

Tokio Marine Holdings, Inc.



TOKIO MARINE

# **FY2010 Business Plan (Update)**

**December 1, 2010**



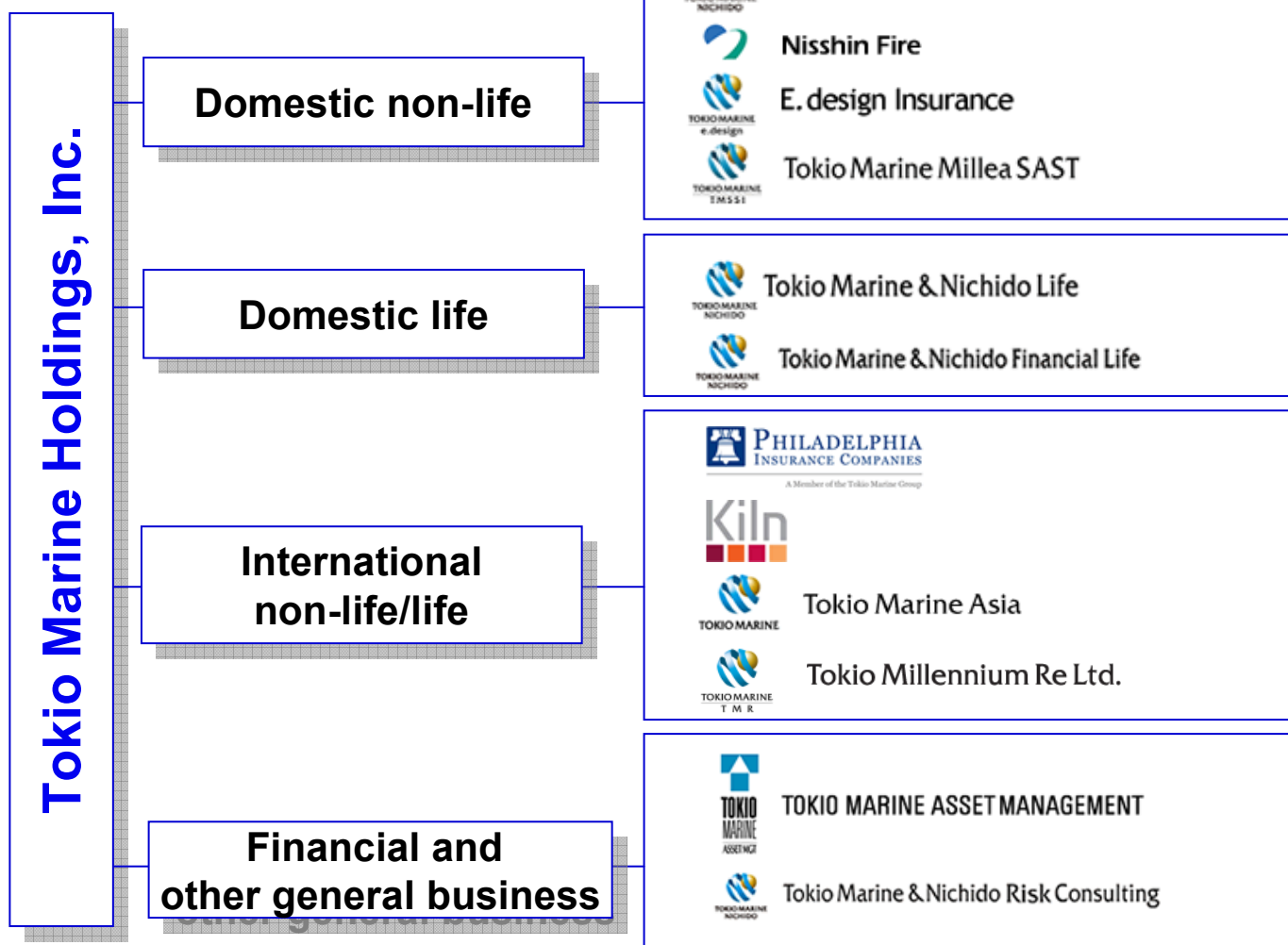
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**[Major subsidiaries and affiliates]**





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# Tokio Marine Holdings Key Statistics

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010 Projections
Ordinary income	2,929.0 bn yen	2,775.7 bn yen	2,899.4 bn yen	3,399.9 bn yen	4,218.5 bn yen	3,710.0 bn yen	3,503.1 bn yen	3,570.8 bn yen	<b>3,280.0 bn yen</b>
Net income	56.6 bn yen	111.4 bn yen	67.6 bn yen	89.9 bn yen	93.0 bn yen	108.7 bn yen	23.1 bn yen	128.4 bn yen	<b>115.0 bn yen</b>
Adjusted earnings *1	1,05.0 bn yen	172.1 bn yen	51.8 bn yen	138.7 bn yen	169.7 bn yen	143.2 bn yen	-52.5 bn yen	165.4 bn yen	<b>100.0 bn yen</b>
Adjusted ROE *1	3.8%	5.9%	1.6%	3.7%	3.8%	3.5%	-1.7%	5.8%	<b>3.3%</b>
Dividend total *2	18.5 bn yen	19.7 bn yen	18.9 bn yen	25.2 bn yen	29.8 bn yen	38.7 bn yen	38.0 bn yen	39.4 bn yen	<b>38.9 bn yen</b>
Dividend per share *3	20 yen	22 yen	22 yen	30 yen	36 yen	48 yen	48 yen	50 yen	<b>50 yen</b>
Share repurchase *4	—	100.0 bn yen	92.4 bn yen	70.1 bn yen	85.0 bn yen	90.0 bn yen	50.0 bn yen	-	<b>50.0 bn yen *6</b>
Sales of business related equity holdings	260.0 bn yen	130.0 bn yen	170.0 bn yen	120.0 bn yen	45.0 bn yen	60.0 bn yen	50.0 bn yen	95.0 bn yen	<b>over 100.0 bn yen</b>
Share price *5	1,472 yen	3,240 yen	3,120 yen	4,660 yen	4,360 yen	3,680 yen	2,395 yen	2,633 yen	<b>2,374 yen</b>
Market capitalization *5	1,363.0 bn yen	2,896.6 bn yen	2,683.2 bn yen	3,930.8 bn yen	3,594.9 bn yen	2,960.6 bn yen	1,926.8 bn yen	2,118.3 bn yen	<b>1,909.9 bn yen</b>

\*1 FY2005: excludes the effects including assumption changes in calculating EV of domestic life

\*2 FY2010: projected figure assumes the number of stocks unchanged from that of FY2009

\*3 All figures are shown as a basis after a share-split 1,

\*4 On a repurchase year basis. FY2006 figure excludes 57.8 billion yen of stock exchange between Nisshin Fire

\*5 FY2010 figure is as of Nov 26, 2010. Share prices are as of the end of fiscal year and are shown as a basis after a share-split 1-500 in Sep. 2006

\*6 Approximately 25.0 billion yen worth of shares was repurchased in 1H FY2010. A similar amount is scheduled for repurchase in 2H.

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## [Ratings and solvency margin ratios of the group's major subsidiaries]

(As of November 29, 2010)

Rating agencies	Types of ratings	Tokio Marine & Nichido	Nisshin Fire	Tokio Marine & Nichido Life	Tokio Marine & Nichido Financial Life
S & P	Financial strength rating	AA / negative	A+ / stable	AA / negative	
Moody's	Insurance financial strength	Aa2 / stable			
A.M.Best	Financial strength rating	A++ / stable			
R & I (Rating and Investment Information)	Issuer rating	AA+ / stable	AA / stable		
	Insurance claims paying ability			AA+ / stable	AA+ / stable
JCR (Japan Credit Rating Agency)	Long-term senior debts rating	AAA / stable			
	Ability to pay insurance claims			AAA / stable	
Fitch Ratings	Insurer financial strength rating	AA- / stable			
Solvency margin ratio (as of Sep. 30, 2010)		829.4%	770.7%	2989.2%	1069.5%

## [Insurers ranked by market capitalization]

(as of Nov. 26, 2010 unit: billions of yen)

Rank	Company	Market Cap
1	BERKSHIRE HATHAWAY	16,552.8
2	CHINA LIFE	8,680.1
3	PING AN	6,204.6
4	ALLIANZ	4,393.1
5	METLIFE	3,124.5
6	ING	3,068.5
7	AXA	3,029.0
8	AIA	2,939.2
9	ZURICH	2,817.4
10	CHINA PACIFIC	2,605.9
11	GENERALI	2,467.4
12	AIG	2,419.4
13	MUNICH RE	2,323.8
14	MANULIFE	2,122.8
15	PRUDENTIAL(US)	2,102.0
16	TRAVELERS	2,097.2
17	AFLAC	2,041.3
18	GREAT-WEST	2,028.7
19	PRUDENTIAL(UK)	1,926.8
20	<b>TOKIO MARINE HD</b>	<b>1,909.9</b>

Sources: Bloomberg

## [Japanese financial institutions ranked by market capitalization]

(as of Nov. 26, 2010 unit: billions of yen)

Rank	Company	Market Cap
1	MITSUBISHI UFJ FG	5,674.4
2	SUMITOMO MITSUI FG	3,634.1
3	MIZUHO FG	2,887.1
4	<b>TOKIO MARINE HD</b>	<b>1,909.9</b>
5	NOMURA HD	1,800.0
6	MS&AD INSURANCE	1,214.0
7	DAI-ICHI LIFE	1,206.9
8	NKSJ HD	928.7
9	ORIX	785.9
10	SUMITOMO TRUST	755.4
11	DAIWA SECURITIES	664.7
12	T&D HOLDING	663.7
13	SONY FINANCIAL HD	648.3
14	RESONA HD	642.7
15	BANK OF YOKOHAMA	559.4
16	SHIZUOKA BANK	500.6
17	CHUO MITSUI TRUST	495.8
18	CHIBA BANK	440.5
19	MIZUHO TRUST	376.9
20	MIZUHO SECURITIES	322.0

Sources: Bloomberg

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## Tokio Marine Holdings (consolidated)

(unit: billions of yen, except for %)

	FY2009 1H Results	FY2010 1H Results	
		Change	YoY
<b>Ordinary income</b>	1,870.8	<b>1,722.5</b>	-148.2 -7.9%
Net premiums written	1,182.7	<b>1,174.9</b>	-7.7 -0.7%
Life insurance premiums	219.0	<b>227.5</b>	8.5 3.9%
Investment income	326.2	<b>184.3</b>	-141.8 -43.5%
<b>Ordinary profit</b>	104.6	<b>148.1</b>	43.5 41.6%
<b>Net income</b>	71.2	<b>95.2</b>	23.9 33.7%

## Reference: Tokio Marine & Nichido (non-consolidated)

(unit: billions of yen, except for %)

	FY2009 1H Results	FY2010 1H Results	
		Change	YoY
<b>Net premiums written</b>	870.2	<b>874.0</b>	3.7 0.4%
<b>Underwriting profit</b>	53.3	<b>35.4</b>	-17.9 -33.6%
<b>Investment income (net)</b>	44.6	<b>111.7</b>	67.1 150.3%
<b>Ordinary profit</b>	81.2	<b>133.6</b>	52.4 64.5%
<b>Net income</b>	56.3	<b>93.5</b>	37.1 65.8%

### [Consolidated results]

#### ○ Ordinary income

Decreased by 7.9% to 1,722.5 billion yen primarily due to a turnaround from a gain on separate accounts at TMNFL posted in FY2009 to a loss owing to deterioration in domestic stock markets.

- Net premiums written: 0.7% decrease to 1,174.9 billion yen due mainly to the significant impact of appreciation of the yen on overseas subsidiaries despite revenue growth at two domestic non-life insurance companies, mainly in auto insurance and compulsory automobile liability insurance (CALI).
- Life insurance premiums: 3.9% increase to 227.5 billion yen primarily due to a steady increase in in-force policies at TMN Life and solid new product sales and bancassurance at life insurance companies in Asia.

#### ○ Ordinary profit/net income

Ordinary profit increased by 43.5 billion yen to 148.1 billion yen, and net income increased by 23.9 billion yen to 95.2 billion yen due to the following:

- Net investment income significantly increased at TMNF due to an increase in gains on sales of securities from sales of stocks and an increase in gains on derivative hedge transactions in line with the strong yen.
- Net investment income increased at U.K.-based insurance subsidiaries in line with the strength of the U.S. dollar and weakness of the sterling pound.
- Philadelphia Insurance Companies (PHLY) continued to maintain a high growth rate and increased profit.

### [Non-consolidated results of TMNF (See page 29 in the Data Section for details)]

#### ○ Underwriting profit

- Underwriting profit decreased by 17.9 billion yen to 35.4 billion yen owing to an increase in incurred losses in auto and fire insurance and an increase in corporate expenses such as those related to the Business Renovation Project.

#### ○ Investment income (net)

- Net investment income increased by 67.1 billion yen to 111.7 billion yen due to an increase in interest and dividend income owing to higher dividends from overseas subsidiaries, an increase in gains on sales of securities, and an increase in gains on derivative hedge transactions in line with the appreciation of the yen.

#### ○ Ordinary profit/net income

- Ordinary profit increased by 52.4 billion yen to 133.6 billion yen and net income increased by 37.1 billion yen to 93.5 billion yen, as the increase in net investment income exceeded the decrease in underwriting profit.



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# FY2010 Consolidated Projections

## Tokio Marine Holdings (consolidated)

(unit: billions of yen, except for %)

	FY2009 Results	FY2010 Projections (Original)		FY2010 Projections (Revised)		
			YoY		Change	YoY
<b>Ordinary income</b>	3,570.8	3,360.0	-5.9%	<b>3,280.0</b>	-290.8	-8.1%
Net premiums written	2,292.9	2,337.2	1.9%	<b>2,289.4</b>	-3.4	-0.2%
Life insurance premiums	464.7	522.9	12.5%	<b>379.8</b>	-84.9	-18.3%
<b>Ordinary profit</b>	203.4	180.0	-11.5%	<b>180.0</b>	-23.4	-11.5%
<b>Net income</b>	128.4	115.0	-10.4%	<b>115.0</b>	-13.4	-10.4%

## Reference: Tokio Marine & Nichido (non-consolidated)

(unit: billions of yen, except for %)

	FY2009 Results	FY2010 Projections (Original)		FY2010 Projections (Revised)		
			YoY		Change	YoY
<b>Net premiums written</b>	1,736.0	1,753.0	1.0%	<b>1,746.0</b>	9.9	0.6%
<b>Underwriting profit</b>	81.7	20.0	-75.5%	<b>8.0</b>	-73.7	-90.2%
<b>Investment income (net)</b>	100.4	162.7	62.0%	<b>177.4</b>	77.0	76.7%
<b>Ordinary profit</b>	147.4	153.0	3.8%	<b>158.0</b>	10.5	7.2%
<b>Net income</b>	94.4	104.0	10.1%	<b>109.0</b>	14.5	15.4%

## Tokio Marine Holdings Dividends

	FY2009	FY2010
<b>Annual dividends per share</b>	50 yen	<b>50 yen (Est.)</b>
Interim	24 yen	<b>25 yen</b>
Fiscal year end	26 yen	<b>25 yen (Est.)</b>

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### [Consolidated results]

#### ○ Ordinary income

- Comparison with FY2009: Projected to decrease mainly due to a decline in life insurance premiums, as sales of certain products were terminated at TMNFL.
- Comparison with the original projections: Revised downward primarily due to an expected decrease in life insurance premiums at TMNFL, as stated above.

#### ○ Ordinary profit/net income

- Comparison with FY2009: Ordinary profit and net income are projected to decrease after factoring in the effect of the appreciation of the yen on overseas subsidiaries in addition to the reversal effect of factors peculiar to FY2009, which are included in the original projections.
- Comparison with the original projections: Ordinary profit and net income are projected to be relatively unchanged despite factors leading to upward revision of investment income such as gains on derivative hedge transactions in line with the appreciation of the yen at TMNF, due to an expected decline in profit on overseas subsidiaries owing to appreciation of the yen and an expected increase in provision for underwriting reserves at TMNFL, owing to deterioration in the investment environment.

### [Non-consolidated results of TMNF (See page 7 in the Main Section for details)]

#### ○ Underwriting profit

- Underwriting profit is projected to decrease by 73.7 billion yen to 8.0 billion yen despite positive factors such as fewer natural disasters and a decline in provision for reserves for foreign-currency-denominated outstanding claims reflecting the stronger yen, due to expectations of large claims as in an average year, an increase in corporate expenses from rising IT-related costs, expectations of increase in net provision for catastrophe loss reserves as a result of a lower ending balance in FY2009 in auto insurance and increase in incurred losses in auto and fire insurances.

#### ○ Investment income (net)

- Net investment income is projected to increase by 77.0 billion yen to 177.4 billion yen due to expectations of an increase in income from interest and dividends driven mainly by higher dividends from overseas subsidiaries, an increase in gains on sales of securities, a decrease in impairment losses on securities, and an increase in gains on derivative hedge transactions in line with the strong yen.

#### ○ Ordinary profit/net income

- Ordinary profit and net income are projected to increase as the expected increase in net investment income exceeds the decrease in underwriting profit.

