



Tokio Marine Holdings

*To Be a **Good Company***

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

November 24, 2017

Tokio Marine Holdings, Inc.



I

Current Mid-Term Business Plan

1. Progress
2. Enterprise Risk Management (ERM) & Shareholder Return Policy
3. Group Asset Management
4. Business Plan and Strategy by Domain
 - (1) Domestic non-life business
 - (2) Domestic life business
 - (3) International insurance business

II

Direction of the Next Mid-Term Business Plan

1. Group Business Plan
2. Business Plan by Domain
 - (1) Domestic non-life business
 - (2) Domestic life business
 - (3) International insurance business

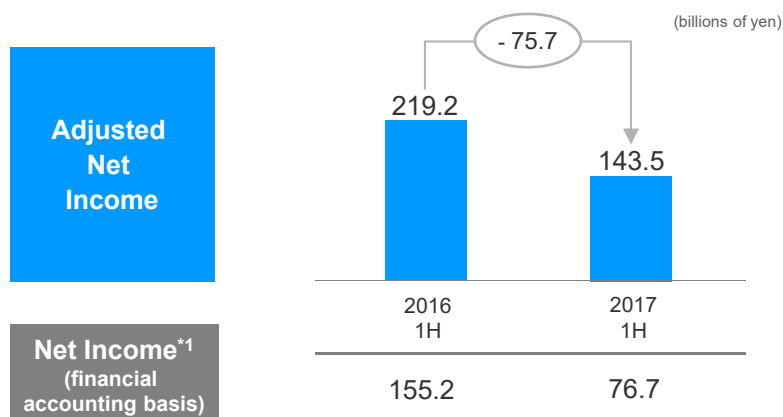
Reference

I

Current Mid-Term Business Plan

1-1. 2Q FY2017 Results

Adjusted Net Income (Group Total)



Decreased mainly due to the impact of large natural catastrophes such as hurricanes in North America, etc. and large losses at domestic non-life, etc.

*1 Net income attributable to owners of the parent

■ Natural catastrophe net incurred losses

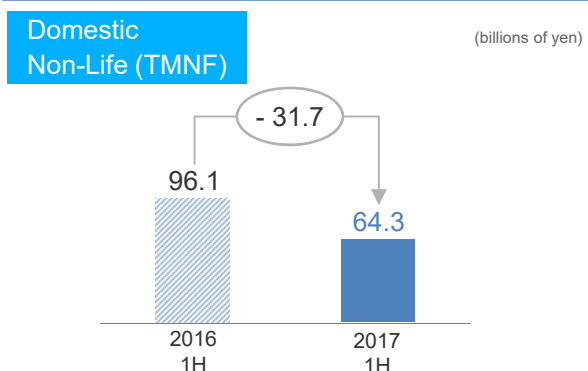
(Business unit profits basis, billions of yen)

		2016.1H	2017.1H
Before tax	Domestic non-life	39.4	25.1
	International insurance	15.2	73.1
	Total	54.6	98.2

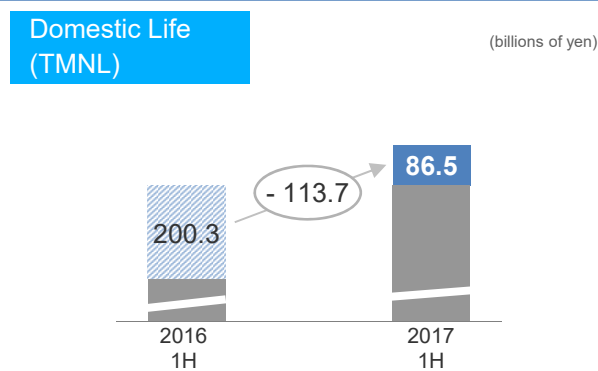
After tax*2	Domestic non-life	28.3	18.0
	International insurance	11.0	55.1
	Total	39.3	73.2

*2 Estimated figures after tax

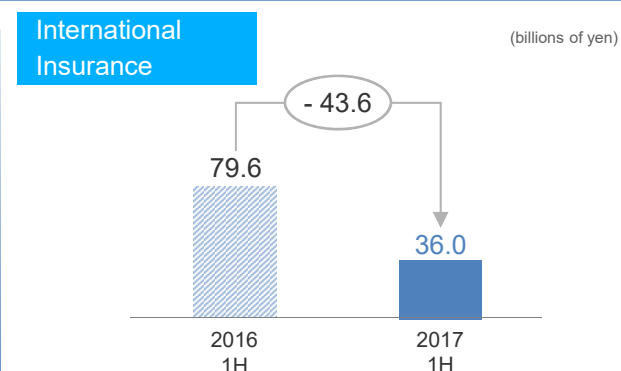
Business Unit Profits



Decreased due to the impact of large losses, etc. and the reversal effect of a decrease in provision for foreign currency dominated outstanding claims reserves due to the appreciation of the yen in FY2016, etc.



Increase in MCEV decreased mainly due to the reversal effect of changes in definitions in measurement method in FY2016

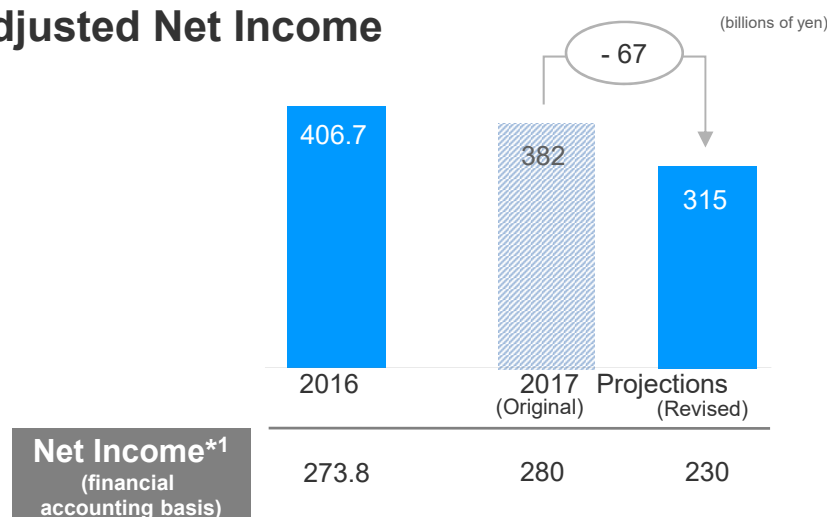


Decreased due to an increase in net incurred losses relating to natural catastrophes, etc.

1-2. FY2017 Full-Year Projections

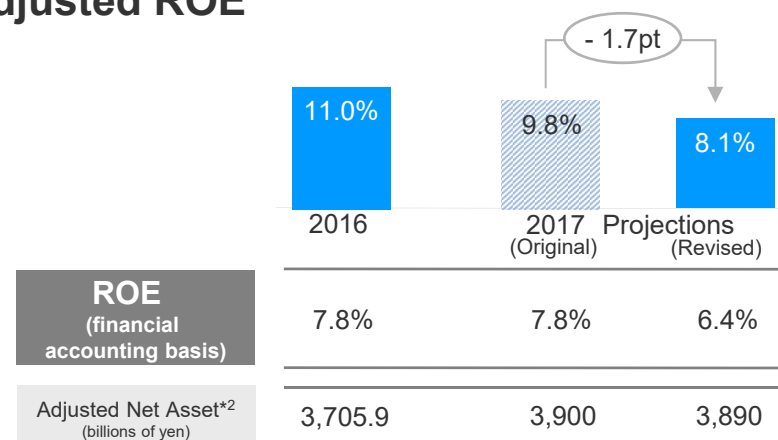
Adjusted net income and Adjusted ROE revised downward mainly due to an increase in natural catastrophe losses and the impact of large losses in domestic non-life, etc.

■ Adjusted Net Income



*1 Net income attributable to owners of the parent

■ Adjusted ROE



*2 Average balance basis

□ Main downward revision factors of Adjusted Net Income

(after-tax*3)

- Increase in natural catastrophes losses in domestic and overseas **approx. ¥50B**
- Impact of large losses, etc. in domestic non-life **approx. ¥10B**
- Foreign exchange losses at foreign subsidiaries **approx. ¥5B**
- Increase in provision for underwriting reserves associated with an increase in new policies at domestic life **approx. ¥5B**

□ Natural catastrophe net incurred losses

(Business unit profits basis, billions of yen)

		2016	2017 Projections	
			(Original)	(Revised)
Before tax	Domestic non-life	55.3	43.0	64.0
	International insurance	35.4	47.0	93.0
	Total	90.7	90.0	157.0

After tax*3	Domestic non-life	39.8	31.0	46.0
	International insurance	26.4	34.0	69.0
	Total	66.2	65.0	115.0

*3 Estimated figures after tax

1-3. Progress of the Mid-Term Business Plan

- For FY2017, the final year of the mid-term business plan, main KPIs are projected to be lower than the original outlook due to the impact of large natural catastrophes, etc.
- Normalized basis performance excluding external environment such as market environment and natural catastrophe losses, etc. is expected to reach the original outlook

		Mid-Term Business Plan FY2017 outlook* ¹	FY2017 Projections		FY2014 Results
			Revised	Normalized basis* ²	
1	Enhance capital efficiency	Adjusted ROE : Upper 9% range	8.1%	9.6%	7.6% (Normalized basis* ²)
2	Sustainable profit growth	Adjusted Net Income: Approx. ¥400B	¥315B	approx. ¥ 380B	¥298.1B (Normalized basis* ²)
3	Enhance shareholder return	Steady growth of dividends in line with profit growth	Dividend per share ¥160		Dividend per share ¥95

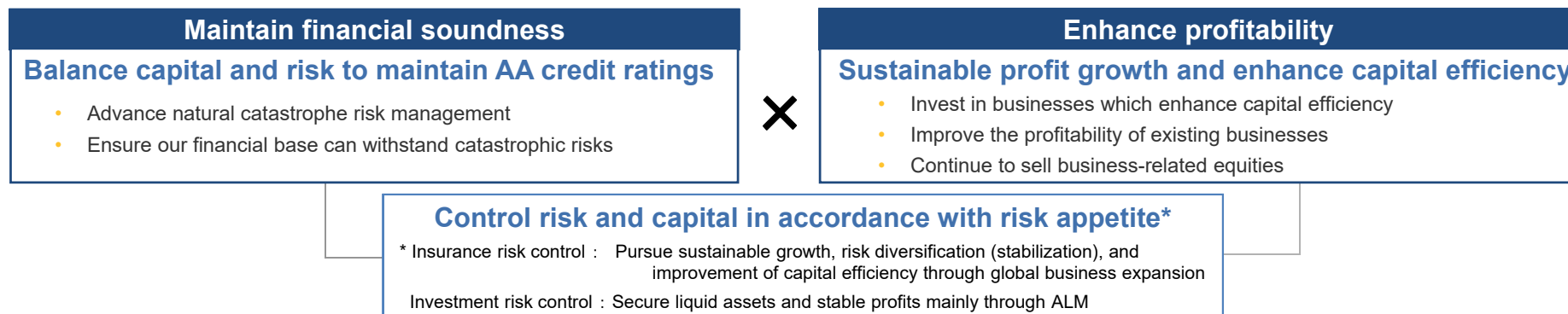
*1: Outlook was released in the first year of the mid-term business plan, based on market environment as of the end of Mar. 2015

