

Brief Explanation of FY2011 2Q Financial Results**1. Consolidated Results of Tokio Marine Holdings**

(Reference: "Supplemental material for FY2011 2Q conference call")

Ordinary Income**◆ Net premiums written: ¥1,195.6 billion, up ¥20.6 billion or 1.8% YoY**

- Domestic Non-life: Tokio Marine & Nichido and Nisshin Fire recorded premium increases
- Overseas subsidiaries: Recorded premium increases owing to revenue growth in the Brazilian non-life insurance company and the effects of newly consolidating the results of a China-based subsidiary. Although premiums at major subsidiaries declined on a consolidated basis due to the impact from the appreciation of the yen, they increased on a local currency basis

◆ Life insurance premiums: ¥160.5 billion, down ¥67.0 billion or 29.4% YoY

- Insurance premiums and other of Tokio Marine & Nichido Life: Steady growth in policies in force raised insurance premiums by ¥11.5 billion or 5.2% YoY
- Insurance premiums and other of Tokio Marine & Nichido Financial Life: Premiums of new policies declined significantly mainly due to the shrinking market of variable annuity and the delay for achieving market penetration of new products
- Asian life entities: Premiums increased supported by the steady growth

(Note: Non-consolidated life results do not add up to the consolidated results of life operations due to the difference in accounting format between life and non-life operations; the consolidated results are shown in the non-life format)

◆ Insurance premiums of international insurance business (total of life and non-life)*: ¥307.5 billion, up ¥8.0 billion or 2.7% YoY

- Excluding the effects of the appreciation of the yen, an increase of approximately 7% YoY

The exchange rates continue to have large impacts on the international insurance businesses, where 1H of the fiscal year is from January to June. For example, the appreciation of the yen against the dollar progressed by about 9%, from 88.48 yen at the end of June in 2010 to 80.73 yen on the same day in 2011.

* Result for the overall international insurance business, including foreign branches of Tokio Marine & Nichido, equity method investees and non-consolidated companies.

◆ Changes by Region: (Please refer to the table provided below)

- Philadelphia Insurance Companies: A decrease of approximately 6% YoY due to the appreciation of yen. Premiums continued to grow by about 3% YoY on a local currency basis
- Kiln: An increase of approximately 9% YoY. Approximately 12% increase was posted on a local currency basis

- Mainly due to an expansion in underwriting at both of the Kiln group and the 100% owned Lloyd's Syndicate by the Tokio Marine Group
- Reinsurance (excluding Kiln): A decrease of approximately 2% YoY, due to the appreciation of the yen vs. an increase of approximately 5% YoY on a local currency basis
 - Supported by expansion of new business and opening of new branches
- North America (excluding Philadelphia): A decrease of approximately 6% YoY, due mainly to the appreciation of the yen vs. an increase of 3% on a local currency basis
 - Supported by the recovery in demand for insurance
- Central and South America: An increase of approximately 2% YoY vs. a decrease of 3% YoY on a local currency basis due to the appreciation of Brazilian real against yen
 - Mainly due to contracts we decided not to write in light of underwriting performances
- Non-life in Asia: An increase of approximately 12% YoY supported by steady economic growth and, excluding the effects of the appreciation of the yen, an increase of approximately 15% YoY
- International life: An increase of approximately 25% YoY, and excluding the effects of the appreciation of the yen, an increase of 26% YoY
 - Due mainly to growth in new policies achieved through the expansion of Bancassurance and favorable sales of new products in life insurance businesses in Asia

Ordinary Profit

◆ **Ordinary profit: ¥119.1 billion, down ¥29.0 billion or 19.6% YoY**

- Mainly due to the significant increase in natural catastrophe losses in domestic non-life and overseas subsidiaries caused by typhoons in Japan and tornadoes in the U.S.

