



Tokio Marine Holdings

To Be a Good Company

Overview of 1Q FY2018 Results

August 10, 2018

Tokio Marine Holdings, Inc.

◆ 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.
- TMHCC: Tokio Marine HCC
- TMK : Tokio Marine Kiln
- TMR : Tokio Millennium Re



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<Reference>	Applied FX rate (USD/JPY)	
	FY2017	FY2018
Domestic non-life and life businesses (End of Jun.)	JPY 112.00 + JPY 0.19 from Mar. 2017	JPY 110.54 - JPY 4.30 from Mar. 2018
International insurance business (End of Mar.)	JPY 112.19 + JPY 4.30 from Dec. 2016)	JPY 106.24 + JPY 6.76 from Dec. 2017

Net premiums written
¥920.8B (+0.2%)

Life insurance premiums
¥235.7B (+7.6%)

Consolidated net income
¥101.7B (+ ¥13.6B)

- Net premiums written grew by 0.2% YoY driven by an increase at overseas subsidiaries exceeding the impact of the appreciation of the yen
- Life insurance premiums grew by 7.6% YoY due to business expansion at overseas subsidiaries and an increase in in-force policies at TMNL, etc., exceeding the impact of yen's appreciation
- Consolidated net income (net income attributable to owners of the parent) grew by ¥13.6B YoY due to the increased gains on sales of securities at home and profit expansion abroad, etc.
- The impact of Heavy Rain in July 2018 is not included

Domestic Non-Life

- Net premiums written grew in all categories except for CALI
- Net income declined due to a decrease in underwriting profit and dividend income from overseas subsidiaries at TMNF despite an increase in gains on sales of securities. However, considering that dividend income from subsidiaries is eliminated in the consolidated results, net income essentially grew

Domestic Life

- Life insurance premiums grew driven by a decrease in surrender of variable annuities and an increase in in-force policies
- Net income increased due to the reversal effect of an increase in provision for underwriting reserves in FY2017 owing to last minute demand before the rate revision associated with the standard interest rate cut

International

- Premiums (Net premiums written + life insurance premiums) grew driven by the execution of growth measures in each business segment
- Net income grew due to profit expansion in North America and the impact of tax reduction associated with U.S. tax reform despite deterioration of foreign exchange gains/losses, etc. (however, business unit profits declined due to differences of the definitions and subsidiaries covered)

Consolidated Results Overview (1)

