

## International Operations



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Managing Director  
(Responsible for International operations)

In April 2001, Aioi Insurance Co was formed from the merger of the long-established leading non-life insurance companies, The Dai-Tokyo Fire and Marine Insurance Co., Ltd and The Chiyoda Fire and Marine Insurance Co., Ltd.

The merger has created a stronger financial base and expanded overseas network. These resources, together with the combined expertise of Dai-Tokyo and Chiyoda, will allow Aioi to upgrade its service quality by offering a wider range of services tailored precisely to customer needs. Overseas representative offices in major cities worldwide assist corporate clients by granting access to insurance skills and knowledge.

Aioi's overseas network consists of subsidiaries and branches in key cities in Europe, North America, Asia and Australia and allied major local insurers around the world. Aioi's close cooperation with alliance partners will ensure the offering of effective solutions tailored to customers' requirements.

In the international market, Aioi aims to build its business base in areas with profit potential as quickly as possible. The priority is to offer efficient insurance coverage and services for customers who operate their business on a global basis.

Toyota Motor Corporation is expanding its financial activities in Japan and overseas. As the non-life insurer in the Toyota Group, Aioi sees this expansion as an opportunity for future income growth and joint development of vehicle related finance and insurance operations in countries where Toyota has established finance companies.

In the reinsurance field, Aioi aims to upgrade its reinsurance programs by introducing innovative ideas to adapt to the diversification and expansion of its anticipated underwriting risks. In order to achieve this, Aioi will ask for the cooperation of overseas reinsurers and reinsurance brokers and realize appropriate risk spreading. Another goal will be reciprocal risk spreading through reinsurance exchanges with major overseas reinsurers.

The reinsurance market has drastically changed since the terrorist attacks in the United States on September 11, 2001. Some reinsurers have exited the market, but on the other hand, new capacity, mainly established in Bermuda, has entered the market. Due to the hardening of the market, overall reinsurance premiums have increased by over 30%, which has affected the direct insurance market accordingly.

Under this market circumstance, Aioi's strategy toward inward reinsurance business is to take the benefit of market improvements and concentrate on core business, namely reciprocal exchange business and business from companies with whom we have a long-standing relationship.

Aioi has enhanced its risk management practices to reduce exposure and has taken a more conservative approach to risk accumulation. Aioi continues with its strategy of selective growth in the reinsurance market.

## Corporate Citizenship

Aioi Insurance maintains a deeply felt commitment to improving consumers' lives and contributing to society as a whole. We are involved in a number of community service activities, particularly in areas where we have proven expertise, such as traffic safety and care for the elderly.

As a leading automobile insurer, Aioi has a natural interest in promoting safe motoring. Continuing the activities of our founding companies, which began more than 27 years ago, Aioi cooperates with local communities, corporations and offices to carry out traffic safety promotion campaigns. We first donated yellow pedestrian safety flags in 1971, for use mainly by schoolchildren at pedestrian crossings. Since that time we have donated a total of 4.29 million flags, mainly in connection with semi-annual national automotive safety campaigns. We have also promoted a "zero-accident" campaign by dispatching driving instructors to corporate clients upon request. The instructors administer specially developed driver's safety aptitude tests and provide employees with personal advice based on the test results and their driving capabilities.

Aioi not only offers insurance products and day care for the aged, we also try to raise public awareness of the concerns of the elderly. One way we do this is with our Senior Simulator course, a training program using special equipment developed jointly by Aioi and a non-profit organization for senior citizens. The simulation equipment allows trainees to experience the reduced visual and auditory acuity and limited hand and leg functioning faced by many seniors in their daily lives. The simulation course has proven popular for use in training health-care workers and in developing products and services for seniors. Aioi plans to make the simulator set and training even more widely available in the future.



Another way we enrich local communities is by inviting them to view our extensive collection of Japanese and Western-style art featuring the early-blooming camellia flower at exhibitions held once or twice each year at museums and other facilities throughout Japan. In June and July 2001, more than 3,000 visitors enjoyed a show of 80 paintings and craft works from our collection held at an historic Tokugawa-era inn in Hirata, Shimane Prefecture. The dignified ambiance of the ancient inn nicely complemented the beauty of the art on display. As part of our cultural activities, we plan to continue to sponsor these exhibitions, which have proven especially popular with flower fanciers and amateur artists. The public is invited to view our collection any time by accessing our on-screen Camellia Art Museum at the Aioi website (<http://www.ioi-sonpo.co.jp>).



### Giving Back to Society: The Unizon Fund

To commemorate the merger that established Aioi Insurance, the company founded the Unizon Fund on April 1, 2002. The fund is a voluntary association that allows our employees, and the company, to contribute to local communities' charitable activities. Participating employees determine a desired amount (up to 10 units of ¥101 yen) to be set aside from their salaries each month and contributed to the fund, and the company contributes matching amounts. In this way, Aioi and our employees are playing a continuing role in improving society and local life.