



TOKIO MARINE

# **Tokio Marine Group New Mid-Term Business Plan "Innovation and Execution 2014"**

**May 2012**





# I. Overall Strategy

# "Innovation and Execution 2014" Overview



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## ■ Expand Profit

- Improve the combined ratio in our domestic non-life insurance business
- Sustainable growth in the domestic life insurance and international insurance businesses
- Seize new growth opportunities by investing in new businesses

## ■ Improve Capital Efficiency

- Continue reducing the risks associated with business-related equities
- Invest in businesses with high capital efficiency
- Enhance global diversification of risk
- Achieve an appropriate level of capital via dividends and flexible repurchases of shares



Mid- to Long-Term Vision

**A global insurance group sustaining growth by offering quality that customers select**

# Management Objectives in the Mid-Term Business Plan



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## Business Targets

### Domestic Non-Life

- Combined ratio at a 95% level
- Industry-leading premium growth

### Domestic Life

- Aggregate EV increase of ¥180 billion

### International Insurance

- Adjusted earnings of ¥100 billion

### Financial and General

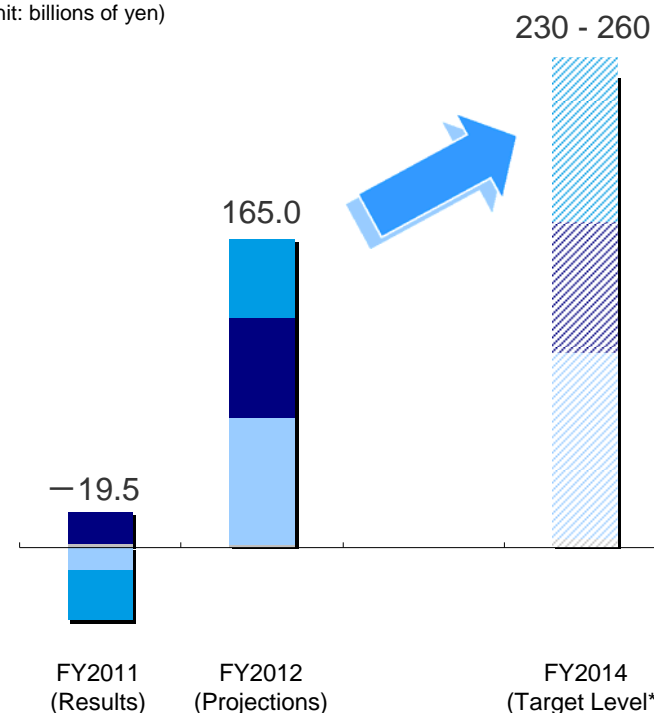
- Foster synergies within the Group



**Achieve an adjusted ROE exceeding our cost of capital**

## Target Level of Adjusted Earnings

(unit: billions of yen)



(unit: billions of yen)

	FY2011 Results	FY2012 Projections	FY2014 Target Level*
■ Domestic Non-Life	-26.1	42.0	80 - 90
■ Domestic Life	15.9	53.0	60 - 70
■ International Insurance	-11.9	68.0	90 - 100
■ Financial and General	2.6	2.0	3 - 5
Total	-19.5	165.0	230 - 260
Adjusted ROE	-0.7%	5.8%	7% ~

\* Target level of adjusted earnings and ROE are based on the assumption of an average level of natural catastrophe losses, and that stock prices, exchange rates, and interest rates are the same as of March 31, 2012

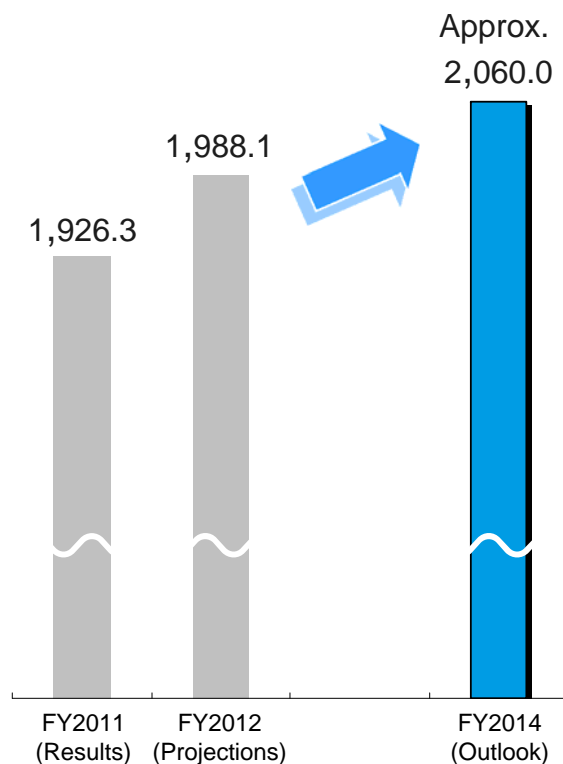
# Premium Growth Outlook by Business

Aim to increase premiums through growth strategies in each business domain

## Domestic Non-Life\*

Net Premiums Written

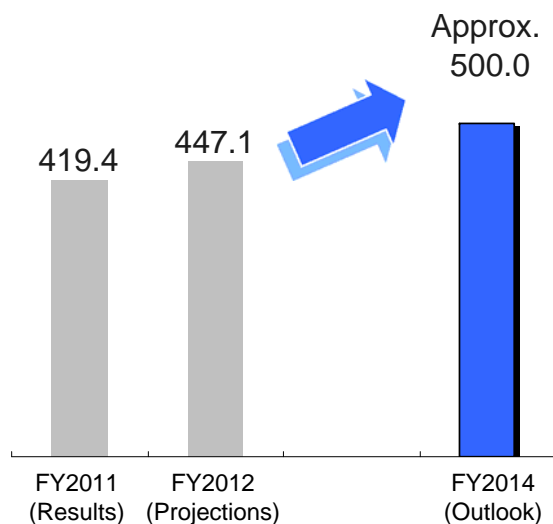
(unit: billions of yen)



## Domestic Life (TMN Life)

Annualized Premiums for In-Force Policies

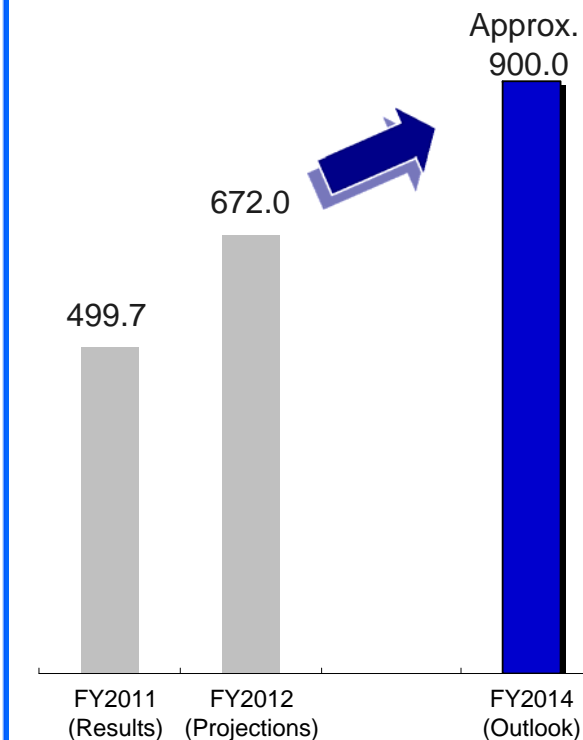
(unit: billions of yen)



## International Insurance

Net Premiums Written  
(Total of Life and Non-Life)

(unit: billions of yen)



\* Total of TMNF, NF, E. design and TM Millea SAST



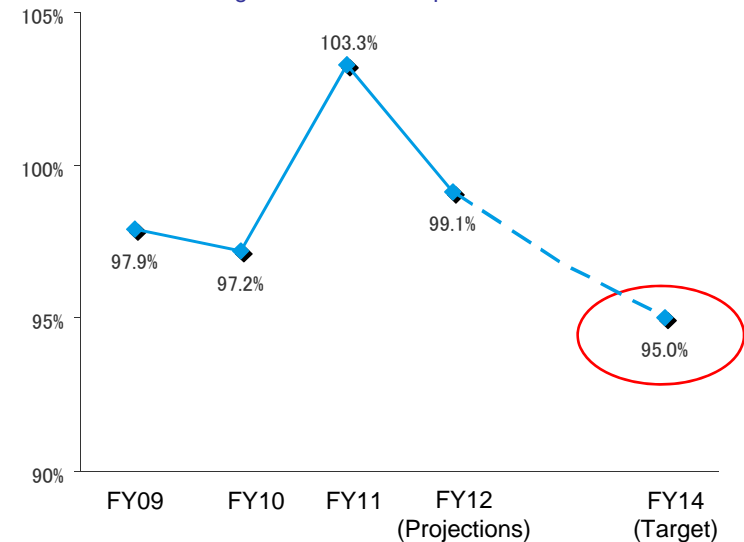
- Domestic Non-Life
- Domestic Life
- International Insurance
- Financial & General
- Asset Management Strategy
- Enterprise Risk Management (ERM)  
Return to Shareholders
- References

# Domestic Non-Life: Mid-Term Business Plan Management Focus

## ■ TMNF

- Improve the profitability of auto insurance and other products, and operational efficiency in order to establish a business model that can maintain a combined ratio at a 95% level
- Sustain our industry leading premium growth by strengthening customer contacts through better products & services, expanded sales networks and improved utilization of our IT infrastructure

<Trend in TMNF's combined ratios>  
(excluding residential earthquake insurance and CALI)



## ■ Nisshin Fire

- Aim to develop a competitive advantage in the retail market through further business reform and streamlining
- Aim for a combined ratio at a 95% level through further expansion of sales networks focusing on small and medium-sized agents

## ■ E. design

- Aim for top-line growth by leveraging the potential in the direct market and, by moving the business onto a growth track, turn it profitable on an annual basis

# Domestic Non-Life: TMNF Plan for Achieving the Target Combined Ratio

## Improve profitability to achieve a combined ratio ("C/R") at a 95% level by FY2014

(Private insurance basis)

FY2011 C/R : 103.3%



FY2014 C/R : 95%

Improve operational efficiency  
and achieve premium growth

— 1.0% C/R

- Lowering corporate expenses
- Revising the agency commission points
- Achieve steady premium growth by enhancing the sales force

Improvement of underwriting

— 2.0% C/R

- Improving profitability mainly through product and rate revisions
- Assuming negative factors in development of grade discounts and the depreciation of insured automobiles
- Implementing additional measures in a timely and effective manner in response to the underwriting results in auto

Factors relating to natural  
catastrophes

— 5.0% ~ — 6.0% C/R

- Assuming of an average level of losses related to natural catastrophes
- Conservative assumptions as to the level of natural catastrophe-related losses and reinsurance costs in light of the increase of natural disasters



