



TOKIO MARINE

# Tokio Marine Holdings, Inc.

Annual Report

# 2008



Kunio Ishihara Chairman

Shuzo Sumi President

With customer trust at the base of all of its activities, Tokio Marine Holdings seeks to ensure the appropriate disclosure of company information by demonstrating business operations with high level of fairness and transparency while pursuing the drastic business renovation of the entire Tokio Marine Group.

“Tokio Marine Holdings Annual Report 2008” describes the current management status of the Group including the business results for the year ended March 31, 2008. We hope this report will help you understand Tokio Marine Holdings and its group companies.



**TOKIO MARINE**

#### Corporate Symbol

The dynamic helicoid-shaped figure represents innovation and creativity to anticipate the future, while gently embracing and supporting our customers and the earth.

This logo expresses our wish to prosper and grow on a global scale together with our customers.

To the logo, we applied a gold color, which symbolizes the preciousness of humankind and the earth.

We also applied blue to the helicoid-shaped figure, the color conveying such meanings as intelligence, cleverness, affinity, and the future.

# Tokio Marine Holdings Annual Report

# 2008

## Contents

### INTRODUCTION

---

Message from the President	2
Topics	4

### MANAGEMENT

---

Profile of the Tokio Marine Group	8
Business Strategy	12
Results Summary	14
Business Report for the Fiscal Year Ended March 31, 2008	16
Basic Policies for Internal Controls	19
Corporate Governance	21
Compliance	23
Risk Management	28
Internal Audits	30
Corporate Social Responsibility Policy	31
Information Management	32
Disclosure and Investor Relations	34

### PERFORMANCE

---

Change in Key Business Indicators (Consolidated basis)	38
Financial Information	39
Information	92

### CORPORATE DATA

---

Corporate Data	105
Facilities	
History of the Tokio Marine Group	

## Message from the President



Shuzo Sumi  
President

The Tokio Marine Group seeks to meet our corporate social responsibilities by, as set forth in the “Tokio Marine Group Corporate Philosophy,” emphasizing “customer trust at the base of all activities” and through strict compliance to this in all aspects of our businesses.

### **Commitment to Regaining Customer Trust**

Our domestic insurance business is a core business of the Tokio Marine Group. Tokio Marine & Nichido and Nisshin Fire, two of our domestic insurance businesses, received administrative orders in connection with various improper nonpayment of insurance claims. Based on our business improvement plans submitted in April of last year to the Financial Services Agency of Japan in response to such orders, the Tokio Marine Group is committed to improving and supporting the management of claim payments and to confirming, and revising when necessary, the details of insurance policies so as to ensure proper business operations. Tokio Marine & Nichido Life and Tokio Marine & Nichido Financial Life, two other domestic insurance businesses of the Tokio Marine Group, have made efforts to

prevent payment omissions by improving their internal systems, including their claim payment system.

The Tokio Marine Group would like to offer our sincerest apologies to our customers and any related parties that were affected by these incidents in our domestic insurance business. In accordance with our commitment to preventing a recurrence of such incidents and to regaining customer trust, Tokio Marine Holdings will manage all subsidiaries more attentively, by fully monitoring all subsidiaries and by assessing the improvement progress of all subsidiaries in a timely manner.

### **Aiming to Achieve a Level of Quality of Product and Service that will be Selected by Customers**

Business environments keep changing. Customers are increasingly inclined to select their favorite companies based on the quality of a company’s product and service. The Tokio Marine Group intends to achieve, in all its businesses, a quality of product and service that meets customers’ expectations. All Tokio Marine Group companies are making efforts to offer a level of quality that will fully satisfy our customers.

## Tokio Marine Group Corporate Philosophy

The Tokio Marine Group is committed to the continuous enhancement of corporate value, with customer trust at the base of all of its activities.

- By providing customers with the highest quality products and services, we will spread safety and security to all around us.
- For fulfilling our responsibility to shareholders, we will pursue global development of sound, growing and profitable businesses.
- For promoting the creativity of each and every employee, we will foster a corporate culture which encourages free and open communications.
- While demonstrating responsible management as a good corporate citizen, we will make a positive contribution to society.

With respect to our domestic and overseas insurance businesses, financial businesses and other general businesses related to safety and security, each Tokio Marine Group company intends to achieve a level of quality of product and service that customers would expect from international top-tier company and the Tokio Marine Group intends to be a corporate group that is selected because of such quality.

With a focus on being a corporate group that is valued in society, the Tokio Marine Group aims to enhance growth potential and profitability through continuous efforts to win appreciation and support from our customers.

### Off to a Fresh Start

Effective as of July 1, 2008, we have changed our name from Millea Holdings, Inc. to Tokio Marine Holdings, Inc. Under the widely recognized "Tokio Marine" brand, we will strive to further advance the growth strategies of the entire group on a worldwide basis and are committed to continually enhancing our corporate value.

July 2008



Shuzo Sumi President

## Topics

### Tokio Marine Holdings

#### Change in Company Name to Tokio Marine Holdings, Inc.

Millea Holdings, Inc. changed its name to Tokio Marine Holdings, Inc. on July 1, 2008. We aim to enhance our corporate value and pursue the Group growth strategies under the Tokio Marine brand name, which has long enjoyed world-wide recognition.



## Tokio Marine Holdings

#### Nihon Kousei Kyousaikai, Co., Ltd. Became a Subsidiary of Millea Holdings and Changed Its Name

On January 21, 2008, Millea Holdings invested in Nihon Kousei Kyousaikai, an insurer specializing in fire insurance for rental housing, making it a subsidiary and changing its name to Millea Nihon Kosei SS Insurance Co., Ltd.

We are pushing forward with initiatives to ensure sound business management in the field of fire insurance for rental housing.



#### Tokio Marine & Nichido Risk Consulting Co., Ltd. Made into a Subsidiary, Launch of Environmental Activity Support Services

Millea Holdings made Tokio Marine & Nichido Risk Consulting Co., Ltd., a Tokio Marine Nichido Group company, into a subsidiary on October 19, 2007. Previously, Tokio Marine & Nichido Risk Consulting was subject to restrictions on business activities due to limitations on business scope under the Insurance Business Law; however, as a subsidiary of Millea Holdings, it is now able to engage in a broader range of business activities.

Tokio Marine & Nichido Risk Consulting has extensive experience in researching laws and regulations concerning the environment in Japan and abroad. Drawing on this experience, on November 16, 2007, it launched consulting and support services for corporate environmental activities covering a broad range of services to help companies execute their environmental initiatives.

#### Start of Quarterly Reporting

Pursuant to the newly enacted Financial Instruments and Exchange Law, companies are required to report quarterly results and publish quarterly reports from fiscal 2008 onwards. Prior to this enactment, Millea Holdings had started to publish the summary of quarterly results from fiscal 2006 in accordance with the Tokyo Stock Exchange requirement for listed companies. As the implementation of systems designed for quarterly financial reporting completes, Millea Holdings has started to publish quarterly results including balance sheets and statements of income from fiscal 2007.

### **Transfer of American Depositary Receipts (ADRs) from NASDAQ to the U.S. OTC Market**

---

On July 26, 2007, Millea Holdings voluntarily terminated the listing of its American Depositary Receipts (the "ADRs") on the NASDAQ and arranged for its ADRs to trade on the U.S. over-the-counter ("OTC") market. Since their first issuance in 1963, the ADRs of Millea Holdings have trades in the United States. In recent years, however, while the overseas investor base of Millea Holdings has been expanding, a large majority of the trading volume of Millea Holdings' shares results from trading of Millea Holdings' common stock on the Tokyo Stock Exchange. Trading volume of ADRs, in contrast, has accounted for approximately 2%, on average, of the Millea Holdings' total trading volume. In addition to this, the costs to continue financial reporting both under Japanese and the U.S. GAAP was considered to outweigh the benefits of maintaining a listing of its ADRs on NASDAQ, such as the flexibility to raise funds in the United States. Accordingly, Millea Holdings concluded that it would be prudent to terminate its listing and arrange for its ADRs to trade on the over-the-counter market in the United States.

### **Group Companies**

### **Establishment of a Takaful Company in Egypt**

---

Our subsidiary Tokio Marine & Nichido Fire Insurance Co., Ltd. and Egypt Kuwait Holding Company, S.A.E. established a joint venture Takaful company in Egypt on December 10, 2007, aiming to start operations during fiscal 2008. Takaful is an insurance system prevalent in Islamic countries, that enables participants to reap the economic benefits of insurance, such as loss compensation, death and illness coverage and mutual assistance, while abiding by the rules and regulations of Islamic law, which prohibit excessive uncertainty, gambling and interest income. Millea Holdings was one of the first major insurance companies to engage in Takaful operations and has built up a staff of excellent personnel and extensive experience in underwriting in the Middle Eastern and Asian regions. We believe we can provide services to our customers in the region superior to any our competitors.

### **Establishment of Middle East-Based Service Company in Dubai**

---

In a first for a Japanese insurance company, on November 6, 2007, our subsidiary Tokio Marine & Nichido established Tokio Marine Middle East Limited (TMME) in Dubai, the international financial center of the United Arab Emirates. We will work to strengthen our management structure in the Middle East, which is expected to achieve sustained and steady economic growth, by providing such services as Takaful through TMME to Group companies in the region.

### **Acquisition of Kiln Ltd in the United Kingdom**

---

Subsidiary Tokio Marine & Nichido made Kiln Ltd, a leading U.K.-listed member of Lloyd's insurance group, a wholly owned subsidiary on March 10, 2008. Kiln is a global and prestigious insurance group with well-known and one of the largest of Lloyd's managing agents in terms of underwriting capacity. It has a particularly strong track record of product development and disciplined underwriting in commercial insurance. The Tokio Marine Group and Kiln will jointly explore new avenues of business development and strategies while leveraging Kiln's business foundation in the Lloyd's market as a stepping stone for the further development of the Group's overseas insurance operations. Ultimately, we aim to increase corporate value while expanding earnings in the overseas insurance business.



## Topics

### **Formulating a Comprehensive Program to Prevent Global Warming**

On November 12, 2007, Tokio Marine & Nichido Fire Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, Inc., announced “A Comprehensive Program to Prevent Global Warming.” As a nonlife insurance company that provides “safety and security,” Tokio Marine & Nichido Fire Insurance Co., Ltd. developed “eco-friendly automobile insurance,” and now sells an environment fund and conducts research on major natural disasters through industry and university collaboration. In addition, the Company is playing an active role in preventing and reducing global warming through environmental education and social contributions including the “Declaration of Mangrove Reforestation for 100 Years” and the establishment of the “Tokio Marine Nichido Environmental Grand Prize for Children.”

### **Contributing Support for the Pink Ribbon Movement**

Tokio Marine & Nichido Life Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, contributed to the purchase of a breast cancer checkup vehicle with mammography equipment as a part of its efforts to support the Pink Ribbon Movement, which has been under way since 2005, by donating ¥17.5 million to the nonprofit organization J.POSH (Japan Breast Cancer Pink Ribbon Movement). J.POSH added these funds to the J.POSH Pink Ribbon Fund and purchased one breast cancer checkup vehicle equipped with mammography equipment that it donated to Kanagawa Prefecture. The donated breast cancer checkup vehicle—wrapped in paper covered with pictures of pink ribbons, smiling faces and images of dreams drawn by children—is being used throughout Kanagawa Prefecture.



### **The 100th Anniversary of Nisshin Fire & Marine Insurance Co., Ltd.**

July 1, 2008 marks the 100th anniversary of Nisshin Fire & Marine Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings. With gratitude for 100 years of support from customers and related parties, the Company will commemorate its 100th anniversary in various ways, including by publishing a 100-year history of the company, undertaking a joint R&D project with Kyushu University and sponsoring a photographic contest.

Nisshin Fire & Marine Insurance will solidify its position in the retail market as it seeks to become the number one player in the nonlife insurance industry in terms of customer-oriented service. Recreating itself through a shift from the “nonlife insurance industry” to the “nonlife insurance service industry,” Nisshin Fire & Marine Insurance will reexamine its various services from the customer’s point of view.





# Management

---

Profile of the Tokio Marine Group	8
Business Strategy	12
Results Summary	14
Business Report for the Fiscal Year Ended March 31, 2008	16
Basic Policies for Internal Control	19
Corporate Governance	21
Compliance	26
Risk Management	28
Internal Audits	30
Corporate Social Responsibility Policy	31
Information Management	32
Disclosure and Investor Relations	34

# Profile of the Tokio Marine Group

## Tokio Marine Holdings Business Description

Tokio Marine Holdings is responsible for establishing and overseeing strategies for the entire group, managing the group's capital, and preparing consolidated financial statements. In addition, the holding company oversees subsidiaries to ensure that their compliance, internal auditing, risk management and other activities are consistent with the group's basic policies. As the publicly owned company representing the Tokio Marine Group, the holding company also handles investor relations, public relations, and corporate social responsibility for the group.

