



Tokio Marine Holdings

*To Be a **Good Company***

Tokio Marine Group Mid-Term Business Plan “To Be a Good Company 2017” FY2017 Business Plan

May 2017

Tokio Marine Holdings, Inc.



I

Tokio Marine Group Business Strategy

1. Progress of the Mid-Term Business Plan
2. ERM & Shareholder Return Policy
3. Initiatives to Support Corporate Value Enhancement
4. Group Asset Management

II

Business Plan and Strategy by Domain

1. Domestic Non-Life
2. Domestic Life
3. International Insurance

Reference

◆Abbreviations used in this material

TMNF	: Tokio Marine & Nichido Fire Insurance Co., Ltd.
NF	: Nisshin Fire & Marine Insurance Co., Ltd.
TMNL	: Tokio Marine & Nichido Life Insurance Co., Ltd.
FL	: Former Tokio Marine & Nichido Financial Life Insurance Co., Ltd.
TMHCC	: Tokio Marine HCC

I

Tokio Marine Group Business Strategy

1-1. Progress of the Mid-Term Business Plan

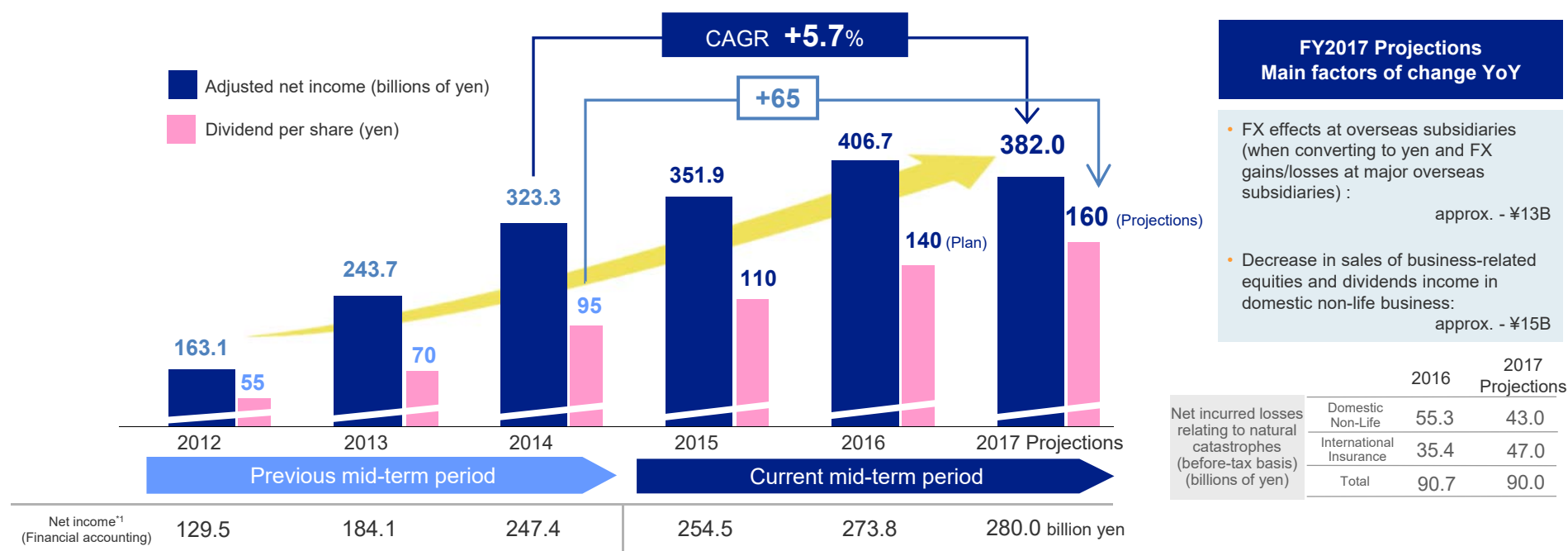
Key financial indicators are projected to reach the outlook of the mid-term business plan

		FY2017 outlook of the mid-term business plan ^{*1}	FY2017 Projections ^{*2}
1	Enhance capital efficiency	Adjusted ROE : Upper 9% range	9.8%
2	Sustainable profit growth	Adjusted Net Income : Approx. ¥400B Applied FX rate (USD/JPY): JPY 120.17 (end of Mar. 2015)	¥382B Applied FX rate (USD/JPY): JPY 112.19 (end of Mar. 2017)
3	Enhance shareholder return	Steady growth of dividends in line with profit growth	Annual dividend per share FY2014 ¥95 ▶ ¥160

^{*1}: Outlook was released in the first year of the mid-term business plan, based on market environment as of the end of Mar. 2015

^{*2}: If FX rate as of end of Mar. 2015 (USD/JPY JPY120.17) is applied, adjusted net income is approx. ¥395B

1-2. Sustainable Profit Growth (Adjusted Net Income) and Enhance Shareholder Return

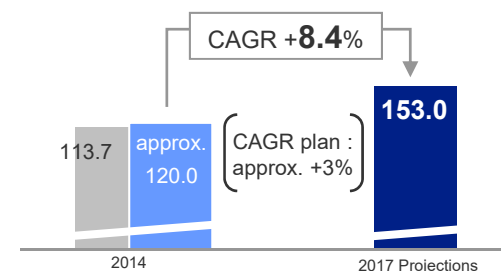


*1: Since FY2015, net income attributable to owners of the parent

Business Unit Profits

Domestic Non-Life (TMNF)

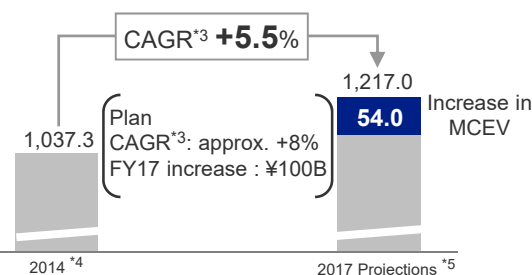
(billions of yen)



*2: FX effects are excluded and nat-cat losses are normalized to an average annual level

Domestic Life (TMNL)

(billions of yen)



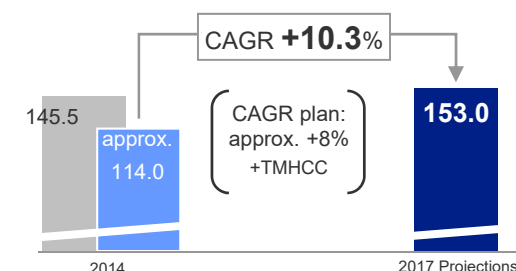
*3: CAGR of MCEV

*4: Figures are after payment of shareholders' dividends of the prior fiscal year

*5: Figures are before payment of shareholders' dividends of the prior fiscal year

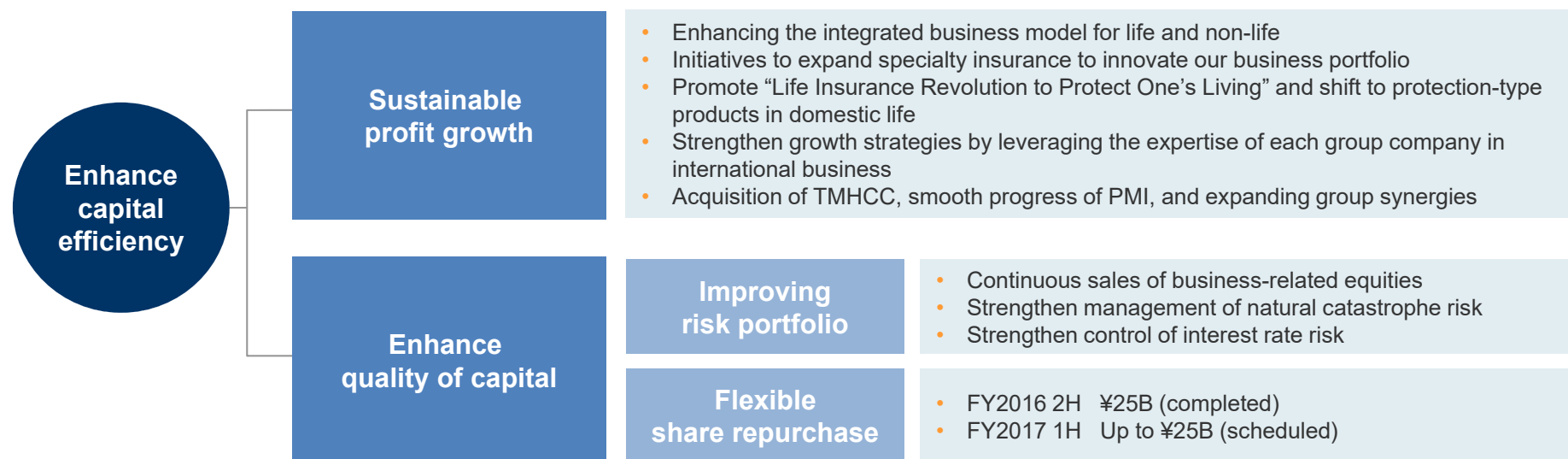
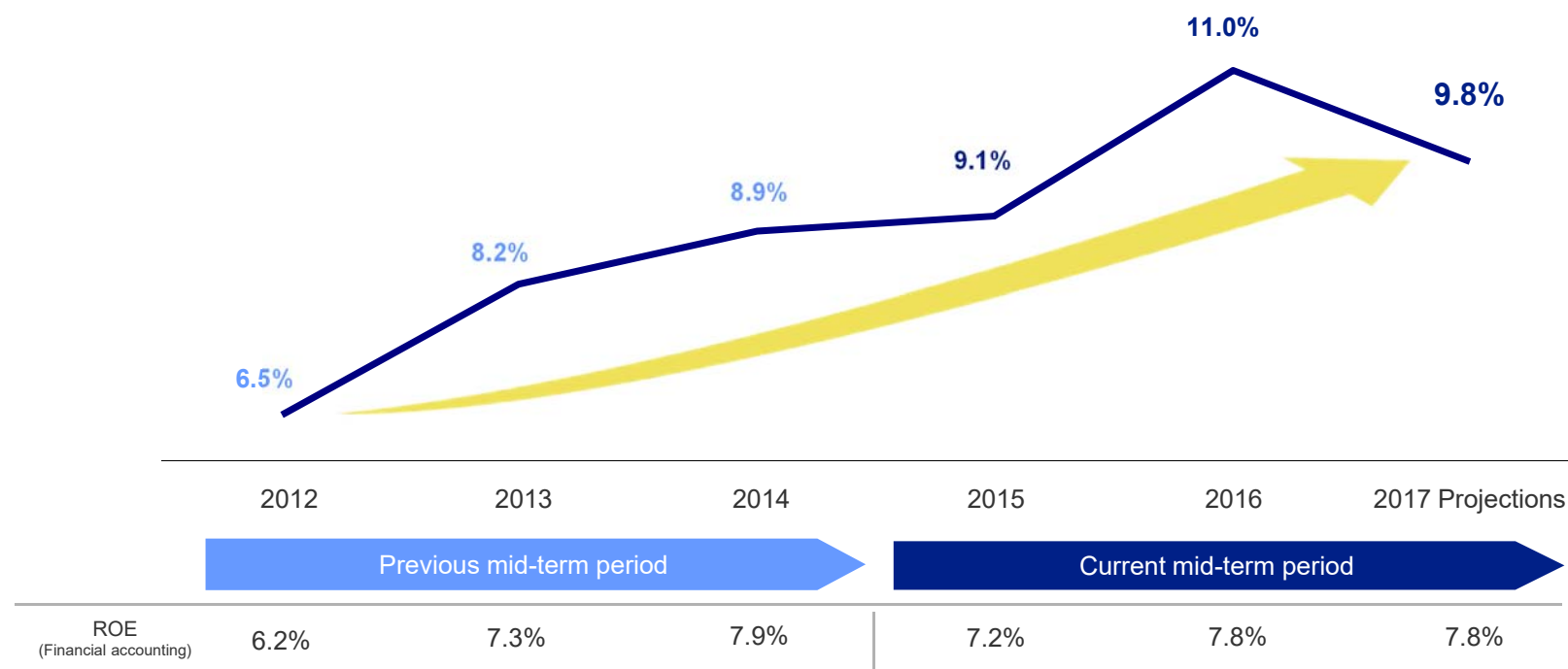
International Insurance

(billions of yen)



*6: FX effects (when converting to yen and FX gains/losses at major overseas subsidiaries) are excluded and nat-cat losses are normalized to an average annual level

1-3. Enhance Capital Efficiency (Adjusted ROE)

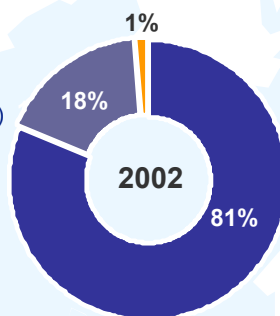


1-4. Stabilization of Business Platform by Risk Diversification

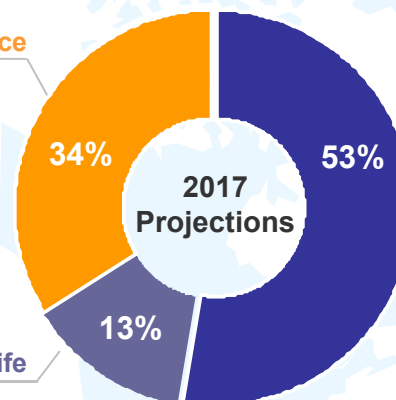
Pursue to establish a risk diversified portfolio
in terms of geography and business

Insurance Premiums

(Net premiums written + life insurance premiums)



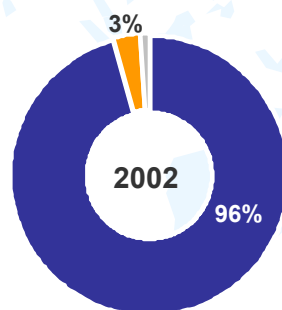
International Insurance



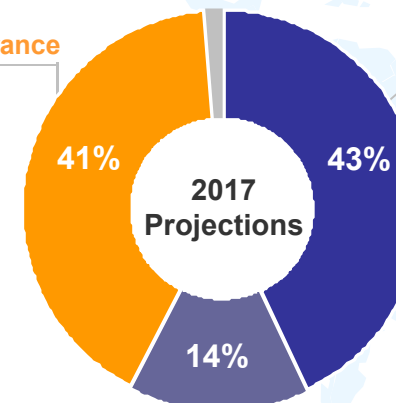
Domestic Non-Life

Domestic Life

Business Unit Profits*



International Insurance



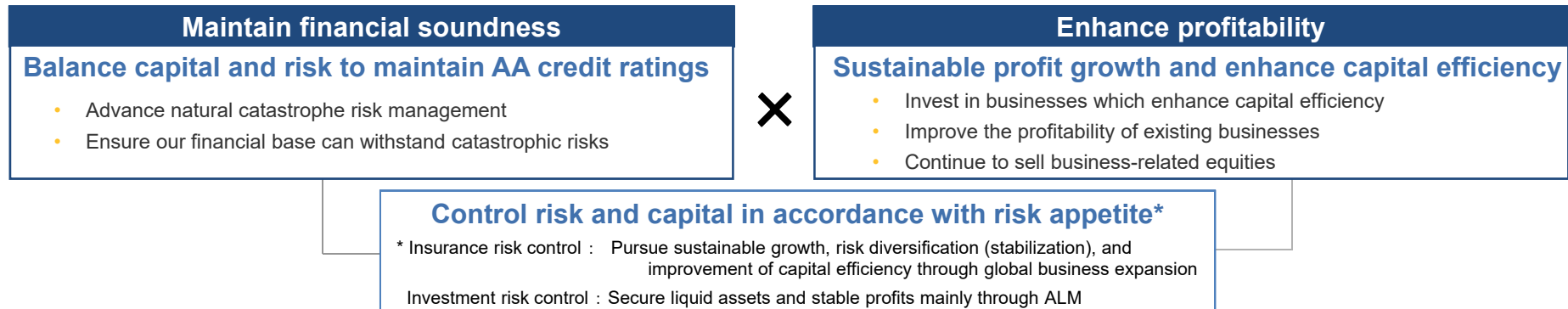
Domestic Non-Life

Domestic Life

* For Domestic Life, TEV is used in 2002, and MCEV is used in 2017 Projections

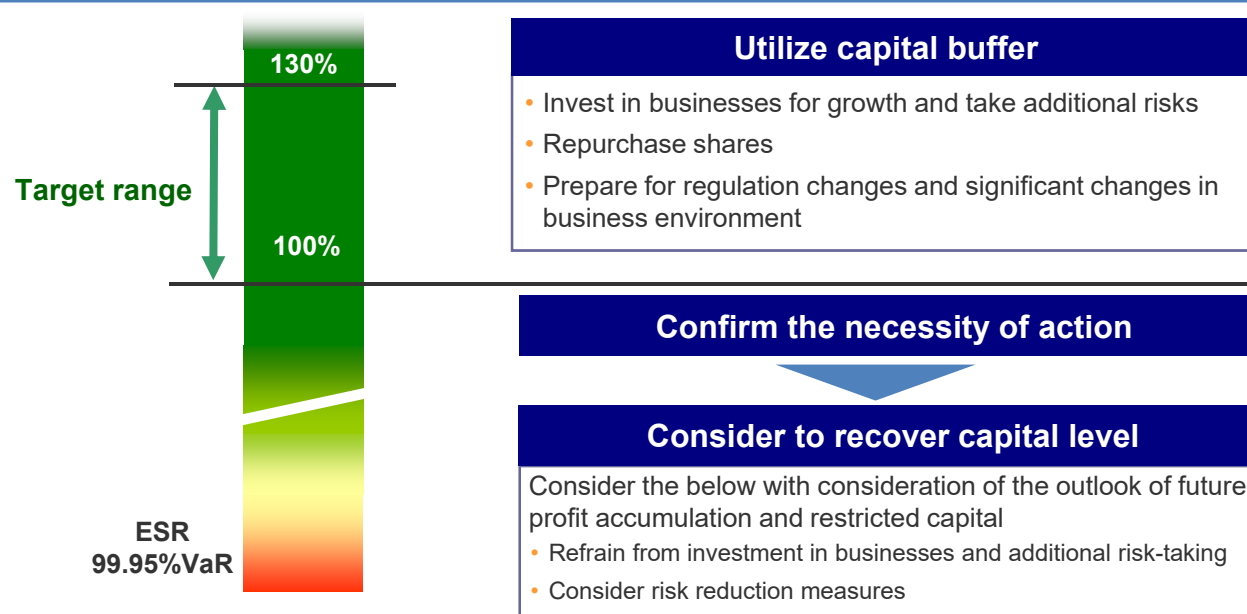
2-1. Promoting Strong ERM (1) (Controlling Risk and Capital)

■ Control risk and capital



■ Economic Solvency Ratio (ESR)

- Utilize strict capital model which calculates risk capital based on 99.95%VaR (standard to maintain AA credit rating) and excludes restricted capital, while referring to the method in Solvency II in Europe, etc.
- Target range of ESR is 100-130% in light of financial soundness and profitability