Interim Net Income

◆ **Interim net income: ¥79.0 billion, down ¥16.1 billion or 17.0% YoY**

- The factors driving the decrease were mostly the same as those that led to lower ordinary profit

2. Non-Consolidated Results of Tokio Marine & Nichido

(Reference: "Information about major subsidiaries' business results," pages 7 and 8)

◆ **Net premiums written: ¥885.5 billion, up ¥11.5 billion or 1.3% YoY**
Increases or decreases in major lines:

- Fire: Increased by 2.7% YoY
 - Increase in the number of new policies of household fire insurance owing to the increased risk awareness after the Great East Japan Earthquake and recovery in housing starts
 - Due mainly to increase in premiums from major contracts in the corporate clients

- Personal accident: Increased by 1.1% YoY
 - Positive effect of rate revisions in October 2010 and increase in premiums from personal accident insurance for industrial accidents ("T protection" Plan)
- Auto: Increased by 0.4% YoY
 - Higher unit price achieved by rate revisions
- Other lines: Increased by 2.4% YoY
 - Increase in premiums from major contracts in the corporate clients

◆ **Net loss ratio: 87.8%, up 21.0 points YoY**

- Fire: Up 193.2 points YoY to 236.1%
 - Due mainly to an increase in claims paid related to the Great East Japan Earthquake
- Auto: Down 0.4 points to 70.0%
 - Due mainly to a decrease in the number of accidents in 1Q and the reversal effect from increased traffic volume in the summer of previous fiscal year
- Net loss ratio decreased in all lines excluding Fire and Marine
- Net loss ratio excluding claims paid in relation to the Great East Japan Earthquake: 65.0%, down 1.7 points YoY

◇ **Current situation of auto insurance:**

- The number of accidents in 1H of FY2011 leveled off YoY after the temporary decrease immediately following the Great East Japan Earthquake. This was mainly due to the gradual increase of accidents as traffic volume returned to the normal level in accordance with the progress of economic recovery, and the effect of repeated typhoon damages
- As for 2H of FY2011, we project a slight increase due to the recovery of traffic volume in accordance with the demand for reconstruction

◆ **Business expenses and net expense ratio:**

◇ **Agency commissions and brokerage: ¥150.7 billion, down ¥1.7 billion YoY**

- Mainly due to decline in average agency commission points

◇ **Operating and general administrative expenses on underwriting: ¥129.9 billion, down ¥16.7 billion YoY**

- Owing to the temporary decrease in system developing expenses due mainly to the concentration of the timing of the start of live operations of new IT systems with large budget in 2H of FY2011
- Mainly due to decreased personnel expenses

◇ **Total expenses: ¥280.7 billion, down ¥¥18.5 billion YoY**

◇ **Net expense ratio: 31.7%, down 2.5 points YoY**

◆ **Provision for outstanding claims (private insurance basis): A decrease in the provision of ¥25.5 billion, down ¥14.4 billion YoY**

- An increase of ¥36.8 billion in provision for outstanding claims related to the typhoon No. 12 and No. 15
- On the other hand, there was a decrease of ¥51.5 billion in provision for outstanding claims related to the Great East Japan Earthquake as these claims

were gradually being paid

- ◆ **Provision for underwriting reserves: A decrease in the provision of ¥185.3 billion, down ¥129.3 billion YoY**
- ◇ **Underwriting reserve for residential earthquake insurance: A reversal of ¥124.3 billion as a result of the Great East Japan Earthquake**
 - With regard to residential earthquake insurance, there will be no impact on profit as the amount of reversal of earthquake underwriting reserve is exactly matched with the amount of net incurred losses
- ◇ **General underwriting reserves (private insurance basis): An increase in the provision of ¥17.4 billion, up ¥7.5 billion YoY**
 - Due, among others, to an increase in YoY provision of fire insurance owing to increased premiums
- ◇ **Catastrophe loss reserve: A decrease in the provision of ¥50.0 billion, down ¥36.8 billion YoY**
 - There was a reversal of loss reserves particularly in fire insurance mainly because claim payments related to the Great East Japan Earthquake have been processed

- ◆ **Underwriting profit: ¥54.4 billion, up ¥19.0 billion YoY**

- ◆ **Investment income (net): ¥81.4 billion, down ¥30.3 billion YoY**
- ◇ **Income from interest and dividends: ¥80.7 billion, down ¥2.3 billion YoY**
 - Mainly due to a decrease in dividend income on foreign stocks of overseas subsidiaries
- ◇ **Gains/losses on sales of securities: ¥18.4 billion, down ¥29.0 billion YoY**
 - Mainly due to the lower sales result of business-related equities compared with FY2010 under the continued soft market
 - No change in the full-term plan for the sale of business-related equities
- ◇ **Impairment losses on securities: ¥7.8 billion, improved by ¥3.3 billion YoY**
 - Due to the reversal effect of impairment losses recorded in FY2010, in spite of the downward trend of stock prices in 1H of FY2011
- ◇ **Gains/losses on derivatives: ¥22.7 billion, up ¥1.4 billion YoY**
 - CDS decreased due to the reversal effect of valuation gains recorded in FY2010
 - On the other hand, gains on hedge transactions were recorded in the securities futures transactions in line with the decline in stock market

