



# Overview of 1Q FY2013 Results

Tokio Marine Holdings, Inc.

August 9, 2013

◆ **Abbreviations used in this material**

TMNF: Tokio Marine & Nichido Fire Insurance Co., Ltd.

NF : Nisshin Fire & Marine Insurance Co., Ltd.

TMNL : Tokio Marine & Nichido Life Insurance Co., Ltd.

FL: Tokio Marine & Nichido Financial Life Insurance Co., Ltd.

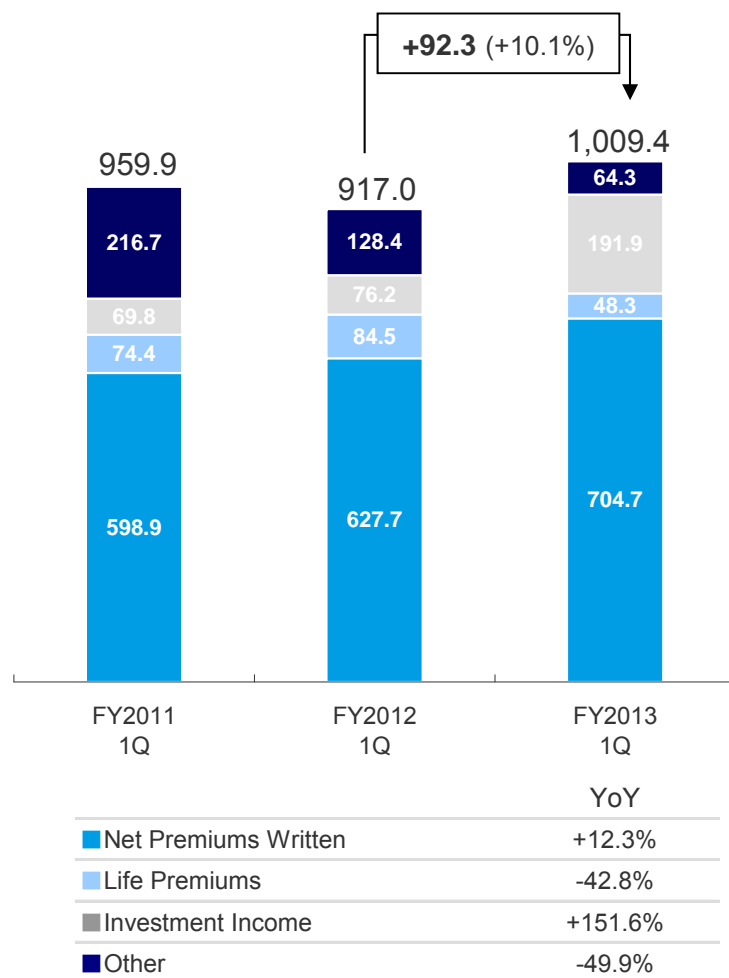
# Ordinary Income

Consolidated	Domestic Life
Domestic Non-Life	International



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## Ordinary Income (billions of yen)



### Net Premiums Written

- Increased in domestic non-life business including TMNF mainly in auto
  - Increased at overseas subsidiaries mainly due to:
    - i. Revenue growth
    - ii. Progress of the depreciation of the yen
    - iii. New contribution from Delphi's consolidation\*
- \* Delphi's results are consolidated since July 2012

### Life Insurance Premiums

- Decreased mainly due to an increase in surrender benefits and other refunds at FL associated with the recovery of the domestic stock market etc., despite the following increase factors:
  - i. Increase in in-force policies at TMNL
  - ii. Favorable sales of new products in Asia (ex-Japan)
  - iii. New contribution from Delphi's consolidation

### Investment Income

- Increased mainly due to the recording of investment gains on separate accounts at FL owing to the recovery of the domestic stock market, etc.

