

**Summary of Consolidated Business Results of Tokio Marine Holdings, Inc.  
under Japanese GAAP for the nine months ended December 31, 2016**



February 14, 2017

Company Name: Tokio Marine Holdings, Inc. (the "Company")

Stock Exchange Listing: Tokyo

Securities Code Number: 8766

(URL: <http://www.tokiomarinehd.com/en/>)

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Scheduled date for filing the quarterly securities report for the nine months ended December 31, 2016: February 14, 2017

Scheduled date for starting payment of dividends: Not applicable

Supplementary information for quarterly financial statements: Available

Quarterly IR Conference Call: To be held (for analysts)

(Note) All amounts are truncated and all percentages are rounded.

**1. Consolidated Business Results for the nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)**

**(1) Consolidated Results of Operations**

(Note) Percentages represent the changes from the same period in the previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2016	3,812,495	14.0	315,792	26.2	228,134	26.1
Nine months ended December 31, 2015	3,345,376	3.1	250,238	(3.7)	180,914	(15.5)

(Note) Comprehensive income:

Nine months ended December 31, 2016 1,558 million yen (83.4) %

Nine months ended December 31, 2015 9,371 million yen (98.6) %

	Net income per share - Basic	Net income per share - Diluted
	yen	yen
Nine months ended December 31, 2016	302.40	302.14
Nine months ended December 31, 2015	239.71	239.48

**(2) Consolidated Financial Conditions**

	Total assets	Net assets	Ratio of equity capital to total assets
	million yen	million yen	%
As of December 31, 2016	22,103,718	3,402,087	15.3
As of March 31, 2016	21,855,328	3,512,656	15.9

(Reference) Equity capital:

As of December 31, 2016 3,376,435 million yen

As of March 31, 2016 3,484,725 million yen

**2. Dividends**

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual total
	yen	yen	yen	yen	yen
Fiscal year 2015	-	52.50	-	57.50	110.00
Fiscal year 2016	-	67.50	-	-	-
Fiscal year 2016 (Forecast)	-	-	-	67.50	135.00

(Note) Revision to the forecasted amounts of dividends announced on November 18, 2016: None

**3. Consolidated Business Forecast for the fiscal year 2016 (April 1, 2016 to March 31, 2017)**

(Note) Percentages represent the changes from the previous fiscal year.

	Ordinary profit		Net income attributable to owners of the parent		Net income per share - Basic
	million yen	%	million yen	%	yen
Fiscal year 2016 (Full year)	395,000	2.4	280,000	10.0	371.68

(Note) Revision to the consolidated business forecast announced on November 18, 2016: None

**\*Notes**

(1) Significant changes with respect to the subsidiaries of the Company (changes in Specified Subsidiaries that resulted in changes in the scope of consolidation) during the nine months ended December 31, 2016: None

(2) Adoption of special accounting methods that can be applied to quarterly consolidated financial reports: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policies to reflect amendments of accounting standards and related matters: None

(b) Changes in accounting policies other than (a): Yes

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: None

(Note) Please refer to Appendix p. 3 "(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatements" for details.

(4) Number of shares issued (common share)

(a) Total number of shares issued (including treasury shares)

As of December 31, 2016 757,524,375 shares

As of March 31, 2016 757,524,375 shares

(b) Number of treasury shares held

As of December 31, 2016 7,407,456 shares

As of March 31, 2016 2,839,782 shares

(c) Average number of shares outstanding

During the nine months ended December 31, 2016 754,406,947 shares

During the nine months ended December 31, 2015 754,694,319 shares

**\*Disclosure regarding the execution of the quarterly review process**

This Summary of Consolidated Business Results is outside the scope of the external auditor's quarterly review procedure required by the Financial Instruments and Exchange Act. The quarterly review process has been completed as of the date of the disclosure of the Summary of Consolidated Business Results.

**\*Notes concerning the business forecast and other items**

Any business forecasts contained in this document are based on the information available to the Company as of the date of the release of this document and certain assumptions, and actual results may materially differ from the forecasts due to various factors.

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## **1. Qualitative information concerning the Consolidated Business Results for the nine months ended December 31, 2016**

### **(1) Qualitative information concerning the consolidated results of operations**

During the nine months ended December 31, 2016, after the election of U.S. President Trump, expectations for his expansionary fiscal policy resulted in improved business confidence and the world economy, Europe and the U.S. in particular, continued to recover gradually.

In Japan, despite weakness in consumer spending, the economy continued to grow slowly due to recovery of production and exports.

Under these conditions, as a result of our efforts to expand our business, which is centered on property and casualty and life insurance, our consolidated results of operations for the nine months ended December 31, 2016 were as follows:

Ordinary income increased by 467.1 billion yen to 3,812.4 billion yen from the same period in the previous fiscal year, the main components of which were underwriting income of 3,309.2 billion yen and investment income of 420.3 billion yen. Ordinary expenses increased by 401.5 billion yen to 3,496.7 billion yen from the same period in the previous fiscal year, the main components of which were underwriting expenses of 2,823.0 billion yen, investment expenses of 58.6 billion yen, and operating and general administrative expenses of 602.1 billion yen.

As a result, ordinary profit increased by 65.5 billion yen to 315.7 billion yen from the same period in the previous fiscal year.

Net income attributable to owners of the parent, composed of ordinary profit plus extraordinary gains minus extraordinary losses and total income taxes, increased by 47.2 billion yen to 228.1 billion yen from the same period in the previous fiscal year.

### **(2) Qualitative information concerning the consolidated financial conditions**

As of December 31, 2016, consolidated total assets increased by 248.3 billion yen to 22,103.7 billion yen from that as of March 31, 2016. In spite of the decrease in value of assets of overseas consolidated companies caused by the appreciation of the yen, total assets increased due to accumulation of investment assets led by increased securities lending transactions, as well as the expansion of our domestic and international insurance businesses.

### **(3) Qualitative information concerning the consolidated business forecast**

The consolidated business forecast announced on November 18, 2016 remains unchanged.

## **2. Information concerning Summary (Notes)**

### **(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatements**

#### **(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)**

The Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method since the beginning of the fiscal year 2016. Previously, the Company and its domestic consolidated subsidiaries applied the declining balance method for depreciation of tangible fixed assets except for buildings (excluding fixtures attached to buildings) acquired on or after April 1, 1998, to which the straight-line method was applied.

The proportion of companies adopting the straight-line method has increased due to the recent expansion in our overseas insurance business. For this reason, the Company and its domestic consolidated subsidiaries reviewed its depreciation methods and determined that allocating depreciation expenses equally over useful lives will represent the actual situation more accurately since it is expected that tangible fixed assets owned by the Company and its domestic consolidated subsidiaries will be used stably over their useful lives.

Herewith, the accounting policy of depreciation method for tangible fixed assets applied by the Company and its domestic consolidated subsidiaries is unified to that applied by its overseas consolidated subsidiaries.

As a result of this change, both ordinary profit and income before income taxes and non-controlling interests for the nine months ended December 31, 2016 increased by 2,198 million yen, compared with the previous accounting method.