*2: Adjusted net income: Nat-cat losses are normalized to an average annual level. Applied FX rates are also normalized so that it does not fluctuate from the end of Mar. 2015

Adjusted net assets: Market environment (stock price and FX) normalized to the level as of the end of Mar. 2015

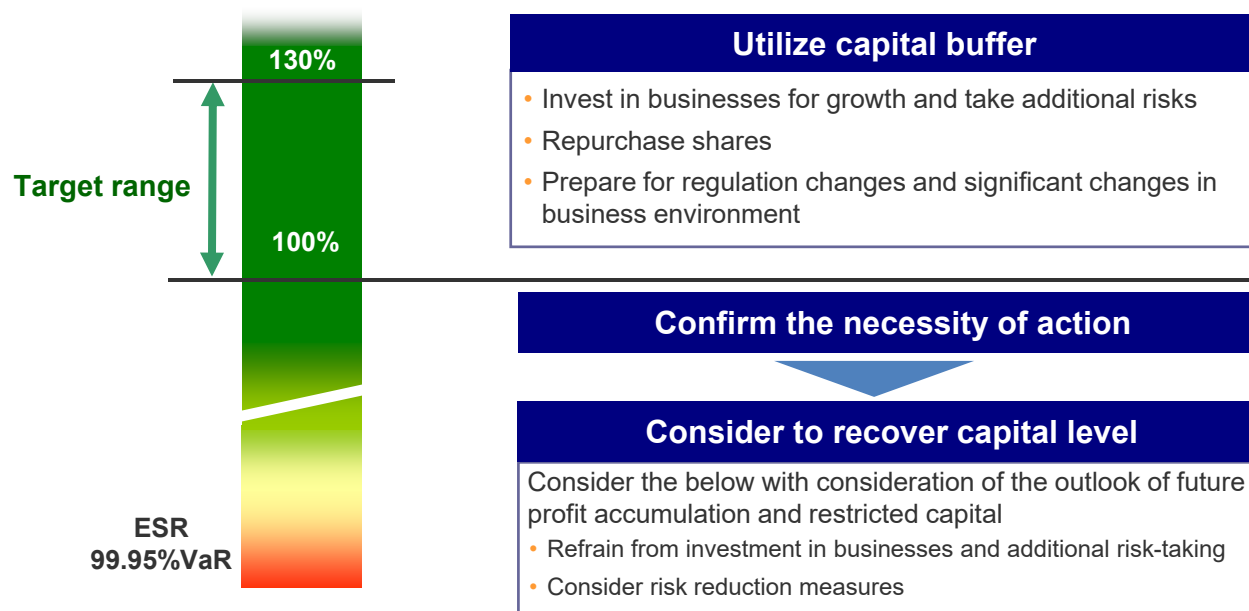
2-1. Promoting Strong ERM (1) (Controlling Risk and Capital)

■ Control risk and capital



■ 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

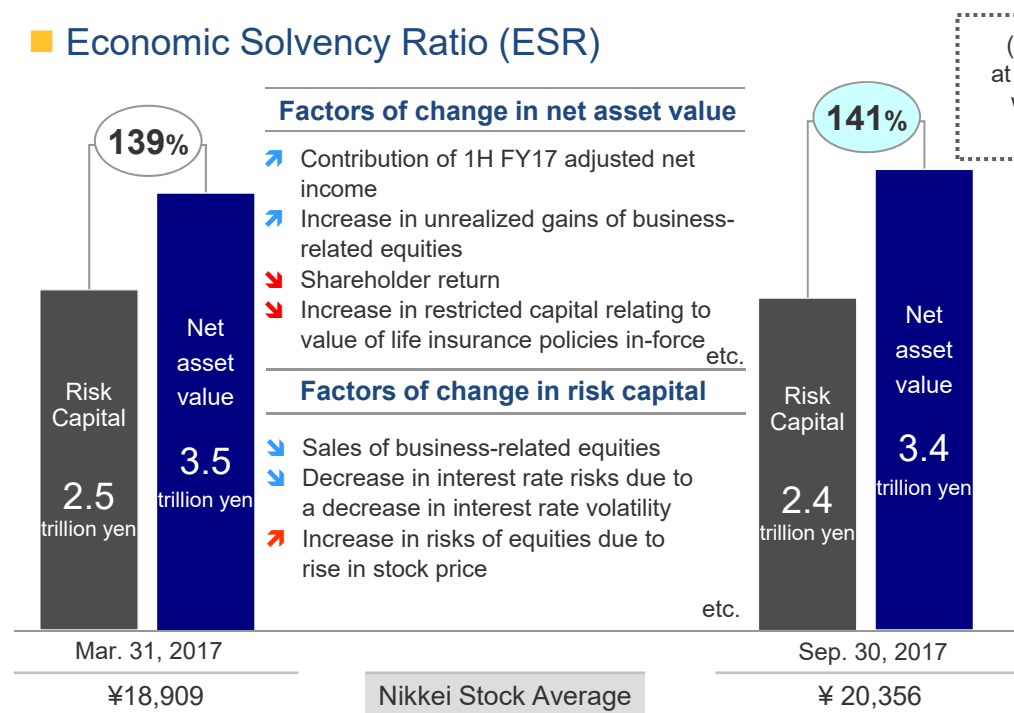


* 130% is the capital level which can maintain AA credit ratings withstanding once-in-a-decade risks

2-2. Promoting Strong ERM (2) (ESR as of Sep.30, 2017)

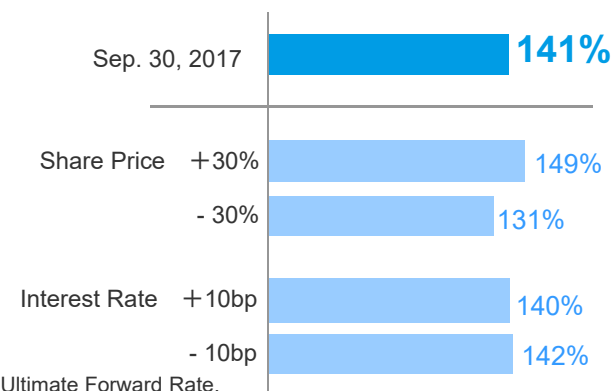
- Although net asset value decreased due to shareholder return, etc., risk capital also decreased.
As a result, ESR as of Sep. 30, 2017 is 141%
- Business continuity is confirmed even in the event of stress scenario

■ Economic Solvency Ratio (ESR)



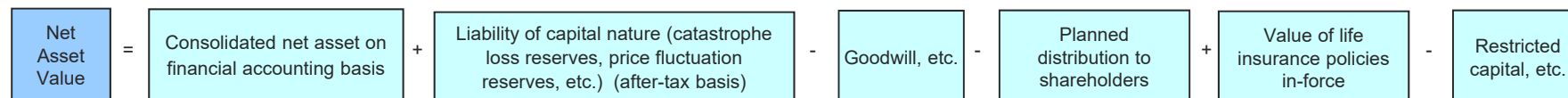
■ Impact of market changes on ESR and our measures

- 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



2-3. Shareholder Return Policy

**Increase of
dividends
through
profit growth**

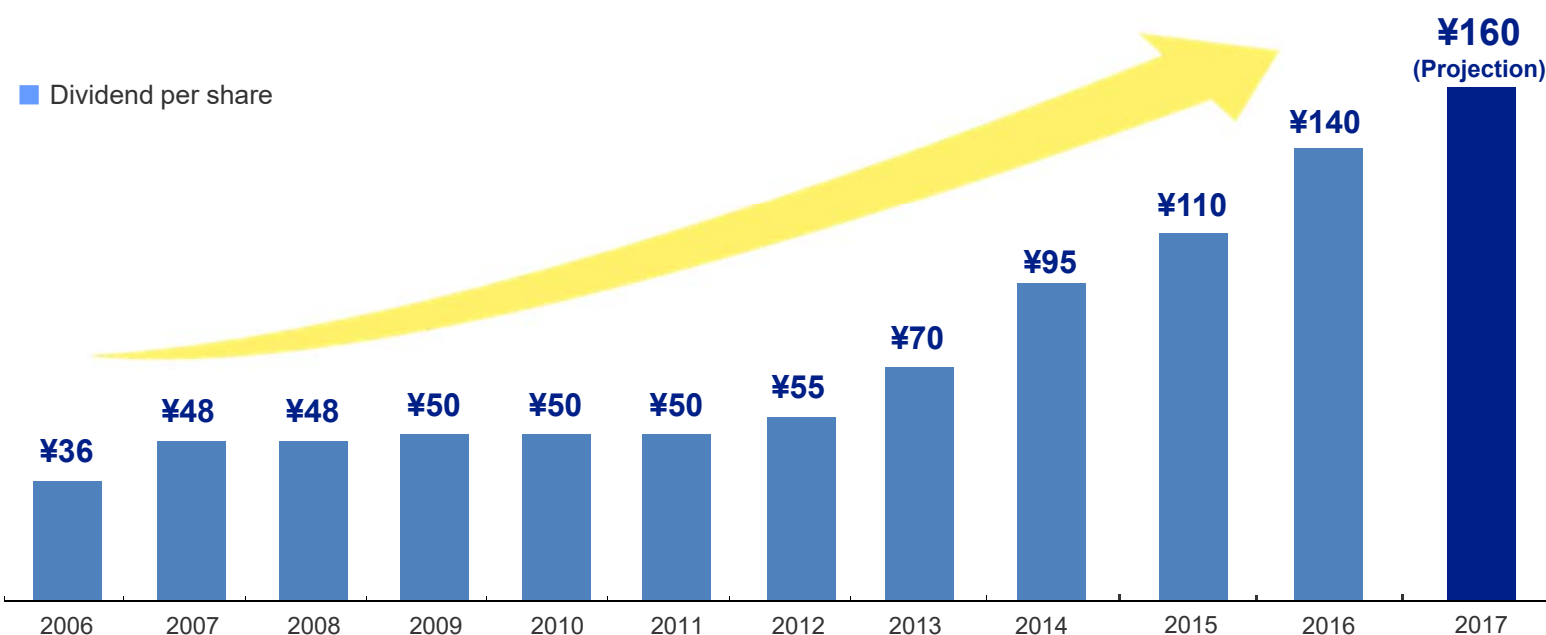


**Adjustment
of capital level**

- Our primary means of shareholder return is dividends, which we plan to increase in line with profit growth
- We aim to pursue steady growth of dividends, and payout ratio as a guide is above 35% of average adjusted net income
 - Interim dividends is ¥80 per share as projected in the original projections
 - Annual dividends is projected to increase by ¥20 YoY to ¥160 per share (payout ratio* of 37%), an increase for six consecutive years