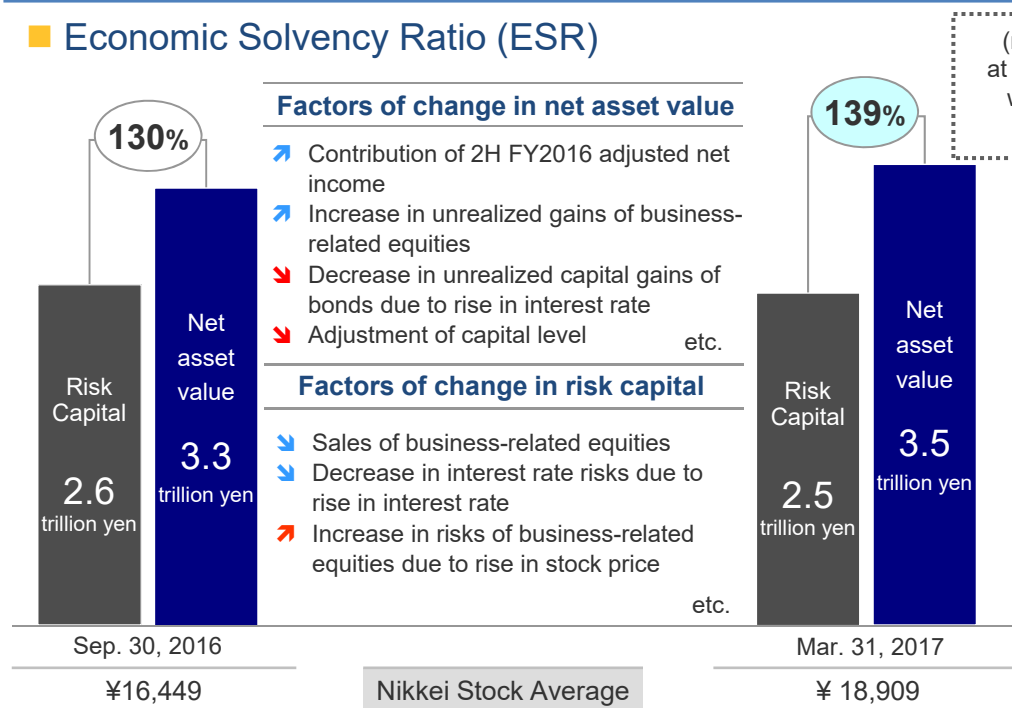


* 130% is the capital level which can maintain AA credit ratings withstanding once-in-a-decade risks

2-2. Promoting Strong ERM (2) (ESR as of Mar. 31, 2017)

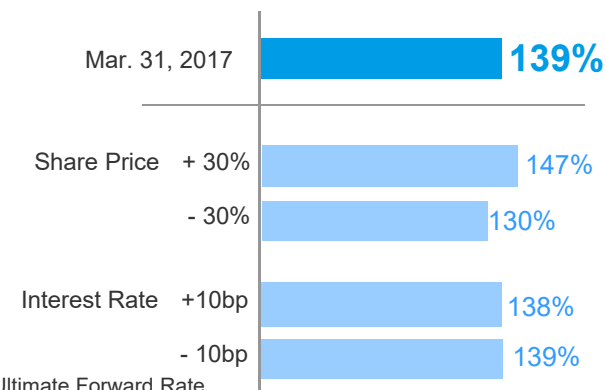
- ESR has increased to 139% due to a decrease in risk capital as well as an increase in net asset value
 - Factors of change in net asset value: Contribution of 2H FY2016 adjusted net income, an increase in unrealized gains of business-related equities, and a decrease in unrealized capital gains of bonds due to rise in interest rate, etc.
 - Factors of change in risk capital: Sales of business-related equities, and a decrease in interest rate risks due to rise in interest rate, etc.
- Business continuity is confirmed even in the event of stress scenario

■ Economic Solvency Ratio (ESR)

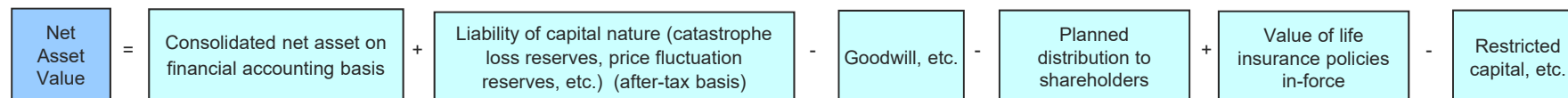


■ Impact of market changes on ESR and our measures

- Share price: Continue to sell business-related equities as the impact on ESR associated with the market value fluctuation is large
- Interest rate: Impact to ESR decreased according with rise in interest rate. Control the impact of interest rate fluctuation through ALM while preparing for future rise in interest rate
- FX rates: Limited impact on ESR



(Ref.) Definition of Net Asset Value



* By reference to international capital regulation, Ultimate Forward Rate, UFR, is set at the level of 3.5% in year 60 and forward rates beyond the 30th year are extrapolated accordingly

2-3. Shareholder Return Policy

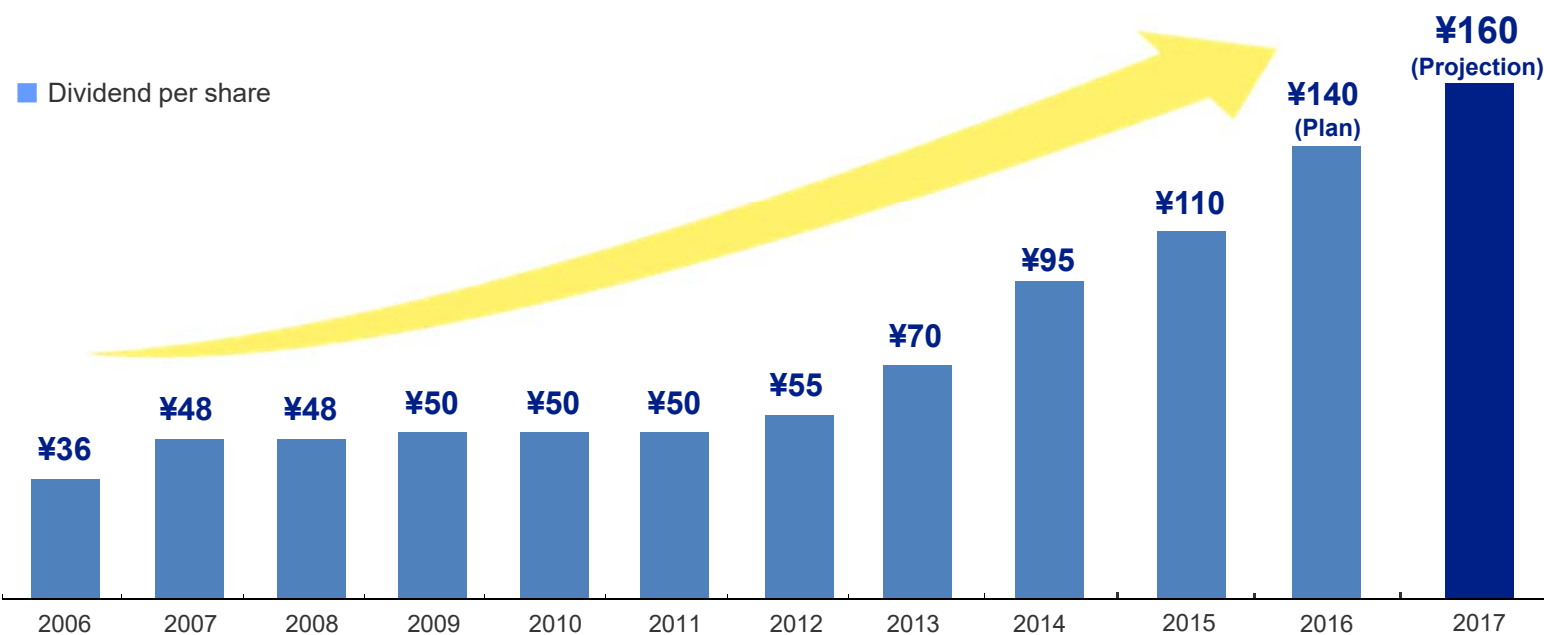
**Increase of
dividends
through
profit growth**



**Adjustment
of capital level**

- Our primary means of shareholder return is dividends, which we plan to increase in line with profit growth
 - We aim to pursue steady growth of dividends, and payout ratio as a guide is above 35% of average adjusted net income
 - FY2016 : Annual dividend is planned to increase by ¥30 YoY to ¥140
 - FY2017 : Annual dividend is projected to increase by ¥20 YoY to ¥160 per share (payout ratio* of 35%), an increase for six consecutive years
- * proportion of average adjusted net income

- **Maintain current policy : Appropriateness and size will be determined and executed with flexibility based on a comprehensive assessment of relevant factors (market conditions, business opportunities etc.)**
 - Share repurchase: FY2016 2H ¥25B (completed)
FY2017 1H Up to ¥25B (scheduled)
 - Additional methods to share repurchase will also be considered for future capital adjustment



3-1. Further Integration and Alignment in Group Decision Making

Strengthen both lateral functions by Group Chief Officers and committee function across the Group, and promote group HR strategies to maximize the Group's comprehensive capability

Maximize the Group's Comprehensive Capability

~ Create group synergies

Revenue	Investment	Capital	Cost
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~

Globalize and strengthen corporate functions

Strengthen group governance system

- Established Group Chief Officer positions in Apr. 2016
- COO of Delphi in North America appointed to Co-CIO in 2016
- Established CISO in charge of cyber security management in Apr. 2017
- Globally strengthen the Group's corporate functions related to business strategies, synergies, risk management, asset management, etc.

Strengthen group committee function

- Established committees across the Group
- Both domestic and overseas top management discuss group management issues and make effective decisions

ERM Committee

IEC (International Executive Committee)

GISC (Global Investment Strategy Committee)

GRSC (Global Retention Strategy Committee)

GITC (Global Information Technology Committee)

Promote group HR strategies

- Promote HR strategies to maximize the potential of our diverse people
- Leverage the expertise and talent of our employees globally
 - HR, actuary, internal audit
 - Digital strategy, IT
- Develop young and mid-career employees through strengthening group committee secretarial function

To Be a Good Company

3-2. Initiatives to Support Corporate Value Enhancement



Initiatives and external acknowledgments etc.

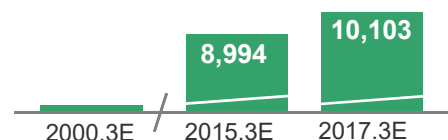


Protecting the Earth

Mangrove tree planting

Initiatives to achieve “carbon neutral” through mangrove tree planting

(total of planted area in hectares)

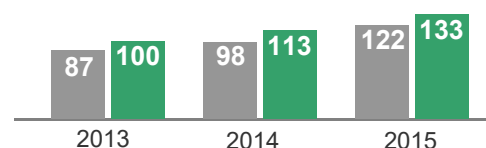


CO₂ emissions and fixation/reduction effects

■ CO₂ emissions ■ CO₂ fixation/reduction effects

“Carbon neutral” for three consecutive years

(thousand tons)



Providing Safety and Security

Business continuity plan (BCP) workshops for SMEs

➢ More than 50 workshops held and more than 300 companies have participated

Earthquake-risk awareness brochure and BCP planning sheet

➢ Distributed more than 40,000 brochures to companies, local governments and chambers of commerce

Disaster Prevention Lesson

Teaching how to prepare for natural disasters lessons in elementary schools, etc.

➢ Approx. 23,000 people have attended



Supporting People

Supporting the youth and the challenged

- 1989- Japan Swimming Federation (official sponsor)
- 2005- Special Olympics Nippon Foundation (friendship sponsor)
- 2016- Japanese Para-Sports Association (official sponsor)
Japan Inclusive Football Federation (partner)

Diversity on a global scale

Culture that facilitates the active participation and growth of female employees and other diverse human resources



Health & productivity management is the base for creating a “Good Company”

Implementing a PDCA cycle to enhance the health of employees

Support our customers’ health & productivity management by leveraging the know-how accumulated in the Group



4-1. Group Asset Management (1)

Group Asset Management Concept

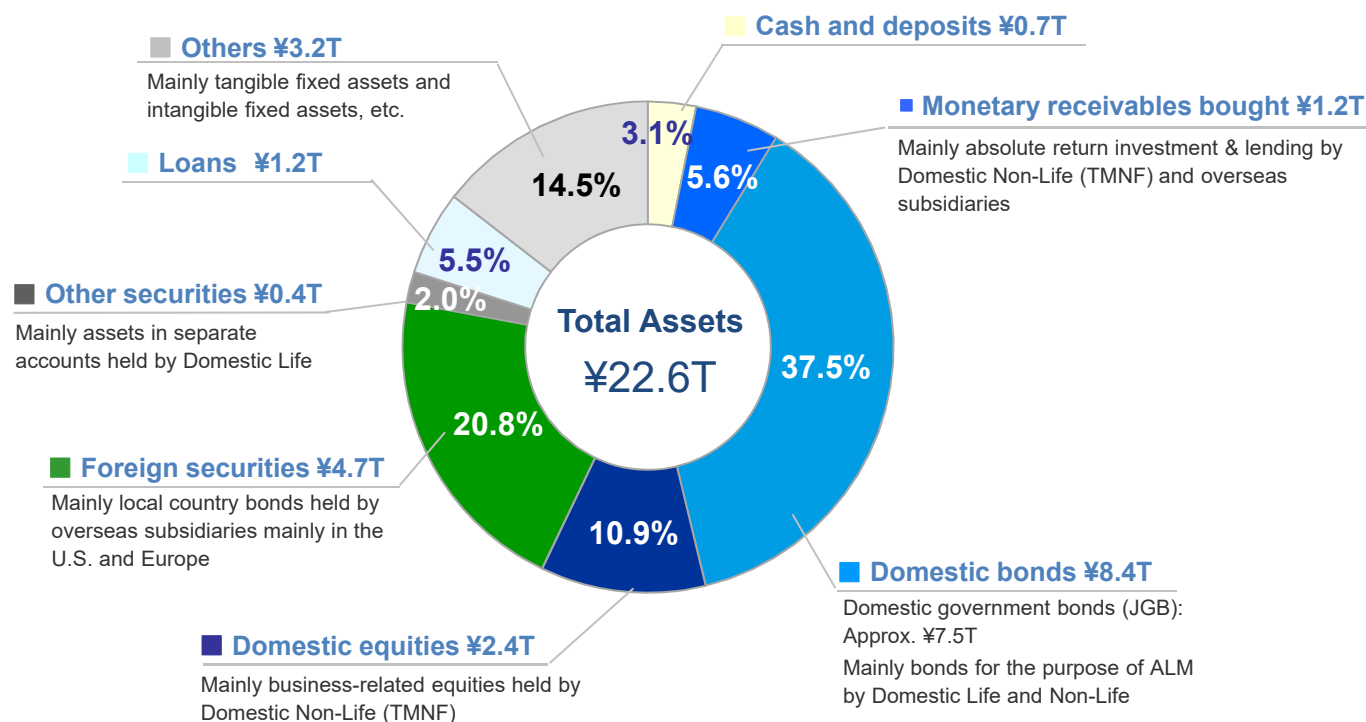
- With asset and liability management (ALM) at the core, aim to enhance profit and ensure liquidity based on a portfolio reflecting the characteristics of insurance liabilities
- Further strengthen investment capability by enhancing coordination among group companies in Japan and overseas and promoting global investment diversification

<Investment policy for each asset>

- Domestic bond: Hold for controlling interest rate risks of yen-dominated insurance liabilities while closely watching the market trend
- Foreign securities (mainly foreign bonds): Increase the balance through investment in bonds in the U.S. and Europe by domestic subsidiaries as well as asset expansion at overseas subsidiaries
- Domestic equities (business-related equities): Continue to sell more than ¥100B per year from the perspective of enhancing capital efficiency

Asset composition of TMHD (Consolidated)

* As of the end of Mar. 2017

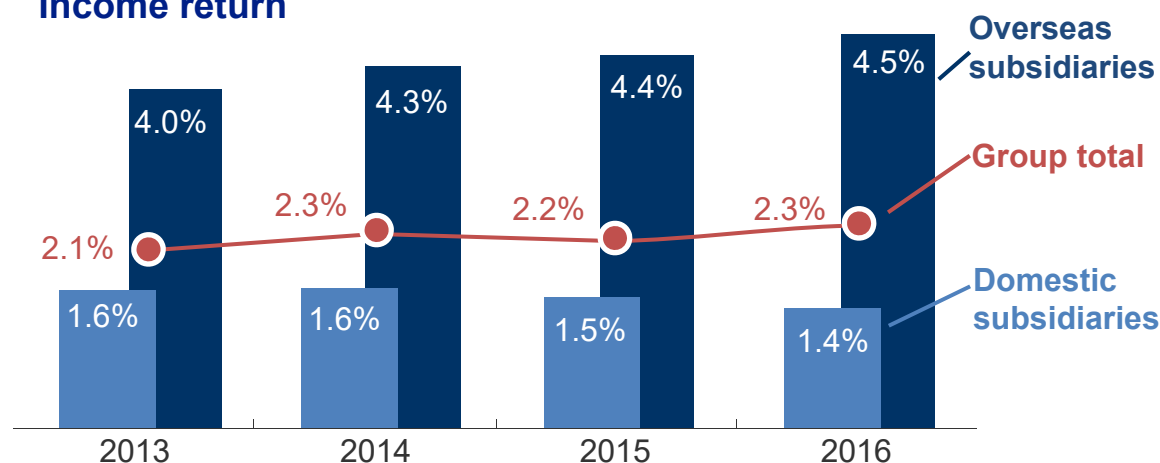


4-2. Group Asset Management (2)

Investment yield of the Group

Impact on the Group's investment yield from low interest rates in Japan is limited due to investment portfolio centered on long-term bonds in Japan and global investment diversification on a group basis by leveraging the Group's comprehensive capability

Income return

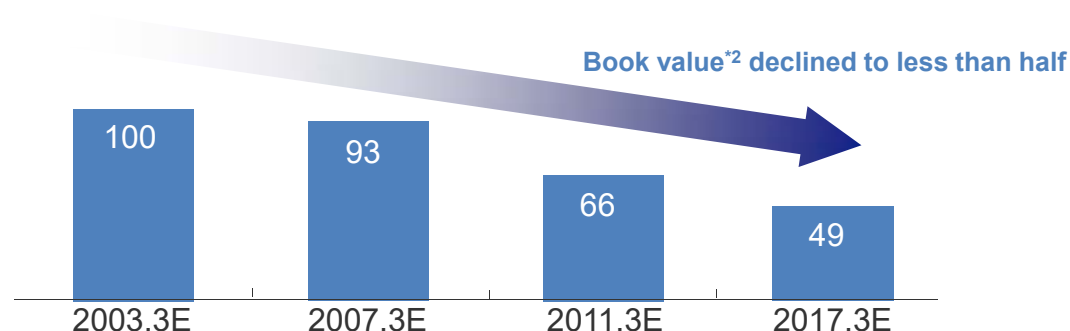


*By entrusting the asset management of a portion of assets held by the group companies to Delphi, a company with profound investment expertise, we are able to enhance the Group's investment capability and raise the investment yield

Total of entrusted amount as of end of Mar. 2017 is approx. USD 4,900M

Group company	Start of entrustment
Philadelphia	Jul. 2014 -
Tokio Millennium Re	Jul. 2015 -
TMNF	Jan. 2016 -
TMHCC	Mar. 2016 -
TMNL	Jan. 2017 -

Continuous reduction of business-related equities



- Sold total amount of ¥1.5T*1 since FY2004

*1: Market price at the time of sale

*2: Figure at the end of FY2003 is set at index value of 100

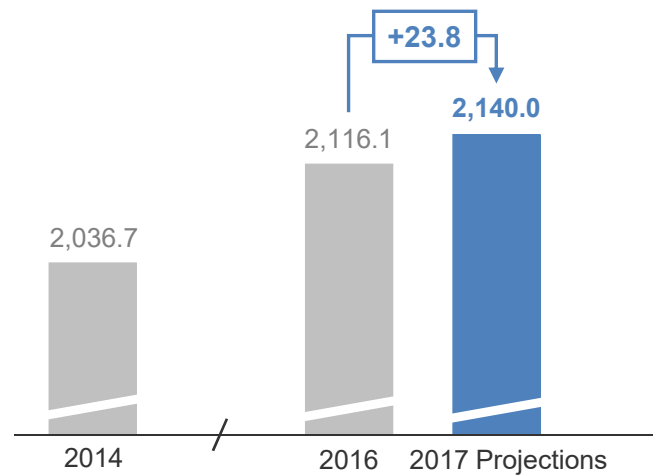
II

Business Plan and Strategy by Domain

1-1. TMNF FY2017 Projections

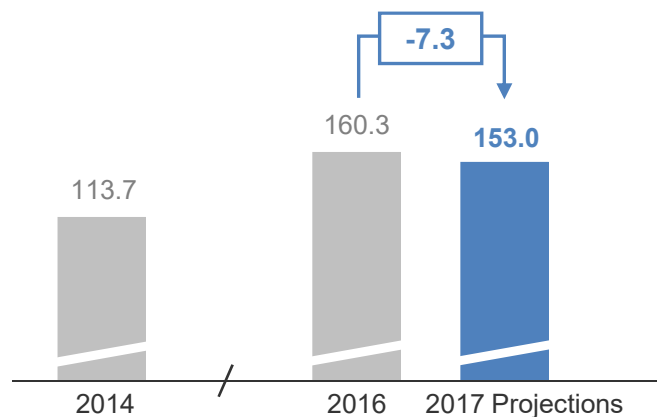
- Net premiums written is projected to expand favorably due to growth strategies, etc.
- Business unit profits is projected to significantly exceed the mid-term plan target despite a YoY decrease