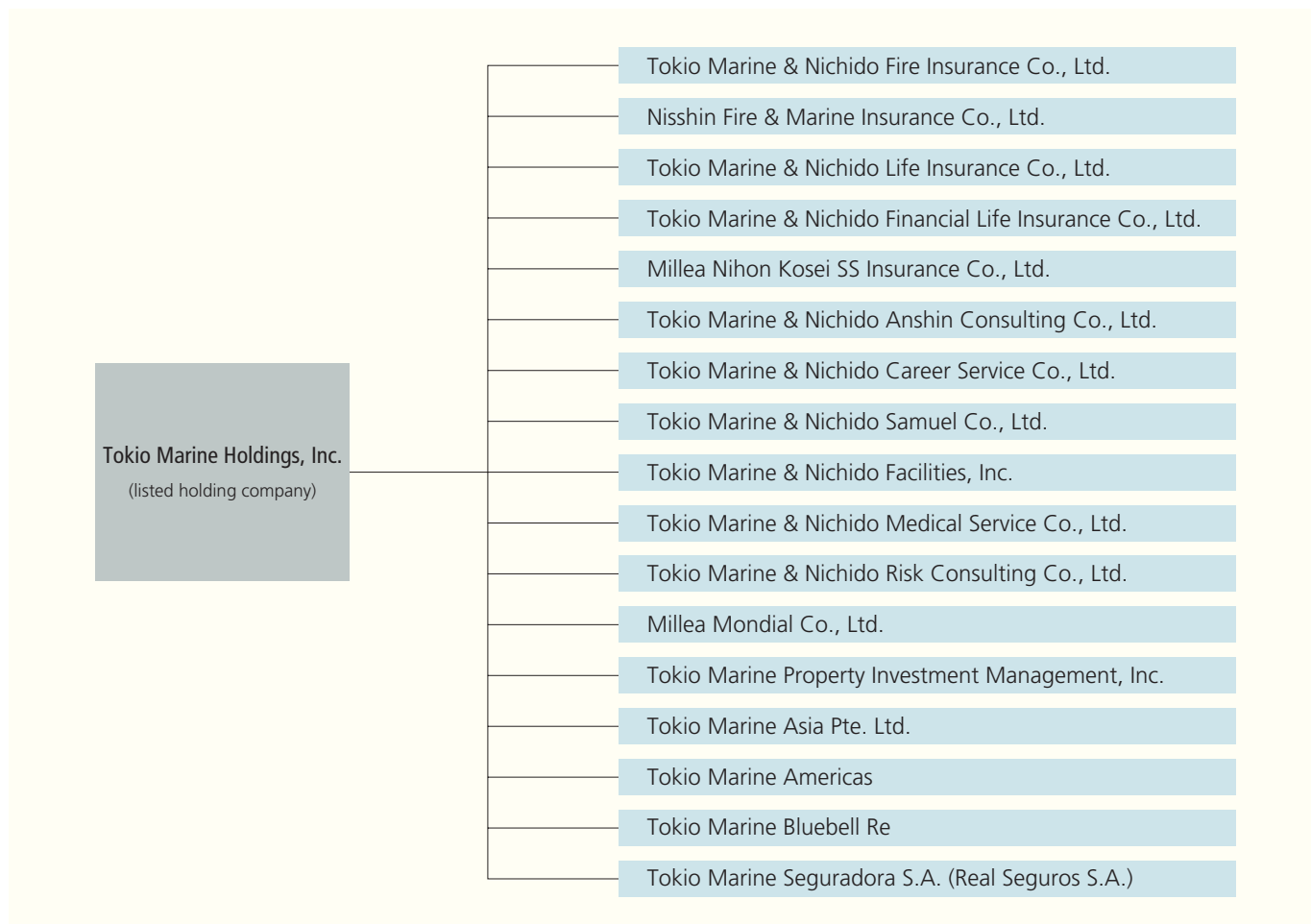
The holding company takes the lead in maximizing corporate value. One way is by establishing medium- and long-term strategies. The company also allocates resources to business fields with the best prospects for profitability and growth. Collectively, these activities drive constant reforms of the group's business portfolio and help capture synergies from the various businesses of subsidiaries

## ● Company Profile (As of July 1, 2008)

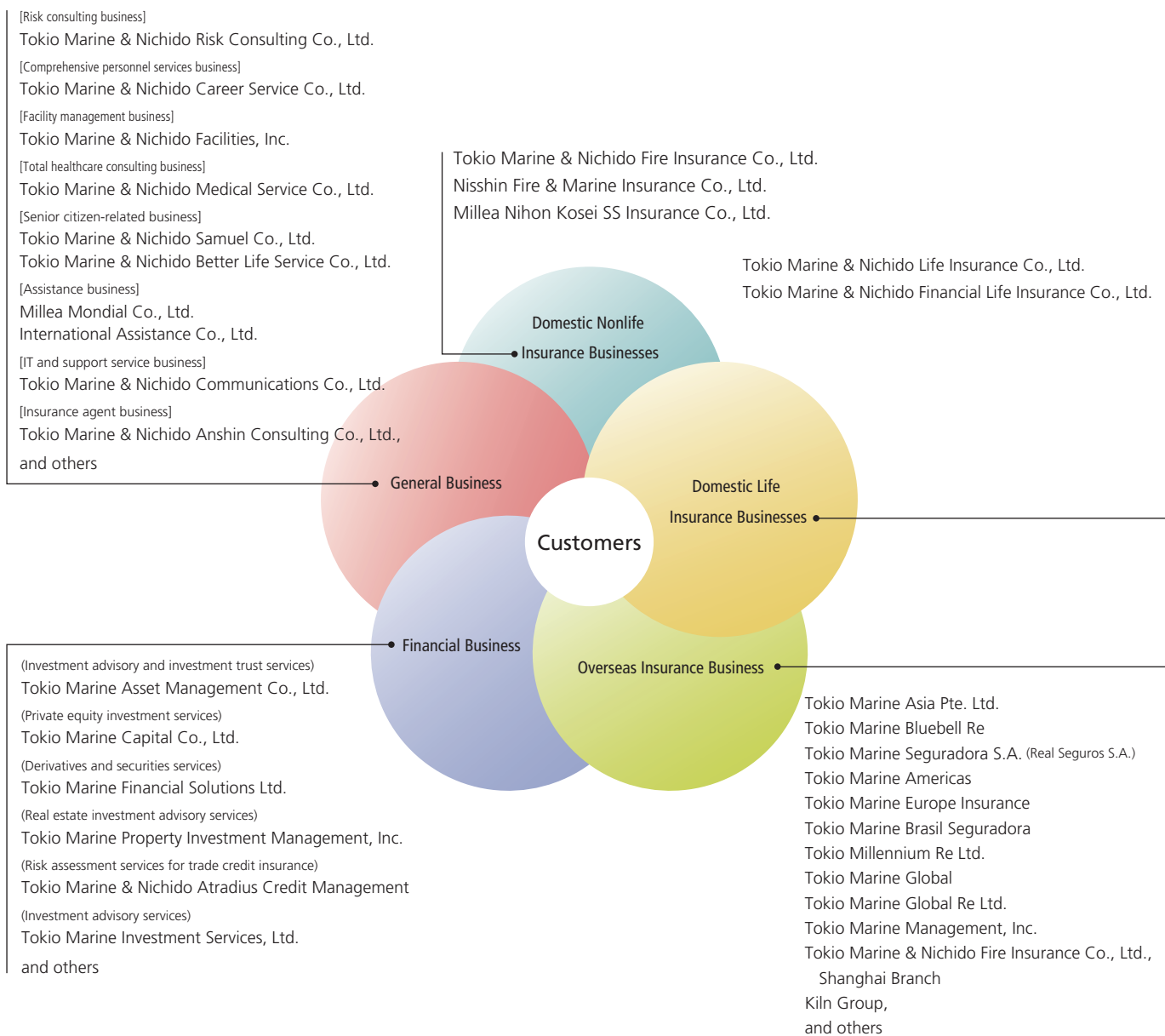
<b>Name:</b>	Tokio Marine Holdings, Inc.
<b>Headquarters:</b>	Tokio Marine Nichido Building Shinkan, 9th Floor 1-2-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
<b>Telephone:</b>	81-3-6212-3333
<b>Established:</b>	April 2, 2002
<b>Capital:</b>	¥150 billion
<b>Number of Employees:</b>	382 (As of March 31, 2008)
<b>Stock Exchange Listings:</b>	Tokyo Stock Exchange—1st Section; Osaka Securities Exchange—1st Section
<b>Main Business:</b>	Management of its subsidiaries as an insurance holding company, and the conduct of business pertaining thereto
<b>Website:</b>	<a href="http://www.tokiomarinehd.com/">http://www.tokiomarinehd.com/</a>

## Companies in which Tokio Marine Holdings Is Directly Invested

(As of July 1, 2008)



## Business Domains of the Tokio Marine Group and Main Group Companies



## Overseas Network



(As of July 1, 2008. Number of local staff as of March 31, 2008)

## Profile of the Tokio Marine Group

### Main Insurance Business Companies



#### Tokio Marine & Nichido Fire Insurance Co., Ltd.

##### Tokio Marine & Nichido Fire Insurance Co., Ltd.

In October 2004, Tokio Marine & Nichido Fire Insurance Co., Ltd. was founded as a leading company with unsurpassed strengths in the domestic non-life insurance industry following the merger of Tokio Marine and Nichido Fire, with their histories of 125 and 90 years, respectively. Tokio Marine & Nichido has several advantages in product/service development and risk consulting capabilities demonstrated by sound financial strength and a high degree of professionalism as well as a superior agency network, claims settlement service network and worldwide network and we properly manage our business from the customer's point of view.

##### Company Profile (As of March 31, 2008)

Established:	August 1, 1879
Capital:	¥101.9 billion
Net premiums written:	¥1,912.1 billion
Total assets:	¥10,889.5 billion
Number of employees:	15,263
Headquarters:	1-2-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Telephone:	81-3-3212-6211
Website:	<a href="http://www.tokiomarine-nichido.co.jp">http://www.tokiomarine-nichido.co.jp</a>



#### Nisshin Fire & Marine Insurance Co., Ltd.

##### Nisshin Fire & Marine Insurance Co., Ltd.

A nonlife insurance company, this company operates primarily in the domestic retail market and conducts sales at the local level. Aiming to be the number one player in the nonlife insurance industry in terms of customer-oriented service, we are reexamining our services from the customer's point of view and making daily improvements such as the development of explanation tools for customers and the standardization of agency business. With July 2008 marking the 100th anniversary of the Company, Nisshin Fire & Marine Insurance will continue to deliver customer-oriented security and compensation with the goal of becoming the most trusted retail nonlife insurance company.

##### Company Profile (As of March 31, 2008)

Established:	June 10, 1908
Capital:	¥20.3 billion
Net premiums written:	¥141.6 billion
Total assets:	¥481.8 billion
Number of employees:	2,745
Headquarters:	2-3 Kanda Surugadai, Chiyoda-ku, Tokyo, Japan
Telephone:	81-3-3292-8000
Website:	<a href="http://www.nisshinfire.co.jp/">http://www.nisshinfire.co.jp/</a>





## Tokio Marine & Nichido Life Insurance Co.,Ltd.

### Tokio Marine & Nichido Life Insurance Co., Ltd.

One of the insurance businesses that form the core businesses of the Tokio Marine Group, Tokio Marine & Nichido Life Insurance plays a key role in the domestic life insurance business. Opened for business in 1996, and having “customer-oriented life insurance business” as its basic policy, the Company has continued to grow at a pace that is among the highest in the life insurance industry by selling life insurance tailored to customer needs through its innovative products, agencies and Life Partners. Moving forward, we will accurately ascertain diverse customer needs and, with a will inspired by our “Second Foundation”, we will further innovate our business model as we seek to become “The insurance company most trusted in Japan by customers and agencies.”

#### Company Profile (As of March 31, 2008)

Date of foundation:	August 6, 1996
Capital:	¥55 billion
Total policy amount in force (individual insurance + individual annuities):	¥14,739.7 billion
Total assets:	¥2,504.3 billion
Number of employees:	1,918
Headquarters:	5-3-16 Ginza, Chuo-ku, Tokyo, Japan
Telephone:	81-3-5537-6555
Website:	<a href="http://www.tmn-anshin.co.jp">http://www.tmn-anshin.co.jp</a>



## Tokio Marine & Nichido Financial Life Insurance Co.,Ltd.

### Tokio Marine & Nichido Financial Life Insurance Co., Ltd.

As a life insurance company specializing in variable products, Tokio Marine & Nichido Financial Life Insurance plays a vital role in the Tokio Marine Group and is working to achieve the vision described by the corporate philosophy of “providing an affluent and secure life through such businesses as variable annuities and variable universal life insurance and contributing to an affluent and comfortable society and economic progress.” Always placing customer trust at the base of all our activities, the Company is working to provide products that satisfy its customers and services from the customer’s point of view.

#### Company Profile (As of March 31, 2008)

Date of foundation:	August 13, 1996
Capital:	¥48 billion
Total policy amount in force (individual insurance + individual annuities):	¥2,335.9 billion
Total assets:	¥2,070.7 billion
Number of employees:	339
Headquarters:	ThinkPark Tower, 2-1-1, Osaki, Shinagawa-ku, Tokyo, Japan
Telephone:	81-3-6420-4000
Website:	<a href="http://www.tmn-financial.co.jp/">http://www.tmn-financial.co.jp/</a>



# Business Strategy

## Tokio Marine Holdings' Business Strategy

The Tokio Marine Group aims to constantly improve the value of Group companies through consistent growth and development along with society. It strives to increase the value which is provided to customers and all other stakeholders through management based on corporate social responsibility (CSR) at Group companies all over the world. Based on the current Group mid-term corporate strategy, Stage Expansion 2008, we aim to expand in strategic stages in the area of our products and services, sales networks and business regions. At the same time, we are making major reforms to our business processes and reinforcing the business foundations of the entire Group.

While focusing on bolstering risk management and ensuring strict compliance, Tokio Marine Holdings will leverage its ability as a holding company to reallocate management resources in order to build an optimal business portfolio with high profitability, growth potential and capital efficiency. In this way, we aim to maximize the value of our Group as a whole.