- ◆ **Ordinary profit: ¥128.8 billion, down ¥4.7 billion, or 3.6% YoY**

- ◆ **Interim net income: ¥92.0 billion, down ¥1.4 billion YoY**
 - Due to an increase in extraordinary gains in accordance with an increase in gains on disposal of fixed assets and a decrease in impairment losses on fixed assets
 - Due, among others, to a decrease in extraordinary losses resulted from the reversal effect of losses recorded in FY2010 on adjustment for changes of accounting standard for asset retirement obligations

3. Non-Consolidated Results of Nisshin Fire

(Reference: "Information about major subsidiaries' business results," page 13 and 14)

◆ **Net premiums written: ¥68.4 billion, up ¥0.9 billion or 1.4% YoY**

- Due, among others, to upward rate revisions as a result of the product renovation of auto insurance in April 2011

◆ **Net loss ratio: 81.3%, up 16.4 points YoY**

- Due, among others, to the payment of residential earthquake insurance claims related to the Great East Japan Earthquake
- Net loss ratio excluding claims paid in relation to the Great East Japan Earthquake: 63.8%, down 1.1 points YoY

◆ **Net expense ratio: 35.3%, down 1.9 points YoY**

- Due, among others, to a decrease in corporate expenses achieved through the streamlining of business operations and an increase in premiums

◆ **Underwriting profit/loss: Loss of ¥4.1 billion, profit declined by ¥3.5 billion YoY**

- Due, among others, to a YoY increase in the provision for outstanding claims, which was caused by natural disasters such as typhoon No.12 and No. 15

◆ **Investment income (net): ¥4.4 billion, up ¥1.2 billion YoY**

- Due, among others, to an increase in gains on sales of securities

◆ **Ordinary profit/loss: Loss of ¥0.3 billion, declined by ¥3.0 billion YoY**

◆ **Interim net income/loss: Loss of ¥0.1 billion, net income declined by ¥2.0 billion YoY**

4. Non-Consolidated Results of Tokio Marine & Nichido Life

◆ **Sales performance (Reference: "Information about major subsidiaries' business results," page 24)**

◇ **New policies:**

- Annualized premiums of new policies in medical and cancer insurance: Up 19.1% YoY
 - Mainly due to strong sales in third-sector lines of Super Insurance and the effect by launching Medical Kit (the latest medical insurance policy)
- Number of new policies, sum insured of new policies, and annualized premiums of

new policies for individual insurance: Down 5.8%, 16.6%, and 8.9%, YoY respectively

- Mainly due to the decision to control sales volume from the perspective of profitability improvement after the revision of "Whole-life with Long-term Discounts Insurance" in November 2010

◇ **Policies in force:**

- Number of policies, sum insured of policies, and annualized premiums of policies for individual insurance: Up 3.6%, 2.4%, and 2.3%, respectively, compared with the end of FY2010

◆ **Statement of income (Reference: "Information about major subsidiaries' business results," page 22)**

- Insurance premiums and other: ¥234.1 billion, up ¥11.5 billion or 5.2% YoY
 - The steady growth was achieved in tandem with the larger volume of policies in force
- Business expenses: ¥41.0 billion, improved by ¥1.1 billion YoY
 - Due, among others, to restrained non-personnel expenses
- Interim net income: ¥5.5 billion, down ¥1.9 billion YoY
 - Due to an additional provision of ¥4.6 billion for standard underwriting reserve at the end of the 1H of FY2011 in order to maintain the accumulation rate of 100% achieved at the end of FY2010
 - Interim net income for the 1H of FY2011 would have increased by ¥ 1.7 billion YoY, had we recognized an additional provision for standard underwriting reserve before 1H of FY2010

5. Non-Consolidated Results of Tokio Marine & Nichido Financial Life

◆ **Sales performance (Reference: "Information about major subsidiaries' business results," page 31)**

◇ **New policies (Individual annuities): Number, sum insured, and annualized premiums all declined significantly YoY**