■ Net Premiums Written (billions of yen)



- Projected to increase by +1.1% YoY to ¥2,140.0B due to growth in auto and specialty insurance
- CAGR from FY2014 to FY2017 is +1.7%, increasing in line with the mid-term plan

■ Business Unit Profits (billions of yen)



- Projected to decrease by ¥7.3B YoY due to a decrease in domestic income return in asset management, etc.
- CAGR from FY2014 normalized basis* is +8.4%, projected to largely exceed the mid-term plan target of +3% CAGR

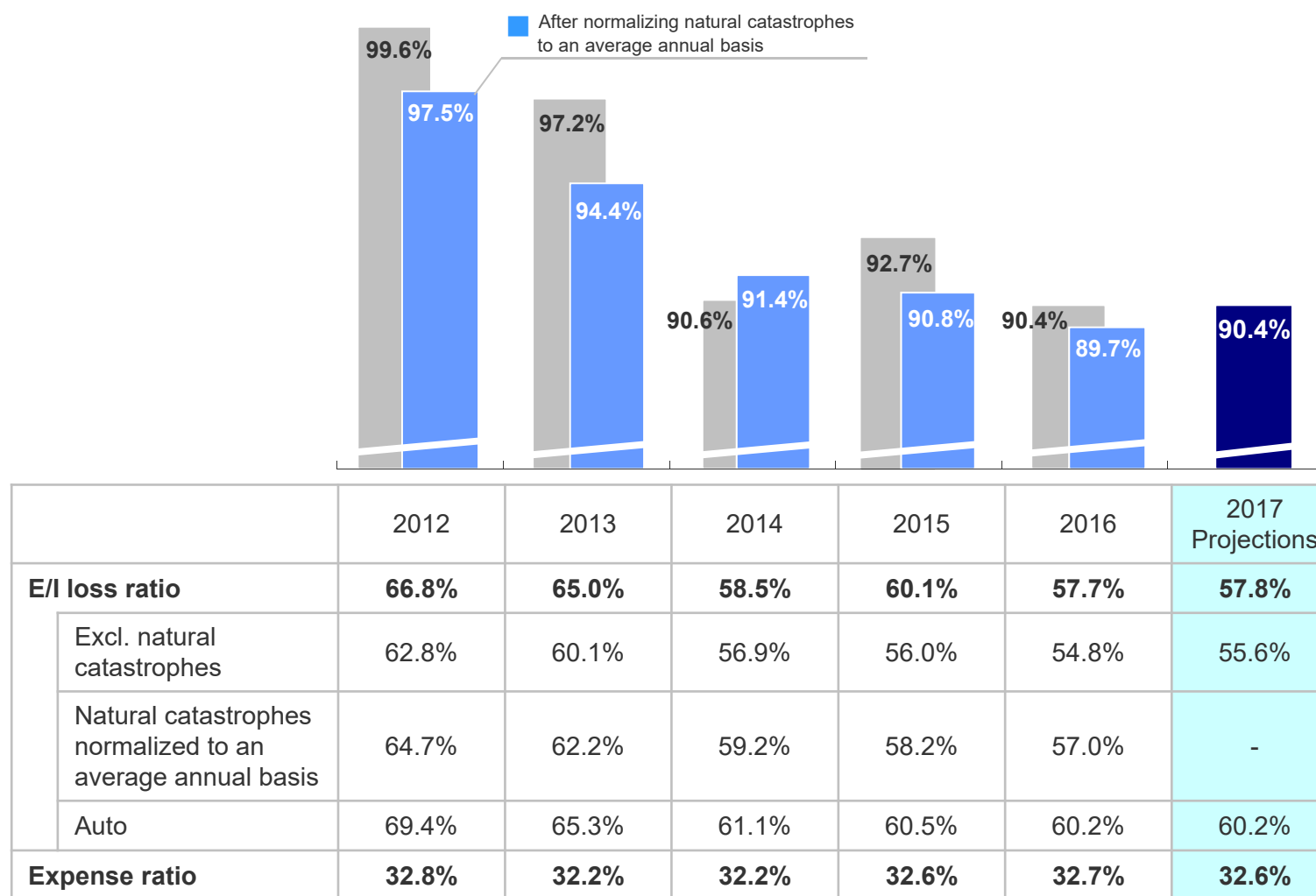
* Approx. ¥120B in which effect of FX rate is excluded and natural catastrophes losses is normalized to an average annual level

1-2. TMNF Combined Ratio

Stable combined ratio as a result of measures implemented to improve profitability

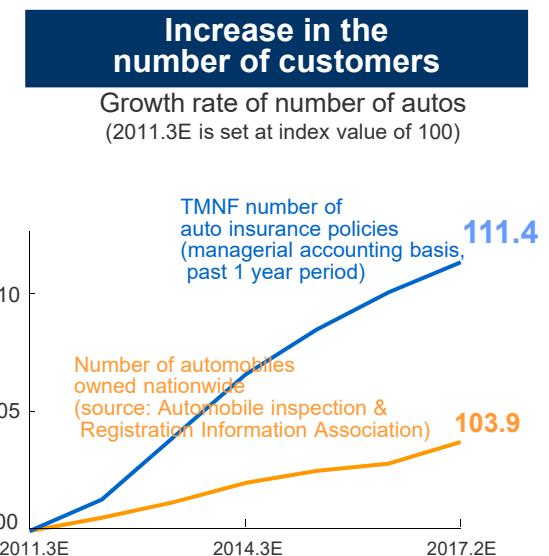
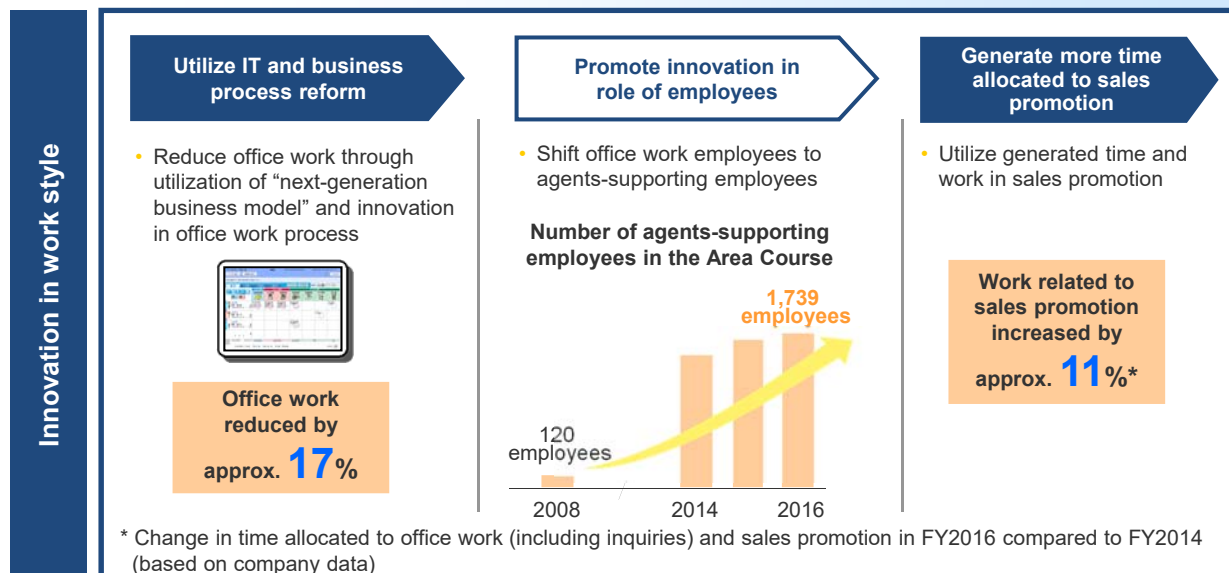
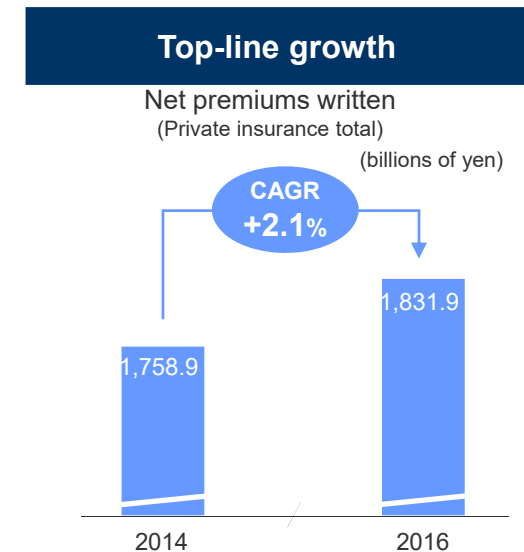
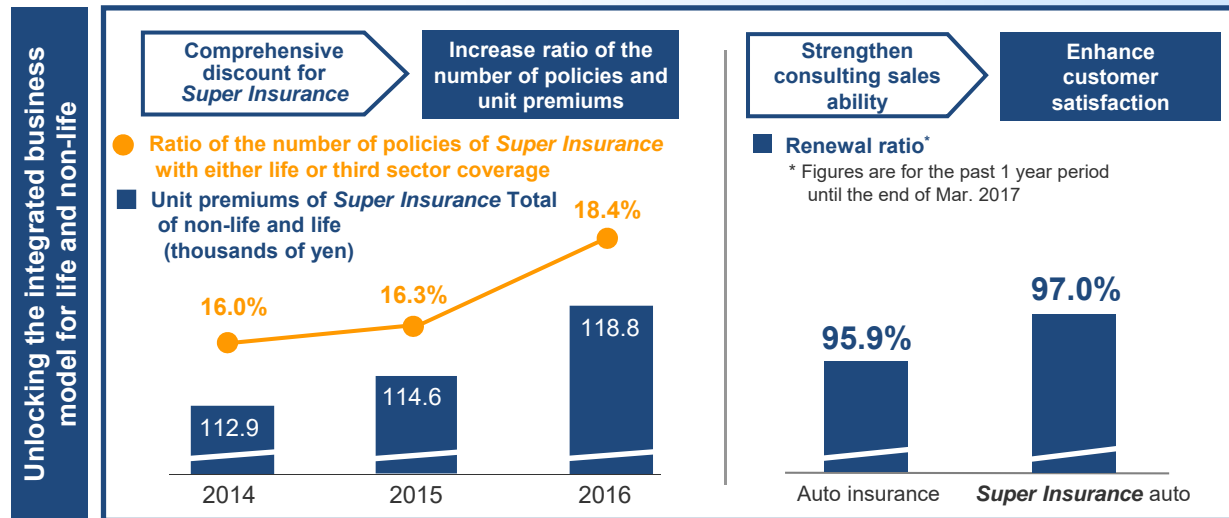
■ Combined Ratio (Private insurance: E/I basis*)

* Loss ratio (private insurance E/I basis) + expense ratio (private insurance W/P basis)



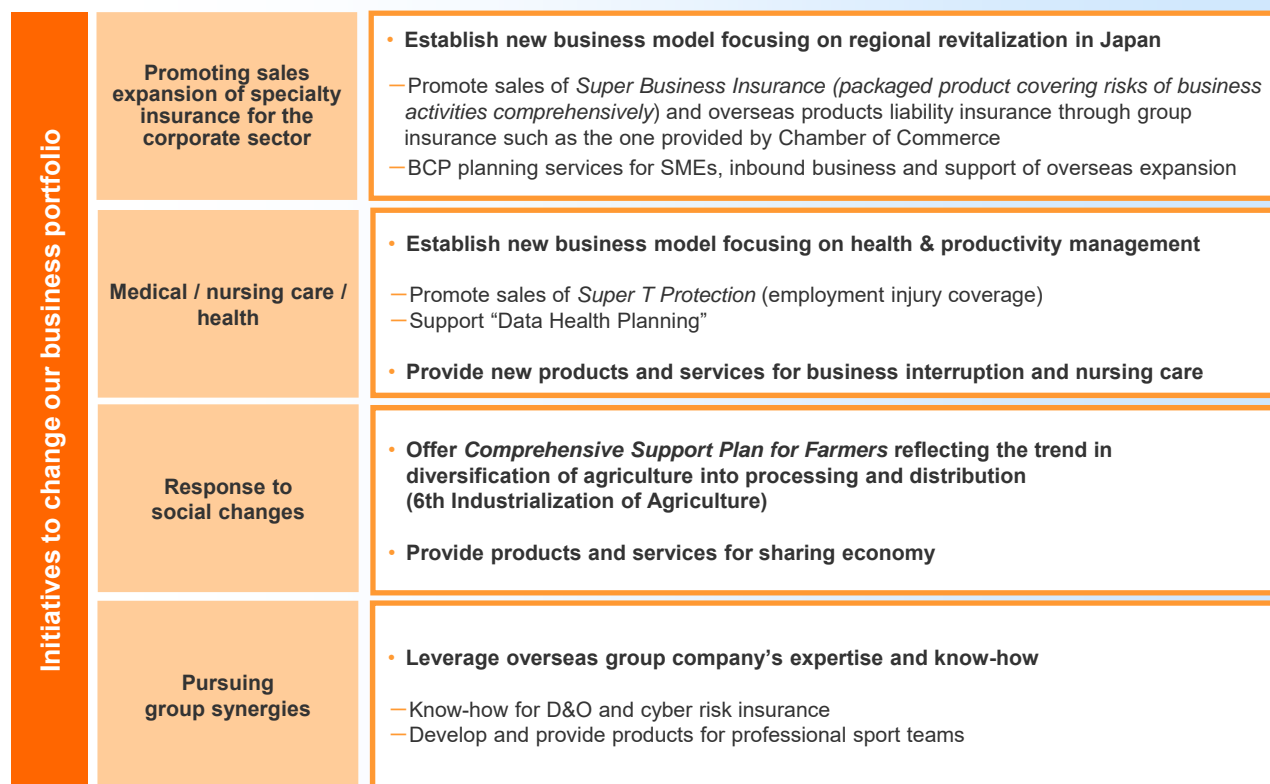
1-3. TMNF Measures to achieve sustainable growth (1)

Becoming “the best choice” for customers through unlocking the potential of the integrated business model for life and non-life with *Super Insurance* at the core, and innovating work style

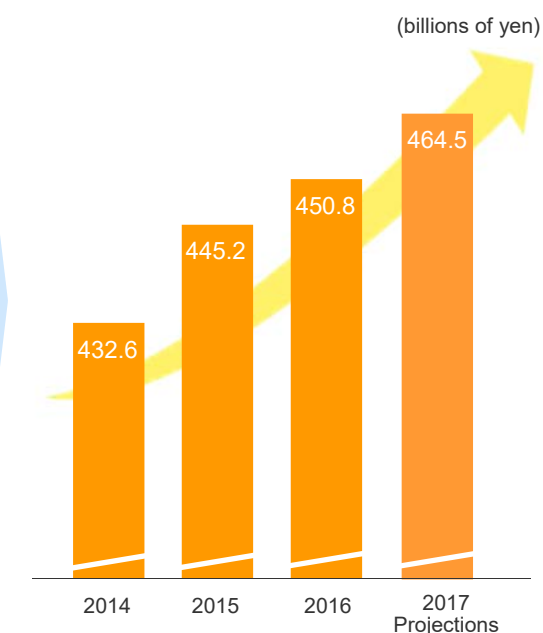


1-4. TMNF Measures to achieve sustainable growth (2)

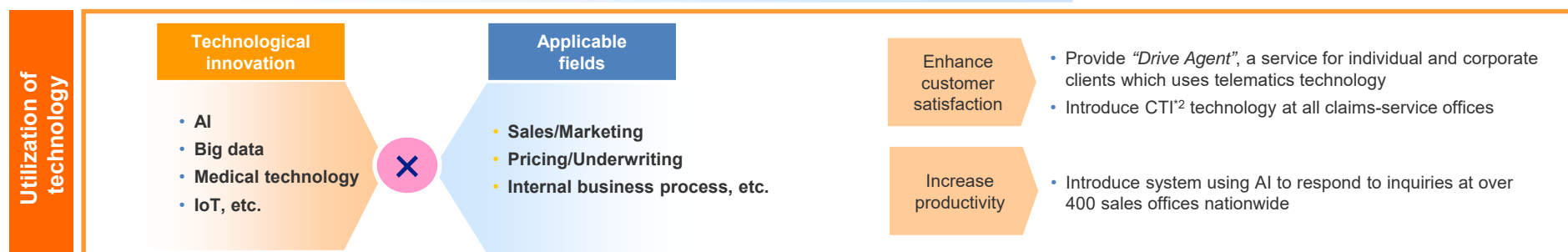
Further expanding specialty insurance for innovative changes in business portfolio, while utilizing new technologies in various categories through strengthening R&D



Net premiums written
Total of specialty insurance*1 and P.A.