Consolidated	Domestic Life
Domestic Non-Life	International



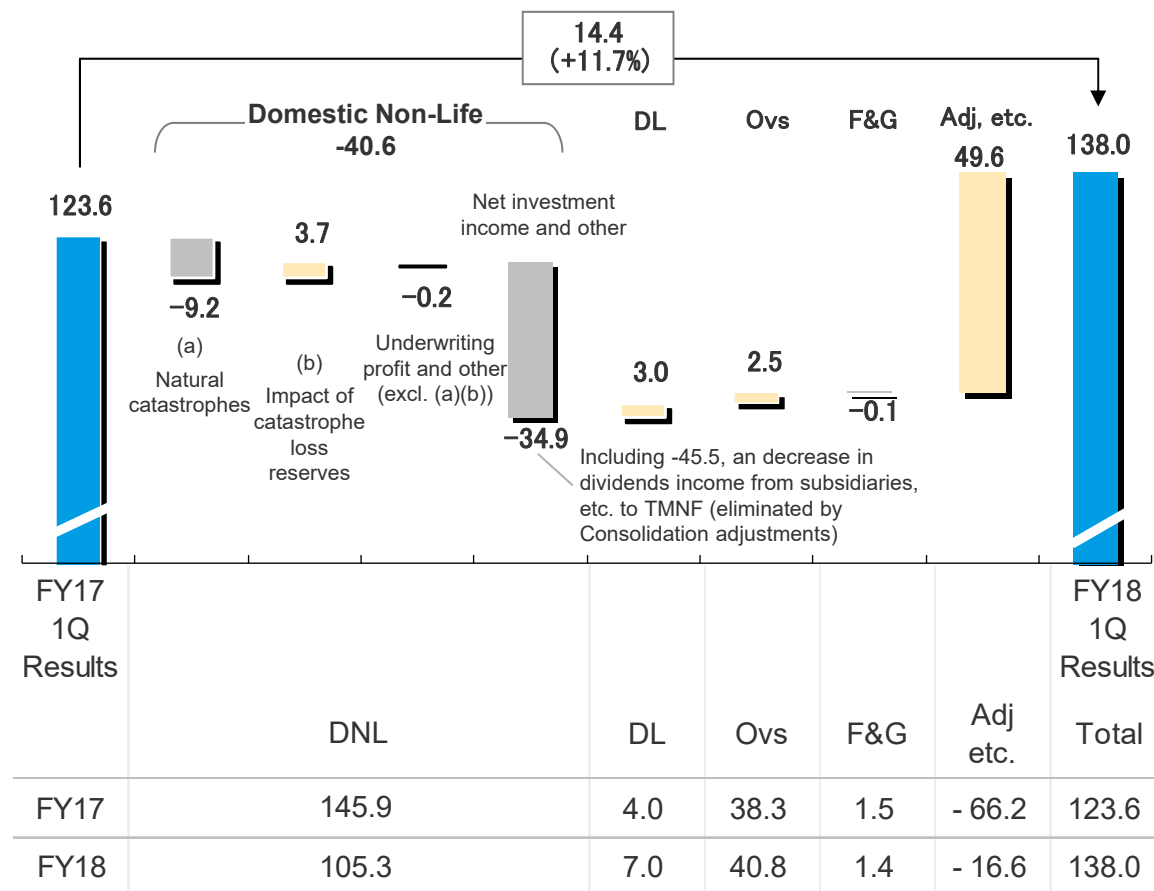
	FY2017 1Q	FY2018 1Q	YoY	
			Change	%
(billions of yen, except for %)				
■ Total premiums	1,138.3	1,156.6	18.2	+ 1.6%
Net premiums written (TMHD Consolidated)	919.3	920.8	1.5	+ 0.2%
Life insurance premiums (TMHD Consolidated)	219.0	235.7	16.6	+ 7.6%
■ Ordinary profit (TMHD Consolidated)	123.6	138.0	14.4	+ 11.7%
Tokio Marine & Nichido	144.0	101.5	- 42.4	- 29.5%
Nisshin Fire	1.9	3.7	1.8	+ 94.5%
Tokio Marine & Nichido Life	4.0	7.0	3.0	+ 75.8%
Overseas subsidiaries	38.3	40.8	2.5	+ 6.6%
Financial and general	1.5	1.4	- 0.1	- 9.9%
Elimination of dividends received by Tokio Marine & Nichido from subsidiaries etc.	- 52.2	- 6.7	45.5	
Purchase method adjustments	- 1.0	- 1.3	- 0.3	
Amortization of goodwill and negative goodwill	- 12.3	- 8.3	4.0	
Others (Consolidation adjustments, etc.)	- 0.6	- 0.2	0.3	
■ Net income attributable to owners of the parent	88.1	101.7	13.6	+ 15.5%
Tokio Marine & Nichido	120.1	77.5	- 42.6	- 35.5%
Nisshin Fire	1.3	2.8	1.5	+ 108.6%
Tokio Marine & Nichido Life	2.5	4.5	2.0	+ 80.9%
Overseas subsidiaries	29.4	32.6	3.1	+ 10.6%
Financial and general	1.0	0.9	- 0.1	- 9.6%
Elimination of dividends received by Tokio Marine & Nichido from subsidiaries etc.	- 52.2	- 6.7	45.5	
Purchase method adjustments	- 0.7	- 0.9	- 0.2	
Amortization of goodwill and negative goodwill	- 12.3	- 8.3	4.0	
Others (Consolidation adjustments, etc.)	- 1.0	- 0.7	0.2	
【 KPI for the Group Total 】				
■ Adjusted net income	119.6	132.9	13.2	+ 11.1%

Consolidated Results Overview (2)

Consolidated	Domestic Life
Domestic Non-Life	International



■ Ordinary Profit (billions of yen)



Figures of each business domain in this chart are calculated as follows, different from segment information in the Summary Report.