# Domestic Non-Life: TMNF Improving Profitability in Auto Insurance



## Target a combined ratio at a 98% level in auto through product & rate revisions and other efforts

### ■ Implemented Product & Rate Revisions

- Introduction of age-bracket rate plans and rate revisions
- Expected profit improvement: approx. ¥26B

#### Rate revisions and profit improvements per FY

(excluding revisions of Grade Rating System in non-fleet auto insurance) (unit: billions of yen)

Revision	FY09	FY10	FY11	FY12 Projections	FY13 Projections	FY14 Projections
Jul 2009	6.0	13.0	1.0			
Jul 2010		6.0	13.0	1.0		
Jan 2012			3.0	18.0	7.0	
Oct 2012				1.0	8.0	1.0
Total	6.0	19.0	17.0	20.0	15.0	1.0

### ■ October 2012: New "Grade Rating System" in Auto Insurance

- Ensuring fairness among policyholders by adjusting rates in accordance with the different risk profile between policyholders with past accident experienced and those without
- Expected profit improvement : the new system is expected to mitigate structural factors that have caused a gradual deterioration in profitability recent years

### ■ October 2012: Product & Rate Revisions

- Premium revisions for part of riders and schedules in accordance with risk profile
- Expected profit improvement : approx. ¥10B

### ■ Other

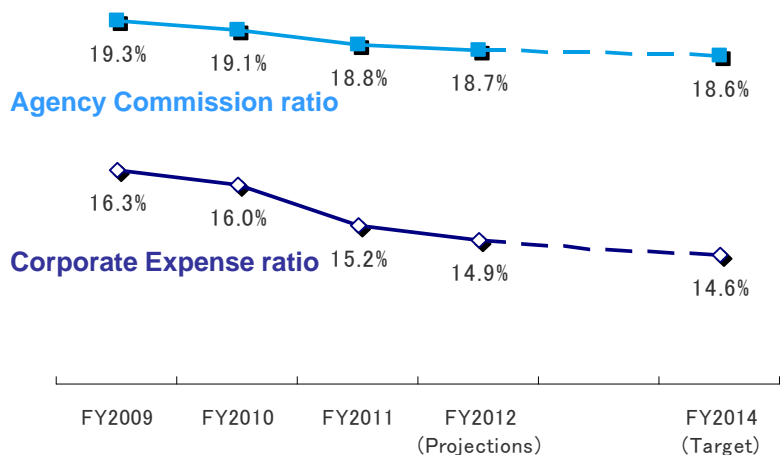
- Taking actions to improve underwriting results, such as ensuring appropriate repair cost by expansion of affiliated repair shops and taking measures for high loss ratio accounts
- Increase revenue for corporate expenses through improved renewal ratios and cultivation of new fleet contracts by supporting loss prevention initiatives

# Domestic Non-Life: TMNF Enhancing Operational Efficiency

## Further improve productivity by utilizing outcomes of the Business Renovation Project together with continuous reductions in business expenses

### ■ Corporate Expense & Agency Commission Ratio

(private insurance basis)

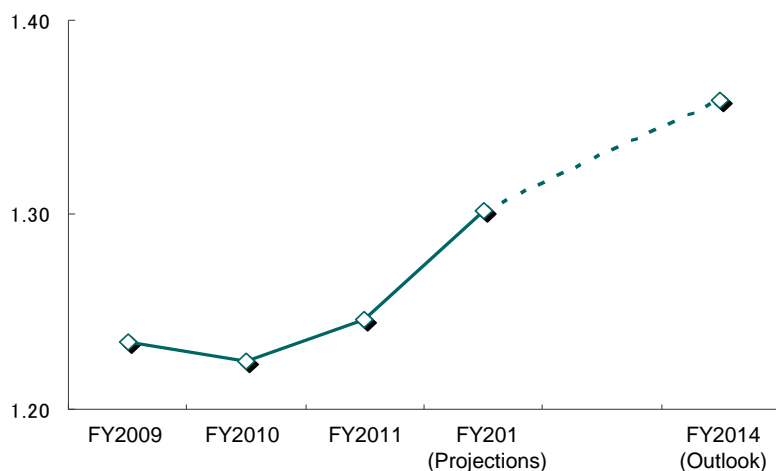


### ● Business expense reductions

- Under the prior mid-term business plan, non-personnel expenses were reduced by approximately ¥41B and the corporate expense ratio improved by 2.2 points
- Further improve the business expense ratio by about 1 point through cost-cutting efforts centered on IT and revisions of points for agency commissions

### ■ Productivity per Employee

(Productivity per Employee = net premiums written / number of employees)



### ● Productivity Improvement

- Outcome of the Business Renovation Project:
  - Significant reduction in internal processes
  - Streamlined operation processes
  - Enhanced human resource utilization in marketing activities
- Aiming to further improve productivity

## Achieve industry-leading premium growth via strengthening customer contacts

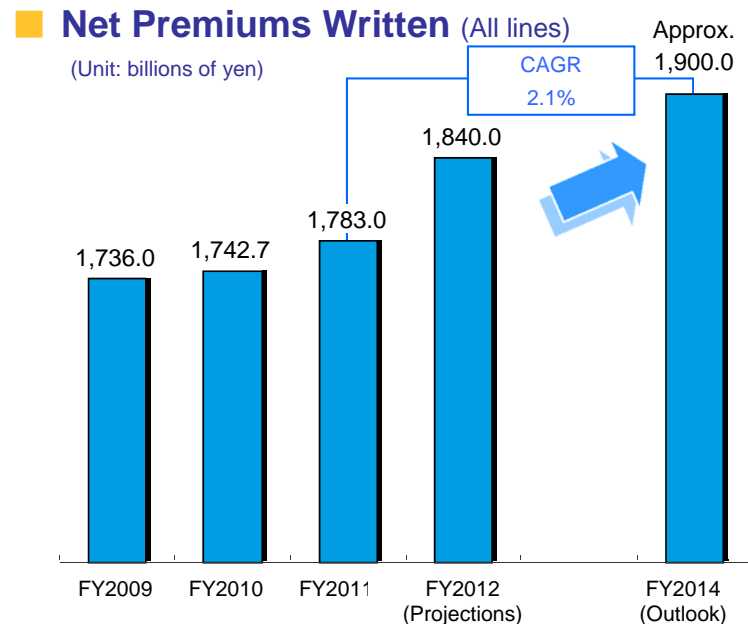
### Provide competitive products & services

\* managerial accounting basis

- **Super Insurance**
  - Expected revenue increase: ¥14.5B\*
  - Expected new policies: 980,000
  - Professional agency channels providing Super Insurance: 50%
- **Super Business Insurance**
  - Expected revenue increase: ¥9.5B\*
  - Product revision planned in January 2013
- **One-day Auto insurance**
  - Expand into the market of young-adults who do not yet own a car

### Improve the quality and scale of our sales networks

- **Alliance with Meiji Yasuda Life Insurance Company**
  - Expected revenue increase: ¥18B\*
- **Expansion of new agents**
  - Aim to add 2,000 non-life insurance agents every year
- **Simple and user-friendly operations**
  - Completing an insurance contract process through tablet and other mobile terminals



- **Positive outcome of previous mid-term business plan**
  - Positive growth potential. Premium growth rate in 2H of FY2011 was 6.4%\* compared with 3.1%\* in 1H of FY2011
- **Aiming at industry-leading premium growth**
  - Aiming at CAGR of 2.1%, approx. ¥1.9 trillion of net premiums written, or more than ¥2.0 trillion of premiums on a managerial accounting basis by the end of FY2014 (FY2011 result was ¥1,908.1B)

\* managerial accounting basis



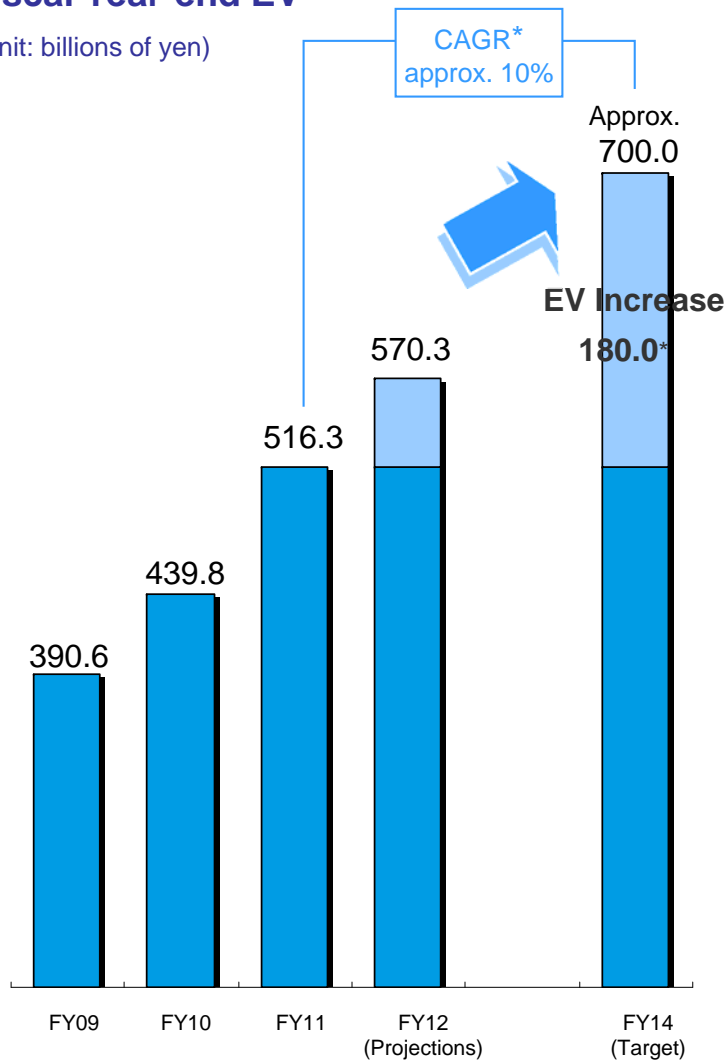
- Domestic Non-Life
- **Domestic Life**
- International Insurance
- Financial & General
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- References

## Target an aggregate Adjusted Earnings increase of ¥180 billion (EV increase) \*

\*Excluding capital transactions

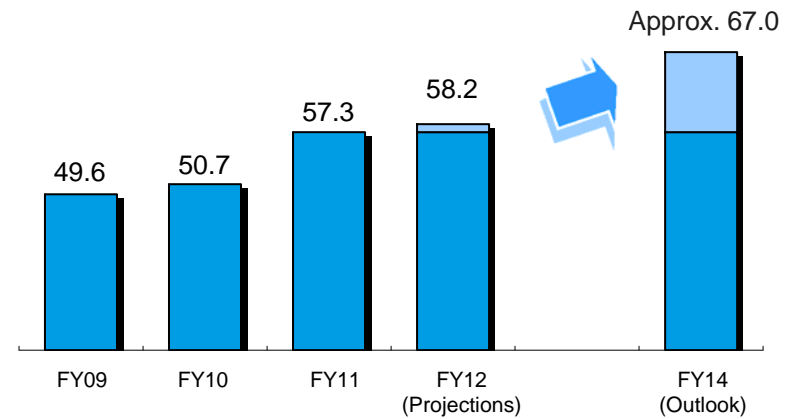
### ■ Fiscal Year-end EV

(unit: billions of yen)