### **(2) Additional information**

#### **(Application of the "Implementation Guidance on Recoverability of Deferred Tax Assets")**

The Company and its domestic consolidated subsidiaries have applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan, Guidance No. 26, March 28, 2016), since the beginning of the fiscal year 2016.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Yen in millions)

	As of March 31, 2016	As of December 31, 2016
<b>Assets</b>		
Cash and bank deposits	1,031,610	782,689
Call loans	21,000	-
Receivables under resale agreements	4,999	24,999
Receivables under securities borrowing transactions	21,597	21,261
Monetary receivables bought	1,345,859	1,225,283
Money trusts	63,049	84,316
Securities	15,457,012	15,990,343
Loans	878,951	1,181,294
Tangible fixed assets	277,413	278,259
Intangible fixed assets	1,022,112	814,064
Other assets	1,692,808	1,668,896
Net defined benefit assets	12,440	13,850
Deferred tax assets	33,558	27,096
Customers' liabilities under acceptances and guarantees	9,026	2,465
Allowance for doubtful accounts	(16,111)	(11,105)
<b>Total assets</b>	<b>21,855,328</b>	<b>22,103,718</b>
<b>Liabilities</b>		
Insurance liabilities	15,144,114	15,008,612
Outstanding claims	2,663,123	2,520,448
Underwriting reserves	12,480,991	12,488,164
Corporate bonds	77,677	63,303
Other liabilities	2,291,591	2,809,030
Net defined benefit liabilities	242,952	246,792
Provision for retirement benefits for directors	21	23
Provision for employees' bonus	57,355	38,163
Reserves under special laws	88,144	92,584
Price fluctuation reserve	88,144	92,584
Deferred tax liabilities	361,960	378,498
Negative goodwill	69,827	62,156
Acceptances and guarantees	9,026	2,465
<b>Total liabilities</b>	<b>18,342,671</b>	<b>18,701,630</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	150,000	150,000
Retained earnings	1,531,072	1,672,036
Treasury shares	(10,742)	(34,738)
<b>Total shareholders' equity</b>	<b>1,670,329</b>	<b>1,787,297</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities	1,601,187	1,746,843
Deferred gains (losses) on hedge transactions	19,870	12,938
Foreign currency translation adjustments	210,134	(158,082)
Remeasurements of defined benefit plans	(16,796)	(12,561)
<b>Total accumulated other comprehensive income</b>	<b>1,814,395</b>	<b>1,589,138</b>
<b>Share acquisition rights</b>	<b>2,485</b>	<b>2,140</b>
<b>Non-controlling interests</b>	<b>25,445</b>	<b>23,511</b>
<b>Total net assets</b>	<b>3,512,656</b>	<b>3,402,087</b>
<b>Total liabilities and net assets</b>	<b>21,855,328</b>	<b>22,103,718</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**(Consolidated Statement of Income)**

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
<b>Ordinary income</b>	3,345,376	3,812,495
<b>Underwriting income</b>	2,893,649	3,309,235
Net premiums written	2,498,279	2,538,961
Deposit premiums from policyholders	97,840	91,802
Investment income on deposit premiums	37,931	37,482
Life insurance premiums	255,350	633,129
<b>Investment income</b>	377,362	420,385
Interest and dividends	294,979	299,542
Gains on money trusts	22	119
Gains on trading securities	890	19,466
Gains on sales of securities	98,031	99,029
Gains on redemption of securities	443	517
Gains on derivatives	9,077	-
Investment gains on separate accounts	3,261	23,910
Transfer of investment income on deposit premiums	(37,931)	(37,482)
<b>Other ordinary income</b>	74,364	82,874
Amortization of negative goodwill	7,671	7,671
Equity in earnings of affiliates	679	-
<b>Ordinary expenses</b>	3,095,138	3,496,702
<b>Underwriting expenses</b>	2,534,913	2,823,053
Net claims paid	1,243,204	1,296,379
Loss adjustment expenses	94,352	98,793
Agency commissions and brokerage	496,013	486,044
Maturity refunds to policyholders	159,429	143,131
Dividends to policyholders	123	68
Life insurance claims	287,187	444,129
Provision for outstanding claims	144,646	132,099
Provision for underwriting reserves	102,335	218,776
<b>Investment expenses</b>	33,581	58,648
Losses on money trusts	8	3,236
Losses on sales of securities	10,462	18,431
Impairment losses on securities	8,168	4,852
Losses on redemption of securities	834	2,121
Losses on derivatives	-	18,991
<b>Operating and general administrative expenses</b>	516,046	602,150
<b>Other ordinary expenses</b>	10,596	12,850
Interest expenses	5,126	8,138
Losses on bad debts	64	176
Equity in losses of affiliates	-	249
Amortization of deferred assets under Article 113 of the Insurance Business Act	2,870	2,870
<b>Ordinary profit</b>	250,238	315,792

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
<b>Extraordinary gains</b>	205	8,073
Gains on disposal of fixed assets	129	5,628
Other extraordinary gains	76	2,445
<b>Extraordinary losses</b>	6,240	6,872
Losses on disposal of fixed assets	580	1,351
Impairment losses on fixed assets	1,380	803
Provision for reserves under special laws	4,227	4,439
Provision for price fluctuation reserve	4,227	4,439
Other extraordinary losses	52	278
<b>Income before income taxes and non-controlling interests</b>	244,203	316,993
<b>Income taxes - current</b>	71,461	93,225
<b>Income taxes - deferred</b>	(9,099)	(5,306)
<b>Total income taxes</b>	62,362	87,918
<b>Net income</b>	181,841	229,075
<b>Net income attributable to non-controlling interests</b>	926	940
<b>Net income attributable to owners of the parent</b>	180,914	228,134



**(Consolidated Statement of Comprehensive Income)**

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
<b>Net income</b>	181,841	229,075
<b>Other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities	(117,404)	146,101
Deferred gains (losses) on hedge transactions	(1,694)	(6,932)
Foreign currency translation adjustments	(56,126)	(368,091)
Remeasurements of defined benefit plans	3,711	4,236
Share of other comprehensive income of affiliates accounted for by the equity method	(955)	(2,830)
<b>Total other comprehensive income</b>	(172,469)	(227,516)
<b>Total comprehensive income</b>	9,371	1,558
Comprehensive income attributable to:		
Owners of the parent	11,891	2,767
Non-controlling interests	(2,520)	(1,208)

**(3) Notes regarding going concern assumption**

Not applicable.

**(4) Notes regarding significant changes in shareholders' equity**

Not applicable.

## 4. Supplementary information

### (1) Summary of Consolidated Business Results

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )	Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )	Increase (Decrease)	Rate of change
<b>Ordinary income and expenses</b>				%
<b>Underwriting income</b>	2,893,649	3,309,235	415,585	14.4
Net premiums written	2,498,279	2,538,961	40,682	1.6
Deposit premiums from policyholders	97,840	91,802	(6,037)	(6.2)
Life insurance premiums	255,350	633,129	377,779	147.9
<b>Underwriting expenses</b>	2,534,913	2,823,053	288,139	11.4
Net claims paid	1,243,204	1,296,379	53,175	4.3
Loss adjustment expenses	94,352	98,793	4,441	4.7
Agency commissions and brokerage	496,013	486,044	(9,969)	(2.0)
Maturity refunds to policyholders	159,429	143,131	(16,297)	(10.2)
Life insurance claims	287,187	444,129	156,942	54.6
Provision for outstanding claims	144,646	132,099	(12,546)	(8.7)
Provision for underwriting reserves	102,335	218,776	116,441	113.8
<b>Investment income</b>	377,362	420,385	43,022	11.4
Interest and dividends	294,979	299,542	4,562	1.5
Gains on sales of securities	98,031	99,029	997	1.0
Gains on derivatives	9,077	-	(9,077)	(100.0)
Investment gains on separate accounts	3,261	23,910	20,648	633.1
<b>Investment expenses</b>	33,581	58,648	25,066	74.6
Losses on sales of securities	10,462	18,431	7,968	76.2
Impairment losses on securities	8,168	4,852	(3,316)	(40.6)
Losses on derivatives	-	18,991	18,991	-
<b>Operating and general administrative expenses</b>	516,046	602,150	86,103	16.7
<b>Other ordinary income and expenses</b>	63,768	70,023	6,255	9.8
Equity in earnings (losses) of affiliates	679	(249)	(928)	(136.7)
<b>Ordinary profit</b>	250,238	315,792	65,554	26.2
<b>Extraordinary gains and losses</b>				
Extraordinary gains	205	8,073	7,867	3,821.6
Extraordinary losses	6,240	6,872	632	10.1
<b>Extraordinary gains (losses)</b>	(6,034)	1,201	7,235	-
<b>Income before income taxes and non-controlling interests</b>	244,203	316,993	72,790	29.8
<b>Income taxes - current</b>	71,461	93,225	21,763	30.5
<b>Income taxes - deferred</b>	(9,099)	(5,306)	3,792	-
<b>Total income taxes</b>	62,362	87,918	25,556	41.0
<b>Net income</b>	181,841	229,075	47,233	26.0
<b>Net income attributable to non-controlling interests</b>	926	940	14	1.6
<b>Net income attributable to owners of the parent</b>	180,914	228,134	47,219	26.1

