



Tokio Marine Holdings

To Be a Good Company

Overview of 2Q FY2017 Results and Full-Year Projections

November 17, 2017

Tokio Marine Holdings, Inc.

◆Abbreviations used in this material

TMNF : Tokio Marine & Nichido Fire Insurance Co., Ltd.

NF : Nisshin Fire & Marine Insurance Co., Ltd.

TMNL : Tokio Marine & Nichido Life Insurance Co., Ltd.

TMHCC : Tokio Marine HCC



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I. 2Q FY2017 Results

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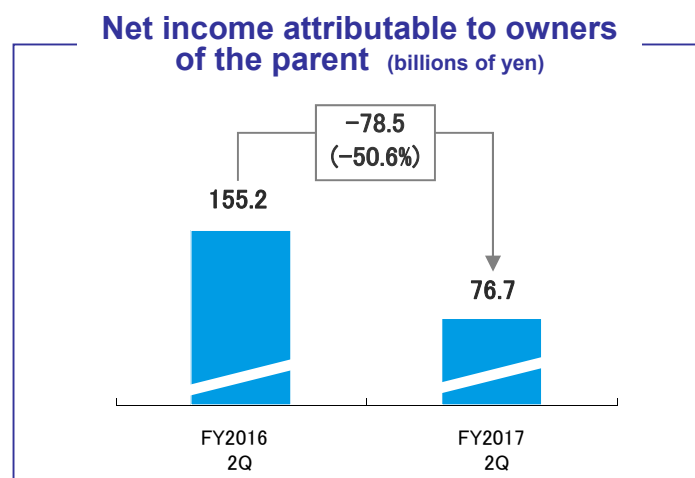
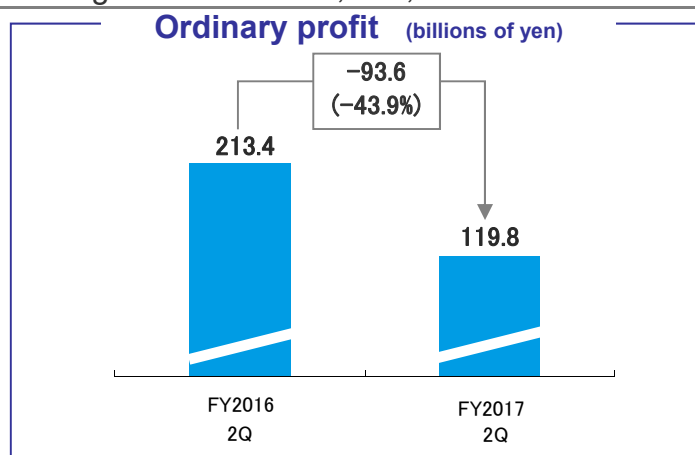
	Applied FX Rate (USD/JPY)	
	FY2016	FY2017
End of Sept. (Domestic non-life and life)	JPY 101.12 (JPY 11.56 appreciation from end-Mar. 2016)	JPY 112.73 (JPY 0.54 depreciation from end-Mar. 2017)
End of Jun. (International insurance)	JPY 102.91 (JPY 17.70 appreciation from end-Dec. 2015)	JPY 112.00 (JPY 4.49 appreciation from end-Dec. 2016)

Consolidated Results Overview (1)

Consolidated	Domestic Life
Domestic Non-Life	International



- Net premiums written: Increased due to business expansion at domestic non-life and overseas subsidiaries and the depreciation of the yen at overseas
- Life insurance premiums: Increased due to an increase in in-force policies at TMNL and the depreciation of the yen at overseas
- Ordinary profit and net income attributable to owners of the parent decreased mainly due to the impact of large natural catastrophes* and large losses at TMNF, etc.
- Adjusted net income, which excludes the effect of provision for catastrophe loss reserves and amortization of goodwill and other intangible fixed assets, etc., decreased as well due to the factors above



	FY2016		FY2017		YoY	
	2Q Results	2Q Results	Change	%	Change	%
Ordinary income (TMHD Consolidated)	2,587.0	2,732.3	145.2	+ 5.6%		
Net premiums written (TMHD Consolidated)	1,700.8	1,806.4	105.6	+ 6.2%		
Life insurance premiums (TMHD Consolidated)	434.4	455.9	21.4	+ 4.9%		
Ordinary profit (TMHD Consolidated)	213.4	119.8	- 93.6	- 43.9%		
Tokio Marine & Nichido*	159.3	144.3	- 14.9	- 9.4%		
Nisshin Fire	2.8	3.8	0.9	+ 32.2%		
Tokio Marine & Nichido Life	15.3	9.6	- 5.7	- 37.1%		
Overseas subsidiaries*	74.7	85.2	10.5	+ 14.1%		
Adjustment relating to large natural catastrophes*	-	- 45.7	- 45.7	-		
Financial and general	2.7	3.2	0.5	+ 20.8%		
Others (Consolidation adjustments, etc.)	- 41.6	- 80.8	- 39.2			
Net income attributable to owners of the parent	155.2	76.7	- 78.5	- 50.6%		
Tokio Marine & Nichido*	124.0	112.4	- 11.6	- 9.4%		
Nisshin Fire	2.1	2.6	0.5	+ 25.5%		
Tokio Marine & Nichido Life	10.6	6.1	- 4.4	- 42.0%		
Overseas subsidiaries*	58.7	63.9	5.1	+ 8.8%		
Adjustment relating to large natural catastrophes*	-	- 35.9	- 35.9	-		
Financial and general	1.7	2.2	0.5	+ 33.6%		
Others (Consolidation adjustments, etc.)	- 41.9	- 74.7	- 32.7			
[KPI for the Group Total]						
Adjusted net income	219.2	143.5	- 75.7	- 34.5%		

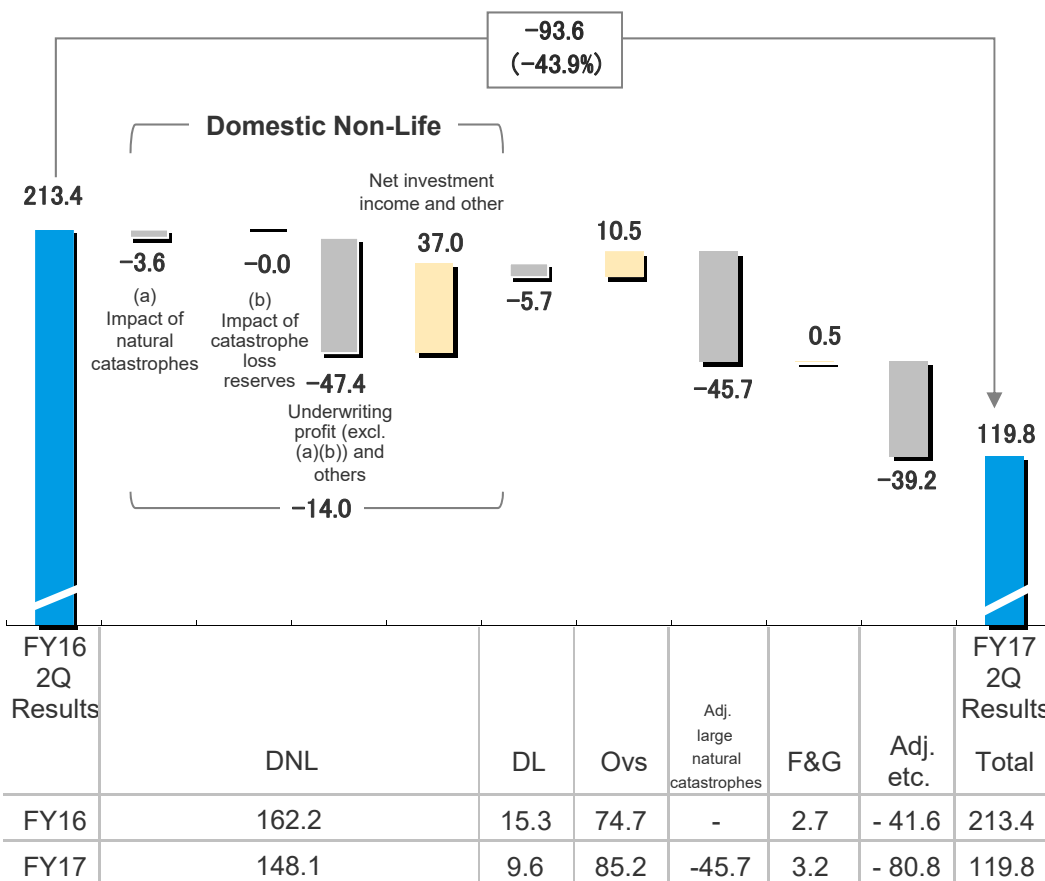
*Please refer to P.33 for details and Group impact of large natural catastrophe losses

Consolidated Results Overview (2)

Consolidated	Domestic Life
Domestic Non-Life	International



■ Ordinary Profit (billions of yen)



— Domestic Non-Life

Decreased mainly due to the following factors at TMNF:

- ▶ Impact of large natural catastrophes*
- ▶ Reversal effect of a decrease in provision for foreign currency dominated outstanding claims reserves in FY2016
- ▶ Impact of large losses, etc.
- ▶ Increase in dividends income from overseas subsidiaries
- ▶ Decrease in gains/losses on derivatives and gains on sales of securities

— Domestic Life

- ▶ Decreased due to an increase in provision for contingency reserves and a decrease in gains on sales of securities, etc.

— Overseas Subsidiaries

- ▶ Increased due to the depreciation of the yen and profit expansion in North America, etc. despite deterioration of foreign exchange gains/losses, etc.

— Adjustment relating to large natural catastrophes*

- ▶ Increase in net incurred losses due to adjustment for losses relating to hurricanes in North America, etc. at overseas subsidiaries

— Consolidation Adjustments, etc.

- ▶ Negative adjustment increased due to an increase in dividends income from overseas subsidiaries at TMNF

*Please refer to P.33 for details and Group impact of large natural catastrophe losses

On this page, figures of each business domain are calculated as follows, and they differ from segment information in the Summary Report.

DNL (Domestic Non-life) : Total of TMNF and NF

DL (Domestic life) : TMNL

Ovs (Overseas subsidiaries)

F&G (Financial & General)

Adj, etc (Consolidation adjustments, etc.)

