

# Summary of Consolidated Business Results of Tokio Marine Holdings, Inc. under Japanese GAAP for the three months ended June 30, 2017



August 8, 2017

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

Securities Code Number: 8766

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

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Scheduled date for filing the quarterly securities report for the three months ended June 30, 2017: August 8, 2017

Scheduled date for starting payment of dividends: Not applicable

Supplementary information for quarterly financial statements: Available

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

Stock Exchange Listing: Tokyo

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

## 1. Consolidated Business Results for the three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)

### (1) Consolidated Results of Operations

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

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2017	1,399,605	1.5	123,641	(3.4)	88,110	(9.4)
Three months ended June 30, 2016	1,378,544	25.6	128,048	1.6	97,234	8.7

(Note) Comprehensive income:

Three months ended June 30, 2017	88,497 million yen	- %
Three months ended June 30, 2016	(44,745) million yen	- %

	Net income per share - Basic	Net income per share - Diluted
	yen	yen
Three months ended June 30, 2017	117.54	117.44
Three months ended June 30, 2016	128.80	128.69

### (2) Consolidated Financial Conditions

	Total assets	Net assets	Ratio of equity capital to total assets
	million yen	million yen	%
As of June 30, 2017	22,418,657	3,594,533	15.9
As of March 31, 2017	22,607,603	3,569,760	15.7

(Reference) Equity capital:

As of June 30, 2017	3,566,806 million yen
As of March 31, 2017	3,542,146 million yen

## 2. Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual total
	yen	yen	yen	yen	yen
Fiscal year 2016	-	67.50	-	72.50	140.00
Fiscal year 2017	-				
Fiscal year 2017 (Forecast)		80.00	-	80.00	160.00

(Note) Revision to the forecasted amount of dividends announced on May 19, 2017: None

## 3. Consolidated Business Forecasts for the fiscal year 2017 (April 1, 2017 to March 31, 2018)

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

	Ordinary profit		Net income attributable to owners of the parent		Net income per share - Basic
	million yen	%	million yen	%	yen
Fiscal year 2017	405,000	4.5	280,000	2.2	373.98

(Note) Revision to the consolidated business forecasts announced on May 19, 2017: None

**\*Notes**

(1) Changes in significant subsidiaries of the Company (changes in Specified Subsidiaries that resulted in changes in the scope of consolidation) during the three months ended June 30, 2017: None

(2) Adoption of accounting methods that are specific to quarterly consolidated financial reports: None

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

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

(b) Changes in accounting policies other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(4) Number of shares issued (common stock)

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

As of June 30, 2017 753,024,375 shares

As of March 31, 2017 753,024,375 shares

(b) Number of treasury stock held

As of June 30, 2017 4,644,464 shares

As of March 31, 2017 2,912,404 shares

(c) Average number of shares outstanding

During the three months ended June 30, 2017 749,622,312 shares

During the three months ended June 30, 2016 754,916,669 shares

\*This "Summary of Consolidated Business Results" is outside the scope of the external auditor's quarterly review.

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

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

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## **1. Qualitative information concerning the Consolidated Business Results for the three months ended June 30, 2017**

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

During the three months ended June 30, 2017, the U.S. economy steadily recovered, the Chinese economy steadily progressed and the European economies expanded, and as a result, the world economy as a whole continued to recover gradually.

In Japan, the economy gradually improved due to recovery in consumer spending in addition to steady exports and production.

Under these conditions, as a result of our efforts to expand our business, which is centered on property and casualty and life insurance, our consolidated results of operations for the three months ended June 30, 2017 were as follows:

Ordinary income increased by 21.0 billion yen to 1,399.6 billion yen from the same period in the previous fiscal year, the main components of which were Underwriting income of 1,178.5 billion yen and Investment income of 193.8 billion yen. Ordinary expenses increased by 25.4 billion yen to 1,275.9 billion yen from the same period in the previous fiscal year, the main components of which were Underwriting expenses of 1,027.3 billion yen, Investment expenses of 32.5 billion yen, and Operating and general administrative expenses of 210.5 billion yen.

As a result, Ordinary profit decreased by 4.4 billion yen to 123.6 billion yen from the same period in the previous fiscal year.

Net income attributable to owners of the parent, composed of Ordinary profit plus Extraordinary gains minus Extraordinary losses and Total income taxes, decreased by 9.1 billion yen to 88.1 billion yen from the same period in the previous fiscal year.

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

As of June 30, 2017, consolidated total assets decreased by 188.9 billion yen to 22,418.6 billion yen from that as of March 31, 2017. In spite of the increase in assets led by the expansion of our domestic and international insurance businesses, total assets decreased due to reduction of securities lending transactions, as well as repayments of borrowings.

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

The consolidated business forecasts for the fiscal year 2017 are 405.0 billion yen for Ordinary profit and 280.0 billion yen for Net income attributable to owners of the parent. The Company has not revised its forecasts announced on May 19, 2017, when Summary of Consolidated Business Results was disclosed.

## 2. Consolidated Financial Statements and Major Notes

### (1) Consolidated Balance Sheet

(Yen in millions)

	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Cash and bank deposits	710,666	644,482
Call loans	220,805	120,800
Receivables under resale agreements	34,999	4,999
Receivables under securities borrowing transactions	21,809	21,624
Monetary receivables bought	1,265,837	1,264,247
Money trusts	101,650	102,417
Securities	16,098,063	16,165,527
Loans	1,253,094	1,219,616
Tangible fixed assets	289,398	285,903
Intangible fixed assets	880,080	828,021
Other assets	1,706,741	1,737,053
Net defined benefit assets	3,386	3,833
Deferred tax assets	31,032	29,881
Customers' liabilities under acceptances and guarantees	2,465	2,465
Allowance for doubtful accounts	(12,429)	(12,217)
<b>Total assets</b>	<b>22,607,603</b>	<b>22,418,657</b>
<b>Liabilities</b>		
Insurance liabilities	15,544,525	15,637,644
Outstanding claims	2,753,498	2,733,027
Underwriting reserves	12,791,026	12,904,616
Corporate bonds	69,097	63,513
Other liabilities	2,629,093	2,333,460
Net defined benefit liabilities	244,253	245,111
Provision for retirement benefits for directors	24	-
Provision for employees' bonus	65,612	40,065
Reserves under special laws	93,645	95,305
Price fluctuation reserve	93,645	95,305
Deferred tax liabilities	329,527	349,516
Negative goodwill	59,598	57,041
Acceptances and guarantees	2,465	2,465
<b>Total liabilities</b>	<b>19,037,843</b>	<b>18,824,124</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	150,000	150,000
Retained earnings	1,699,030	1,732,520
Treasury stock	(13,658)	(22,109)
<b>Total shareholders' equity</b>	<b>1,835,371</b>	<b>1,860,411</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities	1,600,740	1,669,477
Deferred gains (losses) on hedge transactions	11,098	10,724
Foreign currency translation adjustments	112,869	43,249
Remeasurements of defined benefit plans	(17,933)	(17,056)
<b>Total accumulated other comprehensive income</b>	<b>1,706,774</b>	<b>1,706,395</b>
<b>Stock acquisition rights</b>	<b>2,292</b>	<b>1,971</b>
<b>Non-controlling interests</b>	<b>25,321</b>	<b>25,755</b>
<b>Total net assets</b>	<b>3,569,760</b>	<b>3,594,533</b>
<b>Total liabilities and net assets</b>	<b>22,607,603</b>	<b>22,418,657</b>