**(2) Premiums written and claims paid by lines of business**

Direct premiums written including deposit premiums from policyholders

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)			Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	481,502	18.4	10.7	435,672	15.9	(9.5)
Hull and cargo	87,165	3.3	(6.1)	84,218	3.1	(3.4)
Personal accident	256,798	9.8	3.5	259,762	9.5	1.2
Voluntary automobile	990,366	37.9	3.5	1,005,339	36.7	1.5
Compulsory automobile liability	218,335	8.4	2.6	219,968	8.0	0.7
Others	579,238	22.2	12.8	734,428	26.8	26.8
Total	2,613,407	100.0	6.3	2,739,389	100.0	4.8
Deposit premiums from policyholders	97,840	3.7	9.5	91,802	3.4	(6.2)

Net premiums written

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)			Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	465,719	18.6	20.5	379,260	14.9	(18.6)
Hull and cargo	81,387	3.3	(1.9)	72,043	2.8	(11.5)
Personal accident	159,948	6.4	1.0	168,676	6.6	5.5
Voluntary automobile	1,026,288	41.1	4.1	1,044,263	41.1	1.8
Compulsory automobile liability	230,673	9.2	4.2	223,977	8.8	(2.9)
Others	534,262	21.4	10.3	650,739	25.6	21.8
Total	2,498,279	100.0	7.7	2,538,961	100.0	1.6

Net claims paid

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)			Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	205,708	16.5	(5.7)	190,585	14.7	(7.4)
Hull and cargo	45,790	3.7	11.6	39,742	3.1	(13.2)
Personal accident	73,072	5.9	2.7	72,584	5.6	(0.7)
Voluntary automobile	546,085	43.9	2.8	550,771	42.5	0.9
Compulsory automobile liability	174,269	14.0	(0.8)	172,469	13.3	(1.0)
Others	198,277	15.9	14.7	270,226	20.8	36.3
Total	1,243,204	100.0	2.7	1,296,379	100.0	4.3

**(3) Securities****1. Bonds held to maturity**

(Yen in millions)

	As of March 31, 2016			As of December 31, 2016		
	Carrying amount shown on balance sheet	Fair value	Difference	Carrying amount shown on balance sheet	Fair value	Difference
Domestic debt securities	3,511,474	4,451,153	939,678	4,451,309	5,172,755	721,446
Foreign securities	27,016	26,800	(215)	35,193	33,838	(1,355)
Total	3,538,490	4,477,954	939,463	4,486,502	5,206,594	720,091

**2. Bonds earmarked for underwriting reserves**

(Yen in millions)

	As of March 31, 2016			As of December 31, 2016		
	Carrying amount shown on balance sheet	Fair value	Difference	Carrying amount shown on balance sheet	Fair value	Difference
Domestic debt securities	50,128	52,996	2,868	44,150	46,227	2,076
Foreign securities	26,948	28,318	1,370	22,764	23,291	526
Total	77,076	81,315	4,239	66,915	69,518	2,603

**3. Available-for-sale securities**

(Yen in millions)

	As of March 31, 2016			As of December 31, 2016		
	Cost	Fair value shown on balance sheet	Difference	Cost	Fair value shown on balance sheet	Difference
Domestic debt securities	3,536,463	4,055,081	518,618	3,522,575	3,950,354	427,779
Domestic equity securities	685,238	2,270,759	1,585,521	657,210	2,487,899	1,830,688
Foreign securities	3,951,169	4,060,303	109,133	3,766,846	3,939,723	172,877
Others	1,428,991	1,429,840	848	1,265,397	1,285,836	20,439
Total	9,601,863	11,815,984	2,214,121	9,212,030	11,663,814	2,451,783

(Note) 1. Available-for-sale securities whose fair value cannot be measured reliably are not included in the table above.

2. As of March 31, 2016, "Others" includes negotiable certificates of deposit (cost 64,319 million yen, fair value 64,321 million yen, difference 2 million yen) which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities, etc. (cost 1,344,281 million yen, fair value 1,343,216 million yen, difference (1,064) million yen) which are presented as Monetary receivables bought on the consolidated balance sheet.

As of December 31, 2016, "Others" includes negotiable certificates of deposit (cost 53,493 million yen, fair value 53,495 million yen, difference 2 million yen) which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities, etc. (cost 1,197,518 million yen, fair value 1,216,196 million yen, difference 18,678 million yen) which are presented as Monetary receivables bought on the consolidated balance sheet.

3. For the fiscal year 2015, impairment losses of 19,238 million yen (Domestic equity securities 1,136 million yen, Foreign securities 14,960 million yen, Others 3,141 million yen) were recognized for Available-for-sale securities with fair value.  
For the nine months ended December 31, 2016, impairment losses of 5,890 million yen (Domestic equity securities 38 million yen, Foreign securities 3,826 million yen, Others 2,025 million yen) were recognized for Available-for-sale securities with fair value.  
In principle, impairment loss on a security with fair value is recognized when the fair value is below its cost by 30% or more.

**(4) Derivative financial instruments**

(Yen in millions)

		As of March 31, 2016			As of December 31, 2016		
		Principal amount	Fair value	Unrealized gains (losses)	Principal amount	Fair value	Unrealized gains (losses)
Foreign currency-related instruments							
	Currency futures						
	Short	11,315	(0)	(0)	3,485	-	-
	Long	488	9	9	390	-	-
	Foreign exchange forwards						
	Short	551,317	913	913	774,326	(45,350)	(45,350)
	Long	57,266	(256)	(256)	91,398	(327)	(327)
	Currency swaps	103,368	(1,265)	(1,265)	37,413	-	-
	Currency options						
	Short	60,583			52,430		
		[5,406]	6,073	(667)	[332]	1,683	(1,351)
	Long	36,019			21,700		
		[2,424]	4,272	1,848	[272]	1,594	1,322
Interest rate-related instruments							
	Interest rate futures						
	Short	71,312	-	-	18,242	-	-
	Long	801	-	-	1,815	-	-
	Interest rate options						
	Short	7,159			-		
		[213]	-	213	[-]	-	-
	Interest rate swaps	3,079,349	38,495	38,495	2,682,999	3,380	3,380
Equity-related instruments							
	Equity index futures						
	Short	12,654	45	45	13,981	(378)	(378)
	Long	4,700	83	83	14,502	(80)	(80)
	Equity index options						
	Short	77,990			102,503		
		[2,616]	1,527	1,089	[2,664]	3,289	(625)
	Long	91,821			103,106		
		[9,111]	4,566	(4,544)	[9,189]	6,559	(2,630)
Bond-related instruments							
	Bond futures						
	Short	167,555	41	41	341,113	(2,038)	(2,038)
	Long	-	-	-	203,431	237	237
	Bond over-the-counter options						
	Short	56,920			34,667		
		[793]	687	106	[116]	66	50
	Long	46,740			34,667		
		[285]	266	(19)	[180]	348	167
Credit-related instruments							
	Credit derivatives						
	Sell protection	17,250	(318)	(318)	16,872	(177)	(177)
Commodity-related instruments							
	Commodity swaps	4,259	(145)	(145)	3,012	(143)	(143)
Others							
	Index basket options						
	Long	128,476			68,867		
		[48,542]	(2,642)	(51,184)	[37,533]	(2,685)	(40,218)
	Natural catastrophe derivatives						
	Short	32,882			40,812		
		[2,490]	1,189	1,301	[4,403]	1,878	2,524
	Long	19,623			28,392		
		[1,055]	512	(543)	[3,343]	1,190	(2,153)
	Weather derivatives						
	Short	13			13		
		[1]	0	0	[1]	0	0
	Others						
	Long	3,305	223	223	2,089	207	207
Total		—	54,280	(14,572)	—	(30,742)	(87,582)

(Note) 1. For option contracts, option premiums are denoted with [ ].