: Total of the followings: i) purchase method adjustments
ii) amortization of goodwill and negative goodwill
iii) others (elimination, etc.)

Adjusted Net Income (Group Total)

Consolidated	Domestic Life
Domestic Non-Life	International



■ Adjusted Net Income for 2Q FY2017 decreased by ¥75.7B YoY to ¥143.5B

● Reconciliation^{*1}

(billions of yen)

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

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net income attributable to owners of the parent (consolidated)	155.2	76.7	-78.5
Provision for catastrophe loss reserves ^{*2}	+26.8	+26.7	-0.1
Provision for contingency reserves ^{*2}	+0.4	+2.0	1.6
Provision for price fluctuation reserves ^{*2}	+1.9	+2.4	0.5
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	-2.6	-2.5	0.1
Gains or losses on sales or valuation of fixed assets and business investment equities	-4.4	+0.6	5.0
Amortization of goodwill and other intangible fixed assets	+43.1	+38.3	-4.8
Other extraordinary gains/losses, valuation allowances, etc.	-1.3	-0.9	0.4
Adjusted Net Income	219.2	143.5	-75.7

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

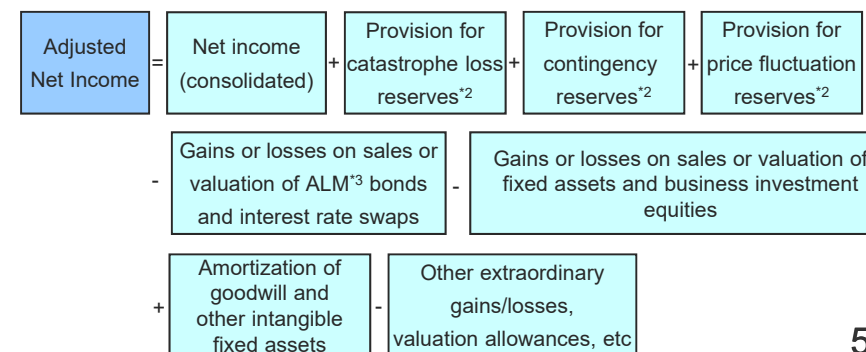
*2: In case of reversal, it is subtracted from the equation

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

— Major changes in reconciliation YoY

- Gains or losses on sales or valuation of fixed assets and business investment equities
 - ➔ Reversal effect of gains on sales of fixed assets in FY2016 at TMNF (increase in reconciling amount)
- Amortization of goodwill and other intangible fixed assets
 - ➔ Decrease in amortization of other intangible fixed assets at TMHCC (also decreases reconciling amount)

● Definition of Adjusted Net Income



TMNF Financial Results

Consolidated	Domestic Life
Domestic Non-Life	International



Changes in Major P/L Items

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Underwriting profit/loss	64.9	10.9	- 53.9
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	99.1	45.2	- 53.9
Net premiums written (Private insurance)	918.2	935.7	17.4
Net premiums earned (Private insurance)	910.5	926.6	16.1
Net incurred losses (Private insurance)*	- 510.3	- 573.0	- 62.6
Natural catastrophe losses	- 37.7	- 41.8	- 4.1
Provision/Reversal of foreign currency denominated outstanding claims reserves	10.2	- 0.4	- 10.6
Other than above	- 482.9	- 530.8	- 47.9
Business expenses (Private insurance)	- 297.1	- 301.2	- 4.0
Provision/Reversal of catastrophe loss reserves	- 34.2	- 34.2	0.0
Auto	- 16.9	- 15.7	1.2
Fire	- 7.1	- 7.6	- 0.5
Net investment income (loss) and other	96.1	132.8	36.6
Net investment income/loss	105.1	146.8	41.6
Interest and dividends	66.7	111.6	44.9
Dividends from foreign stocks	10.9	53.8	42.8
Gains/Losses on sales of securities	63.0	57.7	- 5.3
Impairment losses on securities	- 1.7	- 0.0	1.6
Gains/Losses on derivatives	6.2	- 1.7	- 8.0
Ordinary profit/loss	159.3	144.3	- 14.9
Extraordinary gains/losses	5.3	- 8.6	- 13.9
Net income/loss	124.0	112.4	- 11.6

*Including loss adjustment expenses

(Notes)

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

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Underwriting Profit

Decreased by ¥53.9B YoY to ¥10.9B mainly due to the following factors:

- Net premiums written (Private insurance) (See p.8 for details):
 - Auto : Increased mainly due to an increase in the number of policies
 - Other: Increased due to sales expansion of *Super Business Insurance*, etc.
- Net incurred losses (Private insurance):
 - Increase in net incurred losses relating to natural catastrophes*
 - Reversal effect of a decrease in provision for foreign currency dominated outstanding claims reserves due to the appreciation of the yen in FY2016
 - Impact of large losses, etc.
- Business expenses (Private insurance):
 - Increase in agency commissions associated with an increase in NPW

Net Investment Income and Other (See p.9 for details)

Increased by ¥36.6B YoY to ¥132.8B due to an increase in dividends income from overseas subsidiaries, etc. despite a decrease in gains/losses on derivatives and gains/losses on sales of securities

Extraordinary gains/losses

Decrease by ¥13.9B YoY to ¥-8.6B due to the reversal effect of gains on sales of fixed assets in FY2016, etc.

Net Income

Due to the factors above, etc., decreased by ¥11.6B YoY to ¥112.4B

*The impact of reinsurance from overseas subsidiaries relating to large natural catastrophes are included. (See P.33 for details)

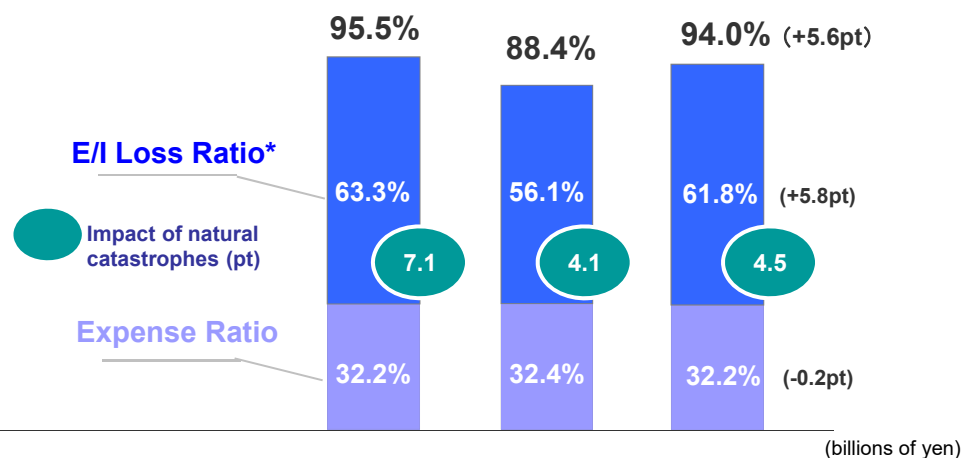
TMNF Combined Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



Combined Ratio (Private insurance: E/I basis)

※(): YoY Change



	FY2015 2Q Results	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net premiums written	937.4	918.2	935.7	17.4
Net incurred losses*	560.3	510.3	573.0	62.6
Business expenses	301.8	297.1	301.2	4.0
Corporate expenses	114.7	114.6	113.7	- 0.9
Agency commissions	187.1	182.4	187.4	5.0

(Reference)

Private insurance W/P combined ratio*	84.1%	87.4%	89.8%	2.4pt
Private insurance W/P loss ratio*	51.9%	55.0%	57.6%	2.6pt

* Including loss adjustment expenses

– E/I Basis Loss Ratio

Worsened by 5.8 points YoY to 61.8% mainly due to:

- Increase in net incurred losses relating to natural catastrophes*
- Reversal effect of a decrease in provision for foreign currency denominated outstanding claims reserves associated with the appreciation of the yen in FY2016
- Impact of large losses, etc.

– Expense Ratio

Improved by 0.2 points YoY to 32.2% mainly due to an increase in NPW

*The impact of reinsurance from overseas subsidiaries relating to large natural catastrophes are included. (See P.33 for details)

TMNF NPW & Loss Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



Net Premiums Written by Line

(billions of yen, except for %)

	FY2016 2Q Results	FY2017 2Q Results	YoY	
			Change	%
Fire	124.4	129.6	5.1	4.2%
Marine	30.3	29.6	-0.7	-2.3%
P.A.	102.5	97.1	-5.4	-5.3%
Auto	522.9	531.0	8.0	1.5%
CALI	139.5	148.8	9.2	6.6%
Other	138.6	148.7	10.1	7.3%
Total	1,058.6	1,085.0	26.4	2.5%
Private insurance Total	918.2	935.7	17.4	1.9%

E/I Loss Ratio by Line

	FY2016 2Q Results	FY2017 2Q Results	YoY
			Change
Fire	58.8%	68.2%	9.4pt
Marine	40.9%	84.1%	43.2pt
P.A.	49.0%	55.6%	6.6pt
Auto	58.6%	59.3%	0.7pt
Other	51.9%	63.9%	12.0pt
Private insurance Total	56.1%	61.8%	5.8pt

Major Factors of Changes in NPW

- Fire: Increased mainly in the household sector
- P.A.: Decreased due to shift of sub-lines of P.A. insurance into the “Other” category
- Auto: Increased mainly due to an increase in the number of policies
- CALI: Increased mainly due to an increase in the number of policies
- Other: Increased due to sales expansion of *Super Business Insurance*, etc. as well as the premium shift of sub-lines from the “P.A.” category despite the impact of surrender in surety insurance

Major Factors of Changes in E/I Loss Ratio

- Fire: Worsened due to an increase in large and medium size losses, etc. as well as an increase in net incurred losses relating to natural catastrophes*
- Marine: Worsened due to an increase in medium size losses as well as the reversal effect of a decrease in provision for foreign currency denominated outstanding claims reserves associated with the appreciation of the yen in FY2016
- Auto: Worsened due to an increase in net incurred losses relating to riders, etc.
- Other: Worsened due to the impact of large losses, etc. as well as the reversal effect of a decrease in provision for foreign currency denominated outstanding claims reserves associated with the appreciation of the yen in FY2016