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

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)
<b>Ordinary income</b>	1,378,544	1,399,605
<b>Underwriting income</b>	1,153,803	1,178,504
Net premiums written	894,433	919,342
Deposit premiums from policyholders	30,572	27,613
Investment income on deposit premiums	12,643	11,323
Life insurance premiums	215,057	219,040
<b>Investment income</b>	198,588	193,815
Interest and dividends	109,709	121,503
Gains on money trusts	2,212	1,289
Gains on trading securities	5,611	2,106
Gains on sales of securities	48,396	38,531
Gains on redemption of securities	391	77
Gains on derivatives	43,998	-
Investment gains on separate accounts	-	14,647
Transfer of investment income on deposit premiums	(12,643)	(11,323)
<b>Other ordinary income</b>	26,152	27,285
Amortization of negative goodwill	2,557	2,557
<b>Ordinary expenses</b>	1,250,495	1,275,964
<b>Underwriting expenses</b>	935,004	1,027,302
Net claims paid	424,587	440,039
Loss adjustment expenses	33,268	33,679
Agency commissions and brokerage	167,278	174,251
Maturity refunds to policyholders	42,524	39,725
Dividends to policyholders	28	17
Life insurance claims	146,596	167,256
Provision for outstanding claims	44,881	39,688
Provision for underwriting reserves	73,221	130,734
<b>Investment expenses</b>	103,046	32,567
Losses on money trusts	92	2,372
Losses on sales of securities	8,405	2,571
Impairment losses on securities	6,548	2,089
Losses on redemption of securities	883	292
Losses on derivatives	-	22,311
Investment losses on separate accounts	37,055	-
<b>Operating and general administrative expenses</b>	208,182	210,528
<b>Other ordinary expenses</b>	4,262	5,565
Interest expenses	2,476	3,429
Losses on bad debts	9	29
Equity in losses of affiliates	375	448
Amortization of deferred assets under Article 113 of the Insurance Business Act	956	956
<b>Ordinary profit</b>	128,048	123,641

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)
<b>Extraordinary gains</b>	5,400	1,629
Gains on disposal of fixed assets	5,400	26
Other extraordinary gains	-	1,603
<b>Extraordinary losses</b>	2,423	2,184
Losses on disposal of fixed assets	752	524
Impairment losses on fixed assets	541	0
Provision for reserves under special laws	1,128	1,659
Provision for price fluctuation reserve	1,128	1,659
Other extraordinary losses	1	-
<b>Income before income taxes and non-controlling interests</b>	131,025	123,086
<b>Income taxes - current</b>	33,005	38,501
<b>Income taxes - deferred</b>	741	(4,191)
<b>Total income taxes</b>	33,746	34,309
<b>Net income</b>	97,278	88,776
<b>Net income attributable to non-controlling interests</b>	43	665
<b>Net income attributable to owners of the parent</b>	97,234	88,110

**(Consolidated Statement of Comprehensive Income)**

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)
<b>Net income</b>	97,278	88,776
<b>Other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities	(47,456)	68,870
Deferred gains (losses) on hedge transactions	14,955	(374)
Foreign currency translation adjustments	(109,803)	(70,294)
Remeasurements of defined benefit plans	1,413	877
Share of other comprehensive income of affiliates accounted for by the equity method	(1,133)	640
<b>Total other comprehensive income</b>	(142,024)	(279)
<b>Total comprehensive income</b>	(44,745)	88,497
Comprehensive income attributable to:		
Owners of the parent	(44,994)	87,731
Non-controlling interests	249	765

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

Not applicable.

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

Not applicable.



### 3. Others

#### (1) Summary of Consolidated Business Results

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )	Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )	Increase (Decrease)	Rate of change
<b>Ordinary income and expenses</b>				%
<b>Underwriting income</b>	1,153,803	1,178,504	24,701	2.1
Net premiums written	894,433	919,342	24,909	2.8
Deposit premiums from policyholders	30,572	27,613	(2,959)	(9.7)
Life insurance premiums	215,057	219,040	3,982	1.9
<b>Underwriting expenses</b>	935,004	1,027,302	92,298	9.9
Net claims paid	424,587	440,039	15,452	3.6
Loss adjustment expenses	33,268	33,679	410	1.2
Agency commissions and brokerage	167,278	174,251	6,972	4.2
Maturity refunds to policyholders	42,524	39,725	(2,798)	(6.6)
Life insurance claims	146,596	167,256	20,659	14.1
Provision for outstanding claims	44,881	39,688	(5,192)	(11.6)
Provision for underwriting reserves	73,221	130,734	57,512	78.5
<b>Investment income</b>	198,588	193,815	(4,773)	(2.4)
Interest and dividends	109,709	121,503	11,794	10.8
Gains on sales of securities	48,396	38,531	(9,865)	(20.4)
Gains on derivatives	43,998	-	(43,998)	(100.0)
Investment gains on separate accounts	-	14,647	14,647	-
<b>Investment expenses</b>	103,046	32,567	(70,479)	(68.4)
Losses on sales of securities	8,405	2,571	(5,833)	(69.4)
Impairment losses on securities	6,548	2,089	(4,458)	(68.1)
Losses on derivatives	-	22,311	22,311	-
Investment losses on separate accounts	37,055	-	(37,055)	(100.0)
<b>Operating and general administrative expenses</b>	208,182	210,528	2,346	1.1
<b>Other ordinary income and expenses</b>	21,890	21,720	(169)	(0.8)
Equity in earnings (losses) of affiliates	(375)	(448)	(72)	-
<b>Ordinary profit</b>	128,048	123,641	(4,407)	(3.4)
<b>Extraordinary gains and losses</b>				
Extraordinary gains	5,400	1,629	(3,770)	(69.8)
Extraordinary losses	2,423	2,184	(238)	(9.9)
<b>Extraordinary gains (losses)</b>	2,976	(554)	(3,531)	(118.6)
<b>Income before income taxes and non-controlling interests</b>	131,025	123,086	(7,938)	(6.1)
<b>Income taxes - current</b>	33,005	38,501	5,496	16.7
<b>Income taxes - deferred</b>	741	(4,191)	(4,932)	(665.7)
<b>Total income taxes</b>	33,746	34,309	563	1.7
<b>Net income</b>	97,278	88,776	(8,502)	(8.7)
<b>Net income attributable to non-controlling interests</b>	43	665	621	1,416.5
<b>Net income attributable to owners of the parent</b>	97,234	88,110	(9,124)	(9.4)