- We replaced products with full minimum guarantee with those with limited minimum guarantee from 2H of FY2010. However, it is taking time to achieve market penetration of these new products despite our promotion efforts
- Due, among others, to decline in people's motivation to invest with the downward trend in the stock market

◆ **Statement of income (Reference: "Information about major subsidiaries' business results," page 29)**

◇ **Insurance premiums and other: ¥10.7 billion, down sharply by ¥92.6 billion or 89.6% YoY**

◇ **Interim net income: ¥0.7 billion, up ¥4.4 billion YoY**

- Due to the replacement of main products with those designed to generate revenue that is commensurate with the initial costs
- Due mainly to a gain on reversal of catastrophe loss reserves

6. Non-Consolidated Results of E. design Insurance

(Reference: "Information about major subsidiaries' business results," pages 19 and 20)

7. Earnings of International Insurance Business

(References: "Supplemental material for FY2011 2Q conference call")

◆ Interim net income/loss (total overseas insurance companies): Loss of ¥14.8 billion, net income sharply declined by ¥45.8 billion YoY

- However, a gain on reversal of ¥27.9 billion loss recognition relating to natural disasters in the FY2010 consolidated results, has been recorded separately in the 1H of FY2011
- Interim net income after adding back the said ¥27.9 billion: ¥13.1 billion, down ¥17.8 billion YoY

◆ Adjusted earnings*: ¥13.6 billion, down ¥18.2 billion YoY

- Calculated by adding back the gain on reversal of the adjustment for natural disasters during January-March 2011
 - *Includes quarterly net income of "international insurance business (life and non-life)" for financial accounting purposes as well as profits and losses of overseas branches of Tokio Marine and Nichido and equity method investees; valuing earnings of life insurance business at embedded value (EV); adjusting the differences between non-consolidated accounting standards and consolidated accounting standards.

◇ Adjusted earnings by location/geographic area*:

- *Figures for each location are before the adjustment relating to the New Zealand Earthquake and the Great East Japan Earthquake during January-March 2011
- Philadelphia Insurance Companies: ¥3.4 billion, down ¥9.2 billion YoY
 - While keeping disciplined underwriting, earnings declined due to a large natural catastrophe losses incurred from tornadoes during April-June and the record-setting cold weather in the eastern U.S. regions in the beginning of the year
- Kiln: Loss of ¥11.0 billion, earnings declined by ¥15.6 billion YoY
 - While net premiums written increased, earnings declined mainly due to the effect of large natural disasters such as the New Zealand Earthquake, the Great East Japan Earthquake, flood in Australia, tornadoes in the U.S., etc.
 - Adjusted earnings after eliminating the effect of the prior-period natural disasters (the New Zealand Earthquake and the Great East Japan Earthquake): loss of ¥0.6 billion
- Reinsurance (excluding Kiln): Loss of ¥12.1 billion, earnings declined by ¥20.7 billion YoY
 - Mainly due to a significant increase in large natural disasters such as the New Zealand Earthquake, the Great East Japan Earthquake, flood in Australia, tornadoes in the U.S., etc., in addition to the appreciation of the yen

- Adjusted earnings after eliminating the effect of the prior-period natural disasters (the New Zealand Earthquake and the Great East Japan Earthquake): ¥2.3 billion
- North America: ¥1.0 billion, earnings declined by ¥1.5 billion YoY
 - Mainly due to major accidents
- Central and South America: ¥1.2 billion, earnings increased by ¥2.0 billion YoY to return to profitability
 - Due to the improvement of underwriting performance and successful expense cutting efforts in Brazil
- Non-life in Asia: ¥1.5 billion, earnings declined by ¥1.2 billion YoY
 - ¥Mainly due to the effect of natural disasters since the beginning of the year such as the New Zealand Earthquake and flood in Australia
 - ¥Adjusted earnings after eliminating the effect of the prior-period natural disasters (the New Zealand Earthquake): ¥4.5 billion
- International life: ¥1.1 billion, up ¥0.1 billion YoY
 - Due, among others, to steady growth in new policies at major locations

< International Business: Review of 1H of FY2011 Results >

(unit: billions of yen, except for %)