- DNL (Domestic Non-life) : Total of TMNF and NF
- DL (Domestic life) : TMNL
- Ovs (Overseas subsidiaries)
- F&G (Financial & General)
- Adj, etc

- : Total of the followings:
- i) dividends income from subsidiaries, etc. to TMNF
 - ii) purchase method adjustments
 - iii) amortization of goodwill and negative goodwill
 - iv) others (elimination, etc.)

Changes in Major P/L Items

(billions of yen)

	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Underwriting profit/loss	34.5	25.8	- 8.6
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	52.8	41.4	- 11.3
Net premiums written (Private insurance)	481.3	489.9	8.5
Net premiums earned (Private insurance)	459.2	467.6	8.3
Net incurred losses (Private insurance)*	- 255.7	- 263.7	- 8.0
Natural catastrophe losses	- 1.3	- 10.5	- 9.2
Provision/Reversal of foreign currency denominated outstanding claims reserves	0.1	- 3.4	- 3.5
Other than above	- 254.5	- 249.8	4.7
Business expenses (Private insurance)	- 153.8	- 156.5	- 2.7
Provision/Reversal of catastrophe loss reserves	- 18.3	- 15.6	2.6
Auto	- 8.6	- 8.6	- 0.0
Fire	- 3.7	- 2.5	1.2
Net investment income (loss) and other	109.1	74.1	- 35.0
Net investment income/loss	116.1	82.9	- 33.1
Interest and dividends	94.1	51.9	- 42.2
Dividends from domestic stocks	28.4	31.6	3.1
Dividends from foreign stocks	53.1	7.2	- 45.9
Gains/Losses on sales of securities	34.2	44.7	10.5
Impairment losses on securities	- 0.0	- 0.2	- 0.2
Gains/Losses on derivatives	- 1.2	- 3.6	- 2.3
Ordinary profit/loss	144.0	101.5	- 42.4
Extraordinary gains/losses	0.0	- 1.4	- 1.4
Net income/loss	120.1	77.5	- 42.6

*Including loss adjustment expenses

(Notes)

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

Underwriting Profit

¥8.6B decrease YoY to ¥25.8B mainly due to the following factors:

- Net premiums written (Private insurance) (See p.7 for details) :
 - ➔ Increased in all lines, mainly "Other"
- Net incurred losses (Private insurance):
 - ➔ Increase in net incurred losses from natural catastrophes
 - ➔ Increase in provision for foreign currency denominated outstanding claims reserves due to the depreciation of the yen during FY2018
 - ➔ The reversal effect of an increase in large and medium size losses in FY2017, etc.
- Business expenses (Private insurance):
 - ➔ Increase in agency commissions associated with an increase in NPW
- Catastrophe loss reserves :
 - ➔ Decrease in net provision due to lowering of provision rate in Fire group

Net Investment Income and Other (See p.8 for details)

¥35.0B decrease YoY to ¥74.1B mainly due to a decrease in dividends income from overseas subsidiaries

Net Income

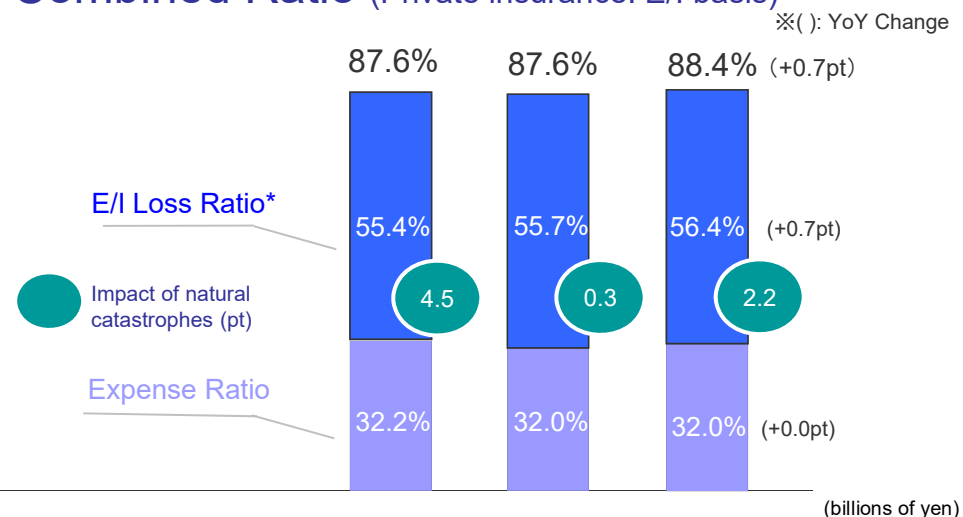
¥42.6B decrease YoY to ¥77.5B due to the factors above