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

Direct premiums written including deposit premiums from policyholders

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)			Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	145,050	15.5	(3.2)	145,991	15.1	0.6
Hull and cargo	28,058	3.0	(2.6)	27,890	2.9	(0.6)
Personal accident	101,797	10.9	2.9	95,949	9.9	(5.7)
Voluntary automobile	339,247	36.3	2.2	351,433	36.3	3.6
Compulsory automobile liability	72,758	7.8	(3.3)	74,167	7.7	1.9
Others	247,470	26.5	30.1	271,385	28.1	9.7
Total	934,383	100.0	6.8	966,818	100.0	3.5
Deposit premiums from policyholders	30,572	3.3	(6.0)	27,613	2.9	(9.7)

Net premiums written

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)			Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	129,114	14.4	(2.3)	127,370	13.9	(1.4)
Hull and cargo	26,935	3.0	(6.0)	28,978	3.2	7.6
Personal accident	71,936	8.0	8.0	70,399	7.7	(2.1)
Voluntary automobile	364,855	40.8	3.5	367,990	40.0	0.9
Compulsory automobile liability	67,171	7.5	(5.0)	74,797	8.1	11.4
Others	234,420	26.2	22.9	249,806	27.2	6.6
Total	894,433	100.0	6.3	919,342	100.0	2.8

Net claims paid

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)			Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	59,605	14.0	23.1	64,945	14.8	9.0
Hull and cargo	13,262	3.1	(9.0)	13,649	3.1	2.9
Personal accident	24,819	5.8	1.8	22,636	5.1	(8.8)
Voluntary automobile	180,251	42.5	1.8	190,390	43.3	5.6
Compulsory automobile liability	56,811	13.4	2.1	52,996	12.0	(6.7)
Others	89,836	21.2	41.4	95,422	21.7	6.2
Total	424,587	100.0	10.7	440,039	100.0	3.6

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

(Yen in millions)

	As of March 31, 2017			As of June 30, 2017		
	Carrying amount shown on balance sheet	Fair value	Difference	Carrying amount shown on balance sheet	Fair value	Difference
Domestic debt securities	4,476,245	5,086,691	610,445	4,536,835	5,140,961	604,125
Foreign securities	36,337	33,352	(2,984)	35,914	34,414	(1,500)
Total	4,512,582	5,120,043	607,460	4,572,749	5,175,375	602,625

**2. Bonds earmarked for underwriting reserves**

(Yen in millions)

	As of March 31, 2017			As of June 30, 2017		
	Carrying amount shown on balance sheet	Fair value	Difference	Carrying amount shown on balance sheet	Fair value	Difference
Domestic debt securities	32,789	34,309	1,520	30,093	31,438	1,344
Foreign securities	20,122	20,578	456	18,922	19,387	465
Total	52,911	54,888	1,976	49,015	50,825	1,810

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

(Yen in millions)

	As of March 31, 2017			As of June 30, 2017		
	Cost	Fair value shown on balance sheet	Difference	Cost	Fair value shown on balance sheet	Difference
Domestic debt securities	3,563,023	3,948,575	385,551	3,591,758	3,968,900	377,142
Domestic equity securities	653,684	2,418,279	1,764,595	641,220	2,473,554	1,832,333
Foreign securities	4,155,431	4,216,377	60,946	4,137,991	4,258,423	120,431
Others	1,334,870	1,343,708	8,838	1,303,912	1,321,622	17,709
Total	9,707,009	11,926,940	2,219,931	9,674,882	12,022,501	2,347,618

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

2. As of March 31, 2017, "Others" includes negotiable certificates of deposit (cost 64,407 million yen, fair value 64,408 million yen, difference 0 million yen) which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities, etc. (cost 1,254,105 million yen, fair value 1,260,946 million yen, difference 6,840 million yen) which are presented as Monetary receivables bought on the consolidated balance sheet.

As of June 30, 2017, "Others" includes negotiable certificates of deposit (cost 39,623 million yen, fair value 39,623 million yen) which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities, etc. (cost 1,246,547 million yen, fair value 1,262,128 million yen, difference 15,581 million yen) which are presented as Monetary receivables bought on the consolidated balance sheet.

3. For the fiscal year 2016, impairment losses of 8,653 million yen (Domestic equity securities 68 million yen, Foreign securities 6,099 million yen, Others 2,485 million yen) were recognized for Available-for-sale securities with fair value.

For the three months ended June 30, 2017, impairment losses of 2,385 million yen (Domestic equity securities 96 million yen, Foreign securities 1,912 million yen, Others 376 million yen) were recognized for Available-for-sale securities with fair value.

In principle, impairment loss on a security with fair value is recognized when the fair value is below its cost by 30% or more.

**(4) Derivative transactions**

(Yen in millions)

		As of March 31, 2017			As of June 30, 2017		
		Principal amount	Fair value	Unrealized gains (losses)	Principal amount	Fair value	Unrealized gains (losses)
Foreign currency-related instruments							
	Currency futures						
	Short	3,964	-	-	3,482	-	-
	Long	132	-	-	372	-	-
	Foreign exchange forwards						
	Short	737,369	(1,767)	(1,767)	750,509	(18,798)	(18,798)
	Long	20,422	(34)	(34)	22,498	191	191
	Currency swaps	27,456	-	-	26,045	-	-
Interest rate-related instruments							
	Interest rate futures						
	Short	5,260	-	-	4,815	-	-
	Long	1,459	-	-	1,047	-	-
	Interest rate swaps	2,645,804	(914)	(914)	2,602,460	23,665	23,665
Equity-related instruments							
	Equity index futures						
	Short	9,248	(44)	(44)	8,301	14	14
	Long	5,245	(18)	(18)	1,840	1	1
	Equity index options						
	Short	94,227			94,860		
		[3,204]	5,484	(2,279)	[2,944]	5,610	(2,665)
	Long	109,077			114,285		
		[9,472]	9,387	(85)	[9,494]	9,778	284
Bond-related instruments							
	Bond futures						
	Short	125,915	(251)	(251)	29,880	(67)	(67)
	Long	14,708	33	33	70,191	(802)	(802)
	Bond future options						
	Short	28,453			28		
		[64]	24	39	[6]	4	1
	Bond over-the-counter options						
	Short	43,671			23,807		
		[141]	117	23	[44]	5	39
	Long	43,671			23,807		
		[209]	165	(44)	[96]	201	104
Credit-related instruments							
	Credit derivatives						
	Sell protection	17,168	(125)	(125)	17,236	(65)	(65)
Commodity-related instruments							
	Commodity swaps	2,597	(142)	(142)	2,181	(108)	(108)
Others							
	Natural catastrophe derivatives						
	Short	33,769			40,410		
		[2,698]	1,318	1,380	[3,472]	2,059	1,413
	Long	20,607			25,638		
		[1,425]	461	(964)	[1,396]	434	(961)
	Weather derivatives						
	Short	13			13		
		[1]	0	0	[1]	0	0
	Others						
	Short	23,298			22,438		
		[2,679]	2,679	-	[2,580]	2,580	-
	Long	12,645			12,094		
		[1,205]	1,448	242	[1,161]	1,412	251
Total		—	17,822	(4,952)	—	26,117	2,499