### [Assumptions]

	As of March 31, 2009	As of Sep. 30, 2009	As of March 31, 2010	As of Sep. 30, 2010	As of March 31, 2011 (forecast)
<b>Yen-dollar exchange rate</b>	98.23 yen	90.21 yen	93.04 yen	83.82 yen	83.82 yen
<b>Yen-pound exchange rate</b>	140.45 yen	144.10 yen	140.40 yen	132.67 yen	132.67 yen
<b>Nikkei Average</b>	8,109 yen	10,133 yen	11,089 yen	9,369 yen	9,369 yen



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# FY2010 Adjusted Earnings Projections

(unit: billions of yen, except for %)

	FY2008 Results	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)	Change (Revised - Original)
<b>Domestic non-life insurance</b>	5.1	46.2	43.0	<b>48.0</b>	5.0
Tokio Marine & Nichido	16.9	54.6	45.0	<b>50.0</b>	5.0
Nisshin Fire	-10.7	0.2	2.0	<b>2.0</b>	0.0
Other	-1.1	-8.6	-4.0	<b>-4.0</b>	0.0
<b>Domestic life insurance</b>	-57.2	52.0	32.0	<b>-2.0</b>	-34.0
TMN Life	-6.0	32.2	33.0	<b>22.0</b>	-11.0
TMNFL	-50.2	19.2	-1.0	<b>-24.0</b>	-23.0
Other	-0.9	0.5	0.0	<b>0.0</b>	0.0
<b>International insurance</b>	20.8	76.5	60.0	<b>53.0</b>	-7.0
Non-life insurance	23.2	69.7	59.0	<b>52.0</b>	-7.0
PHLY	—	28.5	24.0	<b>23.0</b>	-1.0
North America	7.2	8.3	4.0	<b>3.0</b>	-1.0
Central and South America	-3.6	-6.1	-1.0	<b>0.0</b>	1.0
Europe	0.6	1.1	1.0	<b>1.0</b>	0.0
Asia	-0.5	5.2	6.0	<b>5.0</b>	-1.0
Reinsurance	13.0	21.9	17.0	<b>12.0</b>	-5.0
Kiln	6.9	10.5	8.0	<b>8.0</b>	0.0
Life insurance	-0.7	7.8	2.0	<b>2.0</b>	0.0
<b>Financial &amp; general business</b>	-21.1	-9.4	1.0	<b>1.0</b>	0.0
<b>Group total</b>	-52.5	165.4	136.0	<b>100.0</b>	-36.0
<b>Adjusted ROE (Group total)</b>	-1.7%	5.8%	4.3%	<b>3.3%</b>	-1.0%

Net income of Tokio Marine & Nichido (financial accounting basis) 109.0 billion yen	+	Provision for catastrophe reserves, etc. net of taxes 8.5 billion yen	+	Provision for price fluctuation reserves, net of taxes 2.5 billion yen	-	Gains/losses on sales or valuations of ALM bonds and interest rate swaps, net of taxes 3.8 billion yen	-	Gains/losses on sales or valuations of securities and properties held, net of taxes 45.7 billion yen	-	Other extraordinary profits/losses and valuation allowances etc., net of taxes 20.5 billion yen	=	Adjusted earnings of Tokio Marine & Nichido 50.0 billion yen
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## [Major factors behind the expected change] (Compared with the original projections)

- Domestic non-life: 48.0 billion yen, an increase of 5.0 billion yen compared with the original projections
  - TMNF: 50.0 billion yen, an increase of 5.0 billion yen mainly due to an expected decline in provision for reserves for foreign-currency-denominated outstanding claims and an increase in gains on derivatives, reflecting the stronger yen
- Domestic life: -2.0 billion yen, a decrease of 34.0 billion yen
  - TMN Life: 22.0 billion yen, a decrease of 11.0 billion yen due to a decline in ultra long-term interest rates
  - TMNFL: -24.0 billion yen, a decrease of 23.0 billion yen mainly due to deterioration in the investment environment
- International insurance: 53.0 billion yen, a decrease of 7.0 billion yen
  - PHLY: 23.0 billion yen, a decrease of 1.0 billion yen due to the appreciation of the yen, despite expectations achieving the original projections on a U.S.-dollar basis owing to outstanding marketing capabilities and disciplined underwriting
  - Reinsurance: 12.0 billion yen, a decrease of 5.0 billion yen due to a decline in standard rates owing to a softening market environment and to incurred losses from natural disasters
  - Kiln: 8.0 billion yen, in line with the original projections, due to an expected increase in profit from rising underwriting income through a fully-owned Lloyd's syndicate, despite the appreciation of the yen and a softening market
- Financial and other general business: 1.0 billion yen, in line with the original projections
  - 1.0 billion yen, in light of first half performance
- Group total: 100.0 billion yen, a decrease of 36.0 billion yen
  - Total adjusted earnings for the entire Group for FY2010 is projected to be 100.0 billion yen, down 36.0 billion yen from the original projections mainly due to the expected declines in adjusted earnings in the domestic life insurance business and the international insurance business.

**○ Domestic Non-Life**

- Enhance profitability by product renovation and rate revision for major products, and achieve further growth through multi-line marketing (cross-selling) based on Super Insurance and by strengthening the sales force and exploiting growth markets.
- In addition, implement measures in order to improve profitability in light of a rising loss ratio in auto insurance.

**○ Domestic Life**

- Sustain growth with profitability improvements by offering new products via sales channels in close cooperation between life and non-life agents (TMN Life).
- Improve business efficiency by emphasizing risk control (TMNFL).

**○ International**

- Enhance profitability by maintaining disciplined underwriting amid the currently softening market cycle and pursue global business expansion in order to achieve medium to long-term profit growth.

**○ Asset Management**

- Enhance profit growth within the range of risk tolerance reflecting the characteristics of insurance liabilities of each group company under a global risk management structure.

**○ Enterprise Risk Management (ERM)**

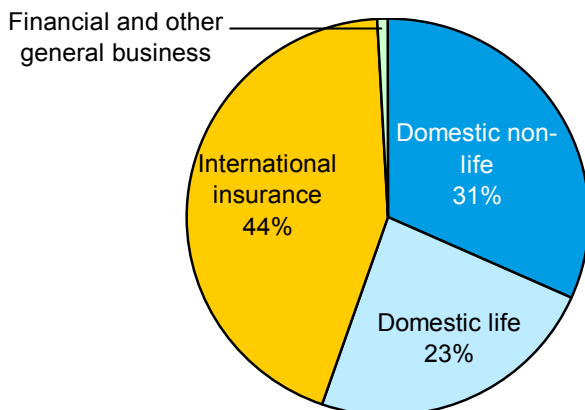
- Control the desired balance between maintaining financial soundness and enhancing profitability (capital efficiency).

**○ Capital Management and Return to Shareholders**

- Maintain a robust capital base while delivering return to shareholders through stable dividends and flexible share repurchases.

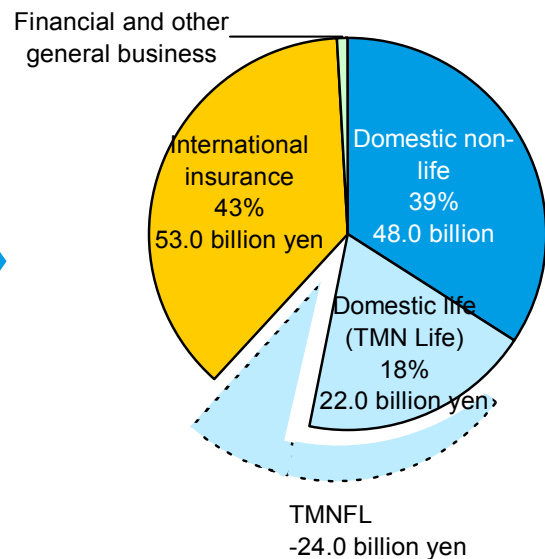
## [Breakdown of adjusted earnings]

**FY2010 Projections (Original)**



**FY2010 Projections (Revised)**

(excluding TMNFL)



(unit: billions of yen, except for %)

	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)			
			Change	YoY	Revised - Original	
<b>Underwriting profit</b>	81.7	20.0	<b>8.0</b>	-73.7	-90.2%	-12.0
Net premiums written	1,736.0	1,753.0	<b>1,746.0</b>	9.9	0.6%	-7.0
Reversal of outstanding claims	22.7	-0.6	<b>10.5</b>	-12.1	-53.5%	11.1
Reversal of catastrophe loss reserves	26.3	-13.3	<b>-13.4</b>	-39.7	-151.1%	-0.0
<b>Investment income (net)</b>	100.4	162.7	<b>177.4</b>	77.0	76.7%	14.7
Interest and dividends	108.4	133.5	<b>134.5</b>	26.0	24.0%	0.9
Gains (losses) on sales of securities	67.8	84.4	<b>90.3</b>	22.5	33.2%	5.9
<b>Ordinary profit</b>	147.4	153.0	<b>158.0</b>	10.5	7.2%	5.0
<b>Extraordinary gains (losses)</b>	-14.0	-10.0	<b>-10.0</b>	3.9	-28.4%	-0.0
<b>Net income</b>	94.4	104.0	<b>109.0</b>	14.5	15.4%	5.0

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#### [Underwriting profit]

- Net premiums written is expected to increase by 0.6% YoY to 1,746.0 billion yen due to revenue growth in (i) personal accident ("PA") insurance through marketing promotional efforts, (ii) marine insurance through a recovery in trade and shipping, and (iii) compulsory automobile liability insurance ("CALI") owing to increased share in the reinsurance (reflecting revenue growth in primary insurance).
- Underwriting profit is projected to decrease by 73.7 billion yen YoY to 8.0 billion yen, despite fewer natural disasters due to expectations of large claims similar to an average year, and an expected increase in general expenses from rising IT-related costs such as those for the Business Renovation Project, and net provision for catastrophe loss reserves caused by a lower drawing in FY2010 as a result of a lower ending balance in FY2009 in auto insurance.

#### [Investment income (net)]

- Net investment income is projected to increase by 77.0 billion yen YoY to 177.4 billion yen due to an increase in income from interest and dividends driven mainly higher dividends from overseas subsidiaries, an increase in gains on sales of securities and a decrease in impairment losses on securities.

#### [Net income]

- Net income is projected to be 109.0 billion yen, an increase of 14.5 billion yen YoY owing to higher net investment income.

#### [NPW projections by line]

Fire	Down 0.6% due to decreases in sales volume and large accounts.
Marine	Up 3.2% full-year due to a recovery in the trade and shipping in 1H.
P.A.	Up 4.7% due to increased sales volume through marketing promotion efforts.
Auto	Down 0.3% due to a slump in new car sales owing to the end of subsidies for eco-friendly cars and additional regular discounts under the rating scale, despite the expected effects of the product renovation and the rate revision in July 2010.
CALI	Up 2.8% owing to increased share of the reinsurance despite fewer car sales because of the reversal effect of the premium increase in 2H of FY2009 due to car-sales growth owing to the tax-relief and subsidies for eco-friendly cars.
Other	Down 0.3% due to an expected decrease in liabilities lines in Japan despite projected revenue growth overseas from the reversal effect of the reduction in large reinsurance assumed in FY2009.

#### [NPW by line]

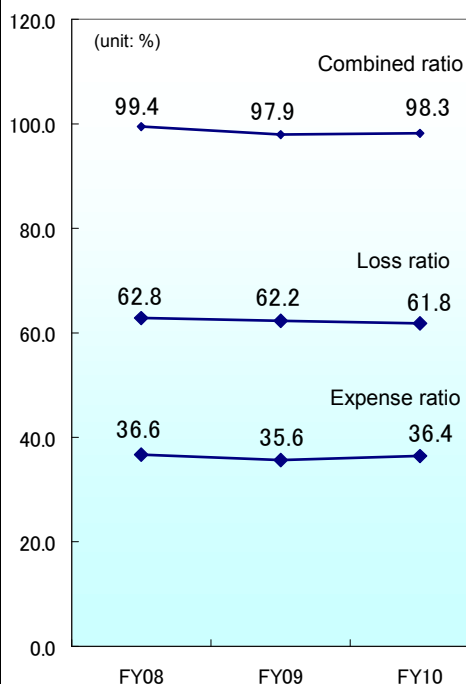
(unit: billions of yen, except for %)

	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)			
			Change	YoY	Revised - Original	
Fire	230.2	238.4	<b>228.8</b>	-1.4	-0.6%	-9.5
Marine	55.4	53.8	<b>57.2</b>	1.7	3.2%	3.4
P.A.	145.0	148.3	<b>151.8</b>	6.8	4.7%	3.5
Auto	845.6	852.2	<b>843.0</b>	-2.5	-0.3%	-9.1
CALI	212.3	208.4	<b>218.2</b>	5.9	2.8%	9.8
Other	247.4	251.7	<b>246.7</b>	-0.6	-0.3%	-5.0
<b>Total</b>	<b>1,736.0</b>	<b>1,753.0</b>	<b>1,746.0</b>	<b>9.9</b>	<b>0.6%</b>	<b>-7.0</b>
(Super Insurance)	47.9	61.2	<b>62.3</b>	14.3	30.0%	1.0

#### [Differences between the revised and the original projections]

- Net premiums written revised downward from the original projections in light of first half results in fire, auto and other insurance.
- Underwriting profit revised downward from the original projections due to an increase in incurred losses, such as auto and fire insurance, and the impact of a downward revision in the revenue growth rate, in spite of positive factors such as a projected decrease in incurred losses from natural disasters and a decline in the provision for outstanding claims reserves owing to the appreciation of the yen.
- Net investment income revised upward from the original projections mainly due to an increase in gains on derivatives owing to the appreciation of the yen.
- Net income revised upward from the original projections since the upward revision of net investment income exceeds the downward revision of underwriting profit.

### [Trend in combined ratios (private insurance basis: excluding CALI and earthquake insurance)]



(unit: billions of yen, except for %)

	FY2009	FY2010 Projections (Original)	FY2010 Projections (Revised)		
			YoY	Revised - Original	
<b>Combined ratio</b>	97.9%	97.7%	<b>98.3%</b>	0.4%	0.5%
<b>Loss ratio</b>	62.2%	61.6%	<b>61.8%</b>	-0.4%	0.2%
Net claims paid*	943.8	947.5	<b>939.9</b>	-3.8	-7.5
<b>Expense ratio</b>	35.6%	36.1%	<b>36.4%</b>	0.8%	0.3%
Expenses total	540.7	555.0	<b>554.2</b>	13.5	-0.8
Corporate expense ratio	16.3%	17.2%	<b>17.3%</b>	1.0%	0.2%
Corporate expenses	247.3	263.8	<b>263.2</b>	15.8	-0.5
Agency commission ratio	19.3%	18.9%	<b>19.1%</b>	-0.2%	0.2%
Agency commissions	293.3	291.2	<b>291.0</b>	-2.3	-0.2

\*Including loss adjustment expenses

#### [Loss ratio]

- Compared with FY2009: Expected an improvement by 0.4 point to 61.8% due to an expected significant reduction in the impact of natural catastrophes, despite an expected increase in net claims paid in fire and other lines owing to a reversal effect of fewer large claims in FY2009.
- Compared with the original projections: Revised upward by 0.2 point by incorporating a downward revision of net premiums written and an increase in net claims paid due to an increasing number of accidents in auto insurance, despite mitigating factors such as an expected decline in net claims paid from natural catastrophes.

#### [Expense ratio]

- Compared with FY2009: Expected a deterioration of 0.8 point to 36.4% due to an expected increase in corporate expenses on rising IT-related costs (Business Renovation Project, product renovation for auto insurance, upgrading management accounting system incorporating ERM).
- Compared with the original projections: Revised upward by 0.3 point due to a downward revision of net premiums written (no significant change to the total expenses).

#### [Combined ratio]

- As a result of the above, the combined ratio is projected to increase by 0.4 point compared with FY2009 and is revised upward by 0.5 point compared with the original projections.

#### [Reference: All lines combined ratio]

(unit: billions of yen, except for %)

	FY2009	FY2010 Projections (Original)	FY2010 Projections (Revised)		
			YoY	Revised - Original	
<b>Combined ratio</b>	101.9%	101.7%	<b>102.0%</b>	0.1%	0.3%
<b>Loss ratio</b>	67.9%	67.2%	<b>67.3%</b>	-0.6%	0.1%
Net claims paid*	1,178.4	1,177.4	<b>1,174.8</b>	-3.5	-2.5
<b>Expense ratio</b>	34.0%	34.6%	<b>34.7%</b>	0.7%	0.2%
Expenses total	590.5	605.9	<b>606.2</b>	15.7	0.3
Corporate expense ratio	16.5%	17.3%	<b>17.4%</b>	0.9%	0.1%
Corporate expenses	286.0	303.9	<b>304.1</b>	18.0	0.1
Agency commission ratio	17.5%	17.2%	<b>17.3%</b>	-0.2%	0.1%
Agency commissions	304.4	301.9	<b>302.1</b>	-2.3	0.2

\*Including loss adjustment expenses

Initiatives in product renovation and rate revisions

Despite improvement in underwriting income due to continuous product renovation and rate revisions from FY2008-2010...

