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To Whom it May Concern

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**Measures adopted concerning overseas and reinsurance
business in order to prevent loss recurrence**

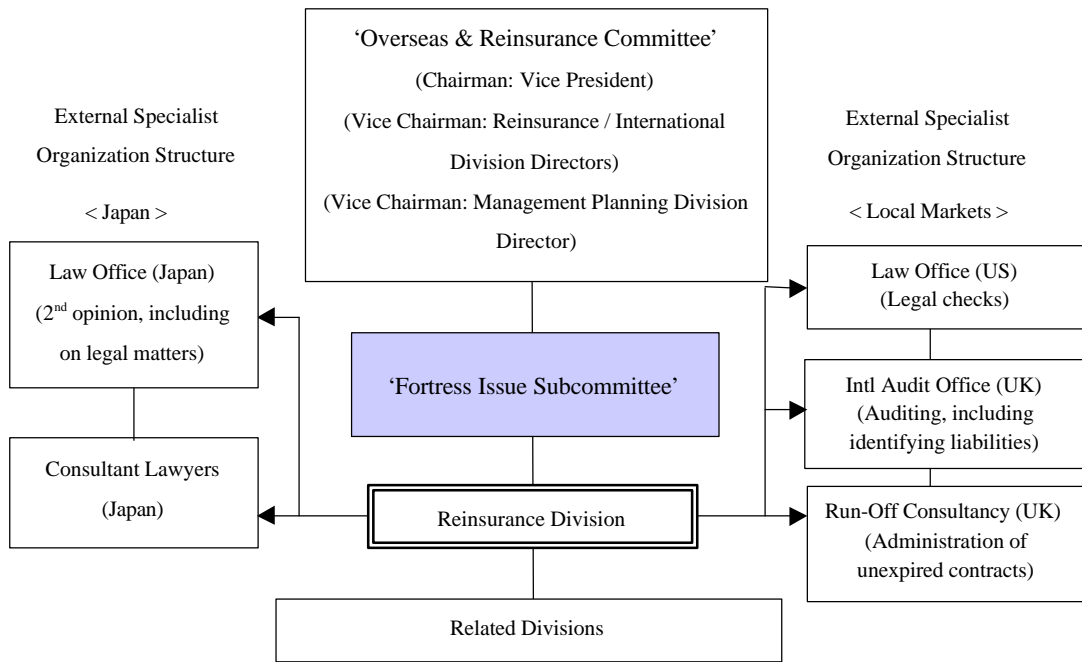
Aioi Insurance Company Ltd today issued a 'Revised Loss Estimate in respect of overseas reinsurance business with Fortress Re' (hereinafter 'FR'). Prompted by the FR issue, we have recently implemented the following loss recurrence prevention measures in order to further strengthen our risk management structure.

(1) Strengthening overseas and reinsurance business risk management structure

In order to ascertain overseas and reinsurance divisional risk, and to strengthen the monitoring function performed by management relating to actual controls and financial cash flows, an 'Overseas & Reinsurance Committee' has been newly established to advise the Business Execution Board. In addition, beneath this a 'Fortress Issue Subcommittee' has been set up to promote the resolution of outstanding issues, including debt recovery and run-off administration, with a view to bringing the Fortress problem to an early conclusion.

(2) Strengthening control function by employing the services of external organizations

In addition to the above, we intend to strengthen our external checking function by making use of the services of third-party organizations, including auditors, non-affiliated lawyers (in Japan and overseas) and external specialist bodies (consultants).



* Run-Off refers to administration of unexpired contracts after termination of agency agreement with Fortress (claims investigation, contract administration etc.).

(3) Strengthening control function

In order to strengthen the control function governing the running of the overseas and reinsurance divisions, a new 'Risk Manager' system will be introduced. Risk Managers will assume an independent position outside of the usual business line, and will check the running of both divisions from a risk management point of view. Results will be reported directly to the aforementioned Committee.

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