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

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

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

## Balance sheet

(Yen in millions)

	As of March 31, 2017		As of June 30, 2017		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	179,160	1.88	173,305	1.82	(5,854)
Call loans	220,800	2.32	120,800	1.27	(100,000)
Receivables under resale agreements	34,999	0.37	4,999	0.05	(29,999)
Receivables under securities borrowing transactions	-	-	129,813	1.37	129,813
Monetary receivables bought	44,271	0.46	55,535	0.58	11,264
Money trusts	101,650	1.07	102,417	1.08	767
Securities	7,441,093	78.13	7,460,519	78.46	19,425
Loans	606,487	6.37	572,130	6.02	(34,357)
Tangible fixed assets	207,908	2.18	206,113	2.17	(1,794)
Intangible fixed assets	523	0.01	523	0.01	(0)
Other assets	682,206	7.16	663,827	6.98	(18,378)
Prepaid pension costs	6,303	0.07	6,546	0.07	243
Customers' liabilities under acceptances and guarantees	2,465	0.03	15,182	0.16	12,717
Allowance for doubtful accounts	(3,405)	(0.04)	(3,138)	(0.03)	266
<b>Total assets</b>	<b>9,524,466</b>	<b>100.00</b>	<b>9,508,578</b>	<b>100.00</b>	<b>(15,887)</b>
<b>Liabilities</b>					
Insurance liabilities	5,389,029	56.58	5,429,610	57.10	40,581
Outstanding claims	899,652		900,698		1,045
Underwriting reserves	4,489,376		4,528,912		39,535
Corporate bonds	15,190	0.16	14,550	0.15	(640)
Other liabilities	865,852	9.09	697,043	7.33	(168,809)
Income taxes payable	38,198		24,456		(13,741)
Lease obligations	2,510		2,493		(16)
Asset retirement obligations	3,345		3,365		20
Other liabilities	821,798		666,726		(155,071)
Provision for retirement benefits	203,252	2.13	204,954	2.16	1,702
Provision for employees' bonus	21,266	0.22	9,998	0.11	(11,267)
Reserves under special laws	86,090	0.90	87,345	0.92	1,254
Price fluctuation reserve	86,090		87,345		1,254
Deferred tax liabilities	147,475	1.55	159,065	1.67	11,589
Acceptances and guarantees	2,465	0.03	15,182	0.16	12,717
<b>Total liabilities</b>	<b>6,730,622</b>	<b>70.67</b>	<b>6,617,750</b>	<b>69.60</b>	<b>(112,871)</b>
<b>Net assets</b>					
Share capital	101,994	1.07	101,994	1.07	-
Capital surplus	133,625	1.40	133,625	1.41	-
Additional paid-in capital	123,521		123,521		-
Other capital surplus	10,104		10,104		-
Retained earnings	1,111,511	11.67	1,215,655	12.78	104,144
Surplus reserve	81,099		81,099		-
Other retained earnings	1,030,411		1,134,556		104,144
Reserve for special depreciation	20		20		-
Advanced depreciation reserve for fixed assets	25,409		25,409		-
Special reserves	235,426		235,426		-
Retained earnings carried forward	769,556		873,700		104,144
Treasury stock	-	-	(49,690)	(0.52)	(49,690)
Total shareholders' equity	1,347,131	14.14	1,401,585	14.74	54,453
Unrealized gains (losses) on available-for-sale securities	1,456,974	15.30	1,499,010	15.76	42,035
Deferred gains (losses) on hedge transactions	(10,262)	(0.11)	(9,767)	(0.10)	494
Total valuation and translation adjustments	1,446,712	15.19	1,489,242	15.66	42,530
<b>Total net assets</b>	<b>2,793,844</b>	<b>29.33</b>	<b>2,890,828</b>	<b>30.40</b>	<b>96,984</b>
<b>Total liabilities and net assets</b>	<b>9,524,466</b>	<b>100.00</b>	<b>9,508,578</b>	<b>100.00</b>	<b>(15,887)</b>

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

## Statement of income

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )	Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )	Increase (Decrease)
<b>Ordinary income</b>	669,100	712,887	43,787
<b>Underwriting income</b>	573,657	589,863	16,205
Net premiums written	531,440	551,528	20,088
Deposit premiums from policyholders	30,051	27,153	(2,897)
Investment income on deposit premiums	12,124	10,878	(1,245)
<b>Investment income</b>	92,580	119,948	27,368
Interest and dividends	50,301	94,166	43,864
Gains on money trusts	2,212	1,289	(922)
Gains on sales of securities	43,023	34,273	(8,750)
Transfer of investment income on deposit premiums	(12,124)	(10,878)	1,245
<b>Other ordinary income</b>	2,862	3,075	213
<b>Ordinary expenses</b>	555,790	568,879	13,089
<b>Underwriting expenses</b>	471,694	486,805	15,110
Net claims paid	280,812	282,577	1,764
Loss adjustment expenses	25,677	26,286	609
Agency commissions and brokerage	96,290	99,126	2,836
Maturity refunds to policyholders	40,192	38,064	(2,127)
Provision for outstanding claims	13,835	1,045	(12,790)
Provision for underwriting reserves	11,547	39,535	27,988
<b>Investment expenses</b>	9,236	3,791	(5,444)
Losses on money trusts	92	2,372	2,280
Losses on sales of securities	121	27	(94)
Impairment losses on securities	2,523	13	(2,509)
<b>Operating and general administrative expenses</b>	73,562	76,444	2,881
<b>Other ordinary expenses</b>	1,295	1,837	541
Interest expenses	1,231	1,604	373
<b>Ordinary profit</b>	113,310	144,008	30,698
<b>Extraordinary gains</b>	7,582	1,395	(6,187)
Gains on disposal of fixed assets	7,582	12	(7,570)
Gains on liquidation of subsidiaries and affiliates	-	1,383	1,383
<b>Extraordinary losses</b>	2,511	1,393	(1,117)
Losses on disposal of fixed assets	738	138	(599)
Impairment losses on fixed assets	541	0	(541)
Provision for reserves under special laws	1,230	1,254	23
Provision for price fluctuation reserve	1,230	1,254	23
<b>Income before income taxes</b>	118,381	144,010	25,628
<b>Income taxes - current</b>	22,334	28,558	6,224
<b>Income taxes - deferred</b>	4,013	(4,654)	(8,668)
<b>Total income taxes</b>	26,348	23,904	(2,443)
<b>Net income</b>	92,033	120,105	28,072

(Reference)

Underwriting profit	36,418	34,549	(1,868)
Loss ratio (W/P basis)	57.7 %	56.0 %	(1.7)
Expense ratio (W/P basis)	30.8	30.3	(0.4)
Combined ratio (W/P basis)	88.4	86.3	(2.1)
Loss ratio (private sector, E/I basis)	55.4	55.7	0.2
Expense ratio (private sector)	32.2	32.0	(0.2)
Combined ratio (private sector)	87.6	87.6	0.0