* proportion of average adjusted net income, before reflecting the share repurchases scheduled in 2H FY2017

- Adjustment will be executed with flexibility through share repurchases, etc. based on comprehensive assessment of relevant factors (market conditions, business opportunities etc.)
 - Share repurchase of up to ¥100B is scheduled in 2H FY2017



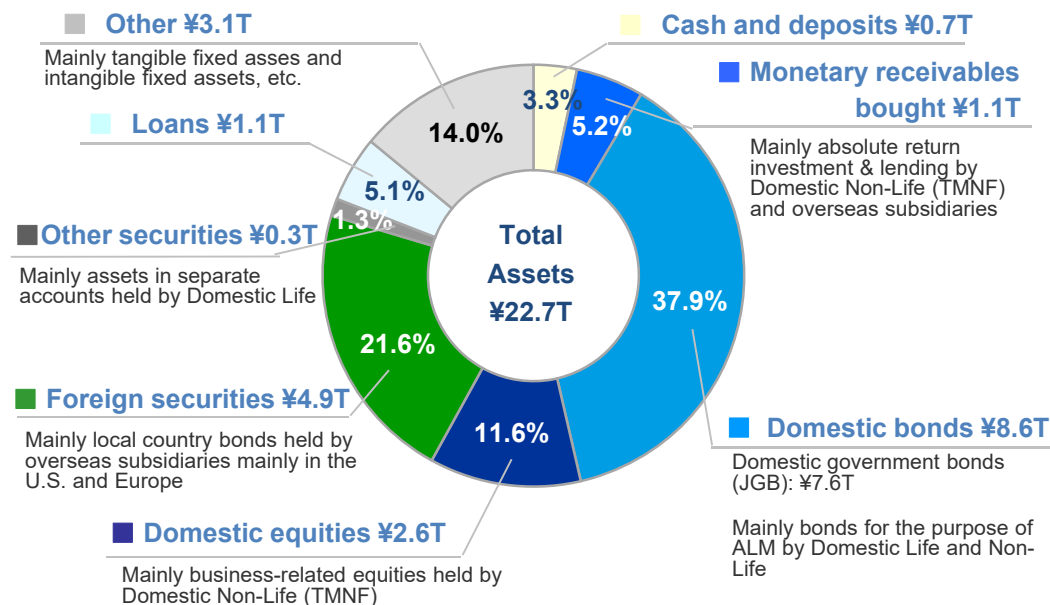
3-1. Group Asset Management (1)

Group Asset Management Policy

- With asset and liability management (ALM) at the core, aim to enhance profit and ensure liquidity based on a portfolio reflecting the characteristics of insurance liabilities
- Further strengthen investment capability by enhancing coordination among group companies of both domestic and overseas and promoting global investment diversification
- Foreign securities (mainly foreign bonds): Increase the balance through investment in bonds in the U.S. and Europe by domestic subsidiaries as well as asset expansion at overseas subsidiaries
- Domestic equities (business-related equities): Continue to sell more than ¥100B per year from the perspective of enhancing capital efficiency

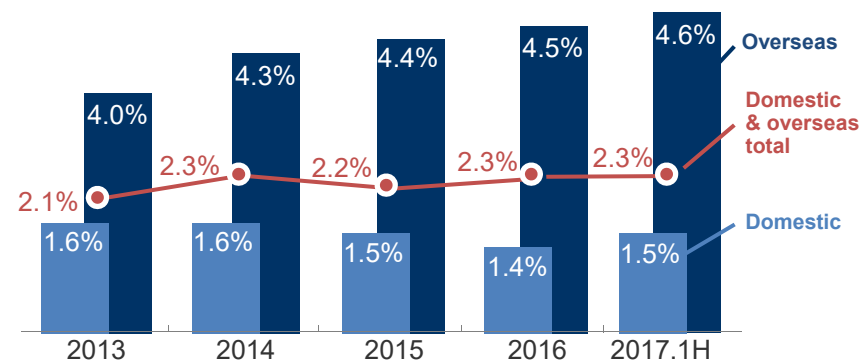
Asset composition of TMHD (Consolidated)

(As of the end of Sep. 2017)



Investment yield of the Group

- Continue to implement investment centered on long-term bonds in Japan and diversified investment measures by leveraging the group's comprehensive capabilities



- Total of entrusted amount to Delphi as of end of Sep. 2017: approx. USD 5,600M

Group companies	Start of entrustment
Philadelphia	July 2014~
Tokio Millennium Re	July 2015~
TMNF	Jan. 2016~
TMHCC	Mar. 2016~
TMNL	Jan. 2017~

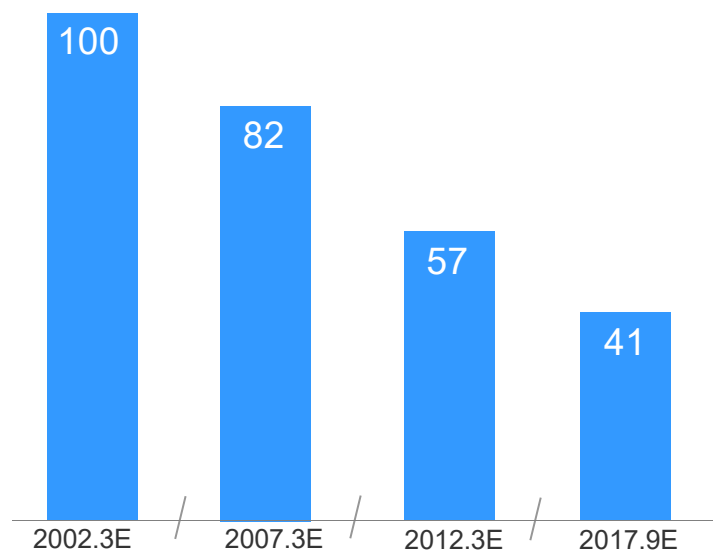
3-2. Group Asset Management (2)

Continue to reduce business-related equities from the perspective of enhancing capital efficiency

- Book value of business-related equities has decreased to less than half compared with the end of Mar. 2002 through steady measures
- Since FY2002, sold a total of approx. ¥1.9T(cumulative) *1

*1: Market price at the time of sale

Book value of business-related equities *2



*2: Figure at the end of Mar. 2002 is set at index value of 100

Reduction results

- **Previous mid-term business plan**
Plan: Sell ¥300B in 3 years total

FY	Sales amount
2012	¥115.0B
2013	¥109.0B
2014	¥112.0B
3 year total	¥336.0B

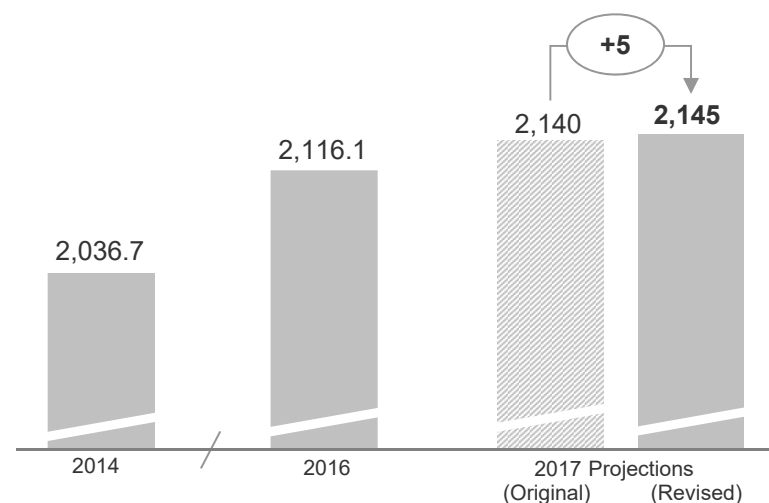
- **Current mid-term business plan:**
Plan: Sell over ¥100B every year

FY	Sales amount
2015	¥122.0B
2016	¥117.0B
2017 (Plan)	Over ¥100B

4(1)-1. TMNF FY2017 Projections

- Net premiums written is revised upward due to steady implementation of growth measures, etc.
- Business unit profits is projected to exceed the mid-term business plan despite downward revision due to an increase in natural catastrophes, etc.