### Other

- Decreased mainly due to underwriting reserves turning to provision associated with the recording of investment gains on separate accounts at FL

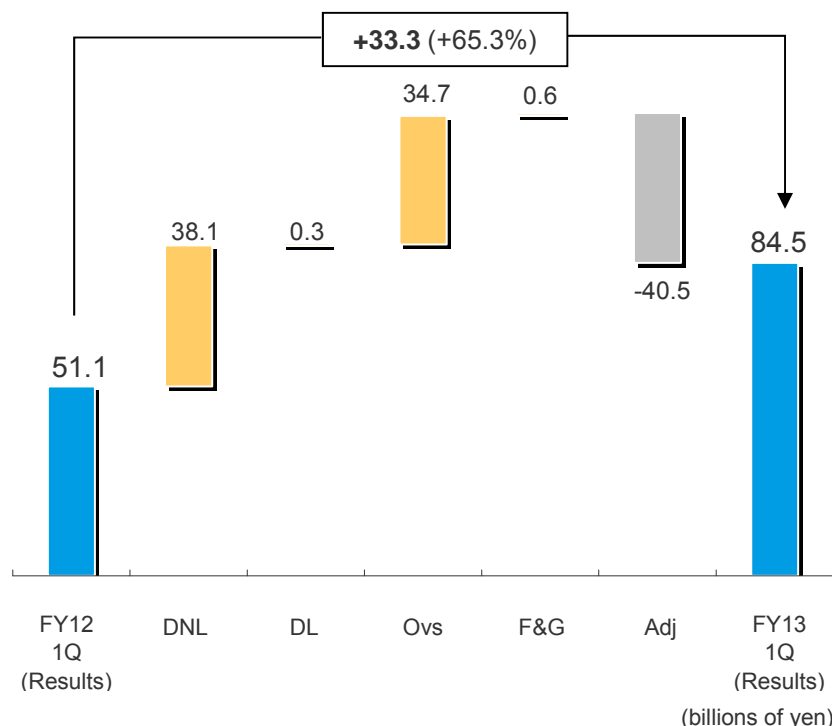
# Ordinary Profit

Consolidated	Domestic Life
Domestic Non-Life	International



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## ■ Ordinary Profit (billions of yen)



	FY2012 1Q	FY2013 1Q	Change
Domestic Non-Life (DNL)	38.0	76.2	38.1
Domestic Life (DL)	2.5	2.9	0.3
Overseas Subsidiaries (Ovs)	23.5	58.2	34.7
Financial and General (F&G)	1.0	1.7	0.6
Consolidation Adjustments (Adj)	-14.0	-54.5	-40.5
<b>Total</b>	<b>51.1</b>	<b>84.5</b>	<b>33.3</b>

On pages 2 and 3, figures of each business domain are calculated as follows, and they differ from segment information in the Summary Report:

Domestic Non-Life: Total of TMNF and NF

Domestic Life: Total of TMNL and FL

Consolidation Adjustments: Total of the followings: i) purchase method adjustments, ii) amortization of goodwill and negative goodwill, and iii) others (elimination, etc.)

### — Domestic Non-Life

TMNF: Increased by ¥36.3B YoY

- Underwriting profit decreased mainly due to the reversal effect of reversal of catastrophe loss reserves in 1Q FY2012 and the progress of the depreciation of the yen
- Net investment income increased mainly due to an increase in gains on sales of securities owing to the progress of sales of business-related equities, and an increase in dividends from overseas subsidiaries due to timing difference in quarterly recognition

### — Domestic Life

- TMNL: Decreased mainly due to an increase in agency commissions associated with revenue growth and an increase in provision for underwriting reserves owing to standard interest rate revisions
- FL: Increased mainly due to an increase in income from insurance-related expenses in accordance with the recovery of the domestic stock market

### — Overseas Subsidiaries

- Increased mainly due to:
  - Depreciation of the yen
  - Revenue growth
  - Fewer natural catastrophe losses
  - New contribution from Delphi's consolidation

### — Consolidation Adjustments

- Negative adjustment increased mainly due to an increase in elimination of dividends from overseas subsidiaries due to timing difference in quarterly recognition