*1: "Other" category excluding fire, marine, P.A, auto and CALI

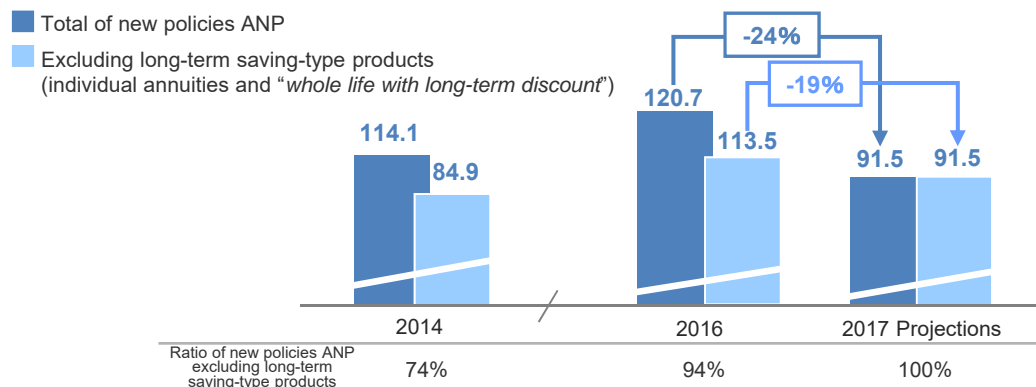


*2: Computer Telephony Integration = Functionally integrated system that enables computers to interact with telephones

2-1. TMNL FY2017 Projections

Aiming for growth maintaining financial soundness and profitability by promoting sales shift from saving-type products to protection-type products

■ New Policies Annualized Premiums (ANP) (billions of yen)

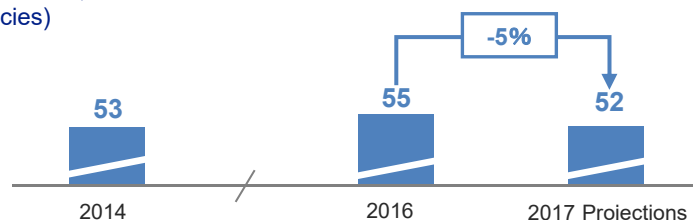


● New policies ANP

- Projected to decrease by 24% YoY in total reflecting sales increase in profitable living protection products*¹ despite the following factors of decrease
 - ✓ Sales suspension of long-term saving type products (individual annuity and *whole life with long-term discount*), etc.
 - ✓ Reversal effect of last minute demand in FY2016 before lowering of the standard interest rate
 - ✓ Decrease in policies due to product revision in Apr. (premiums hike) associated with the lowering of the standard interest rate

*1: Medical and cancer insurance, household income term insurance, and long-life support whole time insurance

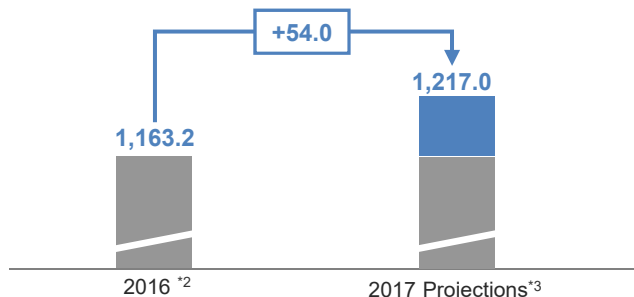
■ Individual Insurance, Number of New Policies (ten thousands of policies)



● Number of new policies for individual insurance

- Projected to decrease by 5% YoY due to the above sales suspension and the effect of product revisions, etc. despite projecting effect of sales promotion of living protection products

■ Business Unit Profits (increase in MCEV) (billions of yen)



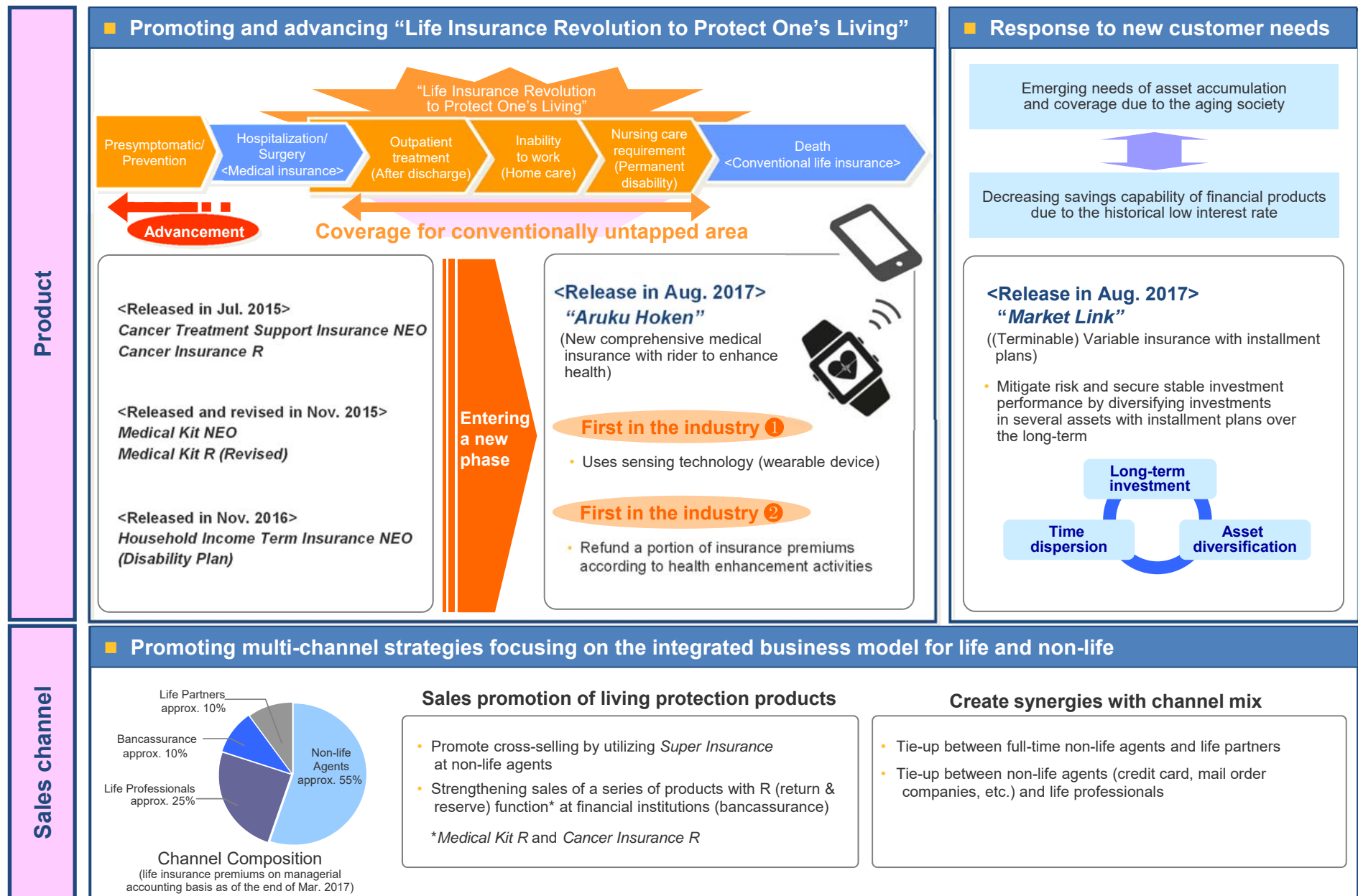
● Business unit profits

- Increase in MCEV is projected to be ¥54B
- Projecting profit growth due to promoting sales of profitable living protection products even under the low interest rate environment

*2: Figures are after payment of shareholders' dividends of the prior fiscal year

*3: Figures are before payment of shareholders' dividends of the prior fiscal year

2-2. TMNL Product Strategies and Channel Strategies

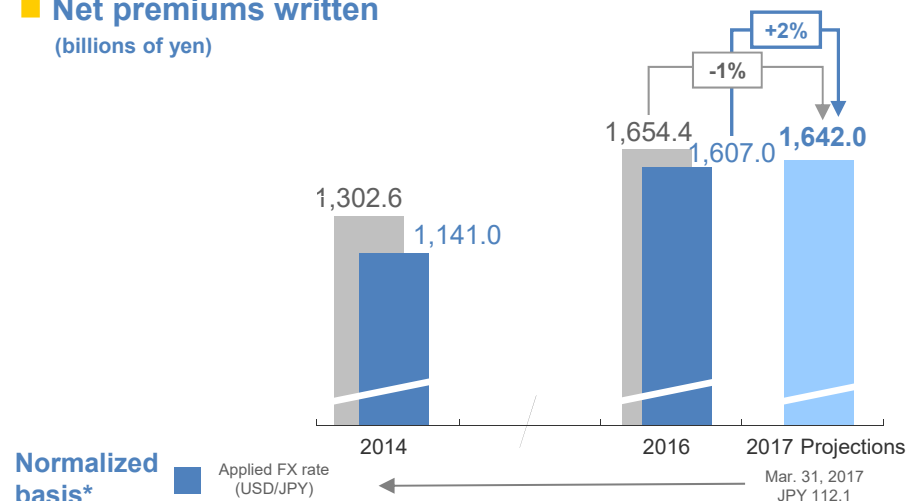


3-1. International Insurance FY2017 Projections

Pursue stable and sustainable profit growth despite slowdown in global market growth due to continuing soft market and low interest rate environment

■ Net premiums written

(billions of yen)



Results basis

Applied FX rate (USD/JPY)
Dec. 31, 2014 JPY 120.5

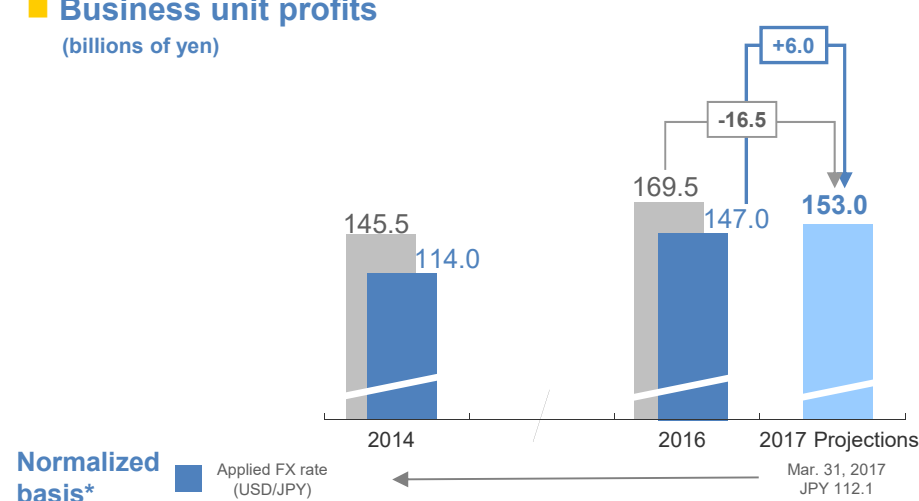
Dec. 31, 2016 JPY 116.4

Mar. 31, 2017 JPY 112.1

- On normalized basis, projected to increase by 2% YoY due to growth in North America, Europe, and Asia (projected to increase by 4% YoY in non-life primary basis)
- On results basis, projected to decrease by 1% YoY due to the appreciation of the yen

■ Business unit profits

(billions of yen)



Results basis

Applied FX rate (USD/JPY)
Dec. 31, 2014 JPY 120.5

Dec. 31, 2016 JPY 116.4

Mar. 31, 2017 JPY 112.1

- On normalized basis, projected to increase by ¥6.0B (+4%) YoY due to profit growth mainly in Asia, Europe, and Reinsurance
- On results basis, projected to decrease by ¥16.5B YoY due to assuming an average level of natural catastrophe losses, reversal effect of foreign exchange gains in FY2016, and the appreciation of the yen

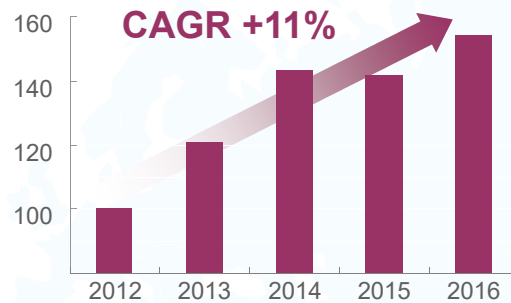
3-2. Promoting Growth and Risk Diversification

Build a well-balanced business portfolio that delivers growth potential and stable profit growth

Capturing market growth in emerging countries

Vast network in Asia, Middle East, and South & Central America

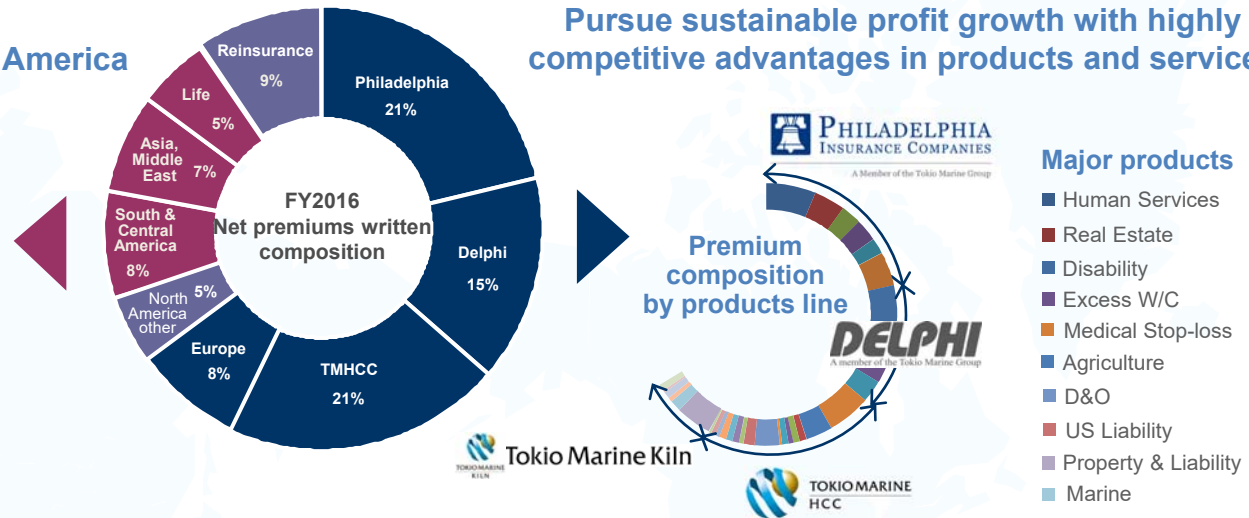
Growth of non-life and life in emerging countries*¹
(2012-2016, net premiums written CAGR)



*1: Trend of net premiums written on local currency basis.
2012 is set at index value of 100

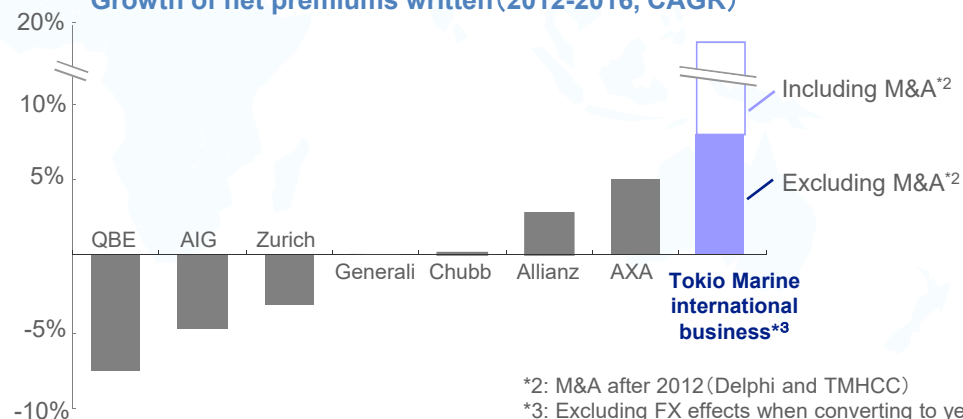
Specialty insurance franchise in developed countries

Pursue sustainable profit growth with highly competitive advantages in products and services

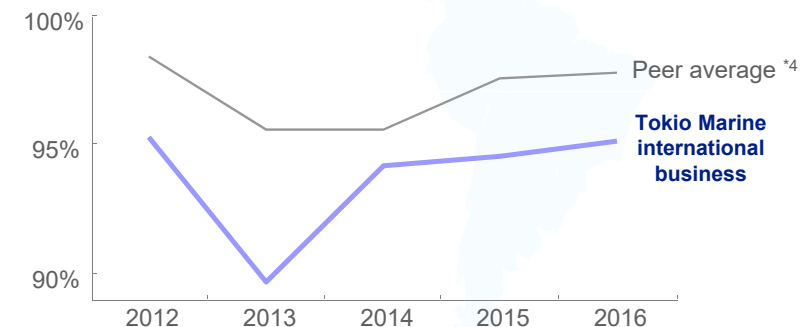


Establish a diversified portfolio by a wide range of specialty insurance products

Growth of net premiums written (2012-2016, CAGR)



Trend of Combined Ratio (2012-2016)



*4: Peer companies:
AIG, Allianz, AXA, Chubb, Generali, QBE, Zurich

3-3. International Insurance - North America (1)

Results basis
Normalized basis
(Comments are
normalized basis)

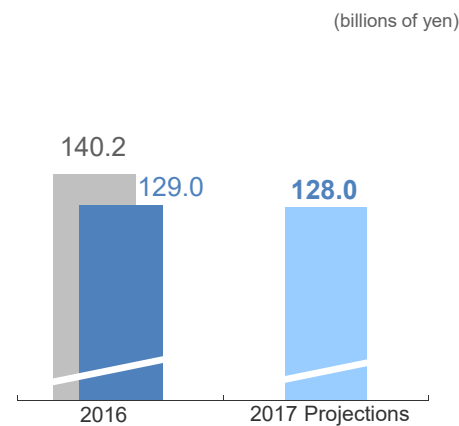
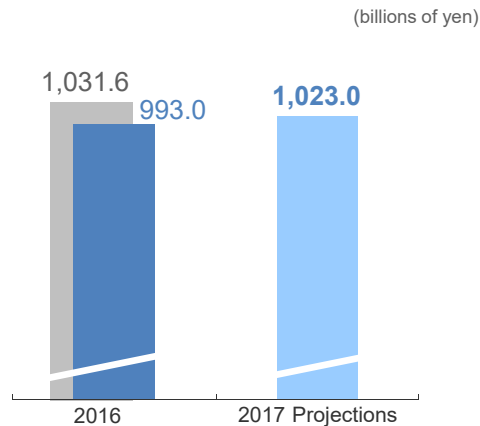
Net Premiums Written

Business Unit Profits

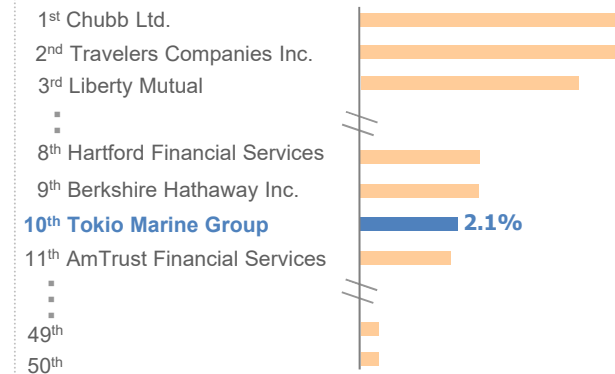
Market Comparison

North America

Aim for sustainable profit growth while pursuing synergy between group companies



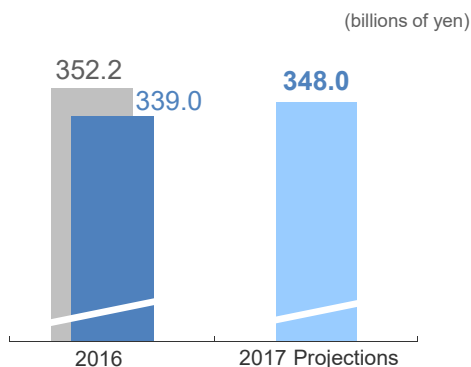
US Commercial P&C Market Share



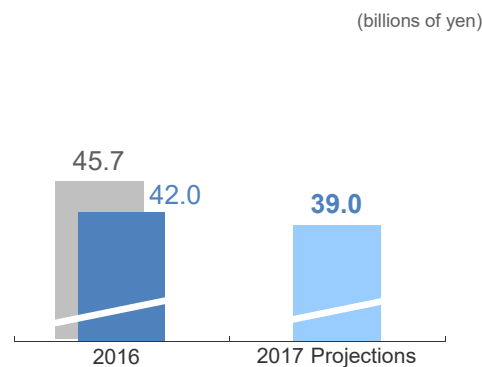
Source: SNL Financial



Maintain growth and profitability outperforming the market through underwriting discipline and action

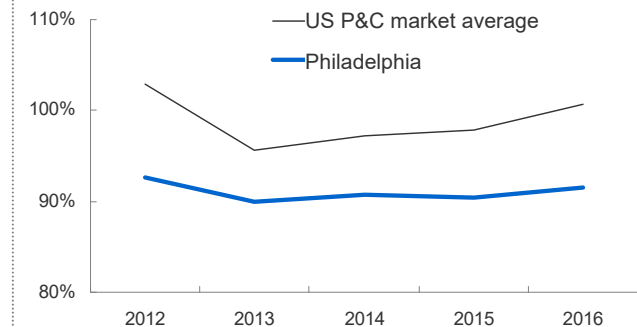


- Projected to increase by 3% YoY mainly due to rate increases in renewal book and an increase in new business book



- Projected to decrease due to the reversal effect of reserve takedown in FY2016. Excluding this, profit is in an upward trend

Combined Ratio



3-3. International Insurance - North America (2)

Results basis
Normalized basis
(Comments are
normalized basis)

Net Premiums Written

Business Unit Profits

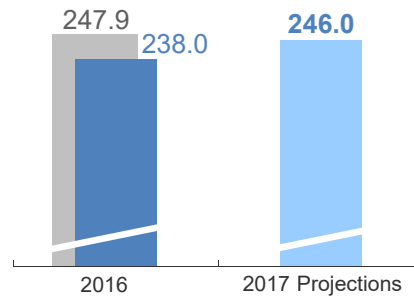
Combined Ratio



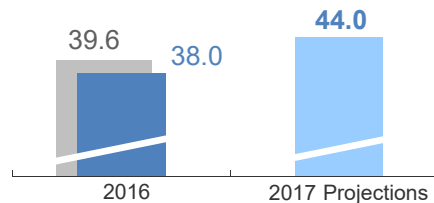
Maintain profit growth through profound investment expertise as well as strength in employee benefit products and services

(billions of yen)

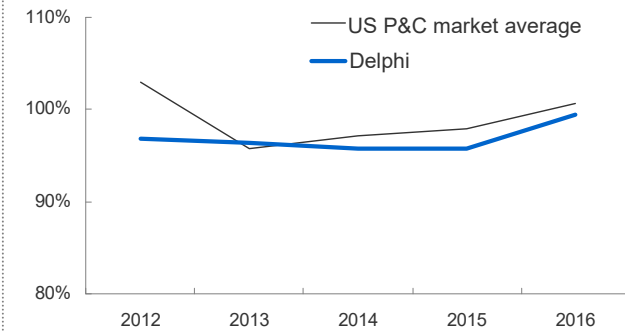
(billions of yen)



- Projected to increase by 3% YoY due to rate increases in both non-life and life business and increase in new business book



- Projected to increase due to an increase in investment income associated with an increase in AUM and improvement in underwriting profit

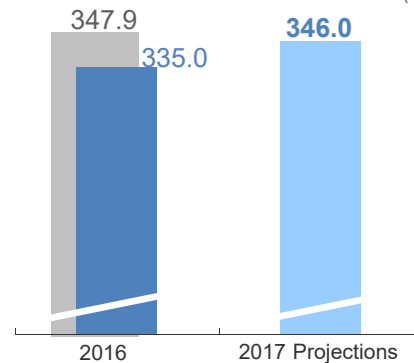


**TOKIOMARINE
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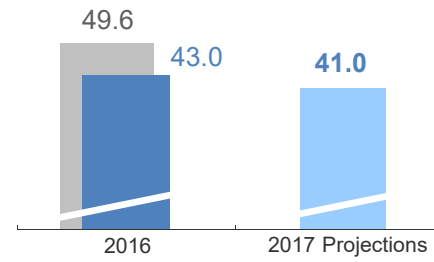
Maintain stable high profitability and pursue synergy on a global basis

(billions of yen)

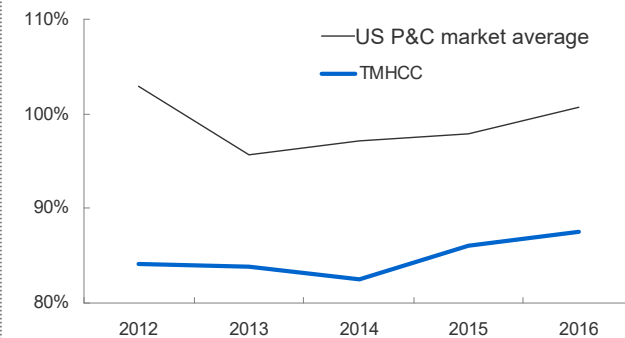
(billions of yen)



- Projected to increase by 3% YoY due to expansion of underwriting in specialty products, etc.