TMNF Combined Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



Combined Ratio (Private insurance: E/I basis)



E/I Basis Loss Ratio

Rose by 0.7 points YoY to 56.4% mainly due to:

- ↘ Increase in net incurred losses relating to natural catastrophes
- ↘ Increase in provision for foreign currency denominated outstanding claims reserves associated with the depreciation of the yen during FY2018
- ↗ The reversal effect of an increase in large and medium size losses in FY2017, etc.

Expense Ratio

32.0%, almost flat YoY

	FY2016 1Q Results	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Net premiums written	468.4	481.3	489.9	8.5
Net premiums earned	452.5	459.2	467.6	8.3
Net incurred losses*	250.8	255.7	263.7	8.0
Business expenses	150.6	153.8	156.5	2.7
Corporate expenses	57.5	58.2	58.9	0.6
Agency commissions	93.1	95.5	97.6	2.1

(Reference) All lines: W/P basis

Combined ratio*	88.4%	86.3%	89.0%	2.6pt
Loss ratio*	57.7%	56.0%	58.1%	2.1pt
Expense ratio	30.8%	30.3%	30.8%	0.5pt

* Including loss adjustment expenses

Net Premiums Written by Line

(billions of yen, except for %)

	FY2017 1Q Results	FY2018 1Q Results	YoY	
			Change	%
Fire	63.5	64.9	1.4	2.2%
Marine	14.9	16.1	1.1	7.9%
P.A.	56.0	57.6	1.5	2.9%
Auto	269.3	270.5	1.2	0.4%
CALI	69.8	60.9	-8.8	-12.7%
Other	77.8	80.9	3.1	4.0%
Total	551.5	551.2	-0.3	-0.1%
Private insurance Total	481.3	489.9	8.5	1.8%

– Major Factors of Changes in NPW

- Fire: Grew mainly due to an increase in household sector policies
- Marine: Grew mainly due to an increase in large book in cargo insurance
- P. A.: Grew due to sales expansion, etc.
- AUTO: Grew mainly due to an increase in the number of policies
- CALI: Fell mainly due to rate cut in April 2017
- Other: Grew due to sales expansion of Super Business Insurance/ P.A. insurance for employment injury, etc.

E/I Loss Ratio by Line

	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Fire	43.8%	54.4%	10.6pt
Marine	57.9%	79.5%	21.6pt
P.A.	54.4%	53.9%	- 0.6pt
Auto	57.7%	56.2%	- 1.5pt
Other	59.1%	54.9%	- 4.2pt
Private insurance Total	55.7%	56.4%	0.7pt

– Major Factors of Changes in E/I Loss Ratio

- Fire: Rose due to an increase in net incurred losses relating to natural catastrophes, etc. despite a decrease in large and medium size losses
- Marine: Rose due to an increase in net provision for outstanding claims reserves associated with losses occurred in the past
- Auto: Improved due to the low frequency of accidents, etc.
- Other: Improved due to a decrease in large and medium size losses, etc.