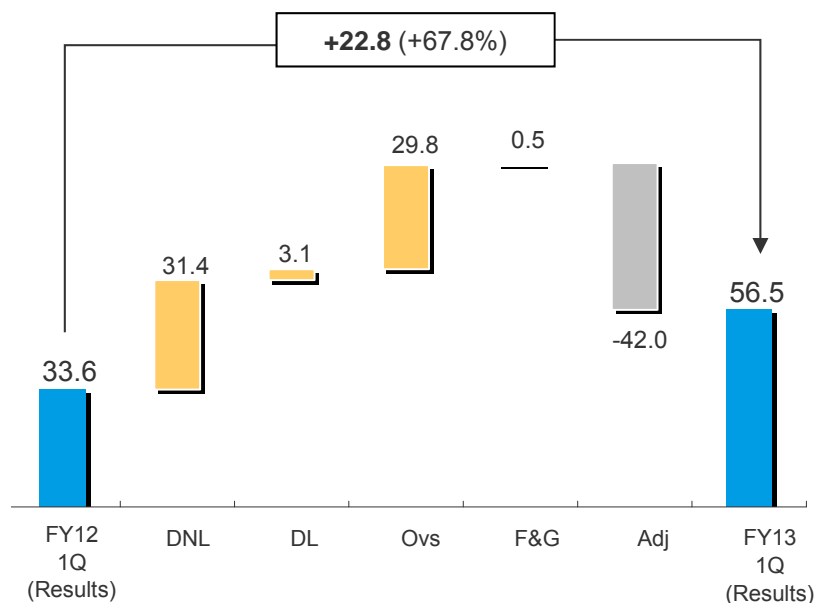
# Net Income

Consolidated	Domestic Life
Domestic Non-Life	International



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## Net Income (billions of yen)



- Domestic Non-Life
  - TMNF: Increased by ¥30.3B YoY
  - Increased due to the same factors as in ordinary profit
- Domestic Life
  - Increased mainly due to the reversal effect of extraordinary losses on extra retirement benefits at FL in 1Q FY2012, in addition to the same factors as in ordinary profit
- Overseas Subsidiaries
  - Increased due to the same factors as in ordinary profit
- Consolidation Adjustments
  - Negative adjustment increased due to the same factors as in ordinary profit

(billions of yen)

	FY2012 1Q	FY2013 1Q	Change
Domestic Non-Life (DNL)	27.1	58.5	31.4
Domestic Life (DL)	-0.9	2.1	3.1
Overseas Subsidiaries (Ovs)	19.3	49.2	29.8
Financial and General (F&G)	0.6	1.1	0.5
Consolidation Adjustments (Adj)	-12.5	-54.6	-42.0
<b>Total</b>	<b>33.6</b>	<b>56.5</b>	<b>22.8</b>

On pages 2 and 3, figures of each business domain are calculated as follows, and they differ from segment information in the Summary Report:

Domestic Non-Life: Total of TMNF and NF

Domestic Life: Total of TMNL and FL

Consolidation Adjustments: Total of the followings: i) purchase method adjustments, ii) amortization of goodwill and negative goodwill, and iii) others (elimination, etc.)

# TMNF Financial Results

Consolidated	Domestic Life
Domestic Non-Life	International



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## Changes in Major P/L Items

(billions of yen, except for %)

	FY2012 1Q Results	FY2013 1Q Results	Change	YoY
<b>Underwriting profit/loss</b>	<b>17.7</b>	<b>3.1</b>	-14.5	-82.4%
Net premiums written	467.4	486.6	19.1	4.1%
Private insurance	410.3	430.5	20.2	4.9%
Net incurred losses*	-300.1	-305.6	-5.5	1.9%
Private insurance*	-240.4	-248.9	-8.4	3.5%
Business expenses	-145.2	-150.5	-5.3	3.7%
Private insurance	-133.4	-138.3	-4.8	3.6%
Provision/Reversal of catastrophe loss reserves	6.1	-12.0	-18.1	-297.6%
<b>Net investment income/loss</b>	<b>24.4</b>	<b>79.1</b>	54.6	223.8%
Interest and dividends	42.4	68.0	25.6	60.4%
Gains/Losses on sales of securities	4.6	26.9	22.2	477.0%
Impairment losses on securities	-15.1	-3.4	11.6	-77.3%
Gains/Losses on derivatives	8.0	-0.2	-8.3	-102.9%
<b>Ordinary profit/loss</b>	<b>39.6</b>	<b>75.9</b>	36.3	91.6%
<b>Extraordinary gains/losses</b>	<b>0.9</b>	<b>-0.9</b>	-1.9	-197.6%
<b>Net income/loss</b>	<b>28.1</b>	<b>58.4</b>	30.3	107.9%
<b>(Reference)</b>				
<b>E/I basis loss ratio (Private insurance)*</b>	<b>61.8%</b>	<b>61.7%</b>	-0.1pt	
<b>E/I basis loss ratio (Auto insurance)*</b>	<b>65.6%</b>	<b>64.2%</b>	-1.5pt	