## The Tokio Marine Group's Medium- to Long-Term Business Strategy and Mid-term Corporate Strategy "Stage Expansion 2008"

### (1) Medium- to Long-Term Corporate Vision

With the ultimate intent of restoring customer trust in the Tokio Marine Group, we seek to be a globally top-tier insurance group over the medium- to long-term. We will devote the collective strength of the entire group to promote safety and security around the world.

### (2) Stage Expansion 2008

#### 1. Stage expansion for strategy in the area of products and services, sales networks and regional businesses

Strategic business expansion of the products and services	Taking advantage of its holding company structure, the Tokio Marine Group aims to provide products and services that meet the need of its customers by designing products and services that fit each customer, such as enhancing pre-accident prevention and post-accident care services and strengthening of peripheral services.
Strategic business expansion of the sales channel	In light of the anticipated changes in the financial services market, including the full liberalization of over-the counter sales of insurance products at banks and the privatization of Japan Post, the Tokio Marine Group aims to establish sales channels that meet today's customer needs, using precise market analysis and solid judgement.
Strategic business expansion of the region (global strategy)	The Tokio Marine Group aims to expand its local insurance business by responding to the particular needs of each business region through careful product design, marketing strategy and strategic options, such as M&A, equity participations and business alliances.

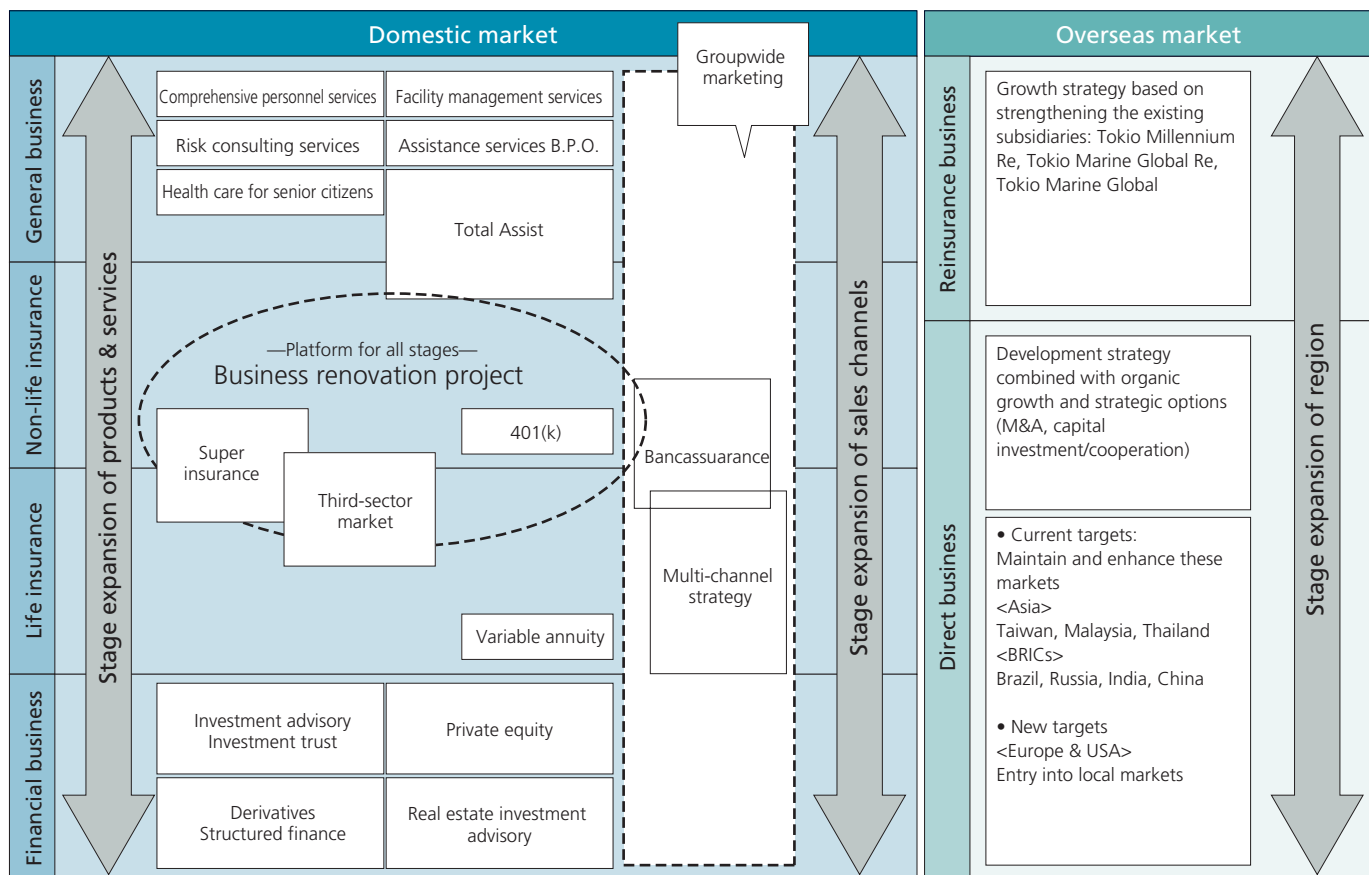
#### 2. Utilization of the Group's collective strengths

The Group, by effectively utilizing the allocation function of management resources achieved through the holding company structure, seeks to build an optimal business portfolio with high profitability, growth potential and capital efficiency. Through a Groupwide enhancement of marketing functions, the Group aims to provide products and services that best meet customer needs through various sales channels.

#### 3. Improvement of capital efficiency

The Group closely monitors and manages its capital and risks through an integrated risk management system with a quantitative and structured approach. In addition, the Group intends to allocate surplus capital to strategic and new businesses with high profitability and growth potential while aiming to realize adequate returns to shareholders, thereby improving its capital efficiency.

Mid-term Corporate Strategy: FY 2006 - FY 2008



**(3) Long-Term Strategy, Results and Targets in Stage Expansion 2008**

Tokio Marine Holdings aims for an adjusted return on equity (ROE) of 8% or higher and to grow adjusted earnings by about 200% (from fiscal 2005 levels) within the next 10 years.

**Adjusted Earnings**

(Yen in billions)

Business domain	FY 2007 results	FY 2006 results	FY 2005 results	FY 2008 projections
Domestic non-life insurance	99.4	89.0	91.5	75.7
Tokio Marine & Nichido	100.2	88.1	90.8	74.9
Nisshin Fire	(0.8)	0.8	0.7	0.1
Millea Nihon Kousei	—	—	—	0.6
Domestic life insurance	15.1	48.2	34.6	37.7
Tokio Marine & Nichido Life	29.1	30.4	29.4	26.8
Tokio Marine & Nichido Financial Life	(14.4)	17.7	5.2	10.8
Overseas insurance	29.7	28.6	7.7	31.7
Direct insurance	16.8	17.0	13.6	21.0
Reinsurance	16.5	12.3	(5.2)	11.9
Financial & General businesses	(1.0)	3.8	4.9	1.2
Group total	143.2	169.7	138.7	146.5
Adjusted ROE	3.5%	3.8%	3.7%	4.1%

Note: In order to capture and enhance the corporate value of the Tokio Marine Group, targeted earnings and ROE are based on "adjusted earnings," which are calculated as follows:

**Definition of Adjusted Earnings**

(1) Property and casualty insurance business

Adjusted earnings = Net income + Provision for catastrophe reserves + Provision for price fluctuation reserves - Gains (losses) from assets under asset liability management and interest rate swaps - Gains (losses) from stocks and properties - Other extraordinary items (all figures after tax)

(2) Life insurance business

Adjusted earnings = Increase in embedded value - Capital injections (for some life insurance companies, such as those in Brazil, adjusted earnings is calculated on the same basis as Other businesses below, with corporate expenses excluded from earnings)

(3) Other businesses

Adjusted earnings = net income as shown on the financial statements



## Results Summary

### Overview of Fiscal 2007 Results

- For the fiscal year ended March 31, 2008, consolidated ordinary income declined 508,491 million yen from the previous fiscal year to 3,710,066 million yen, of which underwriting income made up 3,312,472 million yen. Ordinary expenses of 3,530,994 million yen mainly included underwriting expenses of 2,683,605 million yen. Ordinary profit rose by 11,029 million yen to 179,071 million yen, and net income increased 15,751 million yen to 108,766 million yen.
- In the property and casualty insurance business, Tokio Marine & Nichido's underwriting income totaled 39,376 million yen,

up 31,404 million yen from the previous fiscal year, driving growth in ordinary profit and net income. Nisshin Fire had an underwriting loss of 637 million yen, an improvement of 6,151 million yen from the previous fiscal year, and its ordinary profit and net income improved.

- In the life insurance business, Tokio Marine & Nichido Life recorded 14,739,863 million yen in policies in force for individual insurances and annuity products, up from 13,792,338 million yen a year earlier. Tokio Marine & Nichido Financial Life's policies in force totaled 2,335,997 million yen, higher than the 2,112,756 million yen last year.

### Consolidated Business Results

	Fiscal 2007		Fiscal 2006		Difference (¥ million)
	(¥ million)	(%)	(¥ million)	(%)	
Ordinary income	3,710,066	100.00	4,218,557	100.00	(508,491)
Underwriting income	3,312,472	89.28	3,823,859	90.64	(511,386)
Investment income	342,121	9.22	339,532	8.05	2,589
Other ordinary income	55,471	1.50	55,165	1.31	305
Ordinary expenses	3,530,994	95.17	4,050,515	96.02	(519,521)
Underwriting expenses	2,683,605	72.33	3,562,253	84.44	(878,648)
Investment expenses	326,884	8.81	17,135	0.41	309,748
Operating and general administrative expenses	482,160	13.00	446,851	10.59	35,308
Other ordinary expenses	38,344	1.03	24,274	0.58	14,070
Ordinary profit	179,071	4.83	168,042	3.98	11,029
Extraordinary gains	31,199	0.84	3,009	0.07	28,189
Extraordinary losses	35,683	0.96	29,172	0.69	6,511
Net income	108,766	2.93	93,014	2.20	15,751

### Assets, Liabilities and Shareholders' Equity (Consolidated)

(Yen in millions)

	Fiscal 2007	Fiscal 2006	Difference
Assets	17,283,242	17,226,952	56,289
Liabilities	14,703,902	13,816,245	887,656
Net assets	2,579,339	3,410,707	(831,367)
Total liabilities and net assets	17,283,242	17,226,952	56,289



## Major Indicators for the Property and Casualty Insurance Business

(Yen in millions, %)

	Tokio Marine & Nichido		Nisshin Fire	
	Fiscal 2007	Fiscal 2006	Fiscal 2007	Fiscal 2006
Profitability				
Net income	122,992	96,448	1,962	423
Ordinary profit	183,974	156,332	2,622	652
Loss ratio	61.6%	61.5%	61.4%	62.1%
Expense ratio	31.5%	30.7%	37.1%	36.4%
Combined ratio	93.1%	92.3%	98.5%	98.5%
Underwriting balance ratio	6.9%	7.7%	1.5%	1.5%
Underwriting profit	39,376	7,971	(637)	(6,789)
Soundness				
Total net assets	2,326,624	3,076,887	86,549	118,278
Solvency margin ratio	957.8%	1,098.2%	899.3%	1,012.6%
Growth potential				
Change in net premiums written	(0.8)%	1.9%	(2.1)%	0.1%
Scale				
Net premiums written	1,912,180	1,928,061	141,684	144,711
Direct premiums written (including deposit premiums from policyholders)	2,126,746	2,183,357	155,696	162,278

Notes: 1. Loss ratio = (Net claims paid + Loss adjustment expenses) ÷ Net premiums written

2. Expense ratio = (Agency commissions and brokerage + operating and general administrative expenses) ÷ Net premiums written

3. Combined ratio = Loss ratio + Expense ratio

4. Underwriting balance ratio = 100% – combined ratio

5. Solvency margin ratio

- Property and casualty insurance companies maintain reserves for paying claims when events covered by insurance issued occur and for the payout of funds at maturity for savings-type insurance. It is also necessary for them to maintain sufficient resources to cover payments in the event of either a major disaster or an unexpected crisis, such as a major decline in the price of assets owned by an insurance company.

- Calculated in accordance with the Insurance Business Law, the solvency margin ratio is an indicator that compares the claims payment ability provided by the capital and reserves owned by a property and casualty insurance company against the total amount of risk in a situation that exceeds expectations.

6. Net premiums written: Direct and assumed premiums written, less ceded insurance premiums

7. Direct net premiums written: Direct premiums, less canceled direct refunds and other direct refunds (including deposit premiums)

## Major Indicators for the Life Insurance Business

(Yen in millions, %)

	Tokio Marine & Nichido Life		Tokio Marine & Nichido Financial Life	
	Fiscal 2007	Fiscal 2006	Fiscal 2007	Fiscal 2006
Income from insurance and reinsurance premiums	407,697	406,217	518,869	1,162,690
Annualized new premiums	36,615	65,753	50,602	107,975
Ordinary profit	6,025	8,653	(6,422)	(19,028)
Net income	0	0	(6,478)	(19,053)
Core operating profit	427	1,761	(6,105)	(4,998)
Solvency margin ratio	2,766.7%	2,585.6%	1,157.5%	744.6%
Policy amount in force	14,739,863	13,792,338	2,335,997	2,112,756
New policy amount	2,106,742	2,021,698	508,282	1,086,210

Notes: 1. Additional transfer 12,660 million yen (in fiscal 2006) and 19,822 million yen (in fiscal 2007) to Tokio Marine & Nichido Life's policy reserves were made on top of its provisions to policy reserves calculated based on the five-year Zilmer method. These amounts were included in basic expenses (policy reserve provision) within core profits.