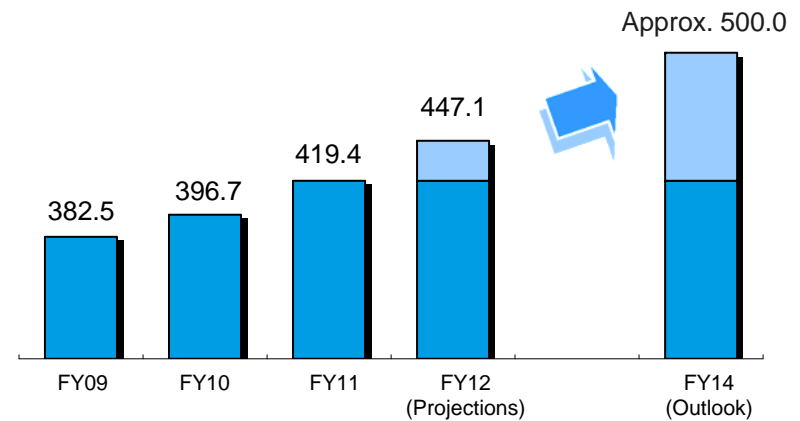


### ■ Annualized Premiums (unit: billions of yen)

#### • New Policies



#### • In-Force Policies

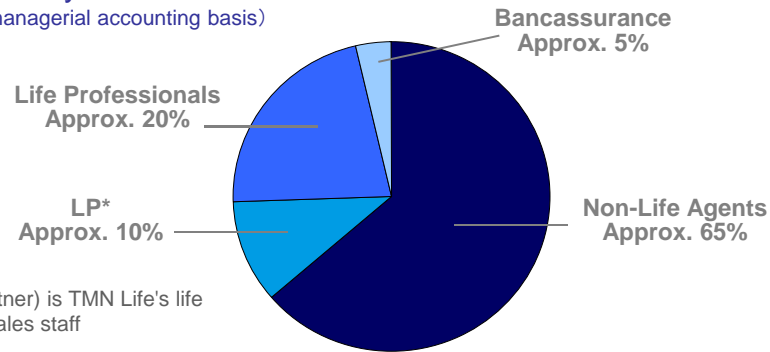


# Domestic Life: TMN Life Growth Strategy

## Channel & Product Strategy

Diversified utilization of distribution channels centered on non-life agents

- Premiums by Channel  
(FY2011 managerial accounting basis)



\*LP (Life Partner) is TMN Life's life insurance sales staff

## Develop Attractive New Products

- Whole life + Nursing care  
Launched in November 2010  
**Long-life support whole life**
- Medical insurance  
Launched in August 2011  
**Medical Kit**
- Lenient-underwriting medical insurance  
Launched in January 2012  
**Medical Kit Love**

Continue developing and launching new products based on market needs

**Sustainable growth in premiums and profit**

## Priority Initiatives

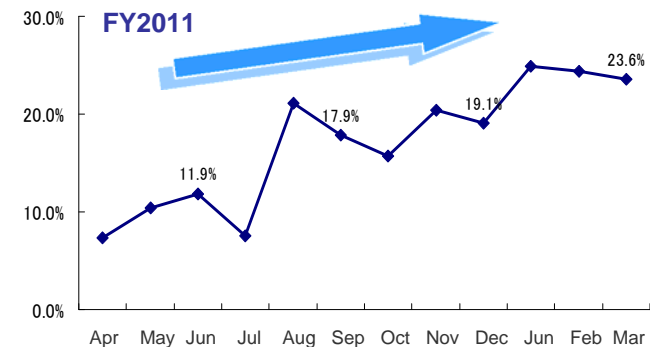
### "Integrating Life and Non-life sales"

Promote cross-selling of life insurance products to non-life insurance customers

- Strengthen support and training of non-life insurance agents to increase their life insurance sales
- Promote consulting sales of both life and non-life insurance through "Super Insurance"
- Further develop LP's tie-up sales with non-life agents

### Adoption rate\* of Super Insurance with third sector coverage

\*Adoption rate: Number of "Super Insurance" new policies with third sector coverage / number of total "Super Insurance" new policies





- Domestic Non-Life
- Domestic Life
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## Achieve sustainable growth and profit expansion as the growth drivers of Tokio Marine Group

### ■ Promoting balanced growth in developed and emerging countries

#### ● Developed countries

Aim for sustainable profit expansion in Europe and North America, the main global insurance markets, especially in commercial lines and reinsurance business

#### ● Emerging countries

Aim for medium- and long-term profit growth in life and non-life as emerging insurance markets expand

### ■ Driving steady growth with both organic growth and M&A

#### ● Organic growth

Aim for sustainable and profitable growth while maintaining underwriting discipline

#### ● M&A

Smoothly integrate Delphi's business and consider further opportunities for M&A

### ■ Diversifying business risks and improving capital efficiency

● Aim for business diversification among life, non-life and reinsurance and geographical diversification of underwriting risk

● Develop a well-balanced business portfolio in order to improve capital efficiency

### ■ Enhance ERM and implement a global HR strategy

● Improve controls for natural catastrophe and non-modelled risks

● Develop a talent pool of global leaders and recruit and train professional human resources



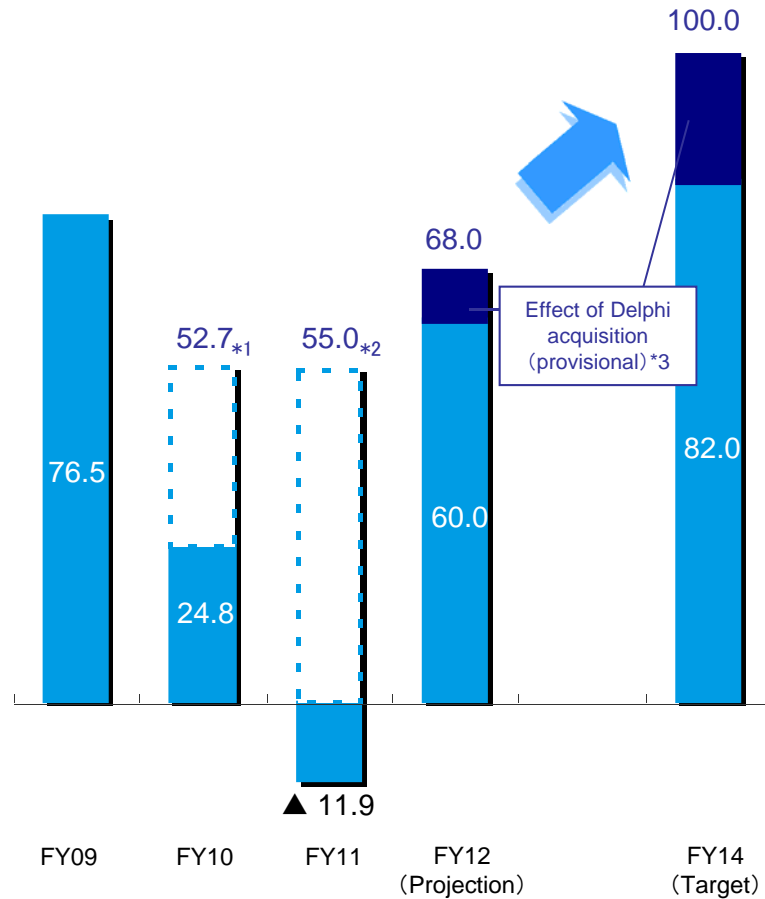
# International Insurance Business



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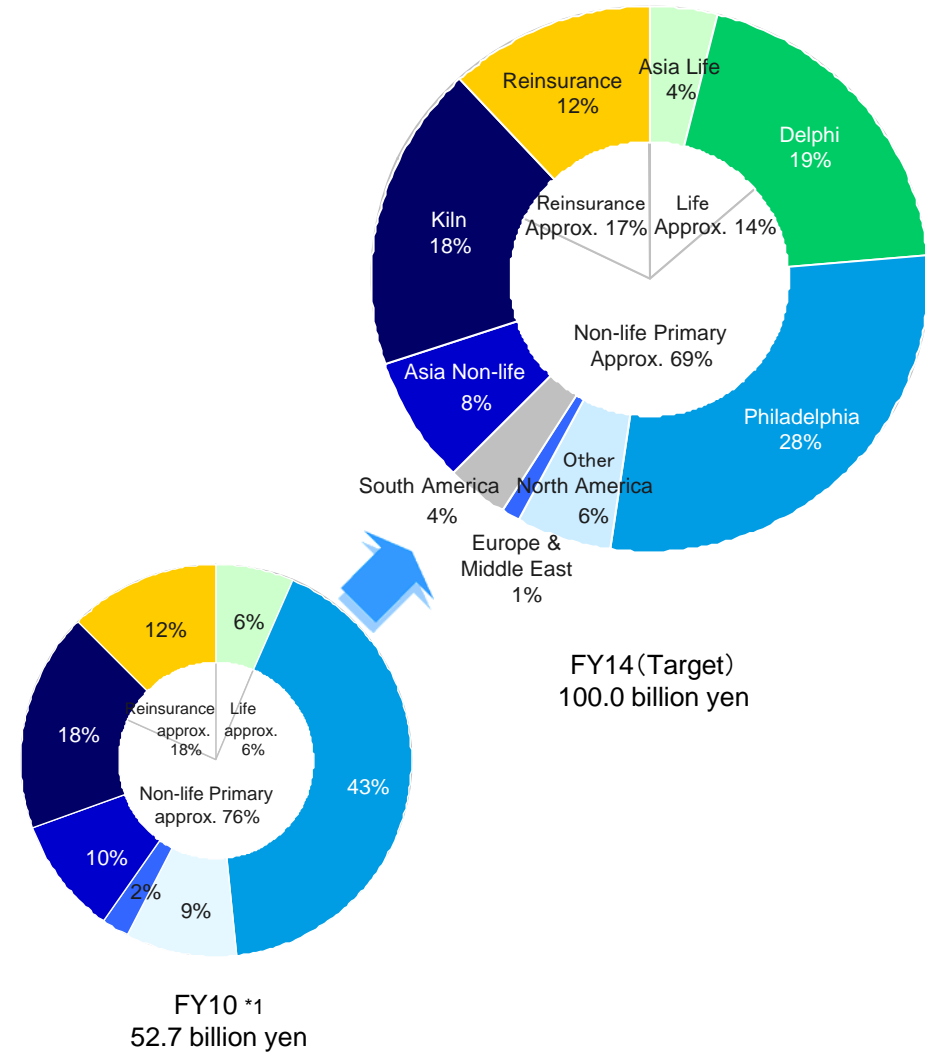
## Adjusted earnings

(unit: billions of yen)



## Business and geographical portfolio breakdown

(Adjusted earnings basis)



\*1: Excluding the adjustment relating to natural disasters in FY2011 1Q (27.9 billion yen)

\*2: Excluding the impact of natural catastrophes such as Thailand flood in excess of the amount forecast in the original plan

\*3: Delphi's adjusted earnings is a provisional amount. FY 2012 includes half of Delphi's full-year forecast amount.