FX rate	Applied FX rate	Net premiums written				Adjusted earnings			
		1H FY2010		1H FY2011		1H FY2010		1H FY2011	
		as of end-Jun 2010	as of end-Jun 2011	Change YoY	Excluding FX effects	as of end-Jun 2010	as of end-Jun 2011	Change YoY	Excluding FX effects
	USD	88.48	80.73			88.48	80.73		
	GBP	133.07	129.78			133.07	129.78		
	Philadelphia	63.9	78.7	-6%	3%	12.6	3.4	-73%	-71%
	North America	16.1	15.2	-6%	3%	2.5	1.0	-60%	-52%
	South & Central America	36.9	37.7	2%	-3%	-0.8	1.2	-	-
	Europe & Middle East	9.5	9.7	2%	5%	0.8	0.5	-38%	-25%
	Asia (incl. China)	33.0	36.9	12%	15%	2.7	1.5	-44%	-26%
	Primary Total	179.5	178.4	-1%	4%	17.9	8.0	-55%	-49%
	Reinsurance Companies	50.0	48.8	-2%	5%	8.6	-12.1	-	-
	K/In Group	44.1	48.2	9%	12%	4.6	-11.0	-	-
	Reinsurance Total	94.2	97.0	3%	8%	13.2	-23.1	-	-
	Non-life Total	273.8	275.4	1%	6%	31.2	-15.1	-	-
	Life	25.7	32.1	25%	26%	1.0	1.1	10%	0%
	Total of Non-life and Life	299.5	307.5	3%	7%	32.2	-14.1	-	-
	Home Office Expense					-0.3	-0.2		
	Total of Non-life and Life after H.O. Expense					31.9	-14.3		
	Adjustment relating to natural disasters in 1Q FY2011						27.9		
	Total (After adjustments)	299.5	307.5	3%	7%	31.9	13.6	-57%	-59%
	Excluding FX effects	299.5	321.8	-	7%	31.9	13.2	-59%	-59%

< Impact of the Thai Flooding to Our Business Projections for Full-Term FY2011 >

The flooding in Thailand which began in early October of this year is still continuing. Although draining work has begun in some industrial parks, we are still not able to visit the affected factories for loss surveys and are thus unable to determine the extent of the damage to our individual clients.

Therefore, we have factored in the Thai flooding loss by applying certain damageability percentages to the insured values of the properties which exist in areas where inundation has been confirmed, to our updated Business Projection for Full-Term FY2011.

For the Thai flooding, we estimate the total gross loss (before reinsurance) to be about ¥200.0 billion, half of which to be our Group's net incurred loss.

The breakdown of net incurred losses amongst Tokio Marine & Nichido Fire and our

overseas group companies is about ¥50.0 billion each.

We also expect to pay out approximately ¥25.0 billion of Tokio Marine & Nichido Fire's expected losses during FY2011, most of which will be covered by its (or, Tokio Marine & Nichido Fire's) catastrophe loss reserves.

We have identified flooding in Thailand as one of the significant risks and have carried out risk analyses such as assessing the PML of our portfolio, however, the magnitude of the current flooding both in terms of geographical scope and duration of time has exceeded our assumptions and that of many other experts.

Nevertheless, we view the expected loss from the Thai Flooding can be fully absorbed by the capital buffer Tokio Marine holds for this kind of extreme event and therefore the impact on our financial soundness will be limited.

8. Consolidated Business Projections on Financial Accounting Basis

(Reference: "Supplemental material for FY2011 2Q conference call")

Ordinary Income

◆ **Consolidated Ordinary Income: ¥3,500.0 billion, an upward revision of ¥150.0 billion from the original projections at the beginning of the fiscal year**

- Tokio Marine & Nichido: Due to the increase in reversal of catastrophe loss reserves in accordance with the progress of claim payments relating to natural disasters
- Tokio Marine & Nichido Financial Life: Mainly due to the release of underwriting reserves of the approximately the same amount as investment losses on separate accounts under the deteriorating investment environment

◆ **Consolidated net premiums written: ¥2,298.3 billion, an upward revision of ¥2.3 billion from the original projection**

- Tokio Marine & Nichido: ¥1,763.0 billion, an upward revision of ¥20.0 billion from the original projections
 - Mainly due to the upward revision from the original projections in light of 1H results in fire, auto and other major lines
 - Revenue growth rate: Up 1.2% from the FY2010 result
- Nisshin Fire: ¥136.4 billion, an upward revision of ¥0.3 billion from the original projections
 - Due to the upward revision from the original projections in light of 1H results
 - Revenue growth rate: Up 1.7% from the FY2010 result