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

## Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )			Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	78,639	13.4	(2.2)	80,309	13.3	2.1
Hull and cargo	15,804	2.7	(9.3)	15,810	2.6	0.0
Personal accident	60,152	10.3	1.8	57,318	9.5	(4.7)
Voluntary automobile	266,105	45.4	2.5	270,093	44.7	1.5
Compulsory automobile liability	67,445	11.5	(3.0)	69,141	11.4	2.5
Others	97,737	16.7	7.6	111,344	18.4	13.9
Total	585,886	100.0	1.5	604,017	100.0	3.1
Deposit premiums from policyholders	30,051	-	(6.0)	27,153	-	(9.6)

## Net premiums written

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )			Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	60,326	11.4	(7.9)	63,570	11.5	5.4
Hull and cargo	15,402	2.9	(4.9)	14,941	2.7	(3.0)
Personal accident	58,883	11.1	1.7	56,004	10.2	(4.9)
Voluntary automobile	265,289	49.9	2.5	269,356	48.8	1.5
Compulsory automobile liability	62,559	11.8	(4.9)	69,854	12.7	11.7
Others	68,978	13.0	2.1	77,800	14.1	12.8
Total	531,440	100.0	(0.0)	551,528	100.0	3.8

## Net claims paid

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )			Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
		%	%		%	%
Fire and allied lines	31,936	33.1	55.3	33,170	3.9	54.5
Hull and cargo	7,482	(15.6)	53.2	7,681	2.7	55.0
Personal accident	20,214	(2.2)	38.0	20,274	0.3	40.2
Voluntary automobile	134,857	0.3	56.2	139,057	3.1	57.2
Compulsory automobile liability	53,010	2.1	92.8	49,480	(6.7)	77.6
Others	33,311	3.8	51.4	32,912	(1.2)	45.3
Total	280,812	3.2	57.7	282,577	0.6	56.0

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

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

## Solvency margin ratio (non-consolidated)

(Yen in millions)

	As of March 31, 2017	As of June 30, 2017
(A) Total amount of solvency margin	4,898,941	5,088,008
Shareholders' equity less adjusting items	1,331,170	1,401,585
Price fluctuation reserve	86,090	87,345
Contingency reserve	3,178	3,234
Catastrophe loss reserve	1,084,279	1,102,912
General allowance for doubtful accounts	263	267
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	1,811,890	1,864,087
Unrealized gains (losses) on land	190,461	190,439
Excess of policyholders' contract deposits	-	-
Subordinated debt, etc.	-	-
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	-	-
Deductions	10,014	10,003
Others	401,622	448,139
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	1,138,044	1,129,920
General insurance risk (R <sub>1</sub> )	173,456	174,593
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest rate risk (R <sub>3</sub> )	23,020	22,663
Asset management risk (R <sub>4</sub> )	915,169	913,359
Business administration risk (R <sub>5</sub> )	25,403	25,262
Catastrophe risk (R <sub>6</sub> )	158,550	152,490
(C) Solvency margin ratio $[(A)/\{(B)\times 1/2\}]\times 100$	860.9%	900.5%

(Note) Solvency margin ratio as of June 30, 2017 is calculated by methods which the company regards as reasonable in accordance with the Insurance Business Act and other related regulations. Simplified methods are applied; for example, the Catastrophe risk is calculated partially based on data as of March 31, 2017.



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

## Balance sheet

(Yen in millions)

	As of March 31, 2017		As of June 30, 2017		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	39,852	9.54	33,096	8.03	(6,756)
Securities	310,291	74.25	310,800	75.37	508
Loans	275	0.07	261	0.06	(14)
Tangible fixed assets	28,960	6.93	28,875	7.00	(84)
Intangible fixed assets	91	0.02	91	0.02	-
Other assets	24,084	5.76	24,843	6.02	758
Prepaid pension costs	1,569	0.38	1,534	0.37	(34)
Deferred tax assets	12,902	3.09	12,944	3.14	41
Allowance for doubtful accounts	(109)	(0.03)	(107)	(0.03)	1
<b>Total assets</b>	<b>417,919</b>	<b>100.00</b>	<b>412,340</b>	<b>100.00</b>	<b>(5,578)</b>
<b>Liabilities</b>					
Insurance liabilities	293,812	70.30	295,527	71.67	1,715
Outstanding claims	48,262		48,087		(175)
Underwriting reserves	245,549		247,439		1,890
Other liabilities	16,497	3.95	17,085	4.14	587
Income taxes payable	1,632		3,085		1,453
Lease obligations	1		0		(0)
Asset retirement obligations	11		11		(0)
Other liabilities	14,852		13,987		(864)
Provision for retirement benefits	2,156	0.52	2,197	0.53	41
Provision for employees' bonus	540	0.13	-	-	(540)
Reserves under special laws	1,104	0.26	1,110	0.27	6
Price fluctuation reserve	1,104		1,110		6
<b>Total liabilities</b>	<b>314,110</b>	<b>75.16</b>	<b>315,921</b>	<b>76.62</b>	<b>1,810</b>
<b>Net assets</b>					
Share capital	20,389	4.88	20,389	4.94	-
Capital surplus	15,518	3.71	15,518	3.76	-
Additional paid-in capital	12,620		12,620		-
Other capital surplus	2,898		2,898		-
Retained earnings	32,077	7.68	22,564	5.47	(9,512)
Surplus reserve	7,769		7,769		-
Other retained earnings	24,307		14,794		(9,512)
Special reserves	8,840		8,840		-
Advanced depreciation reserve for fixed assets	1,778		1,778		-
Retained earnings carried forward	13,689		4,176		(9,512)
Total shareholders' equity	67,985	16.27	58,472	14.18	(9,512)
Unrealized gains (losses) on available-for-sale securities	35,823	8.57	37,946	9.20	2,123
Total valuation and translation adjustments	35,823	8.57	37,946	9.20	2,123
<b>Total net assets</b>	<b>103,808</b>	<b>24.84</b>	<b>96,419</b>	<b>23.38</b>	<b>(7,389)</b>
<b>Total liabilities and net assets</b>	<b>417,919</b>	<b>100.00</b>	<b>412,340</b>	<b>100.00</b>	<b>(5,578)</b>