New factors behind profit deterioration

...Insurance claim payments are further increasing owing to greater number of accidents due to rising vehicle use, and an increase in unit repair costs

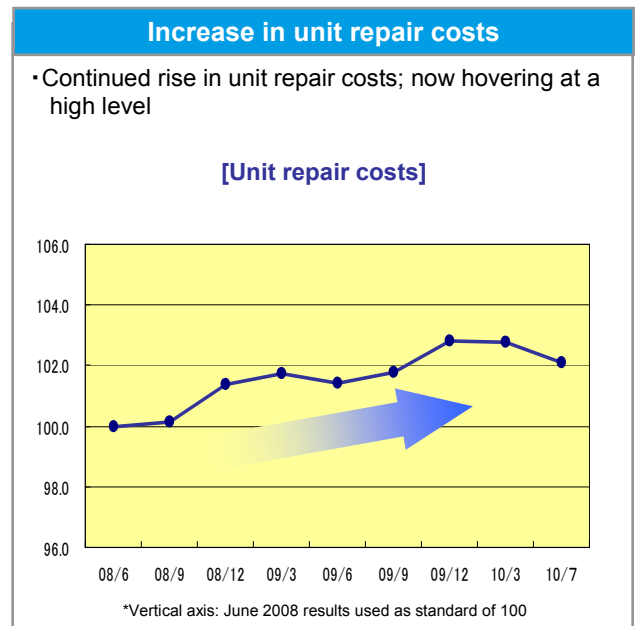
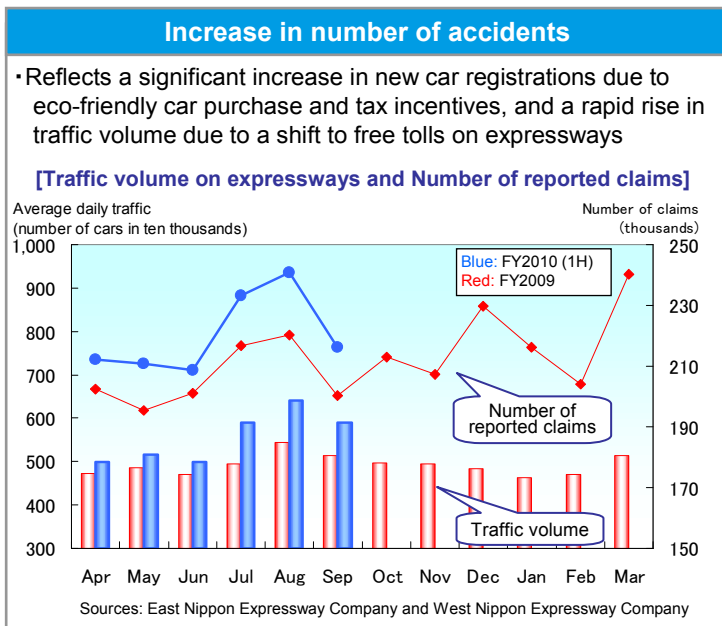


Steps to improve profitability

**Actions to improve underwriting results**  
Improve profitability via both underwriting and mitigating unit repair costs

**Expand top line**  
Expand top line to improve profit since fixed costs make up a high proportion of corporate expenses

[New factors behind profit deterioration and countermeasures]



- [Measures to improve underwriting income]
- Strengthen a detailed assessment of underwriting for high loss ratio accounts
  - Improve loss ratio for fleet accounts using the accident reduction assistance program implemented by Tokio Marine & Nichido Risk Consulting

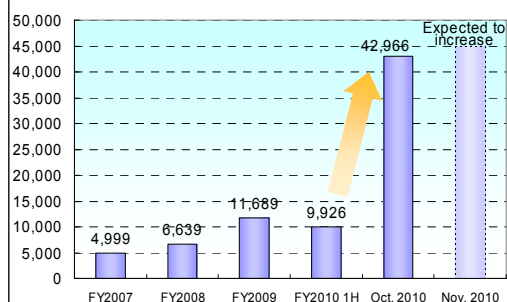
- [Measures to reduce unit repair costs]
- Make appropriate decisions on necessity of parts replacement
  - Recommend repairing versus replacement of bumper, etc.
  - Promote use of recycled parts, which help preventing global warming

**We will closely monitor the nature of incurring accidents going forward as well as effectiveness of immediate actions to improve profits, and may take additional measures as necessary in the medium to long term.**

### Personal Market

Boost Super Insurance sales volume by its revision and increasing the number of agency forces (Sales growth rate 4x faster post-renewal)

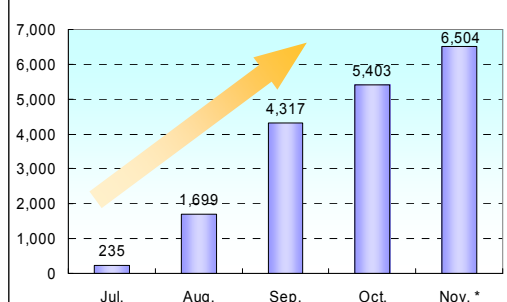
New sales of Super Insurance (Monthly average)



### Commercial Market

Cultivate small- and medium-sized companies using a nationwide group "T protection" plan and the fleet accident reduction assistance program, and promote to multi-line marketing

Accumulation of "T protection" plan sales



\*November results as of November 22

#### [Personal Market]

○ Boost Super Insurance sales volume by its revision and increasing the number of agent forces

- Greatly increase product appeal through product renovation and by increasing convenience of system procedures
- Boost sales volume by exploring new agents handling the product, empowering existing agents and increasing the number of agency sales personnel

<Constant sales agents>	Apr.-Sep. 2010 (Pre-revision)	Oct.2010 (Post revision)	FY2010 Target
No. of agents selling over 3 new policies/month	745 agents	2,025 agents	5,000 agents

<Super Insurance sales>	Apr.-Sep. 2010 (Pre-revision)	Oct.2010 (Post revision)	FY2010 Target
Premiums written *	30.6 billion yen (+20% YoY)	8.6 billion yen (+81% YoY)	80.9 billion yen (+36% YoY)
No. of new policies	60,000 (-3% YoY)	43,000 (+262% YoY)	200,000 (+43% YoY)

\*Life Insurance Premiums of Super Insurance are included

- Steadily shift to Super Insurance used as a base for "multi-line marketing based on a consultation approach"
- Aim to realize accelerated growth by improving the management efficiency of agents (boost new sales capacity by enhancing efficiency)

#### [Commercial Market]

○ Cultivate small- and medium-sized companies through "T protection" Plan (personal accident insurance for industrial accidents) and extend to multi-line marketing through "Super Business Insurance"

- Target approx. two-thirds of small- and medium-sized companies and business owners nationwide (3.9 million) (First inception on October 1)
- Approx. 6,500 policies sold at present (approx. 900 million yen; proportion of new policies: approx. 73%); aim for 10,000 policies by the year-end
- Extend to multi-line marketing using Super Business Insurance (comprehensive business package policy) after initial approach with "T protection" plan
- Gain new fleet customers by making the best use of an accident reduction program implemented by Tokio Marine & Nichido Risk Consulting
- Sold policies to 192 companies, approx. 800 million yen

(unit: billions of yen, except for %)

	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)			
			Change	YOY	Revised - Original	
<b>Underwriting profit</b>	-1.9	0.7	<b>-3.3</b>	-1.4	-	-4.1
Net premiums written	131.8	134.3	<b>133.9</b>	2.0	1.5%	-0.4
Net claims paid*	85.1	86.0	<b>87.7</b>	2.5	3.0%	1.6
Reversal of outstanding claims	-1.5	1.4	<b>-0.6</b>	0.8	-	-2.1
Reversal of catastrophe loss reserves	1.0	-0.4	<b>-0.2</b>	-1.3	-122.7%	0.2
<b>Investment income (net)</b>	8.8	5.0	<b>7.4</b>	-1.3	-15.7%	2.3
Interest and dividends	5.7	5.1	<b>5.2</b>	-0.5	-8.8%	0.1
Gains (losses) on sales of securities	6.2	2.5	<b>4.7</b>	-1.4	-23.9%	2.2
<b>Ordinary profit</b>	6.4	5.2	<b>3.4</b>	-2.9	-45.6%	-1.7
<b>Extraordinary gains (losses)</b>	0.9	-0.1	<b>-0.1</b>	-1.0	-111.6%	0.0
<b>Net income</b>	4.2	3.0	<b>1.9</b>	-2.3	-55.4%	-1.1
<b>Loss ratio</b>	64.6%	64.1%	<b>65.5%</b>	0.9%		1.4%
<b>Expense ratio</b>	39.2%	38.3%	<b>38.3%</b>	-0.9%		0.0%
<b>Combined ratio</b>	103.8%	102.4%	<b>103.8%</b>	0.0%		1.4%

\* Including loss adjustment expenses

<Private insurance basis>

<b>Loss ratio</b>	60.3%	60.0%	<b>61.5%</b>	1.2%		1.5%
<b>Expense ratio</b>	40.7%	39.6%	<b>39.6%</b>	-1.1%		0.0%
<b>Combined ratio</b>	101.0%	99.6%	<b>101.1%</b>	0.1%		1.5%

**[Underwriting profit]**

- Comparison with FY2009: -3.3 billion yen, a decline of 1.4 billion yen, due to an increase in incurred losses in 1H although net premiums written are expected to grow 1.5% primarily in auto insurance
- Comparison with the original projections: A downward revision of 4.1 billion yen in consideration of the results of 1H

**[Investment income (net)]**

- Comparison with FY2009: 7.4 billion yen, a decrease of 1.3 billion yen, primarily due to a decline in gains on sales of business-related equities
- Comparison with the original projections: An upward revision of 2.3 billion yen, owing to the increase in gains on sales of securities

**[Net income]**

- Comparison with FY2009: 1.9 billion yen, a decrease of 2.3 billion yen, due to declines in underwriting profit and net investment income
- Comparison with the original projections: A downward revision of 1.1 billion yen, due to the downward adjustment of underwriting profit

**[Loss ratio (private insurance basis)]**

- Comparison with FY2009: Deterioration by 1.2 points to 61.5%, due to higher claims mainly in fire and auto insurances despite the expected net premium growth
- Comparison with the original projections: Up 1.5 points, due to an expected increase in claims

**[Expense ratio (private insurance basis)]**

- Comparison with FY2009: Improvement by 1.1 points to 39.6%, owing to an expected increase in net premiums written and declines in operating and general administrative expenses as a result of enhancing staffing efficiency
- Comparison with the original projections: Flat expense ratio expected

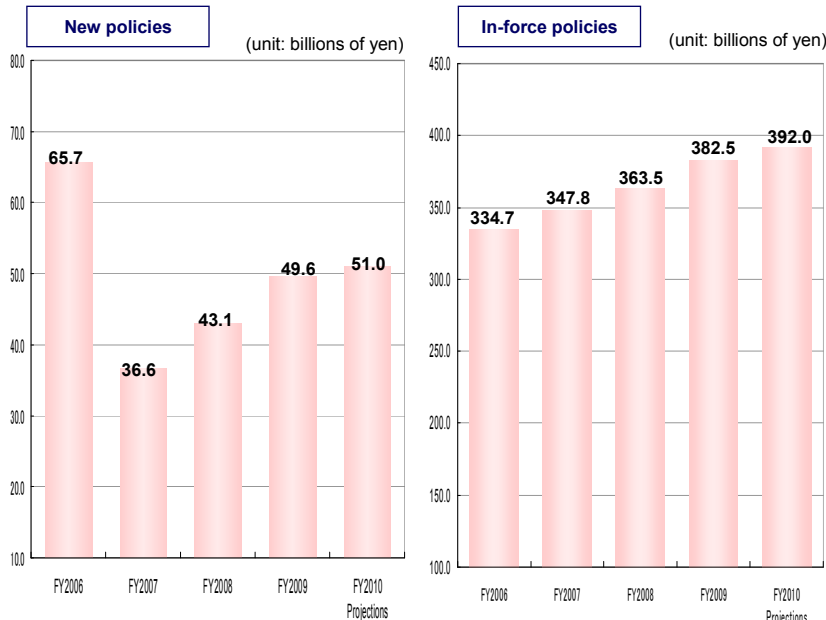
**[Projections of net premiums written by lines]**

(unit: billions of yen, except for %)

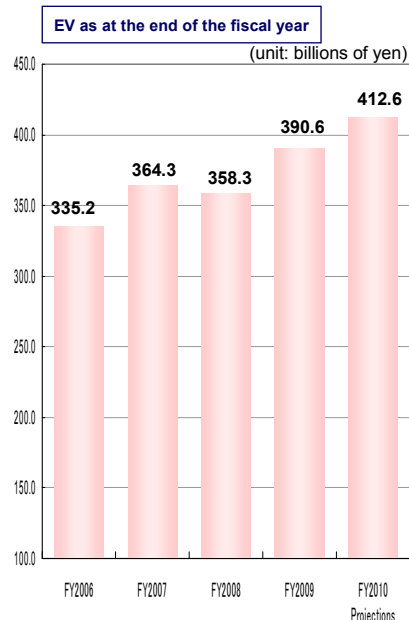
	FY2009 Results	FY2010 Projections (Revised)	
			YoY
<b>Fire</b>	23.1	<b>23.3</b>	1.0 %
<b>Marine</b>	0.1	<b>0.0</b>	-43.9 %
<b>P.A.</b>	9.5	<b>9.6</b>	1.3 %
<b>Auto</b>	74.0	<b>75.7</b>	2.3 %
<b>CALI</b>	16.3	<b>16.7</b>	2.0 %
<b>Other</b>	8.6	<b>8.3</b>	-3.3 %
<b>Total</b>	131.8	<b>133.9</b>	1.5 %

- Maintain growth in annualized premiums for new policies while targeting improved profitability through product enhancement
- Amount of increase in EV, the profit indicator, is revised downward, due primarily to the decline in ultra-long-term interest rates

### Annualized Premiums (ANP)



### EV



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(unit: billions of yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 Projections		
					Original	Revised	Revised - Original
EV as at the end of the fiscal year	335.2	364.3	358.3	390.6	423.6	412.6	-11.0
Change in EV excluding capital increase	30.4	29.1	-6.0	32.2	33.0	22.0	-11.0
Change in EV(*)	29.8	25.3	20.6	28.2	31.5	30.0	-1.5
ANP of new policies	65.7	36.6	43.1	49.6	51.0	51.0	0.0
ANP of in-force policies	334.7	347.8	363.5	382.5	392.0	392.0	0.0

(\*) excluding the effects of changes in interest rates and preconditions, and capital increases

#### [Annualized premiums]

- Annualized premiums of new policies are expected to grow as the original projection to 51.0 billion yen, up 2.0% YoY (up 5.1%, if annualized premiums for renewal policies are included).
- Annualized premiums of in-force policies are expected to continue growth as the original projections to 392.0 billion yen, up 2.5% YoY.

#### [EV]

- EV at the end of the fiscal year is expected to be 412.6 billion yen, up 22.0 billion yen from 390.6 billion yen at the end of FY2009. Change in EV (excluding a capital increase) is expected to decline 11.0 billion yen from the original projections primarily due to the decline of ultra-long-term interest rate. Minimal impact on net income for financial accounting

#### [Net income]

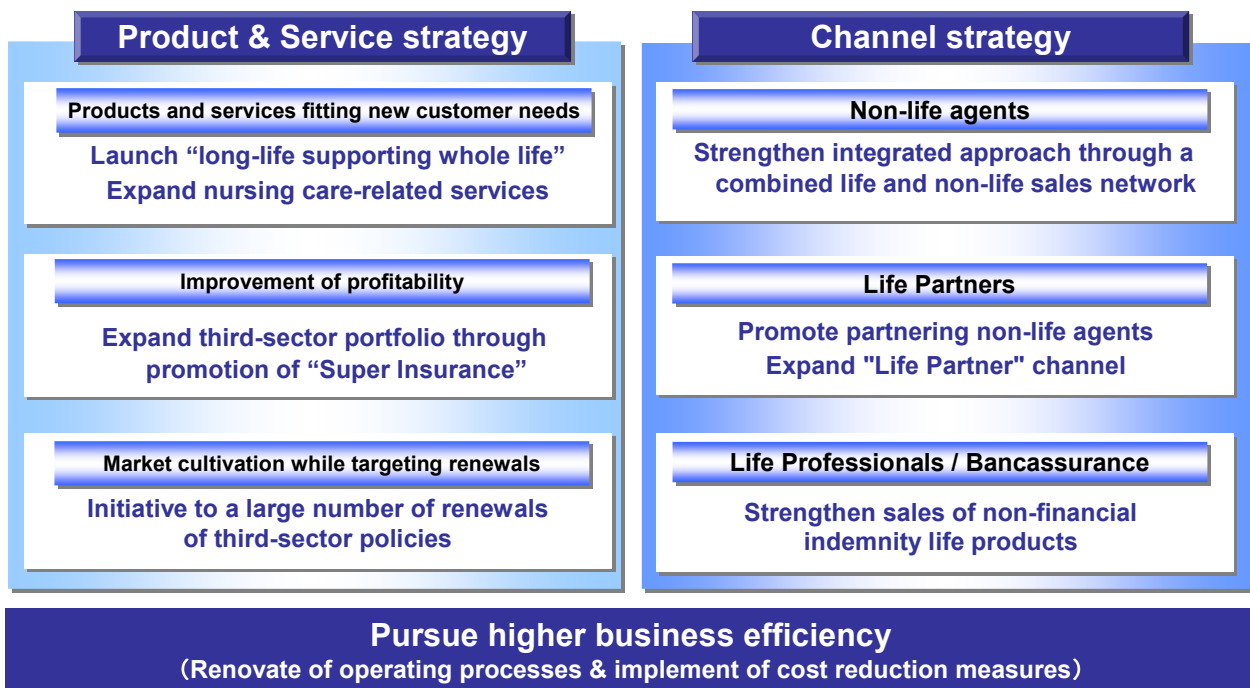
- 2.3 billion yen, up 0.2 billion yen from the original projections after completing the accumulation of the standard underwriting reserve a year earlier ahead of the original plan

#### [Reference] FY2010 Business Projections (Financial accounting basis)

▪ Ordinary income	542.7 billion yen
▪ Insurance premiums and other	470.3
▪ Ordinary profit	14.3 [30.0]
▪ Net income	2.3 [12.3]
▪ Core operating profit	11.4 [27.1]

Figures in parenthesis indicate amounts before charging additional underwriting reserves

● **Aiming for top line growth through enhanced profitability**



**[Products and service strategies]**

- Launch "household term-life insurance with a special rider for premium waivers in the event of three major types of disease" (May 2010); started underwriting of third-sector risks for "Super Insurance" (August 2010)
- Launch "long-life supporting whole life" that meets the needs of an further aging-society and expansion of nursing care-related services (November 2010)
  - Add nursing care guarantee and health bonus to whole life insurance with death benefit and savings functions
  - Introduce "nursing-care phone and onsite consultation service" and "brain dry-dock discount service"
- Renovation of "whole life with long-term discounts" (November 2010)
  - Improve profitability of "whole life with long-term discounts" which deteriorated primarily due to the fall in interest rates
- Initiative to a large number of renewals of third-sector products (January 2011– )
  - In expectation of the maturity of a substantial number of policies, promote renewals by proposing the latest products that meet customer needs

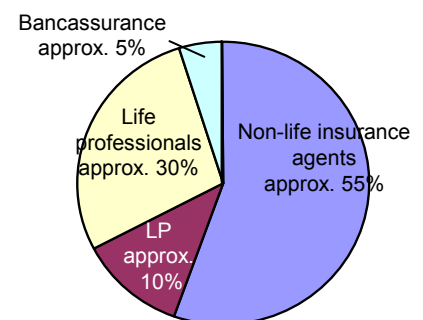
**[Channel strategies]** (See the table on the right for the first half results)

- Non-life insurance agents
  - Further enhance the integrated approach through promoting sales of third-sector using revised "Super Insurance" and cultivation of small and midsize benefits of corporate insurance
- Life partner, or "LP"
  - Promotion of life insurance products in alliance with non-life insurance agents
  - Accelerate recruits targeting 800 LP in 2011
- Life professionals
  - Reinforce partnerships with agents
  - Promote sales of "long-life supporting whole life" aimed at profitable top line growth
- Bancassurance
  - Promote sales of "medical insurance" and "household term-life", etc. with the focus on profitability, although the negative growth effects of premium hike for whole life with long-term discounts cannot be avoided.