◆ **Consolidated life insurance premiums: ¥427.1 billion, a downward revision of ¥25.5 billion from the original projections**

- Expecting a decline in earnings by Tokio Marine & Nichido Financial Life in light of the sales trend in 1H

◆ **International business total (Insurance premiums): ¥526.0 billion, a downward revision of ¥51.0 billion from the original projections**

- Mainly due to foreign exchange impact

Ordinary profit

◆ Consolidated ordinary profit: ¥140.0 billion, a downward revision of ¥80.0 billion from the original projections

- Tokio Marine & Nichido: ¥176.0 billion, an upward revision of ¥3.0 billion from the original projections
 - Underwriting profit: ¥42.0 billion, a downward revision of ¥7.0 billion from the original projections
 - The strong yen reduced funding of foreign currency-denominated provision for outstanding claims
 - The downward revision is mainly due to the increase in natural catastrophe losses related to the flood in Thailand and other natural disasters
 - Investment income (net): ¥158.5 billion, an upward revision of ¥9.2 billion from the original projections
 - Mainly due to the increase in gains on derivatives owing to the appreciation of yen
- Nisshin Fire: ¥2.8 billion, a downward revision of ¥2.2 billion from the original projections
 - Underwriting profit/loss: Loss of ¥2.4 billion, a downward revision of ¥2.8 billion from the original projections
 - Mainly due to the increase in natural catastrophe loss resulted from typhoons and other natural disasters
 - Investment income (net): Expected to improve owing to an increase in gains on sales of securities
- Tokio Marine & Nichido Life: ¥19.5 billion, an upward revision of ¥0.9 billion from the original projections
 - Mainly due to restrained non-personnel expenses
- Tokio Marine & Nichido Financial Life: Projection for ordinary loss is ¥0.2 billion, a downward revision of ¥0.2 billion from the original projections
 - Mainly due to a decrease in income from insurance-related expenses as a result of the deteriorated investment environment
- International insurance business: Projection for ordinary loss is ¥51.1 billion, a downward revision of ¥74.3 billion from the original projections
 - Mainly due to the significant increase in natural catastrophe losses related to the tornadoes and hurricanes in the U.S., flood in Thailand and other natural disasters
 - Ordinary profit/loss including the effect of adjustment to the FY2010 consolidated results relating to natural disasters: Loss of ¥17.7 billion

Net income

◆ Net income: ¥90.0 billion, a downward revision of ¥55.0 billion from the original projections

- The factors behind the decrease are expected to be mostly the same as those of ordinary profit
- Tokio Marine & Nichido expects extraordinary losses of ¥50.0 billion, which have been offset by consolidated eliminations, as financial support for subsidiaries in Thailand affected by the flood

9. Revised Projections for FY2011 on Adjusted Earnings Basis

(Reference: "Revised forecast of Tokio Marine Group's business results on Adjusted Earnings Basis for the fiscal year ending March 31, 2012")

- ◆ **Group total: ¥16.0 billion, a downward revision of ¥112.0 billion from the original projections**
 - Adjusted ROE: 0.6%, a downward revision of 3.8%

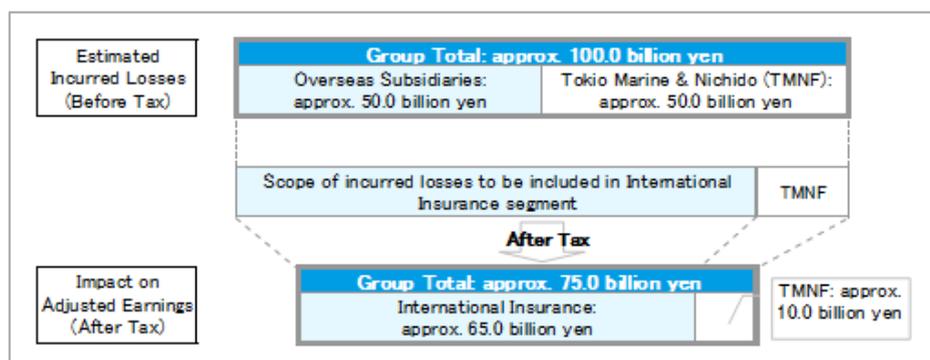
- ◇ **Domestic non-life: ¥21.0 billion, a downward revision of ¥14.0 billion from the original projections**
 - Tokio Marine & Nichido: ¥27.0 billion, a downward revision of ¥11.0 billion from the original projections
 - Mainly due to the significant increase in natural catastrophe losses related to the flood in Thailand, typhoon No.12 and No. 15, and other natural disasters
 - Nisshin Fire: -¥1.0 billion, a downward revision of ¥3.0 billion from the original projections
 - Mainly due to the increase in natural catastrophe losses resulted from typhoons and other natural disasters