*The impact of reinsurance from overseas subsidiaries relating to large natural catastrophes are included. (See P.33 for details)

TMNF Asset Management Results

Consolidated	Domestic Life
Domestic Non-Life	International



■ Net Investment Income and Other

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net investment income and other	96.1	132.8	36.6
Net investment income	105.1	146.8	41.6
Net interest and dividends income	42.6	89.9	47.2
Interest and dividends	66.7	111.6	44.9
Dividends from domestic stocks	29.8	31.6	1.8
Dividends from foreign stocks	10.9	53.8	42.8
Income from domestic bonds	13.0	12.1	- 0.9
Income from foreign bonds	2.4	2.0	- 0.4
Income from other domestic securities*1	1.0	0.1	- 0.9
Income from other foreign securities*2	3.6	6.4	2.7
Transfer of investment income on deposit premiums	- 24.0	- 21.7	2.2
Net capital gains	62.5	56.9	- 5.5
Gains/Losses on sales of securities	63.0	57.7	- 5.3
Impairment losses on securities	- 1.7	- 0.0	1.6
Gains/Losses on derivatives	6.2	- 1.7	- 8.0
Other investment income and expenses	0.1	0.2	0.1
Others	- 5.2	0.7	5.9
Other ordinary income and expenses	- 9.0	- 14.0	- 4.9

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

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

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

■ Sales of Business-Related Equities

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Sales of business-related equities	77	68	- 9

— Net investment income and other increased by ¥36.6B YoY to ¥132.8B

- Net interest and dividends income Increased by ¥47.2B YoY to ¥89.9B mainly due to the following factors:

➤ Dividends from foreign stocks:
Increase in dividends income from overseas subsidiaries

- Net capital gains Decreased by ¥5.5B YoY to ¥56.9B mainly due to the following factors:

➤ Gains/Losses on sales of securities:
Reversal effect of gains on sales of domestic bonds and business related equities in FY2016

➤ Gains/Losses on derivatives:
Market value changes in derivative contracts for hedging purpose

➤ Others:
Reversal effect of foreign exchange losses from foreign currency deposits due to the yen's appreciation in FY2016

— Sales of business-related equities decreased by ¥9B YoY to ¥68B

— Gains relating to sales of business-related equities decreased by ¥ 2B YoY to ¥52B

Changes in Major P/L Items

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Underwriting profit/loss	2.6	3.2	0.6
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	5.6	6.3	0.6
Net premiums written (Private insurance)	60.9	61.9	0.9
Net premiums earned (Private insurance)	60.3	61.5	1.2
Net incurred losses (Private insurance)*	- 33.7	- 33.7	0.0
Natural catastrophe losses	- 1.7	- 1.2	0.4
Other than above	- 32.0	- 32.4	- 0.4
Business expenses (Private insurance)	- 20.8	- 21.1	- 0.2
Provision/Reversal of catastrophe loss reserves	- 2.9	- 3.0	- 0.0
Fire	- 0.4	- 0.4	- 0.0
Auto	- 2.0	- 2.0	0.0
Net investment income (loss) and other	0.5	0.9	0.3
Net investment income/loss	0.7	1.1	0.3
Interest and dividends	2.0	2.0	- 0.0
Gains/Losses on sales of securities	0.1	0.0	- 0.0
Gains/Losses on foreign exchange	- 0.3	0.0	0.3
Ordinary profit/loss	2.8	3.8	0.9
Extraordinary gains/losses	0.0	- 0.0	- 0.1
Net income/loss	2.1	2.6	0.5
Loss ratio (Private insurance, E/I basis)*	56.0%	54.8%	- 1.2pt
Expense ratio (Private insurance)	34.3%	34.1%	- 0.1pt
E/I Combined ratio (Private insurance)*	90.2%	88.9%	- 1.3pt

* Including loss adjustment expenses

(Notes)

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

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Underwriting Profit

Increased by ¥0.6B YoY to ¥3.2B mainly due to the following factors:

- Net premiums written (Private insurance)
 - Increased due to sales expansion of a new product in fire
 - Increased due to sales expansion of a new product for SMEs in specialty insurance
- Net incurred losses (Private insurance)
 - Decrease in net incurred losses relating to auto
 - Decrease in net incurred losses relating to natural catastrophes
 - Increase in net incurred losses in P.A. and specialty insurance

Net Investment Income and Other

Increased by ¥0.3B YoY to ¥0.9B due to the reversal effect of foreign exchange losses in FY2016, etc.

Net Income

Accordingly, increased by ¥0.5B YoY to ¥2.6B

Annualized Premiums (ANP)

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY	
			Change	%
New policies ANP	53.3	47.5	- 5.8	-11.0%
excluding long-term saving-type products*	46.2	47.5	1.2	2.6%
In-force policies ANP	810.9	841.2	30.3	3.7%

* Excluding individual annuity and "whole life with long-term discount"

Key Figures in Financial Accounting

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY
			Change
Ordinary income	503.8	549.2	45.4
Insurance premiums and other	414.7	434.1	19.4
Net income	10.6	6.1	- 4.4
Core operating profit	16.6	14.2	- 2.3

New Policies ANP

- Decreased by 11.0% YoY due to sales suspension of long-term saving-type products, etc.
- Excluding long-term saving type products, increased by 2.6% YoY due to continuous favorable sales of household income term insurance

In-force Policies ANP

- Increased by 3.7% YoY due to an increase in new policies exceeding the decrease associated with lump-sum payout upon maturities in variable annuities

Net Income

- Decreased by 4.4B YoY to ¥6.1B due to an increase in provision for contingency reserves and a decrease in gains on sales of securities, etc.

Core Operating Profit

- Decreased by 2.3B YoY to ¥14.2B due to partial provision of underwriting reserves owing to the last minute demand before reduction of the standard interest rate, etc.

Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen, except for %)

	FY2016 2Q Results	FY2017 2Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
Applied FX rate (USD/JPY)	As of end- Jun. 2016 JPY 102.9	As of end- Jun. 2017 JPY 112.0			
North America	457.2	516.0	58.8	13%	4%
Europe	64.9	79.5	14.6	23%	16%
South & Central America	57.1	70.1	12.9	23%	16%
Asia & Middle East	54.3	66.2	11.9	22%	12%
Reinsurance	86.1	90.9	4.7	6%	- 3%
Total Non-Life^{*1}	719.8	822.9	103.1	14%	6%
Life	41.7	44.6	2.8	7%	0%
Total	761.6	867.6	105.9	14%	5%

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

*2: Excluding FX effects due to yen conversion

- Increased by 14% YoY due to the progress of growth measures in each business segment and the depreciation of the yen, etc.

North America

- NPWs of Philadelphia, Delphi, and TMHCC increased due to rate increases in renewal book and business expansion, etc.

Europe

- Increased due to business expansion at Tokio Marine Kiln, etc.

South & Central America

- Increased mainly due to auto insurance sales growth in Brazil

Asia & Middle East

- Increased due to the progress of growth measures in each country, etc. mainly in India

Reinsurance

- Increased due to the depreciation of the yen despite a decrease on a local currency basis due to the reversal effect of multi-year policies in FY2016

Life

- Increased mainly due to sales growth in Thailand, India, and Indonesia and the depreciation of the yen

The above figures of International Insurance Business are the total of foreign branches of TMNF, equity method investees, and non-consolidated companies, etc. which are aligned with the disclosure format of our IR materials from before

Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen, except for %)

	FY2016 2Q Results	FY2017 2Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*3}
	As of end- Jun. 2016	As of end- Jun. 2017	Change	%	
Applied FX rate (USD/JPY)	JPY 102.9	JPY 112.0			
North America	55.7	66.6	10.8	19%	10%
Europe	9.0	3.5	- 5.4	- 60%	- 62%
South & Central America	1.7	2.1	0.4	24%	18%
Asia & Middle East	2.8	8.5	5.7	200%	176%
Reinsurance	7.4	3.5	- 3.8	- 52%	- 57%
Total Non-Life^{*1}	76.5	84.3	7.8	10%	2%
Life	3.7	3.4	- 0.3	- 8%	- 14%
Total	79.6	84.8	5.2	7%	- 1%
Adjustment relating to large nat cat losses ^{*2}		- 48.8			
Total (After adjustments)	79.6	36.0	- 43.6	- 55%	- 58%

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

*2: See p.33 for details

*3: Excluding FX effects due to yen conversion

The above figures of International Insurance Business are the total of foreign branches of TMNF, equity method investees, and non-consolidated companies, etc. which are aligned with the disclosure format of our IR materials from before

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- Increased by ¥5.2B YoY (7%) due to the progress of growth measures in each business segment and the depreciation of the yen despite deterioration of foreign exchange gains/losses, etc.
- Decreased by ¥43.6B YoY (-55%) due to the adjustment of the large natural catastrophe losses^{*2} relating to hurricanes in North America, etc. which occurred during FY2017 3Q (from July to Sept.)

North America

- Philadelphia's profit increased due to the depreciation of the yen while decreased on a local currency basis due to large losses, etc.
- Delphi's profit increased due to the reversal effect of realized capital losses in FY2016 and an increase in investment income associated with an increase in investment asset, etc.
- TMHCC's profit increased due to the depreciation of the yen while decreased on a local currency basis due to deterioration of foreign exchange gains/losses, etc.

Europe

- Decreased due to deterioration of foreign exchange gains/losses and large losses, etc.

South & Central America

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

Asia & Middle East

- Increased due to reserve takedown and profitability improvement in each country, etc.

Reinsurance

- Decreased due to deterioration of foreign exchange gains/losses and an increase in reserve provision associated with a temporary factor, etc.