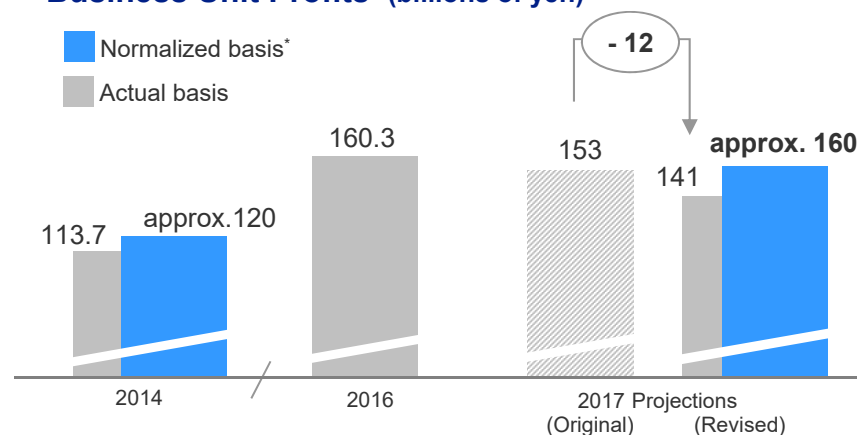
Net Premiums Written (billions of yen)



- Upward revision by ¥5B from the original projections mainly due to an increase in fire and CALI

- CAGR from FY2014 to FY2017 is + 1.7%, increasing in line with the mid-term business plan

Business Unit Profits (billions of yen)



- Revised downward by - ¥12B from the original projections mainly due to an increase in natural catastrophes

- CAGR from FY2014 to FY2017 on a normalized basis* is +10.1%, projected to exceed the mid-term plan target of +3% CAGR

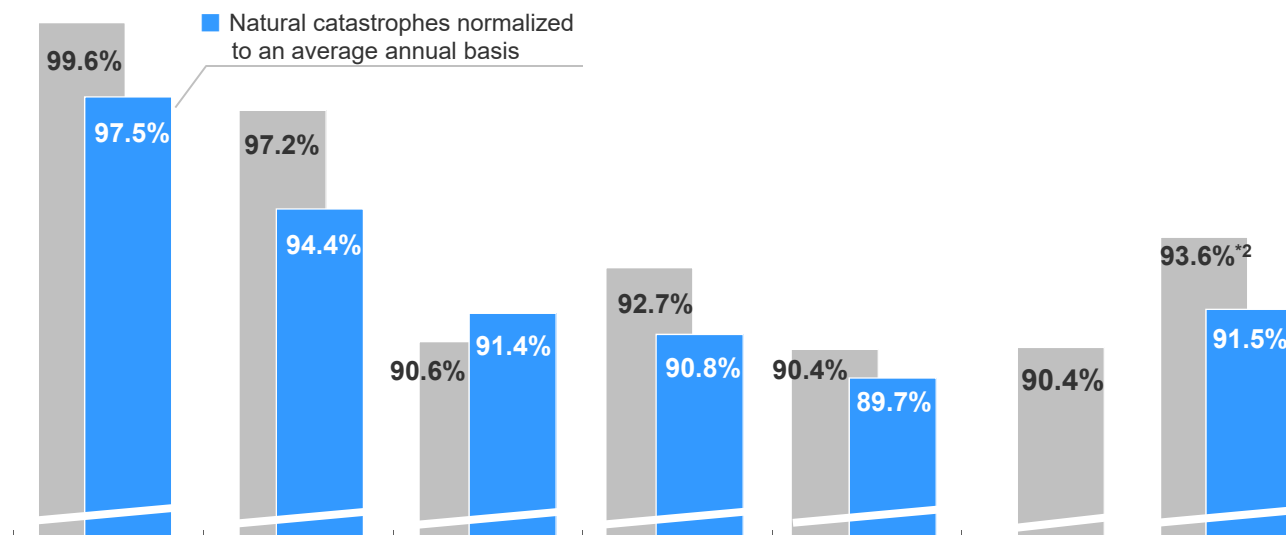
- Effect of FX rate is excluded and natural catastrophes losses are normalized to an average annual level

4(1)-2. TMNF Combined Ratio

Stable combined ratio despite an increase in loss ratio due to the impact of natural catastrophes, etc.

■ Combined Ratio (Private insurance: E/I basis) *1

*1: Financial accounting basis, loss ratio (private insurance E/I basis) + expense ratio (private insurance W/P basis)



	2012	2013	2014	2015	2016	2017 Projections	
						(Original)	(Revised)
E/I loss ratio	66.8%	65.0%	58.5%	60.1%	57.7%	57.8%	60.9%
Excluding natural catastrophes	62.8%	60.1%	56.9%	56.0%	54.8%	55.6%	56.5%
Natural catastrophes normalized to an average annual basis	64.7%	62.2%	59.2%	58.2%	57.0%	57.8%	58.7%
Auto insurance	69.4%	65.3%	61.1%	60.5%	60.2%	60.2%	60.6%
Expense ratio	32.8%	32.2%	32.2%	32.6%	32.7%	32.6%	32.8%*3

*2: Including the impact of reinsurance from overseas subsidiaries relating to large natural catastrophes such as hurricanes in North America, etc.

*3: Expense ratio (all lines) is 30.9%

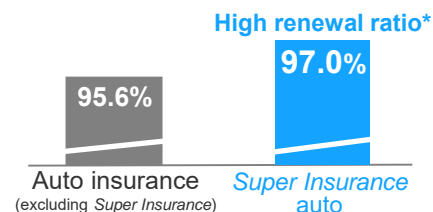
4(1)-3. TMNF Measures to Achieve Sustainable Growth

Becoming "the best choice" for customers by enhancing product attractiveness and promoting channel strategies

Product Strategy

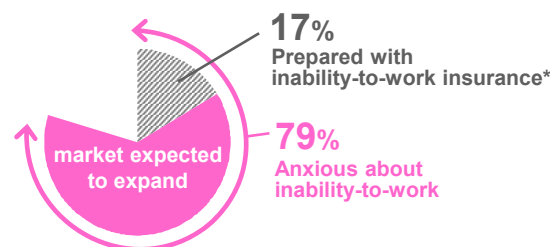
■ Unlocking the integrated business model for life and non-life

- Enhance customer satisfaction by extensive coverage and easy-to-understand selling materials



*Past 1 year period until the end of Sep. 2017

- 5 specific illness income coverage is newly added (Oct. 2017~) to Super Insurance to correspond to the inability-to-work market which is expected to expand in the future



* Inability-to-work insurance of life insurance companies
Source: Japan Institute of Life Insurance

■ Auto insurance: Strengthen measures to enhance coverage

Revised in Apr. 2017

- New features:
 - Drive agent personal
 - Bicycle package

Revised in Jan. 2018

- Riders for expenses for rental car in response to customer needs

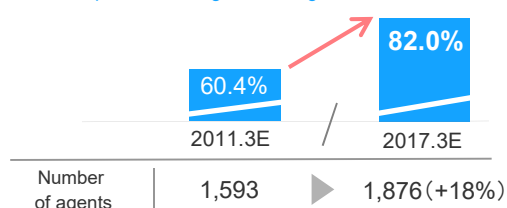
Channel strategy

■ Enhance agent productivity

- Through support to become organized agents, enhance quality and productivity

<Agents handling premiums over ¥0.1B>

■ Composition among full-time agents



Number of agents	1,593	▶	1,876 (+18%)
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■ Strengthen channel mix

- Strengthen cooperation leveraging characteristics and strengths of channels

Full-time agents
TNP*

Corporate agents,
financial institution
agents

* Tokio Marine & Nichido 100% held agent

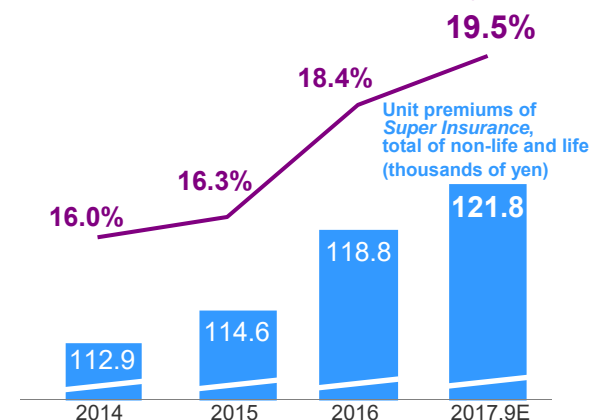
- Promoting sales expansion of non-life insurance through life insurance channels

Life professionals

Tie up with life
insurance companies

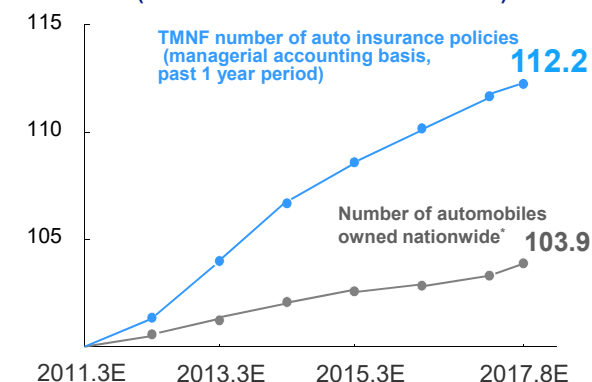
Super Insurance Promotion of multiline sales

Ratio of the number of Super Insurance with either life or third sector coverage



Sustainable increase in the number of customers

Growth rate of number of autos
(2011.3E is set at index value of 100)



4(1)-4. TMNF Measures to Achieve Sustainable Growth

Aim to change product portfolio by expanding specialty insurance in various fields and aim to accelerate growth

■ Promote new business model

- Through measures for regional revitalization and health & productivity management, promote a new business model in cooperation with local governments, financial institutions and chambers of commerce, etc.

Insurance for chambers of commerce organizations

Commercial package insurance approx. 25,000 policies

Employment injury insurance approx. 57,000 policies

(as of the end of Sep. 2017)

- Develop new products in the medical and inability-to-work areas and promote new approach to the large group market

■ Initiatives for large companies

As a business strategic partner, contribute to the business expansion of our corporate clients while expanding value providing areas

Before Provide solutions for risks



Business strategic partner

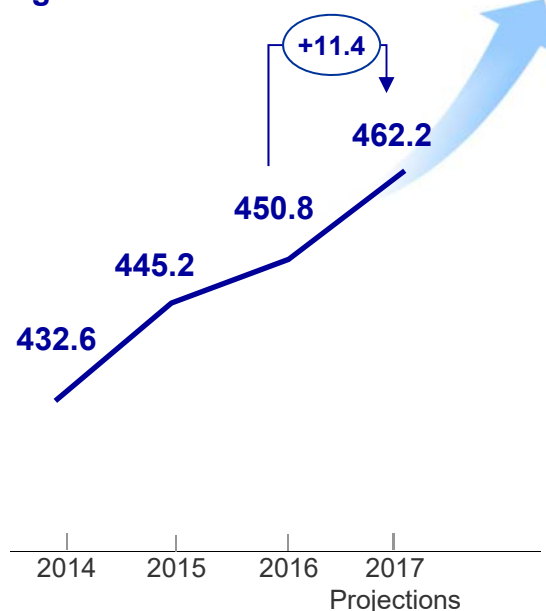
Support new business creation (Joint R&D)
Support enhancement of added-value of our corporate clients

- Adding insurance products to BtoC business
- Coordination with startups etc.

Specialty insurance* + P.A. insurance net premiums written

(billions of yen)

Shifting the gear towards further growth through various growth measures



* Categorized as "Others" in Summary of Financial Statements

■ Pursue group synergies

Leverage expertise and know-how of overseas group companies for product development and business expansion, etc.

• Cyber risk insurance

Group companies in domestic and overseas tie up with Science Inc. (US), which has advanced know-how, to strengthen risk management capability and start providing risk diagnostic services for customers.

• D&O

• Insurance for professional sport teams

• Representations and warranties insurance (M&A insurance)

etc.