# International Insurance Business: Europe & North America Strategy (1) (Philadelphia and North America)



## ■ TMNA (Tokio Marine North America)

Promote the growth strategy of entire U.S. business and provide the efficiency in back-office operations as the holding company for the U.S. operations

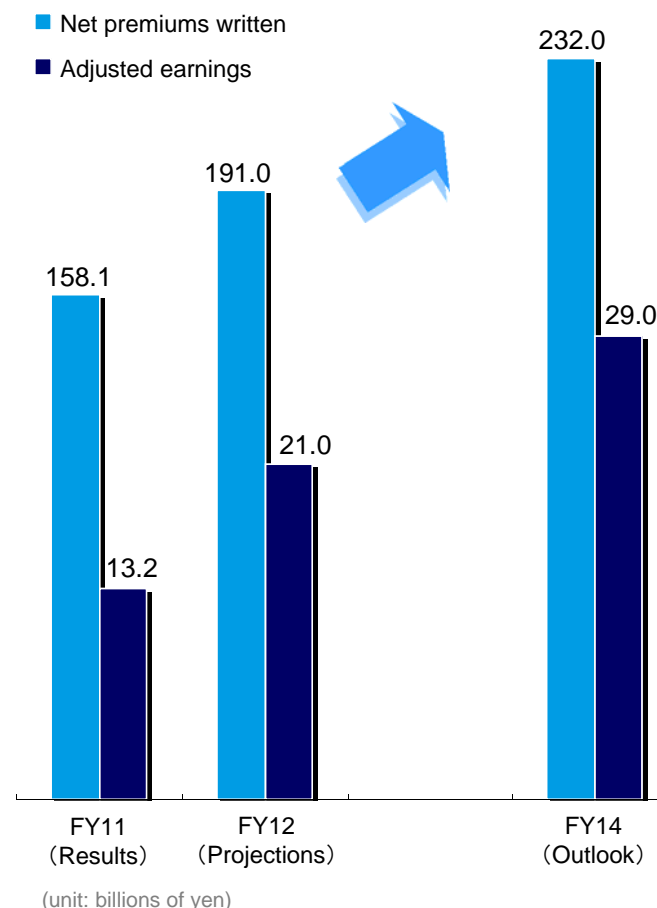
## ■ Philadelphia

- Aim to continue profitable growth by displaying the solid business model through product development focusing on niche markets and achieving high renewal rates for profitable contracts
- Aim for 14% CAGR in net premiums written through entry into new business lines and expansion of distribution channels
- Aim to keep the combined ratio at or below 95% through strict profit management

## ■ Other U.S. Operations

- Tokio Marine Nichido Fire (U.S. Branch): Aim to expand profit by targeting in Japan-related commercial business
- First Insurance Company of Hawaii (FICOH): Aim to secure its position as one of top non-life insurance companies in Hawaii

<Net premiums written and adjusted earnings of Philadelphia >



# International Insurance Business: Europe & North America Strategy (2) (Delphi)



## Promote the smooth integration of Delphi and its business expansion by leveraging Delphi's strengths

### ■ Delphi's strengths

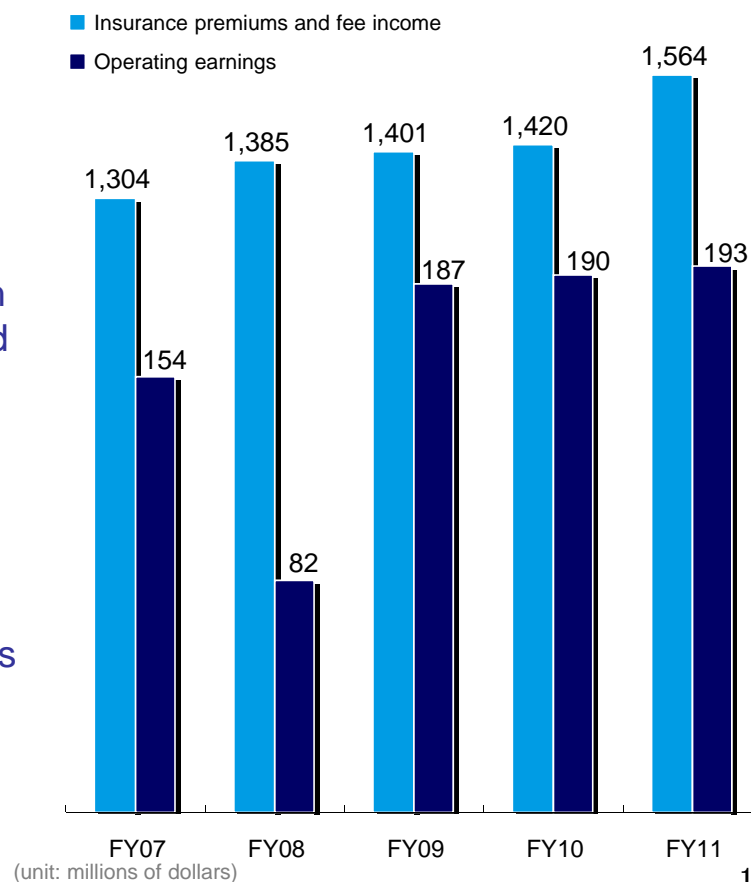
- Strong focus on niche business lines in the employee benefits market
- Strict underwriting discipline and focus on the bottom line
- Experienced and excellent management team
- Stable financial performance and sound financial strength
- Limited exposure to natural catastrophe risks and relatively insulated from the U.S. P&C insurance pricing cycle

### ■ Business Strategy

- Non-life insurance
  - Leader in excess worker's compensation insurance (approximately 30% share)
  - Aim to further expand business opportunities through a promising client base of municipalities, schools and hospitals
- Life-insurance
  - Aim to expand sales of disability insurance by focusing on less competitive SME markets

### ■ Synergy strategies

- Backed by our superior credit rating, aim to grow Delphi's worker's compensation and fixed annuities businesses
- Promote cross-selling and marketing with Philadelphia among our overlapping client base

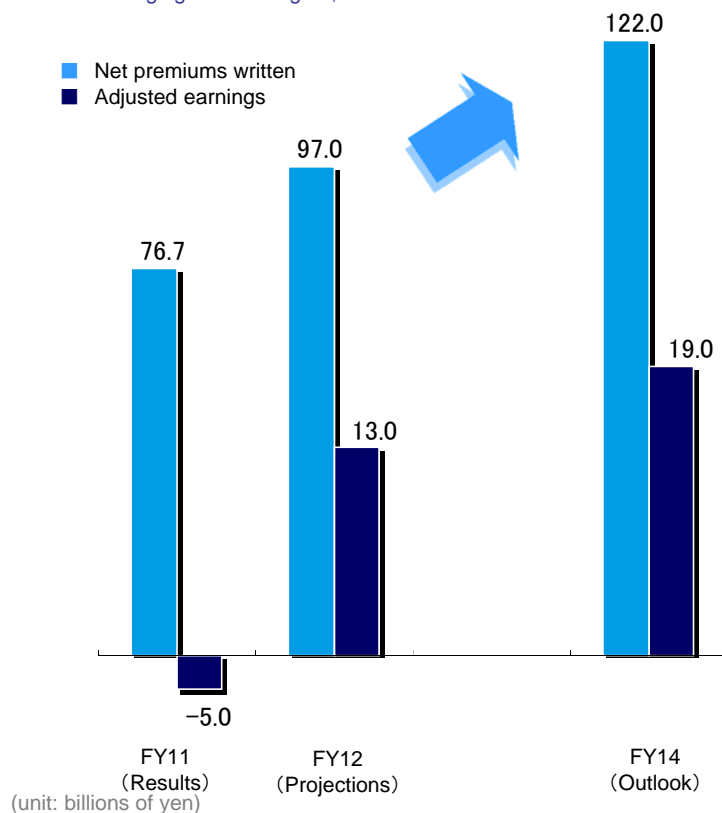


# International Insurance Business: Europe & North America Strategy (3) (Kiln and Reinsurance)

## Kiln

- Aim to increase profit by taking a flexible approach to underwriting based on the market cycle and by leveraging Kiln's expertise in underwriting and product development
- Aim to grow revenue in the U.S. through WNC(\*) and other overseas markets such as continental Europe and Asia
- Aim to keep the combined ratio in the 80s through maintaining underwriting discipline

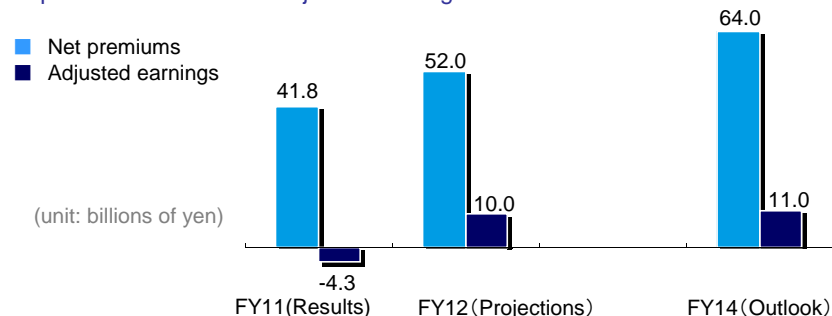
\* U.S. Managing General Agent, in which Kiln made a 49% investment in June 2011



## Reinsurance companies

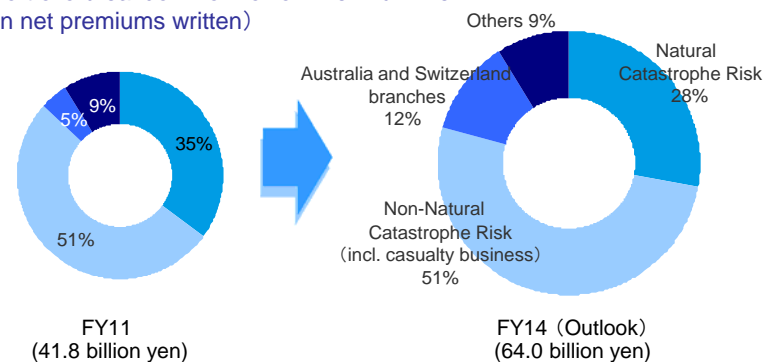
- Aim to achieve steady profit through diversification of business lines and geographic spread by expanding coverage to non-natural catastrophe risks
  - Portfolio diversification by expanding the casualty business
  - Business expansion via the Australia and Switzerland branches
- Improve management of natural catastrophe portfolio by advanced ERM
- Aim to keep the combined ratio in the 80s through maintaining underwriting discipline