Life

- Decreased mainly due to the reversal effect of the impact of interest rate fluctuation in Thailand in FY2016

North America (Breakdown)

Consolidated	Domestic Life
Domestic Non-Life	International



Net Premiums Written

(billions of yen, except for %)

	FY2016 2Q Results	FY2017 2Q Results	YoY		(Ref.) YoY (Excluding FX effects)*
			Change	%	
Applied FX rate (USD/JPY)	As of end- Jun. 2016	As of end- Jun. 2017			
	JPY 102.9	JPY 112.0			
Philadelphia	150.9	172.2	21.3	14%	5%
Delphi	110.2	126.2	16.0	15%	5%
TMHCC	158.7	176.8	18.0	11%	2%

* Excluding FX effects due to yen conversion

Business Unit Profits

(billions of yen, except for %)

	FY2016 2Q Results	FY2017 2Q Results	YoY		(Ref.) YoY (Excluding FX effects)*
			Change	%	
Applied FX rate (USD/JPY)	As of end- Jun. 2016	As of end- Jun. 2017			
	JPY 102.9	JPY 112.0			
Philadelphia	19.7	19.8	0.1	1%	- 7%
Delphi	14.6	22.3	7.6	52%	40%
TMHCC	19.2	20.6	1.3	7%	- 1%

* Excluding FX effects due to yen conversion

Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen)

Business Domain	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Domestic Non-Life	98.8	69.1	-29.6
TMNF	96.1	64.3	-31.7
NF	4.2	4.8	0.6
Other	-1.5	-0.0	1.5
Domestic Life^{*1,*2}	199.6	86.0	-113.6
TMNL	200.3	86.5	-113.7
International Insurance	79.6	36.0	-43.6
North America	55.7	66.6	10.8
Europe	9.0	3.5	-5.4
South & Central America	1.7	2.1	0.4
Asia & Middle East	2.8	8.5	5.7
Reinsurance	7.4	3.5	-3.8
International Non-Life ^{*3}	76.5	84.3	7.8
International Life	3.7	3.4	-0.3
Total (before adjustment)	79.6	84.8	5.2
Adjustment relating to large nat cat losses ^{*4}		-48.8	
Financial & General	3.5	3.5	0.0

*1: Excluding capital transactions

*2: Simplified calculation method is applied for EV. The calculation is an unaudited basis

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

*4: See p.33 for details

– Domestic Non-Life

Decreased by ¥29.6B YoY to ¥69.1B mainly due to the below at TMNF:

- Reversal effect of decrease in provision for foreign currency denominated outstanding claims reserves due to the appreciation of the yen in FY2016
- Impact of large losses, etc.

– Domestic Life

Decreased by ¥113.6B YoY to ¥86.0B mainly due to the below at TMNL:

- Reversal effect of changes in definitions in the measurement method of MCEV in FY2016
- Impact of changes in economic environment such as rise in yen interest rates

– International Insurance

Decreased by ¥43.6B YoY to ¥36.0B (see p.13 for details)

II. FY2017 Revised Projections

<Reference>

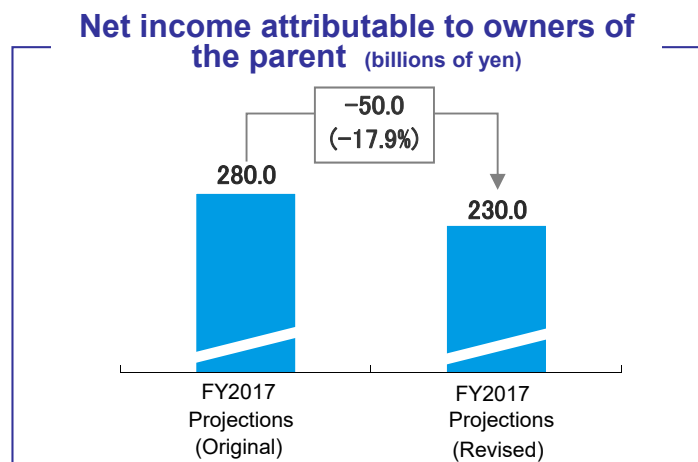
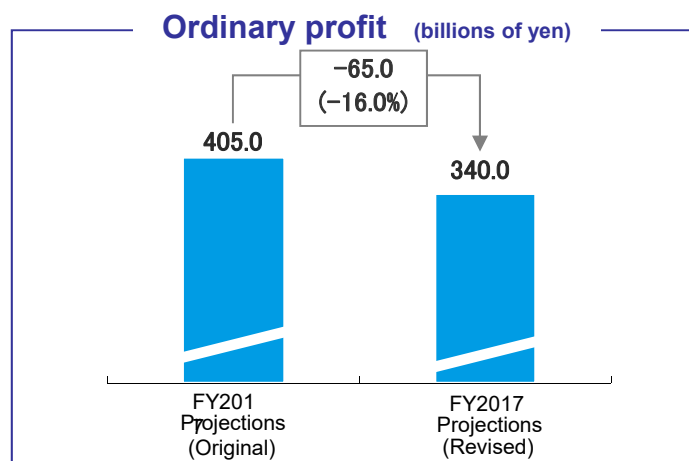
	Assumptions used for FY2017 Full-Year Projections	
	FX rate USD/JPY	Nikkei Stock Average
Original Projections (end of Mar. 2017 rate and stock avg.)	JPY 112.19	18,909 yen
Revised Projections (end of Sept. 2017 rate and stock avg.)	JPY 112.73	20,356 yen

Consolidated Projections Overview (1)

Consolidated	Domestic Life
Domestic Non-Life	International



- Net premiums written: Upward revision by ¥50B from the original projections due to business expansion and the depreciation of the yen at overseas subsidiaries
- Life insurance premiums: Upward revision by ¥20B from the original projections due to an increase in in-force policies at TMNL and business expansion at overseas subsidiaries
- Both ordinary profit and net income attributable to owners of the parent are revised downward from the original projections due to the impact of large natural catastrophes* and an increase in provision for underwriting reserves for a new product for corporations, etc. at TMNL
- Adjusted net income: Downward revision by ¥67.0B from the original projections to ¥315.0B



(billions of yen, except for %)

	FY2016 Results	FY2017 Projections Original (a)	FY2017 Projections Revised (b)	Difference (b) - (a)	Change
■ Ordinary income (TMHD Consolidated)					
Net premiums written (TMHD Consolidated)	3,480.4	3,490.0	3,540.0	50.0	+ 1.4%
Life insurance premiums (TMHD Consolidated)	904.4	890.0	910.0	20.0	+ 2.2%
■ Ordinary profit (TMHD Consolidated)					
	387.6	405.0	340.0	- 65.0	- 16.0%
Tokio Marine & Nichido*	312.4	339.0	322.0	- 17.0	- 5.0%
Nisshin Fire	9.0	6.5	6.8	0.3	+ 4.6%
Tokio Marine & Nichido Life	13.2	34.5	25.1	- 9.4	- 27.2%
Overseas subsidiaries*	174.1	170.0	125.0	- 45.0	- 26.5%
Financial and general	6.2	5.7	5.8	0.1	+ 1.8%
Others (Consolidation adjustments, etc.)	- 127.4	- 150.7	- 144.7	6.0	
■ Net income attributable to owners of the parent					
	273.8	280.0	230.0	- 50.0	- 17.9%
Tokio Marine & Nichido*	248.6	270.0	250.0	- 20.0	- 7.4%
Nisshin Fire	6.5	4.5	4.9	0.4	+ 8.9%
Tokio Marine & Nichido Life	8.7	23.9	16.3	- 7.6	- 31.8%
Overseas subsidiaries*	135.6	127.0	90.0	- 37.0	- 29.1%
Financial and general	4.0	3.8	3.8	-	-
Others (Consolidation adjustments, etc.)	- 129.8	- 149.2	- 135.0	14.2	
■ [KPI for the Group Total] Adjusted net income					
	406.7	382.0	315.0	- 67.0	- 17.5%

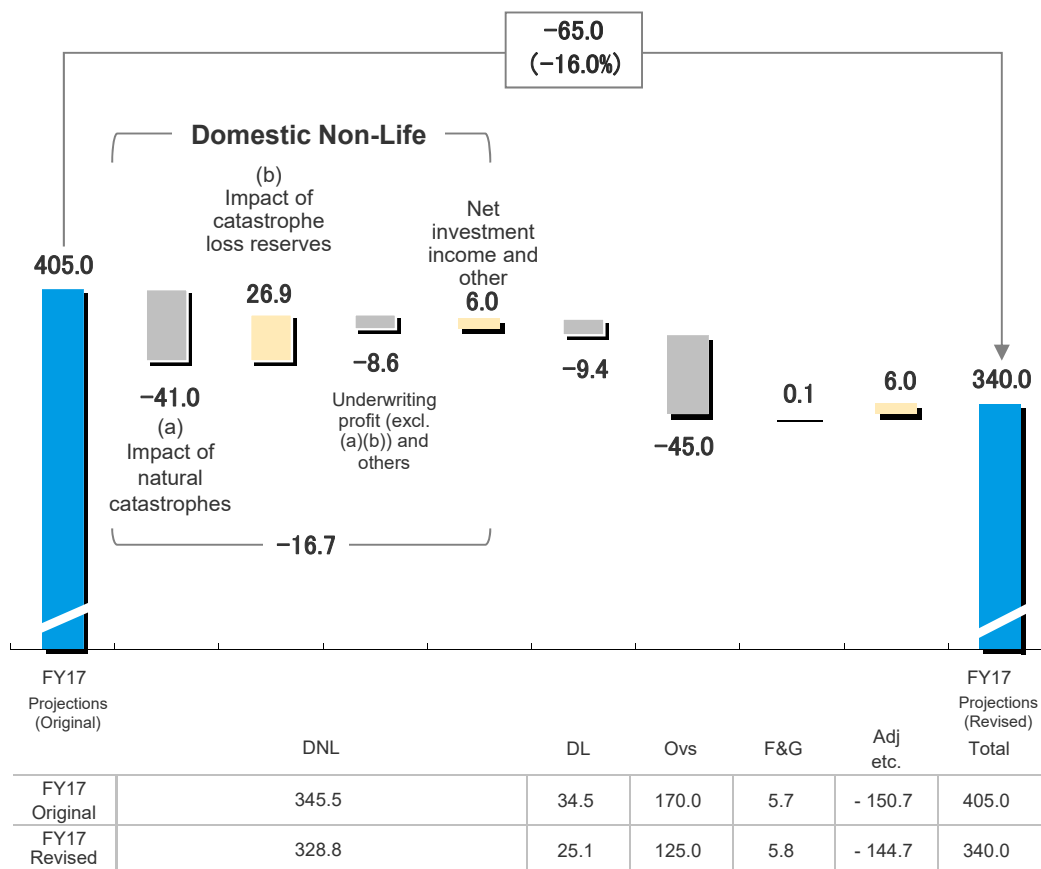
*Please refer to P.33 for details and Group impact of large natural catastrophe losses

Consolidated Projections Overview (2)

Consolidated	Domestic Life
Domestic Non-Life	International



■ Ordinary Profit (billions of yen)



On this page, figures of each business domain are calculated as follows, and they differ from segment information in the Summary Report.