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

## Statement of income

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )	Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )	Increase (Decrease)
<b>Ordinary income</b>	38,071	38,414	342
<b>Underwriting income</b>	37,492	37,895	403
Net premiums written	36,078	36,778	700
Deposit premiums from policyholders	521	459	(61)
Investment income on deposit premiums	515	441	(73)
Reversal of outstanding claims	-	175	175
Reversal of underwriting reserves	371	-	(371)
<b>Investment income</b>	555	493	(61)
Interest and dividends	928	900	(27)
Gains on sales of securities	47	30	(17)
Transfer of investment income on deposit premiums	(515)	(441)	73
<b>Other ordinary income</b>	23	24	1
<b>Ordinary expenses</b>	36,706	36,465	(241)
<b>Underwriting expenses</b>	30,228	30,534	306
Net claims paid	17,260	18,227	966
Loss adjustment expenses	2,488	2,420	(68)
Agency commissions and brokerage	6,093	6,251	158
Maturity refunds to policyholders	2,331	1,661	(670)
Provision for outstanding claims	1,927	-	(1,927)
Provision for underwriting reserves	-	1,890	1,890
<b>Investment expenses</b>	460	78	(382)
Losses on sales of securities	1	0	(1)
Impairment losses on securities	148	-	(148)
Losses on redemption of securities	32	-	(32)
<b>Operating and general administrative expenses</b>	5,977	5,824	(153)
<b>Other ordinary expenses</b>	40	27	(12)
<b>Ordinary profit</b>	1,365	1,949	584
<b>Extraordinary gains</b>	265	1	(264)
Gains on disposal of fixed assets	1	1	0
Reversal of reserves under special laws	264	-	(264)
Reversal of price fluctuation reserve	264	-	(264)
<b>Extraordinary losses</b>	0	6	6
Losses on disposal of fixed assets	0	0	(0)
Provision for reserves under special laws	-	6	6
Provision for price fluctuation reserve	-	6	6
<b>Income before income taxes</b>	1,630	1,944	314
<b>Income taxes - current</b>	46	1,360	1,313
<b>Income taxes - deferred</b>	439	(803)	(1,243)
<b>Total income taxes</b>	485	556	70
<b>Net income</b>	1,144	1,388	243

(Reference)

Underwriting profit	1,750	2,051	301
Loss ratio (W/P basis)	54.7 %	56.1 %	1.4
Expense ratio (W/P basis)	33.2	32.6	(0.6)
Combined ratio (W/P basis)	87.9	88.8	0.8
Loss ratio (private sector, E/I basis)	55.5	54.5	(1.0)
Expense ratio (private sector)	34.5	34.0	(0.5)
Combined ratio (private sector)	89.9	88.5	(1.5)

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

## Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )			Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	5,922	15.2	(2.2)	6,277	16.1	6.0
Hull and cargo	-	-	-	-	-	-
Personal accident	2,684	6.9	(6.1)	2,404	6.2	(10.4)
Voluntary automobile	22,239	57.0	0.8	22,106	56.6	(0.6)
Compulsory automobile liability	5,312	13.6	(6.5)	5,025	12.9	(5.4)
Others	2,890	7.4	1.1	3,255	8.3	12.6
Total	39,049	100.0	(1.2)	39,069	100.0	0.1
Deposit premiums from policyholders	521	-	(6.1)	459	-	(11.9)

## Net premiums written

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )			Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	3,855	10.7	13.6	4,283	11.6	11.1
Hull and cargo	1	0.0	(90.0)	0	0.0	(91.7)
Personal accident	2,663	7.4	(5.9)	2,383	6.5	(10.5)
Voluntary automobile	22,196	61.5	0.9	22,059	60.0	(0.6)
Compulsory automobile liability	4,550	12.6	(6.6)	4,871	13.2	7.1
Others	2,811	7.8	1.3	3,179	8.6	13.1
Total	36,078	100.0	0.5	36,778	100.0	1.9

## Net claims paid

(Yen in millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )			Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
		%	%		%	%
Fire and allied lines	1,876	(12.7)	53.2	2,524	34.6	62.1
Hull and cargo	4	(63.0)	361.9	4	3.2	4,716.8
Personal accident	884	(17.4)	36.8	957	8.3	43.7
Voluntary automobile	9,816	(1.7)	52.3	10,215	4.1	54.4
Compulsory automobile liability	3,751	1.3	89.1	3,459	(7.8)	77.3
Others	928	20.6	37.2	1,065	14.7	37.0
Total	17,260	(2.4)	54.7	18,227	5.6	56.1

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

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

## Solvency margin ratio (non-consolidated)

(Yen in millions)

	As of March 31, 2017	As of June 30, 2017
(A) Total amount of solvency margin	168,146	174,316
Shareholders' equity less adjusting items	57,084	58,472
Price fluctuation reserve	1,104	1,110
Contingency reserve	-	-
Catastrophe loss reserve	60,938	62,414
General allowance for doubtful accounts	5	2
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	43,617	46,214
Unrealized gains (losses) on land	40	210
Excess of policyholders' contract deposits	-	-
Subordinated debt, etc.	-	-
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	-	-
Deductions	-	-
Others	5,356	5,892
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	25,370	26,197
General insurance risk (R <sub>1</sub> )	12,180	12,185
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest rate risk (R <sub>3</sub> )	1,045	1,028
Asset management risk (R <sub>4</sub> )	13,476	13,959
Business administration risk (R <sub>5</sub> )	649	667
Catastrophe risk (R <sub>6</sub> )	5,766	6,213
(C) Solvency margin ratio $[(A)/\{(B)\times 1/2\}]\times 100$	1,325.5%	1,330.7%

(Note) Solvency margin ratio as of June 30, 2017 is calculated by methods which the company regards as reasonable in accordance with the Insurance Business Act and other related regulations. Simplified methods are applied; for example, the Catastrophe risk is calculated partially based on data as of March 31, 2017.

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

## Balance sheet

(Yen in millions)

	As of March 31, 2017		As of June 30, 2017		Increase (Decrease)
	Amount	Composition ratio %	Amount	Composition ratio %	
<b>Assets</b>					
Cash and bank deposits	32,622	73.30	35,044	76.87	2,422
Tangible fixed assets	138	0.31	133	0.29	(4)
Intangible fixed assets	0	0.00	0	0.00	-
Other assets	11,743	26.39	10,412	22.84	(1,331)
Deferred assets under Article 113 of the Insurance Business Act	7,653		6,696		(956)
Other assets	4,090		3,715		(374)
<b>Total assets</b>	<b>44,505</b>	<b>100.00</b>	<b>45,591</b>	<b>100.00</b>	<b>1,086</b>
<b>Liabilities</b>					
Insurance liabilities	27,097	60.89	28,620	62.78	1,523
Outstanding claims	11,604		12,181		577
Underwriting reserves	15,492		16,439		946
Other liabilities	4,214	9.47	3,547	7.78	(667)
Income taxes payable	35		14		(21)
Suspense receipt	2,971		2,576		(394)
Lease obligations	34		33		(0)
Asset retirement obligations	49		49		0
Other liabilities	1,123		872		(250)
Provision for retirement benefits	132	0.30	146	0.32	13
Provision for employees' bonus	152	0.34	65	0.14	(86)
Deferred tax liabilities	1	0.00	1	0.00	(0)
<b>Total liabilities</b>	<b>31,597</b>	<b>71.00</b>	<b>32,380</b>	<b>71.02</b>	<b>783</b>
<b>Net assets</b>					
Share capital	25,903	58.20	26,653	58.46	749
Capital surplus	25,903	58.20	26,653	58.46	749
Additional paid-in capital	25,903		26,653		749
Retained earnings	(38,899)	(87.40)	(40,096)	(87.95)	(1,196)
Other retained earnings	(38,899)		(40,096)		(1,196)
Retained earnings carried forward	(38,899)		(40,096)		(1,196)
Total shareholders' equity	12,907	29.00	13,211	28.98	303
<b>Total net assets</b>	<b>12,907</b>	<b>29.00</b>	<b>13,211</b>	<b>28.98</b>	<b>303</b>
<b>Total liabilities and net assets</b>	<b>44,505</b>	<b>100.00</b>	<b>45,591</b>	<b>100.00</b>	<b>1,086</b>