2. Transactions to which hedge accounting is applied are not included in the table above.

**(5) Financial results of major consolidated subsidiaries****Reference : Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)**

## Balance sheet

(Yen in millions)

	As of March 31, 2016		As of December 31, 2016		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	359,401	3.89	281,649	2.95	(77,752)
Call loans	21,000	0.23	-	-	(21,000)
Receivables under resale agreements	4,999	0.05	24,999	0.26	20,000
Receivables under securities borrowing transactions	-	-	29,972	0.31	29,972
Monetary receivables bought	42,127	0.46	24,379	0.26	(17,747)
Money trusts	63,049	0.68	84,316	0.88	21,267
Securities	7,309,716	79.09	7,562,661	79.21	252,945
Loans	527,229	5.70	685,514	7.18	158,285
Tangible fixed assets	196,461	2.13	201,797	2.11	5,335
Intangible fixed assets	523	0.01	523	0.01	(0)
Other assets	707,066	7.65	644,696	6.75	(62,370)
Prepaid pension costs	3,595	0.04	5,627	0.06	2,031
Customers' liabilities under acceptances and guarantees	15,087	0.16	5,207	0.05	(9,879)
Allowance for doubtful accounts	(7,713)	(0.08)	(3,460)	(0.04)	4,252
<b>Total assets</b>	<b>9,242,545</b>	<b>100.00</b>	<b>9,547,885</b>	<b>100.00</b>	<b>305,339</b>
<b>Liabilities</b>					
Insurance liabilities	5,362,641	58.02	5,392,583	56.48	29,941
Outstanding claims	894,692		909,013		14,320
Underwriting reserves	4,467,948		4,483,569		15,621
Corporate bonds	20,760	0.22	16,010	0.17	(4,750)
Other liabilities	908,502	9.83	881,860	9.24	(26,641)
Income taxes payable	37,609		21,072		(16,537)
Lease obligations	1,451		2,709		1,257
Asset retirement obligations	3,325		3,334		9
Other liabilities	866,115		854,745		(11,370)
Provision for retirement benefits	196,882	2.13	204,606	2.14	7,723
Provision for employees' bonus	18,801	0.20	8,396	0.09	(10,404)
Reserves under special laws	81,060	0.88	84,821	0.89	3,760
Price fluctuation reserve	81,060		84,821		3,760
Deferred tax liabilities	121,871	1.32	170,300	1.78	48,429
Acceptances and guarantees	15,087	0.16	5,207	0.05	(9,879)
<b>Total liabilities</b>	<b>6,725,606</b>	<b>72.77</b>	<b>6,763,785</b>	<b>70.84</b>	<b>38,179</b>
<b>Net assets</b>					
Share capital	101,994	1.10	101,994	1.07	-
Capital surplus	123,521	1.34	133,625	1.40	10,104
Additional paid-in capital	123,521		123,521		-
Other capital surplus	-		10,104		10,104
Retained earnings	915,848	9.91	1,055,912	11.06	140,063
Surplus reserve	81,099		81,099		-
Other retained earnings	834,749		974,812		140,063
Reserve for special depreciation	25		25		-
Advanced depreciation reserve for fixed assets	22,785		22,785		-
Special reserves	235,426		235,426		-
Retained earnings carried forward	576,512		716,575		140,063
Total shareholders' equity	1,141,364	12.35	1,291,532	13.53	150,168
Unrealized gains (losses) on available-for-sale securities	1,379,502	14.93	1,512,811	15.84	133,309
Deferred gains (losses) on hedge transactions	(3,927)	(0.04)	(20,244)	(0.21)	(16,317)
Total valuation and translation adjustments	1,375,574	14.88	1,492,566	15.63	116,991
<b>Total net assets</b>	<b>2,516,939</b>	<b>27.23</b>	<b>2,784,099</b>	<b>29.16</b>	<b>267,160</b>
<b>Total liabilities and net assets</b>	<b>9,242,545</b>	<b>100.00</b>	<b>9,547,885</b>	<b>100.00</b>	<b>305,339</b>

## Reference : Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. (non-consolidated)

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )	Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )	Increase (Decrease)
<b>Ordinary income</b>	2,061,703	1,893,562	(168,140)
<b>Underwriting income</b>	1,737,410	1,708,400	(29,010)
Net premiums written	1,604,680	1,582,064	(22,615)
Deposit premiums from policyholders	96,108	90,273	(5,834)
Investment income on deposit premiums	36,432	35,933	(499)
<b>Investment income</b>	310,862	173,945	(136,917)
Interest and dividends	253,905	124,211	(129,694)
Gains on money trusts	22	119	96
Gains on sales of securities	76,565	81,210	4,645
Transfer of investment income on deposit premiums	(36,432)	(35,933)	499
<b>Other ordinary income</b>	13,429	11,216	(2,212)
<b>Ordinary expenses</b>	1,770,520	1,648,696	(121,823)
<b>Underwriting expenses</b>	1,537,561	1,407,623	(129,937)
Net claims paid	890,525	881,861	(8,664)
Loss adjustment expenses	76,037	77,088	1,050
Agency commissions and brokerage	284,489	280,345	(4,144)
Maturity refunds to policyholders	151,294	135,890	(15,403)
Provision for outstanding claims	32,304	14,320	(17,983)
Provision for underwriting reserves	100,590	15,621	(84,968)
<b>Investment expenses</b>	7,934	13,579	5,645
Losses on money trusts	8	3,236	3,228
Losses on sales of securities	2,054	3,168	1,114
Impairment losses on securities	638	785	147
<b>Operating and general administrative expenses</b>	221,892	223,027	1,135
<b>Other ordinary expenses</b>	3,132	4,465	1,333
Interest expenses	1,594	4,144	2,550
<b>Ordinary profit</b>	291,182	244,865	(46,317)
<b>Extraordinary gains</b>	157	9,253	9,095
Gains on disposal of fixed assets	80	7,756	7,676
Gains on liquidation of subsidiaries and affiliates	76	1,496	1,419
<b>Extraordinary losses</b>	5,411	5,318	(93)
Losses on disposal of fixed assets	479	931	451
Impairment losses on fixed assets	1,272	625	(646)
Provision for reserves under special laws	3,621	3,760	139
Provision for price fluctuation reserve	3,621	3,760	139
Losses on liquidation of subsidiaries and affiliates	-	0	0
Impairment losses on investment in subsidiaries and affiliates	38	-	(38)
<b>Income before income taxes</b>	285,929	248,800	(37,128)
<b>Income taxes - current</b>	39,437	51,009	11,571
<b>Income taxes - deferred</b>	(9,585)	4,758	14,343
<b>Total income taxes</b>	29,851	55,767	25,915
<b>Net income</b>	256,077	193,033	(63,043)

(Reference)

Underwriting profit (loss)	(4,006)	99,706	103,713
Loss ratio (W/P basis)	60.2 %	60.6 %	0.4 %
Expense ratio (W/P basis)	30.4	30.5	0.1
Combined ratio (W/P basis)	90.6	91.1	0.5
Loss ratio (private sector, E/I basis)	61.4	57.7	(3.7)
Expense ratio (private sector)	32.1	32.2	0.1
Combined ratio (private sector)	93.5	89.9	(3.6)

**Reference : Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)**

## Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )			Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	274,470	15.9	12.8	249,607	14.4	(9.1)
Hull and cargo	52,730	3.1	0.4	45,483	2.6	(13.7)
Personal accident	140,934	8.2	3.5	140,318	8.1	(0.4)
Voluntary automobile	773,676	44.9	4.3	789,169	45.7	2.0
Compulsory automobile liability	202,082	11.7	2.8	204,759	11.9	1.3
Others	280,085	16.2	8.8	298,545	17.3	6.6
Total	1,723,979	100.0	5.9	1,727,885	100.0	0.2
Deposit premiums from policyholders	96,108	-	10.0	90,273	-	(6.1)