<Net premiums written and adjusted earnings of Tokio Millennium Re>



<Business portfolio breakdown of Tokio Millennium Re>

(Based on net premiums written)



# International Insurance Business: Emerging Markets Strategy



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**Promote business expansion in Asia, South America, the Middle East and other regions with market growth potential**

	Compound Annual Growth Rate (FY11–14)		Key Strategies	
	Tokio Marine Entities (Outlook)	Forecast Market growth		
Asia	Non-Life	14% (Approx. 84 billion yen*)	Approx. 8%	<ul style="list-style-type: none"> <li>○ South East Asia                             <ul style="list-style-type: none"> <li>● Promote the expansion of the auto insurance business with profitability</li> <li>● Actively provide coverage and service to Japanese clients rapidly growing their presence in the region</li> </ul> </li> <li>○ China                             <ul style="list-style-type: none"> <li>● Propel sales of personal auto insurance in one of the world's largest automobile markets</li> <li>● Expanding the business area by increasing the branch network</li> </ul> </li> <li>○ India                             <ul style="list-style-type: none"> <li>● Expanding through a bottom-line oriented sales strategy focused on auto insurance and development of sales channels</li> </ul> </li> </ul>
	Life	25% (Approx. 64 billion yen*)	Approx. 15%	<ul style="list-style-type: none"> <li>○ Singapore, Malaysia and Thailand                             <ul style="list-style-type: none"> <li>● Establish a stable foundation for growth by expanding distribution channels to meet the needs of a growing middle-class</li> </ul> </li> <li>○ India                             <ul style="list-style-type: none"> <li>● Move onto a growth path by using the Tokio Marine Group's know-how, marketing and product strategy and operational efficiency</li> </ul> </li> <li>○ Indonesia                             <ul style="list-style-type: none"> <li>● Enter the growing Indonesian life insurance market. Implement a long-term growth strategy by leveraging the talent and know-how of Tokio Marine Group</li> </ul> </li> </ul>
South America	Non-Life	13% (Approx. 86 billion yen*)	Approx. 8%	<ul style="list-style-type: none"> <li>○ Brazil                             <ul style="list-style-type: none"> <li>● Improve profitability through disciplined underwriting and cost-cutting efforts</li> <li>● Expand in growing businesses such as personal auto and property insurance</li> </ul> </li> </ul>
Middle East	Takaful	35% (Approx. 3 billion yen*)	Approx. 10%	<ul style="list-style-type: none"> <li>○ Saudi Arabia                             <ul style="list-style-type: none"> <li>● Completed IPO. Establish the business and pursue growth opportunities</li> </ul> </li> <li>○ Egypt                             <ul style="list-style-type: none"> <li>● Expand business in line with the profitability of the life and non-life insurance businesses</li> </ul> </li> </ul>

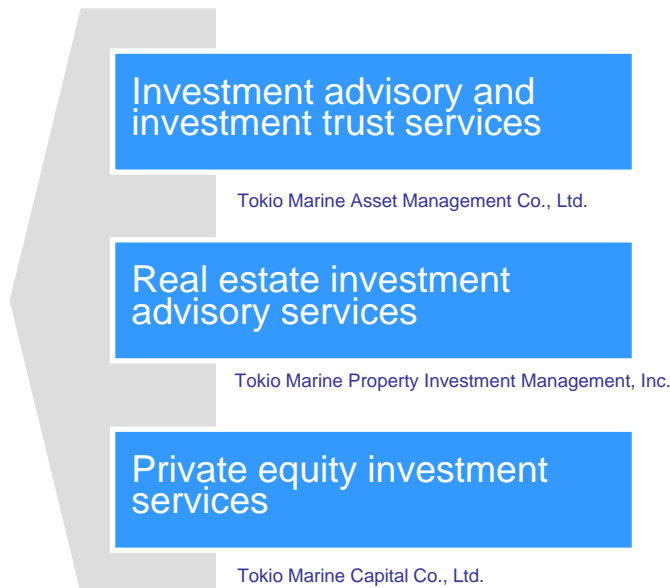
\*FY14 Net premiums written outlook



- Domestic Non-Life
- Domestic Life
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- **Financial & General**
- Asset Management Strategy
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- Return to Shareholders
- References

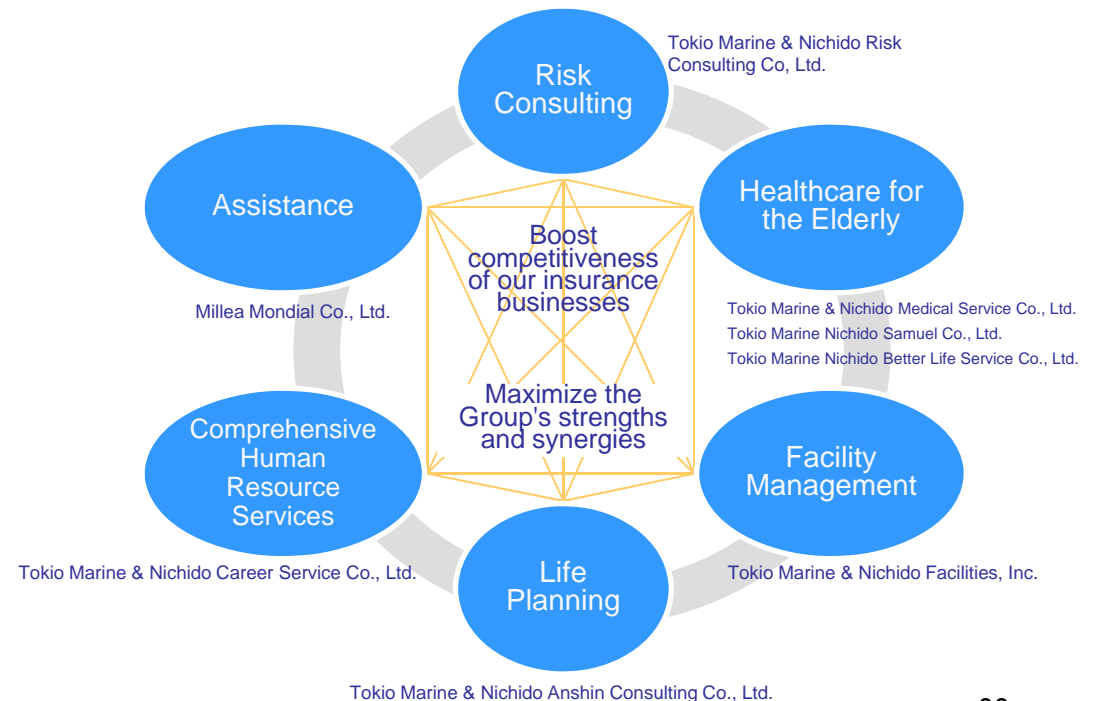
## Financial Business

- Improve the Group's business portfolio and contributions to the Group's overall profit growth by developing businesses with high capital efficiency, centering on the asset management (fee-based) business
- Increase assets under management by more than ¥1 trillion by promoting the globalization of products and sales



## General Business

- Aim at profit growth in each business field through improved cooperation among group companies
- Contribute to improved competitiveness of the Group's insurance companies through higher quality products and services and operational efficiency
- Pursue new business opportunities in growth markets





- Domestic Non-Life
- Domestic Life
- International Insurance
- Financial & General
- **Asset Management Strategy**
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- References



# Asset Management Strategy: Tokio Marine Group



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## Principles of the Group Asset Management Strategy

- Each Group company aims to contribute to the improvement of the Group's corporate value by conducting investment operations that take into account the circumstances of their insurance liabilities and capital, as well as their business area and strategy

A core principle is the maintenance of sufficient liquidity and stability for claim payments

In principle, ALM investments are executed such that assets support long-term insurance liabilities

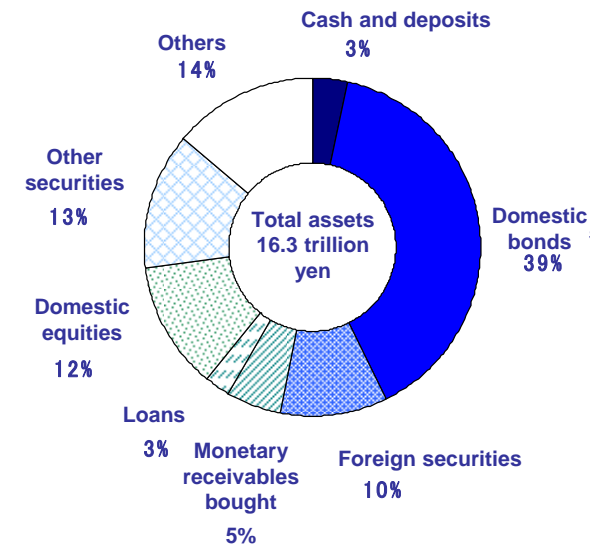
Assets not used for ALM should be managed with the goal of improving profitability within the range of risk deemed acceptable in light of the insurance liabilities, financial base and investment environments for each Group company

## Support by TMHD

- Provide global support for risk management by Group companies and unify risk-measurement methods under group-wide ERM
- Provide expert investment advice to support newly acquired companies and newly opened overseas branches as they build up their operations
- Promote ties among Group companies mainly through regional overseas investment committees

## Reference: Asset Composition of Tokio Marine Holdings (Consolidated)

(As of March 31, 2012)