- Projected to decrease due to the reversal effect of reserve takedown in FY2016, etc. Excluding this, profit is in an upward trend



3-4. International Insurance - Europe / Reinsurance

Results basis
Normalized basis
(Comments are
normalized basis)

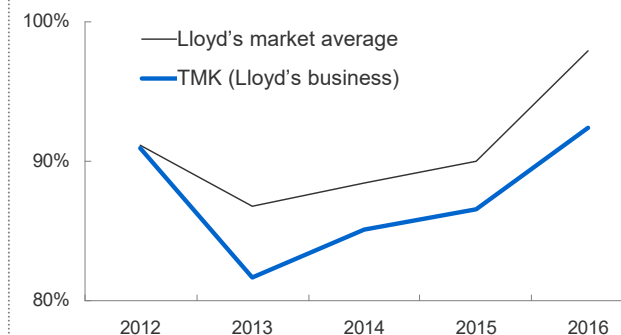
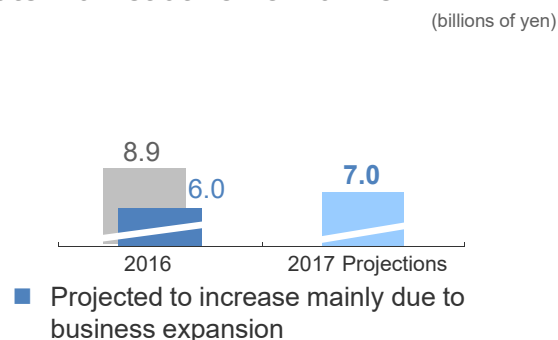
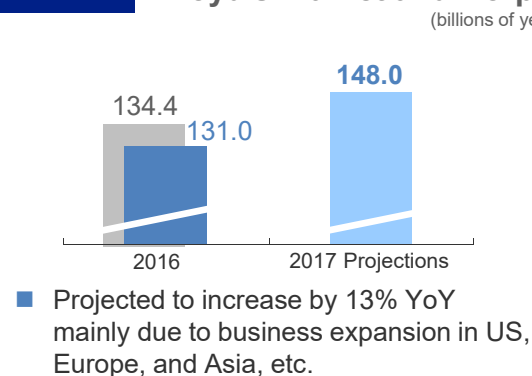
Net Premiums Written

Business Unit Profits

Combined Ratio

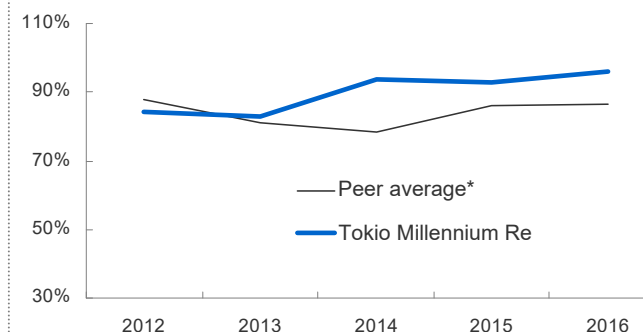
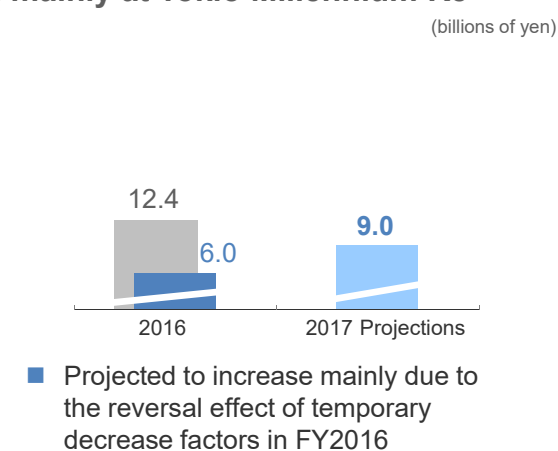
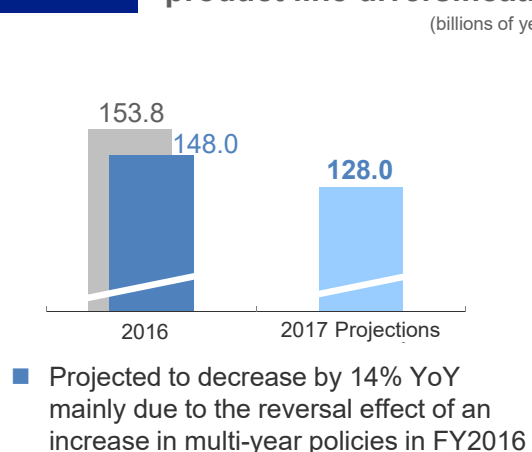
Europe

Even under the softening market, promote common growth strategies under the business platform of Lloyd's market and Corporate market at Tokio Marine Kiln



Reinsurance

Under the softening market, continue to maintain stable profit by promoting geographical and product line diversification mainly at Tokio Millennium Re



*Peer companies:
Renaissance Re, Validus, Ace (R/I only), Axis (R/I only), Markel, AWAC, Arch, Endurance, Aspen, Everest Re, Partner Re

3-5. International Insurance - Emerging Countries

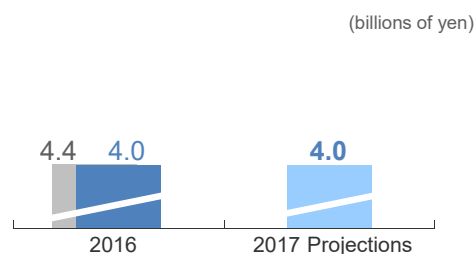
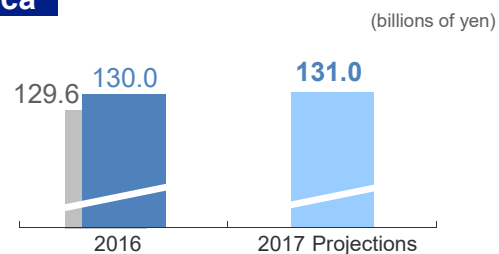
Results basis
Normalized basis
(Comments are
normalized basis)

Net Premiums Written

Business Unit Profits

South & Central America

Continue profit growth by providing products and services which meet the needs of customers through high quality operation

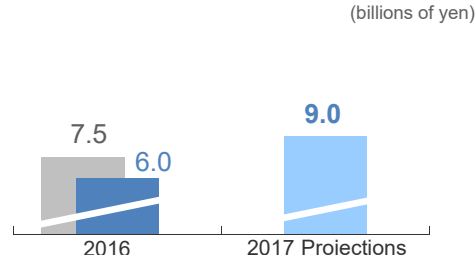
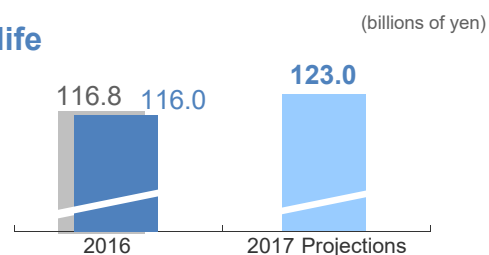


- Promote measures to improve profitability even under the economic slowdown in Brazil

Asia & Middle East

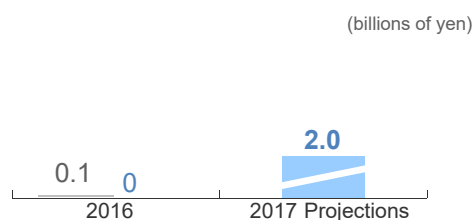
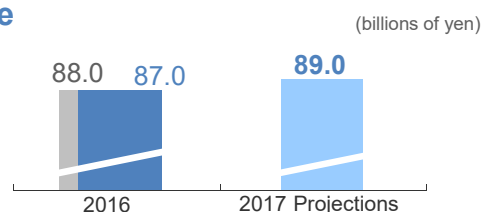
Achieve growth in the retail market by expanding distribution channels and creating a business model with group synergy at the core

Non-life



- Net premiums written is projected to increase by 6% YoY due to auto insurance, etc. sales growth mainly in India, Malaysia, and Thailand
- Business unit profits is projected to increase due to the reversal effect of large losses in FY2016 and business expansion, etc.

Life



- Net premiums written is projected to increase by 2% YoY mainly due to sales growth mainly in Thailand, India and Indonesia
- Business unit profits is projected to increase mainly due to the reversal effect of interest rate fluctuation in FY2016

3-6. International Insurance FY2017 Projection by regions

Net Premiums Written (billions of yen)	FY2016	FY2017 Projections	YoY		Excluding effects*3		Applied FX rate	FY2016 As of end- Dec. 2016	FY2017 Projections As of end- Mar. 2017	YoY Change
			Change	%	Change	%				
North America	1,031.6	1,023.0	-8.6	-1%	30.0	3%	(USD / JPY)	¥116.4	¥112.1	-4%
Philadelphia	352.2	348.0	-4.2	-1%	9.0	3%	(GBP / JPY)	¥143.0	¥140.0	-2%
Delphi	247.9	246.0	-1.9	-1%	8.0	3%	(Brazilian Real / JPY)	¥35.7	¥35.9	0%
TMHCC	347.9	346.0	-1.9	-1%	11.0	3%	(Malaysian Ringgit / JPY)	¥25.9	¥25.3	-2%
Europe	134.4	148.0	13.5	10%	17.0	12%				
South & Central America	129.6	131.0	1.3	1%	1.0	1%				
Asia & Middle East	116.8	123.0	6.1	5%	7.0	6%				
Total Primary Non-Life*1	1,412.6	1,425.0	12.3	1%	54.0	4%				
Reinsurnace	153.8	128.0	-25.8	-17%	-20.0	-14%				
Total Non-Life*1	1,566.4	1,553.0	-13.4	-1%	33.0	2%				
Life	88.0	89.0	0.9	1%	2.0	2%				
Total	1,654.4	1,642.0	-12.4	-1%	35.0	2%				

Business Units Profits (billions of yen)	FY2016	FY2017 Projections	YoY		Excluding effects*3		C/R	FY2016	FY2017 Projections
			Change	%	Change	%			
North America	140.2	128.0	-12.2	-9%	-1.0	-1%	North America	93%	94%
Philadelphia	45.7	39.0	-6.7	-15%	-3.0	-7%	Philadelphia	92%	95%
Delphi	39.6	44.0	4.3	11%	6.0	16%	Delphi	100%	98%
TMHCC	49.6	41.0	-8.6	-17%	-2.0	-5%	TMHCC	88%	89%
Europe	8.9	7.0	-1.9	-22%	1.0	17%	Europe	99%	96%
South & Central America	4.4	4.0	-0.4	-11%	-	-	South & Central America	102%	102%
Asia & Middle East	7.5	9.0	1.4	20%	3.0	50%	Asia & Middle East	99%	95%
Total Primary Non-Life*1	160.7	148.0	-12.7	-8%	3.0	2%	Total Primary Non-Life*1	95%	95%
Reinsurnace	12.4	9.0	-3.4	-28%	3.0	50%	Reinsurnace	96%	97%
Total Non-Life*1	173.2	157.0	-16.2	-9%	6.0	4%	Total Non-Life*1	95%	96%
Life	0.1	2.0	1.8	1720%	2.0	-	Life	-	-
Total*2	169.5	153.0	-16.5	-10%	6.0	4%	Total	95%	96%

*1: Total Primary Non-Life and Total Non-Life figures include some life insurance figures of composite overseas subsidiaries

*2: After adjustment of head office expenses

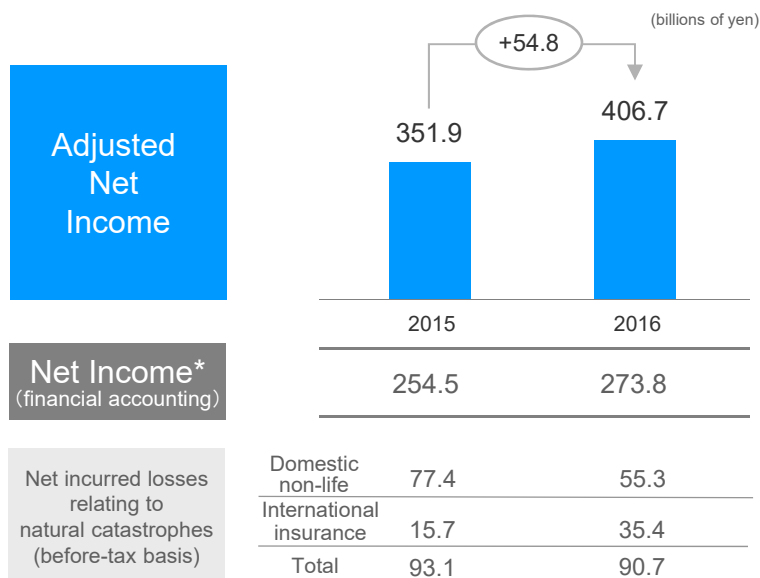
*3: In Net Premiums Written, excluding FX effects due to yen conversion and in Business Units Profits, excluding FX effects (when converting to yen and FX gains/losses at major overseas subsidiaries). Nat-cat losses are normalized to an average annual level

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a	<ul style="list-style-type: none"> • Summary of FY2016 Results • Tokio Marine Holdings Key Statistics • Return to Shareholders • FY2016 Results Overview • FY2017 Projections Overview
b	<ul style="list-style-type: none"> • Adjusted Net Income and Business Unit Profits • Definition of Adjusted Net Income, Adjusted Net Assets, Adjusted ROE, and Business Unit Profits • Reconciliation of Adjusted Net Income and Adjusted Net Assets • Reconciliation of Business Unit Profits
c	<ul style="list-style-type: none"> • Long-term Vision and Mid-Term Business Plan “To Be a Good Company 2017” • Initiatives for “Sustainable Profit Growth” • Framework of the Mid-Term Business Plan and Group Management • Further Integration and Alignment in Group Decision Making • Basic Information (Domestic Non-Life) • Basic Information (Domestic Life) • Basic Information (International Insurance)
d	<ul style="list-style-type: none"> • Asset Portfolio • Impact of FX rate change on the Group’s Financial Results

Summary of FY2016 Results

Adjusted Net Income (Group Total)



Adjusted net income increased by ¥54.8B YoY mainly due to:

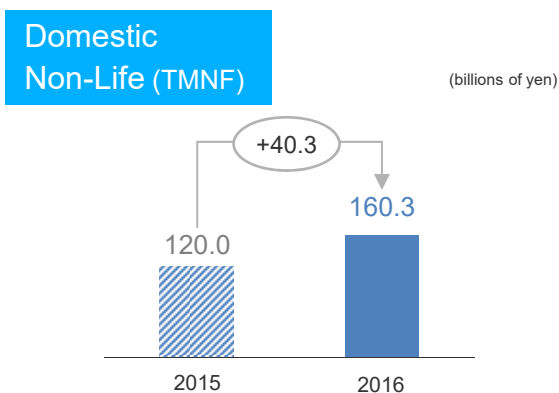
- Profit contribution of TMHCC
- Increase in net premiums earned and decrease in natural catastrophe losses in domestic non-life
- Decrease in domestic life

Net income (on financial accounting basis) increased by ¥19.3B YoY mainly due to the above factors and:

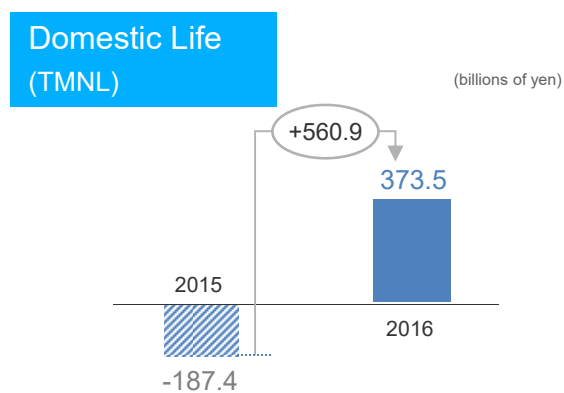
- Decrease in net provision for catastrophe loss reserves in domestic non-life
- Amortization of goodwill associated with TMHCC which started from FY2016

* Net income attributable to owners of the parent

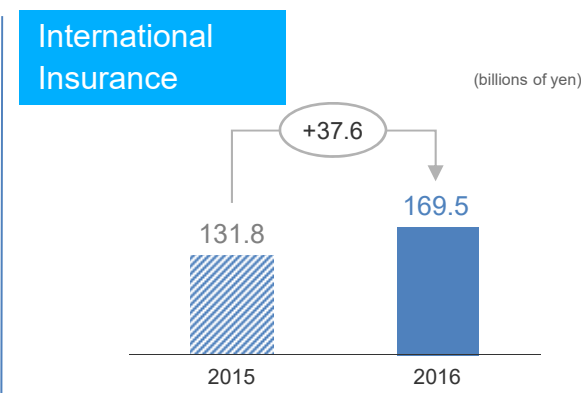
Business Unit Profits



Increased due to a decrease in natural catastrophe losses, etc.



Increase in MCEV increased YoY mainly due to the impact of changes in economic environment (rise in interest rates) and the changes in definitions in MCEV measurement method



Increased due to profit contribution of TMHCC and the progress of growth measures, etc.