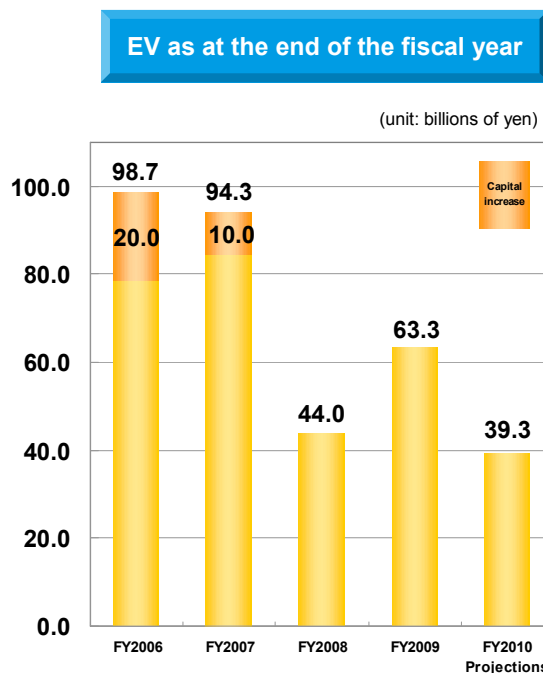
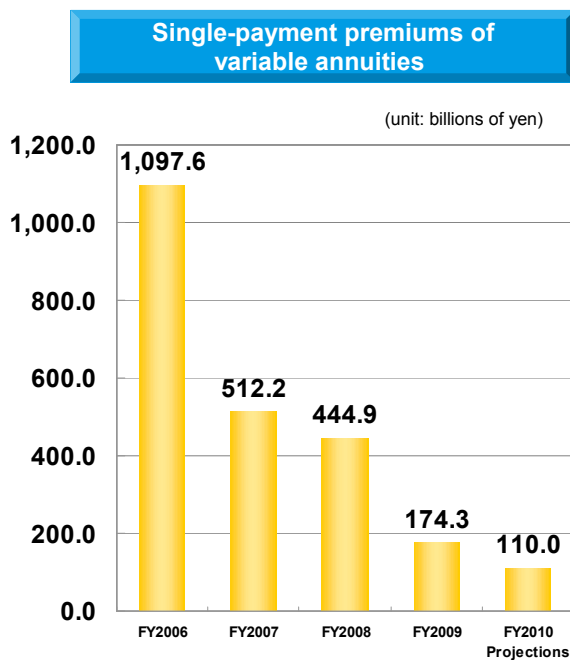
**Performance by channel (YoY)**  
 (Managerial accounting basis)

	FY2010 1H
Non-life agents	23%
Life partners	19%
Life professionals	13%
Bancassurance	-38%
Total	14%

**Channel Weight (FY2010 End of 1H)**



- Single-payment variable annuities (VA) premiums; 110 billion yen
- EV at the end of FY2010; 39.3 billion yen, down 24 billion yen YoY



**[Revised projections FY2010]**

- Single-payment variable annuities (VA) premiums are expected to be 110 billion yen. Focus on risk control and maintain a risk-restrictive sales stance.
- EV at the end of FY2010 is expected to reach 39.3 billion yen while the change in EV (excluding capital increases) is projected to become -24 billion yen, down 23 billion yen from the original projections
- Two major causes for the negative amount of change in EV; the projections assume the business environment at the end of 1H of FY2010 and the continuation of a risk-restrictive sales stance

(unit: billions of yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 Projections		
					Original	Revised	Revised - Original
<b>EV as at the end of the fiscal year</b>	98.7	94.3	44.0	63.3	62.3	39.3	-23.0
<b>Change in EV excluding capital increase</b>	17.7	-14.4	-50.2	19.2	-1.0	-24.0	-23.0
<b>Change in EV(*)</b>	12.2	6.9	-6.2	-2.2	-1.0	-12.0	-11.0
<b>ANP of new policies</b>	107.9	50.6	44.2	17.3	27.0	11.0	-16.0
<b>ANP of in-force policies</b>	168.5	213.4	252.5	263.0	281.0	264.0	-17.0

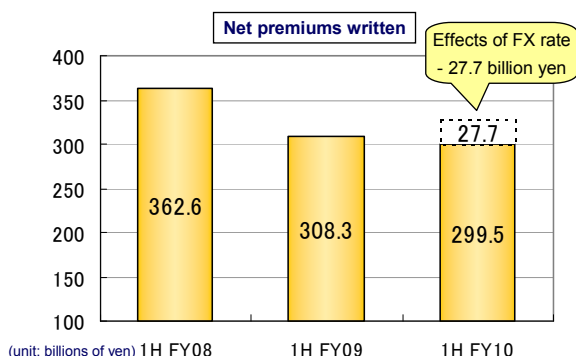
(\*) excluding the difference between the actual and assumed investment performance, the effects of changes in preconditions and capital increases

**[Business strategy for FY2010]**

- Risk management
  - Continue to take a risk-restrictive stance in consideration of the challenging business environment
- Product development
  - Develop new variable annuity products in consideration of the balance between minimum-guarantee level and profitability
  - Consider expanding product lines other than variable annuities which meet the needs of customers and banks, in light of controlling fluctuation in profitability associated with changes in business environment
- Business Structure
  - Transform the company into more lean structure to meet the challenging business environment by reviewing business processes and costs.
  - Support sales of bancassurance financial products developed by other group companies while marketing TMN Life products as its wholesale agents.

**[Reference] FY2010 Business Projections (Financial accounting basis)**

- Ordinary income 236.9 billion yen
- Insurance premiums and other 117.1
- Ordinary profit -4.8
- Net income -4.9
- Core operating profit -7.5

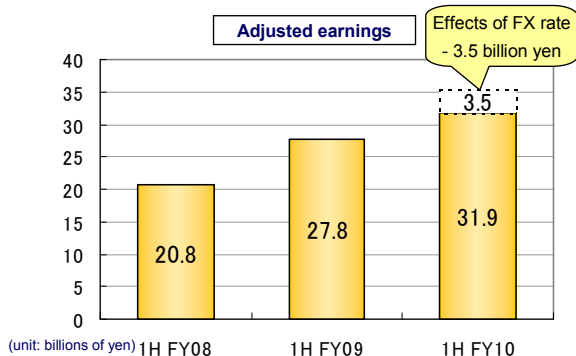


● **Net premiums written ("NPW"):**

299.5 billion yen (YoY : -8.8 billion yen, -3%)  
\* 327.3 billion yen (YoY : +19.0 billion yen, +6%)

NPW decreased by 3% mainly due to the appreciation of the yen.

- NPW increased in the reinsurance business and Asian market despite negative FX effects.
- Philadelphia and Kiln increased NPW in local currencies.
- NPW decreased in the U.S. branch and Europe mainly due to the economic downturn in addition to negative FX effects.



● **Adjusted earnings :**

31.9 billion yen (YoY : +4.1 billion yen, +15%)  
\* 35.4 billion yen (YoY : +7.6 billion yen, +27%)

Adjusted earnings increased by 15% mainly due to the following factors despite the appreciation of the yen.

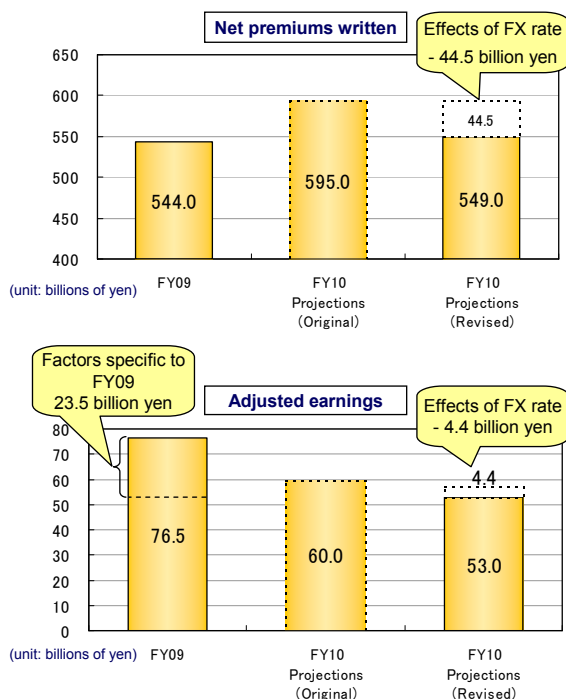
- Philadelphia increased adjusted earnings.
- Other subsidiaries improved profitability.

\* Excluding FX effects  
(calculated by FX rates as of Jun 30, 2009)

【Net premiums written / Adjusted earnings】

(unit: billions of yen, except for %)

		Net premiums written				Adjusted earnings				
		1H FY2009	1H FY2010		1H FY2009	1H FY2010				
FX rate	Applied FX rate	as of end-Jun 2009	as of end-Jun 2010	Change YoY	Excluding FX effects	as of end-Jun 2009	as of end-Jun 2010	Change YoY	Excluding FX effects	
		USD	96.01			88.48	96.01			88.48
		GBP	159.54			133.07	159.54			133.07
Non-life	Primary	Philadelphia	86.2	83.9	-3%	6%	11.3	12.6	11%	21%
		North America	20.7	16.1	-22%	-16%	2.3	2.5	7%	17%
		South & Central America	36.8	36.9	0%	0%	-1.1	-0.8	-	-
		Europe & Middle East	12.6	9.5	-25%	-11%	-0.4	0.8	-	-
		Asia (incl. China)	31.5	33.0	5%	10%	3.0	2.7	-12%	-7%
	Primary Total	188.4	179.5	-5%	2%	14.4	17.9	24%	36%	
	Reinsurance	Reinsurance Companies	48.4	50.0	3%	16%	10.8	8.6	-21%	-13%
	Kiln Group	50.9	44.1	-13%	4%	-0.1	4.6	-	-	
	Reinsurance Total	99.3	94.2	-5%	10%	10.7	13.2	23%	40%	
	<b>Total Non-life</b>	<b>287.7</b>	<b>273.8</b>	<b>-5%</b>	<b>4%</b>	<b>25.2</b>	<b>31.2</b>	<b>24%</b>	<b>38%</b>	
	Life	20.5	25.7	25%	31%	3.4	1.0	-69%	-68%	
	<b>Total of Non-life and Life</b>	<b>308.3</b>	<b>299.5</b>	<b>-3%</b>	<b>6%</b>	<b>28.6</b>	<b>32.2</b>	<b>13%</b>	<b>25%</b>	
	Home Office Expense					-0.8	-0.3			
	<b>Total of Non-life and Life after H.O. Expense</b>					<b>27.8</b>	<b>31.9</b>	<b>15%</b>	<b>27%</b>	
	<b>Excluding FX effects</b>	<b>308.3</b>	<b>327.3</b>	<b>-</b>	<b>6%</b>	<b>27.8</b>	<b>35.4</b>	<b>-</b>	<b>27%</b>	



● **Net premiums written :**

**549.0 billion yen (YoY : +5.0 billion yen, +1.0%)**  
**\* 593.5 billion yen (YoY : +49.5 billion yen, +9%)**

- NPW are expected to increase by a modest 1% due to negative FX effects.
- Downward revision of the FY10 original projections to 549.0 billion yen due to negative FX effects.

● **Adjusted earnings :**

**53.0 billion yen (YoY : -23.5 billion yen, -31%)**  
**\* 57.4 billion yen (YoY : -19.1 billion yen, -25%)**

- Adjusted earnings are expected to decrease by 31% due to the absence of factors specific to FY09, as well as negative FX effects.
- Downward revision of the FY10 original projections to 53.0 billion yen due to negative FX effects and greater-than-expected natural catastrophes.

**\* Excluding the FX effects**  
**(calculated by FX rates as of Dec 31, 2009)**

【Recent Business Environment】

○ Non-life

In U.S. and European commercial lines, the soft market conditions for insurance will likely persist due to severe price competition. In Asia, premium income is expected to increase, driven by strong auto sales and a recovery in trade and distribution in line with economic recovery.

○ Reinsurance

Heavy losses due to the Chilean earthquake, the New Zealand earthquake and European winter storms this year are expected to have only a limited effect on the reinsurance market and the reinsurance rates are likely to remain soft.

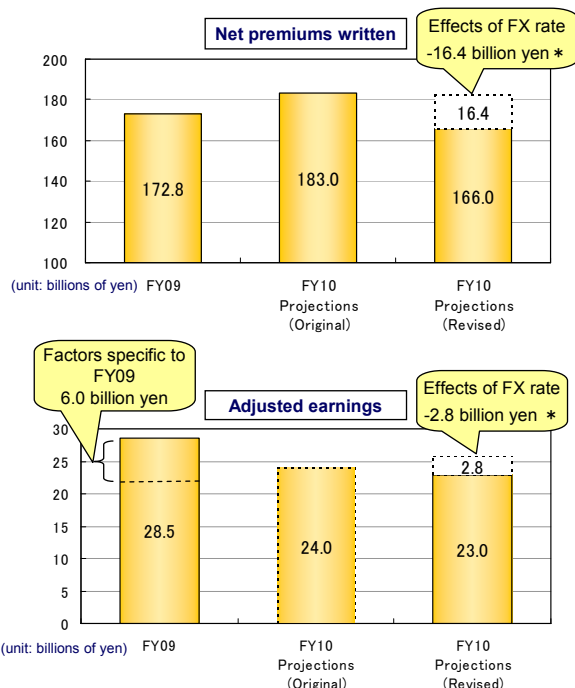
○ Life (Asia)

Premium income grows steadily in line with surging demand for insurance products driven by economic recovery and high rates of population growth.

【Net premiums written / Adjusted earnings】

(unit: billions of yen, except for %)

		Net premiums written						Adjusted earnings						
		FY2009	FY2010 Projections (Original)	FY2010 Projections (Revised)			FY2009	FY2010 Projections (Original)	FY2010 Projections (Revised)					
				as of end-Dec 2009	as of end-Mar 2010	as of end-Sep 2010			Change YoY	Revised - Original	as of end-Dec 2009	as of end-Mar 2010	as of end-Sep 2010	Change YoY
FX rate	Applied FX rate													
	USD	92.10	93.04	83.82			92.1	93.0	83.8					
	GBP	146.53	140.40	132.67			146.5	140.4	132.7					
Non-life	Primary	Philadelphia	172.8	183.0	166.0	-4%	-17.0	28.5	24.0	23.0	-19%	-1.0		
		North America	34.2	34.0	28.0	-18%	-6.0	8.3	4.0	3.0	-64%	-1.0		
		South & Central America	82.6	82.0	80.0	-3%	-2.0	-6.1	-1.0	0.0	-	1.0		
		Europe & Middle East	18.9	18.0	16.0	-15%	-2.0	1.1	1.0	1.0	-9%	0.0		
		Asia (incl. China)	61.4	67.0	63.0	3%	-4.0	5.2	6.0	5.0	-4%	-1.0		
		Primary Total	370.4	384.0	353.0	-5%	-31.0	37.1	34.0	32.0	-14%	-2.0		
	Reinsurance	Reinsurance Companies	56.9	63.0	57.0	0%	-6.0	21.9	17.0	12.0	-45%	-5.0		
		Kiln Group	76.0	86.0	78.0	3%	-8.0	10.5	8.0	8.0	-24%	0.0		
		Reinsurance Total	132.9	149.0	135.0	2%	-14.0	32.5	25.0	20.0	-38%	-5.0		
Total Non-life		503.4	533.0	488.0	-3%	-45.0	69.7	59.0	52.0	-25%	-7.0			
Life		40.6	62.0	61.0	50%	-1.0	7.8	2.0	2.0	-74%	0.0			
Total of Non-life and Life		544.0	595.0	549.0	1%	-46.0	77.5	61.0	54.0	-30%	-7.0			
Home Office Expense							-1.0	-1.0	-1.0					
Total of Non-life and Life after H.O. Expense							76.5	60.0	53.0	-31%	-7.0			
Excluding FX effects		544.0		593.5	9%		76.5		57.4	-25%				



● **Net premiums written :**

**166.0 billion yen (YoY : -6.8 billion yen, -4%)  
 (USD 1,980mil, YoY : USD +103mil, +6%)**

- Decrease of 4% and 9% compared with the FY09 results and the FY10 original projections respectively mainly due to negative FX effects.
- In USD, the FY10 revised projection will be 6% YoY growth compared with the FY09 results and exceed the FY10 original projections by 1%.

● **Adjusted earnings :**

**23.0 billion yen (YoY : -5.5 billion yen, -19%)  
 (USD 278mil, YoY : USD -31mil, -10%)**

- Decrease of 19% compared with the FY09 results due to the absence of factors specific to FY09 and negative FX effects.
- Decrease of 4% compared with the FY10 original projections due to negative FX effects. (Exceeds the original projections by 7% in USD.)
- C/R is expected to remain under 90%.