- DNL (Domestic Non-life) : Total of TMNF and NF
- DL (Domestic life) : TMNL
- Ovs (Overseas subsidiaries)
- F&G (Financial & General)
- Adj, etc (Consolidation adjustments, etc.)
- : Total of the followings:
 - i) purchase method adjustments
 - ii) amortization of goodwill and negative goodwill
 - iii) others (elimination, etc.)

— Domestic Non-Life

Downward revision by ¥16.7B from the original projections mainly due to the following factors at TMNF:

- 🔴 Increase in net incurred losses relating to natural catastrophes
- 🔵 Increase in amount taken down from catastrophe loss reserves due to claims payment relating to natural catastrophes
- 🔴 Impact of large losses, etc.
- 🔵 Increase in dividends from domestic stocks and gains/losses on sales of securities

— Domestic Life

- 🔴 Downward revision by ¥9.4B from the original projections due to an increase in provision of underwriting reserves for a new product for corporations, etc.

— Overseas Subsidiaries

- 🔴 Downward revision by ¥45.0B from the original projections due to large natural catastrophes* and foreign exchanges losses, etc.

— Consolidation Adjustments, etc.

- 🔵 Decrease in negative adjustment by ¥6.0B from the original projections

*Please refer to P.33 for details and Group impact of large natural catastrophe losses

Adjusted Net Income (Group Total)

Consolidated	Domestic Life
Domestic Non-Life	International



- Adjusted Net Income is revised downward by ¥67B from the original projections to ¥315B
- Adjusted ROE is projected to be 8.1%, down by 1.7pts from the original projections

(billions of yen)

	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)	(b)-(a)
Adjusted ROE	11.0%	9.8%	8.1%	-1.7pt
Adjusted Net Income	406.7	382.0	315.0	-67.0

Reconciliation^{*1}

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

	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)	(b)-(a)
Net income attributable to owners of the parent (consolidated)	273.8	280.0	230.0	-50.0
Provision for catastrophe loss reserves ^{*2}	+35.1	+27.0	+8.0	-19.0
Provision for contingency reserves ^{*2}	+1.7	+1.0	+3.0	2.0
Provision for price fluctuation reserves ^{*2}	+3.9	+4.0	+5.0	1.0
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	+0.6	+0.0	-4.0	-4.0
Gains or losses on sales or valuation of fixed assets and business investment equities	-3.5	+0.0	+1.0	1.0
Amortization of goodwill and other intangible fixed assets	+96.9	+70.0	+73.0	3.0
Other extraordinary gains/losses, valuation allowances, etc.	-1.9	+0.0	-1.0	-1.0
Adjusted Net Income	406.7	382.0	315.0	-67.0

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

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

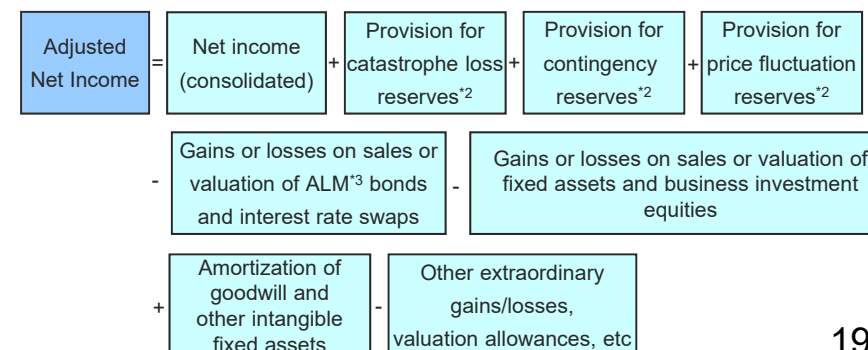
*3: ALM: Asset Liability Management. Excluded since it is counter balance of ALM related liabilities

Major changes in reconciliation from the original projections

Catastrophe loss reserves

- Decrease in net provision for catastrophe loss reserves due to projecting an increase in amount taken down associated with claims payment relating to natural catastrophes at TMNF (also decreases reconciling amount)

Definition of Adjusted Net Income



Changes in Major P/L Items

(billions of yen)

	FY2016 Results	FY2017 Projections			
		Original (a)	Revised (b)	Difference (b-a)	YoY Change
Underwriting profit/loss	116.1	130.0	107.0	- 23.0	- 9.1
(Underwriting profit/loss: excluding Provision/Reversal of catastrophe loss reserves)	159.1	163.6	115.0	- 48.5	- 44.0
Net premiums written (Private insurance)	1,831.9	1,861.8	1,861.2	- 0.5	29.3
Net premiums earned (Private insurance)	1,820.8	1,843.8	1,849.4	5.6	28.6
Net incurred losses (Private insurance)*	- 1,051.3	- 1,065.5	- 1,125.5	- 60.0	- 74.1
Natural catastrophes	- 53.5	- 40.0	- 80.0	- 40.0	- 26.4
Provision/Reversal of foreign currency denominated outstanding claims reserves	0.4	-	- 0.4	- 0.4	- 0.8
Other than above	- 998.2	- 1,025.5	- 1,045.0	- 19.5	- 46.8
Business expenses (Private insurance)	- 599.0	- 607.0	- 609.7	- 2.6	- 10.6
Provision/Reversal of catastrophe loss reserves	- 42.9	- 33.6	- 8.0	25.5	34.9
Auto	- 10.4	0.0	5.0	4.9	15.5
Fire	- 15.8	- 15.7	4.4	20.2	20.3
Net investment income (loss) and other	197.4	208.2	214.1	5.9	16.7
Net investment income/loss	217.6	237.1	243.8	6.7	26.2
Interest and dividends	177.8	201.0	198.0	- 2.9	20.2
Dividends from domestic stocks	54.9	49.0	56.2	7.2	1.3
Dividends from foreign stocks	65.8	101.9	90.3	- 11.5	24.5
Gains/Losses on sales of securities	89.1	77.7	86.9	9.2	- 2.1
Impairment losses on securities	- 0.9	-	- 0.0	- 0.0	0.9
Gains/Losses on derivatives	1.4	- 1.8	0.0	1.8	- 1.3
Ordinary profit/loss	312.4	339.0	322.0	- 17.0	9.5
Extraordinary gains/losses	2.0	- 5.9	- 13.2	- 7.3	- 15.2
Net income/loss	248.6	270.0	250.0	- 20.0	1.3

*Including loss adjustment expenses (Notes)

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

Underwriting Profit

Downward revision by ¥23.0B from the original projections mainly due to:

- ➔ Increase in net incurred losses relating to natural catastrophes*
- ➔ Impact of large losses, etc.
- ➔ Decrease in provision of catastrophe loss reserves

Net Investment Income and Other

Upward revision by ¥5.9B from the original projections mainly due to:

- ➔ Increase in gains/losses on sales of securities
- ➔ Increase in dividends from domestic stocks
- ➔ Decrease in dividends from overseas subsidiaries

Net Income

Due to the factors above, etc., downward revision by ¥20.0B from the original projections to ¥250.0B

*The impact of reinsurance from overseas subsidiaries relating to large natural catastrophes are included. (See P.33 for details)

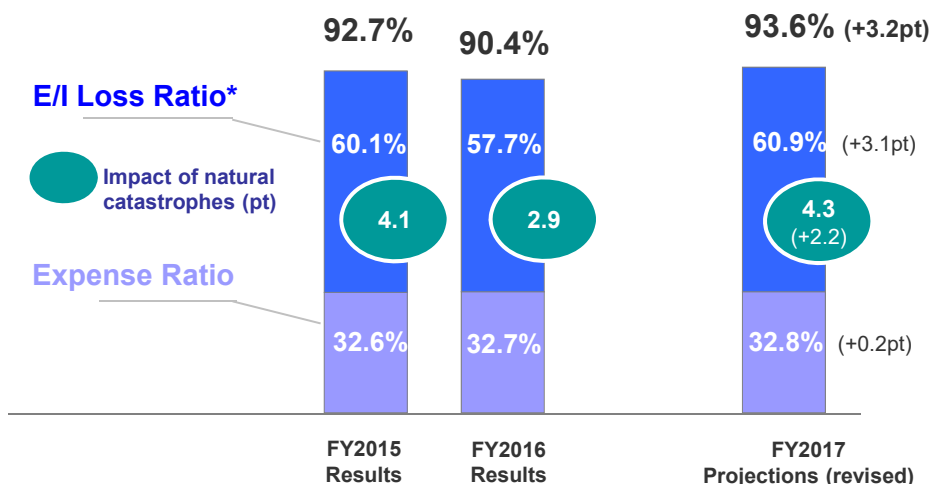
TMNF Combined Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



Combined Ratio (Private insurance: E/I basis)

※(): Change from original projections



E/I Basis Loss Ratio

Projected to worsen by 3.1 points from the original projections mainly due to:

- ➡ Increase in net incurred losses relating to natural catastrophes*
- ➡ Impact of large losses, etc.