■ Net Investment Income and Other

(billions of yen)

	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Net investment income and other	109.1	74.1	- 35.0
Net investment income	116.1	82.9	- 33.1
Net interest and dividends income	83.2	41.7	- 41.5
Interest and dividends	94.1	51.9	- 42.2
Dividends from domestic stocks	28.4	31.6	3.1
Dividends from foreign stocks	53.1	7.2	- 45.9
Income from domestic bonds	6.0	5.6	- 0.3
Income from foreign bonds	1.0	1.1	0.1
Income from other domestic securities*1	0.0	0.8	0.8
Income from other foreign securities*2	2.6	2.5	- 0.0
Transfer of investment income on deposit premiums	- 10.8	- 10.2	0.6
Net capital gains	32.8	41.2	8.3
Gains/Losses on sales of securities	34.2	44.7	10.5
Impairment losses on securities	- 0.0	- 0.2	- 0.2
Gains/Losses on derivatives	- 1.2	- 3.6	- 2.3
Other investment income and expenses	0.1	0.1	0.0
Others	- 0.2	0.2	0.4
Other ordinary income and expenses	- 6.9	- 8.8	- 1.8

*1. Income from domestic securities excluding domestic stocks and domestic bonds

*2. Income from foreign securities excluding foreign stocks and foreign bonds

Note: Plus and minus of the figures in the above table correspond to positive and negative to profit respectively

— Net investment income and other decreased by ¥35.0B YoY to ¥74.1B

- Net interest and dividends income
¥41.5B decrease YoY to ¥41.7B mainly due to the following factors:
 - Dividends from foreign stocks:
 - ✓ Decrease in dividends income from overseas subsidiaries
- Net capital gains
¥8.3B increase YoY to ¥41.2B mainly due to the following factors:
 - Gains/Losses on sales of securities:
 - ✓ Mainly due to an increase in gains on sales of business-related equities

¥44.0B capital gains from sales of business-related equities, ¥14.0B increase YoY
(Sales of business-related equities was ¥57.0B)

Change in Major P/L Items

(billions of yen)

	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Underwriting profit/loss	2.0	3.8	1.7
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	3.5	4.1	0.6
Net premiums written (Private insurance)	31.8	32.7	0.9
Net premiums earned (Private insurance)	30.6	31.4	0.7
Net incurred losses (Private insurance)*	- 16.7	- 16.7	- 0.0
Natural catastrophe losses	-	- 0.0	- 0.0
Other than above	- 16.7	- 16.7	- 0.0
Business expenses (Private insurance)	- 10.8	- 11.1	- 0.3
Provision/Reversal of catastrophe loss reserves	- 1.4	- 0.3	1.0
Fire	- 0.1	0.5	0.7
Auto	- 1.0	- 0.7	0.3
Net investment income (loss) and other	0.3	0.3	0.0
Net investment income/loss	0.4	0.4	0.0
Interest and dividends	0.9	0.9	0.0
Gains/Losses on sales of securities	0.0	- 0.0	- 0.0
Ordinary profit/loss	1.9	3.7	1.8
Extraordinary gains/losses	- 0.0	0.1	0.1
Net income/loss	1.3	2.8	1.5
Loss ratio (Private insurance, E/I basis)*	54.5%	53.2%	- 1.3pt
Expense ratio (Private insurance)	34.0%	34.1%	0.1pt
E/I Combined ratio (Private insurance)*	88.5%	87.3%	- 1.2pt

* Including loss adjustment expenses

(Notes)

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

Underwriting Profit

Increased by ¥1.7B YoY to ¥3.8B mainly due to the following factors:

- Net premiums written (Private insurance)
 - ➔ Increased due to sales expansion in fire and specialty insurance
- Net incurred losses (Private insurance)
 - ➔ Increase in large losses in fire
 - ➔ Decrease in net incurred losses in auto
 - ➔ Decrease in large losses in P.A.
- Catastrophe loss reserves
 - ➔ Increase in takedown associated with an increase in claims paid in fire
 - ➔ Decrease in net provision due to the lowering of the provision rate in auto

Net Investment Income and Other

¥0.3B, almost flat YoY

Net Income

¥1.5B increase YoY to ¥2.8B due to the factors above

■ Annualized Premiums (ANP)

(billions of yen)

	FY2017 1Q Results	FY2018 1Q Results	YoY	
			Change	%
New policies ANP	21.3	20.3	- 0.9	-4.5%
In-force policies ANP	831.1	851.1	20.0	2.4%

– New Policies ANP

- Fell by 4.5% YoY due to the reversal effect of last minute demand before the rate revision of the product for corporations in August 2017, etc.