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

## Statement of income

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Increase (Decrease)
<b>Ordinary income</b>	6,314	7,281	966
<b>Underwriting income</b>	6,313	7,282	969
Net premiums written	6,309	7,279	969
Investment income on deposit premiums	3	3	(0)
<b>Investment income</b>	(1)	(2)	(1)
Interest and dividends	2	0	(1)
Transfer of investment income on deposit premiums	(3)	(3)	0
<b>Other ordinary income</b>	3	1	(1)
<b>Ordinary expenses</b>	8,270	8,475	205
<b>Underwriting expenses</b>	5,586	5,699	113
Net claims paid	3,073	3,702	629
Loss adjustment expenses	399	464	65
Agency commissions and brokerage	4	8	4
Provision for outstanding claims	966	577	(389)
Provision for underwriting reserves	1,142	946	(196)
<b>Operating and general administrative expenses</b>	1,726	1,818	92
<b>Other ordinary expenses</b>	957	956	(0)
Interest expenses	0	0	(0)
Amortization of deferred assets under Article 113 of the Insurance Business Act	956	956	-
<b>Ordinary profit (loss)</b>	(1,955)	(1,193)	761
<b>Income (loss) before income taxes</b>	(1,955)	(1,193)	761
<b>Income taxes - current</b>	2	3	0
<b>Income taxes - deferred</b>	-	(0)	(0)
<b>Total income taxes</b>	2	2	0
<b>Net income (loss)</b>	(1,957)	(1,196)	761

(Reference)

Underwriting profit (loss)	(999)	(236)	763
Loss ratio (W/P basis)	55.0 %	57.3 %	2.2
Expense ratio (W/P basis)	27.4	25.1	(2.3)
Combined ratio (W/P basis)	82.5	82.4	(0.1)
Loss ratio (private sector, E/I basis)	82.5	72.7	(9.8)
Expense ratio (private sector)	27.7	25.4	(2.4)
Combined ratio (private sector)	110.2	98.1	(12.1)

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

## Balance sheet

(Yen in millions)

	As of March 31, 2017		As of June 30, 2017		Increase (Decrease)
	Amount	Composition ratio %	Amount	Composition ratio %	
<b>Assets</b>					
Cash and bank deposits	152,726	2.08	94,818	1.29	(57,908)
Receivables under securities borrowing transactions	21,809	0.30	21,624	0.30	(185)
Monetary receivables bought	160,996	2.20	173,997	2.38	13,000
Securities	6,765,267	92.24	6,802,093	92.87	36,825
Domestic government bonds	5,747,646		5,792,203		44,557
Domestic municipal bonds	11,593		14,274		2,680
Domestic corporate bonds	97,734		124,006		26,271
Domestic equity securities	258		258		-
Foreign securities	479,769		542,334		62,565
Others	428,265		329,015		(99,250)
Loans	84,666	1.15	85,713	1.17	1,047
Policy loans	84,666		85,713		1,047
Tangible fixed assets	1,352	0.02	1,321	0.02	(30)
Intangible fixed assets	27	0.00	27	0.00	-
Agency accounts receivable	268	0.00	256	0.00	(12)
Reinsurance accounts receivable	3,356	0.05	3,047	0.04	(309)
Other assets	144,943	1.98	142,463	1.95	(2,480)
Allowance for doubtful accounts	(780)	(0.01)	(767)	(0.01)	12
<b>Total assets</b>	<b>7,334,636</b>	<b>100.00</b>	<b>7,324,594</b>	<b>100.00</b>	<b>(10,041)</b>
<b>Liabilities</b>					
Insurance liabilities	5,905,770	80.52	5,958,360	81.35	52,590
Outstanding claims	48,736		55,626		6,889
Underwriting reserves	5,753,886		5,800,189		46,302
Reserve for dividends to policyholders	103,147		102,545		(602)
Agency accounts payable	8,728	0.12	4,801	0.07	(3,926)
Reinsurance accounts payable	3,046	0.04	2,576	0.04	(469)
Other liabilities	1,103,516	15.05	1,048,929	14.32	(54,586)
Payables under securities lending transactions	951,334		893,594		(57,739)
Income taxes payable	838		22		(816)
Lease obligations	212		195		(16)
Other liabilities	151,130		155,116		3,986
Provision for retirement benefits	5,560	0.08	5,818	0.08	257
Reserves under special laws	6,451	0.09	6,850	0.09	398
Price fluctuation reserve	6,451		6,850		398
Deferred tax liabilities	4,158	0.06	6,557	0.09	2,398
<b>Total liabilities</b>	<b>7,037,231</b>	<b>95.95</b>	<b>7,033,894</b>	<b>96.03</b>	<b>(3,336)</b>
<b>Net assets</b>					
Share capital	55,000	0.75	55,000	0.75	-
Capital surplus	55,095	0.75	55,095	0.75	-
Additional paid-in capital	41,860		41,860		-
Other capital surplus	13,235		13,235		-
Retained earnings	32,390	0.44	21,408	0.29	(10,982)
Surplus reserve	10,300		13,000		2,700
Other retained earnings	22,090		8,408		(13,682)
Retained earnings carried forward	22,090		8,408		(13,682)
Total shareholders' equity	142,486	1.94	131,503	1.80	(10,982)
Unrealized gains (losses) on available-for-sale securities	148,180	2.02	152,253	2.08	4,072
Deferred gains (losses) on hedge transactions	6,738	0.09	6,942	0.09	204
Total valuation and translation adjustments	154,918	2.11	159,196	2.17	4,277
<b>Total net assets</b>	<b>297,405</b>	<b>4.05</b>	<b>290,699</b>	<b>3.97</b>	<b>(6,705)</b>
<b>Total liabilities and net assets</b>	<b>7,334,636</b>	<b>100.00</b>	<b>7,324,594</b>	<b>100.00</b>	<b>(10,041)</b>