**\* Calculated by FX rates as of Dec 31, 2009.**

**【FY2010 Strategy : Philadelphia】**

○ Underwriting / Marketing

- Achieve superior growth by utilizing multi-channel distribution
- Focus on niche markets providing value added products and services
- Maintain underwriting and pricing discipline (bottom-line oriented), while the soft market in U.S. P&C commercial lines continues

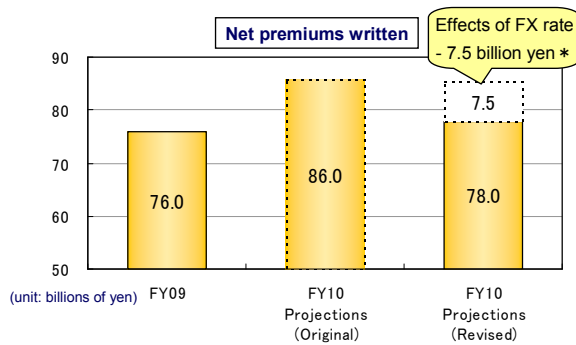
○ Investment

- Maintain conservative investment policy  
 (Portfolio mostly composed of high quality municipal and agency bonds)

**【FY2010 Projections in USD】**

(unit: USD in millions, except for %)

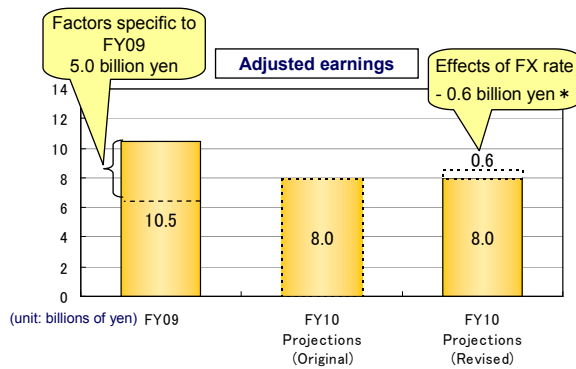
	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)	Change YoY	Revised/Original
Net premiums written	1,877	1,968	1,980	6%	1%
Adjusted earnings	309	261	278	-10%	7%



**Net premiums written :**

**78.0 billion yen (YoY : +2.0 billion yen, +3%)  
 (GBP 583mil, YoY : GBP +64mil, +12%)**

- Increase of 3% compared with the FY09 results mainly due to business expansion of 100% owned Lloyd's Syndicate, partly offset by negative FX effects.
- In GBP, the FY10 revised projections will be 12% YoY growth compared with the FY09 results.



**Adjusted earnings :**

**8.0 billion yen (YoY : -2.5 billion yen, -24%)  
 (GBP 59mil, YoY : GBP -13mil, -19%)**

- Decrease of 24% compared with the FY09 results due to the absence of factors specific to FY09 and negative FX effects
- The FY10 projections will remain unchanged due to negative FX effects of the USD/GBP offset by negative FX effects of the USD/yen. (Exceed the original projections by 3% in local currency)

\* Calculated by FX rates as of Dec 31, 2009.

**【FY2010 Strategy : Kiln】**

○ Underwriting / Marketing

- Increase profit by focusing on profitable accounts amid soft market conditions
- Further utilize the 100% owned Lloyd's Syndicate, established in 2008

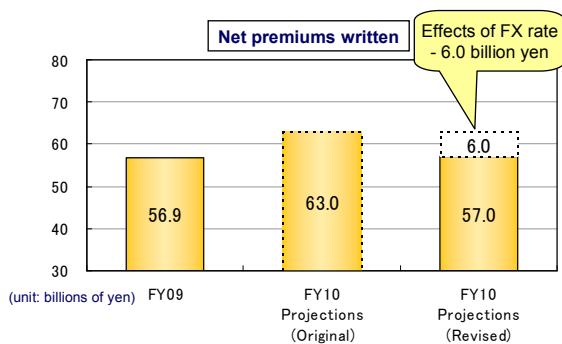
Expected synergies: ① Retention of a part of Kiln's outward reinsurance formerly ceded to the open market  
 ② Enhancement of the underwriting capabilities of the international operations

○ Maintain a conservative investment policy (Portfolio mostly composed of high quality bonds)

**【FY2010 Projections in GBP】**

(unit: GBP in millions, except for %)

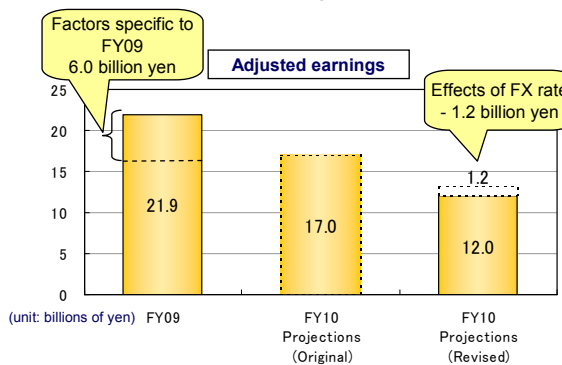
	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)	Change YoY	Revised/Original
Net premiums written	519	615	583	12%	-5%
Adjusted earnings	72	57	59	-19%	3%



● **Net premiums written:**

**57.0 billion yen (YoY : +0.1 billion yen, +0%)**  
**\* 63.0 billion yen (YoY : +6.1 billion yen, +11%)**

- Essentially unchanged compared with the FY09 results mainly due to new business in U.S of Tokio Millennium Re, offset by negative FX effects.
- Downward revision of the FY10 original projections to 57 billion yen due to negative FX effects.



● **Adjusted earnings:**

**12.0 billion yen (YoY : -9.9 billion yen, -45%)**  
**\* 13.2 billion yen (YoY : -8.7 billion yen, -40%)**

- Decrease of 45% compared with the FY09 results due to the absence of factors specific to FY09, as well as negative FX effects.
- Decrease of 29% compared with the FY10 original projections due to soft market conditions, greater-than-expected natural catastrophes and negative FX effects.

**\* Excluding FX effects**  
**(calculated by FX rates as of Dec 31, 2009)**

**【 FY2010 Strategy : Reinsurance Business (excluding Kiln)】**

○ Underwriting / Marketing

Taking advantage of the Tokio Marine group's strong ratings and brand, we will establish a new structure on 1 January 2011 pursuant to our ongoing strategy to increase our international presence and improve our capital efficiency.

• Unify our global reinsurance brand

Unify the global reinsurance brand of the Tokio Marine group as Tokio Millennium Re (TMR) .  
 Rebrand the current Tokio Marine Global Ltd., our current reinsurance operation in London, as Tokio Millennium Re (UK) Limited.

• Open new TMR branches

Aiming to diversify its geographical spread and improve profitability, TMR will establish branch offices in Zurich, Switzerland and Sydney, Australia.

○ Investment

- Maintain the current conservative investment policy (Portfolio mostly composed of high quality bonds)

**【 FY2010 Projections】**

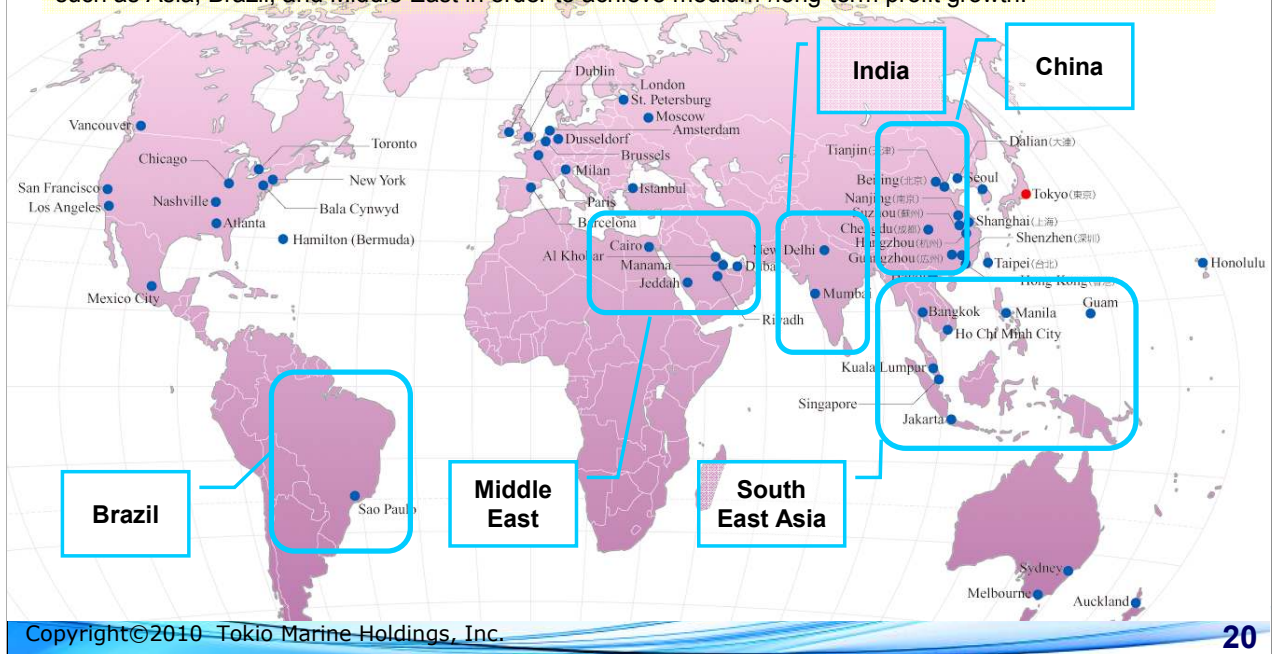
(unit: billions of yen, except for %)

	FY2009 Results	FY2010 Projections (Original)	FY2010 Projections (Revised)	Change YoY	Revised/Original
Net premiums written	56.9	63.0	57.0	0%	-10%
Adjusted earnings	21.9	17.0	12.0	-45%	-29%

**Business Summary and Future Development in Major Emerging Markets**

< For medium-/long-term profit growth >

Develop a variety of businesses including Life and Takaful in addition to the Non-life in emerging markets such as Asia, Brazil, and Middle East in order to achieve medium-/long-term profit growth.



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**【Strategy in Major Emerging Markets】**

○ China

Non-life: Guangdong Branch was opened in July 2010 under our subsidiary incorporated in November 2008. Plans for further expansion of branches in Chiangsu and Beijing. Projected premium growth for FY10 is 24%.

Life: Sino Life, a life insurance joint venture commenced in 2003, is expected to double its premiums in FY10 driven by the launch of new products, expansion of its nationwide sales network, and enhancement of bancassurance.

○ India

Non-life: ITGI, a non-life joint venture commenced in 2001, is expected to grow premiums by 14% in FY10 mainly driven by utilizing its domestic network of 221 sub-branches.

Life: Edelweiss Tokio Life, a life insurance joint venture, is expected to commence operations in 2011.

Premiums are expected to reach 250-300 billion yen in 10 years by taking advantage of rapid market growth.

○ South East Asia

Non-life: Premiums are expected to increase by 5% in FY10, mainly driven by higher premium income in auto and marine insurance in line with strong auto sales and a recovery in trade and distribution.

Life: Total premiums from life insurance subsidiaries in South East Asia are expected to increase by 17% in FY10, driven by bancassurance by TMLM, a life insurance subsidiary in Malaysia, introduction of new products by TMLS, a life insurance subsidiary in Singapore, and the expansion of the agent marketing network of TMLTH, a life insurance subsidiary in Thailand.

○ Brazil

Non-life: Established the basis of future growth in FY10 owing to improved profitability in auto insurance and the completion of a new system.

○ Middle East

Takaful: Commenced operations in Egypt in January 2010. Plan to open a composite insurance company in Saudi Arabia in 2011.

\* YoY growth is calculated in local currencies.

Each operating entity executes investment operations based on the group-wide fundamental principle of asset management as a global insurance group, taking into consideration the local environment for insurance business and financial markets

**Fundamental Principle of the Group Asset Management Strategy**

- Maintain liquidity as a major principle required for the insurance business
- Execute ALM investments in principle for assets to support long-term insurance liabilities
- Aim to improve profitability within the range of risk tolerance in light of the characteristics of the insurance liabilities, the financial base and the investment environment for each group company

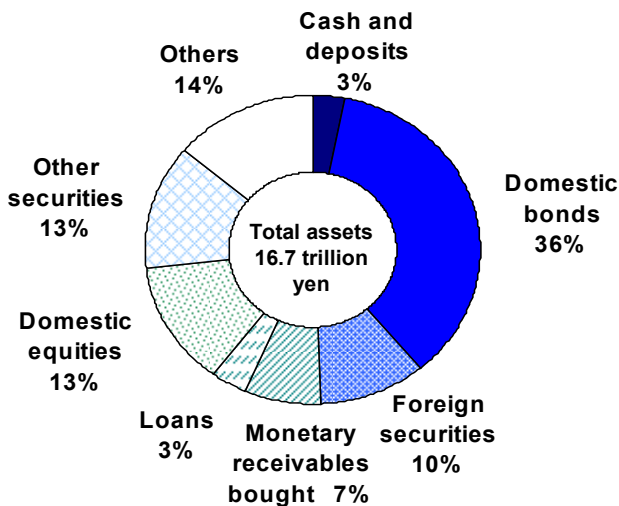


Works as an infrastructure to comply with the group principle

- Execute global risk management through the group ERM, and unify risk measurement methodologies used at each group company
- Establish group investment committees in Europe and the United States in order to share investment outlooks, investment policies and other matters

[Asset Composition of Tokio Marine Holdings (Consolidated; As of September 30, 2010) ]

Total Assets 16.7 trillion yen



**Domestic bonds**

Mainly ALM bonds in Tokio Marine & Nichido (TMNF) and Tokio Marine Nichido Life (TMN Life)

**Foreign securities**

Mainly bonds of local countries in overseas subsidiaries

**Domestic equities**

Mainly business-related equities in TMNF

**Other securities**

Mainly assets in separate accounts in TMN Financial Life

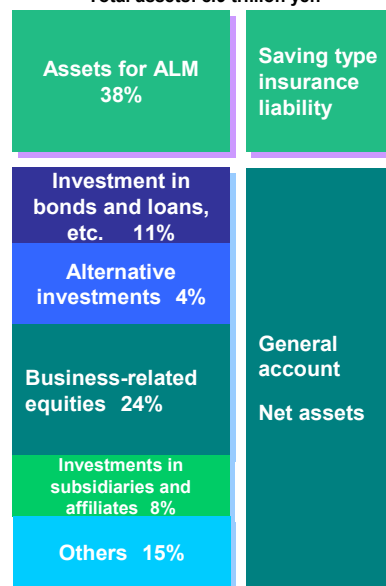
### FY 2010 asset management policy

- While the emerging countries drive the growth of the world economy, the developed economies are expected to avoid another slump supported by monetary and fiscal policies amid a concern of prolonged lower growth
- Pay attention to a risk scenario in which the global economy could falter should deflation in the US materialize and the growth of emerging economies slow down

- Based on the fundamental principle of “increasing NAV in the medium-to-long term while securing liquidity of assets and stable profits required as an insurer”
  - Increase investment in highly liquid bonds both domestically and internationally in order to support stable profits
  - Carefully select alternative investments in order to contribute to profits under appropriate risk controls
  - Further accelerate reduction of business-related equities

### TMNF Balance Sheet as of September 30, 2010

Total assets: 8.9 trillion yen



Note: “Others” include real estate (mainly for own use) & non-investment assets, etc.

#### [ALM]

##### (Review of the 1H FY2010)

- Continued surplus ALM, in order to appropriately control interest risks in saving-type insurance liabilities

##### (Strategies for the 2H FY2010)

- Continue and strengthen surplus ALM to properly control interest rate risks
- See the table on the right for the interest rate sensitivity (a case of 1% increase) on surplus values

(unit: billions of yen)

	Mar. 2010	Sept. 2010
Tokio Marine & Nichido	-1.9	-2.3
TMN Life	-45.5	-55.8

\*Figures of TMN Life took a dynamic lapse into consideration.

#### [Fixed income investments and loans, and alternative investments, etc.]

##### (Review of the 1H FY2010)

- Increase in more liquid bonds to generate stable profits
- Continued alternative investments contributing profits with a greater care considering market environment

##### (Strategies for the 2H FY2010)

- Increase in highly liquid domestic/international bonds in order to secure both liquidity and stable profit growth
- Continue to exercise a greater care in selecting alternative investments, under appropriate risk control

#### [Business-related equities]

##### (Review of the 1H FY2010)

- Sold equities worth approximately 69 billion yen in accordance with the FY2010 sales plan

##### (Strategies for the 2H FY2010)

- Continue exercising equity sales exceeding the amount in FY2009



# Enterprise Risk Management (ERM)

## Maintain financial soundness

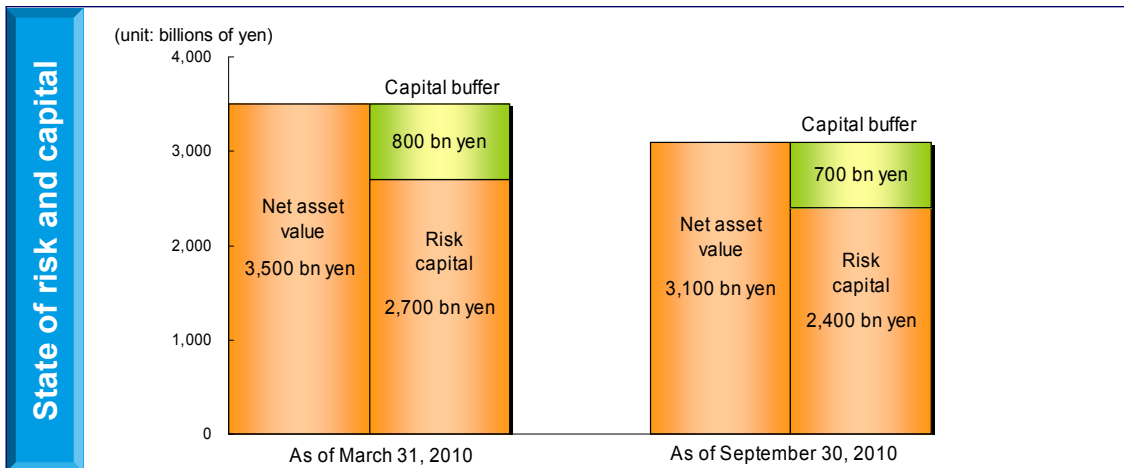
Strike an adequate balance between net asset value and risk, utilizing the internal risk capital model with AA calibration

## Improve profitability (capital efficiency)

Establish a diverse business portfolio incorporating geographical and other business factors; stabilize group profits & improve return on risk capital

&

Control risk and capital



### [FY2010 Initiatives in Enterprise Risk Management (ERM)]

1H Review	2H Plan
<b>(1) Capital control</b>	
<ul style="list-style-type: none"> <li>Resumed share repurchases (25.0 billion yen) in addition to FY2009 year-end dividends (20.5 billion yen)</li> </ul>	<ul style="list-style-type: none"> <li>Additional share repurchases with an upper limit of 25.0 billion yen securing sufficient capital base in addition to interim dividends (19.5 billion yen)</li> </ul>
<b>(2) Risk control</b>	
<ul style="list-style-type: none"> <li>Sold business-related equities in accordance with the original plan (Amount sold in 1H: Approx. 69.0 billion yen)</li> <li>Continued risk-restrictive stance with asset management and variable annuities business</li> </ul>	<ul style="list-style-type: none"> <li>Plan to execute equity sales exceeding FY2009 level, taking the equity market situation into account</li> <li>Monitor financial and economic conditions closely and reduce risk under a drastic market change</li> </ul>
<b>(3) Development/refinement of ERM platforms (models)</b>	
<ul style="list-style-type: none"> <li>Continue developing more sophisticated internal risk models including the risk capital (integrated risk) model</li> <li>Continue develop modelling infrastructures (database and modules for fair value measurement of liabilities, etc.) including preparation for the introduction of IFRS</li> </ul>	

### [S&P ERM Rating to Tokio Marine Holdings]

**TMNF (non-consolidated) is the only Japanese insurer to receive a “Strong” ERM rating from S&P**

S&P evaluates the levels of ERM preparedness of insurance companies independently from ordinary credit ratings (AAA, AA, etc.).