## Net premiums written

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )			Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	228,440	14.2	18.5	198,463	12.5	(13.1)
Hull and cargo	49,887	3.1	3.4	43,335	2.7	(13.1)
Personal accident	137,009	8.5	3.3	136,120	8.6	(0.6)
Voluntary automobile	770,998	48.0	4.4	786,675	49.7	2.0
Compulsory automobile liability	214,806	13.4	4.3	209,043	13.2	(2.7)
Others	203,537	12.7	2.9	208,427	13.2	2.4
Total	1,604,680	100.0	5.9	1,582,064	100.0	(1.4)

## Net claims paid

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )			Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
		%	%		%	%
Fire and allied lines	123,016	0.9	55.6	110,273	(10.4)	57.7
Hull and cargo	28,202	9.2	60.5	25,161	(10.8)	62.2
Personal accident	61,754	0.9	49.5	59,791	(3.2)	48.7
Voluntary automobile	416,018	1.7	59.5	414,418	(0.4)	58.2
Compulsory automobile liability	162,564	(0.8)	82.5	160,949	(1.0)	84.0
Others	98,969	14.7	51.9	111,266	12.4	56.5
Total	890,525	2.6	60.2	881,861	(1.0)	60.6

(Note) Loss ratio is calculated on W/P basis.



**Reference:Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)**

## Solvency margin ratio (non-consolidated)

(Yen in millions)

	As of March 31, 2016	As of December 31, 2016
(A) Total amount of solvency margin	4,493,086	4,905,975
Shareholders' equity less adjusting items	1,139,177	1,291,532
Price fluctuation reserve	81,060	84,821
Contingency reserve	2,956	4,704
Catastrophe loss reserve	1,051,399	1,074,671
General allowance for doubtful accounts	321	245
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	1,715,688	1,880,699
Unrealized gains (losses) on land	181,477	193,078
Excess of policyholders' contract deposits	-	-
Subordinated debt, etc.	-	-
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	-	-
Deductions	10,089	10,031
Others	331,094	386,254
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	1,204,068	1,198,156
General insurance risk (R <sub>1</sub> )	169,165	171,651
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest rate risk (R <sub>3</sub> )	24,447	24,072
Asset management risk (R <sub>4</sub> )	880,811	976,115
Business administration risk (R <sub>5</sub> )	26,618	26,572
Catastrophe risk (R <sub>6</sub> )	256,519	156,774
(C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$	746.3%	818.9%

(Note) Solvency margin ratio as of December 31, 2016 was calculated by methods which the company regarded as reasonable in conformity with the Insurance Business Act and other related regulations. Catastrophe risk was calculated partially based on simplified methods including but not limited to use of data as of September 30, 2016.

**Reference : Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)**

## Balance sheet

(Yen in millions)

	As of March 31, 2016		As of December 31, 2016		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	29,586	7.02	36,615	8.78	7,029
Securities	324,135	76.87	315,714	75.72	(8,420)
Loans	317	0.08	285	0.07	(32)
Tangible fixed assets	28,770	6.82	28,642	6.87	(128)
Intangible fixed assets	91	0.02	91	0.02	-
Other assets	24,961	5.92	21,966	5.27	(2,994)
Prepaid pension costs	1,543	0.37	1,520	0.36	(22)
Deferred tax assets	12,398	2.94	12,218	2.93	(180)
Allowance for doubtful accounts	(115)	(0.03)	(115)	(0.03)	0
<b>Total assets</b>	<b>421,690</b>	<b>100.00</b>	<b>416,940</b>	<b>100.00</b>	<b>(4,749)</b>
<b>Liabilities</b>					
Insurance liabilities	295,636	70.11	295,633	70.91	(3)
Outstanding claims	47,694		48,755		1,060
Underwriting reserves	247,941		246,877		(1,063)
Other liabilities	16,824	3.99	14,711	3.53	(2,113)
Income taxes payable	1,606		365		(1,241)
Lease obligations	3		2		(1)
Asset retirement obligations	34		11		(23)
Other liabilities	15,179		14,332		(847)
Provision for retirement benefits	1,982	0.47	2,143	0.51	161
Provision for employees' bonus	609	0.14	-	-	(609)
Reserves under special laws	1,374	0.33	1,479	0.35	104
Price fluctuation reserve	1,374		1,479		104
<b>Total liabilities</b>	<b>316,427</b>	<b>75.04</b>	<b>313,967</b>	<b>75.30</b>	<b>(2,459)</b>
<b>Net assets</b>					
Share capital	20,389	4.84	20,389	4.89	-
Capital surplus	15,518	3.68	15,518	3.72	-
Additional paid-in capital	12,620		12,620		-
Other capital surplus	2,898		2,898		-
Retained earnings	33,708	7.99	29,330	7.03	(4,377)
Surplus reserve	7,769		7,769		-
Other retained earnings	25,938		21,560		(4,377)
Special reserves	8,840		8,840		-
Advanced depreciation reserve for fixed assets	1,790		1,790		-
Retained earnings carried forward	15,308		10,930		(4,377)
Total shareholders' equity	69,616	16.51	65,238	15.65	(4,377)
Unrealized gains (losses) on available-for-sale securities	35,646	8.45	37,734	9.05	2,087
Total valuation and translation adjustments	35,646	8.45	37,734	9.05	2,087
<b>Total net assets</b>	<b>105,263</b>	<b>24.96</b>	<b>102,973</b>	<b>24.70</b>	<b>(2,290)</b>
<b>Total liabilities and net assets</b>	<b>421,690</b>	<b>100.00</b>	<b>416,940</b>	<b>100.00</b>	<b>(4,749)</b>

## Reference : Nisshin Fire &amp; Marine Insurance Co., Ltd. (non-consolidated)

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )	Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )	Increase (Decrease)
<b>Ordinary income</b>	114,298	111,742	(2,556)
<b>Underwriting income</b>	111,858	110,083	(1,774)
Net premiums written	105,826	105,940	113
Deposit premiums from policyholders	1,732	1,529	(202)
Investment income on deposit premiums	1,491	1,537	46
Reversal of underwriting reserves	2,767	1,063	(1,704)
<b>Investment income</b>	2,191	1,603	(587)
Interest and dividends	3,366	2,979	(387)
Gains on sales of securities	291	138	(152)
Transfer of investment income on deposit premiums	(1,491)	(1,537)	(46)
<b>Other ordinary income</b>	248	55	(193)
<b>Ordinary expenses</b>	108,631	106,227	(2,403)
<b>Underwriting expenses</b>	91,072	88,076	(2,996)
Net claims paid	56,994	54,557	(2,437)
Loss adjustment expenses	7,498	7,509	11
Agency commissions and brokerage	17,001	17,538	537
Maturity refunds to policyholders	8,134	7,240	(894)
Provision for outstanding claims	1,348	1,060	(288)
<b>Investment expenses</b>	181	186	4
Losses on sales of securities	86	2	(83)
Impairment losses on securities	19	30	10
Losses on redemption of securities	1	36	34
<b>Operating and general administrative expenses</b>	17,307	17,426	119
<b>Other ordinary expenses</b>	69	537	468
<b>Ordinary profit</b>	5,667	5,515	(152)
<b>Extraordinary gains</b>	33	2	(31)
Gains on disposal of fixed assets	33	2	(31)
<b>Extraordinary losses</b>	315	176	(138)
Losses on disposal of fixed assets	33	71	37
Impairment losses on fixed assets	108	-	(108)
Provision for reserves under special laws	172	104	(67)
Provision for price fluctuation reserve	172	104	(67)
<b>Income before income taxes</b>	5,385	5,341	(44)
<b>Income taxes - current</b>	1,740	1,834	93
<b>Income taxes - deferred</b>	(169)	(326)	(156)
<b>Total income taxes</b>	1,571	1,508	(63)
<b>Net income</b>	3,814	3,832	18