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

## Statement of income

(Yen in millions)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Increase (Decrease)
<b>Ordinary income</b>	274,878	276,834	1,955
<b>Insurance premiums and other</b>	204,201	211,681	7,479
Insurance premiums	199,450	206,245	6,795
<b>Investment income</b>	59,745	63,959	4,213
Interest and dividends	22,290	23,747	1,457
Gains on sales of securities	2,351	85	(2,265)
Gains on derivatives	35,036	-	(35,036)
Foreign exchange gains	-	25,458	25,458
Investment gains on separate accounts	-	14,647	14,647
<b>Other ordinary income</b>	10,931	1,194	(9,736)
Reversal of underwriting reserves	9,857	-	(9,857)
<b>Ordinary expenses</b>	264,320	272,124	7,803
<b>Insurance claims and other</b>	154,521	160,460	5,938
Insurance claims	13,071	12,460	(611)
Annuity payments	14,740	18,527	3,786
Benefits	60,254	62,898	2,643
Surrender benefits	55,449	58,966	3,516
Other refunds	4,264	3,334	(930)
<b>Provision for underwriting reserves and other</b>	2,982	53,192	50,210
Provision for outstanding claims	2,982	6,889	3,907
Provision for underwriting reserves	-	46,302	46,302
Interest on reserve for dividends to policyholders	0	0	0
<b>Investment expenses</b>	74,194	26,380	(47,813)
Interest expenses	113	375	262
Losses on sales of securities	34	13	(21)
Losses on derivatives	-	25,990	25,990
Foreign exchange losses	36,990	-	(36,990)
Investment losses on separate accounts	37,055	-	(37,055)
<b>Operating expenses</b>	30,371	29,577	(793)
<b>Other ordinary expenses</b>	2,250	2,512	262
<b>Ordinary profit</b>	10,558	4,710	(5,847)
<b>Extraordinary losses</b>	164	399	235
<b>Provision for reserve for dividends to policyholders</b>	1,598	703	(894)
<b>Income before income taxes</b>	8,795	3,606	(5,188)
<b>Income taxes - current</b>	1,259	353	(905)
<b>Income taxes - deferred</b>	1,299	735	(563)
<b>Total income taxes</b>	2,558	1,089	(1,469)
<b>Net income</b>	6,236	2,517	(3,719)



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

## Breakdown of ordinary profit (Core operating profit)

(Yen in millions)

		Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Increase (Decrease)
Core operating profit	A	7,214	7,042	(171)
Capital gains		39,451	25,592	(13,859)
Gains on sales of securities		2,351	85	(2,265)
Gains on derivatives		34,549	-	(34,549)
Foreign exchange gains		-	25,458	25,458
Other capital gains		2,550	48	(2,502)
Capital losses		37,025	26,485	(10,539)
Losses on sales of securities		34	13	(21)
Losses on derivatives		-	26,471	26,471
Foreign exchange losses		36,990	-	(36,990)
Net capital gains (losses)	B	2,426	(892)	(3,319)
Core operating profit including net capital gains (losses)	A+B	9,641	6,149	(3,491)
Non-recurring income		916	-	(916)
Reversal of contingency reserves		915	-	(915)
Decrease in specific allowance for doubtful accounts		1	-	(1)
Non-recurring losses		-	1,439	1,439
Provision for contingency reserves		-	1,381	1,381
Increase in specific allowance for doubtful accounts		-	58	58
Net non-recurring income (losses)	C	916	(1,439)	(2,356)
Ordinary profit	A+B+C	10,558	4,710	(5,847)

(Note) 1. Net gains of interest received/paid on interest swaps of 486 million yen and 481 million yen presented as Gains/Losses on derivatives on statement of income are included in Core operating profit for the three months ended June 30, 2016 and June 30, 2017, respectively.

2. Other capital gains represents decrease in underwriting reserves for foreign-currency denominated insurance contracts due to exchange rate fluctuations, and it is included in Provision for underwriting reserves and Reversal of underwriting reserves on statement of income.

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

## Amount of policies

## Policies in force

(Number in thousands, yen in 100 millions)

	As of March 31, 2017				As of June 30, 2017			
	Number of policies		Amount		Number of policies		Amount	
		% to March 31, 2016		% to March 31, 2016		% to March 31, 2017		% to March 31, 2017
Individual insurance	4,917	106.9	266,187	108.2	4,958	100.8	267,876	100.6
Individual annuities	638	90.5	28,138	87.9	621	97.3	27,084	96.3
Group insurance	-	-	25,482	97.8	-	-	25,209	98.9
Group annuities	-	-	33	98.0	-	-	32	96.4

## New policies

(Number in thousands, yen in 100 millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )				Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )			
	Number of policies		Amount		Number of policies		Amount	
		% to June 30, 2015		% to June 30, 2015		% to June 30, 2016		% to June 30, 2016
Individual insurance	129	112.5	7,087	105.4	100	77.6	7,154	100.9
Individual annuities	4	10.5	237	11.4	-	-	-	-
Group insurance	-	-	23	18.1	-	-	48	205.1
Group annuities	-	-	-	-	-	-	-	-

## Annualized premiums

## Policies in force

(Yen in 100 millions)

	As of March 31, 2017		As of June 30, 2017	
		% to March 31, 2016		% to March 31, 2017
Individual insurance	6,369	112.7	6,460	101.4
Individual annuities	1,944	83.9	1,851	95.3
Total	8,313	104.4	8,311	100.0
Medical coverage, accelerated death benefits, etc.	1,632	111.7	1,662	101.8
Medical and cancer	1,401	111.3	1,425	101.7

## New policies

(Yen in 100 millions)

	Three months ended June 30, 2016 ( April 1, 2016 to June 30, 2016 )		Three months ended June 30, 2017 ( April 1, 2017 to June 30, 2017 )	
		% to June 30, 2015		% to June 30, 2016
Individual insurance	233	115.4	213	91.4
Individual annuities	13	15.4	-	-
Total	247	85.0	213	86.3
Medical coverage, accelerated death benefits, etc.	56	120.2	49	87.4
Medical and cancer	51	121.8	41	81.2

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

## Solvency margin ratio (non-consolidated)

(Yen in millions)

	As of March 31, 2017	As of June 30, 2017
(A) Total amount of solvency margin	747,165	761,149
Shareholders' equity less adjusting items	128,986	131,151
Price fluctuation reserve	6,451	6,850
Contingency reserve	47,350	48,732
General allowance for doubtful accounts	488	418
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions) × 90%	185,225	190,316
Unrealized gains (losses) on land × 85%	-	-
Excess of continued Zillmerized reserve	310,471	314,781
Subordinated debt, etc.	100,000	100,000
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	(130,891)	(131,209)
Deductions	-	-
Others	99,082	100,108
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	52,072	52,108
Insurance risk (R <sub>1</sub> )	15,965	16,015
Third sector insurance risk (R <sub>8</sub> )	5,284	5,357
Assumed interest rate risk (R <sub>2</sub> )	4,969	4,973
Minimum guarantee risk (R <sub>7</sub> )	3,008	2,959
Asset management risk (R <sub>3</sub> )	38,082	38,108
Business administration risk (R <sub>4</sub> )	1,346	1,348
(C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$	2,869.7%	2,921.3%

## Glossary of terminology

- Underwriting profit

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

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

- Loss ratio (W/P basis)

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

- Expense ratio (W/P basis)

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

- Combined ratio (W/P basis)

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

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

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

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

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

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

- Expense ratio (private sector)

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

- Combined ratio (private sector)

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

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

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

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

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

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

First installment of premium payments.
  
- Annualized premiums
 

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

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

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