– In-force Policies ANP

- Grew by 2.4% YoY due to steady growth in new policies

■ Key Figures in Financial Accounting

(billions of yen)

	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Ordinary income	276.8	243.7	- 33.1
Insurance premiums and other	211.6	213.5	1.8
Net income	2.5	4.5	2.0
Ordinary profit	4.7	6.8	2.0
(-) Capital gains / losses	- 0.8	- 2.0	- 1.1
(-) Non-recurring income / losses	- 1.4	- 0.2	1.1
Core operating profit	7.0	9.1	2.0

– Net Income

- Net Income rose by ¥2.0B YoY to ¥4.5B due to the reversal effect of partial provision for underwriting reserves in FY2017 owing to the last minute demand before the rate revision associated with the standard interest rate cut

– Core Operating Profit

- Grew by ¥2.0B YoY to ¥9.1B as a result of deducting negative impact on capital gains / losses associated with sales of foreign bonds as well as provision for contingency reserves, etc., from ordinary profit

Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen, except for %)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*5}
	As of end- Mar. 2017	As of end- Mar. 2018	Change	%	
Applied FX rate (USD/JPY)	JPY 112.1	JPY 106.2			
North America ^{*1}	255.6	259.7	4.1	2%	7%
Philadelphia	81.3	79.8	-1.5	-2%	4%
Delphi	69.3	70.4	1.1	2%	7%
TMHCC	85.4	92.3	6.8	8%	14%
Europe ^{*2}	36.7	39.2	2.5	7%	1%
South & Central America	36.5	37.4	0.9	2%	14%
Asia & Middle East	34.6	39.4	4.7	14%	13%
Reinsurance ^{*3}	55.4	52.8	-2.5	-5%	1%
Total Non-Life^{*4}	419.1	428.8	9.7	2%	7%
Life	20.8	22.3	1.5	7%	5%
Total	439.9	451.1	11.2	3%	7%

*1 North American figures include European and Reinsurance businesses of TMHCC, but not include North American business of TMK

*2 European figures include North American business of TMK, but not include European and Reinsurance businesses of TMHCC

*3 Reinsurance figures are those of TMR and other Reinsurance companies

*4 Total Non-Life figures include some life insurance figures of composite overseas subsidiaries

*5 Excluding FX effects due to yen conversion

- Grew by 3% YoY due to the execution of growth measures in each business segment

North America (See P. 13 ~ 15 for details)

- Philadelphia's NPW fell due to the appreciation of the yen while grew on a local currency basis mainly driven by rate increase in renewal book
- Delphi's NPW grew mainly driven by expansion of new non-life business book
- TMHCC's NPW grew driven by (i) a contribution of the acquisition of medical stop-loss insurance operations in FY2017 and (ii) rate increases in renewal book

Europe

- Rate increase following natural catastrophe losses in FY2017 and business growth through coverholders at TMK

South & Central America

- Grew mainly driven by auto insurance sales growth in Brazil

Asia & Middle East

- Grew mainly driven by an increase of shareholdings in India in FY2017 and the execution of growth measures in each country

Reinsurance

- Fell due to the appreciation of the yen

Life

- Grew driven by business growth in India and Malaysia

Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen, except for %)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*5}
			Change	%	
Applied FX rate (USD/JPY)	As of end- Mar. 2017 JPY 112.1	As of end- Mar. 2018 JPY 106.2			
North America ^{*1}	29.9	34.1	4.1	14%	20%
Philadelphia	7.7	8.1	0.3	4%	10%
Delphi	10.3	15.0	4.6	45%	53%
TMHCC	10.2	9.8	- 0.3	- 4%	2%
Europe ^{*2}	1.4	0.1	- 1.2	- 86%	- 86%
South & Central America	0.9	2.5	1.5	167%	196%
Asia & Middle East	6.1	2.6	- 3.4	- 57%	- 56%
Reinsurance ^{*3}	2.1	1.2	- 0.8	- 41%	- 39%
Total Non-Life^{*4}	40.4	41.1	0.7	2%	7%
Life	2.3	- 1.6	- 4.0	- 172%	- 168%
Total	41.3	37.4	- 3.8	- 9%	- 5%