(Reference)

Underwriting profit	4,067	5,192	1,124
Loss ratio (W/P basis)	60.9 %	58.6 %	(2.4) %
Expense ratio (W/P basis)	32.1	32.8	0.6
Combined ratio (W/P basis)	93.1	91.3	(1.7)
Loss ratio (private sector, E/I basis)	59.0	55.1	(3.9)
Expense ratio (private sector)	33.8	34.2	0.5
Combined ratio (private sector)	92.8	89.3	(3.5)

**Reference : Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)**

## Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )			Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	20,391	17.6	5.7	18,999	16.8	(6.8)
Hull and cargo	-	-	-	-	-	-
Personal accident	7,229	6.3	(4.0)	7,046	6.2	(2.5)
Voluntary automobile	64,305	55.6	2.6	64,374	56.9	0.1
Compulsory automobile liability	16,252	14.1	0.1	15,209	13.4	(6.4)
Others	7,479	6.5	3.1	7,585	6.7	1.4
Total	115,658	100.0	2.4	113,215	100.0	(2.1)
Deposit premiums from policyholders	1,732	-	(14.1)	1,529	-	(11.7)

## Net premiums written

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )			Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	11,597	11.0	5.3	12,640	11.9	9.0
Hull and cargo	18	0.0	(55.9)	4	0.0	(73.3)
Personal accident	7,150	6.8	(4.0)	6,982	6.6	(2.3)
Voluntary automobile	64,155	60.6	2.7	64,248	60.6	0.1
Compulsory automobile liability	15,660	14.8	2.5	14,713	13.9	(6.0)
Others	7,246	6.8	3.7	7,349	6.9	1.4
Total	105,826	100.0	2.5	105,940	100.0	0.1

## Net claims paid

(Yen in millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )			Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
		%	%		%	%
Fire and allied lines	8,492	(15.4)	77.4	6,922	(18.5)	58.1
Hull and cargo	20	(30.5)	113.4	8	(56.8)	196.3
Personal accident	3,266	(4.7)	49.9	2,850	(12.7)	44.7
Voluntary automobile	30,728	2.0	56.2	30,672	(0.2)	56.2
Compulsory automobile liability	11,576	(1.1)	80.5	11,359	(1.9)	84.2
Others	2,909	(6.4)	44.9	2,743	(5.7)	41.8
Total	56,994	(2.5)	60.9	54,557	(4.3)	58.6

(Note) Loss ratio is calculated on W/P basis.

**Reference : Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)**

## Solvency margin ratio (non-consolidated)

(Yen in millions)

	As of March 31, 2016	As of December 31, 2016
(A) Total amount of solvency margin	168,628	180,284
Shareholders' equity less adjusting items	61,405	65,238
Price fluctuation reserve	1,374	1,479
Contingency reserve	-	-
Catastrophe loss reserve	55,905	59,506
General allowance for doubtful accounts	5	4
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	43,625	45,960
Unrealized gains (losses) on land	(732)	(434)
Excess of policyholders' contract deposits	-	-
Subordinated debt, etc.	-	-
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	-	-
Deductions	-	-
Others	7,045	8,529
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	29,904	25,626
General insurance risk (R <sub>1</sub> )	12,289	12,345
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest rate risk (R <sub>3</sub> )	1,110	1,086
Asset management risk (R <sub>4</sub> )	12,934	13,696
Business administration risk (R <sub>5</sub> )	736	656
Catastrophe risk (R <sub>6</sub> )	10,504	5,710
(C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$	1,127.7%	1,406.9%

(Note) Solvency margin ratio as of December 31, 2016 was calculated by methods which the company regarded as reasonable in conformity with the Insurance Business Act and other related regulations. Catastrophe risk was calculated partially based on simplified methods including but not limited to use of data as of September 30, 2016.

**Reference : E.design Insurance Co., Ltd. (non-consolidated)**

## Balance sheet

(Yen in millions)

	As of March 31, 2016		As of December 31, 2016		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	27,324	64.24	30,772	70.91	3,447
Tangible fixed assets	115	0.27	143	0.33	28
Intangible fixed assets	0	0.00	0	0.00	-
Other assets	15,096	35.49	12,482	28.76	(2,614)
Deferred assets under Article 113 of the Insurance Business Act	11,480		8,610		(2,870)
Other assets	3,615		3,871		256
<b>Total assets</b>	<b>42,536</b>	<b>100.00</b>	<b>43,398</b>	<b>100.00</b>	<b>862</b>
<b>Liabilities</b>					
Insurance liabilities	20,629	48.50	24,898	57.37	4,269
Outstanding claims	7,659		10,463		2,804
Underwriting reserves	12,970		14,434		1,464
Other liabilities	3,406	8.01	2,884	6.65	(522)
Income taxes payable	29		21		(7)
Lease obligations	36		34		(1)
Asset retirement obligations	35		49		13
Other liabilities	3,305		2,778		(527)
Provision for retirement benefits	97	0.23	129	0.30	31
Provision for employees' bonus	125	0.30	60	0.14	(65)
Deferred tax liabilities	0	0.00	1	0.00	0
<b>Total liabilities</b>	<b>24,259</b>	<b>57.03</b>	<b>27,973</b>	<b>64.46</b>	<b>3,713</b>
<b>Net assets</b>					
Share capital	24,803	58.31	25,903	59.69	1,099
Capital surplus	24,803	58.31	25,903	59.69	1,099
Additional paid-in capital	24,803		25,903		1,099
Retained earnings	(31,331)	(73.66)	(36,382)	(83.83)	(5,051)
Other retained earnings	(31,331)		(36,382)		(5,051)
Retained earnings carried forward	(31,331)		(36,382)		(5,051)
Total shareholders' equity	18,276	42.97	15,424	35.54	(2,851)
<b>Total net assets</b>	<b>18,276</b>	<b>42.97</b>	<b>15,424</b>	<b>35.54</b>	<b>(2,851)</b>
<b>Total liabilities and net assets</b>	<b>42,536</b>	<b>100.00</b>	<b>43,398</b>	<b>100.00</b>	<b>862</b>

**Reference : E.design Insurance Co., Ltd. (non-consolidated)**

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Increase (Decrease)
<b>Ordinary income</b>	15,013	18,655	3,642
<b>Underwriting income</b>	15,007	18,651	3,643
Net premiums written	15,000	18,641	3,640
Investment income on deposit premiums	7	10	3
<b>Investment income</b>	(0)	(5)	(5)
Interest and dividends	6	4	(2)
Transfer of investment income on deposit premiums	(7)	(10)	(3)
<b>Other ordinary income</b>	6	9	3
<b>Ordinary expenses</b>	20,339	23,697	3,358
<b>Underwriting expenses</b>	12,479	15,566	3,086
Net claims paid	7,890	10,059	2,168
Loss adjustment expenses	1,140	1,223	82
Agency commissions and brokerage	8	13	5
Provision for outstanding claims	1,854	2,804	949
Provision for underwriting reserves	1,585	1,464	(120)
<b>Operating and general administrative expenses</b>	4,988	5,258	269
<b>Other ordinary expenses</b>	2,871	2,873	1
Interest expenses	0	0	(0)
Amortization of deferred assets under Article 113 of the Insurance Business Act	2,870	2,870	-
<b>Ordinary profit (loss)</b>	(5,325)	(5,041)	284
<b>Income (loss) before income taxes</b>	(5,325)	(5,041)	284
<b>Income taxes - current</b>	7	9	1
<b>Income taxes - deferred</b>	(0)	0	0
<b>Total income taxes</b>	7	9	2
<b>Net income (loss)</b>	(5,332)	(5,051)	281

(Reference)

Underwriting profit (loss)	(2,460)	(2,172)	287
Loss ratio (W/P basis)	60.2 %	60.5 %	0.3 %
Expense ratio (W/P basis)	33.3	28.3	(5.0)
Combined ratio (W/P basis)	93.5	88.8	(4.7)
Loss ratio (private sector, E/I basis)	80.4	82.5	2.2
Expense ratio (private sector)	33.8	28.6	(5.2)
Combined ratio (private sector)	114.2	111.2	(3.0)