Tokio Marine Holdings Key Statistics



		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Financial accounting basis	Net income (billions of yen) *1	108.7	23.1	128.4	71.9	6.0	129.5	184.1	247.4	254.5	273.8
	Shareholders' equity after tax (billions of yen)	2,563.5	1,627.8	2,169.0	1,886.5	1,839.6	2,340.7	2,712.7	3,578.7	3,484.7	3,542.1
	EPS (yen)	133	29	163	92	7	168	239	323	337	363
	BPS (yen)	3,195	2,067	2,754	2,460	2,399	3,052	3,536	4,742	4,617	4,722
	ROE	3.6%	1.1%	6.8%	3.5%	0.3%	6.2%	7.3%	7.9%	7.2%	7.8%
	PBR	1.15	1.16	0.96	0.90	0.95	0.87	0.88	0.96	0.82	0.99
KPI	Adjusted net income (billions of yen)	-	-	-	-	30.7	163.1	243.7	323.3	351.9	406.7
	Adjusted net assets (billions of yen)	-	-	-	-	2,301.6	2,746.5	3,172.5	4,103.4	3,599.3	3,812.4
	Adjusted EPS (yen)	-	-	-	-	40	212	317	423	466	539
	Adjusted BPS (yen)	-	-	-	-	3,001	3,580	4,135	5,437	4,769	5,082
	Adjusted ROE	-	-	-	-	1.3%	6.5%	8.2%	8.9%	9.1%	11.0%
	Adjusted PBR	-	-	-	-	0.76	0.74	0.75	0.83	0.80	0.92
Business Unit Profits ^{*2} (billions of yen)	Domestic non-life insurance business	99.4	5.1	46.2	20.4	-26.1	48.3	34.0	122.5	126.0	167.6
	Domestic life insurance business	15.1	-57.2	52.0	27.5	15.9	110.3	104.5	139.8	-188.1	373.5
	International insurance business	29.7	20.8	76.5	24.8	-11.9	69.2	136.9	145.5	131.8	169.5
	Financial and general businesses	-1.0	-21.1	-9.4	-0.7	2.6	-18.7	2.5	4.0	7.3	6.6
Sales of business-related equity holdings (billions of yen)		60	50	95	187	206	115	109	112	122	117
		2008/3E	2009/3E	2010/3E	2011/3E	2012/3E	2013/3E	2014/3E	2015/3E	2016/3E	2017/3E
Adjusted number of issued and outstanding shares (thousands of shares) *3		802,231	787,562	787,605	766,820	766,928	767,034	767,218	754,599	754,685	750,112
Market capitalization (billions of yen)		2,960.6	1,926.8	2,118.3	1,789.3	1,827.1	2,039.2	2,383.9	3,438.0	2,878.6	3,536.2
Share price (yen)		3,680	2,395	2,633	2,224	2,271	2,650	3,098	4,538.5	3,800	4,696
	Percentage change	- 15.6%	- 34.9%	9.9%	- 15.5%	2.1%	16.7%	16.9%	46.5%	- 16.3%	23.6%
	(Reference) TOPIX	1,212.96	773.66	978.81	869.38	854.35	1,034.71	1,202.89	1,543.11	1,347.20	1,512.60
	Percentage change	- 29.2%	- 36.2%	26.5%	- 11.2%	- 1.7%	21.1%	16.3%	28.3%	- 12.7%	12.3%

*1: From FY2015: The figure is "Net income attributable to owners of the parent"

*2: Until FY2014: The figures are "Adjusted earnings" (Former KPI), domestic life insurance business is presented on an TEV (Traditional Embedded Value) basis

*3: All figures exclude the number of treasury shares held from the total number of the shares issued

Return to Shareholders

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Projections
Dividends per share	48yen	48yen	50yen	50yen	50yen	55yen	70yen	95yen	110yen	140yen(plan)	160yen
Dividends total	38.7bn yen	38.0bn yen	39.4bn yen	38.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	72.2bn yen	83.0bn yen	105.3bn yen	119.1bn yen

Share repurchases ^{*1}	90.0bn yen	50.0bn yen	-	50.0bn yen	-	-	-	50.0bn yen	-	25.0bn yen	TBD ^{*2}
Total distributions to shareholders	128.7bn yen	88.0bn yen	39.4bn yen	88.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	122.2bn yen	83.0bn yen	130.3bn yen	TBD

Adjusted net income		30.7bn yen	163.1bn yen	243.7bn yen	323.3bn yen	351.9bn yen	406.7bn yen	382.0bn yen
Average adjusted net income	Adjusted net income was adopted as a new KPI in FY2015. (Figures from FY2011 to FY2014 were calculated as a reference)					220.0bn yen	295.0bn yen	340.0bn yen
Payout ratio ^{*3}						38%	36%	35%

<Reference1 : Financial accounting basis>

Net income (Consolidated)	108.7bn yen	23.1bn yen	128.4bn yen	71.9bn yen	6.0bn yen	129.5bn yen	184.1bn yen	247.4bn yen	254.5bn yen	273.8bn yen	280.0bn yen
Payout ratio	36%	165%	31%	54%	639%	33%	29%	29%	33%	39%	43%

<Reference2 : Former KPI>

Adjusted earnings	143.2bn yen	- 52.5bn yen	165.4bn yen	72.0bn yen	- 19.5bn yen	209.1bn yen	278.1bn yen	412.0bn yen
Adjusted earnings (excluding EV)	128.1bn yen	4.7bn yen	113.4bn yen	44.5bn yen	- 35.4bn yen	98.8bn yen	173.6bn yen	272.2bn yen
Average adjusted earnings (excluding EV) ^{*4}	100.0bn yen	80.0bn yen	85.0bn yen	80.0bn yen	80.0bn yen	85.0bn yen	110.0bn yen	155.0bn yen
Payout ratio ^{*3}	39%	48%	46%	48%	48%	50%	49%	47%

*1: On a repurchase year basis

*2: FY2017 1H Up to ¥25B (scheduled)

*3: Until FY2014: payout ratio to average adjusted earnings (excluding EV)

From FY2015: payout ratio to average adjusted net income

*4: Excludes effects from the Great East Japan Earthquake and Thai Flood

FY2016 Results Overview (Consolidated)

	FY2015	FY2016	(billions of yen, except for %)	
			YoY	
			Change	%
■ Ordinary income (TMHD Consolidated)	4,579.0	5,232.6	653.5	+ 14.3%
Net premiums written (TMHD Consolidated)	3,265.5	3,480.4	214.8	+ 6.6%
Life insurance premiums (TMHD Consolidated)	471.6	904.4	432.7	+ 91.7%
■ Ordinary profit (TMHD Consolidated)	385.8	387.6	1.8	+ 0.5%
Tokio Marine & Nichido	377.2	312.4	- 64.8	- 17.2%
Nisshin Fire	9.7	9.0	- 0.6	- 7.2%
Tokio Marine & Nichido Life	29.0	13.2	- 15.7	- 54.3%
Overseas subsidiaries	145.7	174.1	28.4	+ 19.5%
Financial and general	5.7	6.2	0.5	+ 9.4%
Others (Consolidation adjustments, etc.)	- 181.5	- 127.4	54.1	
■ Net income attributable to owners of the parent	254.5	273.8	19.3	+ 7.6%
Tokio Marine & Nichido	301.6	248.6	- 52.9	- 17.6%
Nisshin Fire	6.1	6.5	0.4	+ 7.0%
Tokio Marine & Nichido Life	14.7	8.7	- 5.9	- 40.4%
Overseas subsidiaries	111.5	135.6	24.0	+ 21.6%
Financial and general	3.4	4.0	0.5	+ 16.7%
Others (Consolidation adjustments, etc.)	- 183.0	- 129.8	53.1	
■ [KPI for the Group Total] Adjusted net income	351.9	406.7	54.8	+ 15.6%

● Net Premiums Written

- Increased due to TMHCC consolidation, etc. despite a decrease in fire at TMNF

● Life Insurance Premiums

- Increased due to an increase in in-force policies and a decrease in surrender of variable annuities in domestic life business as well as TMHCC consolidation, etc.

● Ordinary Profit

● Domestic Non-Life

Decreased mainly due to the following factors at TMNF:

- Increase in underwriting profit mainly due to (i) increase in net premiums earned, (ii) decrease in net incurred losses relating to natural catastrophes and (iii) decrease in net provision for catastrophe loss reserves
- Decrease in net investment income and other due to the reversal effect of an increase in dividends income from overseas and domestic subsidiaries in FY2015

● Domestic Life

Decreased due to (i) an increase in business expenses and (ii) the reversal effect of take down of contingency reserves in FY2015 relating to variable annuities

● Overseas Subsidiaries

Increased mainly due to profit contribution from TMHCC consolidation

● Net Income attributable to owners of the parent

- Increased due to an increase in underwriting profit in domestic non-life business, etc.

● Adjusted Net Income

- Adjusted net income, which excludes the effect of provision for catastrophe loss reserves and amortization of goodwill, etc., increased by ¥54.8B YoY to ¥406.7B

FY2016 Results Overview (Business Unit Profits)

(billions of yen)

Business Domain	FY2015 Results	FY2016 Results	YoY Change
Domestic Non-Life	126.0	167.6	41.6
TMNF	120.0	160.3	40.3
NF	8.8	10.6	1.8
Other	-2.7	-3.3	-0.6
Domestic Life^{*1}	-188.1	373.5	561.6
TMNL	-187.4	373.5	560.9
International Insurance	131.8	169.5	37.6
North America	95.6	140.2	44.6
Europe	8.0	8.9	0.9
South & Central America	5.3	4.4	-0.8
Asia & Middle East	14.8	7.5	-7.3
Reinsurance	10.6	12.4	1.8
International Non-Life ^{*2}	134.3	173.2	38.9
International Life	0.6	0.1	-0.4
Financial & General	7.3	6.6	-0.7

*1: Excluding capital transactions

*2: International Non-Life figures include some life insurance figures of composite overseas subsidiaries

Domestic Non-Life

Increased by ¥41.6B YoY to ¥167.6B mainly due to the factors below at TMNF:

- Increase in net premiums earned
- Decrease in net incurred losses relating to natural catastrophes
- Reversal effect of an increase in net incurred losses due to large losses in FY2015
- Increase in provision for foreign currency denominated outstanding claims reserves

Domestic Life

Increased by ¥561.6B YoY to ¥373.5B mainly due to the factors below at TMNL:

- Impact of changes in economic environment (rise in interest rates)
- Changes in definitions in the measurement method of MCEV

International Insurance

Increased by ¥37.6B YoY to ¥169.5B due to contribution from TMHCC and the progress of growth measures in each business segment, etc.

FY2017 Projections Overview (Consolidated)

(billions of yen, except for %)				
	FY2016 Results	FY2017 Projections	YoY	
			Change	%
■ Ordinary income (TMHD Consolidated)	5,232.6			
Net premiums written (TMHD Consolidated)	3,480.4	3,490.0	9.5	+ 0.3%
Life insurance premiums (TMHD Consolidated)	904.4	890.0	- 14.4	- 1.6%
■ Ordinary profit (TMHD Consolidated)	387.6	405.0	17.3	+ 4.5%
Tokio Marine & Nichido	312.4	339.0	26.5	+ 8.5%
Nisshin Fire	9.0	6.5	- 2.5	- 27.9%
Tokio Marine & Nichido Life	13.2	34.5	21.2	+ 160.4%
Overseas subsidiaries	174.1	170.0	- 4.1	- 2.4%
Financial and general	6.2	5.7	- 0.5	- 8.9%
Others (Consolidation adjustments, etc.)	- 127.4	- 150.7	- 23.2	
■ Net income attributable to owners of the parent	273.8	280.0	6.1	+ 2.2%
Tokio Marine & Nichido	248.6	270.0	21.3	+ 8.6%
Nisshin Fire	6.5	4.5	- 2.0	- 31.6%
Tokio Marine & Nichido Life	8.7	23.9	15.1	+ 171.7%
Overseas subsidiaries	135.6	127.0	- 8.6	- 6.4%
Financial and general	4.0	3.8	- 0.2	- 6.8%
Others (Consolidation adjustments, etc.)	- 129.8	- 149.2	- 19.3	
[KPI for the Group Total]				
■ Adjusted net income	406.7	382.0	-24.7	- 6.1%

● Net Premiums Written

- Increase in domestic non-life business due to business expansion despite the impact of the appreciation of the yen at overseas subsidiaries

● Life Insurance Premiums

- Decrease due to the appreciation of the yen at overseas subsidiaries, etc. despite an increase in in-force policies in domestic life business

● Ordinary Profit

• Domestic Non-Life

Increase mainly due to the following factors at TMNF:

- ▶ Increase in underwriting profit due to (i) a decrease in net incurred losses relating to natural catastrophes and (ii) an increase in amount taken down from catastrophe loss reserves associated with an increase in W/P loss ratio in auto
- ▶ Increase in net investment income and other due to an increase in dividends from subsidiaries

• Domestic Life

Increase due to (i) the product revisions owing to the standard interest rate revision and (ii) a decrease in provision for underwriting reserves owing to suspension of sales of long-term saving-type products in FY2016

• Overseas Subsidiaries

Although projected to decrease due to the appreciation of the yen, assuming an average level of net incurred losses relating to natural catastrophes, and the reversal effect of foreign exchange gains in FY2016, etc., excluding these factors, profit is projected to increase

● Net Income attributable to owners of the parent

- Increase due to a decrease in net provision for underwriting reserves in domestic life business and a decrease in amortization of goodwill, etc. despite the impact of FX effects at overseas subsidiaries

● Adjusted Net Income

- Decrease due to (i) a decrease in gains on sales of business-related equities and dividends income in domestic non-life business and (ii) the impact of FX effects at overseas subsidiaries, etc.

FY2017 Projections Overview (Business Unit Profits)

(billions of yen)

Business Domain	FY2016 Results	FY2017 Projections	YoY Change
Domestic Non-Life	167.6	160.0	-7.6
TMNF	160.3	153.0	-7.3
NF	10.6	8.0	-2.6
Other	-3.3	-1.0	2.3
Domestic Life^{*1}	373.5	53.0	-320.5
TMNL	373.5	54.0	-319.5
International Insurance	169.5	153.0	-16.5
North America	140.2	128.0	-12.2
Europe	8.9	7.0	-1.9
South & Central America	4.4	4.0	-0.4
Asia & Middle East	7.5	9.0	1.4
Reinsurance	12.4	9.0	-3.4
International Non-Life ^{*2}	173.2	157.0	-16.2
International Life	0.1	2.0	1.8
Financial & General	6.6	5.0	-1.6

*1: Excluding capital transactions

*2: International Non-Life figures include some life insurance figures of composite overseas subsidiaries

Domestic Non-Life

Projected to decrease by ¥7.6B YoY to ¥160.0B mainly due to the factors below at TMNF:

- ➡ Decrease in net incurred losses relating to natural catastrophes
- ➡ Decrease in interests and dividends other than dividends from subsidiaries
- ➡ Reversal effect of large losses which were relatively low in FY2016

Domestic Life

Projected to decrease by ¥320.5B YoY to ¥53.0B mainly due to the factors below at TMNL:

- ➡ Reversal effect of changes in definitions in the measurement method of MCEV in FY2016
- ➡ Reversal effect of changes in economic environment (rise in interest rates) in FY2016

International Insurance

Projected to decrease by ¥16.5B YoY to ¥153.0B as shown on p.21

Adjusted Net Income and Business Unit Profit

Adjusted Net Income (Group total)

Enhancing transparency and comparability / Linking with shareholder returns

- For the Group total, “**Adjusted Net Income**” based on financial accounting is used from the perspective of enhancing transparency and comparability as well as linking with shareholder returns
- Profit indicator for the Group total as the base for calculating capital efficiency (adjusted ROE) and source of dividends

Business Unit Profits

Creating long-term corporate value

- For each business domain, “**Business Unit Profits**” is used from the perspective of accurately assessing corporate value including economic value, etc. for the purpose of long-term expansion
- Use MCEV (market-consistent embedded value) for domestic life, which reflects the economic value of the business more accurately

<Main differences>

		Adjusted Net Income	Business Unit Profits
Domestic non-life	Gains or losses on sales of business-related equities	Included	Excluded
	Provision for reserves of capital nature, etc.	Excluded	Excluded
Domestic life		Adjust the financial accounting basis net income	Increase in MCEV during the current fiscal year
Other than the above	Amortization of goodwill and other intangible fixed assets	Excluded	Excluded

(Note) Please refer to P.38 for details regarding the definition

Definition of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

Adjusted Net Income*1

$$\begin{aligned}
 \text{Adjusted Net Income} = & \text{Net income (consolidated)}^{*2} + \text{Provision for catastrophe loss reserves}^{*3} + \text{Provision for contingency reserves}^{*3} + \text{Provision for price fluctuation reserves}^{*3} \\
 & - \text{Gains or losses on sales or valuation of ALM}^{*4} \text{ bonds and interest rate swaps} \\
 & - \text{Gains or losses on sales or valuation of fixed assets and business investment equities} + \text{Amortization of goodwill and other intangible fixed assets} - \text{Other extraordinary gains/losses, valuation allowances, etc.}
 \end{aligned}$$

Adjusted Net Assets*1

$$\begin{aligned}
 \text{Adjusted Net Assets} = & \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} \\
 & - \text{Goodwill and other intangible fixed assets}
 \end{aligned}$$

Adjusted ROE

$$\text{Adjusted ROE} = \frac{\text{Adjusted Net Income}}{\text{Adjusted Net Assets}^{*5}}$$

*1: Each adjustment is on an after-tax basis

*2: Net income attributable to owners of the parent

*3: In case of reversal, it is subtracted from the equation

*4: ALM: Asset Liability Management. Excluded since it is counter balance of ALM related liabilities

*5: Average balance basis

Definition of Business Unit Profits

Non-life insurance business

$$\begin{aligned}
 \text{Business Unit Profits}^{*1} = & \text{Net income} + \text{Provision for catastrophe loss reserves}^{*2} + \text{Provision for price fluctuation reserves}^{*2} \\
 & - \text{Gains or losses on sales or valuation of ALM}^{*3} \text{ bonds and interest rate swaps} \\
 & - \text{Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities} - \text{Other extraordinary gains/losses, valuation allowances, etc.}
 \end{aligned}$$

Life insurance business*4

$$\begin{aligned}
 \text{Business Unit Profits}^{*1} = & \text{Increase in EV}^{*5} \text{ during the current fiscal year} + \text{Capital transactions such as capital increase}
 \end{aligned}$$

*1: Each adjustment is on an after-tax basis

*2: In case of reversal, it is subtracted from the equation

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

*4: For some of the life insurance companies, Business Unit Profits is calculated by using the definition in Other businesses (head office expenses, etc. are deducted from profits)

*5: EV: Embedded Value. An index that shows the sum of the net present value of profits to be gained from policies in-force and the net asset value

Other businesses

Net income determined in accordance with financial accounting principles

Reconciliation of Adjusted Net Income / Adjusted Net Assets



(billions of yen)

Adjusted Net Income^{*1}

	FY2016 Results	FY2017 Projections	YoY Change
Net income attributable to owners of the parent (consolidated)	273.8	280.0	6.1
Provision for catastrophe loss reserves ^{*2}	+35.1	+27.0	-8.1
Provision for contingency reserves ^{*2}	+1.7	+1.0	-0.7
Provision for price fluctuation reserves ^{*2}	+3.9	+4.0	0.1
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	+0.6	+0.0	-0.6
Gains or losses on sales or valuation of fixed assets and business investment equities	-3.5	+0.0	3.5
Amortization of goodwill and other intangible fixed assets	+96.9	+70.0	-26.9
Other extraordinary gains/losses, valuation allowances, etc.	-1.9	+0.0	1.9
Adjusted Net Income	406.7	382.0	-24.7

*1: Each adjustment is on an after-tax basis

*2: In case of reversal, it is subtracted from the equation

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

(Note) Please refer to P.38 for details regarding the definition

Adjusted Net Assets^{*1}

	FY2016 Results	FY2017 Projections	YoY Change
Net assets(consolidated)	3,542.1	3,625.5	83.4
Catastrophe loss reserves	+810.9	+838.4	27.5
Contingency reserves	+36.2	+37.2	1.0
Price fluctuation reserves	+67.3	+71.6	4.3
Goodwill and other intangible fixed assets	-644.2	-565.9	78.3
Adjusted Net Assets	3,812.4	4,006.8	194.4

Adjusted ROE

	FY2016 Results	FY2017 Projections	YoY Change
Net income(consolidated)	273.8	280.0	6.1
Net assets(consolidated)*	3,513.4	3,583.8	70.4
Financial accounting basis ROE	7.8%	7.8%	-0.0pt

* average balance basis

	FY2016 Results	FY2017 Projections	YoY Change
Adjusted Net Income	406.7	382.0	-24.7
Adjusted Net Assets*	3,705.9	3,900.0	194.1
Adjusted ROE	11.0%	9.8%	-1.2pt

* average balance basis

Reconciliation of Business Unit Profits



(billions of yen)

Domestic Non-Life*¹ (TMNF)

	FY2016 Results	FY2017 Projections	YoY Change
Net income for accounting purposes	248.6	270.0	21.3
Provision for catastrophe loss reserves ^{*2}	+31.0	+24.6	-6.4
Provision for price fluctuation reserves ^{*2}	+3.6	+3.6	0.0
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	+0.3	-0.4	-0.7
Gains or losses on sales or valuation of fixed assets, business related equities and business investment equities	-58.2	-54.6	3.6
Intra-group dividends	-63.6	-97.7	-34.1
Other extraordinary gains/losses, valuation allowances, etc	-1.4	+7.5	8.9
Business Unit Profits	160.3	153.0	-7.3

*1: Each adjustment is on an after-tax basis

*2: In case of reversal, it is subtracted from the equation

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

*4: Amortization of other intangible fixed assets, head office expenses, etc.