■ Response to social changes

Develop and provide insurance that responds to new needs arising from technological advancement and social change

• Fertility treatment support insurance

• 5 specific illness income coverage (Super Insurance)

• On-demand insurance

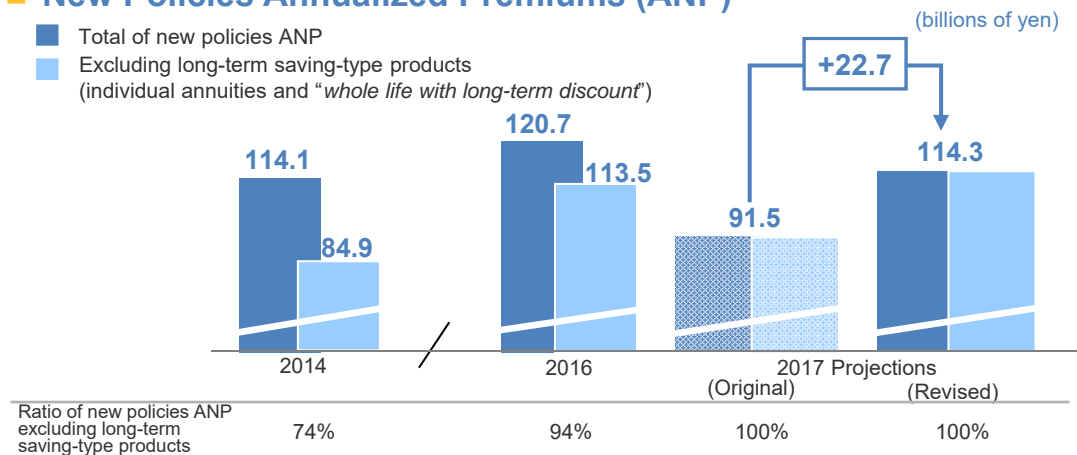
• Crowd-funding insurance

etc.

4(2)-1. TMNL FY2017 Projections

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

■ New Policies Annualized Premiums (ANP)



● 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.
- Excluding long-term saving-type products, CAGR for 3 years is 10.4%, which is expected to reach the target level (10%) of the mid-term business plan

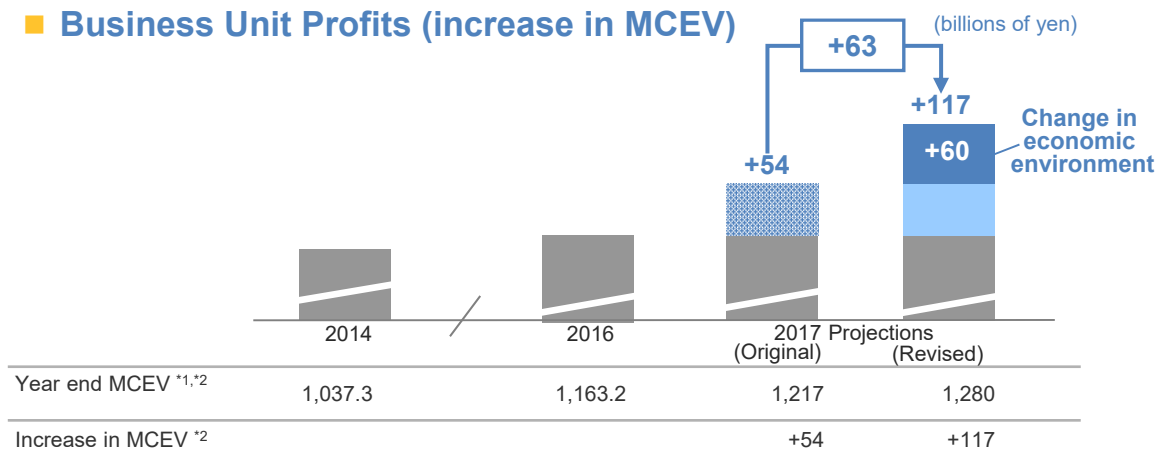
■ Individual insurance (number of new policies) (ten thousands of policies)

2014	2016	2017 Projections (Original)	2017 Projections (Revised)
53	55	52	50

● Number of new policies for individual insurance

- Project 500,000 policies due to medical insurance falling below the original projections despite favorable sales of *Household Income Term Insurance*

■ Business Unit Profits (increase in MCEV)

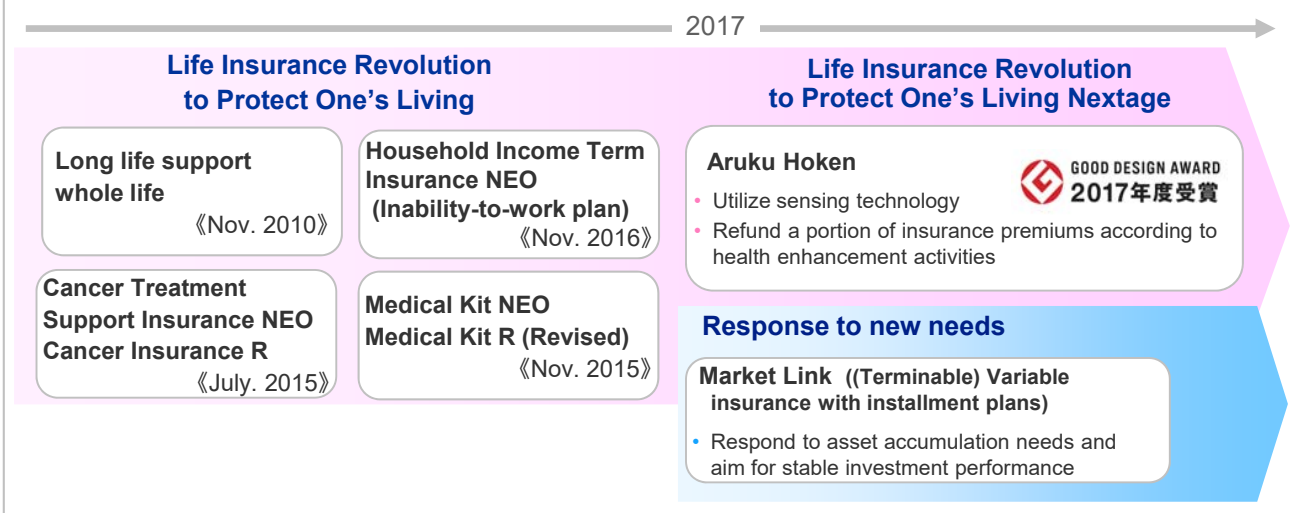


● Business unit profits (increase in MCEV)

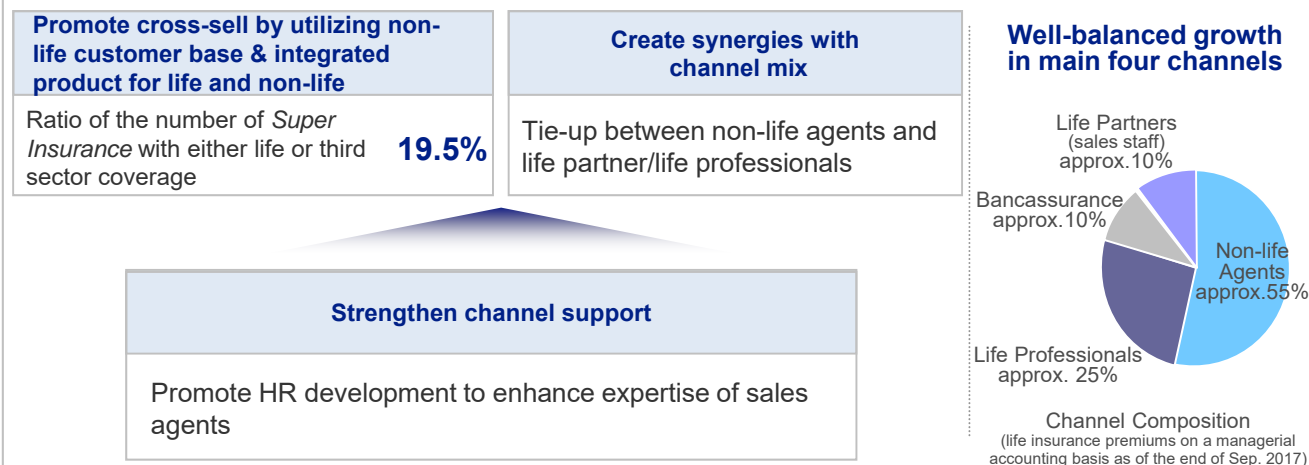
- Upward revision by ¥63B from the original projections to ¥117B due to the impact of changes in economic environment such as rise in yen interest rates, etc.

4(2)-2. TMNL Growth Strategy

Enhancing our highly unique product lineup to meet diverse needs

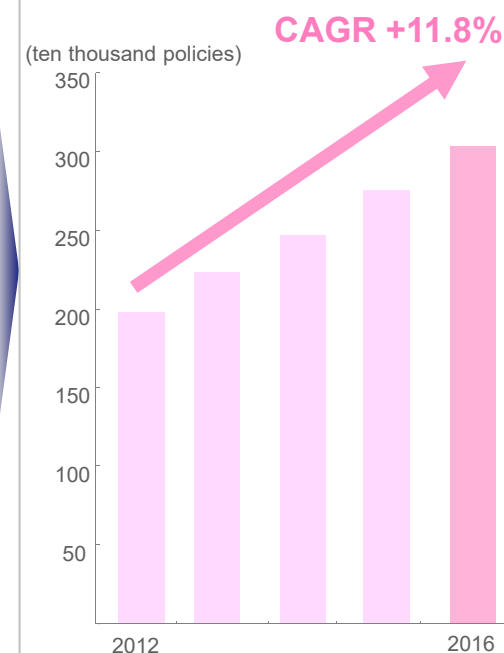


Promoting multi-channel strategies focusing on the integrated business model for life and non-life