2. Annualized new premium: Annual premium calculated by dividing total paid premiums for the entire term of new policies for individual insurance and annuities by the number of years in the insurance term.

3. Core operating profit: An indicator of earnings potential in insurance operations, calculated by deducting gains on the sale of securities and other capital gains as well as one-time profits from ordinary profit.

4. Policy amount in force, new policy amount: Total of new policies and policies in force for individual insurances and individual annuities

# Business Report for the Fiscal Year Ended March 31, 2008

(From April 1, 2007 to March 31, 2008)

During the fiscal year ended March 31, 2008, while the Japanese economy gradually expanded as corporate earnings generally remained at high levels, the business recovery stalled in the latter half of the fiscal year mainly because of a decrease in housing investment and a slowdown of the U.S. economy, triggered by the subprime loans problem in the U.S.

In the property and casualty insurance sector of the insurance industry, premiums decreased primarily because of lower sales volume of automobiles and fewer housing starts. In the life insurance sector of the insurance industry, the amount of newly signed life insurance policies continued to decrease partially due to the declining birthrate and the aging of the society. Life and non-life insurance companies in Japan continued their efforts to regain the trust of customers, including efforts to prevent the recurrence of omissions of payment of insurance claims.

In this environment, Tokio Marine & Nichido and Nisshin Fire, which had received administrative orders (a suspension order regarding certain operations and a business improvement order) related to certain improper non-payment of insurance claims, submitted Business Improvement Plans (the "Plans") to the Financial Services Agency of Japan in April 2007. Both companies took the administrative orders seriously, and have strived to enhance and reinforce their claims payment management and confirm and correct the details of policies, in order to ensure proper operations in accordance with the Plans. Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life") and Tokio Marine & Nichido Financial Life Insurance Co., Ltd. ("Tokio Marine & Nichido Financial Life") have also made efforts to prevent the recurrence of payment omissions by reinforcing systems such as the insurance claims payment management system. Tokio Marine Holdings, Inc. ("Tokio Marine Holdings" or the "Company"), as the holding company overseeing the businesses of the entire group (the "Tokio Marine Group"), has been committed to managing its subsidiaries more attentively through a full assessment of their status and by monitoring their improvement in a timely manner.

The Tokio Marine Group has been operating its businesses in accordance with its three-year plan named "Stage Expansion 2008," which commenced in the fiscal year ended March 31, 2007.

In the following sections, we present the activities of the Tokio Marine Group and the results of the Tokio Marine Group's core businesses during the fiscal year ended March 31, 2008.

## Property and Casualty Insurance Business

Tokio Marine Holdings aims to improve the quality of its property and casualty insurance business and solidify its continuous profit expansion in this segment.

To promote appropriate business practices, Tokio Marine & Nichido established the "Business Quality Improvement Commission", chaired by its President, and, in order to enhance its efforts for the improvement of the quality of its business operations from the customers' perspective, appointed two members to the Commission to represent consumers in July 2007. Tokio Marine & Nichido also established "Anshin Quality" as a quality standard indispensable to providing insurance products and services to customers, and began to implement this standard on a company-wide basis so that from the customers' perspective, it will be available in all business operations irrespective of time and location.

For several years, Tokio Marine & Nichido has steadily moved forward with preparations for the start of a new business renovation project, called "Drastic Reform of Business Process", due to start in May 2008. This project aims to reform operational processes from the perspective of customers as well as to improve the platform of insurance products, operational routines and systems so that Tokio Marine & Nichido can carry out its duties, ranging from insurance solicitation to the payment of claims, quickly, accurately and efficiently. The project is also an effort to establish an infrastructure to improve business quality.

## Life Insurance Business

Tokio Marine Holdings seeks to further expand the life insurance business as a core business of the Tokio Marine Group by strengthening its life insurance subsidiaries.

Since its establishment, Tokio Marine & Nichido Life has continued to grow at a pace that is among the highest in the life insurance industry. Currently, Tokio Marine & Nichido Life is engaged in the "Second Foundation Project" and continuing to focus on the innovation of distribution channel strategies according to the market environment and the reform of operational processes from the perspective of customers. In this project, Tokio Marine & Nichido Life is also focusing on combining the services of insurance and support to customers. As part of these efforts, Tokio Marine & Nichido Life launched the "Cancer Care-Support Insurance" in September 2007.

Tokio Marine & Nichido Financial Life is seeking to expand its sales network for variable annuity insurance, which is mainly distributed through over-the-counter sales at banks, by increasing business alliances with financial institutions. In an effort to

ensure stable sales of variable annuity insurance by Tokio Marine & Nichido Financial Life, Tokio Marine Bluebell Re Limited, a reinsurance subsidiary of the Company, started to accept reinsurance for variable annuity insurance from the fiscal year ended March 31, 2008.

### **Overseas Insurance Business**

Tokio Marine Holdings is continuously working to expand its overseas insurance business by placing an emphasis on markets with attractive profitability and growth potential.

Tokio Marine & Nichido acquired Kiln Ltd and made it a subsidiary in March 2008. Kiln Ltd operates insurance businesses globally, primarily in Lloyd's of the U.K. Net premiums written by Kiln stood at 66.1 billion yen in 2007, with net income amounting to 11.8 billion yen. Through the acquisition of Kiln, the Tokio Marine Group expanded the scale of its operations and earnings in the overseas insurance business and established a position as a major player in Lloyd's of the U.K., one of the world's leading insurance markets.

Tokio Marine & Nichido is reinforcing its focus on the promising Takaful (Islamic insurance) market. In the course of this process, it has established a local subsidiary company in Dubai which engages in the development of Takaful products. In addition, it has decided to set up another local subsidiary company in Egypt, which will serve as a base for its Takaful business.

### **Asset Management, Financing Operations and Other Businesses**

During the fiscal year ended March 31, 2008, Tokio Marine & Nichido, which provides the core asset management function for the Tokio Marine Group, focused on the enhancement and development of risk management, as well as improvement on investment returns. In order to meet the obligations for claims, maturity refunds and other payments, Tokio Marine & Nichido continued its efforts to strengthen its asset liability management and to ensure the stability and liquidity of its assets. In the fiscal year ended March 31, 2008, partially due to the turbulence of the global financial markets in connection with the subprime loan problem, Tokio Marine & Nichido and other group companies incurred losses including impairment losses of 2.1 billion yen in total in subprime loan-related investments, and impairment losses and other losses of 22.0 billion yen in credit risk-related investments other than subprime loan-related investments.

Tokio Marine Holdings took group-wide measures to expand its finance-related business, centered around the asset management business. This effort resulted in assets under the management of Tokio Marine Asset Management Co., Ltd. exceeding 5 trillion yen in the fiscal year ended March 31, 2008.

Tokio Marine & Nichido successively made active efforts to increase assets in corporate defined-contribution pension plans under its administration in the fiscal year ended March 31, 2008. The number of sponsors with assets under our administration, including those in preliminary agreements, amounted to more than 2,000, which is a top-level performance among plan administrators.

As for other businesses, Tokio Marine Holdings aimed to create value primarily in business sectors related to safety and security. We focused on medical and health services and risk consulting services in the fiscal year ended March 31, 2008.

### **Other Matters**

Tokio Marine & Nichido established the "Comprehensive Program Concerning Global Warming" in November 2007 to reinforce its efforts to help curb global warming. This program adopted a new scheme under which, when policyholders of automobile insurance select a Web-based policy, Tokio Marine & Nichido donates funds to plant two mangroves per policy. This program also supports research activities studying the influence of global warming on natural disasters, and a mangrove afforestation project.

### **Results for the Fiscal Year Ended March 31, 2008**

As a consequence of Tokio Marine Group's efforts as described above, consolidated business results were as follows. Ordinary income amounted to 3,710.0 billion yen, a decrease of 508.4 billion yen from the previous fiscal year. The main components of ordinary income were underwriting income of 3,312.4 billion yen and investment income of 342.1 billion yen. Ordinary expenses were comprised mainly of underwriting expenses of 2,683.6 billion yen, investment expenses of 326.8 billion yen and Operating and general administrative expenses of 482.1 billion yen. Total ordinary expenses amounted to 3,530.9 billion yen, a decrease of 519.5 billion yen from the previous fiscal year.

As a result of the above, ordinary profit increased by 11.0 billion yen, or 6.6 percent, to 179.0 billion yen. Net income, comprised of ordinary profit plus extraordinary profit minus extraordinary losses, income taxes and deferred income taxes, was 108.7 billion yen for the fiscal year ended March 31, 2008, an increase of 15.7 billion yen, or 16.9 percent, from the previous fiscal year.

On a non-consolidated basis, Tokio Marine Holdings received business management fees amounting to 5.3 billion yen and dividends totaling 69.4 billion yen from its subsidiaries and affiliates, resulting in operating income of 74.7 billion yen, ordinary profit of 69.9 billion yen and net income of 70.3 billion yen.

## Business Report for the Fiscal Year Ended March 31, 2008

### Operating Results of Primary Subsidiaries

The following results represent the operating results of Tokio Marine & Nichido for the fiscal year ended March 31, 2008. Net premiums written were 1,912.1 billion yen, a decrease of 0.8 percent from the previous fiscal year, resulting primarily from declines in sales of fire insurance and accident insurance. The loss ratio was 61.6 percent, almost unchanged from the previous fiscal year. The expense ratio was 31.5 percent, an increase of 0.8 percent mainly as a result of an increase in expenses relating to the promotion of improved operations.

With respect to the operating results of Nisshin Fire for the fiscal year ended March 31, 2008, net premiums written were 141.6 billion yen, a year-on-year decrease of 2.1 percent, primarily resulting from a decrease in sales of fire insurance and automobile insurance. The loss ratio was 61.4 percent, representing a decrease of 0.7 percent, primarily because the influence of natural disasters was minor. The expense ratio was 37.1 percent, an increase of 0.7 percent, mainly due to an increase in personnel for the reinforcement of the internal control system.

As of March 31, 2008, Tokio Marine & Nichido Life achieved solid growth and recorded 17,997.8 billion yen in the amount of life insurance-in-force, an increase of 907.9 billion yen from March 31, 2007, with the amount of newly signed life insurance for the fiscal year ended March 31, 2008 was 2,163.8 billion yen, a year-on-year increase of 5.6 percent. Life insurance-in-force and newly signed life insurance are respectively comprised of individual insurance, individual annuity and group insurance.

As of March 31, 2008, Tokio Marine & Nichido Financial Life recorded 2,335.9 billion yen in the amount of life insurance-in-force, an increase of 223.2 billion yen from March 31, 2007, while the amount of newly signed life insurance for the fiscal year ended March 31, 2008 was 508.2 billion yen, a decrease of 53.2 percent from the previous fiscal year, when sales of individual annuity insurance were robust. Life insurance-in-force and newly signed life insurance are respectively comprised of individual insurance and individual annuity.

### Issues Facing the Tokio Marine Group

In the fiscal year ending March 31, 2009, the Japanese economy, in the near term, is projected to continue to slow down, with downturn risks growing primarily because of the deceleration of the U.S. economy and the turbulence in the global financial markets.

In the insurance industry, there is a continuing urgent need for insurance companies to focus on regaining the trust of customers and society.

In light of these issues, under its management philosophy to place "customer trust at the base of all its activities", the Tokio Marine Group is determined to make all efforts to improve the quality of all operational processes of the Tokio Marine Group, with a particular focus on regaining the trust of its customers and society. Tokio Marine Holdings, as a holding company, is striving to emphasize to its subsidiaries the basic policies of the Tokio Marine Group with respect to risk management, compliance and customer protection, and to enhance internal audit, in accordance with the "Basic Policies for Internal Control".

The Tokio Marine Group is making great efforts to expand its strategic stage in the areas of products and services, sales channels and business regions, in line with "Stage Expansion 2008," a three-year plan which will end in the fiscal year ending March 31, 2009. The Tokio Marine Group will strive to further advance the growth strategies of the entire group on a world-wide basis, taking advantage of the plan to change its company name to Tokio Marine Holdings, Inc. where it uses the name "Tokio Marine", which it believes to have world-wide recognition. Through these efforts, the Tokio Marine Group will commit itself to continually enhancing the corporate value of the group.

The entire Tokio Marine Group will endeavor to achieve further growth as a corporate group, seeking growth characterized by high profitability, sustainability and soundness.

- Notes 1. Throughout this Business Report, all amounts (including numbers of shares) are truncated and all ratios are rounded.
2. The yen-denominated amounts of net premiums written and net income of Kiln are calculated at the exchange rate as of the end of December 2007. The net premiums written and net income of Kiln are not included in the consolidated statement of income for the fiscal year ended March 31, 2008, since the company became a consolidated subsidiary of Tokio Marine Holdings in March 2008.
3. As a result of the turbulence in the global financial markets 4.3 billion yen was recorded in connection with claim payments and insurance reserves relating to financial guarantee reinsurances for the fiscal year ended March 31, 2008. These were not related to impairment losses or other losses attributable to credit risk-related investments or subprime loan related investments mentioned above.

# Basic Policies for Internal Controls

## Basic Policies for Internal Controls

Tokio Marine Holdings, based on the Corporation Law and its enforcement regulations, operates internal control systems in accordance with the following Basic Policies for Internal Controls that were approved by its Board of Directors.