\*Including loss adjustment expenses

(Notes)

1. Plus and minus of the figures in the above table correspond to positive and negative to profit
2. Private insurance includes all lines excluding compulsory automobile liability insurance and residential earthquake insurance

### Underwriting Profit

Decreased by ¥14.5B YoY to ¥3.1B

- Net premiums written (Private insurance) :
  - Increased by 4.9% YoY with revenue growth in all lines centering on auto (See p.6 for details)
- Net incurred losses (Private insurance) :
  - Net incurred losses from natural catastrophes decreased
  - Net incurred losses excluding natural catastrophes increased i) due to large losses, and (ii) in accordance with revenue growth
  - Provision for reserves for foreign currency denominated outstanding claims increased due to the yen turning to depreciation
- Catastrophe loss reserves
  - Reversal amount decreased mainly due to a decrease in claims paid related to natural catastrophes

### Net Investment Income (See p.7 for details)

Increased by ¥54.6B YoY to ¥79.1B

- Interest and dividends income: Increase in dividends from overseas subsidiaries due to timing difference in quarterly recognition
- Gains/Losses on sales of securities: Increase in sales of business-related equities (1Q FY2012: approx. ¥19B , 1Q FY2013: approx. ¥28B)
- Impairment losses on securities: Decreased due to the reversal effect of impairment losses in 1Q FY2012
- Gains/Losses on derivatives: Decreased mainly due to a decrease in gains on FX forwards and currency swaps, owing to the yen turning to depreciation

### Net Income

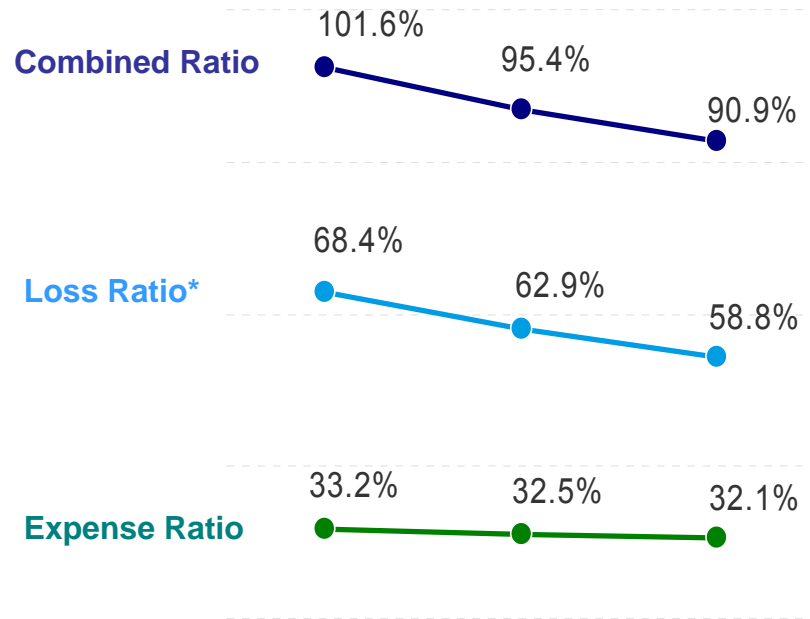
Increased by ¥30.3B YoY to ¥58.4B mainly due to the factors above