Achieving high growth

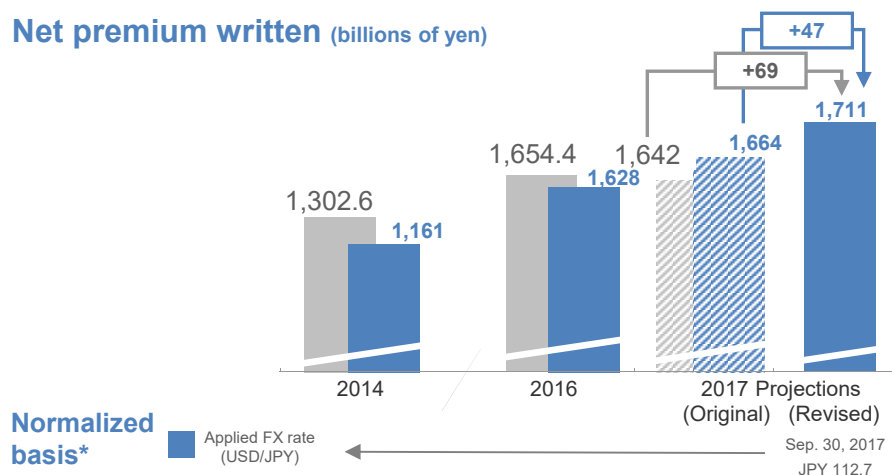
Growth rate of the number of in-force policies for living protection products (medical, cancer, household income term, and long life support whole life)



4(3)-1. International Insurance FY2017 Projections

- Net premiums written is revised upwards from the original projections due to progress of growth measures even under the soft market environment
- Although business unit profits is revised downwards mainly due to the impact of hurricanes in North America, etc. (approx. ¥49B, after-tax basis), still project ¥104B with the positive effect of business risk diversification

Net premium written (billions of yen)

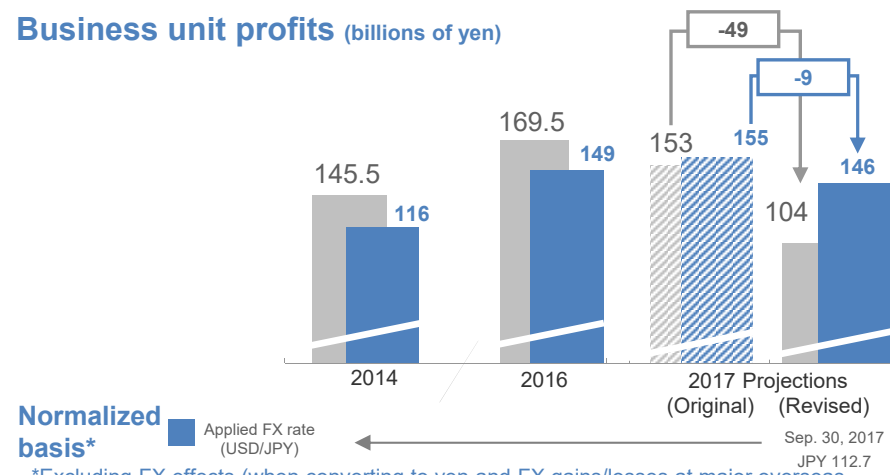


Actual basis

Applied FX rate (USD/JPY)	Dec. 31, 2014	Dec. 31, 2016	Mar. 31, 2017	Sep. 30, 2017
	JPY 120.5	JPY 116.4	JPY 112.1	JPY 112.7

- On a normalized basis, upward revision by ¥47B from the original projections due to the progress of organic growth mainly in North America, South & Central America and Reinsurance as well as business expansion of Asia non-life
- On an actual basis, upward revision by ¥69B from the original projections to ¥1,711B due to the factors above as well as the depreciation of the yen

Business unit profits (billions of yen)

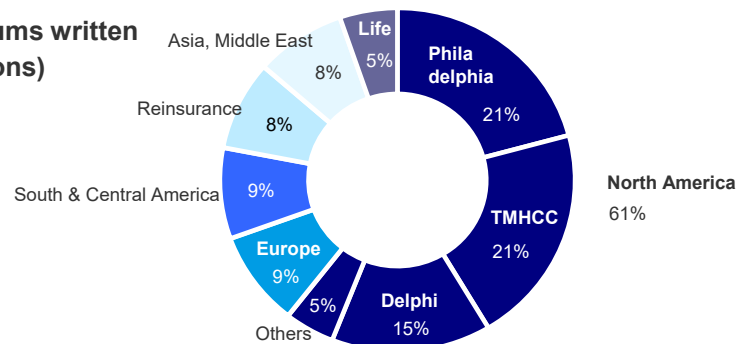


Actual basis

Applied FX rate (USD/JPY)	Dec. 31, 2014	Dec. 31, 2016	Mar. 31, 2017	Sep. 30, 2017
	JPY 120.5	JPY 116.4	JPY 112.1	JPY 112.7

- On a normalized basis, downward revision by ¥9B from the original projections due to an increase in loss ratio mainly from large losses
- On an actual basis, downward revision by ¥49B from the original projections to ¥104B due to the impact of nat-cat such as hurricanes in North America, etc. and foreign exchange losses

Composition of net premiums written (FY2017 Revised Projections)



- Pursue balanced growth by seizing size and profitability in developed countries and growth in emerging countries through “organic growth” and “strategic M&A”

4(3)-2. International Insurance Impact of hurricanes in North America, etc.



- The industry is expected to face one of the largest market losses in history due to frequent natural catastrophes worldwide including hurricanes in North America
- Although natural catastrophe losses of Tokio Marine Group are projected to increase from the original projections, the impact is within our expectations and tolerances, thanks to risk diversification due to a wide range of specialty insurance products, and risk control under strict ERM

Impact of hurricanes in North America, etc. to Tokio Marine Group

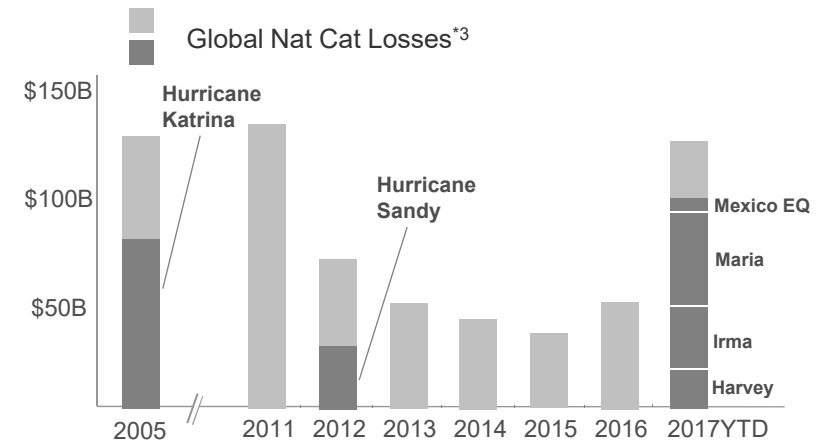
Event	Net Incurred Losses
Hurricane Harvey	approx. ¥21B
Hurricane Irma	approx. ¥33B
Hurricane Maria	approx. ¥8B
Mexico Earthquakes	approx. ¥2B
Total (Incl. international business)	approx. ¥64B (approx. ¥63B)



*1: Calculated by estimated market losses (\$100B) as a denominator

*2: From SNL Financial ref) US Commercial P&C Market Share: 2.1%

Global Nat Cat Losses



*3: From Dowling & Partners, IBNR #42. 2017YTD shows estimated losses to 3Q FY2017

Tokio Marine Franchises in U.S.



4(3)-3. International Insurance North America ①

Actual basis
Normalized basis
(Incl. Comments)

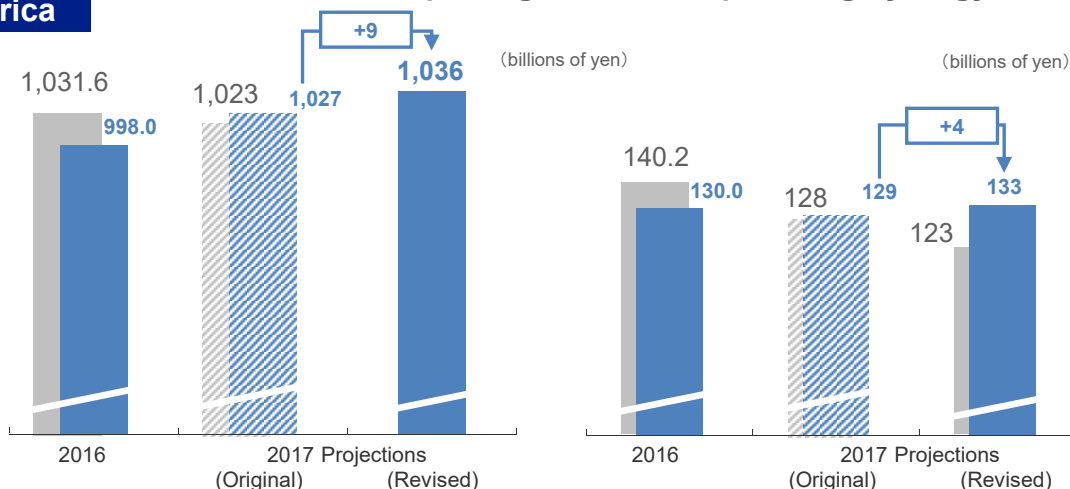
Net Premiums Written

Business Unit Profits

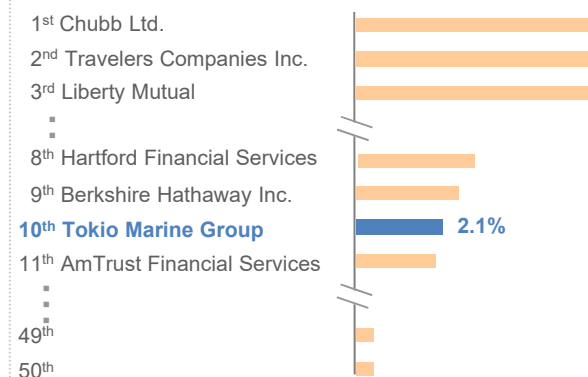
Market Comparison

North America

Aim for sustainable profit growth while pursuing synergy between group companies



US Commercial P&C Market Share (2016)