### 1. System for Ensuring That Business Operations within the Tokio Marine Group Are Appropriate

As a holding company presiding over the businesses of the Group, Tokio Marine Holdings shall, as appropriate, exercise its rights as a shareholder of its subsidiaries in a manner consistent with the goal of maximizing the Group's corporate value. In accordance with the "Tokio Marine Holdings, Inc. Group Company Management Policies," the Company shall prescribe the Group's business strategies and various basic policies that form the foundation of the Group's business management. Furthermore, the Company shall enter into management agreements with each subsidiary that include the identification of important matters requiring the Company's prior approval, such as the subsidiaries' business strategies and plans, thereby enabling the Company to manage the businesses of its subsidiaries. The management of indirectly owned subsidiaries shall generally be conducted through their direct parent companies.

### 2. System for Ensuring That Professional Duties Are Performed in Accordance with the Laws and the Articles of Incorporation

- (1) The Company shall establish the Group's basic policy related to the promotion of compliance and implement a system for ensuring compliance of the Group.
  - (a) The Company shall formulate a Code of Conduct and ensure that the officers and the employees of the Group understand that top priority should be given to compliance in all phases of business activity with the Code of Conduct.
  - (b) The Company shall establish a division that oversees compliance issues, as well as a Compliance Committee, to discuss important issues regarding the promotion of compliance within the Group. The Company shall also monitor progress toward compliance by the Group and report the results thereof to the Board of Directors.
  - (c) The Company shall require each of its subsidiaries to prepare a compliance manual and provide training on laws and internal rules that must be observed by the officers and employees of each subsidiary with a view toward enhancing compliance.

- (d) The Company shall establish reporting rules to be used in the event of a violations of a law or internal rules by a subsidiary and, a part from the usual reporting route, set up hotlines (an internal whistle-blower system) within the Group while keeping the officers and employees of the Group companies informed as to the use of the system.
- (2) The Company shall establish the Group's basic policy for responding to antisocial factions and groups, and respond, in an organized and uncompromising manner and in association with such professionals as lawyers and the police, to antisocial factions and groups which threaten the order and safety of civil society.
- (3) The Company shall perform an effective internal audit using an internal audit division that is independent from other divisions. In addition, the Company shall establish the basic internal audit policies of the Group, require its subsidiaries to perform effective internal audits, monitor the implementation of the internal audit, the status of the internal controls system and so forth and report the results thereof to the Board of Directors.

### 3. System Regarding Risk Management

- (1) The Company shall formulate basic policies for risk management for the Group and require each subsidiary to carry out its own risk management with respect to the operation of its business.
- (2) The Company shall perform risk management of the entire Group by establishing a Risk Management Committee that deliberates on important matters concerning the risk management of the Group, as well as by establishing a unit that controls risk management, thereby capturing a sense of risk levels across the entire Group. The fundamental processes for carrying out risk management are risk identification, risk evaluation, risk control, creation of a contingency plan and monitoring and reporting on risk management performance. The Company shall implement appropriate processes depending on the type of business operations and the risk characteristics of a subsidiary and shall report on the status of implementation of risk management to the Board of Directors.
- (3) The Company shall formulate policies regarding integrated risk management and perform quantitative risk management of the entire Group to maintain the Group's credit rating and to prevent bankruptcy.

#### 4. System for Ensuring That Professional Duties Are Performed Efficiently

- (1) The Company shall formulate a medium-term management plan and an annual plan for the Group (including numerical targets, etc.), monitor the status of plan implementation at subsidiary levels and report the results thereof to the Board of Directors.
- (2) The Company shall establish rules regarding the exercise of authority in order to realize efficient business performance by means of division of responsibilities and a chain of command. At the same time, the Company shall construct an appropriate organizational structure to achieve its business purposes.

#### 5. System for Protecting the Customers' Interest

The Company shall establish the Group's basic policies for protection of customers' interests and implement a system for protecting customers' interest, thereby ensuring customer-oriented operations and the protection of customers' interests.

#### 6. System for Keeping and Managing Information with Respect to Directors' Performance of Duties

The Company shall establish rules on keeping and managing documents and so forth. The minutes of important meetings, other important documents and so forth, including information on the performance of directors' duties, shall be properly kept and managed in accordance with such rules.

#### 7. System for Ensuring the Appropriateness and Reliability of Financial Reporting

The Company shall establish the necessary system to ensure the appropriateness and reliability of financial reporting of the Group, monitor the effectiveness of the system on a periodic basis and report the results thereof to the Board of Directors.

#### 8. System Regarding Audits by Corporate Auditors

- (1) System of reporting to corporate auditors
  - (a) Directors shall regularly report the status of management, financial condition, compliance, risk management, internal audit and so forth to corporate auditors and when, in connection with execution of their functions, they find any material violation of laws or internal rules or any other condition or fact that may cause considerable damage to the Company, they shall immediately make a report thereof to corporate auditors.

- (b) Corporate auditors shall attend meetings of the Board of Directors and other important meetings or committees, such as the management meetings and express their opinion. Furthermore, minutes of important meetings and other important documents relating to decisions approved by directors shall be provided to corporate auditors at any time upon request from corporate auditors.
  - (c) Status of the hotline operation and important reporting and consultation matters shall be reported regularly to corporate auditors.
  - (d) Directors and employees shall explain matters concerning the operation of their businesses at any time upon request from corporate auditors.
- (2) Matters concerning employees assisting with the auditing duties of corporate auditors, including matters concerning such employees' independence from directors
    - (a) In order to assist corporate auditors in carrying out their duties, the Company shall establish a secretariat under the direct control of corporate auditors. Upon request from corporate auditors, the Company shall assign full-time staff who have the knowledge and ability to assist the audit.
    - (b) The staffs assigned to the secretariat of corporate auditors shall perform their assigned tasks ordered by corporate auditors and other work that is required to assist the audit, and such staff shall have the right to collect the necessary information.
    - (c) The performance evaluation and transfer of and disciplinary action against such staff shall be carried out with the approval of the standing corporate auditors.
  - (3) Coordination with corporate auditors of subsidiaries
 

Corporate auditors shall, based on audit standards and so forth, request corporate auditors of subsidiaries to report regularly on important matters regarding their respective subsidiaries, such as the audit policy, audit status, audit results and so forth and shall endeavor to closely work with corporate auditors of subsidiaries in order to perform effective auditing. Additionally, corporate auditors shall receive updates from directors or employees of subsidiaries on the status of their duties at the respective subsidiaries as necessary.

Adopted on May 2, 2006

Revised on December 17, 2007

Revised on July 1, 2008



# Corporate Governance

## Corporate Governance Policies

Tokio Marine Holdings, in line with the Tokio Marine Group Corporate Philosophy, is committed to the continual enhancement of corporate value by fulfilling its responsibilities to shareholders, customers, society, employees and other stakeholders. For this purpose, the Company hereby establishes a sound and transparent corporate governance system and, as a holding company, aims to exercise appropriate control over the Tokio Marine Group companies.

Tokio Marine Holdings corporate governance policies shall be reviewed and amended as necessary to adapt to changes in the business environment.

## I. Management Organization

### 1. The Board of Directors

#### (1) Responsibilities of the Board of Directors and its Members

The Board of Directors is responsible for decisions on important matters relating to the execution of the Company's business, for supervising the performance of individual directors and establishing an effective internal control system. In addition, as the Board of Directors of a holding company, it is responsible for determining medium- to long-term business strategies and various basic business policies for the Tokio Marine Group.

Each director shall endeavor to enable the Board of Directors to fulfill these responsibilities and functions.

#### (2) Composition of the Board of Directors

The number of directors shall generally be approximately ten members, of whom, as a general rule, at least three shall be outside directors.

#### (3) Directors' Term of Office

Directors shall be appointed for a term of office of one year. Directors may be reappointed.

### 2. Corporate Auditors and the Board of Corporate Auditors

#### (1) Responsibilities of Corporate Auditors and the Board of Corporate Auditors

Corporate auditors, as an independent body entrusted by shareholders, shall audit the performance of directors, with the aim to ensure sound and fair management and accountability. Corporate auditors shall endeavor to conduct a high-quality audit in accordance with the regulations of the Board of Corporate Auditors, auditing standards, auditing policies and auditing plans determined by the Board of Corporate Auditors.

#### (2) Composition of the Board of Corporate Auditors

The number of corporate auditors shall generally be around five. As a general rule, a majority of the corporate auditors shall be outside corporate auditors.

### 3. Nomination Committee and Compensation Committee

#### (1) Responsibilities of the Nomination and Compensation Committees

The Company shall have a Nomination Committee and a Compensation Committee to serve as advisory bodies to its Board of Directors.

The Nomination Committee shall deliberate on the following matters and report to the Board of Directors:

- The appointment and dismissal of directors and corporate auditors of the Company;
- The appointment and dismissal of directors and corporate auditors of the principal business subsidiaries\* of the Company; and
- The criteria for the appointment of directors and corporate auditors of the Company and its principal business subsidiaries.

The Compensation Committee shall deliberate on the following matters and report to the Board of Directors:

- Evaluation of the performance of directors of the Company;
- Evaluation of the performance of directors of the principal business subsidiaries of the Company; and
- The compensation system for directors and corporate auditors of the Company and its principal business subsidiaries

\* The term "business subsidiary" refers to companies in which the Company directly holds a majority of the voting rights.

#### (2) Composition of Nomination and Compensation Committees

The Nomination Committee and the Compensation Committee shall generally each consist of approximately five members. As a general rule, a majority of the members of each committee shall be selected from outside the Company, and the chairman of each committee shall be one of the outside members.

## Corporate Governance

### II. Compensation System for Directors and Corporate Auditors of the Tokio Marine Group

#### (1) Compensation of Directors and Corporate Auditors of the Company

Compensation for full-time directors consists of three elements: fixed compensation; bonuses related to the business performance of the Company and the performance of the individual; and stock options.

Compensation for corporate auditors and part-time directors consists of two elements: fixed compensation and stock options.

#### (2) Compensation of Directors and Corporate Auditors of Principal Business Subsidiaries

The compensation system for directors and corporate auditors of the Company's principal business subsidiaries shall generally be identical to that applied to directors and corporate auditors of the Company.

### III. Corporate Governance of Subsidiaries

#### (1) Governance System

In its "Basic Policies for Internal Control," the Company shall prescribe basic terms for the management of the business subsidiaries, systems relating to the promotion of compliance, risk management and internal auditing of the Tokio Marine Group, and the Company shall manage its subsidiaries through the establishment and operation of a governance system based on these basic terms.

#### (2) Evaluation of Business Results of the Business Subsidiaries

The Company shall evaluate the business results of each business subsidiary of the Tokio Marine Group on an annual basis, comparing actual results with previously determined business results indices. The results of such evaluations shall be considered in the determination of the compensation for the directors of each business subsidiary.

Adopted on May 27, 2005

Revised on July 5, 2007

Revised on December 17, 2007

Revised on July 1, 2008

The Board of Directors of Tokio Marine Holdings, Inc.



# Compliance

## The Tokio Marine Group's Compliance Policy

### Declaration of Commitment to Compliance

The Tokio Marine Group is committed to the continuous enhancement of its corporate value, with customer trust at the base of all its activities. Strict compliance is at the heart of our corporate philosophy. The Tokio Marine Group Code of Conduct is a compilation of important matters that must be strictly observed. We, the directors, officers and employees of the Tokio Marine Group companies, promise to prioritize compliance in the conduct of business activities in accordance with the Code of Conduct.

Shuzo Sumi  
President

## Tokio Marine Group Code of Conduct

The Tokio Marine Group Code of Conduct sets forth ethical standards that are essential for translating its corporate philosophy into action, and shall be prioritized in all aspects of our business operations and activities.

We, the directors, officers and employees (including temporary staff members) of the Tokio Marine Group companies, shall obey applicable laws, rules and regulations and internal rules and conduct fair and equitable business activities within social norms. In order to conduct our business in a fair manner, we shall strive to understand the applicable rules and fully comply with them.

Non-compliance with this Code of Conduct, applicable laws, rules and regulations and internal rules are subject to appropriate action, including investigation, corrective action, reporting to the supervising authorities, disciplinary action against parties concerned and measures against recurrence, in accordance with the internal rules of each Tokio Marine Group company.

### Basic Principles

#### 1. Compliance

We shall comply with applicable laws, rules and regulations and internal rules, engage in free and fair competition and conduct fair and equitable business activities in conformity with social norms.

##### 1-1 Compliance

We shall strictly comply with applicable laws, rules and regulations and internal rules.

##### 1-2 International Rules and Local Laws

The rules which we must obey are not restricted to those applicable in Japan. We shall obey international rules and local laws, rules and regulations in the countries where Tokio Marine Group companies operate. We shall also respect the traditions and cultures in such countries.

##### 1-3 Free and Fair Competition

We shall conduct our business in compliance with antitrust, competition and free trade laws. We shall not undertake any action that hampers free and fair competition, including collusion and cartel formation. We shall abstain from any act falling under "unfair trade practices" such as overreaching. We shall be mindful of regulations applicable to the activities of trade associations.

##### 1-4 Conflicts of Interest

We shall not tolerate any action pursuing our personal or a third party's interests against our respective company's legitimate interests.

##### 1-5 Insider Trading

We shall not buy or sell securities of any company while in possession of material, nonpublic information (known as "inside information") regarding the subject company in violation of securities related laws, rules or regulations. This rule applies not only to the securities of Tokio Marine Holdings, Inc. but also to those of other companies. Without authorization, we shall not pass inside information to any other person.

##### 1-6 Intellectual Properties

We shall respect and not infringe upon intellectual property rights of third parties, including copyrights, trademarks and patents.