**Reference : Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)**

## Balance sheet

(Yen in millions)

	As of March 31, 2016		As of December 31, 2016		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	239,071	3.44	109,310	1.45	(129,761)
Receivables under securities borrowing transactions	21,597	0.31	21,261	0.28	(335)
Monetary receivables bought	252,985	3.64	235,997	3.13	(16,987)
Securities	6,217,055	89.47	6,952,822	92.14	735,767
Domestic government bonds	4,927,407		5,763,009		835,602
Domestic municipal bonds	-		3,000		3,000
Domestic corporate bonds	35,431		77,222		41,790
Domestic equity securities	234		234		-
Foreign securities	332,226		527,615		195,389
Others	921,756		581,740		(340,015)
Loans	79,717	1.15	82,592	1.09	2,874
Policy loans	79,717		82,592		2,874
Tangible fixed assets	1,129	0.02	1,382	0.02	252
Intangible fixed assets	27	0.00	27	0.00	-
Agency accounts receivable	225	0.00	202	0.00	(23)
Reinsurance accounts receivable	4,678	0.07	3,303	0.04	(1,374)
Other assets	133,189	1.92	139,644	1.85	6,455
Allowance for doubtful accounts	(754)	(0.01)	(773)	(0.01)	(19)
<b>Total assets</b>	<b>6,948,924</b>	<b>100.00</b>	<b>7,545,771</b>	<b>100.00</b>	<b>596,846</b>
<b>Liabilities</b>					
Insurance liabilities	5,745,926	82.69	5,857,372	77.62	111,446
Outstanding claims	38,800		45,795		6,994
Underwriting reserves	5,604,817		5,708,622		103,804
Reserve for dividends to policyholders	102,307		102,955		647
Agency accounts payable	7,263	0.10	5,526	0.07	(1,736)
Reinsurance accounts payable	3,527	0.05	2,564	0.03	(963)
Other liabilities	745,965	10.73	1,313,479	17.41	567,513
Payables under securities lending transactions	704,077		1,141,546		437,468
Income taxes payable	1,210		673		(537)
Lease obligations	157		242		84
Other liabilities	40,519		171,017		130,497
Provision for retirement benefits	4,877	0.07	5,558	0.07	681
Reserves under special laws	5,709	0.08	6,283	0.08	573
Price fluctuation reserve	5,709		6,283		573
Deferred tax liabilities	39,607	0.57	19,865	0.26	(19,742)
<b>Total liabilities</b>	<b>6,552,877</b>	<b>94.30</b>	<b>7,210,649</b>	<b>95.56</b>	<b>657,771</b>
<b>Net assets</b>					
Share capital	55,000	0.79	55,000	0.73	-
Capital surplus	67,095	0.97	55,095	0.73	(12,000)
Additional paid-in capital	39,460		41,860		2,400
Other capital surplus	27,635		13,235		(14,400)
Retained earnings	33,594	0.48	35,455	0.47	1,861
Surplus reserve	8,300		10,300		2,000
Other retained earnings	25,294		25,155		(138)
Retained earnings carried forward	25,294		25,155		(138)
Total shareholders' equity	155,689	2.24	145,550	1.93	(10,138)
Unrealized gains (losses) on available-for-sale securities	232,489	3.35	182,482	2.42	(50,007)
Deferred gains (losses) on hedge transactions	7,867	0.11	7,088	0.09	(778)
Total valuation and translation adjustments	240,357	3.46	189,571	2.51	(50,785)
<b>Total net assets</b>	<b>396,047</b>	<b>5.70</b>	<b>335,122</b>	<b>4.44</b>	<b>(60,924)</b>
<b>Total liabilities and net assets</b>	<b>6,948,924</b>	<b>100.00</b>	<b>7,545,771</b>	<b>100.00</b>	<b>596,846</b>



## Reference : Tokio Marine &amp; Nichido Life Insurance Co., Ltd. (non-consolidated)

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Increase (Decrease)
<b>Ordinary income</b>	795,829	729,309	(66,520)
<b>Insurance premiums and other</b>	584,255	617,151	32,896
Insurance premiums	573,419	603,353	29,933
<b>Investment income</b>	80,242	108,533	28,291
Interest and dividends	65,164	70,443	5,278
Gains on sales of securities	6,010	3,629	(2,380)
Gains on derivatives	5,741	-	(5,741)
Foreign exchange gains	-	10,519	10,519
Investment gains on separate accounts	3,261	23,910	20,648
<b>Other ordinary income</b>	131,331	3,624	(127,707)
Reversal of outstanding claims	349	-	(349)
Reversal of underwriting reserves	126,878	-	(126,878)
<b>Ordinary expenses</b>	767,284	708,355	(58,928)
<b>Insurance claims and other</b>	668,421	485,361	(183,059)
Insurance claims	43,122	38,060	(5,062)
Annuity payments	30,494	44,220	13,726
Benefits	107,777	210,583	102,805
Surrender benefits	372,270	163,256	(209,014)
Other refunds	91,072	11,013	(80,059)
<b>Provision for underwriting reserves and other</b>	0	110,799	110,799
Provision for outstanding claims	-	6,994	6,994
Provision for underwriting reserves	-	103,804	103,804
Interest on reserve for dividends to policyholders	0	0	0
<b>Investment expenses</b>	5,632	13,899	8,267
Interest expenses	428	541	112
Losses on sales of securities	424	3,286	2,862
Impairment losses on securities	21	-	(21)
Losses on derivatives	-	10,048	10,048
Foreign exchange losses	4,756	-	(4,756)
<b>Operating expenses</b>	86,905	91,595	4,689
<b>Other ordinary expenses</b>	6,324	6,698	374
<b>Ordinary profit</b>	28,545	20,953	(7,591)
<b>Extraordinary losses</b>	439	614	174
<b>Provision for reserve for dividends to policyholders</b>	4,407	3,508	(898)
<b>Income before income taxes</b>	23,698	16,830	(6,867)
<b>Income taxes - current</b>	2,151	4,962	2,810
<b>Income taxes - deferred</b>	4,834	7	(4,827)
<b>Total income taxes</b>	6,986	4,969	(2,016)
<b>Net income</b>	16,712	11,861	(4,851)

**Reference : Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)**

## Breakdown of ordinary profit (Core operating profit)

(Yen in millions)

		Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Increase (Decrease)
Core operating profit	A	21,979	24,059	2,080
Capital gains		10,526	14,149	3,623
Gains on sales of securities		6,010	3,629	(2,380)
Gains on derivatives		4,515	-	(4,515)
Foreign exchange gains		-	10,519	10,519
Capital losses		5,453	15,385	9,931
Losses on sales of securities		424	3,286	2,862
Impairment losses on securities		21	-	(21)
Losses on derivatives		-	11,539	11,539
Foreign exchange losses		4,756	-	(4,756)
Other capital losses		251	559	307
Net capital gains (losses)	B	5,072	(1,235)	(6,308)
Core operating profit including net capital gains (losses)	A+B	27,051	22,823	(4,228)
Non-recurring income		1,505	-	(1,505)
Reversal of contingency reserves		1,505	-	(1,505)
Non-recurring losses		12	1,869	1,857
Provision for contingency reserves		-	1,849	1,849
Increase in specific allowance for doubtful accounts		12	20	8
Net non-recurring income (losses)	C	1,493	(1,869)	(3,363)
Ordinary profit	A+B+C	28,545	20,953	(7,591)

- (Note) 1. Net gains of interest received/paid on interest swaps of 1,225 million yen and 1,490 million yen presented as Gains/Losses on derivatives on statement of income are included in Core operating profit for the nine months ended December 31, 2015 and December 31, 2016, respectively.
2. Other capital losses represents increase in underwriting reserves for foreign-currency insurance contracts due to exchange rate fluctuations, and it is included in Provision for underwriting reserves and Reversal of underwriting reserves on statement of income.