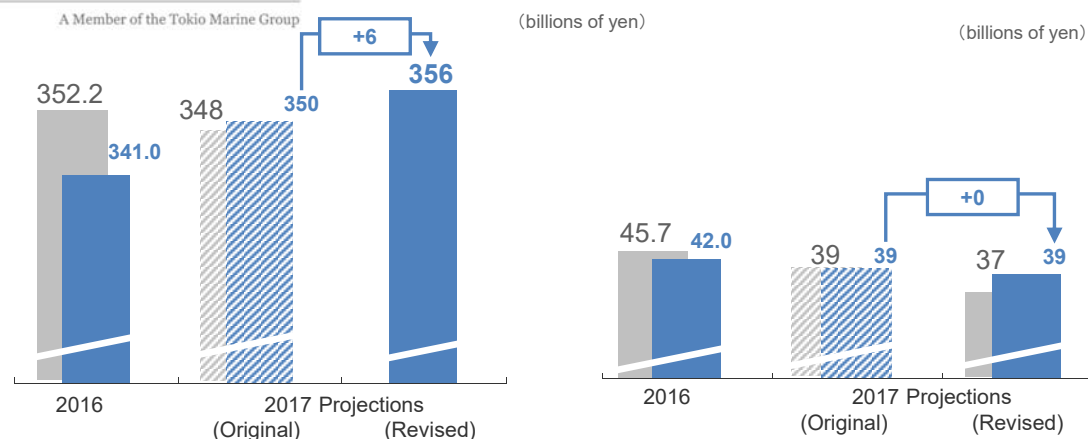


Source: SNL Financial



A Member of the Tokio Marine Group

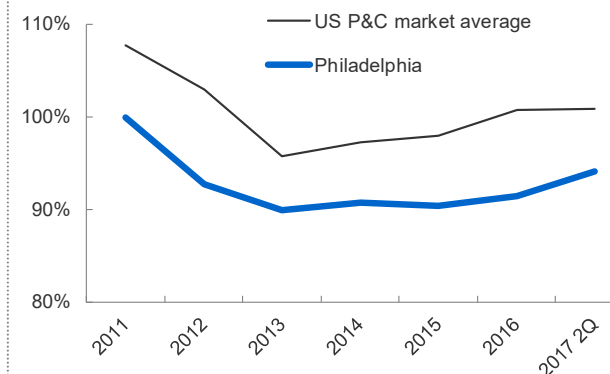
Maintain growth and profitability outperforming the market through underwriting discipline and action



- Upward revision mainly due to rate increases in renewal book and an increase in new business book

- Despite the impact of large losses, no change in projections due to business expansion and favorable investment income, etc.

Combined Ratio



4(3)-3. International Insurance North America ②

Actual basis
Normalized basis
(Incl. Comments)

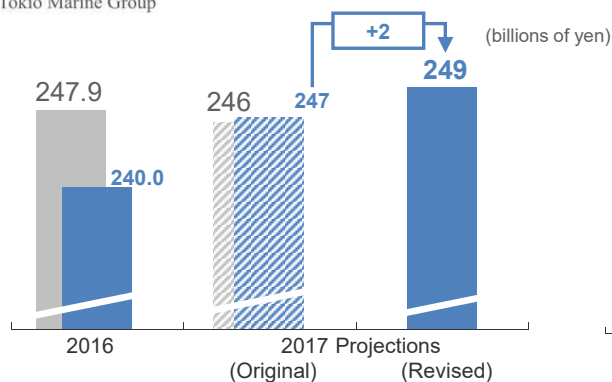
Net Premiums Written

Business Unit Profits

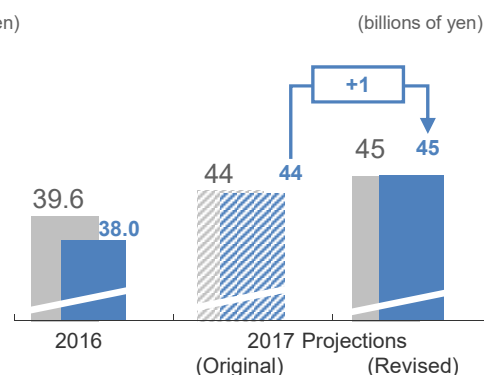
Combined Ratio



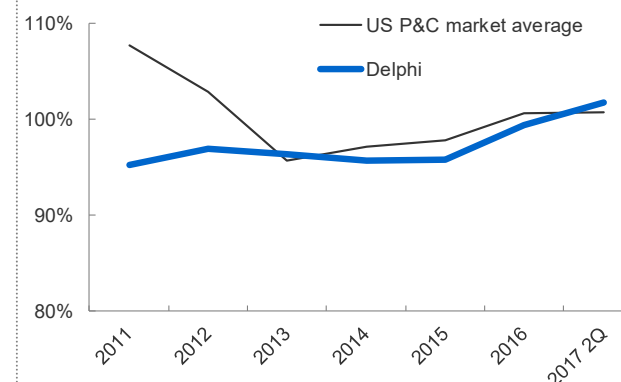
Maintain profit growth through profound investment expertise as well as strength in employee benefit products and services



- Upward revision mainly due to rate increases in renewal book and an increase in new business book in non-life

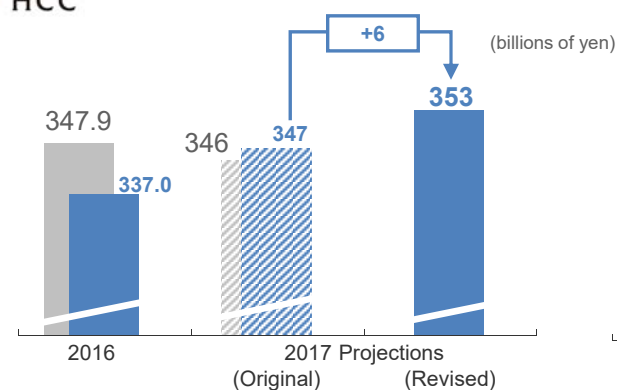


- Upward revision mainly due to an increase in investment income associated with an increase in AUM, etc.

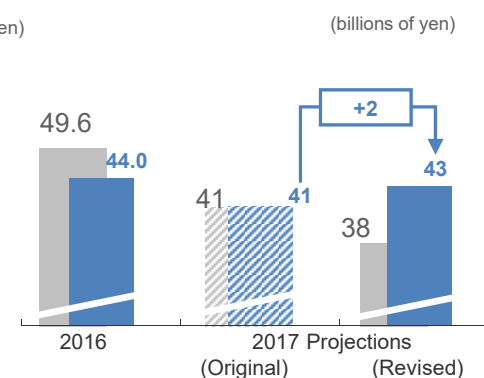


TOKIO MARINE
HCC

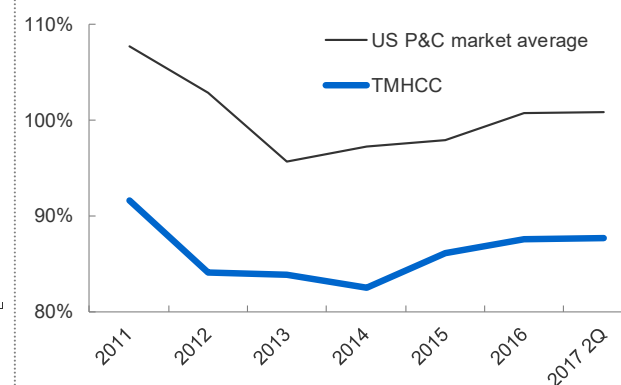
Maintain stable high profitability and pursue synergy on a global basis



- Upward revision mainly due to expansion of medical stop-loss business through organic growth and strategic M&A



- Upward revision mainly due to business expansion and an increase in investment income, etc.



4(3)-4. International Insurance Europe / Reinsurance

Actual basis
Normalized basis
(Incl. Comments)

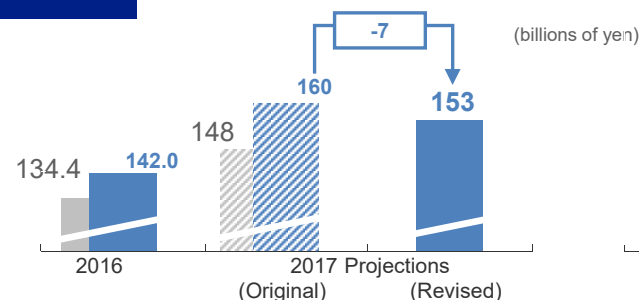
Net Premiums Written

Business Unit Profits

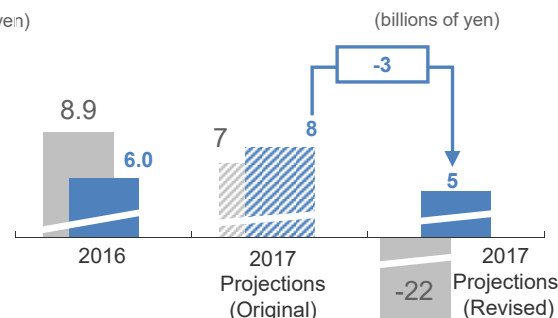
Combined Ratio

Europe

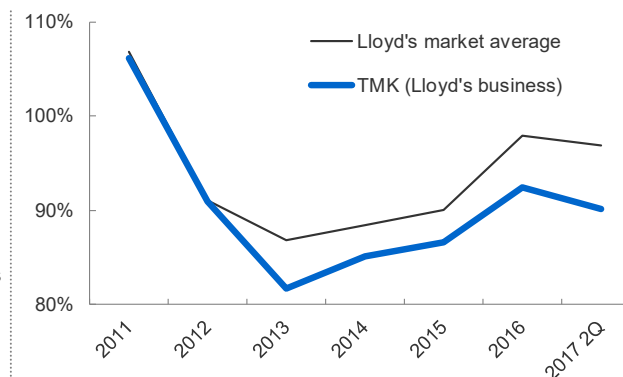
Promote common growth strategies under the business platform of Lloyd's market and Corporate market



- Downward revision due to underwriting control under the soft market environment, etc.