(Note) Please refer to P.38 for details regarding the definition

International Insurance*¹

	FY2016 Results	FY2017 Projections
Overseas subsidiaries Net income for accounting purposes	135.6	127.0
Difference with EV (Life)	-1.2	
Adjustment of non-controlling interests	-2.5	
Difference of subsidiaries covered	-1.5	
Other adjustments ^{*4}	+39.1	
Business Unit Profits	169.5	153.0

Long-term Vision and the Mid-Term Business Plan

"To Be a Good Company 2017"



Long-term
vision

**A global insurance group that delivers sustainable growth
by providing safety and security to customers worldwide**
- Our timeless endeavor to be a Good Company -

**Aiming for globally competitive-level earnings
growth and capital efficiency**

~Drive ROE towards double-digit sphere~

2020~

Mid-Term Business Plan

"To Be a Good Company 2017"

*~Evolve business structure to realize
sustainable profit growth and higher ROE~*

2017

2014

2015

"Innovation and Execution 2014"

~Achieve an ROE exceeding our cost of capital~

2012

- Structural reform to profitable business
- Innovative changes for well-balanced business portfolio

- **Unlocking our potential**
- **Capitalizing on changes**
- **Pursuing growth opportunities**
- **Advancing our business platform**

Profit recovery stage

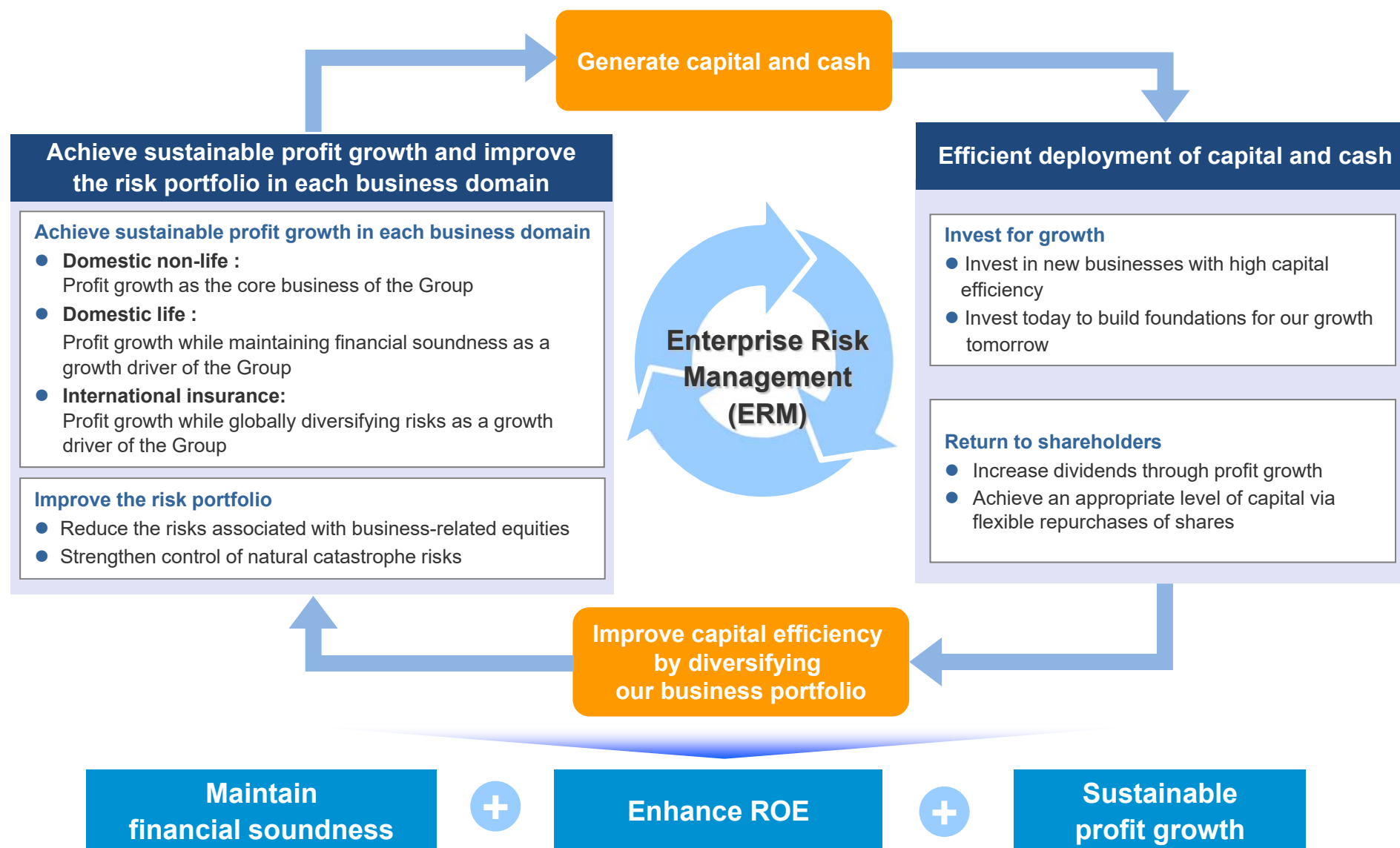
Sustainable profit growth stage

Initiatives for “Sustainable Profit Growth”



Framework of the Mid-Term Business Plan and Group Management

Enhancing Enterprise Risk Management (ERM) to realize sustainable profit growth and higher capital efficiency even in a changing environment, while maintaining financial soundness



Further integration and Alignment in Group Decision Making

- In April 2016, established Group Chief Officer positions and committees as well as strengthened its functions to globalize and strengthen Group management system
- Involvement of top management at overseas subsidiaries in solving Group management issues with their expertise
- More focus by the Group CEO on Group management to maximize the Group's comprehensive capability

Globalization and Strengthening



**TOKIOMARINE
GROUP**

Group CEO

**More focus on Group management
by the Group CEO**

Group chief officer (by order of organization)	Dept. in charge
CSSO Strategy and Synergy	Strategy and Synergy
CIO Investment	Financial Planning
CFO Financial	Corporate Planning
CRSO Retention Strategy	Global Retention Strategy
CHRO Human Resources	Human Resources
CITO Information Technology	IT Planning
CISO Information Security	IT Planning
CRO Risk	Risk Management

Committees

Top management both in Japan and overseas discuss various Group management issues

ERM Committee

International Executive Committee (IEC)

Global Investment Strategy Committee (GISC)

Global Retention Strategy Committee (GRSC)

Global Information Technology Committee (GITC)

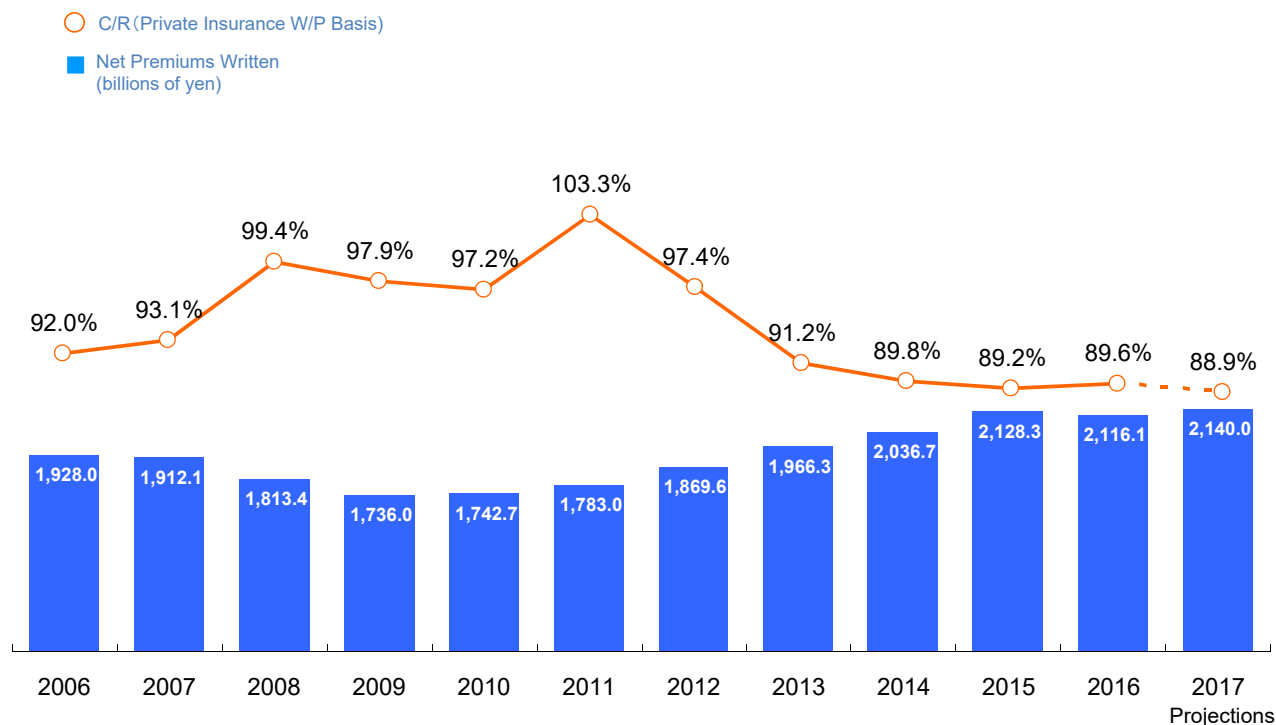
**Maximize the Group's
comprehensive capabilities**

Domestic Non-life	Domestic Life	International Insurance	Financial and General
<ul style="list-style-type: none"> • Enhancing group governance • Utilization of the Group management resources • Involvement in the Group management by overseas talent 			

Basic Information (Domestic Non-Life 1) - TMNF



Trend of net premiums written and combined ratio



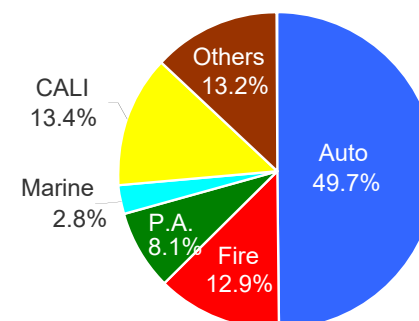
Statistics of combined ratio and loss ratio (private insurance E/I Basis)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Projections
Net E/I C/R*	103.8%	99.6%	97.2%	90.6%	92.7%	90.4%	90.4%
E/I loss ratio	69.8%	66.8%	65.0%	58.5%	60.1%	57.7%	57.8%
Excluding natural catastrophes	61.3%	62.8%	60.1%	56.9%	56.0%	54.8%	55.6%
Expense ratio	34.0%	32.8%	32.2%	32.2%	32.6%	32.7%	32.6%

*: Net E/I C/R=E/I loss ratio + W/P expense ratio

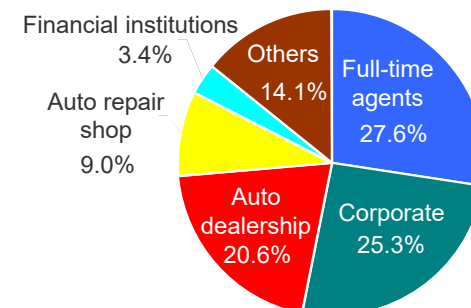
Premium composition by Line

(FY2016 net premiums written basis)



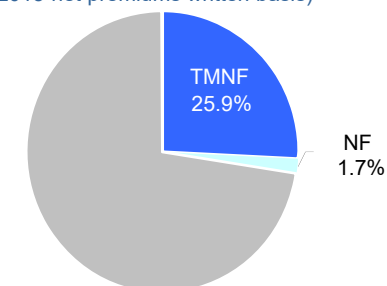
Premium composition by sales channel

(FY2016 managerial accounting basis)



Market share*

(FY2015 net premiums written basis)



*Japanese non-life market (excluding reinsurance companies)

Basic Information (Domestic Non-Life 2) - TMNF



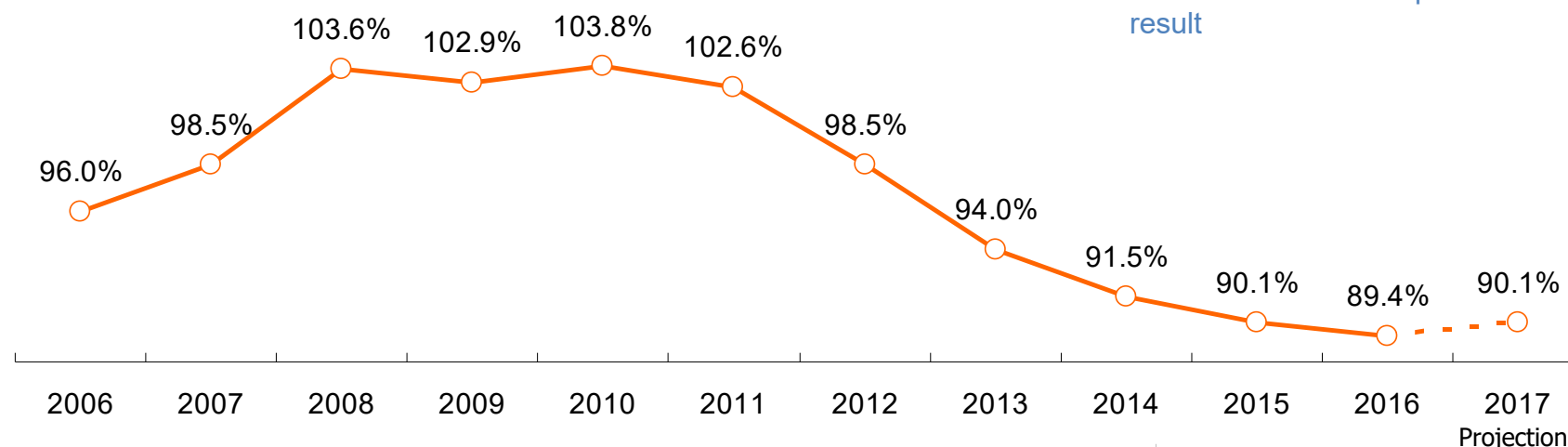
● Trend of underwriting results in auto insurance (W/P basis combined ratio)

<Factors of profitability deterioration>

- Increase in senior drivers with high accident frequency
- Decrease in per-policy premiums owing to the progress of the average discount rate under the Grade Rating System
- Increasing trend in unit repair cost

<Measures to improve profitability>

- Efforts to decrease business expenses such as operational streamlining
- Product and rate revisions
- Introduction of age-bracket rate plans
- Revision of the Grade Rating System
- Other measures to improve underwriting result



● Trend of auto insurance policy renewal ratio, combined ratio and loss ratio

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Projections
Policy renewal ratio	95.1%	95.3%	95.6%	95.6%	95.7%	95.9%	—
Net E/I C/R*	102.9%	100.2%	95.7%	91.6%	91.4%	91.0%	91.1%
E/I L/R	70.7%	69.4%	65.3%	61.1%	60.5%	60.2%	60.2%

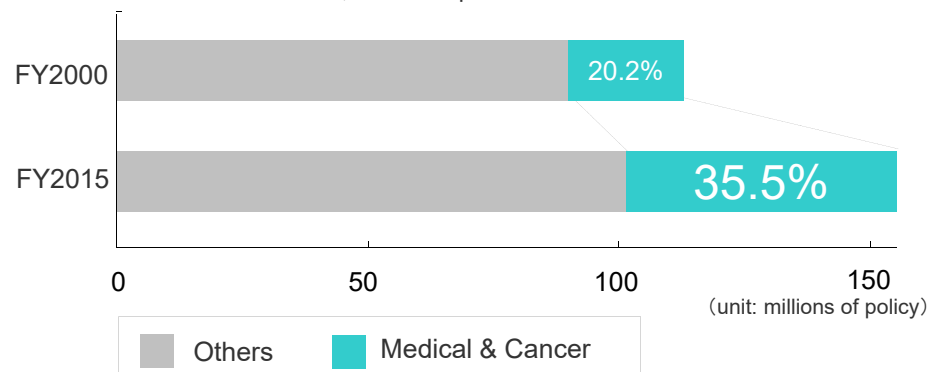
*: Net E/I C/R = E/I loss ratio + W/P expense ratio

Basic Information (Domestic Life) - TMNL

Growing "Medical & Cancer" market

【Composition of number of in-force policies】

(Individual insurance basis, total of Japanese life insurance market)



Source: The Life Insurance Association of Japan

Growth rate of number of in-force policies at TMNL

【CAGR of in-force policies from FY2000 to FY2015】^{*1}

^{*1}: Total of individual insurance and individual annuities

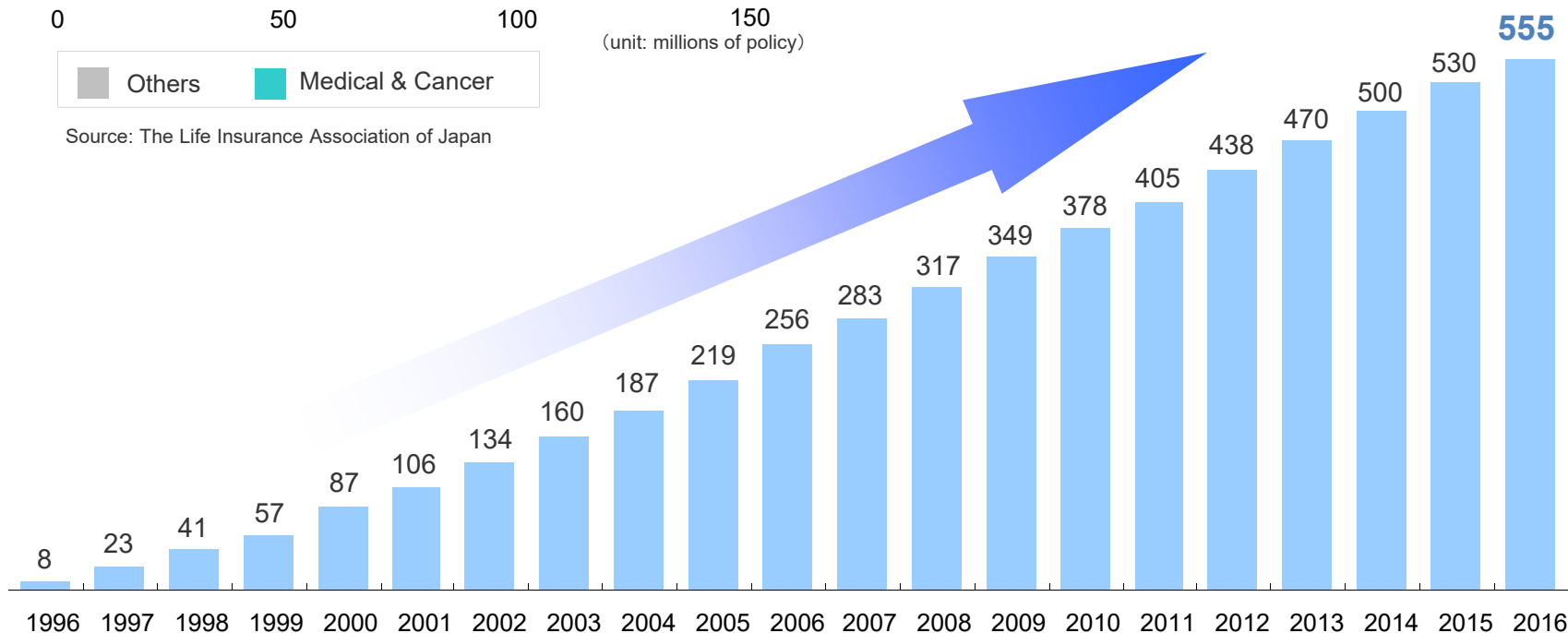
TMNL ^{*2} **+12.7%**

^{*2}: After merger basis

Average of Japanese life insurance market ^{*3} **+3.0%**

^{*3}: Source *Insurance Statistics (Seiho Toukeigo)*

(unit: ten thousands of policy)



Number of in-force policies^{*4} at TMNL (total of individual insurance and individual annuities)

^{*4}: Total of TMNL and former FL

Through development of product strategies focusing on “life insurance to protect one’s living” in response to customer needs, TMNL achieved 5.5 million in-force policies in FY2016, significantly exceeding the market growth

Basic Information (Domestic Life) - TMNL Major Products

(Products lineup as of May 2017)

Death insurance (whole life insurance/term insurance)



Whole life insurance for longevity in case of death and nursing care

★プレミアムシリーズ★ (Premium Series)

• **Long-life Support Whole Life Insurance**

In addition to severe disability and death, this product benefits in case the policyholder becomes second degree nursing care or above, etc. under the public nursing care insurance system



**Receive benefits as if receiving monthly salary in times of needs
Enhance coverage for inability to work**

★プレミアムシリーズ★ (Premium Series)

• **Household Income Term Insurance NEO (Disability Plan)**

In addition to severe disability and death, this product offers monthly benefits in the event of the inability to work or the need for nursing care due to certain illness



Coverage for business

(Coverage for business, fund for condolence money and retirement benefits, etc. for stable business activities)

• **Term insurance**
• **Increasing term insurance with lower surrender benefits**

This product offers coverage of severe disability and death for a certain period.

