure Method

The Company shall disclose information in a prompt, fair and appropriate manner, via the disclosure network maintained by the stock exchanges where its stock is listed, through press releases and on the Company’s web site. The Company shall employ a wide range of means of conveying information, including such publications as its disclosure journal and CSR Report to ensure that information is readily available to as many stakeholders as possible.

In-house Systems

The Company shall improve its in-house systems of disclosure, to ensure that information will be disclosed as outlined above.

IN-HOUSE DISCLOSURE SYSTEMS

The Company believes that appropriate and timely disclosure of corporate information is an important obligation for the Company in pursuing management transparency.

The Board of Directors shall set a disclosure policy for the Company and establish in-house standards for the disclosure of corporate information. In order to ensure that information is disclosed in a prompt, appropriate and fair manner based on Japan’s Financial Instruments and

Exchange Law and the rules stipulated by the stock exchanges in which the Company’s shares are listed, the Company is strengthening internal systems for the disclosure of corporate information through such initiatives as the establishment of the Disclosure Subcommittee, comprising personnel from departments that handle corporate information and reporting directly to the CSR Committee, which is an expert committee of the Board of Directors.

HUMAN RESOURCES DEVELOPMENT

Aioi Insurance will develop personnel that focus on customer needs; take it upon themselves to think, act and develop their abilities; and respond flexibly to dramatically changing business conditions. At the same time, Aioi Insurance will carefully maintain and cultivate a free and vigorous corporate culture that increases employees' motivation to take on challenges.

ESTABLISHING FOUNDATIONS FOR HUMAN RESOURCES

Aioi Insurance encourages its employees to take on professional challenges and to work to expand the scope of their duties and believes in rewarding those who do so through promotion. Aioi Insurance's goal is to give every employee a chance and reward their efforts/contributions accordingly.

In order to realize a pension and retirement benefit system that is long-lasting and clearly reflects the differing contributions of employees during their careers, the Company introduced a new defined contribution pension plan (the Japanese version of 401k) and a cash balance pension plan.

DEVELOPING NEW EMPLOYEES

- Allocating all new nationwide employees to claims services departments

Among personnel employed in April 2007—part of our active rotation of employees to give them a broader range

of professional experience—Aioi Insurance redeployed 46 employees to sales departments. As Aioi Insurance did last year, in fiscal 2008, the Company allocated all new “nation-wide” employees to claims services departments.

SYSTEMS FOR DEVELOPING AND TRAINING PERSONNEL

Aioi Insurance has conducted the IOI Career Development Program as a personnel development system since fiscal 2005.

- Company Dispatch MBA System
- Overseas training program

- Introduction of Company nurseries
- Introduction of regional transfer system for staff employed by local recruitment

ACQUISITION OF KURUMIN ACCREDITATION MARK FOR SUPPORTING THE NEXT GENERATION

The director of the Tokyo Labor Bureau recognized Aioi Insurance as a company that actively supports the development of the next generation by accrediting it with a *kurumin* mark.

CORPORATE SOCIAL RESPONSIBILITY

Aioi Insurance aims for management that fulfils corporate social responsibility (CSR) through business activities that achieve a balance among economic, social and environmental responsibilities and that is based on communication with various stakeholders in the spirit of “empathy, joint creation and coexistence” as stipulated in its Corporate Philosophy.

DECLARATION ON PROMOTION OF CORPORATE SOCIAL RESPONSIBILITY

Aioi Insurance shall endeavor to achieve the following objectives in order to promote corporate social responsibility (CSR) management and its activity.

Aioi Insurance shall endeavor to improve internal control and supervision systems in order to ensure sound, equitable and highly transparent operations.

Aioi Insurance is aware of the social and public nature of the insurance business and its responsibility to conduct business operations in a sound and equitable manner. The Company believes that it must fulfill this responsibility in order to fulfill its corporate social responsibility. For this purpose, the Company seeks continuous improvement of internal control and supervision systems, including those for corporate governance, compliance, risk management, disclosure and the protection of personal information.

Aioi Insurance shall promote concrete CSR activities based on awareness of its responsibility to stakeholders and its role in society.

Aioi Insurance shall fulfill its responsibilities to various stakeholders who support its business activities. The Company shall endeavor to improve the overall quality of the Company by improving its ability and quality of personnel and constantly taking on the challenges of teamwork and communications improvement.

Aioi Insurance shall aim to establish relationships of trust with its stakeholders and to achieve continuous growth based on good communication.

Aioi Insurance believes that good communication with various stakeholders is essential to fulfill its corporate social responsibility. Therefore, the Company shall continue to explain its business activities to its stakeholders, receive their feedback and reflect their opinions and requests in future activities. In addition, the Company shall pursue continuous growth and improvement in corporate value by fostering a strong relationship of trust between the Company, its stakeholders and society.

GLOBAL ENVIRONMENT PROTECTION EFFORTS

Environmental Policy

Basic Environmental Philosophy

In the spirit of “empathy, joint creation and coexistence” as stipulated in its corporate philosophy, Aioi Insurance shall constantly take environment-friendly actions in every field of its business activities and conserve the environment in which it operates for the creation of a global environment in which human beings can live in harmony with nature.

Guidelines for Environmental Action

1. We shall promote efforts that will contribute to the conservation of the global environment through our insurance products and related services (particularly our automobile insurance products) and in all of our business activities.
2. We shall promote energy and resource-saving efforts and endeavor to prevent environmental pollution stemming from our business activities.

3. We shall pursue continuous and sustainable improvement by setting targets and conducting an assessment and review of our environmental efforts on a regular basis.
4. We shall comply with environmental laws, regulations and all agreements that have been concluded by the Company to contribute to environmental conservation.
5. We shall make efforts to educate and enlighten the public on environmental conservation and contribute to local communities.

Aioi Insurance is working to protect the environment by developing and offering unique insurance products and related services.

SOCIAL ACTION PROGRAMS

Policy Concerning Social Action Programs

As a “good corporate citizen,” Aioi Insurance shall work for the realization of a safe, affluent society by serving as a secure foundation for Japan’s aging society to be, while contributing to both local and international communities through the promotion of culture, arts, sports and international exchanges.

Social Contributions Capitalizing on Our Expertize as a Non-Life Insurance Company

- Nationwide Accident Free Campaign
- “The Anshin Support,” designed to offer safe driving assessment
- Donation of yellow hand flags for traffic safety

Social Contribution Initiatives

- Implementation of community-based social action programs by offices across Japan, especially in October (the “Month of Aioi”)
- The matching gift program called “Unizon Fund,” supported by volunteer employees and the Company
- System to support volunteer activities

Social Action Programs Aimed at Promoting Culture, Arts and Sports

- Holding of the “Japan’s Seasonal Photography Contest”
- Joint-hosting of the art show “Let’s Communicate by Paintings! A Treasure in My Town”
- Exhibition of arts and crafts from the Company’s collection
- Aioi Insurance New Year’s Concert
- Official sponsor of the Japan Wheelchair Basketball Federation from 2006
- Supporter of the Osaka Jitsugyodan Ekiden Race