##### 1-7 Working Environment

We shall comply with labor-related laws, rules and regulations and maintain a safe and proper working environment.

## Compliance

### 2. Social and Political Issues

We shall maintain proper conduct in social and political activities.

#### 2-1 Anti-social Forces

If we succumb to anti-social forces, including, but not limited to, criminal organizations, *sokaiya* (professional extortionists at shareholders' meeting) or terrorist groups, it would result in encouraging anti-social activities. In full recognition of our social responsibility, we, together with all Tokio Marine Group companies, shall maintain a firm stand against all anti-social forces, and we shall strive to prevent money laundering by endeavoring to thoroughly identify transaction parties and by responding appropriately to transactions in which we suspect criminal involvement.

#### 2-2 Political Activities, Political Funding

We shall comply with applicable laws, rules and regulations regarding public elections, political activities as well as political funds and donations, and we shall always maintain our posture toward fairness.

#### 2-3 Gifts and Entertainment

We shall not accept money, goods and other inappropriate or unlawful profits by taking advantage of our position. Also, we shall not accept or give any gifts or entertainment which are illegal or not considered reasonable by social standards.

### 3. Appropriate Actions of and High Transparency in Management

We shall take appropriate management actions and strive to realize a high standard of transparency in our management.

#### 3-1 Appropriate Transaction

We shall maintain sound relationships with clients and engage in appropriate and fair transactions.

#### 3-2 Public Disclosure

An appropriate disclosure of management information is very important from the view point of enhancing customer trust. We intend to enhance our shareholders', investors' and customers' understanding of our management. We shall make full, fair, accurate, timely and understandable disclosure of information, including, but not limited to, information included in reports and documents that Tokio Marine Holdings, Inc. files with or submits to any regulatory bodies and in other public communications made by Tokio Marine Holdings, Inc.

#### 3-3 Accurate Information

For the purpose of a full, fair, accurate, timely and understandable disclosure of information, all records, data and information owned, used and managed by us should be accurate and complete. We shall cooperate fully with any appropriately authorized internal and external auditing and inspection.

### 3-4 Confidential Information

In accordance with applicable internal rules, we shall protect the confidentiality of nonpublic information and not disclose such information to anyone who is not authorized to receive it. In addition, we shall not use any such information for the benefit of anyone other than Tokio Marine Group companies.

### 4. Respect for Human Rights and the Environment

We shall respect the human rights of our customers, directors, officers, employees and all other people, and respect the global environment in all of our activities.

#### 4-1 Anti-discrimination

Human rights are values widely recognized around the world, and any discrimination on grounds of sex, age, profession, nationality, race, thought, creed, religion, social status or birth as well as any act constituting an infringement of human rights should never be tolerated.

#### 4-2 Anti-harassment

Sexual or any other kind of harassment or intimidation should never be tolerated.

#### 4-3 Private Information

In compliance with applicable laws, rules and regulations as well as the Tokio Marine Group Privacy Policy, we shall safeguard private information, including customers' information, and we shall not use such information except on a need basis to carry out our business operations, in order to avoid any breach of privacy.

#### 4-4 Protection of the Global Environment

Acknowledging that the protection of the global environment is an important responsibility, we shall comply with applicable laws, rules and regulations, and respect the harmonization with and the improvement of the global environment in all of our activities.

### The Applicable Laws, Rules, Regulations and Internal Rules

This Code of Conduct is not intended to cover every issue or situation we may face in our business activities. Please refer to the respective compliance manual of each Tokio Marine Group company in order to understand the applicable laws, rules and regulations as well as the standing internal rules.

### Reporting

In the case of non-compliance (including doubtful cases) with this Code of Conduct, applicable laws, rules and regulations or internal rules, we, the directors, officers and employees (including temporary staff members) of the Tokio Marine Group companies, shall make a prompt report or consultation in accordance with the applicable internal rules. If, for any reason, it is not appropriate to make use of the regular reporting system, please contact one of the hotlines, including the external hotline (assigned law firm).

The reporter will not be treated disadvantageously because of his or her report. Furthermore, private information of the reporter shall be handled responsibly. The details of this mechanism are described in the respective compliance manual of each Tokio Marine Group company.

Compliance Department of Tokio Marine Holdings, Inc. is responsible for administration of the Tokio Marine Group Code of Conduct. Please contact this department with any inquiries related to the Code of Conduct.

Changes to this Code of Conduct must be approved by the Board of Directors of Tokio Marine Holdings, Inc. Any waiver or amendment of the Code of Conduct for directors or officers of Tokio Marine Holdings, Inc. must be also approved by the Board of Directors of Tokio Marine Holdings, Inc. Any such change or waiver will be promptly disclosed.

Adopted on September 8, 2003  
Revised on July 1, 2008

## Compliance

### Tokio Marine Group's Compliance System

The Tokio Marine Group engages in business in strict accordance with applicable laws, rules and regulations. The Group defines compliance as the faithful and proper pursuit of corporate activities within the bounds of social norms while strictly adhering to laws, regulations and the internal rules. The Tokio Marine Group Code of Conduct clarifies our stance on compliance and defines the matters that the directors, officers and employees of the Group must follow. All of them are supplied with a copy of the Tokio Marine Group Code of Conduct.

#### 1. Role of Tokio Marine Holdings

It is our basic principle that each Group company should make a self-directed effort to promote compliance in accordance with tactics appropriate to the scale and types of business it handles.

Tokio Marine Holdings aims to enhance compliance throughout the entire Group. To this end, we have drawn up groupwide measures by establishing the "Basic Policy for the Promotion of Compliance" which stipulates the roles of Tokio Marine Holdings and important points in pursuing strict compliance.

The "Compliance Minimum Standards," distributed to the subsidiaries, set out the policies, frameworks and rules that are the bases for compliance in the Tokio Marine Group. The subsidiaries apply these standards as the minimum requirement for their compliance programs, augmenting them in accordance with their respective types of business.

In addition, as a system to ensure strict compliance in the entire Group, Tokio Marine Holdings periodically monitors the status of compliance within the Group. If any important matters are reported from subsidiaries, decisions on such matters are made by the Compliance Committee and the Board of Directors after deliberation and then instructions and guidance regarding the Group companies' business activities will be given to them as deemed necessary. We periodically hold Compliance Meetings with the members responsible for compliance at Tokio Marine Holdings and each subsidiary in order to share information affecting all companies and propose groupwide measures.

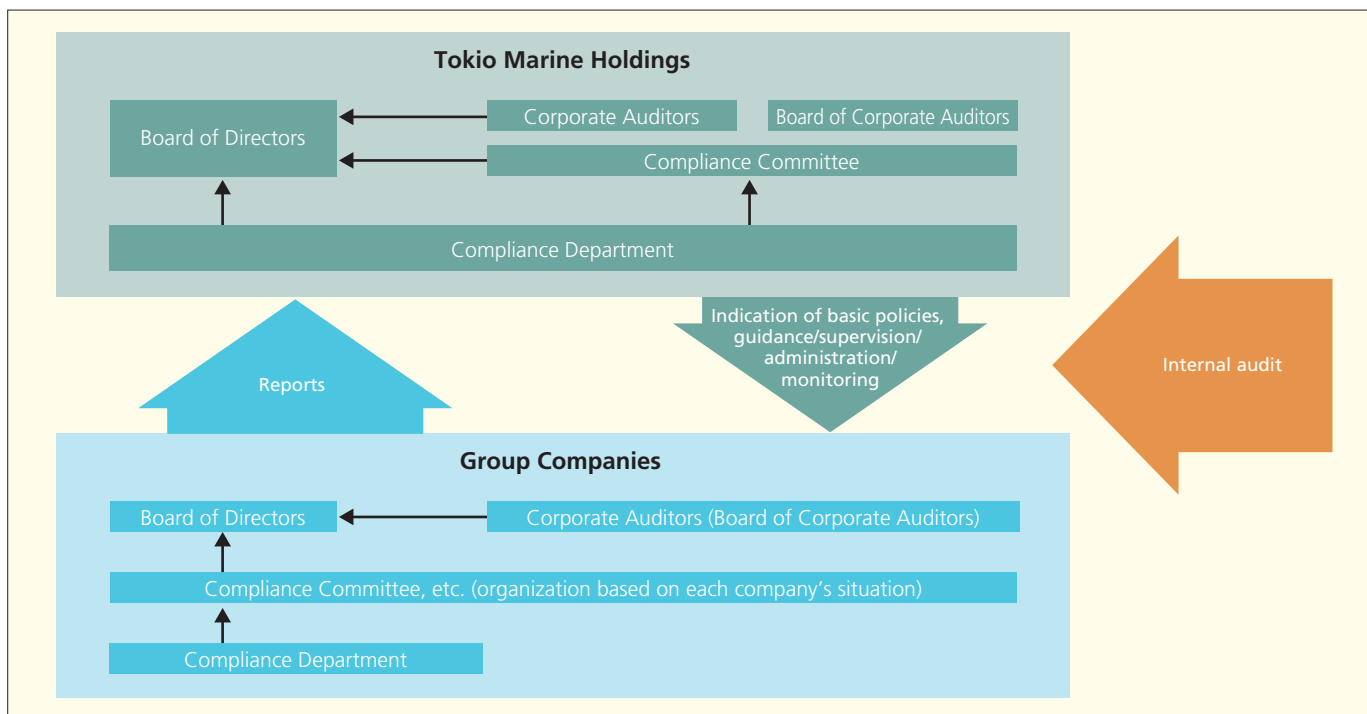
#### 2. Promoting Compliance at Group Companies

Based on the "Basic Policy for the Promotion of Compliance" drawn up by Tokio Marine Holdings, the Group subsidiaries establish their own compliance promotion systems tailored to their individual businesses, and, if they have subsidiaries, those subsidiaries also manage their own compliance. The subsidiaries make organizational efforts to ensure strict compliance by establishing a department responsible for compliance promotion and a compliance committee which monitors the progress of compliance and also by assigning staff members in charge of compliance or managers responsible for compliance at departments and branch offices as deemed necessary.

The system, framework and important compliance rules that must be adhered to have been compiled into compliance manuals by each subsidiary and are made available to its directors, officers and employees for reference. In addition, they have been making efforts to apply those rules thoroughly and get the awareness of compliance to take root deeply in the corporate culture by clarifying such rules in manuals prepared according to the types of business in the respective subsidiaries and by holding compliance training and seminars for their directors, officers and employees.

From the perspective of ensuring strict compliance throughout the Group, subsidiaries are committed to systematically promoting compliance by making effective plans appropriate to their respective situations and implementing measures approved by Tokio Marine Holdings, in accordance with the Tokio Marine Group's Code of Conduct and "Basic Policy for the Promotion of Compliance." The effectiveness of these measures is monitored through the combination of the subsidiaries' voluntary inspections and internal audits. The monitoring results are reflected in implementation plans for the subsequent years.

## Management Strict Compliance



### Hotline System (internal reporting system)

The Tokio Marine Group has established internal and external hotlines to handle reports from, and provide consultation to, the directors, officers and employees of the Group companies whenever a compliance-related issue arises or is feared to arise. We also maintain a hotline to an external legal office which we have made available for use to all people for the purpose of reporting and consulting on issues of concern.

All information received via the hotline is kept strictly confidential to ensure that reporting parties need not fear being treated unfairly, for example, by being subject to dismissal, salary reduction or demotion, due to the act of reporting.

### Response to Anti-social Forces

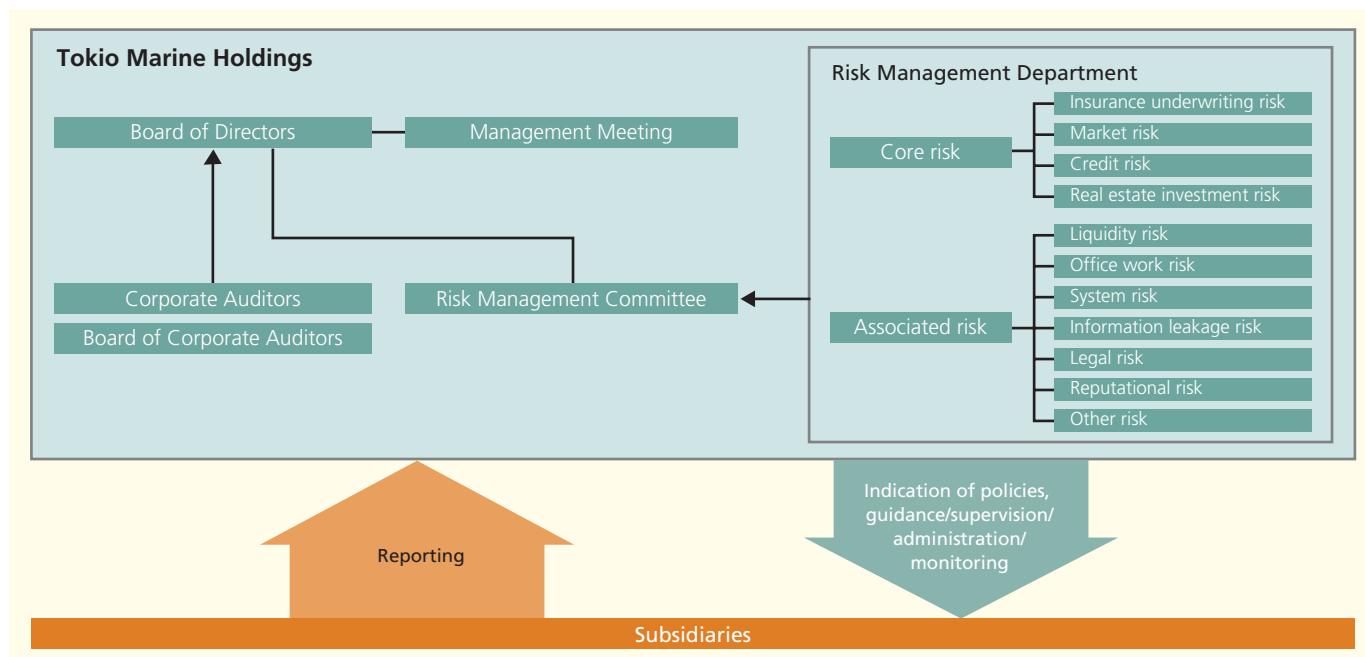
1. Tokio Marine Group companies shall resolutely resist all anti-social forces, in line with the following basic concepts:
  - (1) At all times, the Tokio Marine Group shall endeavor, in concert with all companies of the Group, to take the most appropriate actions to avoid all relationships with anti-social forces and will forcefully repudiate any illicit demands made by them. This is a basic principle of our corporate philosophy of "demonstrating responsible management as a good corporate citizen and making a positive contribution to society."
  - (2) The group companies shall take the following actions against anti-social forces:
    1. Take action as a unified organization while ensuring the safety of directors, officers and employees;
    2. Contact relevant external institutions (specialized in such matters);
    3. Sever all known relationships, including transactions;
    4. Take legal action at either the civil or criminal level; and
    5. Prohibit backroom deals and access to capital
2. In line with the above basic policy, the Tokio Marine Group shall proceed with its initiatives to update its code of conduct and manuals, give training to the members of the Group, establish controlling departments and promote efforts to collect information about anti-social forces.