# TMNF Combined Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



## ■ Combined Ratio (Private insurance: W/P basis)



### — Loss Ratio

- W/P basis loss ratio improved by 4.1 points YoY to 58.8%
  - Increase in net premiums written
  - Decrease in claims paid relating to natural catastrophes
- E/I basis loss ratio improved by 0.1 points YoY to 61.7%

### — Expense Ratio

- Improved by 0.4 points YoY to 32.1%
  - Increase in net premiums written
  - Decrease in non-personnel expenses through efforts of cost reduction

### — Combined Ratio

- Improved by 4.5 points YoY to 90.9% due to improvement in both loss ratio and expense ratio

(billions of yen)

	FY2011 1Q Results	FY2012 1Q Results	FY2013 1Q Results	Change
Net premiums written	391.3	410.3	430.5	20.2
Net claims paid*	267.6	257.9	253.0	-4.9
Business expenses	130.0	133.4	138.3	4.8
Corporate expenses	55.1	55.8	55.7	-0.0
Agency commissions	74.9	77.6	82.5	4.8
(Ref) E/I basis loss ratio*	61.9%	61.8%	61.7%	- 0.1pt

\* Including loss adjustment expenses

# TMNF NPW & Loss Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



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## Net Premiums Written by Line

(billions of yen, except for %)

	FY2012 1Q Results	FY2013 1Q Results	Change	YoY
Fire	55.1	58.7	3.5	6.5 %
Marine	13.9	15.9	2.0	14.4 %
P.A.	52.3	53.5	1.2	2.3 %
Auto	228.3	236.8	8.5	3.7 %
CALI	56.3	55.5	-0.8	-1.5 %
Other	61.3	65.9	4.6	7.6 %
<b>Total</b>	<b>467.4</b>	<b>486.6</b>	19.1	4.1 %
<b>Private insurance Total</b>	<b>410.3</b>	<b>430.5</b>	20.2	4.9 %

- Fire: Increased mainly due to an increase in number of housing starts owing to the growing post-earthquake demand, etc.
- Marine: Increased mainly due to revenue growth in major contracts
- P.A.: Increased mainly due to revenue growth in nationwide group P.A. insurance for employment injury
- Auto: Increased mainly due to rate revisions in Oct. 2012 and revenue growth in major contracts
- CALI: Decreased due to a decline in loading premiums rate revised in Apr. 2013  
\*Revenue growth effect in direct underwriting from rate increase is not recognized in this quarter's net premiums written since direct premiums is all ceded and the ceded premiums income is recognized 4 months later
- Other: Increased due to revenue growth in major contracts and the shift of premium category for "Super Business Insurance" into the "Other" line from this fiscal year

## W/P Loss Ratio by Line

	FY2012 1Q Results	FY2013 1Q Results	Change
Fire	79.8 %	53.9 %	-25.9 pt
Marine	62.9 %	62.4 %	-0.5 pt
P.A.	40.3 %	44.1 %	3.8 pt
Auto	67.1 %	64.1 %	-2.9 pt
CALI	105.8 %	102.1 %	-3.7 pt
Other	50.5 %	54.6 %	4.0 pt
<b>Total</b>	<b>68.0 %</b>	<b>63.7 %</b>	-4.3 pt
<b>Private insurance Total</b>	<b>62.9 %</b>	<b>58.8 %</b>	-4.1 pt

- Fire: Improved due to a decrease in claims paid related to natural catastrophes
- Marine: Improved mainly due to revenue growth and a decrease in ceded claims paid
- P.A.: Worsened due to an increase in claims paid in overseas travelers insurance owing to the depreciation of the yen
- Auto: Improved mainly due to revenue growth and a decrease in claims paid related to natural catastrophes
- CALI: Improved mainly due to a decrease in claims paid
- Other: Worsened due to the progress of claims payments related to the Great East Japan Earthquake



## TMNF Net Investment Income

(billions of yen)