### 【Domestic bonds】

Mainly ALM bonds held by TMNF and TMN Life

### 【Foreign securities】

Mainly local country bonds held by overseas subsidiaries

### 【Domestic equities】

Mainly business-related equities held by TMNF

### 【Other securities】

Mainly assets in separate accounts held by TMN FL

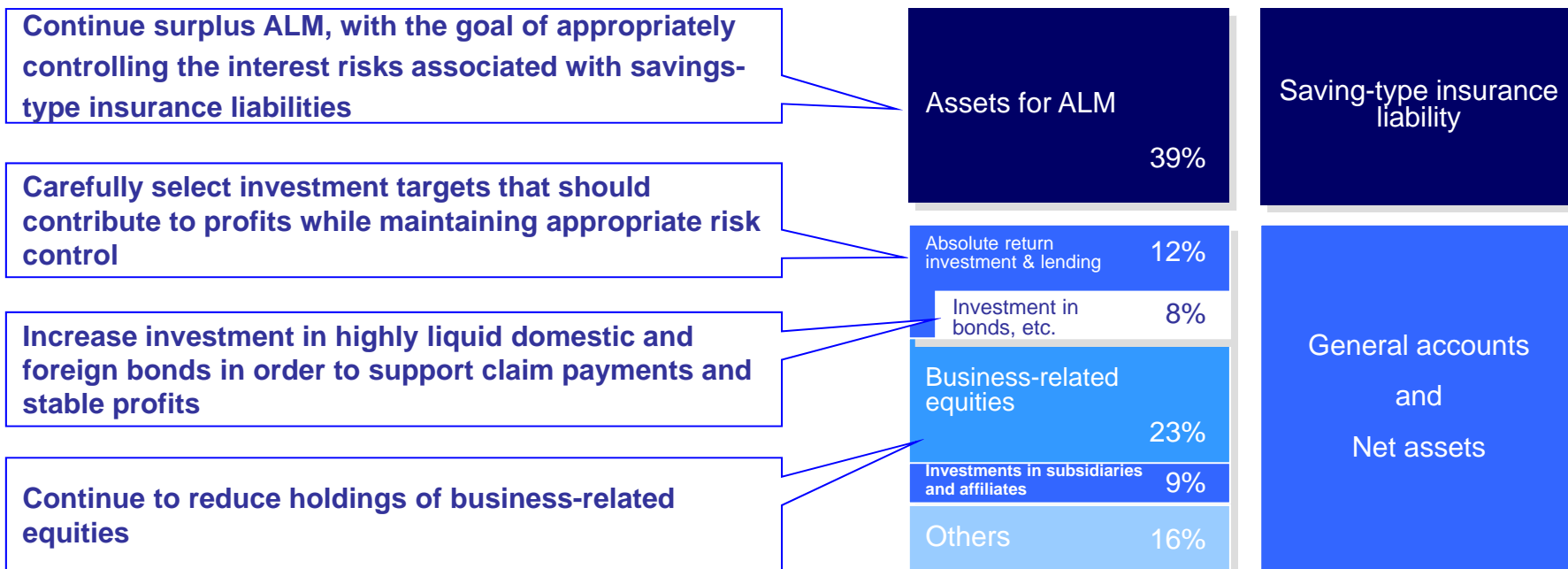
## Our Views of Financial Market Conditions

- Global financial markets are expected to remain uncertain, influenced by governments' monetary and fiscal policies and response to the European sovereign debt problems
- Highly liquid asset management is required in order to be prepared for insurance claims, in light of frequent natural disasters

## Asset Management Policy

- Increase NAV in the medium- to long-term while securing liquid assets and stable profits necessary for an insurer
- Maintain a strong and sound financial foundation

TMNF Balance Sheet as of March 31, 2012  
Total assets : ¥8.3 trillion

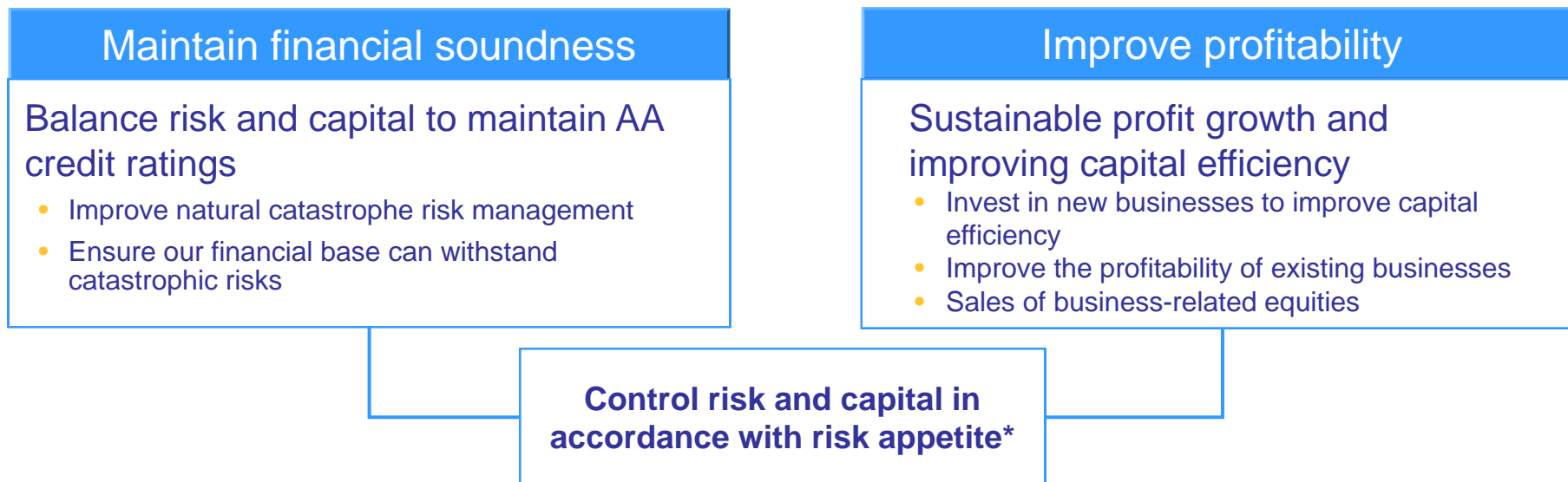


(Note) "Others" include real estate (mainly for own use) and noninvestment assets.

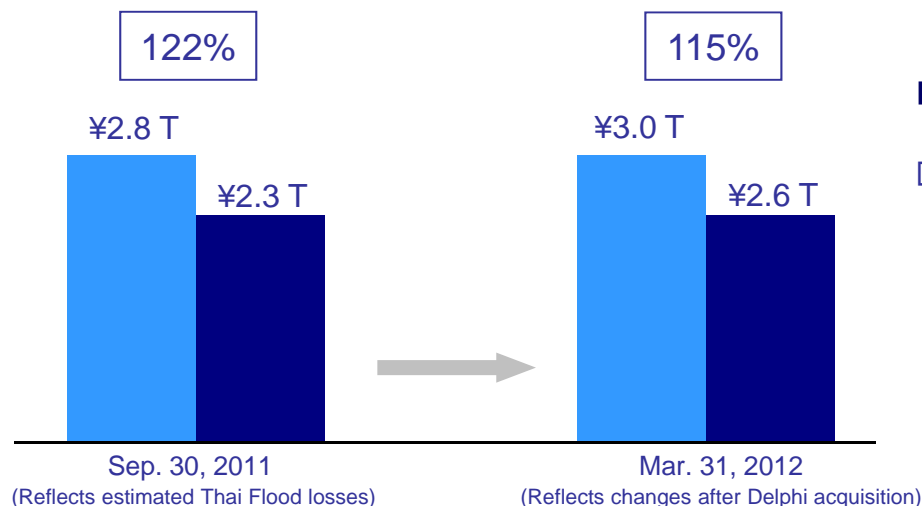


- Domestic Non-Life
- Domestic Life
- International Insurance
- Financial & General
- Asset Management Strategy
- **Enterprise Risk Management (ERM)**  
**Return to Shareholders**
- References

# Enterprise Risk Management ("ERM")



## ■ Economic Solvency Ratio (ESR)



## ■ : Net Asset Value

Consolidated net asset value + various reserves (after-tax basis) + value of life insurance policies in-force — goodwill and other items.

## ■ : Risk Capital

99.95%VaR, after taking account of diversification effects

## □ : ESR

Net asset value / Risk capital

(Stock price sensitivity of ESR)

ESR ± 4% if the Nikkei Average fluctuates by ± ¥1,000

## \*Risk appetite:

Insurance risk control: Pursue sustainable growth, risk diversification (stabilization), and improvement of capital efficiency through global business expansion

Investment risk control: Secure liquid assets and stable profits mainly through ALM

# Return to Shareholders

Attractive dividends

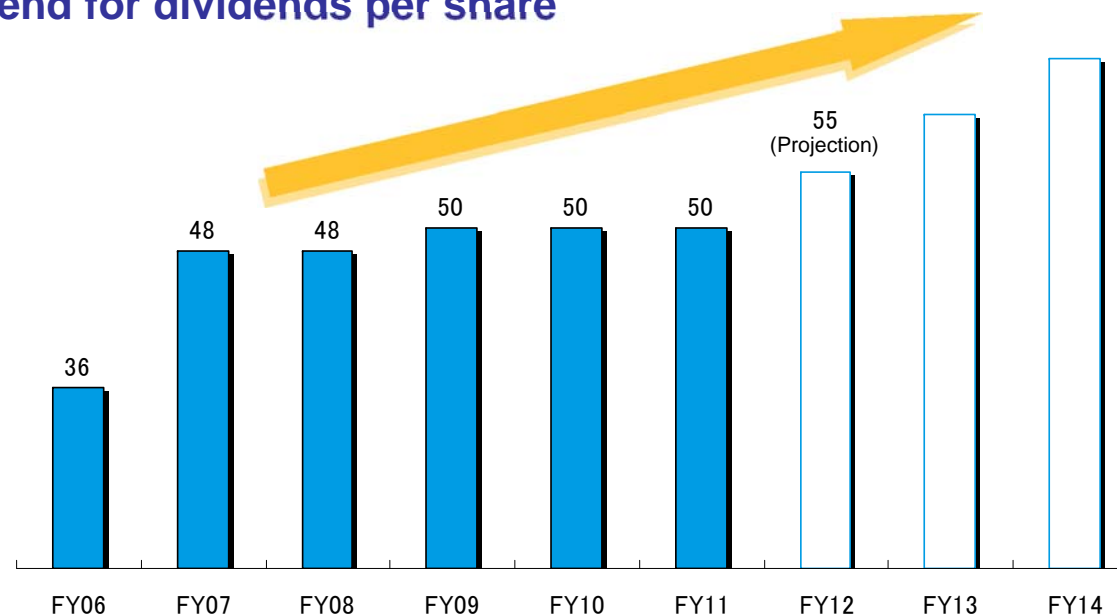


Flexible share repurchases

- The primary means of shareholder returns is dividends, which we plan to increase in line with profit growth
- The target payout ratio level is 40% to 50% of average adjusted earnings (excluding EV)
- Consistent with past practice, we intend to conduct share repurchases in a flexible manner based on a comprehensive assessment of market conditions, our capital levels, business investment opportunities and other relevant factors

## Expected trend for dividends per share

(unit: yen)





- Domestic Non-Life
- Domestic Life
- International Insurance
- Financial & General
- Asset Management Strategy
- Enterprise Risk Management (ERM)
- Return to Shareholders
- **References**



