

**Fiscal Year 2006 Organizational Changes
(effective January 1, 2007)**

The Company (President: Kunie Okamoto) is proceeding with company-wide efforts to conduct business in a manner that prioritizes customers based on a business improvement plan.

In line with the afore-mentioned plan, as of January 1, 2007 the Company will implement the following organizational changes:

1. Improvement of Claims Management [Page 1](#)
2. Improvement of Risk Management [Page 1](#)
3. Improvement of Governance [Page 2](#)

【Contents】

1. Improvement of Claims Management

- Establishment of a specialized organization to conduct follow-up verification of claims and benefits payments.

2. Improvement of Risk Management

- Establishment of a specialized organization to conduct integrated management of the various risks faced by insurance companies.

3. Improvement of Governance

- Establishment of an Operations Oversight Committee and selection of the committee members.
- Introduction of Executive Officers System

1. Improvement of Claims Management

- The Company is improving its claims payment administration system and has established a "Policy Examination Center" within its Policy Accounting Department as a specialized organization to swiftly and accurately carry out follow-up verification of claims and benefits payments to customers.
- The Company has increased the mobility of the "Policy Examination Center" by establishing it as a specialized organization, and will ensure that it can conduct swift and accurate follow-up verification by increasing the number of staff from 490 (as of December 2006) to 740.

2. Improvement of Risk Management

- To further reinforce its risk management system, the Company will spin off its risk control function of the "Corporate Planning Department" and establish an independent organization called the "Risk Management Department" to conduct integrated management of the various risks faced by insurance companies, such as the "underwriting risk" and "asset management risk."

3. Improvement of Governance

< 1. Establishment of the Operations Oversight Committee >

- To further improve the oversight function of the Board of Directors, the Company will establish an "Operations Oversight Committee" comprised of outside members of the Board, the member of the Board in charge of the Auditing Department, and three policyholders that are not employees of the Company.
- The policyholders (that are not employees of the Company) that have been selected as Committee members are Mr. Shin Ushijima (lawyer), Ms. Yukiko Shinoki (Head of Urban Life Research Institute), and Mr. Hiroshi Tanaka (Professor at Kanagawa University).
- The Operations Oversight Committee will be delegated the oversight function by the Board of Directors and will carry out a monitoring and checking function for all operations. The member of the Board in charge of the Auditing Department will act independently from other operations to lead and instruct the Auditing Department in line with the resolutions of the Committee.
- Under this new system of governance, the Company will further strengthen the supervisory and oversight function of the Board of Directors.

< 2. Introduction of Executive Officers System >

- The Company will introduce an Executive Officers System to speed up business executions and clarify responsibilities. The Executive Officers are appointed from the Board of Directors and have business executive authority as well as clearly defined responsibilities for operations. The Executive Officers will promote swift decision-making based on the actual business environment and practicality.
- After determining the Executive Officer appointments effective from January 1, 2007, the Company will further improve its business functions by appointing new Executive Officers in Fiscal year 2007 and reducing the number of members of the Board of Directors as of the closing of the regular Meeting of Representatives in 2007.