	FY2012 1Q Results	FY2013 1Q Results	Change
<b>Net interest and dividends income</b>	<b>28.6</b>	<b>54.9</b>	26.3
Interest and dividends income	42.4	68.0	25.6
Dividends from domestic stocks	22.7	23.6	0.8
Dividends from foreign stocks	3.9	26.6	22.7
Income from domestic bonds	9.1	8.2	-0.9
Income from other foreign securities <sup>*1</sup>	0.4	2.6	2.2
Transfer of investment income on deposit premiums	-13.7	-13.1	0.6
<b>Net capital gains</b>	<b>-4.1</b>	<b>24.1</b>	28.3
Gains/Losses on sales of securities	4.6	26.9	22.2
Impairment losses on securities	-15.1	-3.4	11.6
Impairment losses on domestic stocks	-14.1	-0.5	13.6
Gains/Losses on derivatives	8.0	-0.2	-8.3
Foreign exchange forwards and foreign currency swaps	6.0	-2.7	-8.7
Other investment income and expenses	-0.0	0.4	0.4
Others (Gains/Losses on foreign exchange, etc.)	-1.7	0.4	2.2
<b>Net investment income</b>	<b>24.4</b>	<b>79.1</b>	54.6

\*1. Income from foreign securities excluding foreign stocks and foreign bonds

## Sales of Business-Related Equities

(billions of yen)

	FY2012 1Q Results <sup>*2</sup>	FY2013 1Q Results	Change
<b>Sales of business-related equities</b>	<b>19</b>	<b>28</b>	9

\*2. Including redemption of preferred securities held for business related purposes

– Net investment income increased by ¥54.6B YoY to ¥79.1B

● Net interest and dividends income increased by ¥26.3B YoY to ¥54.9B

➤ Dividends from foreign stocks:

- Increase in dividends from overseas subsidiaries

● Net capital gains increased by ¥28.3B YoY to ¥24.1B

➤ Gains/Losses on sales of securities:

- Increase in gains on sales of domestic stocks corresponding to the progress of sales of business-related equities
- Increase in gains on sales of domestic bonds mainly due to flexibly responding to market conditions while operating on the basis of ALM

➤ Impairment losses on securities:

- Mainly due to the reversal effect of impairment losses recorded in 1Q FY2012 owing to stock market deterioration

➤ Gains/Losses on derivatives:

- Decrease in gains on FX forwards and currency swaps etc. owing to the depreciation of the yen<sup>(\*)</sup>

(\*) FX rate (USD/JPY)

FY2012: Mar. 31, 2012: 82.19 yen

→ June 30, 2012: 79.31 yen (3 yen appreciation)

FY2013: Mar. 31, 2013: 94.05 yen

→ June 30, 2013: 98.59 yen (4 yen depreciation)

Reference (as of March 31, 2013)

- Total exposure to Detroit (municipal bond holdings and financial guarantee reinsurance) at the Group's major domestic and overseas subsidiaries is approx. ¥10B, in which GO bonds account for less than 20%
- Par outstanding of financial guarantee reinsurance for US municipal bonds at TMNF is approx. ¥300B, in which investment-grade bonds account for 98%, and GO bonds for 25%





## Changes in Major P/L Items

(billions of yen, except for %)

	FY2012 1Q Results	FY2013 1Q Results	Change	YoY
<b>Underwriting profit/loss</b>	<b>-0.9</b>	<b>0.0</b>	1.0	-
Net premiums written	35.6	34.8	-0.7	-2.1%
Private insurance	31.1	30.5	-0.5	-1.9%
Net incurred losses*	-24.7	-22.1	2.5	-10.2%
Private insurance*	-20.5	-18.1	2.3	-11.5%
Business expenses	-12.1	-11.3	0.7	-6.2%
Private insurance	-10.9	-10.3	0.6	-5.8%
Provision/Reversal of catastrophe loss reserves	1.0	-1.0	-2.0	-207.8%
<b>Net Investment income/loss</b>	<b>-0.1</b>	<b>0.6</b>	0.7	-
Interest and dividends	1.0	1.0	0.0	6.7%
Gains/Losses on sales of securities	0.1	0.1	-0.0	-1.5%
Impairment losses on securities	-1.0	-	1.0	-100.0%
<b>Ordinary profit/loss</b>	<b>-1.6</b>	<b>0.2</b>	1.8	-
<b>Extraordinary gains/losses</b>	<b>0.5</b>	<b>-0.0</b>	-0.6	-110.1%
<b>Net income/loss</b>	<b>-1.0</b>	<b>0.0</b>	1.0	-
<b>(Reference)</b>				
<b>Loss ratio</b>	<b>67.4%</b>	<b>61.8%</b>	-5.7pt	-
<b>Expense ratio</b>	<b>34.1%</b>	<b>32.6%</b>	-1.4pt	-
<b>Combined ratio</b>	<b>101.5%</b>	<b>94.4%</b>	-7.1pt	-