*1 North American figures include European and Reinsurance businesses of TMHCC, but not include North American business of TMK

*2 European figures include North American business of TMK, but not include European and Reinsurance businesses of TMHCC

*3 Reinsurance figures are those of TMR and other Reinsurance companies

*4 Total Non-Life figures include some life insurance figures of composite overseas subsidiaries

*5 Excluding FX effects due to yen conversion

– Fell by ¥3.8B YoY (-9%) due to the appreciation of the yen, the impact of interest rate fluctuation, and the reversal effect of reserve takedown in FY2017 despite the execution of growth measures in each business segment and the impact of tax reduction associated with U.S. tax reform

North America (See P. 13 ~ 15 for details)

- Philadelphia's profit rose due to the impact of tax reduction despite an increase in net incurred losses relating to natural catastrophes
- Delphi's profit grew driven by strong investment income and the impact of tax reduction
- TMHCC's profit fell due to the appreciation of the yen while rose on a local currency basis due to the impact of tax reduction

Europe

- TMK's profit fell mainly because investment income decreased due to the unrealized losses following interest rate increase as well as foreign exchange losses, while underwriting profit rose

South & Central America

- Grew mainly due to profitability improvement of auto insurance in Brazil

Asia & Middle East

- Fell due to the reversal effect of reserve takedown in FY2017

Reinsurance

- Fell mainly due to foreign exchange losses

Life

- Fell mainly due to the impact of interest rate fluctuation

North America (Breakdown - Philadelphia)

Consolidated	Domestic Life
Domestic Non-Life	International



Changes in Major P/L Items

(billions of yen, except for % and pt)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end- Mar. 2017	As of end- Mar. 2018			
	JPY 112.1	JPY 106.2			
Net premiums written	81.3	79.8	-1.5	-2%	4%
Net premium earned	84.4	84.7	0.2	0%	6%
Net incurred losses	56.3	57.8	1.4	3%	8%
Nat-Cat losses	4.0	4.9	0.9	22%	29%
Commissions / Other Underwriting expenses	26.5	26.4	-0.0	-0%	5%
Underwriting profit	1.5	0.3	-1.1	-75%	-73%
Net investment income / loss	7.6	8.2	0.5	8%	14%
Business unit profits	7.7	8.1	0.3	4%	10%
Loss ratio ^{*1}	66.8%	68.3%	1.5pt	-	-
Expense ratio ^{*1}	31.4%	31.2%	-0.1pt	-	-
Combined ratio ^{*1}	98.2%	99.5%	1.4pt	-	-

*1: Denominator used is net premiums earned

*2: Excluding FX effects due to yen conversion

North America (Breakdown – Delphi)

Consolidated	Domestic Life
Domestic Non-Life	International



Changes in Major P/L Items

(billions of yen, except for % and pt)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end- Mar. 2017	As of end- Mar. 2018			
	JPY 112.1	JPY 106.2			
Net premiums written	69.3	70.4	1.1	2%	7%
Net premium earned	59.4	60.5	1.1	2%	8%
Net incurred losses	44.0	45.2	1.2	3%	9%
Nat-Cat losses	-	-	-	-	-
Commissions / Other Underwriting expenses	15.8	16.5	0.6	4%	10%
Underwriting profit	-0.4	-1.2	-0.7	-	-
Net investment income / loss	25.9	30.0	4.1	16%	22%
Business unit profits	10.3	15.0	4.6	45%	53%
Loss ratio ^{*1}	74.1%	74.7%	0.6pt	-	-
Expense ratio ^{*1}	26.6%	27.2%	0.6pt	-	-
Combined ratio ^{*1}	100.7%	102.0%	1.3pt	-	-

Net Premiums Written by Segment

(billions of yen, except for %)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end- Mar. 2017	As of end- Mar. 2018			
	JPY 112.1	JPY 106.2			
Non-life	34.0	36.4	2.3	7%	13%
Life	35.2	34.0	-1.2	-3%	2%
Total	69.3	70.4	1.1	2%	7%