The distribution\* of ratings: 1.5% for Excellent, 13% for Strong, 85.5% for the remaining four grades

\*Tokio Marine Holdings' calculation on the basis of disclosed ERM score data of 165 companies located in North America and Bermuda (as of December 31, 2009) and of 174 companies located in Europe, the Middle East and Africa (as of March 31, 2010)

### [Capital and risk]

- Net asset value: Consolidated net asset value + various reserves (catastrophe reserve, etc.) + value of in-force life insurance business - goodwill, etc.
- Risk capital: 99.95% VaR, after taking account of diversification effects
- Capital buffer: Capital reserved for future changes in financial and economic environment, including new M&A opportunities



TOKIO MARINE

# Capital Strategy & Return to Shareholders

## Top Class Return to Shareholders

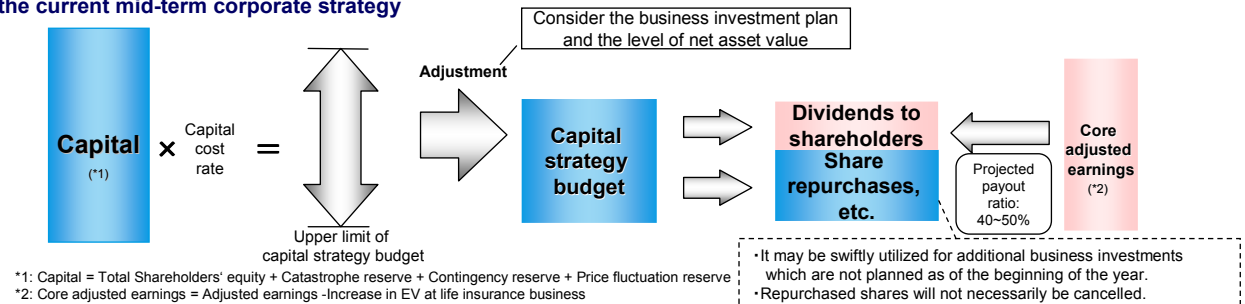
### Dividends (stable return to shareholders)

- Plan to pay interim dividends in line with original plan (25 yen per share; 19.5 billion yen in total)
- Full-year dividends (50 yen per share; 38.9 billion yen in total) are expected to reach a 46% payout ratio to “average core adjusted earnings”

### Share repurchases (flexible return to shareholders)

- Conducted share repurchase worth 25 billion yen in 1H of FY2010
- **Plan to conduct additional share repurchase with an upper limit of 25 billion yen (50 billion yen maximum for FY2010)** in the 2H FY2010 as well

#### Capital Strategy Budget in the current mid-term corporate strategy



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### [Adjusted earnings/core adjusted earnings and actual dividends to shareholders]

(unit: billions of yen, unless otherwise stated below)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (projections)
Adjusted earnings	123.9	105.0	172.1	51.8	138.7	169.7	143.2	-52.5	165.4	100.0
Total distributions to shareholders	16.5	118.5	112.1	89.0	110.2	119.8	88.7	38.0	89.4 (Est.)	TBD
Dividends	16.5	18.5	19.7	18.9	25.2	29.8	38.7	38.0	39.4	38.9
Share repurchases*	0.0	100.0	92.4	70.1	85.0	90.0	50.0	-	50.0 (Est.)	TBD

\*The value of share repurchases for this fiscal year is included in figures for the previous fiscal year in order to conform to the framework of the capital strategy budget, which considers capital status at prior fiscal year-end (i.e., 50 billion yen earmarked for share repurchases in FY2010 is included in figures for FY2009).

	2004	2005	2006	2007	2008	2009	2010 (projections)
Average adjusted earnings	100.0	110.0	120.0	140.0	90.0	95.0	90.0
Average core adjusted earnings	80.0	90.0	90.0	100.0	80.0	85.0	85.0
Dividend per share	22 yen	30 yen	36 yen	48 yen	48 yen	50 yen	50 yen
Total dividends	18.9	25.2	29.8	38.7	38.0	39.4	38.9
Payout ratio: % of core adjusted earnings	24%	28%	33%	39%	48%	46%	46%

Payout ratio to “average core adjusted earnings” to be within 40-50%

### [BPS and PBR of Tokio Marine HD]

	2003/3E	2004/3E	2005/3E	2006/3E	2007/3E	2008/3E	2009/3E	2010/3E	2010/9E
Adjusted number of issued and outstanding shares (*)	924,573	894,028	859,950	840,234	823,337	802,231	787,562	787,605	777,074
Share price	1,472 yen	3,240 yen	3,120 yen	4,660 yen	4,360 yen	3,680 yen	2,395 yen	2,633 yen	2,252 yen
Change from the previous fiscal year		120.1%	-3.7%	49.4%	-6.4%	-15.6%	-34.9%	9.9%	-14.5%
(reference) TOPIX	788.00	1,179.23	1,182.18	1,728.16	1,713.61	1,212.96	773.66	978.81	829.51
Change from the previous fiscal year		49.6%	0.3%	46.2%	-0.8%	-29.2%	-36.2%	26.5%	-15.3%
SH's equity after tax on financial statement basis	1,804.9	2,310.8	2,305.2	3,209.8	3,398.4	2,563.5	1,627.8	2,169.0	2,012.6
BPS on a financial statement basis	1,952 yen	2,585 yen	2,681 yen	3,820 yen	4,128 yen	3,195 yen	2,067 yen	2,754 yen	2,590 yen
PBR on a financial statement basis	0.75	1.25	1.16	1.22	1.06	1.15	1.16	0.96	0.87
Adjusted capital (Note)	2,621.1	3,208.7	3,217.9	4,238.7	4,585.8	3,605.9	2,564.2	3,160.8	2,935.6
BPS on an adjusted basis (Note)	2,830 yen	3,590 yen	3,740 yen	5,040 yen	5,570 yen	4,490 yen	3,260 yen	4,010 yen	3,780 yen
PBR on an adjusted basis (Note)	0.52	0.90	0.83	0.92	0.78	0.82	0.73	0.66	0.60

(Note): Adjusted capital, BPS on an adjusted basis and PBR on an adjusted basis at the end of September 2010 are estimates based on a simplified calculation.

(\*) unit: thousand shares

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(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY		Change	YoY	(Reference)	YoY
<b>Ordinary income</b>	1,870.8	-4.5%	<b>1,722.5</b>	-148.2	-7.9%	3,570.8	1.9%
Underwriting income	1,512.6	-14.1%	<b>1,505.8</b>	-6.8	-0.5%	2,968.1	-5.2%
Net premiums written	1,182.7	2.2%	<b>1,174.9</b>	-7.7	-0.7%	2,292.9	7.4%
Deposit premiums from policyholders	73.8	-18.0%	<b>68.6</b>	-5.2	-7.1%	138.3	-16.8%
Life insurance premiums	219.0	-53.7%	<b>227.5</b>	8.5	3.9%	464.7	-37.7%
Reversal of outstanding claims	1.0	—	—	-1.0	-100.0%	—	-100.0%
Investment income	326.2	99.0%	<b>184.3</b>	-141.8	-43.5%	536.3	74.9%
Interest and dividends	106.1	-22.4%	<b>112.9</b>	6.8	6.4%	206.9	-12.9%
Gains on sales of securities	28.5	-54.3%	<b>51.6</b>	23.0	80.8%	79.1	10.4%
Gains on derivatives	2.9	—	<b>32.9</b>	29.9	1025.4%	—	-100.0%
Gains on separate accounts	214.7	—	—	-214.7	-100.0%	298.8	—
Other ordinary income	31.9	-9.1%	<b>32.3</b>	0.4	1.3%	66.2	-0.1%
<b>Ordinary expenses</b>	1,766.2	-9.2%	<b>1,574.4</b>	-191.8	-10.9%	3,367.3	-4.3%
Underwriting expenses	1,433.0	-0.9%	<b>1,160.8</b>	-272.2	-19.0%	2,734.0	22.4%
Net claims paid	657.6	0.7%	<b>661.5</b>	3.8	0.6%	1,345.7	3.0%
Agency commissions and brokerage	229.2	-3.4%	<b>227.1</b>	-2.0	-0.9%	464.9	5.2%
Life insurance claims	47.3	2.9%	<b>70.3</b>	23.0	48.6%	104.1	14.5%
Provision for outstanding claims	—	-100.0%	<b>15.2</b>	15.2	—	9.1	—
Provision for underwriting reserves	334.2	15.8%	<b>8.5</b>	-325.6	-97.4%	429.7	1904.1%
Investment expenses	52.0	-74.2%	<b>135.7</b>	83.7	160.9%	66.1	-90.9%
Losses on sales of securities	7.6	10.7%	<b>3.9</b>	-3.6	-48.5%	11.7	-64.7%
Impairment losses on securities	18.2	-42.1%	<b>15.5</b>	-2.7	-15.0%	28.7	-82.3%
Losses on derivatives	—	-100.0%	—	—	—	6.4	—
Losses on separate accounts	—	-100.0%	<b>86.0</b>	86.0	—	—	-100.0%
Operating and general administrative expenses	276.3	-1.7%	<b>272.3</b>	-3.9	-1.4%	553.7	6.5%
Other ordinary expenses	10.7	-36.8%	<b>7.1</b>	-3.5	-33.2%	21.8	-43.7%
<b>Ordinary profit</b>	104.6	640.6%	<b>148.1</b>	43.5	41.6%	203.4	—
Extraordinary gains	1.0	-86.3%	<b>1.0</b>	0.0	2.9%	5.1	-93.9%
Extraordinary losses	5.5	-24.0%	<b>9.4</b>	3.8	69.2%	27.4	26.4%
<b>Income before income taxes</b>	100.0	594.4%	<b>139.7</b>	39.7	39.7%	181.1	285.9%
<b>Total income taxes</b>	27.5	—	<b>43.9</b>	16.4	59.9%	50.5	103.8%
Income before minority interest	—	—	<b>95.7</b>	—	—	—	—
Minority interest	1.3	—	<b>0.5</b>	-0.7	-58.8%	2.1	—
<b>Net income</b>	71.2	294.6%	<b>95.2</b>	23.9	33.7%	128.4	454.9%

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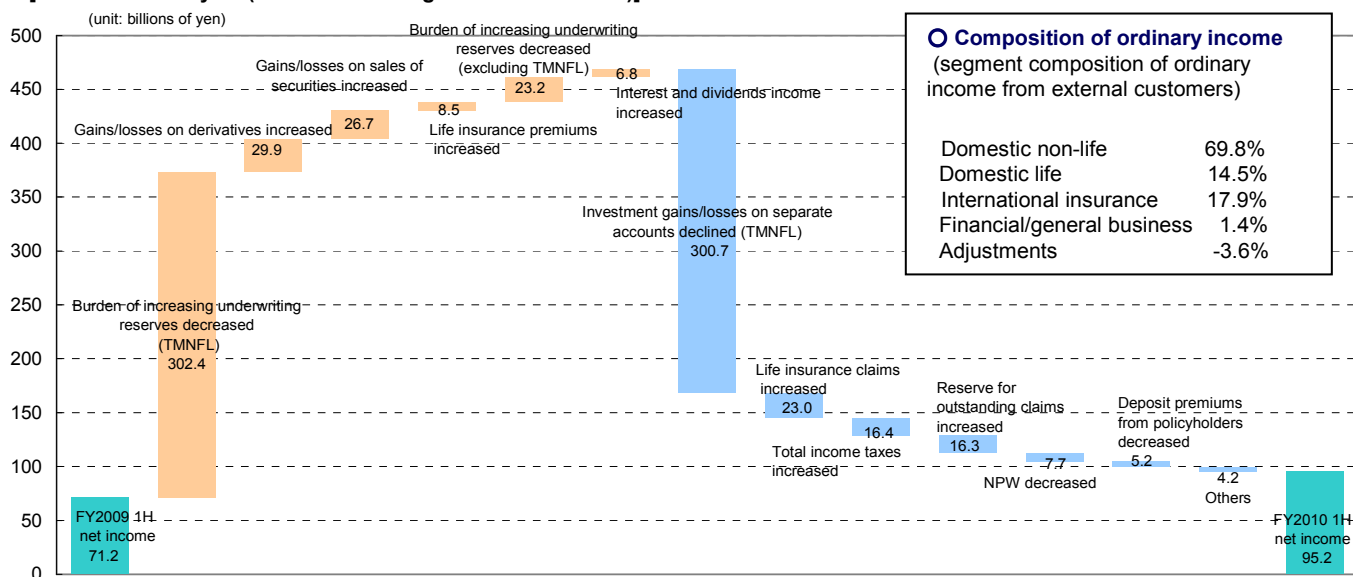
### [Ordinary income]

- Net premiums written decreased by 0.7% YoY to 1,174.9 billion yen mainly due to the significant impact of the appreciation of the yen on overseas insurance subsidiaries, despite revenue growth at TMNF and Nisshin Fire, mainly in auto insurance and CALI.
- Life insurance premiums increased by 3.9% YoY to 227.5 billion yen due to a steady increase in in-force policies at TMN Life and solid new product sales and bancassurance at life insurance companies in Asia, despite a marked decline in revenue at TMNFL.
- Investment income decreased by 43.5% YoY to 184.3 billion yen mainly due to a turnaround from a gain on separate accounts at TMNFL posted in FY2009 to a loss, owing to deterioration in domestic stock markets.

### [Ordinary profit/net income]

- Ordinary profit and net income increased by 43.5 billion yen to 148.1 billion yen and 23.9 billion yen to 95.2 billion yen, respectively. These increases were due to an increase in gains on sales of securities, a decrease in provision for reserves for foreign-currency denominated outstanding claims reflected the stronger yen and an increase in gains on derivative hedge transactions at TMNF, as well as an increase in net investment income at U.K.-based insurance subsidiaries in line with the strong U.S. dollar and weak sterling pound, and an increase in profit at PHLI. Investment losses on separate accounts at TMNFL did not affect the consolidated P/L because TMNFL released the approximately the same amount of underwriting reserve.

### [Net income analysis (Factors for changes from FY2009 1H)]



(unit: billions of yen)

	Ordinary profit (loss)	Net income (loss)	Net income (loss) after consolidated adjustment
<b>Tokio Marine &amp; Nichido</b>	133.6	93.5	69.7
<b>Nisshin Fire</b>	2.6	1.9	0.4
<b>TMN Life</b>	12.6	7.4	7.6
<b>TMNFL</b>	-3.6	-3.7	-3.7
<b>Overseas subsidiaries</b>	38.6	31.0	20.3
<b>Financial and other general businesses</b>	1.7	1.1	1.4

Note: Net income (loss) after consolidated adjustment is the sum of the net income (loss) of each subsidiary plus/less the gains/losses arising from amortization of goodwill, purchase method adjustments, tax effect of undistributed earnings and eliminations among consolidated subsidiaries.

**[Major elimination entries to non-consolidated net income]**

**○ TMNF**

Despite the amortization of negative goodwill, which was initially recorded at the time of the management integration of the former Tokio Marine and former Nichido Fire Insurance (i.e., the foundation of Tokio Marine HD), net income after consolidated adjustments fell below non-consolidated net income due to the elimination of dividends from overseas subsidiaries and a negative effects of net income arising from purchase method adjustments.

**○ Nisshin Fire**

Despite the amortization of negative goodwill, which was initially recorded at the time of the management integration, net income after consolidated adjustment fell below non-consolidated net income due to factors including purchase method adjustments.

**○ Overseas subsidiaries**

Net income after consolidated adjustments fell below aggregate net income before consolidation adjustments mainly due to the amortization of goodwill as a result of the acquisition of the PHLV and Kiln groups.