# Risk Management

## Risk Management System of the Tokio Marine Group

Tokio Marine Holdings tracks the state of risk for the entire group, and assumes the role of overseeing group-wide risk management. In respect of insurance underwriting risk and investment risk (market risk, credit risk and real estate investment risk), Tokio Marine Holdings sees these as core risks related to its source of earnings that it must control, and manages such risks proactively.

Furthermore, in respect of office work risk, system risk and other such risks accompanying business activities, actions are taken to identify these risks and to work to prevent or mitigate them through appropriate risk management, to ensure stable business management.



### 1. Role of Tokio Marine Holdings

Tokio Marine Holdings maintains the basic policies governing risk management and advances risk management structures for the entire Group. Tokio Marine Holdings also manages quantitative risks for the Group in order to maintain credit ratings and prevent bankruptcies.

### 2. Role of Subsidiaries

Based on the "Basic Policy of Group risk management", the Group Subsidiaries establish its own risk management policies and actively conduct risk management of its own as well as its subsidiaries.

### 3. Basic Policies for Risk Management

The Tokio Marine Group has created the following basic policy for risk management. Tokio Marine Holdings and its subsidiaries manage risks in line with these policies.

#### (1) Basic Policy for Risk Management

Basic Policy for Risk Management for the Tokio Marine Group sets forth the matters that must be reported, the organizations and guidelines for risk management to be taken by subsidiaries, defines risks, and describes risk management control departments. Subsidiaries manage risks based on this policy.

#### (2) Basic Policy for Integrated Risk Management

The Tokio Marine Group has developed Basic Policy for Integrated Risk Management that establishes the fundamental matters concerning the quantitative risk management of the entire Group, definition of risks and returns, scrutiny process for risk planning and monitoring.

#### (3) Basic Policy for Crisis Management

The Tokio Marine Group has developed Basic Policy for Crisis Management of the entire Group that clarifies the chain of command in the event of an emergency, measure to minimize the damage and responses to the recovery of ordinary business operations. Subsidiaries also maintain their own systems for crisis management established in accordance with the basic policies.

#### 4. Integrated Risk Management

The main purpose of integrated risk management is to properly control risks, create the ability to keep losses within capital when risks emerge, and quantitatively analyze all risks.

##### (1) Risk Quantification: Expected Shortfalls

The Tokio Marine Group quantifies potential losses on all risks that could arise within certain time frames and that could exceed certain confidence levels. A risk indicator called "Expected Shortfall" is used as the risk quantification method. An expected shortfall may also refer to as conditional value at risk (CVaR) or tail VaR (T-VaR).

##### (2) Determination of Allowable Risk Parameters

Integrated risk management aims to maintain credit ratings and prevent bankruptcy by keeping risks within allowable parameters. The allowable risk parameter for the Tokio Marine Group as a whole has been defined in terms of an upper limit on the quantity of risk. We determine this allowable risk quantity every fiscal year, and manage operations so that risk quantity does not exceed this limit.

##### (3) Evaluation and Monitoring of Capital Allocation Plans

Tokio Marine Holdings ensures that the expected risk volume is within the allowable risk parameters set out in the Group capital allocation plan. In other words, the Risk Management Department which plays an internal control function checks and examines that the capital allocation plans are appropriate to the shareholders' equity. Moreover, the status of risk volume is periodically reviewed.

#### 5. Capital allocation system

Capital Allocation System has been designed to assess the profitability against capital allocated to each business unit of the Tokio Marine Group and to maximize the corporate value of the Tokio Marine Group through the capital reallocation.

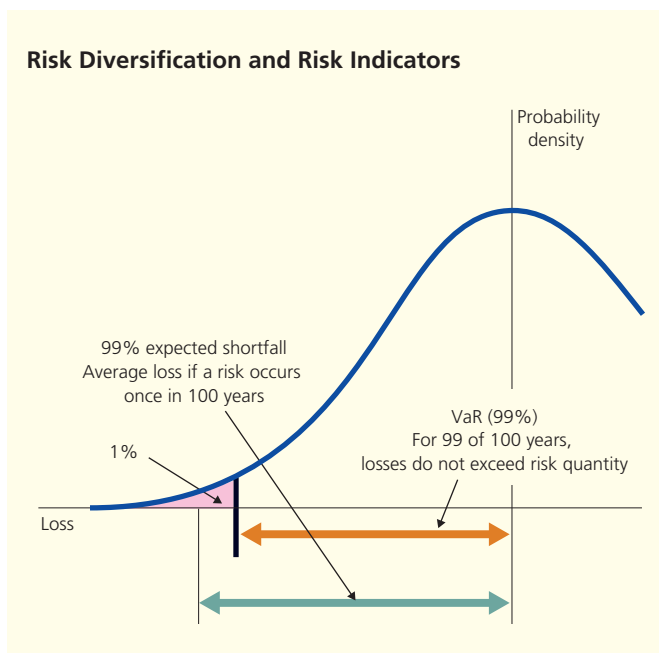
Under this system, capital is identified "as pseudo-capital," based on a risk volume calculated as a uniform gauge of all types of risk. The capital allocation system and integrated risk management are intricately related and they are based on the same risk evaluation methods.

##### (1) Formulation of Capital Allocation Plan

Tokio Marine Group allocates capital to each business unit in accordance with plans created each fiscal year. Operations in each business unit conduct business and take risks that are appropriate to the amount of the capital that has been allocated.

##### (2) Evaluation of Risk/Return and Improvement of Business Portfolio

Using certain management benchmarks, the level of risk/return is evaluated for operations in each business unit. Based on this, capital is reallocated to business units with higher profitability and growth potential and new business. The introduction of a decision-making process based on the quantitative analysis method enables us to select business units that should be focused on at more detailed level. Through this approach, we will seek to increase return on equity (ROE) of the entire Group and maximize the corporate value while continuing to increase earnings.



# Internal Audits

## Internal Audit Framework of Tokio Marine Group

Within Tokio Marine Group, internal audits are executed based on the purpose that “in order to play an effective role in achieving our management targets, internal audits covering the full scope of operations performed in our business should not simply uncover and highlight issues found within internal office processes, but also include evaluations and highlight issues regarding our internal management framework, and propose methods of improvement.” Within Tokio Marine Holdings and its insurance subsidiaries, each company has its own specialized internal audit section, that performs internal audits accounting for types of risk and risk levels within the “Risk Management Framework” and a “Compliance Promotion Framework,” which make up the key pillars of risk management. For other subsidiaries which have no specialized internal audit department, Tokio Marine Holdings’ internal audit section directly carries out audits, and performs monitoring of the internal audit management framework. The results of these audits are reported to the internal audit department of Tokio Marine Holdings, as well as the Board of Directors of each member company of the group. Based on the audit findings, a report is submitted to the Board of Directors of Tokio Marine Holdings in the event that serious issues are uncovered.

## Consistent Internal Auditing Framework as a Group

---

A set of unified “Internal Audit Policies” and “Internal Audit Rules” are applied to all internal audits performed by specialized internal audit sections within group companies, in order to maintain consistency among all internal audits. In addition, Tokio Marine Holdings defines key points and issues to be taken up each year, and works towards construction of a consistent internal auditing framework throughout the group through such measures as pre-approving subsidiary’s annual internal audit plans.

## Joint Audit

---

In order to raise the effectiveness of internal audits, there are also cases where the internal audit departments of each subsidiary work together.



# Corporate Social Responsibility Policy

## The Tokio Marine Group's Approach to CSR

The Tokio Marine Group considers that the execution of its Corporate Philosophy itself is equal to the fulfillment of CSR. The Group's goal is to increase the value it provides every stakeholder and, as a result, to increase its corporate value which is the sum total of the value it provides all stakeholders, through the thorough implementation of CSR practices. It has established the "Tokio Marine Group CSR Charter" as a set of behavioral guidelines for such implementation of CSR practices.

## Tokio Marine Group CSR Charter

The Tokio Marine Group is committed to fulfilling its corporate social responsibilities (CSR) by implementing its management philosophy to achieve sustainable growth together with the development of society, in accordance with the following principles:

- Products and Services
  - We aim to provide the society with products and services to meet its needs for safety and security.
- Respect for Human Rights and Dignity
  - We respect and actively promote the recognition of human rights.
  - We strive to ensure an energetic working environment that is both safe and healthy and to promote training and education of our employees.
  - We respect the right to privacy and strive to enforce sound information management and control.
- Protection of the Global Environment
  - Acknowledging that the protection of the global environment is an important responsibility for all corporate entities, we respect the harmonization with and the improvement of the global environment in all of our activities.
- Contribution to Communities and Societies
  - As a member of various communities and societies, we respect the diversity of cultures and customs and we aim to contribute actively to the needs of the current era.
- Compliance
  - While striving to maintain high ethical standards at all times, we will pursue strict compliance in all aspects of our business activities.
- Communication
  - We intend to disclose information timely and appropriately and to promote dialogue with all our stakeholders to ensure effective corporate management.

## Participation in the United Nations Global Compact

Tokio Marine Holdings has been participating in the United Nations Global Compact since 2005 because the concept and the content of the Global Compact agree with its approach to CSR initiatives and its CSR Charter. In the future as well, the Tokio Marine Group will seek to implement activities complying with the Global Compact's ten principles in the areas of human rights, labor, the environment, and anti-corruption.

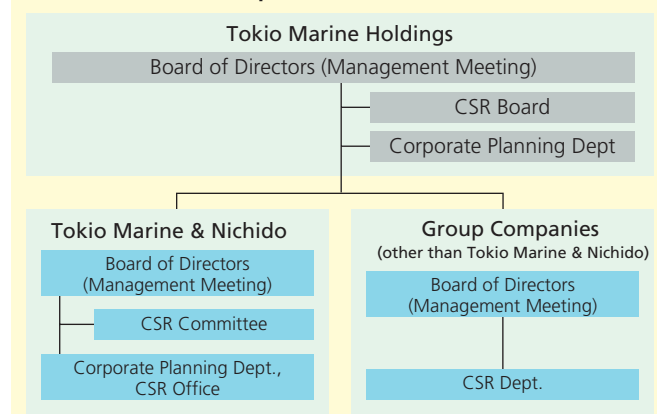


## CSR Promotion Structure

The Tokio Marine Group has established the "CSR Board" chaired by the President of Tokio Marine Holdings and with a membership consisting of the Presidents (CSR Supervisors) of the Group member companies. This Board formulates fundamental policies and plans for CSR initiatives and monitors progress in these initiatives. Each Group member company promotes its own CSR initiatives and those of its subsidiaries in accordance with the policies and plans formulated by the CSR Board.

In addition, Tokio Marine & Nichido has established the CSR Office to serve as an organ specialized in the promotion of CSR, as well as the "CSR Committee", under its Board of Directors. These organizations work to share information between departments/sections involved in CSR initiatives as well as to strengthen and promote related efforts.

### The Tokio Marine Group's CSR Promotion Structure



# Information Management

## Tokio Marine Group's Information Security Management

In accordance with the internal rules at each company based on the Personal Information Protection Law and related guidelines, the Tokio Marine Group has been making every effort to ensure the thorough management of information by training its employees and monitoring the situation of its information security.

## Tokio Marine Group's Privacy Policy

The Tokio Marine Group is committed to the continuous enhancement of its corporate value, with customer trust at the base of all its activities. Guided by this corporate philosophy, we, the Tokio Marine Group, shall comply with all laws, rules, regulations and guidelines related to the protection of personal information, appropriately manage personal information as described below and implement other appropriate security measures to protect the personal information of our customers.