Major Focuses		Review
Quality improvement in order to maintain sustained profit growth	<p>Quality enhancements in all aspects of our business activities</p> <ul style="list-style-type: none"> <li>● Easy-to-understand and user-friendly products and services</li> <li>● Accurate and speedy operational processes</li> <li>● Sound financial base and other areas</li> </ul>	<ul style="list-style-type: none"> <li>● Quality was improved as originally planned</li> <li>● However, we fell short of achieving the profit growth by the end of FY2011 because steps for the Business Renovation Project and other actions for proper business operations required time</li> <li>● On the other hand, a majority of Group companies and business segments exceeded their target premium growth by the end of FY2011</li> </ul>
Enhancement of global management structure	<ul style="list-style-type: none"> <li>● Establishment of ERM</li> <li>● Target dividend payout ratio: 40% ~ 50% of average core adjusted earnings</li> <li>● Reduction of business-related equities</li> </ul>	<ul style="list-style-type: none"> <li>● Research, infrastructure development, and global risk-diversification to enhance ERM all progressed as expected</li> <li>● The lessons learned from Thai Flood and other incidents highlighted the importance of accumulating non-modelled risks and integrated management of underwriting</li> <li>● Dividends paid exceeded the target level every year during the prior medium term</li> <li>● Sales of business-related equities exceeded the target level</li> </ul>
Quantitative targets	<ul style="list-style-type: none"> <li>● Target adjusted earnings: ¥220 billion</li> <li>● Target adjusted ROE: 6% or above</li> </ul>	<ul style="list-style-type: none"> <li>● In FY2011: Adjusted earnings: -¥19.5 B, Adjusted ROE: -0.7%</li> <li>● Adjusted earnings were significantly lower than target mainly due to a high occurrence of natural disasters and greater-than-expected deterioration of profitability in auto insurance and other lines</li> </ul>

## Direction of Initiatives

<ul style="list-style-type: none"> <li>➤ Strengthen contacts with customers and markets</li> <li>➤ Improve profitability of domestic non-life business</li> <li>➤ Maintain growth in international insurance and domestic life businesses</li> </ul>	<ul style="list-style-type: none"> <li>➤ Have ERM permeate the Plan-Do-Check-Act ("PCDA") cycle of our Mid-Term Business Plan</li> <li>➤ Globally enhance risk diversification to improve our management structure</li> <li>➤ Continue to reduce holdings of business-related equities</li> <li>➤ Respond to ever-changing capital requirements (solvency margin regulations) and accounting standard (IFRS)</li> </ul>
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	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Ordinary income	2,929.0 bn yen	2,775.7 bn yen	2,899.4 bn yen	3,399.9 bn yen	4,218.5 bn yen	3,710.0 bn yen	3,503.1 bn yen	3,570.8 bn yen	3,288.6 bn yen	3,415.9 bn yen
Net income	56.6 bn yen	111.4 bn yen	67.6 bn yen	89.9 bn yen	93.0 bn yen	108.7 bn yen	23.1 bn yen	128.4 bn yen	71.9 bn yen	6.0 bn yen
Adjusted earnings *1	105.0 bn yen	172.1 bn yen	51.8 bn yen	138.7 bn yen	169.7 bn yen	143.2 bn yen	-52.5 bn yen	165.4 bn yen	72.0 bn yen	-19.5 bn yen
Adjusted ROE *1	3.8%	5.9%	1.6%	3.7%	3.8%	3.5%	-1.7%	5.8%	2.4%	-0.7%
Dividend total	18.5 bn yen	19.7 bn yen	18.9 bn yen	25.2 bn yen	29.8 bn yen	38.7 bn yen	38.0 bn yen	39.4 bn yen	38.6 bn yen	38.3 bn yen (est)
Dividend per share *2	20 yen	22 yen	22 yen	30 yen	36 yen	48 yen	48 yen	50 yen	50 yen	50 yen (est)
Share repurchase *3	—	100.0 bn yen	92.4 bn yen	70.1 bn yen	85.0 bn yen	90.0 bn yen	50.0 bn yen	-	50.0 bn yen	-
Sales of business related equity holdings	260.0 bn yen	130.0 bn yen	170.0 bn yen	120.0 bn yen	45.0 bn yen	60.0 bn yen	50.0 bn yen	95.0 bn yen	187.0 bn yen	206.0 bn yen
Share price *4	1,472 yen	3,240 yen	3,120 yen	4,660 yen	4,360 yen	3,680 yen	2,395 yen	2,633 yen	2,224 yen	2,271 yen
Market capitalization *4	1,363.0 bn yen	2,896.6 bn yen	2,683.2 bn yen	3,930.8 bn yen	3,594.9 bn yen	2,960.6 bn yen	1,926.8 bn yen	2,118.3 bn yen	1,789.3 bn yen	1,827.1 bn yen

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

\*2 All figures are shown as a basis after a share-split 1-500 in Sep. 2006

\*3 On a repurchase year basis. FY2006 figure excludes 57.8 billion yen of stock exchange between Nisshin Fire

\*4 All share prices are shown as a basis after a share-split 1-500 in Sep. 2006





### ■ Adjusted earnings/Core adjusted earnings and return to shareholders

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

	2005	2006	2007	2008	2009	2010	2011
Adjusted earnings	138.7	169.7	143.2	-52.5	165.4	72.0	-19.5
Adjusted earnings (excluding EV)	104.1	121.5	128.1	4.7	113.4	44.5	-35.4
Average adjusted earnings (excluding EV) <sup>1</sup>	90.0	90.0	100.0	80.0	85.0	70.0	80.0
Total distributions to shareholders	95.3	114.8	128.7	88.0	39.4	88.6	38.3(est)
Dividend total	25.2	29.8	38.7	38.0	39.4	38.6	38.3(est)
Dividend per share	30yen	36yen	48yen	48yen	50yen	50yen	50yen(est)
Payout ratio <sup>2</sup>	28%	33%	39%	48%	46%	55%	48%(est)
Share repurchases <sup>3</sup>	70.1	85.0	90.0	50.0	-	50.0	-

\*1: Excluding effects from the Great East Japan Earthquake and Thai Flood

\*2: Percentage of average adjusted earnings (excluding EV)

\*3: On a repurchase year basis. FY2006 figure excludes 57.8 billion yen of stock exchange between Nisshin Fire.

### ■ BPS and PBR of Tokio Marine HD

	2006/3E	2007/3E	2008/3E	2009/3E	2010/3E	2011/3E	2012/3E
Adjusted number of issued and outstanding shares (thousands of shares)	840,234	823,337	802,231	787,562	787,605	766,820	766,928
Share price (yen)	4,660	4,360	3,680	2,395	2,633	2,224	2,271
Percentage change	49.4%	- 6.4%	- 15.6%	- 34.9%	9.9%	- 15.5%	2.1%
(Reference) TOPIX	1,728.16	1,713.61	1,212.96	773.66	978.81	869.38	854.35
Percentage change	46.2%	- 0.8%	- 29.2%	- 36.2%	26.5%	- 11.2%	- 1.7%
Shareholders' equity after tax on a financial accounting basis (billions of yen)	3,209.8	3,398.4	2,563.5	1,627.8	2,169.0	1,886.5	1,839.7
BPS on a financial accounting basis (yen)	3,820	4,128	3,195	2,067	2,754	2,460	2,399
PBR on a financial accounting basis	1.22	1.06	1.15	1.16	0.96	0.90	0.95
Adjusted capital (billions of yen)	4,238.7	4,585.8	3,605.9	2,564.2	3,160.8	2,918.3	2,829.9
BPS on an adjusted basis (yen)	5,040	5,570	4,490	3,260	4,010	3,810	3,690
PBR on an adjusted basis	0.92	0.78	0.82	0.73	0.66	0.58	0.62



## Ordinary income

(unit: billions of yen, except for %)

	FY2010 Results	FY2011 Results	Change	YoY
TMHD Consolidated (Ordinary income)	3,288.6	3,415.9	127.3	3.9%
TMHD Consolidated (Net premiums written)	2,272.1	2,324.4	52.3	2.3%
Tokio Marine & Nichido (Net premiums written)	1,742.7	1,783.0	40.2	2.3%
Nisshin Fire (Net premiums written)	134.0	136.6	2.5	1.9%
TMHD Consolidated (Life insurance premiums)	405.3	344.5	-60.8	-15.0%
TMN Life (Insurance premiums and other)	475.9	505.5	29.6	6.2%
TMN FL (Insurance premiums and other)	113.4	21.8	-91.6	-80.8%

## Ordinary profit

(unit: billions of yen, except for %)

	FY2010 Results	FY2011 Results	Change	YoY
TMHD Consolidated	126.5	160.3	33.7	26.7%
Tokio Marine & Nichido	145.7	212.1	66.3	45.5%
Nisshin Fire	2.5	4.2	1.6	67.3%
TMN Life	9.4	20.8	11.4	121.0%
TMN FL	-2.3	-14.9	-12.5	-
Overseas subsidiaries	60.2	-42.3	-102.6	-170.2%
Adjustment relating to natural disasters in 1QFY2011	-33.4	33.4	66.9	-
Financial and general business subsidiaries	1.9	1.5	-0.3	-19.4%

## Net income

(unit: billions of yen, except for %)

	FY2010 Results	FY2011 Results	Change	YoY
TMHD Consolidated	71.9	6.0	-65.9	-91.7%

# Reference (5) FY2012 Consolidated Projections



TOKIO MARINE

## Ordinary income

(unit: billions of yen, except for %)

	FY2011 Results	FY2012 Projections	Change	YoY
<b>TMHD Consolidated (Ordinary income)</b>	3,415.9			
TMHD Consolidated (Net premiums written)	2,324.4	2,490.0	165.5	7.1%
Tokio Marine & Nichido (Net premiums written)	1,783.0	1,840.0	56.9	3.2%
Nisshin Fire (Net premiums written)	136.6	138.2	1.5	1.2%
TMHD Consolidated (Life insurance premiums)	344.5	430.0	85.4	24.8%
TMN Life (Insurance premiums and other)	505.5	543.4	37.9	7.5%
TMN FL (Insurance premiums and other)	21.8	9.4	-12.3	-56.7%

## Ordinary profit

(unit: billions of yen, except for %)

	FY2011 Results	FY2012 Projections	Change	YoY
<b>TMHD Consolidated</b>	160.3	165.0	4.6	2.9%
Tokio Marine & Nichido	212.1	117.0	-95.1	-44.8%
Nisshin Fire	4.2	2.2	-2.0	-47.8%
TMN Life	20.8	22.8	1.9	9.2%
TMN FL	-14.9	-17.5	-2.5	-
Overseas subsidiaries	-42.3	81.1	123.4	-
Adjustment relating to natural disasters in 1QFY2011	33.4	-	-33.4	-100.0%
Financial and general business subsidiaries	1.5	2.4	0.8	54.5%

## Net income

(unit: billions of yen, except for %)

	FY2011 Results	FY2012 Projections	Change	YoY
<b>TMHD Consolidated</b>	6.0	105.0	98.9	1,649.5%



### ■ Net Premiums Written

(unit: billions of yen)

	FY2011 Results	FY2012 Projections	YoY Change
Applied FX rate	As of end- Dec 2011	As of end- Mar 2012	
Philadelphia	158.1	191.0	21%
Delphi	-	67.0	-
North America	42.3	46.0	9%
Kiln Group	76.7	97.0	26%
Europe & Middle East	16.3	19.0	17%
South & Central America	60.4	74.0	23%
Asia	56.5	67.0	19%
Reinsurance	56.1	70.0	25%
Total Non-Life	466.7	631.0	35%
Life	32.9	41.0	25%
Home Office Expenses	-	-	-
Total	-	-	-
Adjustment relating to natural disasters in 1Q FY2011	-	-	-
Total (After adjustment)	499.7	672.0	34%
Total (Excluding FX effects)	499.7	627.0	25%