(unit: billions of yen)

	FY2010 1H	Change from the end of March 2010		FY2010 1H	Change from the end of March 2010
Cash and bank deposits	335.3	-116.8	Insurance liabilities	11,735.1	-9.5
Call loans	175.1	58.6	Corporate bonds	141.9	-36.8
Receivables under resale agreement	194.9	43.9	Payables under security lending transactions	1,386.3	-194.0
Monetary receivables bought	1,235.2	-103.9	Retirement benefit obligations	161.9	1.8
Securities	12,151.0	-466.8	Deferred tax liabilities	46.6	-66.8
Loans	541.4	-6.4	Negative goodwill	126.3	-5.1
Tangible fixed assets	317.9	-6.4	Other	1,134.7	-37.4
Intangible fixed assets	362.9	-17.3	<b>Total liabilities</b>	<b>14,733.1</b>	<b>-347.8</b>
Goodwill	266.3	-8.2	<b>Total shareholders' equity</b>	<b>1,245.0</b>	<b>56.0</b>
Deferred tax assets	123.3	41.3	<b>Total valuation and translation adjustments</b>	<b>767.5</b>	<b>-212.4</b>
Other	1,324.8	70.1	Other	16.4	0.5
<b>Total assets</b>	<b>16,762.2</b>	<b>-503.6</b>	<b>Total net assets</b>	<b>2,029.0</b>	<b>-155.7</b>
			<b>Total liabilities and net assets</b>	<b>16,762.2</b>	<b>-503.6</b>

### [Total assets]

Total assets amounted to 16,762.2 billion yen, a decrease of 503.6 billion yen from March 31, 2010. This was mainly due to a decrease in securities in line with deterioration of stock markets and a decrease in collateral associated with repo transactions at TMNF.

### [Assets]

#### ○ Securities

Despite an increase in securities at TMN Life due to an improvement in the market value of government bonds via a decline in interest rates, securities decreased primarily due to a decline in securities at TMNF and TMNFL owing to a deterioration in stock prices and to a decline in collateral received in repo transactions at TMNF.

### [Liabilities]

#### ○ Payables under security lending transactions

Payables under security lending transactions decreased at TMNF due to a reduction of repo transactions as profitability declined.

### [Net assets]

#### ○ Total of valuation and translation adjustments

“Unrealized gains on securities, net of taxes” decreased owing to the decline in stock prices.



TOKIO MARINE

# TMNF① Profit/Loss Statement

(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY	Change	YoY	(Reference)	YoY	
<b>Ordinary income</b>	1,098.3	-6.8%	<b>1,173.8</b>	75.5	6.9%	2,257.6	-4.6%
<b>Underwriting income</b>	1,028.0	-2.0%	<b>1,038.6</b>	10.6	1.0%	2,113.7	-3.1%
Net premiums written	870.2	-6.3%	<b>874.0</b>	3.7	0.4%	1,736.0	-4.3%
Deposit premiums from policyholders	69.8	-17.5%	<b>64.7</b>	-5.1	-7.4%	130.4	-16.9%
Reversal of outstanding claims	20.3	-	<b>12.6</b>	-7.6	-37.5%	22.7	-15.7%
Reversal of underwriting reserves	34.4	-	<b>56.0</b>	21.5	62.6%	160.6	38.7%
<b>Investment income</b>	66.8	-45.4%	<b>131.6</b>	64.7	96.9%	136.2	-22.5%
Interest and dividends	57.2	-39.1%	<b>83.1</b>	25.8	45.1%	108.4	-31.5%
Transfer of investment income on deposit premiums	-33.0	-9.0%	<b>-31.0</b>	1.9	-	-63.7	-
Gains on sales of securities	23.7	-62.9%	<b>50.0</b>	26.3	111.1%	72.2	0.8%
Gains on derivatives	13.8	-	<b>21.3</b>	7.5	54.6%	11.4	-11.4%
Other ordinary income	3.4	-43.0%	<b>3.5</b>	0.1	4.0%	7.6	-21.0%
<b>Ordinary expenses</b>	1,017.0	-12.3%	<b>1,040.1</b>	23.1	2.3%	2,110.2	-8.1%
<b>Underwriting expenses</b>	835.7	-8.1%	<b>856.0</b>	20.2	2.4%	1,746.2	-2.7%
Net claims paid	534.7	-4.1%	<b>541.4</b>	6.7	1.3%	1,096.4	-4.2%
Loss adjustment expenses	39.9	-4.6%	<b>41.8</b>	1.9	4.9%	82.0	4.9%
Agency commissions and brokerage	154.1	-3.3%	<b>152.4</b>	-1.6	-1.1%	304.4	-3.0%
Maturity refunds to policyholders	103.9	-4.9%	<b>117.1</b>	13.2	12.8%	259.5	2.4%
<b>Investment expenses</b>	22.2	-57.6%	<b>19.8</b>	-2.3	-10.6%	35.8	-75.4%
Losses on sales of securities	3.1	-41.6%	<b>2.5</b>	-0.6	-19.4%	4.3	-83.4%
Impairment losses on securities	14.2	-12.5%	<b>11.2</b>	-3.0	-21.2%	24.8	-62.4%
Other investment expenses	2.4	-84.2%	<b>1.5</b>	-0.9	-38.5%	1.2	-96.5%
Operating and general administrative expenses	153.6	-17.9%	<b>161.5</b>	7.9	5.2%	316.1	-7.8%
Other ordinary expenses	5.4	-48.3%	<b>2.7</b>	-2.7	-50.4%	12.0	-18.4%
<b>Ordinary profit</b>	81.2	333.4%	<b>133.6</b>	52.4	64.5%	147.4	111.7%
Extraordinary gains	1.1	-78.2%	<b>0.2</b>	-0.9	-81.9%	3.8	-94.3%
Extraordinary losses	3.6	83.9%	<b>8.3</b>	4.7	129.0%	17.8	88.7%
<b>Income before income taxes</b>	78.7	260.0%	<b>125.4</b>	46.7	59.4%	133.3	5.2%
<b>Total income taxes</b>	22.3	1686.4%	<b>31.9</b>	9.6	43.3%	38.9	-30.1%
<b>Net income</b>	56.3	173.6%	<b>93.5</b>	37.1	65.8%	94.4	32.8%

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(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY	Change	YoY	(Reference)	YoY	
<b>Underwriting profit</b>	53.3	-	<b>35.4</b>	-17.9	-33.6%	81.7	10.8%
<b>Loss ratio</b>	66.0%	-	<b>66.7%</b>	0.7%	-	67.9%	-
<b>Expense ratio</b>	33.8%	-	<b>34.2%</b>	0.5%	-	34.0%	-
<b>Combined ratio</b>	99.8%	-	<b>101.0%</b>	1.2%	-	101.9%	-
<b>Investment income (net)</b>	44.6	-36.2%	<b>111.7</b>	67.1	150.3%	100.4	235.9%
<b>Solvency margin ratio</b>	832.1%	-	<b>829.4%</b>	-2.7%	-	852.6%	-

## [Underwriting profit]

- Net premiums written increased by 0.4% YoY to 874.0 billion yen mainly due to an increase in CALI because of higher new car sales owing to the effect of eco-friendly car tax relief and incentives, an increase in marine insurance owing to a recovery in trade and shipping, and an increase in auto insurance owing to the rate revision.
- Underwriting profit decreased by 17.9 billion yen to 35.4 billion yen due to an increase in incurred losses in auto and fire insurance and an increase in corporate expenses such as those related to the Business Renovation Project (See page 8 in the Main Section for details of loss ratio, expense ratio and combined ratio).

## [Investment income (net)]

- Net investment income increased by 67.1 billion yen to 111.7 billion yen due to an increase in interest and dividends owing to higher dividends at overseas subsidiaries, an increase in gains on sales of securities, and an increase in gains on derivatives in foreign currencies due to the appreciation of the yen.

## [Extraordinary gains/losses]

- Extraordinary gains/losses decreased by 5.6 billion yen to 8.1 billion yen mainly due to the recording of expenses from prior fiscal years as a result of the introduction of asset retirement obligations, and an increase in impairment losses.

## [Net income]

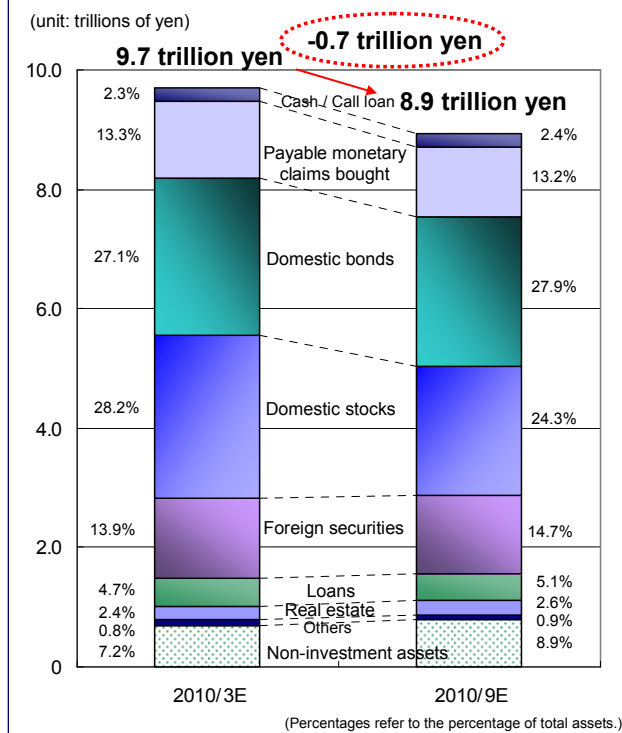
- Ordinary profit increased by 52.4 billion yen to 133.6 billion yen, as the increase in net investment income exceeded the decrease in underwriting profit.
- Net income increased by 37.1 billion yen to 93.5 billion yen mainly due to the increase in extraordinary losses.

## [Solvency margin ratio]

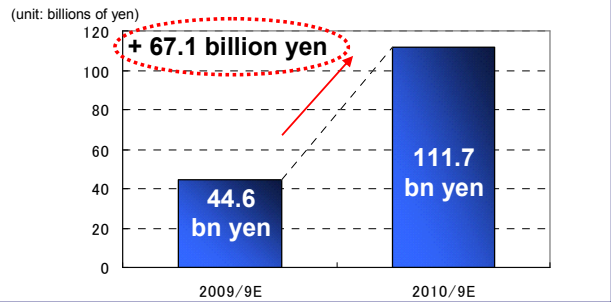
The solvency margin ratio decreased by 2.7 points to 829.4% mainly due to the decline in stock prices.  
(Decrease of 23.2 points from 852.6% at the end of FY2009)



## Composition of assets under management



## Net investment income



## Details of net investment income

(unit: billions of yen)

	FY2009 1H	FY2010 1H	Change
Interest and dividend income	57.2	83.1	+25.8
(Domestic stock dividends)	(24.4)	(25.2)	(+0.8)
(-) Transfer of investment income on deposit premiums	-33.0	-31.0	+1.9
(=) Net interest and dividend income	24.2	52.0	+27.8
Net capital gains	20.4	59.7	+39.3
Gains/losses on sales of securities	20.5	47.5	+26.9
Impairment losses on securities	-14.2	-11.2	+3.0
(Impairment losses on domestic stocks)	(-11.2)	(-9.5)	(+1.7)
Gains/losses on derivatives	13.8	21.3	+7.5
(Forward exchange contracts and foreign currency swaps)	(7.8)	(16.9)	(+9.1)
Other	0.3	2.0	+1.7
<b>Net investment income</b>	<b>44.6</b>	<b>111.7</b>	<b>+67.1</b>

### [Performance in 1H FY2010]

- The balance of total assets was 8,937.9 billion yen (down 770.0 billion yen from the end of FY2009).
  - This was mainly due to a decrease in unrealized gains on domestic stocks in accordance with a decline in stock prices, and a decrease in outstanding balance of payable monetary claims bought (commercial paper, etc.) and domestic bonds (treasury bills) primarily resulting from a decrease in security borrowing transactions with cash collateral (repo transaction).
  
- Net investment income was 111.7 billion yen (up 67.1 billion yen)
  - Net interest and dividend income was 52.0 billion yen (up 27.8 billion yen)
    - This was mainly due to an increase in foreign stock dividends from overseas subsidiaries and the reversal effect of losses on the cancellation of hedge funds and others recorded in 1H FY2009.
  
  - Net capital gains amounted to 59.7 billion yen (up 39.3 billion yen)
    - Gains/losses on sales of securities were up 26.9 billion yen primarily due to an increase in gains on sale of domestic stocks through accelerated sale of business-related equities.
    - Impairment losses on securities improved by 3.0 billion yen due to the reversal effect of impairment losses recorded in 1H FY2009.
    - Gains/losses on derivatives increased by 7.5 billion yen primarily due to the recording of evaluation gains in forward exchange contracts and foreign currency swaps in line with the appreciation of the yen.



TOKIO MARINE

# Nisshin Fire Profit/Loss Statement

(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY		Change	YoY	(References)	YoY
<b>Ordinary income</b>	81.6	1.6%	<b>82.0</b>	0.4	0.5%	167.1	0.6%
Underwriting income	76.7	-1.1%	<b>77.8</b>	1.0	1.3%	156.0	-1.7%
Net premiums written	66.3	-5.1%	<b>67.5</b>	1.2	1.8%	131.8	-3.0%
Deposit premiums from policyholders	3.9	-26.5%	<b>3.9</b>	-0.0	-1.8%	7.9	-14.2%
Reversal of outstanding claims	0.5	-	<b>-</b>	-0.5	-100.0%	-	-100.0%
Reversal of underwriting reserves	4.4	398.9%	<b>5.0</b>	0.6	15.2%	13.4	40.8%
Investment income	4.7	79.0%	<b>3.8</b>	-0.9	-19.2%	10.9	51.3%
Interest and dividends	2.9	-4.8%	<b>2.7</b>	-0.1	-4.6%	5.7	-3.9%
Transfer of investment income on deposit premiums	-1.4	-	<b>-1.2</b>	0.1	-	-2.7	-
Gains on sales of securities	3.1	228.2%	<b>1.9</b>	-1.1	-37.4%	6.7	115.6%
Gains on derivatives	0.0	-	<b>0.3</b>	0.3	7404.4%	0.1	-85.1%
Other ordinary income	0.0	27.2%	<b>0.3</b>	0.2	411.7%	0.1	8.0%
<b>Ordinary expenses</b>	76.8	-6.8%	<b>79.3</b>	2.5	3.3%	160.6	-11.8%
Underwriting expenses	61.5	-2.8%	<b>65.6</b>	4.1	6.7%	130.4	2.1%
Net claims paid	36.8	-5.3%	<b>40.2</b>	3.4	9.4%	77.9	0.0%
Loss adjustment expenses	3.6	-1.9%	<b>3.5</b>	-0.0	-1.6%	7.2	0.4%
Agency commissions and brokerage	12.3	-1.2%	<b>12.3</b>	0.0	0.3%	24.4	-0.6%
Maturity refunds to policyholders	8.6	9.4%	<b>8.6</b>	-0.0	-0.1%	19.1	8.3%
Provision for outstanding claims	-	-100.0%	<b>0.7</b>	0.7	-	1.5	-
Investment expenses	0.9	-77.0%	<b>0.6</b>	-0.3	-34.1%	2.0	-91.3%
Losses on sales of securities	0.1	-67.0%	<b>0.0</b>	-0.0	-51.7%	0.4	-74.2%
Impairment losses on securities	0.6	-81.0%	<b>0.4</b>	-0.1	-32.2%	1.0	-91.7%
Other investment expenses	0.0	22.6%	<b>0.0</b>	-0.0	-1.1%	0.0	15.2%
Operating and general administrative expenses	13.8	-2.7%	<b>13.0</b>	-0.8	-6.0%	27.8	-1.2%
Other ordinary expenses	0.4	-35.0%	<b>0.0</b>	-0.4	-91.1%	0.2	-87.6%
<b>Ordinary profit</b>	4.7	-	<b>2.6</b>	-2.1	-44.8%	6.4	-
Extraordinary gains	0.0	-100.0%	<b>0.1</b>	0.1	22398.3%	1.3	-67.1%
Extraordinary losses	0.1	146.1%	<b>0.1</b>	0.0	27.9%	0.3	180.3%
Income before income taxes	4.6	624.1%	<b>2.5</b>	-2.0	-45.0%	7.4	-
Total income taxes	1.6	862.5%	<b>0.6</b>	-1.0	-62.0%	3.1	-
<b>Net income</b>	2.9	535.8%	<b>1.9</b>	-1.0	-35.5%	4.2	-

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(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY		Change	YoY	(References)	YoY
<b>Underwriting profit (losses)</b>	1.4	381.1%	<b>-0.5</b>	-2.0	-138.3%	-1.9	-160.2%
<b>Loss ratio</b>	60.9%		<b>64.9%</b>	4.0%		64.6%	
<b>Expense ratio</b>	39.1%		<b>37.2%</b>	-1.9%		39.2%	
<b>Combined ratio</b>	100.0%		<b>102.1%</b>	2.1%		103.8%	
<b>Investment income (net)</b>	3.8	-	<b>3.2</b>	-0.5	-15.5%	8.8	-
<b>Solvency margin ratio</b>	779.6%		<b>770.7%</b>	-8.9%		747.7%	

### [Underwriting profit (losses)]

- Net premiums written increased by 1.8% YoY to 67.5 billion yen primarily in auto and fire insurance, supported by favorable performance in the retail segment.
- Underwriting loss was 0.5 billion yen, 2.0 billion yen worse than last year, due to an increase in incurred losses, which are the sum of net claims paid and provision for outstanding claims reserves. This was primarily caused by a higher number of auto accidents.

### [Investment income (net)]

- Net investment income decreased 0.5 billion yen to 3.2 billion yen, primarily due to the decline in interest and dividend income and gains on sales of securities, although impairment losses on securities declined.

### [Net income]

- Ordinary profit was 2.6 billion yen, down 2.1 billion yen, and net income was 1.9 billion yen, down 1.0 billion yen, due to the effects of the fall in underwriting profit.