- ◇ **Domestic life: ¥24.0 billion, a downward revision of ¥14.0 billion from the original projections**
 - Tokio Marine & Nichido Financial Life: -¥15.0 billion, a downward revision of ¥14.0 billion from the original projections
 - Mainly due to a drop in EV resulted from the deterioration in the investment environment in 1H FY2011

- ◇ **International insurance business: -¥31.0 billion, a downward revision of ¥83.0 billion from the original projections**
 - Mainly due to the significant increase in natural catastrophe losses related to the tornadoes and hurricanes in the U.S., flood in Thailand and other natural disasters

- ◇ **Financial and other business: ¥2.0 billion, a downward revision of ¥1.0 billion from the original projections**

< Floods in Thailand: Explanation for the differences between incurred losses and adjusted earnings >



< International Business: Projection of FY2011 Results >

(unit: billions of yen, except for %)

FX rate	Applied FX rate	Net premiums written					Adjusted earnings				
		FY2010 Results	FY2011 Plans (Original)	FY2011 Projections (Revised)		FY2010 Results	FY2011 Plans (Original)	FY2011 Projections (Revised)			
		as of end-Dec 2010	as of end-Mar 2011	as of end-Sep 2011	Change YoY	Change In Revised and Original	as of end-Dec 2010	as of end-Mar 2011	as of end-Sep 2011	Change YoY	Change In Revised and Original
	USD	81.49	83.15	76.65			81.49	83.15	76.65		
	GBP	126.48	133.89	119.77			126.48	133.89	119.77		
	Philadelphia	160.8	170.0	156.0	-3%	-14.0	23.1	22.0	11.0	-52%	-11.0
	North America	26.0	28.0	31.0	19%	3.0	5.0	2.0	3.0	-40%	1.0
	South & Central America	78.9	73.0	62.0	-21%	-11.0	-0.6	1.0	1.0	-	0.0
	Europe & Middle East	16.1	17.0	16.0	-1%	-1.0	1.1	1.0	1.0	-9%	0.0
	Asia (incl. China)	63.8	70.0	65.0	2%	-5.0	5.4	3.0	3.0	-44%	0.0
	Primary Total	345.8	358.0	330.0	-5%	-28.0	33.7	29.0	19.0	-44%	-10.0
	Reinsurance Companies	52.4	51.0	56.0	7%	5.0	6.8	-3.0	-6.0	-	-3.0
	Kirin Group	73.0	78.0	78.0	7%	0.0	10.0	-3.0	-6.0	-	-3.0
	Reinsurance Total	125.4	129.0	134.0	7%	5.0	16.8	-6.0	-12.0	-	-6.0
	Non-life Total	471.3	487.0	464.0	-2%	-23.0	50.5	23.0	7.0	-86%	-16.0
	Life	55.1	90.0	62.0	13%	-28.0	3.0	2.0	1.0	-67%	-1.0
	Total of Non-life and Life	526.5	577.0	526.0	-0%	-51.0	53.5	25.0	8.0	-85%	-17.0
	Home Office Expense						-0.7	-1.0	-1.0		
	Total of Non-life and Life after H.O. Expense						52.7	24.0	7.0	-87%	-17.0
	Adjustment relating to natural disasters in 1Q FY2011						-27.9	27.9	27.9		
	The impact of Thailand flood to the FY2011 projection								-65.0		-65.0
	Total (After adjustments)	526.5	577.0	526.0	-0%	-51.0	24.8	52.0	-31.0	-	-83.0
	Excluding FX effects	526.5	-	586.0	11%	-	24.8	-	-30.0	-	-

These information materials are prepared based on the currently available information for us and described subject to our predictions and forecasts carried out at the time of preparation.

It must be noted that what is described therein does not guarantee our future business performance and carries certain risk of misjudgment or uncertainty.

Accordingly, you are kindly requested to bear in mind that there may be a possibility of sizable divergence between the actual business performance in the future and that of our predictions or forecasts described therein.