**Reference : Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)**

## Amount of policies

## Policies in force

(Number in thousands, yen in 100 millions)

	As of March 31, 2016				As of December 31, 2016			
	Number of policies		Amount		Number of policies		Amount	
		% to March 31, 2015		% to March 31, 2015		% to March 31, 2016		% to March 31, 2016
Individual insurance	4,601	107.9	246,086	105.8	4,809	104.5	255,967	104.0
Individual annuities	705	95.2	32,015	89.8	661	93.7	29,481	92.1
Group insurance	-	-	26,068	101.8	-	-	25,694	98.6
Group annuities	-	-	34	98.2	-	-	33	97.9

## New policies

(Number in thousands, yen in 100 millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )				Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )			
	Number of policies		Amount		Number of policies		Amount	
		% to December 31, 2014		% to December 31, 2014		% to December 31, 2015		% to December 31, 2015
Individual insurance	408	106.7	20,517	91.7	385	94.4	24,825	121.0
Individual annuities	56	70.6	2,723	70.6	13	24.5	734	27.0
Group insurance	-	-	349	386.8	-	-	265	75.8
Group annuities	-	-	-	-	-	-	-	-

## Annualized premiums

## Policies in force

(Yen in 100 millions)

	As of March 31, 2016		As of December 31, 2016	
		% to March 31, 2015		% to March 31, 2016
Individual insurance	5,650	113.3	6,052	107.1
Individual annuities	2,315	87.1	2,069	89.4
Total	7,965	104.2	8,122	102.0
Medical coverage and accelerated death benefits, etc.	1,461	113.6	1,576	107.8
Medical and cancer	1,259	115.3	1,359	107.9

## New policies

(Yen in 100 millions)

	Nine months ended December 31, 2015 ( April 1, 2015 to December 31, 2015 )		Nine months ended December 31, 2016 ( April 1, 2016 to December 31, 2016 )	
		% to December 31, 2014		% to December 31, 2015
Individual insurance	693	109.6	724	104.5
Individual annuities	122	71.9	40	33.3
Total	816	101.6	765	93.8
Medical coverage and accelerated death benefits, etc.	185	118.3	178	96.2
Medical and cancer	168	122.5	153	91.1

**Reference:Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)**

## Solvency margin ratio (non-consolidated)

(Yen in millions)

	As of March 31, 2016	As of December 31, 2016
(A) Total amount of solvency margin	858,471	830,542
Shareholders' equity less adjusting items	133,689	146,033
Price fluctuation reserve	5,709	6,283
Contingency reserve	45,094	46,943
General allowance for doubtful accounts	471	473
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions) × 90% (× 100% in case of net loss)	290,612	228,103
Unrealized gains (losses) on land × 85% (× 100% in case of net unrealized losses)	-	-
Excess of continued Zillmerized reserve	286,376	303,655
Subordinated debt, etc.	-	100,000
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	(5,266)	(107,563)
Deductions	-	-
Others	101,785	106,614
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	50,825	49,890
Insurance risk (R <sub>1</sub> )	14,891	15,407
Third sector insurance risk (R <sub>8</sub> )	4,655	5,040
Assumed interest rate risk (R <sub>2</sub> )	4,988	4,981
Minimum guarantee risk (R <sub>7</sub> )	3,018	3,061
Asset management risk (R <sub>3</sub> )	37,496	36,045
Business administration risk (R <sub>4</sub> )	1,301	1,290
(C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$	3,378.1%	3,329.4%

## Glossary of terminology

- Underwriting profit (loss)

Underwriting profit (loss) = Underwriting income - (Underwriting expenses + Operating and general administrative expenses on underwriting)  $\pm$  other miscellaneous income and expenses (\*)

\* Mainly consist of income taxes relating to compulsory automobile liability insurance.

- Loss ratio (W/P basis)

Loss ratio (W/P basis) = (Net claims paid + Loss adjustment expenses) / Net premiums written  $\times$  100

- Expense ratio (W/P basis)

Expense ratio (W/P basis) = (Agency commissions and brokerage + Operating and general administrative expenses on underwriting) / Net premiums written  $\times$  100

- Combined ratio (W/P basis)

Combined ratio (W/P basis) = Loss ratio (W/P basis) + Expense ratio (W/P basis)

- Loss ratio (private sector (\*1), E/I basis)

Loss ratio (private sector, E/I basis) = (Net claims paid + Outstanding claims as of the end of current period - Outstanding claims as of the end of previous fiscal year + Loss adjustment expenses) / Earned premiums (\*2)  $\times$  100

\*1 Excluding earthquake insurance under the Law concerning Earthquake Insurance and compulsory automobile liability insurance.

\*2 Earned premiums = Net premiums written - Unearned premiums as of the end of current period (\*3) + Unearned premiums as of the end of previous fiscal year (\*3)

\*3 Unearned premiums are premiums corresponding to the remaining duration on insurance policies at the end of the period.

- Expense ratio (private sector)

Expense ratio (private sector) = (Agency commissions and brokerage + Operating and general administrative expenses on underwriting) / Net premiums written  $\times$  100

- Combined ratio (private sector)

Combined ratio (private sector) = Loss ratio (private sector, E/I basis) + Expense ratio (private sector)

- Amount of policies in force
  - Individual insurance and group insurance
 

Total amount of death benefits under policies in force at the end of the period.
  - Individual annuities
    - ① Individual annuities whose payments have not yet commenced: amount of funds for annuity payments that is expected to have accrued at commencement of annuity payments.
    - ② Individual annuities whose payments have already commenced: amount of underwriting reserves.
  - Group annuities
 

Amount of underwriting reserves.
  
- Amount of new policies
  - Individual insurance and group insurance
 

Total amount of death benefits under new policies issued during the period.
  - Individual annuities
 

Amount of funds for annuity payments that is expected to have accrued at commencement of annuity payments for new policies issued during the period.
  - Group annuities
 

First installment of premium payments.
  
- Annualized premiums
 

Annualized premiums are amounts of premiums per year calculated by dividing aggregate amounts of premiums by the duration of insurance policies.
  
- Medical coverage and accelerated death benefits, etc.
 

Medical coverage and accelerated death benefits, etc. includes coverage for medical expense (e.g. hospitalization and operation), accelerated death benefits (e.g. specific diseases and nursing care) and exemption of obligation to pay insurance premiums (excluding those caused by disability but including those caused by specific diseases and nursing care, etc.).
  
- Solvency margin ratio
  - In addition to reserves to cover claim payments and payments for maturity-refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which exceed normal expectations, e.g. occurrences of major catastrophe, a significant decline in value of assets held by insurance companies.
  - (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance companies in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks which exceed normal expectations), which is calculated in accordance with the Insurance Business Act.

- "Risks which exceed normal expectations" is composed of risks described below.
  - ① (General) insurance risk, third sector insurance risk: risks that insurance claims occur beyond normal expectations (excluding catastrophe risk).
  - ② Assumed interest rate risk: risks that invested assets fail to yield assumed interest rates due to the aggravation of investment conditions.
  - ③ Minimum guarantee risk: risks that value of assets related to the minimum guarantee for benefits of insurance contracts which are managed as a separate account fluctuates beyond normal expectations and falls below the minimum guaranteed benefits when they are to be paid.
  - ④ Asset management risk: risks that the prices of retained securities and other assets fluctuate beyond normal expectations.
  - ⑤ Business administration risk: risks that occur beyond normal expectations that do not fall under other categories.
  - ⑥ Catastrophe risk: risks that major catastrophe beyond normal expectations (equivalent to the Great Kanto Earthquake or Isewan typhoon) occurs.
- Solvency of insurance companies in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets (excluding planned outflows), certain reserves (price fluctuation reserve, contingency reserve and catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land.
- Solvency margin ratio is one of the objective indicators used by the regulatory authority to supervise insurance companies. Ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.