### [Loss ratio]

- Up 4.0 points to 64.9%, owing to the increase in claims paid mainly in auto and fire insurance, although net premiums written increased

### [Expense ratio]

- Improved by 1.9 points to 37.2%, owing to the effects of the reduction of personnel expenses associated with the achievement of higher operating efficiency in addition to the increase in net premiums written

### [Solvency margin ratio]

- Up 23.0 points from the end of FY2009 to 770.7%, owing to the increase in unrealized gains in public and corporate bonds in response to the fall in interest rates



TOKIO MARINE

# TMN Life Profit/Loss Statement

(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY		Change	YoY	(References)	YoY
<b>Ordinary income</b>	241.0	3.8%	<b>256.6</b>	15.5	6.4%	523.1	4.6%
<b>Insurance premiums and other</b>	208.9	7.5%	<b>222.5</b>	13.5	6.5%	457.2	4.5%
Insurance premiums	207.8	7.4%	<b>220.5</b>	12.7	6.1%	454.2	7.4%
<b>Investment income</b>	31.0	-15.8%	<b>32.1</b>	1.0	3.5%	61.8	4.9%
Interest and dividends	28.8	13.8%	<b>30.7</b>	1.8	6.5%	58.3	12.6%
Other ordinary income	1.0	1.3%	<b>1.9</b>	0.8	81.8%	3.9	19.7%
<b>Ordinary expense</b>	227.8	1.7%	<b>240.9</b>	13.0	5.7%	516.2	4.4%
<b>Insurance claims and other</b>	87.8	9.7%	<b>106.6</b>	18.7	21.4%	193.5	8.5%
Insurance claims	17.8	9.0%	<b>18.2</b>	0.4	2.4%	37.6	8.3%
Benefits	10.3	11.2%	<b>31.0</b>	20.7	200.5%	28.5	39.7%
Surrender benefits	56.5	14.2%	<b>52.2</b>	-4.3	-7.6%	114.7	5.4%
<b>Provision for underwriting reserves and other</b>	77.0	-23.6%	<b>66.2</b>	-10.8	-14.1%	220.8	-0.4%
Provision for underwriting reserves	77.0	-23.6%	<b>66.2</b>	-10.8	-14.1%	219.6	-0.7%
<b>Investment expenses</b>	20.5	1106.7%	<b>23.0</b>	2.5	12.4%	13.4	85.5%
Foreign exchange losses	19.5	-	<b>22.1</b>	2.5	13.1%	11.5	196.8%
<b>Operating expenses</b>	40.5	1.9%	<b>42.2</b>	1.6	4.0%	83.6	0.6%
Other ordinary expenses	1.7	16.0%	<b>2.7</b>	0.9	56.2%	4.6	19.6%
<b>Ordinary profit</b>	13.2	60.6%	<b>15.7</b>	2.4	18.5%	6.8	24.1%
<b>Extraordinary losses</b>	0.2	9.5%	<b>0.5</b>	0.3	124.8%	0.8	29.0%
<b>Provision on reserve for dividends to policyholders</b>	3.4	90.0%	<b>3.1</b>	-0.3	-9.1%	5.4	21.3%
<b>Income before income taxes</b>	9.5	53.9%	<b>12.0</b>	2.4	25.7%	0.6	47.8%
<b>Total income taxes</b>	3.6	47.3%	<b>4.5</b>	0.9	25.6%	0.6	47.8%
<b>Net income</b>	5.9	58.2%	<b>7.4</b>	1.5	25.7%	0.0	26.6%
<b>Core operating profit</b>	12.1	101.0%	<b>15.2</b>	3.1	25.4%	5.1	877.1%
<b>Solvency margin ratio</b>	2618.0%		<b>2989.2%</b>			2584.3%	

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## [Premium income]

○ Increased by 6.5% YoY (up 13.5 billion yen) to 222.5 billion yen, in line with the growth of in-force policies

## [Net income and core operating profit]

○ Net income increased to 7.4 billion yen, up 1.5 billion yen, and core operating profit increased to 15.2 billion yen, up 3.1 billion yen due to the efforts to restrain non-personnel expenses in addition to the favorable sales of new policies and the expansion of in-force policies

## [Solvency margin ratio]

○ Recorded a superior level of 2989.2%, up 404.9 points from the end of FY2009, demonstrating healthy soundness

## [Sales performance]

(unit: billions of yen, except for number of policies and %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)			
		YoY		Change	YoY	(References)	YoY		
<b>New policies</b>	Number of policies (in thousands)	Individual insurance	206	17.1%	<b>227</b>	20	10.1%	448	12.7%
		Medical/cancer	91	12.5%	<b>102</b>	11	12.3%	201	10.0%
		Individual annuity	6	5.1%	<b>6</b>	0	6.1%	14	9.4%
		Total	212	16.7%	<b>234</b>	21	10.0%	462	12.6%
	Sum insured	Individual insurance	1,307.6	20.4%	<b>1,365.7</b>	58.1	4.4%	2,773.1	16.1%
		Individual annuity	28.7	-0.1%	<b>32.0</b>	3.2	11.1%	64.6	4.3%
		Total	1,336.3	19.9%	<b>1,397.7</b>	61.3	4.6%	2,837.7	15.8%
	Annualized premiums	Individual insurance	20.8	12.5%	<b>21.9</b>	1.1	5.5%	46.0	16.2%
		Medical/cancer	4.2	11.4%	<b>4.9</b>	0.7	18.9%	9.5	12.4%
		Individual annuity	1.6	-4.1%	<b>1.6</b>	0.0	3.2%	3.6	2.2%
Total		22.4	11.1%	<b>23.6</b>	1.1	5.3%	49.6	15.0%	
<b>In-force policies</b>	Number of policies (in thousands)	Individual insurance	2,574	12.0%	<b>2,883</b>	308	12.0%	2,738	11.9%
		Medical/cancer	1,107	13.1%	<b>1,244</b>	137	12.4%	1,181	12.5%
		Individual annuity	253	1.9%	<b>251</b>	-2	-0.9%	255	1.5%
	Total	2,828	11.0%	<b>3,134</b>	306	10.8%	2,993	11.0%	
	Sum insured	Individual insurance	15,539.3	9.0%	<b>16,995.8</b>	1,456.4	9.4%	16,341.1	9.6%
		Individual annuity	1,010.8	2.0%	<b>1,011.8</b>	1.0	0.1%	1,023.0	1.8%
		Total	16,550.1	8.5%	<b>18,007.6</b>	1,457.4	8.8%	17,364.1	9.1%
	Annualized premiums	Individual insurance	294.8	5.4%	<b>316.0</b>	21.1	7.2%	306.1	6.6%
		Medical/cancer	51.8	12.2%	<b>58.4</b>	6.5	12.7%	55.4	12.2%
		Individual annuity	76.4	0.9%	<b>73.4</b>	-3.0	-3.9%	76.3	0.2%
Total		371.3	4.5%	<b>389.5</b>	18.1	4.9%	382.5	5.2%	

## [New policies] (\*Total of individual insurance and individual annuity)

○ Number of new policies (up 10.0% YoY), sum insured (up 4.6% YoY) and annualized premiums (up 5.3% YoY) increased, due to the growth in sales of "household term-life" and "medical-mini"

## [In-force policies] (\*Total of individual insurance and individual annuity)

○ Number of policies (up 10.8% YoY), sum insured (up 8.8% YoY) and annualized premiums (up 4.9% YoY) increased in line with the growth of new policies.



TOKIO MARINE

# TMN Financial Life Profit/Loss Statement

(unit: billions of yen, except for %)

	FY2009 1H		FY2010 1H			FY2009 (full fiscal year)	
		YoY		Change	YoY	(References)	YoY
<b>Ordinary income</b>	303.2	-9.2%	161.9	-141.2	-46.6%	483.7	-14.8%
<b>Insurance premiums and other</b>	87.3	-73.6%	103.4	16.0	18.4%	182.3	-59.7%
Insurance premiums	86.0	-73.9%	102.2	16.1	18.8%	179.8	-60.1%
<b>Investment income</b>	214.9	14461.3%	2.1	-212.7	-99.0%	299.2	4175.2%
Gains on separate account	214.7	-	-	-214.7	-100.0%	298.8	-
Other ordinary income	0.9	-47.4%	56.3	55.4	5645.4%	2.1	-98.0%
Reversal of underwriting reserves	-	-	55.1	55.1	-	-	-100.0%
<b>Ordinary expenses</b>	302.6	-5.4%	165.6	-136.9	-45.3%	485.0	-13.0%
<b>Insurance claims and other</b>	44.3	0.7%	72.0	27.7	62.6%	107.1	28.3%
Insurance claims	8.3	7.7%	8.8	0.5	6.3%	16.8	12.7%
Surrender benefits	14.8	-25.6%	32.0	17.2	115.7%	45.1	35.6%
Reinsurance premiums	20.6	35.0%	22.4	1.8	9.0%	42.3	26.5%
Provision for underwriting reserves and other	247.2	111.5%	-	-247.2	-100.0%	358.1	-
Provision for underwriting reserves	247.2	111.5%	-	-247.2	-100.0%	357.3	-
Investment expenses	2.3	-98.3%	86.0	83.7	3557.4%	3.3	-99.2%
Losses on separate account	-	-100.0%	86.0	86.0	-	-	-100.0%
Operating expenses	8.0	-58.7%	6.8	-1.2	-15.2%	15.1	-50.0%
Other ordinary expenses	0.6	-67.1%	0.6	-0.0	-0.4%	1.3	-56.1%
<b>Ordinary profit (loss)</b>	0.6	-95.4%	-3.6	-4.3	-661.1%	-1.3	-112.9%
<b>Extraordinary gains</b>	0.0	-	0.0	0.0	49.7%	0.0	-92.8%
<b>Extraordinary losses</b>	0.0	263.1%	0.0	0.0	28.9%	0.0	143.2%
<b>Income before income taxes</b>	0.6	-95.7%	-3.7	-4.3	-715.0%	-1.3	-113.4%
<b>Total income taxes</b>	0.0	16.4%	0.0	-0.0	-26.3%	0.0	3.8%
<b>Net income (loss)</b>	0.5	-95.8%	-3.7	-4.3	-721.6%	-1.3	-113.5%
<b>Core operating profit</b>	3.4	-62.7%	-6.0	-9.5	-273.9%	2.5	-
<b>Solvency margin ratio</b>	1280.8%		1069.5%			1275.3%	

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## [Sales performance]

(unit: billions of yen, except for number of policies and %)

	FY2009 1H		FY2010 1H				
		YoY		Change	YoY		
<b>New policies</b>	Number of policies (in thousands)	Individual insurance	-	-100.0%	-	-	
		Individual annuity	17	-72.7%	20	2	16.7%
		Total	17	-72.7%	20	2	16.7%
	Sum insured	Individual insurance	-	-100.0%	-	-	-
		Individual annuity	82.7	-74.6%	99.3	16.5	20.0%
	Annualized premiums	Individual insurance	-	-100.0%	-	-	-
Individual annuity		8.2	-74.6%	9.9	1.6	20.1%	
Total		8.2	-74.6%	9.9	1.6	20.1%	
<b>In-force policies</b>	Number of policies (in thousands)	Individual insurance	38	-3.9%	37	-1	-3.7%
		Individual annuity	453	9.0%	480	27	6.1%
		Total	491	7.9%	518	26	5.3%
	Sum insured	Individual insurance	303.4	-4.4%	290.0	-13.3	-4.4%
		Individual annuity	2,422.6	6.1%	2,514.5	91.9	3.8%
	Annualized premiums	Individual insurance	4.2	-7.5%	3.9	-0.2	-5.4%
		Individual annuity	254.1	6.4%	263.9	9.8	3.9%
		Total	258.3	6.2%	267.9	9.5	3.7%

## [Premium income]

○ Premium income was 16.1 billion yen, up 102.2 billion yen.

This modest growth was a result of the reversal effects of the decline in new policies in 1H of FY2009 caused by a reduction of sales costs, while maintaining a risk-restrictive sales stance based on the premise of minimum-guarantee risk control.

## [Net income]

○ Net income decreased by 4.3 billion yen to -3.7 billion yen.

This was primarily because (i) minimum-guarantee reserves for policies containing a minimum-guarantee risk increased, due to the deteriorated investment environment in the 1H of FY2010 compared with the end of FY2009, and (ii) the sales costs associated with the current flagship products with no upfront expenses pushed down the profitability at the early stage, unlike the ones in past traditional products.

## [Solvency margin ratio]

○ The solvency margin ratio decreased by 205.8 points from the end of FY2009 to 1069.5%.

This was due to a decline in the total solvency margin amount by 0.6 billion yen after the interim net loss of 3.7 billion yen, and due to an increase of 2.4 billion yen in the total risk-amount caused by an increase in investment and minimum-guarantee risks.

**Philadelphia**

**Kiln**

(unit: USD in millions, except for %)

(unit: GBP in millions, except for %)

	Philadelphia				Kiln			
	1H FY2009 Results	FY2009 Results	1H FY2010 Results	Change YoY	1H FY2009 Results	FY2009 Results	1H FY2010 Results	Change YoY
Net premiums written	898	1,877	<b>949</b>	6%	319	519	<b>332</b>	4%
Net premiums earned	878	1,797	<b>947</b>	8%	217	484	<b>226</b>	4%
Incurred losses	523	1,010	<b>565</b>	8%	124	231	<b>126</b>	2%
Commission / Company expense	266	532	<b>279</b>	5%	63	145	<b>80</b>	27%
Underwriting profit	88	251	<b>101</b>	15%	30	108	<b>21</b>	-32%
Investment income (net)	72	210	<b>91</b>	26%	4	14	<b>11</b>	175%
Net income	135	347	<b>143</b>	6%	- 0	72	<b>35</b>	-
Adjusted earnings	118	309	<b>142</b>	21%	-1	72	<b>35</b>	-
Loss ratio (*1)(*2)	59.6%	56.2%	<b>59.6%</b>	0.0p	57.1%	47.7%	<b>55.6%</b>	-1.5p
Expense ratio (*1)(*2)	30.3%	29.6%	<b>29.5%</b>	-0.8p	28.8%	30.0%	<b>35.2%</b>	6.3p
Combined ratio (*1)	89.8%	85.8%	<b>89.1%</b>	-0.7p	85.9%	77.6%	<b>90.8%</b>	4.9p

(\*1) One-time merger-related expenses are excluded.

(\*2) Denominator is net premiums earned.

**【Philadelphia】**

○ Net premiums written

• Amid a 0.2% decrease in the U.S. P&C market, net premiums written increased by 6% in USD terms.

○ Adjusted earnings

• Increased by 21% with a combined ratio of 89.1%, compared with a market average of 101.9%, due to a continued focus on profitability.

**【Kiln】**

○ Net premiums written

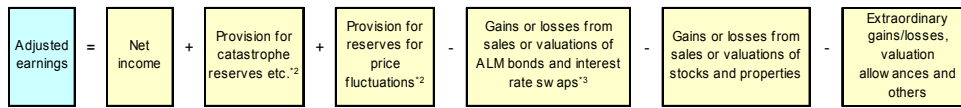
• Increased by 4% despite soft market conditions, mainly due to business expansion of our 100% owned Lloyd's Syndicate.

○ Adjusted earnings

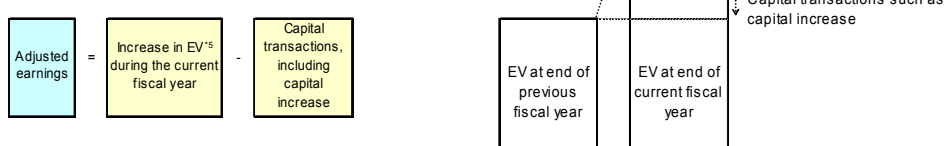
• Increased by GBP 36million (4.7 billion yen), supported by a favorable combined ratio, despite natural catastrophes such as the Chilean earthquake. Increases are primarily attributable to business expansion of our 100% owned Lloyd's syndicate, increased investment income and positive FX effects.

## 1. Adjusted earnings\*1

(1) Property and casualty insurance business



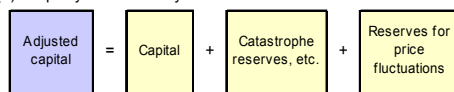
(2) Life insurance business\*4



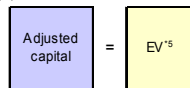
(3) Other businesses ... Net income determined following financial accounting principles

## 2. Adjusted capital\*1 (average balance basis)

(1) Property and casualty insurance business

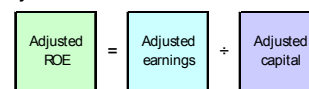


(2) Life insurance business\*4



(3) Other businesses ... Net assets determined following financial accounting principles

## 3. Adjusted ROE



\*1 Each adjustment is after-tax basis

\*2 Reversal are subtracted

\*3 ALM: Asset Liability management

Excluded as counter balance items against market value fluctuations of liabilities

\*4 Calculations are based on net income basis for life insurance companies in certain regions.

\*5 EV: Embedded Value

An index in which the net asset value and the net present value of profits generated from the existing policies are combined

### [Reference: Definition of adjusted earnings and adjusted ROE]

- The Tokio Marine Group uses "adjusted earnings", as defined below, as an indicator for business planning and return to shareholders.
- Adjusted earnings clarify profit/loss attributable to the current reporting period, eliminating the effects of various reserves exclusive to the Japanese non-life insurer as well as deducting gains/losses which are not necessarily attributable to the current period only; (for example, gains/losses on sale or valuation of assets).
- For the accounting earnings recognized on a deferred basis, such as those seen in life business, we use embedded value (EV) instead of accounting profit during the period in order to recognize the achievements of investments and other operations.
- Adjusting for the unique characteristics of Japanese insurance accounting enables Tokio Marine to recognize profits that are much closer to the those under IAS or US GAAP, and to more easily compare the Group's performance among other international insurers.

### [Introduction to EV (Embedded Value)]

EV is a valuation and performance evaluation method used by life insurers. It is computed as the sum of net asset value and the value of in-force policies.

#### Net asset value:

The sum of net assets (under the Shareholders' Equity Section of the balance sheet) and a portion of contingency and price fluctuations reserves (all after tax basis), that are reasonably considered to be appropriate as part of net assets.

#### Value of in-force policies:

The present value of stockholders' return available for dividends calculated at a discount rate reflecting risk premiums (risk discount rate). Stockholders' return for dividends is calculated based on the future stream of net income (after taxes) generated by in-force policies, less a certain amount of retained earnings to maintain a required solvency margin ratio.

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