Loss Ratio by Segment

	FY2017 1Q Results	FY2018 1Q Results	Change
Non-life ^{*1}	69.9%	73.2%	3.3pt
Life ^{*1}	76.9%	75.9%	-1.0pt
Total ^{*1}	74.1%	74.7%	0.6pt

*1: Denominator used is net premiums earned

*2: Excluding FX effects due to yen conversion

North America (Breakdown – TMHCC)

Consolidated	Domestic Life
Domestic Non-Life	International



Changes in Major P/L Items

(billions of yen, except for % and pt)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end- Mar. 2017	As of end- Mar. 2018	Change	%	
	JPY 112.1	JPY 106.2			
Net premiums written	85.4	92.3	6.8	8%	14%
Net premium earned	74.2	80.4	6.1	8%	14%
Net incurred losses	46.3	51.4	5.0	11%	17%
Nat-Cat losses	0.9	0.7	-0.2	-22%	-18%
Commissions / Other Underwriting expenses	18.9	19.5	0.5	3%	9%
Underwriting profit	6.9	5.7	-1.2	-17%	-13%
Net investment income / loss	7.0	6.3	-0.7	-10%	-5%
Business unit profits	10.2	9.8	-0.3	-4%	2%
Loss ratio ^{*1}	62.4%	63.9%	1.5pt	-	-
Expense ratio ^{*1}	25.6%	24.4%	-1.2pt	-	-
Combined ratio ^{*1}	88.0%	88.3%	0.3pt	-	-

Net Premiums Written by Segment

(billions of yen, except for %)

	FY2017 1Q Results	FY2018 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end- Mar. 2017	As of end- Mar. 2018	Change	%	
	JPY 112.1	JPY 106.2			
Non-life : North America	32.6	29.5	-3.1	-10%	-5%
A&H	32.4	37.1	4.7	15%	21%
International	20.4	25.6	5.2	26%	33%
Total	85.4	92.3	6.8	8%	14%

Loss Ratio by Segment

	FY2017 1Q Results	FY2018 1Q Results	Change
Non-life : North America ^{*1}	60.3%	58.2%	-2.1pt
A&H ^{*1}	72.7%	76.2%	3.5pt
International ^{*1}	44.3%	46.2%	1.9pt
Total ^{*1}	62.4%	63.9%	1.5pt

*1: Denominator used is net premiums earned

*2: Excluding FX effects due to yen conversion

Reference

Adjusted Net Income (Group Total) : FY2018 1Q Results

■ Adjusted Net Income increased by ¥13.2B YoY to ¥132.9B

● Reconciliation^{*1}

(billions of yen)

Note: Factors positive to profit are showed with "plus signs"

	FY2017 1Q Results	FY2018 1Q Results	YoY Change
Net income attributable to owners of the parent (consolidated)	88.1	101.7	13.6
Provision for catastrophe loss reserves ^{*2}	+14.3	+11.6	-2.7
Provision for contingency reserves ^{*2}	+1.0	+0.3	-0.6
Provision for price fluctuation reserves ^{*2}	+1.1	+1.3	0.1
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	-1.1	+1.4	2.6
Gains or losses on sales or valuation of fixed assets and business investment equities	+0.3	+0.0	-0.2
Amortization of goodwill and other intangible fixed assets	+18.8	+16.3	-2.4
Other extraordinary gains/losses, valuation allowances, etc.	-3.0	-0.1	2.8
Adjusted Net Income	119.6	132.9	13.2

*1 Each adjustment is on an after-tax basis

*2 Reversals are subtracted

*3 ALM: Asset Liability management. Excluded since it is counter balance of ALM related liabilities

— Major changes in reconciliation YoY

● Provision for catastrophe loss reserves

↘ Net provision for catastrophe loss reserves were reduced as a result of lowering of provision rate in fire group at TMNF (reconciling amount also decreased)

● Gains or losses on sales or valuation of ALM bonds and interest rate swaps

↗ The reversal effect of gains on interest rate swap relating to decline of interest rates in FY2017 (reconciling amount increased)

● Amortization of goodwill and other intangible fixed assets

↘ Decrease due to closing of the amortization of goodwill at Delphi and TMK in FY2017 (reconciling amount also decreased)

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