\* Including loss adjustment expenses  
(Notes)

1. Plus and minus of the figures in the above table corresponds to positive and negative to profit
2. Private insurance includes all lines excluding compulsory automobile liability insurance and residential earthquake insurance

### Underwriting Profit

- Increased by ¥1.0B YoY to ¥0.0B

- ▾ Net premiums written decreased mainly due to an increase in premiums ceded in fire, despite revenue growth in auto owing to an increase in new policies and rate revisions
- ▴ Decrease in net incurred losses mainly due to a decrease in natural catastrophes
- ▴ Decrease in business expenses mainly due to efforts to reduce corporate expenses
- ▾ Decrease in reversal of catastrophe loss reserves in accordance with a decrease in claims paid mainly in auto and fire

### Net Investment Income

- Increased by ¥0.7B YoY to ¥0.6B mainly due to the reversal effect of impairment losses on securities recorded in 1Q FY2012

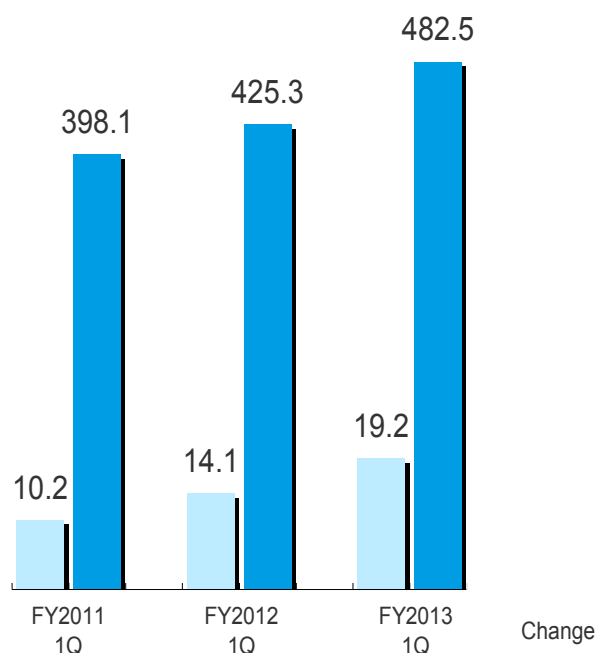
### Net Income

- Increased by ¥1.0B YoY to ¥0.0B mainly due to the reversal effect of gains from reversal of price fluctuation reserves (extraordinary gains) in 1Q FY2012, in addition to the factors above

## Annualized Premiums (ANP) and Key Figures

(billions of yen)

- New Policy
- In-force Policy



	FY2011 1Q	FY2012 1Q	FY2013 1Q	Change
Ordinary income	132.1	144.6	167.7	23.0
Insurance premiums and other	113.4	123.0	141.1	18.0
Net income	2.8	2.9	1.1	-1.7
Core operating profit	6.2	7.2	5.2	-2.0

### – New Policies ANP

- Increased by 36.5% YoY owing to continuing favorable sales of "Medical Kit R" launched in Jan. 2013, in addition to revenue growth in the first-sector line and individual annuities

### – In-force Policies ANP

- Increased by 2.6% from the end of FY2012 (YoY increase of 13.4%) due to steady increase in new policies

### – Insurance Premiums and Other

- Increased by ¥18.0B YoY to ¥141.1B due to an increase in in-force policies

### – Net Income

- Decreased by ¥1.7B YoY to ¥1.1B mainly due to an increase in provision for underwriting reserves owing to a decrease in standard interest rate, etc. in addition to an increase in agency commissions associated with revenue growth, despite an increase in insurance premiums and other

# Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	<b>International</b>



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## ■ Net Premiums Written by Business Domain

(billions of yen, except for %)

	FY2012 1Q Results	FY2013 1Q Results	Change	YoY	(Ref.) YoY (Excluding FX effects)
Applied FX rate (USD/JPY)	As of end- Mar 2012 JPY 82.1	As of end- Mar 2013 JPY 94.0			
Philadelphia	42.9	55.3	12.4	29%	13%
Delphi	-	48.0	48.0	-	-
North America	11.3	14.2	2.8	25%	9%
Kiln	26.9	30.3	3.4	13%	3%
Europe & Middle East	6.2	7.0	0.7	13%	3%
South & Central America	17.1	24.3	7.2	42%	37%
Asia	16.8	25.1	8.2	49%	30%
Reinsurance	26.8	37.5	10.6	40%	25%
<b>Total Non-Life</b>	<b>148.3</b>	<b>242.0</b>	<b>93.7</b>	<b>63%</b>	<b>46%</b>
<b>Life</b>	<b>11.8</b>	<b>16.3</b>	<b>4.4</b>	<b>38%</b>	<b>19%</b>
<b>Total</b>	<b>160.1</b>	<b>258.3</b>	<b>98.1</b>	<b>61%</b>	<b>44%</b>

- Increased by 61% YoY due to the progress of growth measures in each business segment and premium contribution of Delphi

### Philadelphia

- Increased mainly due to an increase in new business and continued rate increases on the renewal book

### Delphi

- Increased mainly due to an increase in new business and rate increases in excess workers' compensation business

### Kiln

- Increased mainly due to expansion of marine and specialty businesses

### South & Central America

- Increased mainly due to strong sales of auto insurance in Brazil

### Asia

- Increased mainly due to the acquisition of additional shares in Thailand subsidiary and expansion of personal auto business in major countries

### Reinsurance

- Increased in non-natural catastrophes business

# Adjusted Earnings

Consolidated	Domestic Life
Domestic Non-Life	<b>International</b>



## Adjusted Earnings by Business Domain

(billions of yen, except for %)

	FY2012 1Q Results	FY2013 1Q Results	Change	YoY	(Ref.) YoY (Excluding FX effects)
	As of end- Mar 2012	As of end- Mar 2013			
Applied FX rate (USD/JPY)	JPY 82.1	JPY 94.0			
Philadelphia	5.9	9.3	3.3	57%	37%
Delphi	-	7.9	7.9	-	-
North America	1.9	-0.8	-2.7	-	-
Kiln	1.5	6.2	4.6	304%	270%
Europe & Middle East	0.6	1.1	0.4	72%	56%
South & Central America	0.0	0.2	0.2	-	-
Asia	-2.1	10.0	12.1	-	-
Reinsurance	2.8	3.5	0.6	24%	11%
<b>Total Non-Life</b>	<b>10.3</b>	<b>39.2</b>	<b>28.8</b>	<b>279%</b>	<b>234%</b>
<b>Life</b>	<b>1.8</b>	<b>0.4</b>	<b>-1.4</b>	<b>-77%</b>	<b>-81%</b>
<b>Total (After adjustment)</b>	<b>11.9</b>	<b>39.4</b>	<b>27.4</b>	<b>229%</b>	<b>188%</b>

- Increased by ¥27.4B YoY to ¥39.4B mainly due to a decrease in natural catastrophe losses, the progress of the various growth measures, and profit contribution of Delphi

### Philadelphia

- Increased due to premium growth and a decrease in natural catastrophe losses

### Delphi

- Maintained profit growth due to an increase in underwriting profit and investment income

### Kiln

- Increased mainly due to benign natural catastrophe events and foreign exchange gains

### Asia

- Increased mainly due to the profit growth of property and auto businesses in major countries and a change in reserves related to the Thai flood

### Reinsurance

- Increased mainly due to expansion of non-natural catastrophes business and foreign exchange gains



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