1. We shall acquire the personal information of our customers in a manner that is both lawful and equitable. Except in cases prescribed by law, rules or regulations, we shall notify or publicize the purposes of using personal information of our customers and shall use such information within the scope of such purposes.
2. Except in cases prescribed by law, rules or regulations, we shall not provide the personal information of our customers to third parties without the prior consent of each such customer.
3. We shall strive to prevent the divulgence, destruction or impairment of, as well as unauthorized access to, the personal information of our customers. When we outsource the management of the personal information of our customers, we shall exercise necessary and appropriate supervision over the company trusted with such management.
4. Whenever we receive requests from our customers to view or update their personal information we hold, we shall respond to them promptly in accordance with laws, rules and regulations. We would also welcome our customers' comments and inquiries about our management of the personal information of our customers.
5. We shall exercise supervision over, or give guidance and training to, our employees who handle the personal information of our customers to ensure that such information is managed appropriately.
6. We shall continue our efforts to review and improve our internal systems and measures for protecting the personal information of our customers.

## Tokio Marine Holdings' Privacy Policy

With customer trust at the base of all its activities, the Company is committed to the continuous enhancement of its corporate value, through planning the management strategy of the whole Tokio Marine Group and managing the subsidiaries. The Company properly handles personal information as described below in compliance with the Personal Information Protection Law (the "Law"), other relevant laws, ordinances and guidelines and the Tokio Marine Group Privacy Policy, and takes appropriate measures to ensure that personal information is secure. The Company will conduct thorough training and education of its employees for the proper handling of personal information. The Company will review and improve the content described below from time to time:

1. Acquisition of Personal Information  
The Company shall acquire customers' personal information in a lawful and equitable manner to the extent necessary for its business;
2. Purpose of the Use of Personal Information  
The Company shall give notice or make a public announcement of the Purpose of the Use of customers' personal information, and shall use such information within the scope of the purposes provided for in the Purpose of the Use unless otherwise provided in the relevant laws and/or ordinances;
3. Provision of Personal Data to Third Parties  
The Company shall not provide customers' personal data to a third party without the prior consent of each such customer unless required under laws, rules and regulations or for the purpose of sharing such personal data with the Group Companies or affiliated companies of the Company (Please refer to the subsequent paragraph 4. "Sharing of personal data with the Company's Group Companies and affiliated companies");
4. Sharing of personal data with the Company's Group Companies and affiliated companies  
The Company and other companies of the Tokio Marine Group may share and use customers' personal data among them for purposes of business management as follows:  
Personal Data to be used:
  - Address
  - Name
  - The Company's shares held
 Entity responsible for the management of personal data:  
Tokio Marine Holdings, Inc.

#### 5. Handling of Sensitive Information

The Company shall not collect, use, or provide to a third party Sensitive Information, including, but not limited to, the state of health or medical history of its customers, except in cases provided for by the Law, other relevant laws, ordinances and guidelines.

Note: "Sensitive Information" means sensitive information set forth in Article 6 of the Guidelines for the Protection of Personal Information in the Financial Industry.

#### 6. Notification, disclosure, amendment, suspension of use, etc. of personal information held by the Company under the Personal Information Protection Law

For any inquiries related to the above, please refer to the subsequent paragraph 8 "Contact office."

After ascertaining the identity of the person who made such inquiries, Tokio Marine Holdings will ask him/her to fill in its designated form and will send him/her a reply later in writing, in principle, subject to fees prescribed by the Company.

#### 7. Management of Personal Data

The Company shall take sufficient measures for securing the safety of the kept personal data against their divulgence, loss or damage, and shall make efforts to keep them correct and updated in order to meet the purposes of using them.

Further, in cases where the management of personal data is outsourced, the Company shall exercise necessary and appropriate supervision over the company trusted with such management by checking its information management system and monitoring its performance of business after the outsourcing contract has taken effect.

#### 8. Contact office

The Company will respond immediately and appropriately to any complaints or consultation regarding the handling of personal information.

Please address all your inquiries and consultation regarding the Company's handling of personal information or personal data kept by the Company to the following contact office:

**Contact Office:** Compliance Dept.  
Tokio Marine Holdings, Inc  
Tel 0120-789-967  
(Business hours: 9:00 to 17:00 excluding Saturdays, Sundays, holidays and during the year-end and the New Year holidays)

#### 9. List of companies

The Company's group companies and business partners described in the above paragraph 4. "Sharing of personal data with the Company's Group Companies and affiliated companies" are as follows:

##### **Group Companies**

Please see here. <http://www.tokiomarinehd.com/en/group/index.html>

##### **Business Partners**

At the present time, the Company does not provide personal data to any affiliated companies.

Note: The above-mentioned Privacy Policy does not apply to the personal information of people working in the Company.

# Disclosure and Investor Relations

We make every effort to disclose information about the Tokio Marine Group's current financial condition and future business development in a fair and understandable manner that facilitates precise understandings for our stakeholders.

## Disclosure Policy of the Tokio Marine Group

We aim to disclose meaningful information regarding the Tokio Marine Group that enhances management transparency and fairness in connection with our "Corporate Social Responsibility".

### 1. Disclosure Policy

It is our policy to disclose information expeditiously in accordance with the "Rules on the Timely Disclosure of Corporate Information by Issuers of Listed Securities and the Like" stipulated by the Tokyo Stock Exchange.

We strive for the timely, accurate and fair disclosure of other information that is relevant to our customers, shareholders and investors, representative offices and employees as well as the society at large.

### 2. Methods of Disclosure

Disclosure pursuant to stock exchange rules, regulations and other requirements is made through the Timely Disclosure network, or TDnet, of the Tokyo Stock Exchange as well as the press and other appropriate means. We subsequently post the disclosed information on our website.

Other disclosure is made in an appropriate manner based on the content of the relevant information.

### 3. Additional Information

Disclosure made based on this Disclosure Policy is intended to inform the public regarding the Tokio Marine Group's activities accurately, expeditiously and fairly and is not intended to constitute an investment solicitation.

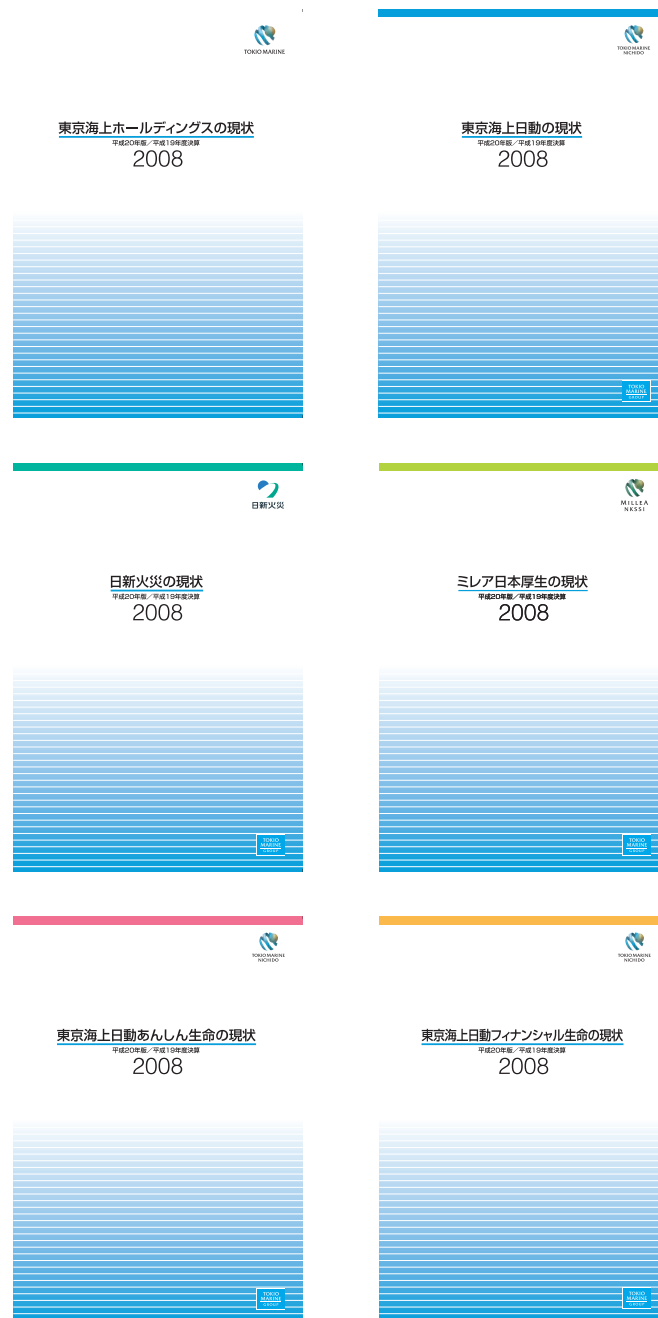
Adopted on November 30, 2004

Revised on July 5, 2007

Revised on July 1, 2008

## Disclosure Materials

Tokio Marine Holdings and the five group insurance companies create disclosure documents and materials and strive to improve information content.



## Websites

Please refer to the following websites for disclosure of information relating to each Tokio Marine Group company:



Tokio Marine & Nichido Fire Insurance Co., Ltd.  
<http://www.tokiomarine-nichido.co.jp/english/index.html>



Nisshin Fire & Marine Insurance Co., Ltd.  
<http://www.nisshinfire.co.jp/>



Millea Nihon Kousei SS Insurance Co., Ltd.  
<http://www.millea-nkssi.co.jp/>



Tokio Marine & Nichido Life Insurance Co., Ltd.  
<http://www.tmn-anshin.co.jp/>



Tokio Marine & Nichido Financial Life Insurance Co., Ltd.  
<http://www.tmn-financial.co.jp/>

## Ratings Information

The Tokio Marine Group's credit ratings were as follows as of July 1, 2008.

### Tokio Marine Group's Credit Ratings

Rating agency	Type	Tokio Marine Holdings	Tokio Marine & Nichido	Nisshin Fire	Tokio Marine & Nichido Life	Tokio Marine & Nichido Financial Life
S&P	Insurer financial strength rating		AA/ Stable	A+/ Stable	AA/ Stable	
Moody's	Insurer financial strength rating		Aa2/ Stable			
Fitch Ratings	Insurer financial strength rating		AA+/ Stable			
A.M. Best	Best's rating		A++/ Stable			
Rating and Investment Information (R&I)	Senior long-term credit		AA+/ Stable	AA/ Stable		
	Insurance claims paying ability				AA+/ Stable	AA+/ Stable
Japan Credit Rating Agency (JCR)	Long-term rating	AAA/ Stable	AAA/ Stable			
	Insurance claims paying ability				AAA/ Stable	

## Information Disclosure and Investor Relations

### Investor Relations

Investor relations (IR) are activities that provide information to shareholders and investors to facilitate investment decisions.

Tokio Marine Holdings accepts many opinions and suggestions in its interactions with shareholders and investors through its IR activities such as information meetings regarding business results and meetings with analysts and institutional investors. We make an effort to reflect these opinions and suggestions in management and aim to realize sound and transparent corporate governance.

### Providing Information via the Internet

Tokio Marine Holdings proactively releases information on its website (<http://www.tokiomarinehd.com/>). In March 2008, we upgraded the presentation of the top page and investor relations pages to make them more understandable.

The website offers financial data, results data, important information about the Tokio Marine Group, news releases and topics.

We also provide webcasts of briefings and explanations on our website and distribute information meetings regarding business results for institutional investors and analysts as well as information meeting for individual investors. In addition, the website also distributes webcasts, such as the President's Message for individual investors and explanations of monthly business results of Tokio Marine & Nichido by our directors.

### Outline of IR Activities

The following is an outline of the IR activities undertaken in fiscal 2007.

Tokio Marine Holdings endeavors to provide information to shareholders and investors in Japan and overseas that would meet their concerns and needs. We will continue to strive to further enhance our IR activities in a variety of formats.



#### Fiscal 2007 IR Activities of Tokio Marine Holdings

**IR Activities for Individual Investors**  
(Information meetings for individual investors were held twice in fiscal 2007, with about 870 participants, and securities company investment seminars were held six times with about 330 participants.)

**Domestic Investor Meetings**  
(Meetings were held with 178 companies including phone and video conferences.)

**Large Meetings for Institutional Investors**  
(Information meetings regarding business results were held three times in fiscal 2007, with about 290 participants.)  
Note: Large meetings are defined as briefings with 20 to 100 participants.

**Overseas Investor Meetings (Road show)**  
(Seven meetings were held in Europe, North America and Asia, with 102 companies participating)



**Domestic Small Meetings**  
(Meetings were held 11 times in fiscal 2007, with 59 companies)  
Note: Small meetings are defined as briefings with 3 to 20 participants.

**Quarterly Results Conference Calls for Institutional Investors**  
(Meetings were held five times in fiscal 2007, with 139 participants)

## Tokio Marine Holdings, Inc.

Tokyo Kaijo Nichido Building Shinkan, 2-1, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo 100-0005, Japan

phone: Tokyo 81-3-6212-3333

<http://www.tokiomarinehd.com/>



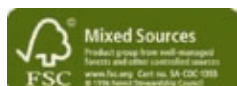
TOKIO MARINE

## Tokio Marine Holdings, Inc.

<http://www.tokiomarinehd.com/>

### "Tokio Marine Holdings Annual Report 2008" Uses FSC Approved Paper

The raw material of the Forest Stewardship Council (FSC) approved paper used in this annual report is lumber harvested from forests that have been properly managed and grown according to the afforestation-nurturing-deforestation cycle. The forest from which this paper comes was grown with its surrounding eco-system taken into full consideration. In this annual report we have used this eco-friendly FSC-approved paper as a result of our desire to support the preservation of forests, which benefit the public in such numerous ways as by absorbing CO<sub>2</sub>.



Printed in Japan

Member of Financial Accounting  
Standards Foundation