Increasing term insurance with lower surrender benefits increases insured amount for death and severe disability for the future

Medical and cancer insurance



Medical insurance with lifelong coverage for disease and injury

★プレミアムシリーズ★ (Premium Series)

• **Medical Kit NEO**
• **Medical Kit R** Product series with "R" function

A medical insurance product, which covers hospitalization due to illness or injury, surgery and radiation therapy



Insurance to secure coverage in case of cancer

★プレミアムシリーズ★ (Premium Series)

• **Cancer Treatment Support Insurance NEO**
• **Cancer Insurance R** Product series with "R" function

This product offers diagnosis benefit, etc. to a policyholder

*Features of product series with "R" function:

R (return) function = We return the balance of premiums paid excluding benefits, etc. (refund benefits to health)

R (reserve) function= We continue to provide lifelong coverage with same premiums at the time of enrollment after paying refund benefits for health

*Premium series are living protection products that are unique and include extensive coverage

Basic Information (International Insurance 1) - Strategic Expansion



Pursue growth opportunities globally
as the profit growth driver of the Group



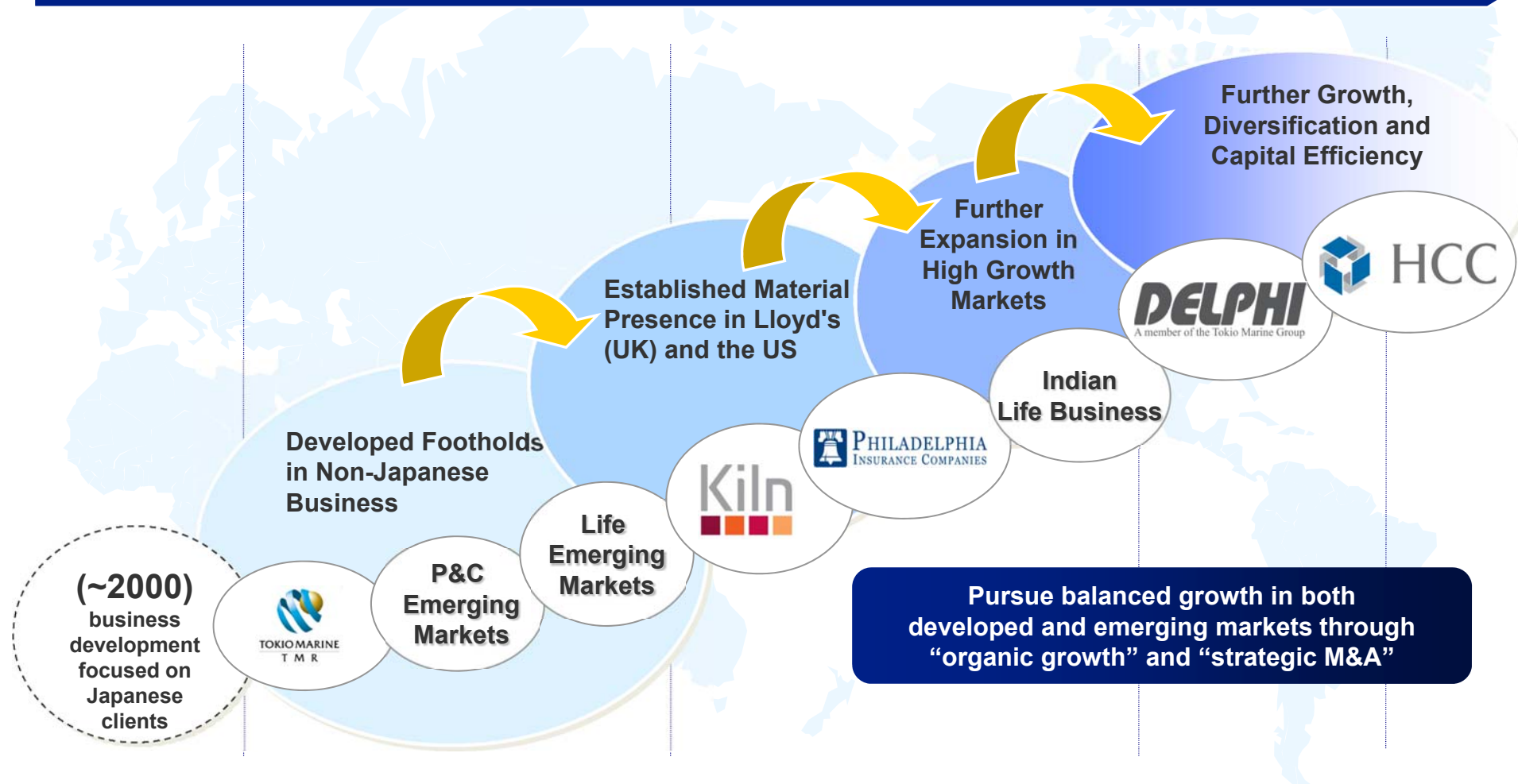
Pursue to establish a
diversified business portfolio

2000

2007

2011

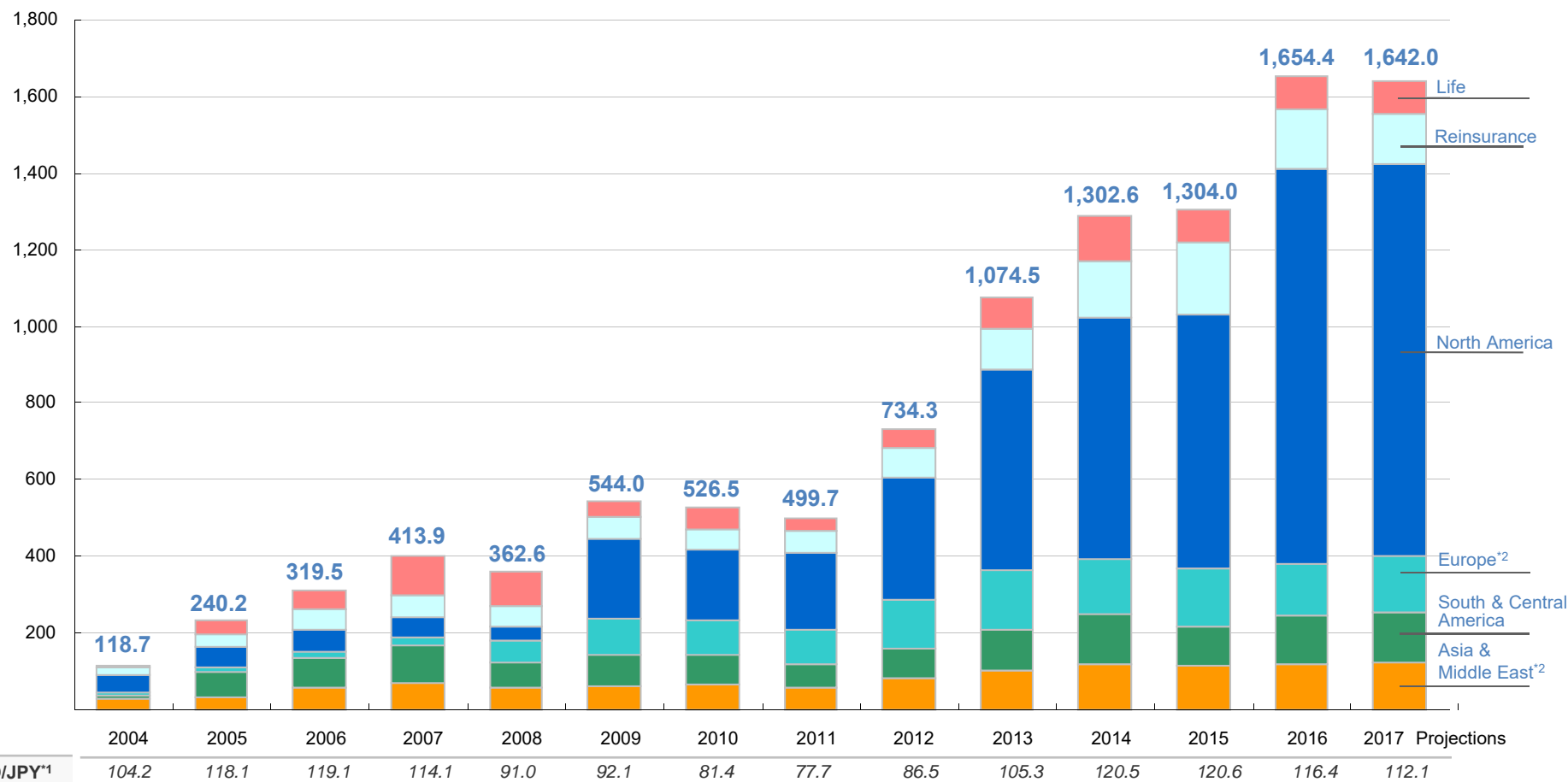
2015



Basic Information (International Insurance 2) - Net Premiums Written



● Net premiums written in international insurance business (billions of yen)



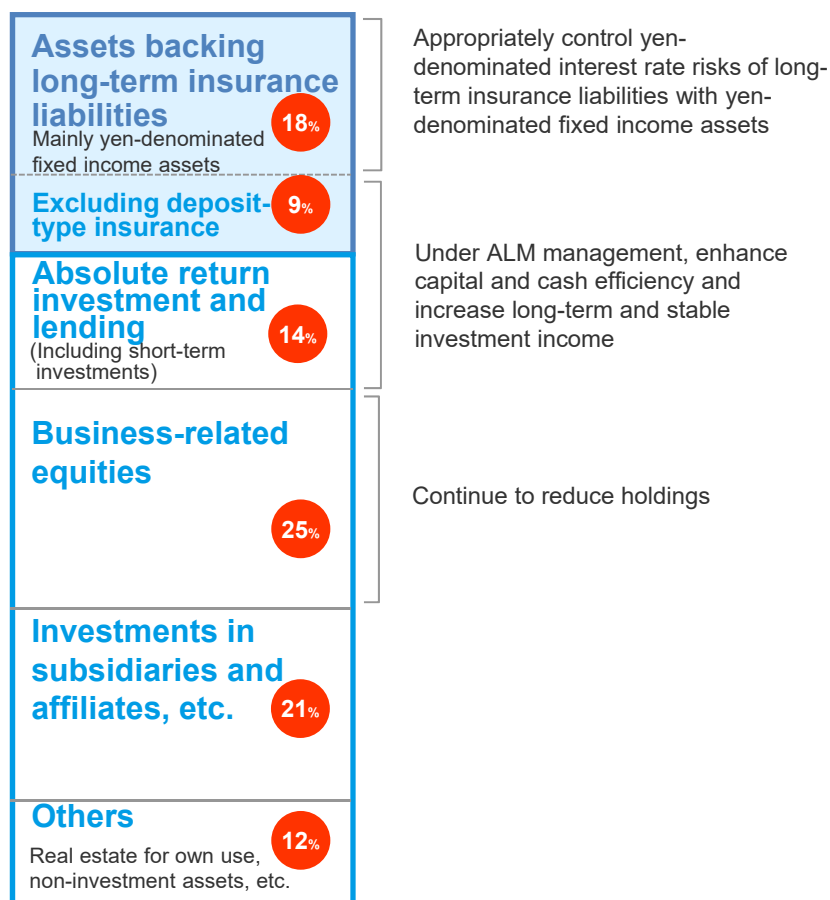
*1: FX rates are as of Dec. 31 of each year
(FX rate for FY2017 Projections is as of Mar. 31, 2017)

*2: Up to FY2015, Middle East is included in Europe.
From FY2016, Middle East is included in Asia

■ Domestic Non-Life (TMNF)

- With regard to assets backing deposit-type insurance of long-term insurance liabilities, we aim a stable increase in the value of surplus by controlling the interest rate risk based on strict ALM investments
- Of long-term insurance liabilities, by integrating assets (excluding deposit-type insurance) and absolute return investment / lending, we aim to enhance capital / cash efficiency, and increase long-term and stable investment income under ALM management

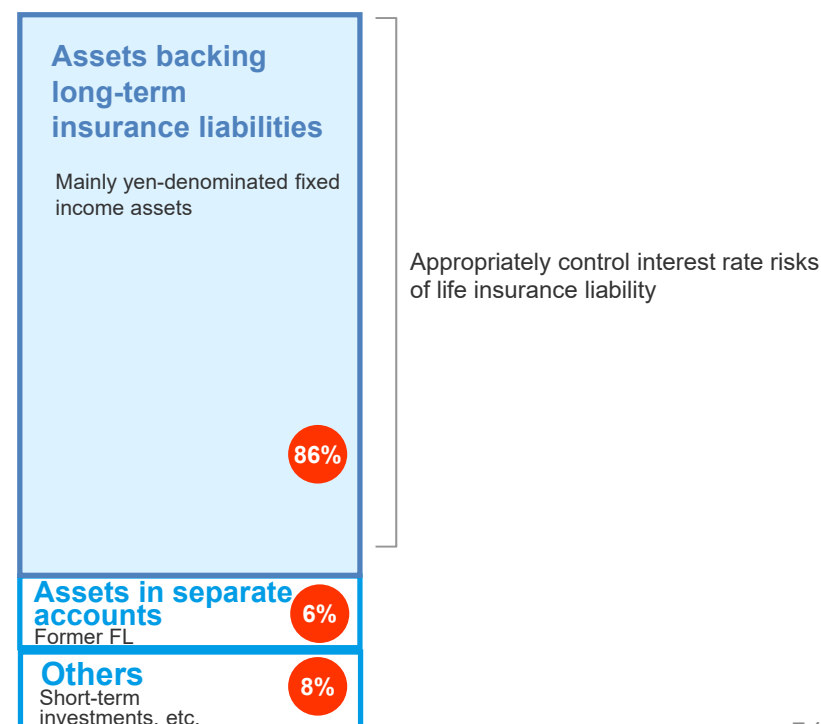
TMNF Total Assets ¥9.5T (as of end of Mar. 2017)



■ Domestic Life (TMNL)

- Excluding assets in separate accounts, most assets are assets for backing long-term insurance liabilities. We aim a stable increase in the value of surplus by controlling the interest rate risk based on ALM investments

TMNL Total Assets ¥7.3T (as of end of Mar. 2017)



Impact of FX rate change on the Group's Financial Results

● Main impact in the event of 1 yen appreciation*¹ (compared with the original projections)

Impact on net income on financial accounting basis*²

■ Decrease in profit from overseas subsidiaries:	approx. - ¥ 0.8B
↘ Decrease in profit from local subsidiaries	
↗ Decrease in amortization of intangible fixed assets and goodwill	
■ Change in foreign currency denominated outstanding claims reserves and derivatives at TMNF:	approx. + ¥1.2B
Total:	approx. + ¥0.4B

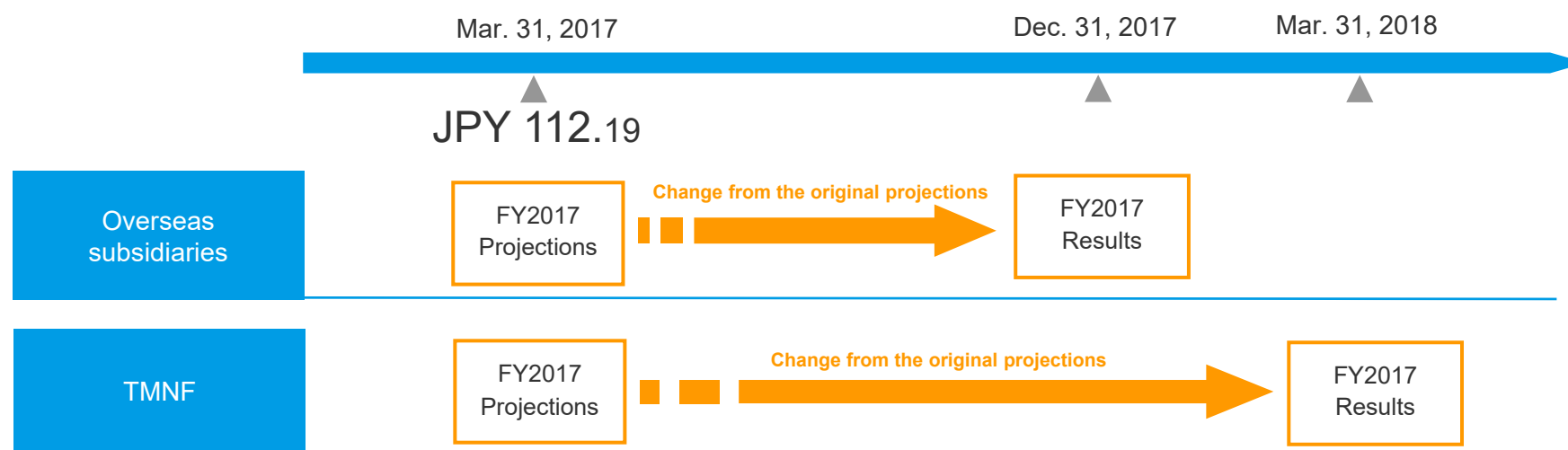
Impact on adjusted net income*²

■ Decrease in profit from overseas subsidiaries:	approx. - ¥1.3B
(Of factors stated in the left column, amortization of intangible fixed assets and goodwill has no impact because it is added back to adjusted net income)	
■ Change in foreign currency denominated outstanding claims reserves and derivatives at TMNF:	approx. + ¥1.2B
Total:	approx. - ¥0.1B

* 1 Assuming that the FX rate for each currency changes by the same ratio as USD

* 2 Impact on the FY2017 projections. After tax basis

● Reference: applied FX rate (USD/JPY)



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*To Be a **Good Company***



Tokio Marine Holdings