Expense Ratio

Projected to worsen by 0.2 points from the original projections mainly due to a decrease of net premiums written owing to surrender in surety insurance

Combined Ratio

Due to the factors above, etc., projected to worsen by 3.2 points from the original projections

	FY2015 Results	FY2016 Results	FY2017 Projections (billions of yen)			
			Original (a)	Revised (b)	Difference (b-a)	YoY Change
Net premiums written	1,844.1	1,831.9	1,861.8	1,861.2	- 0.5	29.3
Net incurred losses*	1,072.4	1,051.3	1,065.5	1,125.5	60.0	74.1
Business expenses	600.4	599.0	607.0	609.7	2.6	10.6
Corporate expenses	233.4	234.3	239.0	239.3	0.2	5.0
Agency commissions	367.0	364.7	368.0	370.3	2.3	5.6

(Reference)

Private insurance W/P combined ratio*	89.2%	89.6%	88.9%	93.2%	4.2pt	3.5pt
Private insurance W/P loss ratio*	56.6%	56.9%	56.3%	60.4%	4.1pt	3.5pt

* Including loss adjustment expenses

*The impact of reinsurance from overseas subsidiaries relating to large natural catastrophes are included. (See P.33 for details)

TMNF NPW & Loss Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



Net Premiums Written by Line

(billions of yen, except for %)

	FY2016 Results	FY2017 Projections				
		Original (a)	Revised (b)	Difference (b-a)	YoY	
					Change	%
Fire	272.2	270.2	275.7	5.5	3.4	1.3%
Marine	58.9	60.0	60.0	0.0	1.0	1.8%
P.A.	172.2	163.3	164.4	1.0	-7.7	-4.5%
Auto	1,051.3	1,067.9	1,064.1	-3.7	12.8	1.2%
CALI	282.7	277.3	282.8	5.5	0.1	0.1%
Other	278.6	301.1	297.7	-3.4	19.1	6.9%
Total	2,116.1	2,140.0	2,145.0	5.0	28.8	1.4%
Private insurance Total	1,831.9	1,861.8	1,861.2	-0.5	29.3	1.6%

Major Factors of Changes in NPW

- Fire: Upward revision reflecting the favorable result in the first half
- Auto: Revised premium increase reflecting the recent result
- CALI: Upward revision reflecting the favorable result in the first half
- Other: Downward revision due to the impact of surrender in surety insurance which was not factored in the original projections, etc.

E/I Loss Ratio by Line

	FY2016 Results	FY2017 Projections			
		Original (a)	Revised (b)	Difference (b-a)	YoY Change
Fire	54.1%	51.2%	66.5%	15.3pt	12.4pt
Marine	50.5%	60.5%	63.8%	3.3pt	13.2pt
P.A.	50.7%	51.5%	52.5%	0.9pt	1.8pt
Auto	60.2%	60.2%	60.6%	0.4pt	0.4pt
Other	57.8%	58.0%	60.4%	2.4pt	2.6pt
Private insurance Total	57.7%	57.8%	60.9%	3.1pt	3.1pt

Major Factors of Changes in E/I Loss Ratio

- Fire: Projected to worsen due to an increase in net incurred losses relating to natural catastrophes* and large losses, etc.
- Marine: Projected to worsen due to an increase in medium size losses, etc.
- Auto: Projected to worsen reflecting the recent trend of net incurred losses
- Other: Projected to worsen due to the impact of large losses, etc.

*The impact of reinsurance from overseas subsidiaries relating to large natural catastrophes are included. (See P.33 for details)

NF Financial Projections

Consolidated	Domestic Life
Domestic Non-Life	International



Changes in Major P/L Items

(billions of yen, except for %)

	FY2016 Results	FY2017 Projections			
		Original (a)	Revised (b)	Difference (b-a)	YoY Change
Underwriting profit/loss	8.1	5.4	5.5	0.1	-2.5
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	13.9	9.8	8.6	-1.1	-5.2
Net premiums written (Private insurance)	120.2	122.4	122.6	0.2	2.3
Net premiums earned (Private insurance)	121.3	122.8	123.3	0.4	2.0
Net incurred losses (Private insurance)*	-66.5	-71.5	-71.7	-0.1	-5.2
Natural catastrophe losses	-1.7	-3.0	-4.0	-1.0	-2.2
Other than above	-64.7	-68.5	-67.7	0.8	-3.0
Business expenses (Private insurance)	-41.7	-42.1	-43.1	-0.9	-1.3
Provision/Reversal of catastrophe loss reserves	-5.8	-4.4	-3.1	1.3	2.7
Fire	-0.8	0.6	1.8	1.2	2.7
Auto	-4.1	-4.0	-4.0	-0.0	0.0
Net investment income (loss) and other	1.2	1.5	1.6	0.1	0.4
Net investment income/loss	2.0	1.8	2.0	0.1	0.0
Interest and dividends	4.3	3.9	4.0	0.1	-0.2
Ordinary profit/loss	9.0	6.5	6.8	0.3	-2.2
Extraordinary gains/losses	0.1	-0.3	0.0	0.4	-0.0
Net income/loss	6.5	4.5	4.9	0.4	-1.6
Loss ratio (Private insurance, E/I basis)*	54.8%	58.2%	58.2%	-0.1pt	3.3pt
Expense ratio (Private insurance)	34.7%	34.4%	35.2%	0.7pt	0.4pt
E/I Combined ratio (Private insurance)*	89.5%	92.7%	93.3%	0.6pt	3.8pt

* Including loss adjustment expenses

(Notes)

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

Underwriting Profit

Upward revision by ¥0.1B from the original projections

- Decrease in net incurred losses relating to auto
- Increase in net incurred losses relating to natural catastrophes
- Increase in amount taken down from catastrophe loss reserves in fire
- Increase in business expenses due to system support, etc.

Net Investment Income and Other

Upward revision by ¥0.1B from the original projections

- Increase in interest and dividends income

Net Income

Upward revision by ¥0.4B from the original projections to ¥4.9B due to the factors above, as well as gains from reversal of price fluctuation reserves, etc.

TMNL Financial Projections

Annualized Premiums (ANP)

(billions of yen)

	FY2016 Results	FY2017 Projections		
		Original (a)	Revised (b)	Difference (b)-(a)
New policies ANP	120.7	91.5	114.3	22.7
excluding long-term saving-type products *	113.5	91.5	114.3	22.7
In-force policies ANP	831.3	839.0	859.1	20.0

* Excluding individual annuity and "whole life with long-term discount"

— New Policies ANP

- Upward revision by ¥22.7B from the original projections to ¥114.3B reflecting the impact of a new product for corporations, etc.

— In-force Policies ANP

- Upward revision by ¥20.0B from the original projections to ¥859.1B due to an increase in new policies

Key Figures in Financial Accounting

(billions of yen)

	FY2016 Results	FY2017 Projections		
		Original (a)	Revised (b)	Difference (b)-(a)
Ordinary income	1,005.6	1,030.9	1,052.9	22.0
Insurance premiums and other	866.7	933.6	940.2	6.6
Net income	8.7	23.9	16.3	- 7.6
Core operating profit	22.3	34.5	28.0	-6.4

— Net Income/ Core Operating Profit

- Downward revision by ¥7.6B from the original projections to ¥16.3 in net income and by ¥6.4B to ¥28.0B in core operating profit due to an increase in provision for underwriting reserves associated with the upward revision of new policies ANP, etc.

Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen, except for %)

	FY2016 Results	FY2017 Projections					(Ref.) YoY (Excluding FX effects) ²
		Original (a)	Revised (b)	Difference (b-a)	YoY		
		As of end-Mar. 2017	As of end-Sep. 2017		Change	%	
Applied FX rate (USD/JPY)	As of end-Dec. 2016	As of end-Mar. 2017	As of end-Sep. 2017				
	JPY 116.4	JPY 112.1	JPY 112.7				
North America	1,031.6	1,023.0	1,036.0	13.0	4.3	0%	4%
Europe	134.4	148.0	153.0	5.0	18.5	14%	8%
South & Central America	129.6	131.0	146.0	15.0	16.3	13%	13%
Asia & Middle East	116.8	123.0	142.0	19.0	25.1	21%	19%
Reinsurance	153.8	128.0	144.0	16.0	-9.8	-6%	-3%
Total Non-Life^{**1}	1,566.4	1,553.0	1,621.0	68.0	54.5	3%	5%
Life	88.0	89.0	90.0	1.0	1.9	2%	-1%
Total	1,654.4	1,642.0	1,711.0	69.0	56.5	3%	5%

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

*2: Excluding FX effects due to yen conversion

- Upward revision by ¥69B from the original projections to ¥1,711B due to the depreciation of the yen as well as business expansion mainly at North America, South & Central America, and Reinsurance, and an increase of shareholdings in a P&C subsidiary in India, etc.

North America

- Upward revision by ¥13B mainly due to the progress of growth measures at Philadelphia, Delphi, and TMHCC

Europe

- Despite the effect of the softening market, upward revision by ¥5B due to the depreciation of the yen

South & Central America

- Upward revision by ¥15B mainly due to auto insurance sales growth in Brazil

Asia & Middle East

- Upward revision by ¥19B due to an increase of shareholdings in India and the progress of growth measures in each country, etc.

Reinsurance

- Upward revision by ¥16B due to business expansion at Tokio Millennium Re

The above figures of International Insurance Business are the total of foreign branches of TMNF, equity method investees, and non-consolidated companies, etc. which are aligned with the disclosure format of our IR materials from before

Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen, except for %)

	FY2016 Results	FY2017 Projections					(Ref.) YoY (Excluding FX effects) ²
		Original (a)	Revised (b)	Difference (b-a)	YoY		
		As of end-Mar. 2017	As of end-Sep. 2017		Change	%	
Applied FX rate (USD/JPY)	As of end-Dec. 2016	As of end-Mar. 2017	As of end-Sep. 2017				
	JPY 116.4	JPY 112.1	JPY 112.7				
North America	140.2	128.0	123.0	- 5.0	- 17.2	- 12%	- 9%
Europe	8.9	7.0	- 22.0	- 29.0	- 30.9	- 345%	- 337%
South & Central America	4.4	4.0	4.0	0.0	- 0.4	- 11%	- 11%
Asia & Middle East	7.5	9.0	8.0	- 1.0	0.4	7%	2%
Reinsurance	12.4	9.0	- 6.0	- 15.0	- 18.4	- 148%	- 150%
Total Non-Life^{*1}	173.2	157.0	107.0	- 50.0	- 66.2	- 38%	- 37%
Life	0.1	2.0	3.0	1.0	2.8	2,630%	1,450%
Total	169.5	153.0	104.0	- 49.0	- 65.5	- 39%	- 37%

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

*2: Excluding FX effects due to yen conversion

Downward revision by ¥49B from the original projections to ¥104B due to the large natural catastrophes*³ such as hurricanes in North America, etc. and foreign exchange losses, etc.

North America

- Downward revision by ¥5B due to the effect of the natural catastrophes and foreign exchange losses, etc. despite business expansion and an increase in investment income, etc.

Europe

- Downward revision by ¥29B due to the effect of the natural catastrophes and foreign exchange losses, etc.

