

**Agreement to acquire First Insurance Company of Hawaii, Limited, a U.S. P&C insurance company**

Tokio Marine Holdings, Inc. ("TMHD") (President: Shuzo Sumi) announced an agreement to acquire 50% of the outstanding shares of First Insurance Company of Hawaii ("FICOH") (Headquarters in Hawaii, U.S.) currently owned by a major U.S. Insurance group, CNA Financial Corporation ("CNA") (Headquarters in Illinois, U.S.) through its wholly owned subsidiary, Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF") (hereinafter "the Acquisition"). The Acquisition is subject to approval of both the U.S. and Japanese regulatory authorities.

FICOH is an insurance group engaged in property and casualty insurance business, and TMNF currently holds 50% of the outstanding shares. Subsequent to the Acquisition, TMHD will own 100% of the outstanding shares and FICOH will become a TMHD's wholly owned subsidiary from TMHD's affiliate company.

The Acquisition price is \$165 million (approximately ¥12.9 billion) and it will be financed through the utilization of TMNF's cash on hand.

Exchange rate used in this document is of 77.85 yen per dollar (exchange rate as of July 29, 2011)

1. Objectives of the Acquisition

- (1) Tokio Marine Group has been seeking continuous expansion of its international insurance business as a driving force for its mid- to long-term growth strategy through organic growth as well as M&A to become a global top-tier insurer.
- (2) In the U.S., which is the largest insurance market in the world, TMHD acquired Philadelphia Insurance Companies in December, 2008 and resolved to establish Tokio Marine North America ("TMNA") in May 2011 to manage all U.S. business entities of Tokio Marine group to achieve further business growth. Shared Service Company ("SSC") will be established to provide certain back-office services to Tokio Marine entities in the U.S.
- (3) TMHD has been reviewing further acquisition opportunities as we view expanding our U.S. business through M&A as one of the most important strategic agenda, and we reached an agreement with CNA upon the Acquisition to make FICOH a wholly-owned subsidiary of Tokio Marine group.
- (4) FICOH is the oldest (established in 1911) and the second largest P&C Insurance company in Hawaii in terms of premium volume. FICOH is also one of the best known insurers locally with a strong brand recognition. TMNF and FICOH started their partnership in 1974, and FICOH has been TMNF's business site in Hawaii since 1999(\*).  
(\* ) 1989: TMNF acquired 40% of FICOH's outstanding shares.  
1999: TMNF raised its shares to 50% and merged its Honolulu branch with FICOH.
- (5) Tokio Marine group will seek further growth in both revenue and profits scale in U.S. insurance market by combining FICOH's high profile and strong brand name with Tokio Marine group's strengths such as superior financial ratings, underwriting capacity and support on back-office functions to be provided by TMNA and SSC.

2. Overview of the affiliate company (FICOH) which is to be a subsidiary

(1)	Name of the company	First Insurance Company of Hawaii, Ltd.		
(2)	Location	1100 Ward Avenue Honolulu, HI 96814		
(3)	Name of the president	Allen B. Uyeda		
(4)	Main Business	P&C Insurance		
(5)	Capital	US\$ 4,272,840 (as of December 31 2010)		
(6)	Establishment	1982 (Originally established under the name "Home Insurance Company of Hawaii" in 1911)		
(7)	Major Share Holder and Investment Rate	The Continental Insurance Company (CIC)(*) : 50%, TMNF: 50% (* ) A subsidiary of CNA		
(8)	TMHD's relationship with the company	Capital	TMHD's wholly owned subsidiary, TMNF holds 50% of the outstanding shares.	
		Management	2 employees from TMNF are concurrently on the board of FICOH.	
		Business	TMHD's partners/affiliates/subsidiaries have reinsurance business with FICOH.	
(9)	FICOH's consolidated financial results of past 3 years (in thousand US\$)			
	Fiscal year	December, 2008	December, 2009	December, 2010
	Gross Written Premium	189,546	175,639	176,599
	Net Written Premium	146,613	134,380	135,415
	Net Income after tax	21,301	32,590	32,444
	Total asset	643,018	680,131	680,540
	Net asset	235,543	286,728	311,560
	Combined ratio (*)	87.4%	80.3%	78.9%

(\*) P&C financial index in percentage calculated by (incurred claim amount + expense) / premium. 100% means break even, and the more the figure is below 100%, the higher is the underwriting profit.

3. Overview of the seller of the shares (CNA)

(1)	Name of the company	CNA Financial Corporation		
(2)	Location	333 South Wabash Avenue Chicago, IL 60604		
(3)	Name of the president	Thomas F. Motamed		
(4)	Type of business	Holding insurance company		
(5)	Establishment	1967		
(6)	Net assets	US\$ 11,524 (in millions as of December 31 2010)		
(7)	Total assets	US\$ 55,331 (in millions as of December 31 2010)		
(8)	TMHD's relationship with the company	Capital	There is no capital relationship between TMHD and CNA, and TMHD's partner/affiliate company/subsidiary and CNA's partner/affiliate company/subsidiary.	
		Management	There is no personnel relationship between TMHD and CNA, and TMHD's partner/affiliate company/subsidiary and CNA's partner/affiliate company/subsidiary.	
		Business	There is no business relationship between TMHD and CNA, and between TMHD's partner/affiliate company/subsidiary and CNA's partner/affiliate company/subsidiary.	
		Related party status	CNA is not a related party of TMHD. CNA's partner/affiliate company/subsidiary is not a related party of TMHD's partner/affiliate company/subsidiary.	

4. Number of shares to be acquired, price of the shares, and status of the shares before and after the Acquisition

(1)	Number of the shares held before the Acquisition	35,607 shares (Number of voting rights: 35,607) (Ownership percentage: 50%)
(2)	Number of the shares to be acquired	35,607 shares (Number of voting rights: 35,607) (Percentage in outstanding shares: 50%) (Acquisition price: US\$ 165 million)
(3)	Number of the shares after the Acquisition	71,214 shares (Number of voting rights: 71,214) (Ownership percentage: 100%)

5. Schedule

(1)	Corporate resolution	August 11, 2011
(2)	Date of delivery	TBD (The Acquisition is subject to approval of both the U.S and Japanese regulatory authorities.)

6. Future Prospects

There is no revision in the TMHD's forecasted consolidated financial result of FY2012 due to the Acquisition as the expected financial impact is deemed to be limited.