### ■ Adjusted Earnings

(unit: billions of yen)

	FY2011 Results	FY2012 Projections	YoY Change
Applied FX rate	As of end- Dec 2011	As of end- Mar 2012	
Philadelphia	13.2	21.0	59%
Delphi	-	8.0	-
North America	7.2	4.0	-44%
Kiln Group	-5.0	13.0	-
Europe & Middle East	-0.6	1.0	-
South & Central America	0.7	2.0	186%
Asia	-52.2	7.0	-
Reinsurance	-3.3	11.0	-
Total Non-Life	-39.7	67.0	-
Life	1.0	2.0	100%
Home Office Expenses	-1.1	-1.0	-
Total	-39.9	68.0	-
Adjustment relating to natural disasters in 1Q FY2011	27.9	-	-
Total (After adjustment)	-11.9	68.0	-
Total (Excluding FX effects)	-11.9	63.0	-



### International Insurers

(unit:billions of yen)

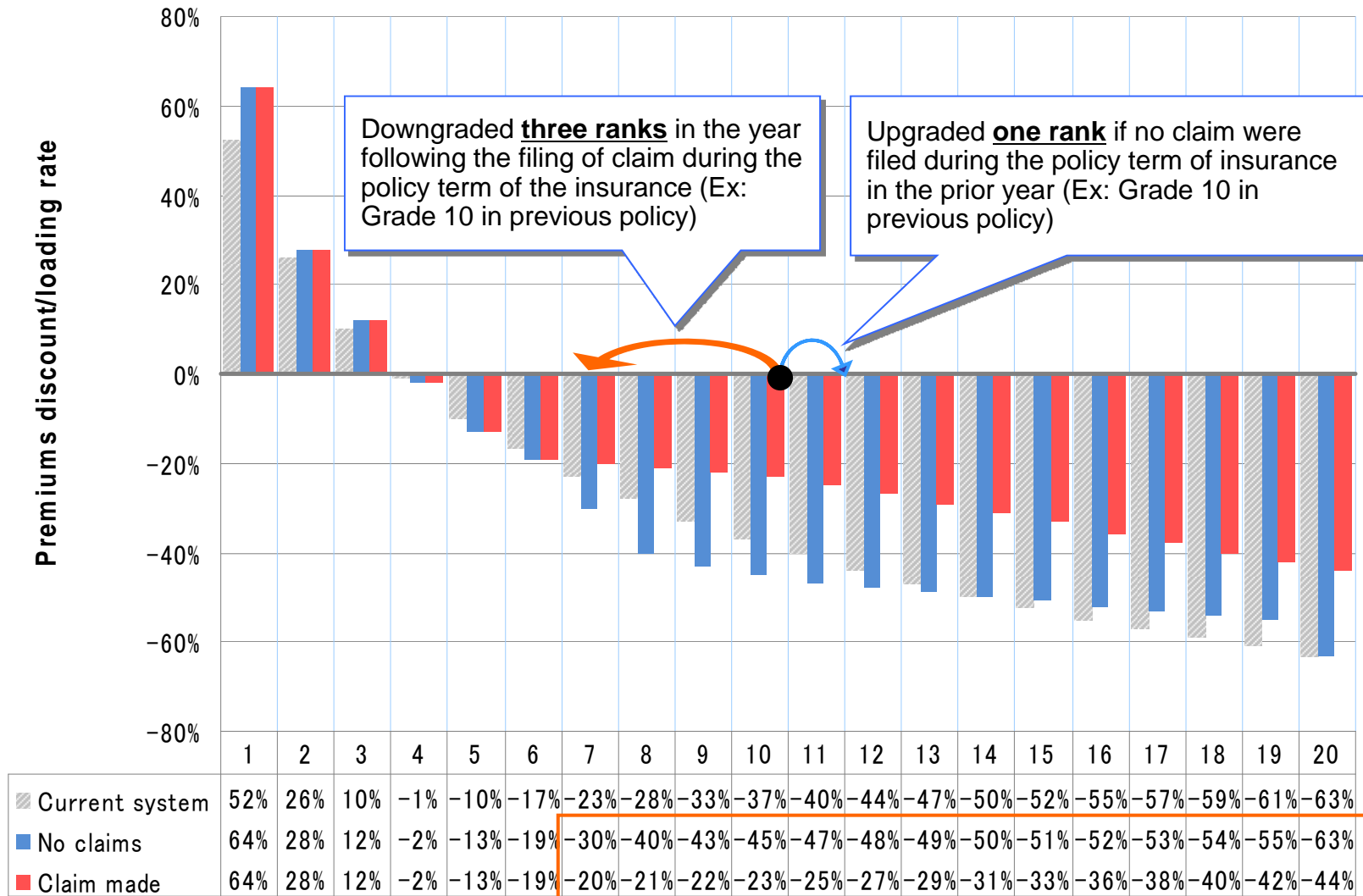
Rank	Company	Market Cap
1	BERKSHIRE HATHAWAY	16,620.6
2	CHINA LIFE	6,061.7
3	AIG	4,568.9
4	ALLIANZ	4,511.0
5	PING AN	4,251.3
6	AIA	3,646.8
7	METLIFE	3,272.6
8	ZURICH	3,272.4
9	AXA	3,228.0
10	ING	2,637.0
11	PRUDENTIAL UK	2,516.9
12	PRUDENTIAL US	2,472.4
13	MUNICH RE	2,242.6
14	CHINA PACIFIC	2,182.8
15	ACE	2,039.4
16	MANULIFE	2,013.2
17	GENERALI	1,996.5
18	SWISS RE	1,955.9
19	GREAT WEST	1,928.3
20	TRAVELERS	1,922.9
21	<b>TOKIO MARINE HD</b>	<b>1,827.1</b>
22	AFLAC	1,775.1
23	POWER FINANCIAL	1,719.0
24	CHUBB	1,548.4
25	MARSH & MCLENNAN	1,478.4

### Japanese Financial Institutions

(unit:billions of yen)

Rank	Company	Market Cap
1	mitsubishi UFJ FG	5,831.7
2	SUMITOMO MITSUI FG	3,850.5
3	MIZUHO FG	3,243.7
4	<b>TOKIO MARINE HD</b>	<b>1,827.1</b>
5	NOMURA HD	1,399.1
6	DAI-ICHI LIFE	1,143.0
7	SUMITOMO MITSUI TRUST HD	1,096.5
8	MS&AD INSURANCE HD	1,076.0
9	RESONA HD	958.2
10	ORIX	871.0
11	NKSJ HD	768.4
12	T&D HD	653.5
13	SONY FINANCIAL HD	639.5
14	SHIZUOKA BANK	583.7
15	DAIWA SECURITIES GROUP	572.0
16	BANK OF YOKOHAMA	563.5
17	CHIBA BANK	472.8
18	AOZORA BANK	394.4
19	mitsubishi UFJ LEASE	326.1
20	FUKUOKA FINANCIAL GROUP	315.5
21	CREDIT SAISON	310.6
22	JOYO BANK	307.1
23	SHINSEI BANK	297.0
24	ACOM	295.2
25	BANK OF KYOTO	284.8

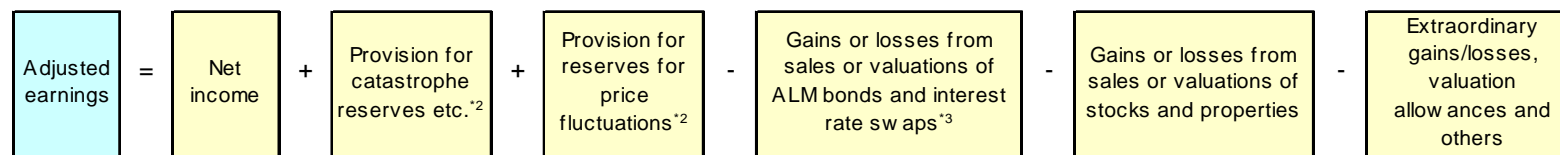
## Premiums discount/loading rate by grade under the new grade rating system



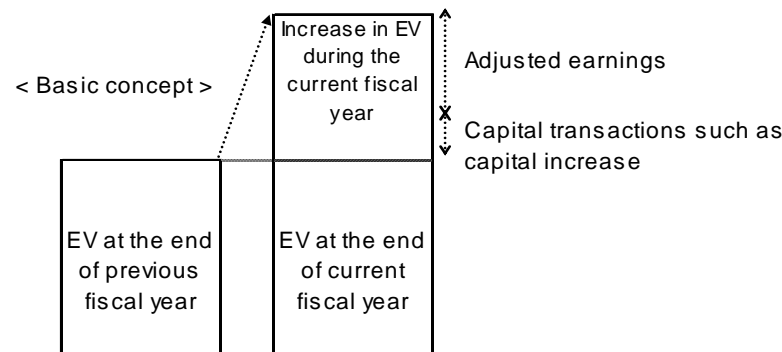
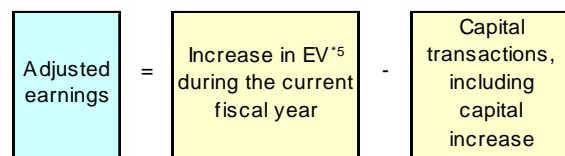
● The discount rate applied to “policyholders that have made a claim” and “policyholders that have not made any claims” differs at grade 7 and above.

## 1. Adjusted earnings\*1

(1) Property and casualty insurance business



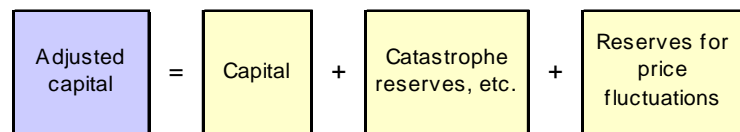
(2) Life insurance business\*4



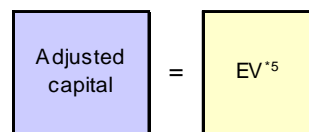
(3) Other businesses ... Net income determined following financial accounting principles

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

(1) Property and casualty insurance business

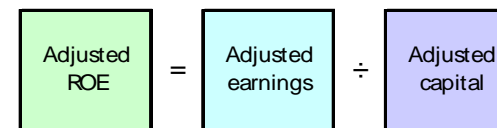


(2) Life insurance business\*4



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

## 3. Adjusted ROE



- \*1 Each adjustment is after-tax basis
- \*2 Reversals are subtracted
- \*3 ALM: Asset Liability Management  
Excluded as counter balance items against market value fluctuations of liabilities
- \*4 Calculations are based on a net income basis for life insurance companies in certain regions.
- \*5 EV: Embedded Value  
An indicator that combines the net asset value and the net present value of profits generated from the existing policies



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