Asia & Middle East

- Despite the effect of an increase of shareholdings in India, downward revision by ¥1B due to large losses, etc.

Reinsurance

- Downward revision by ¥15B due to an increase in loss ratio of non-catastrophe business, etc. as well as the effect of the natural catastrophes and foreign exchange losses

Life

- Upward revision by ¥1B due to the impact of interest rate fluctuation in Singapore, etc.

*3: See P.33 for details

The above figures of International Insurance Business are the total of foreign branches of TMNF, equity method investees, and non-consolidated companies, etc. which are aligned with the disclosure format of our IR materials from before

North America (Breakdown)

Consolidated	Domestic Life
Domestic Non-Life	International



Net Premiums Written

(billions of yen, except for %)

	FY2016 Results	FY2017 Projections			YoY		(Ref.) YoY (Excluding FX effects)*
		Original (a)	Revised (b)	Difference (b-a)	Change	%	
Applied FX rate (USD/JPY)	As of end-Dec. 2016	As of end-Mar. 2017	As of end-Sep. 2017				
	JPY 116.4	JPY 112.1	JPY 112.7				
Philadelphia	352.2	348.0	356.0	8.0	3.7	1%	4%
Delphi	247.9	246.0	249.0	3.0	1.0	0%	4%
TMHCC	347.9	346.0	353.0	7.0	5.0	1%	5%

* Excluding FX effects due to yen conversion

Business Unit Profits

(billions of yen, except for %)

	FY2016 Results	FY2017 Projections			YoY		(Ref.) YoY (Excluding FX effects)*
		Original (a)	Revised (b)	Difference (b-a)	Change	%	
Applied FX rate (USD/JPY)	As of end-Dec. 2016	As of end-Mar. 2017	As of end-Sep. 2017				
	JPY 116.4	JPY 112.1	JPY 112.7				
Philadelphia	45.7	39.0	37.0	- 2.0	- 8.7	- 19%	- 16%
Delphi	39.6	44.0	45.0	1.0	5.3	14%	17%
TMHCC	49.6	41.0	38.0	- 3.0	- 11.6	- 23%	- 21%

* Excluding FX effects due to yen conversion

Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of yen)

Business Domain	FY2016 Results	FY2017 Projections		
		Original (a)	Revised (b)	(b)-(a)
Domestic Non-Life	167.6	160.0	147.0	-13.0
TMNF	160.3	153.0	141.0	-12.0
NF	10.6	8.0	7.0	-1.0
Other	-3.3	-1.0	-1.0	0.0
Domestic Life**1	373.5	53.0	117.0	64.0
TMNL	373.5	54.0	117.0	63.0
International Insurance	169.5	153.0	104.0	-49.0
North America	140.2	128.0	123.0	-5.0
Europe	8.9	7.0	-22.0	-29.0
South & Central America	4.4	4.0	4.0	0.0
Asia & Middle East	7.5	9.0	8.0	-1.0
Reinsurance	12.4	9.0	-6.0	-15.0
International Non-Life**2	173.2	157.0	107.0	-50.0
International Life	0.1	2.0	3.0	1.0
Financial & General	6.6	5.0	5.0	0.0

*1: Excluding capital transactions

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

Domestic Non-Life

Downward revision by ¥13B from the original projections to ¥147B mainly due to the below at TMNF:

- ⬇ Increase in net incurred losses relating to natural catastrophes
- ⬇ Impact of large losses, etc.
- ⬆ Increase in dividends from domestic stocks

Domestic Life

Upward revision by ¥64B from the original projections to ¥117B mainly due to the below at TMNL:

- ⬆ Impact of changes in economic environment such as rise in yen interest rates

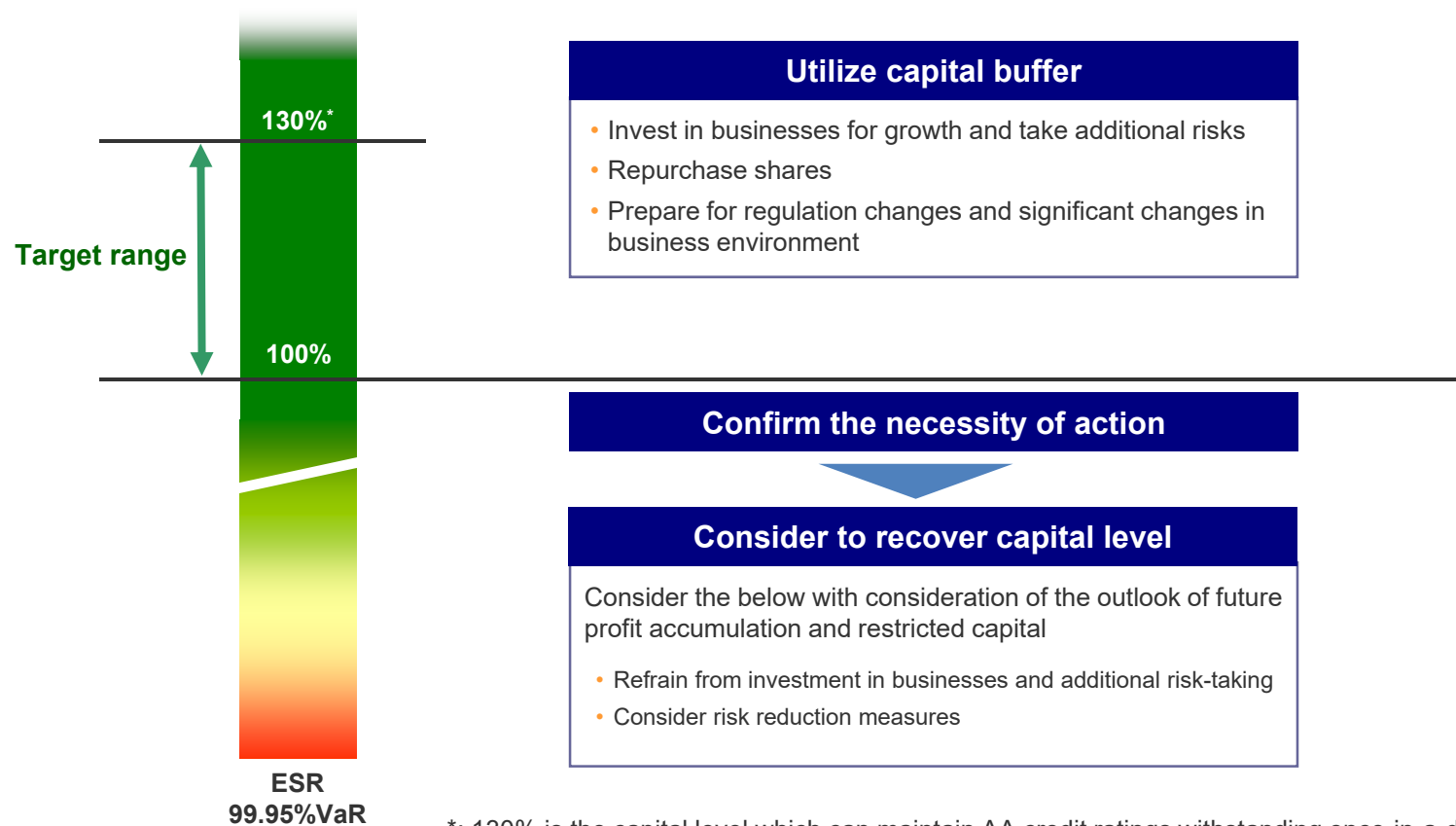
International Insurance

Downward revision by ¥49B from the original projections to ¥104B as shown on P. 26

III. Economic Solvency Ratio

Economic Solvency Ratio (ESR)

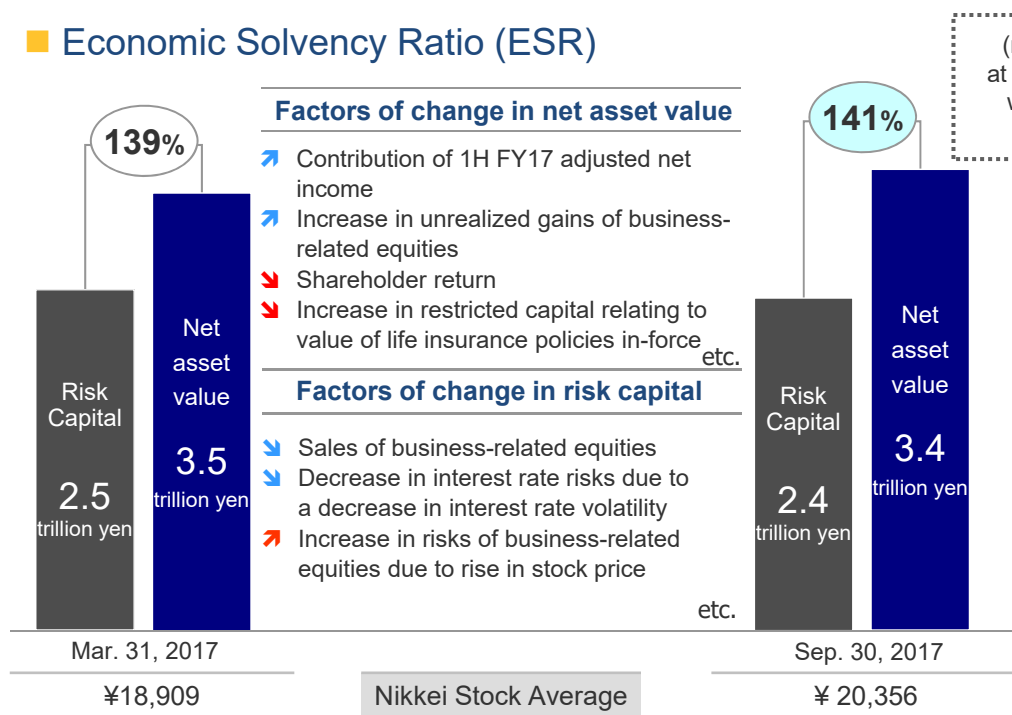
- Utilize capital model which calculates risk capital based on 99.95%VaR (standard to maintain AA credit rating) and excludes restricted capital, while referring to the method in Solvency II in Europe, etc.
- Target range of ESR is 100~130% in light of financial soundness and profitability



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

- Although net asset value decreased due to shareholder return, etc., risk capital also decreased. As a result, ESR as of Sep. 30, 2017 is 141%
- Business continuity is confirmed even in the event of stress scenario

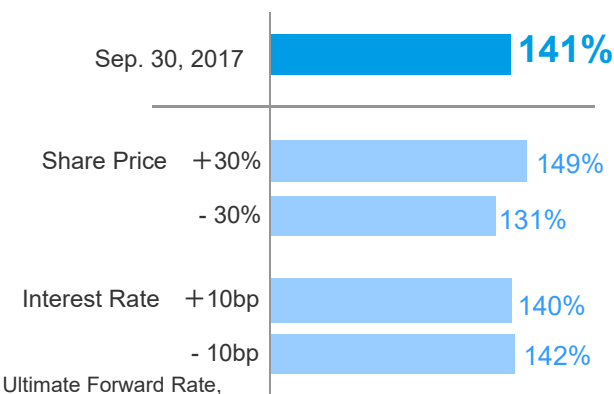
Economic Solvency Ratio (ESR)



(reference) at 99.5%VaR, with UFR* 169%

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



* 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

(Ref.) Definition of Net Asset Value

$$\text{Net Asset Value} = \text{Consolidated net asset on financial accounting basis} + \text{Liability of capital nature (catastrophe loss reserves, price fluctuation reserves, etc.) (after-tax basis)} - \text{Goodwill, etc.} - \text{Planned distribution to shareholders} + \text{Value of life insurance policies in-force} - \text{Restricted capital, etc.}$$

Reference

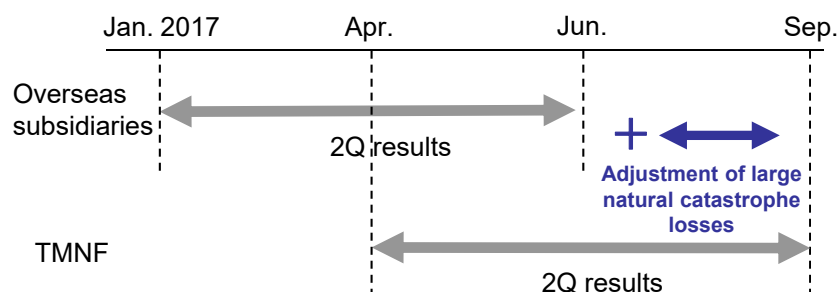
Reference: Impact of large natural catastrophes such as hurricanes in North America, etc. and full-year projections of natural catastrophes



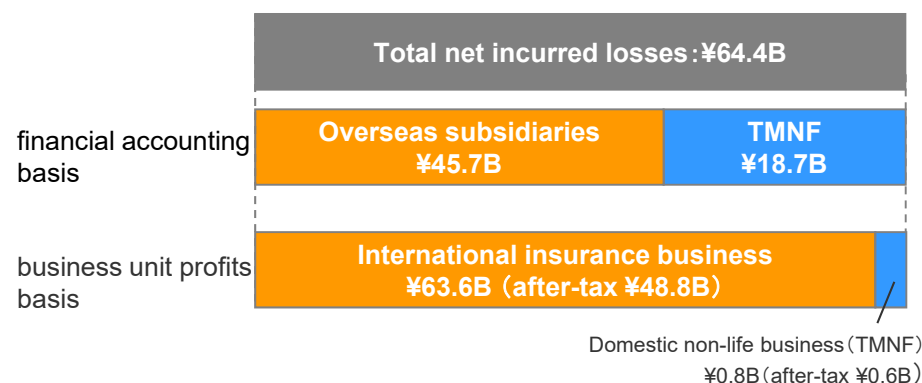
Impact of large natural catastrophes

- Large natural catastrophes refers to Hurricane Harvey, Irma, Maria, and earthquakes in Mexico.
- These losses would originally be included in FY2017 3Q results of overseas subsidiaries since they occurred in August and September. However, in terms of importance, we adjusted these impacts to be recognized in our Group's 2Q results, as described as "Adjustment relating to large natural catastrophes". (Losses of TMNF are recognized in its 2Q results.)
- The results of financial accounting and business unit profits differ due to the difference in subsidiaries covered and recognition method of reinsurance. On financial accounting basis, the ceded insurance from overseas subsidiaries are recognized in TMNF's result.

< Relation between fiscal period and adjustment >



< Large natural catastrophe losses (2Q results/before-tax) >



Full-year projection of natural catastrophes (business unit profits basis)

- Revised the FY2017 full-year projection of natural catastrophes as below, due to the impact of large natural catastrophes
- In full-year projections, the impact of large natural catastrophes are included in figures of individual companies

(before-tax) (billions of yen)

	Domestic non-life insurance business	International insurance business	Total
Projection (original)	43	47	90
Projection (revised)	64	93	157
Change	21	46	67

(after-tax) (billions of yen)

	Domestic non-life insurance business	International insurance business	Total
Projection (original)	31	34	65
Projection (revised)	46	69	115
Change	15	35	50

Status of Investments in Securitized Products

■ Status of Investments in Securitized Products, etc.

(Sum of major subsidiaries (domestic and overseas) as of the end of 2Q FY2017)

(billions of yen)

	As of the end of 2Q FY2017 ^{*1}	Domestic Offices	Overseas Offices
CDS	17.6	17.6	-
AAA	-	-	-
AA	-	-	-
A	-	-	-
BBB	17.6	17.6	-
Other than above	-	-	-
ABS (Securitized products)	1,102.8	99.8	1,002.9
Agency MBS ^{*2}	233.2	-	233.2
AAA	147.2	27.7	119.5
AA	38.1	0.8	37.2
A	110.1	30.0	80.1
BBB	274.4	24.7	249.6
Other than above	299.5	16.4	283.1
Total	1,120.5	117.5	1,002.9
Financial guarantee reinsurance (relating to securitized products)	-	-	-

*1 CDS: Notional value ABS: Market value Financial guarantee reinsurance: Par outstanding

*2 Agency MBS: MBS by Fannie Mae, Freddie Mac, and Ginnie Mae

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.36 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 Original(a)	FY2017 Projections Revised(b)	(b)-(a)
Net income attributable to owners of the parent (consolidated)	273.8	280.0	230.0	-50.0
Provision for catastrophe loss reserves ²	+35.1	+27.0	+8.0	-19.0
Provision for contingency reserves ²	+1.7	+1.0	+3.0	2.0
Provision for price fluctuation reserves ²	+3.9	+4.0	+5.0	1.0
Gains or losses on sales or valuation of ALM ³ bonds and interest rate swaps	+0.6	+0.0	-4.0	-4.0
Gains or losses on sales or valuation of fixed assets and business investment equities	-3.5	+0.0	+1.0	1.0
Amortization of goodwill and other intangible fixed assets	+96.9	+70.0	+73.0	3.0
Other extraordinary gains/losses, valuation allowances, etc.	-1.9	+0.0	-1.0	-1.0
Adjusted Net Income	406.7	382.0	315.0	-67.0

Adjusted Net Assets*1

	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)	(b)-(a)
Net assets(consolidated)	3,542.1	3,625.5	3,634.3	8.8
Catastrophe loss reserves	+810.9	+838.4	+819.0	-19.4
Contingency reserves	+36.2	+37.2	+37.0	-0.2
Price fluctuation reserves	+67.3	+71.6	+71.9	+0.3
Goodwill and other intangible fixed assets	-644.2	-565.9	-588.5	-22.6
Adjusted Net Assets	3,812.4	4,006.8	3,973.7	-33.1

Adjusted ROE

	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)
Net income(consolidated)	273.8	280.0	230.0
Net assets(consolidated)*	3,513.4	3,583.8	3,588.2
Financial accounting basis ROE	7.8%	7.8%	6.4%
* average balance basis			
	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)
Adjusted Net Income	406.7	382.0	315.0
Adjusted Net Assets*	3,705.9	3,900.0	3,890.0
Adjusted ROE	11.0%	9.8%	8.1%
* average balance basis			

*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.36 for details regarding the definition

Reconciliation of Business Unit Profits

● Domestic Non-Life*¹ (TMNF)

(billions of yen)

	FY2016 2Q Results	FY2017 2Q Results	YoY
Net income for accounting purposes	124.0	112.4	-11.6
Provision for catastrophe loss reserves ^{*2}	+25.4	+24.7	-0.7
Provision for price fluctuation reserves ^{*2}	+1.7	+1.8	0.1
Gains or losses on sales or valuation of ALM*3 bonds and interest rate swaps	-2.0	-2.6	-0.6
Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities	-40.9	-34.3	6.6
Intra-group dividends	-11.2	-52.4	-41.2
Other extraordinary gains/losses, valuation allowances, etc	-0.9	+14.7	15.6
Business Unit Profits	96.1	64.3	-31.7

	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)	(b)-(a)
Net income for accounting purposes	248.6	270.0	250.0	-20.0
Provision for catastrophe loss reserves ^{*2}	+31.0	+24.6	+6.3	-18.3
Provision for price fluctuation reserves ^{*2}	+3.6	+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	-4.5	-4.1
Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities	-58.2	-54.6	-53.4	1.2
Intra-group dividends	-63.6	-97.7	-87.2	10.5
Other extraordinary gains/losses, valuation allowances, etc	-1.4	+7.5	+26.2	18.7
Business Unit Profits	160.3	153.0	141.0	-12.0

● International Insurance*¹

	FY2016 2Q Results	FY2017 2Q Results	YoY
Overseas subsidiaries Net income for accounting purposes	58.7	63.9	5.1
Difference with EV (Life)	+2.3	+1.6	-0.7
Adjustment of non-controlling interests	-0.7	-1.4	-0.6
Difference of subsidiaries covered	+3.5	+6.0	+2.4
Other adjustments ^{*4}	+15.7	+14.7	-1.0
Business Unit Profits^{*5}	79.6	84.8	5.2

	FY2016 Results	FY2017 Projections Original(a)	FY2017 Projections Revised(b)	(b)-(a)
Overseas subsidiaries Net income for accounting purposes	135.6	127.0	90.0	-37.0
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	104.0	-49.0

*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.

*5: FY2017. 2Q Results are before adjustment relating to large natural catastrophe losses

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