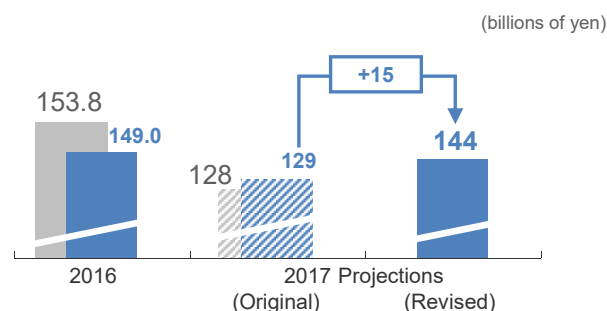


- On a normalized basis, downward revision reflecting an increase in loss ratio mainly from large losses, etc.
- On an actual basis, downward revision due to the impact of hurricanes in North American, etc. and foreign exchange losses

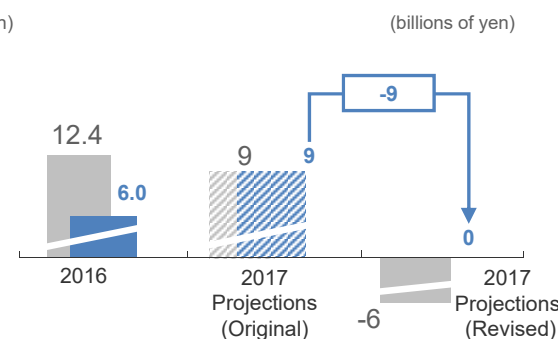


Reinsurance

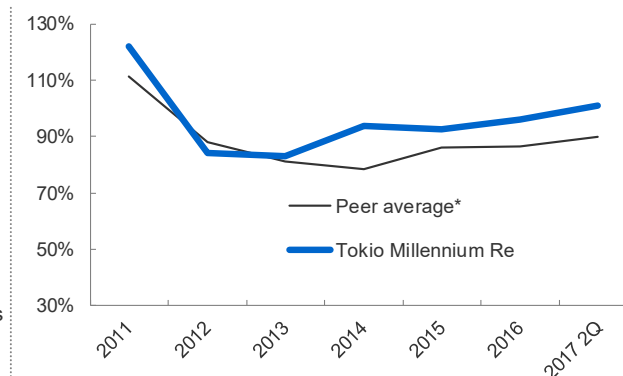
Maintain stable profit by promoting geographical and product line diversification



- Upward revision due to underwriting expansion at Tokio Millennium Re



- On a normalized basis, downward revision reflecting an increase in loss ratio in the non-nat-cat book
- On an actual basis, downward revision due to the impact of hurricanes in North American and foreign exchange losses



*Peer companies (the figures are the average of the following 12 companies): (Renaissance Re, Validus, Chubb (R/I only), Axis (R/I only), Montpelier Re (2011-2014 only), Markel (R/I only), AWAC, Arch, Sampo International (R/I only), Aspen, Everest Re, Partner Re)

4(3)-5. International Insurance Emerging Countries

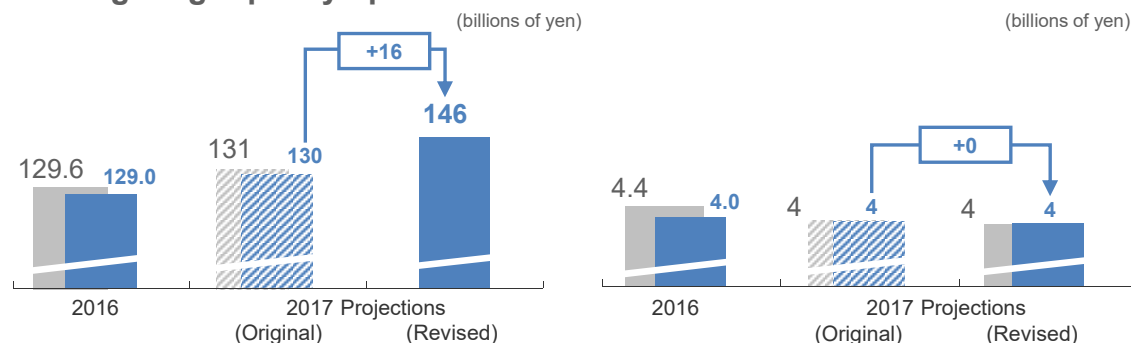
Actual basis
Normalized basis
(Incl. Comments)

Net Premiums Written

Business Unit Profits

South & Central America

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

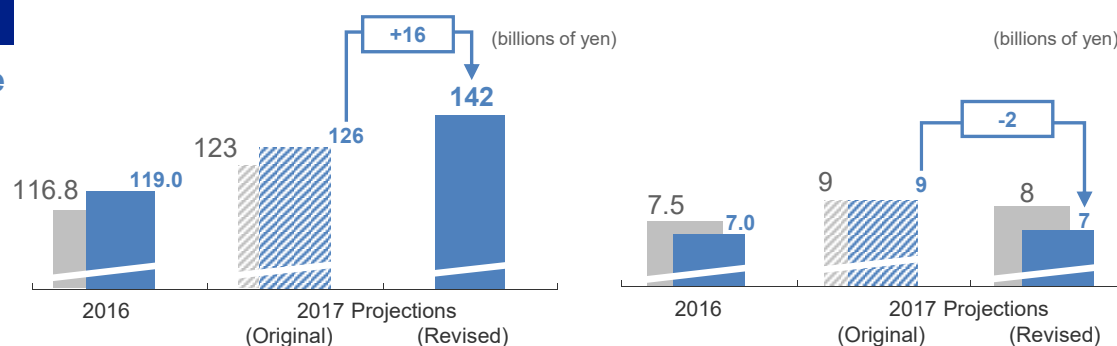


- Net premiums written:
Upward revision due to expansion of auto insurance business in Brazil
- Business units profits:
Despite projecting a decrease in investment income, no change in projections due to business expansion

Asia & Middle East

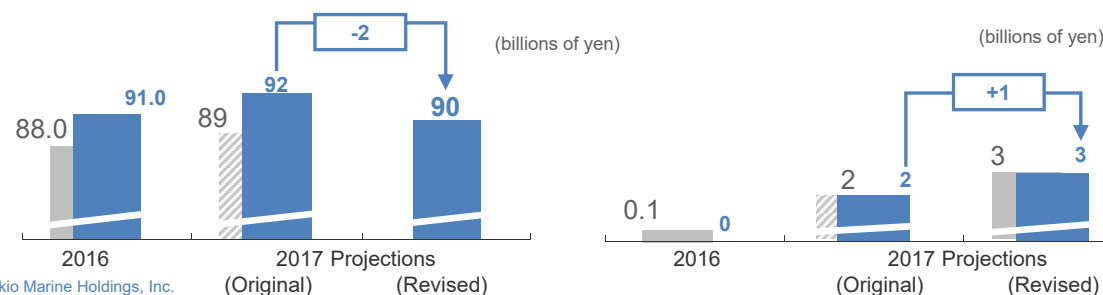
Non-life

Achieve growth in the retail market by expanding distribution channels and generating group synergies



- Net premiums written:
Upward revision due to the effect of raising shareholdings in India and the progress of growth measures in each country, etc.
- Business units profits:
Downward revision due to the impact of large losses, etc.

Life



- Business units profits:
Upward revision due to the impact of interest rate fluctuation in Singapore, etc.

4(3)-6. International Insurance FY2017 Projection by regions

Net Premiums Written (billions of yen)	FY2016(a)	FY2017 Projections							
		Original → Revised				from FY2016			
		Original (b)	Revised (c)	Difference (c - b)	Normalized basis*3	YoY Change (c - a)	Normalized basis*3	YoY Change % (c ÷ a)	Normalized basis*3
North America	1,031.6	1,023.0	1,036.0	13.0	9.0	4.3	38.0	0%	4%
Philadelphia	352.2	348.0	356.0	8.0	6.0	3.7	15.0	1%	4%
Delphi	247.9	246.0	249.0	3.0	2.0	1.0	9.0	0%	4%
TMHCC	347.9	346.0	353.0	7.0	6.0	5.0	16.0	1%	5%
Europe	134.4	148.0	153.0	5.0	-7.0	18.5	11.0	14%	8%
South & Central America	129.6	131.0	146.0	15.0	16.0	16.3	17.0	13%	13%
Asia & Middle East	116.8	123.0	142.0	19.0	16.0	25.1	23.0	21%	19%
Total Primary Non-Life*1	1,412.6	1,425.0	1,477.0	52.0	34.0	64.3	89.0	5%	6%
Reinsurnace	153.8	128.0	144.0	16.0	15.0	-9.8	-5.0	-6%	-3%
Total Non-Life*1	1,566.4	1,553.0	1,621.0	68.0	49.0	54.5	84.0	3%	5%
Life	88.0	89.0	90.0	1.0	-2.0	1.9	-1.0	2%	-1%
Total	1,654.4	1,642.0	1,711.0	69.0	47.0	56.5	83.0	3%	5%

Business Units Profits (billions of yen)	FY2016(a)	FY2017 Projections							
		Original → Revised				from FY2016			
		Original (b)	Revised (c)	Difference (c - b)	Normalized basis*3	YoY Change (c - a)	Normalized basis*3	YoY Change % (c ÷ a)	Normalized basis*3
North America	140.2	128.0	123.0	-5.0	4.0	-17.2	3.0	-12%	2%
Philadelphia	45.7	39.0	37.0	-2.0	-	-8.7	-3.0	-19%	-7%
Delphi	39.6	44.0	45.0	1.0	1.0	5.3	7.0	14%	18%
TMHCC	49.6	41.0	38.0	-3.0	2.0	-11.6	-1.0	-23%	-2%
Europe	8.9	7.0	-22.0	-29.0	-3.0	-30.9	-1.0	-345%	-17%
South & Central America	4.4	4.0	4.0	-	-	-0.4	-	-11%	-
Asia & Middle East	7.5	9.0	8.0	-1.0	-2.0	0.4	-	7%	-
Total Primary Non-Life*1	160.7	148.0	113.0	-35.0	-	-47.7	2.0	-30%	1%
Reinsurnace	12.4	9.0	-6.0	-15.0	-9.0	-18.4	-6.0	-148%	-100%
Total Non-Life*1	173.2	157.0	107.0	-50.0	-9.0	-66.2	-4.0	-38%	-3%
Life	0.1	2.0	3.0	1.0	1.0	2.8	3.0	2630%	-
Total*2	169.5	153.0	104.0	-49.0	-9.0	-65.5	-3.0	-39%	-2%

Applied FX rate	FY2016(a)	FY2017 Projections			
		Original (b)	Revised (c)	Change % (b)→(c)	YoY Change % (a)→(c)
		As of end-Dec. 2016	As of end-Mar. 2017	As of end-Sept. 2017	
(USD / JPY)	¥116.4	¥112.1	¥112.7	0%	-3%
(GBP / JPY)	¥143.0	¥140.0	¥151.3	8%	6%
(Brazilian Real / JPY)	¥35.7	¥35.9	¥35.6	-1%	-0%
(Malaysian Ringgit / JPY)	¥25.9	¥25.3	¥26.6	5%	3%

C/R	FY2016	FY2017 Projections	
		Original	Revised
North America	93%	94%	96%
Philadelphia	92%	95%	96%
Delphi	100%	98%	101%
TMHCC	88%	89%	90%
Europe	99%	96%	119%
South & Central America	102%	102%	101%
Asia & Middle East	99%	95%	99%
Total Primary Non-Life*1	95%	95%	99%
Reinsurnace	96%	97%	108%
Total Non-Life*1	95%	96%	100%
Life	-	-	-
Total	95%	96%	100%

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

*2: After adjustment of head office expenses

*3: In Net Premiums Written, excluding FX effects due to yen conversion. In Business Units Profits, excluding FX effects (due to yen conversion and FX gains/losses on major overseas subsidiaries) and normalizing natural catastrophe losses to an average annual level

II

Direction of the Next Mid-Term Business Plan

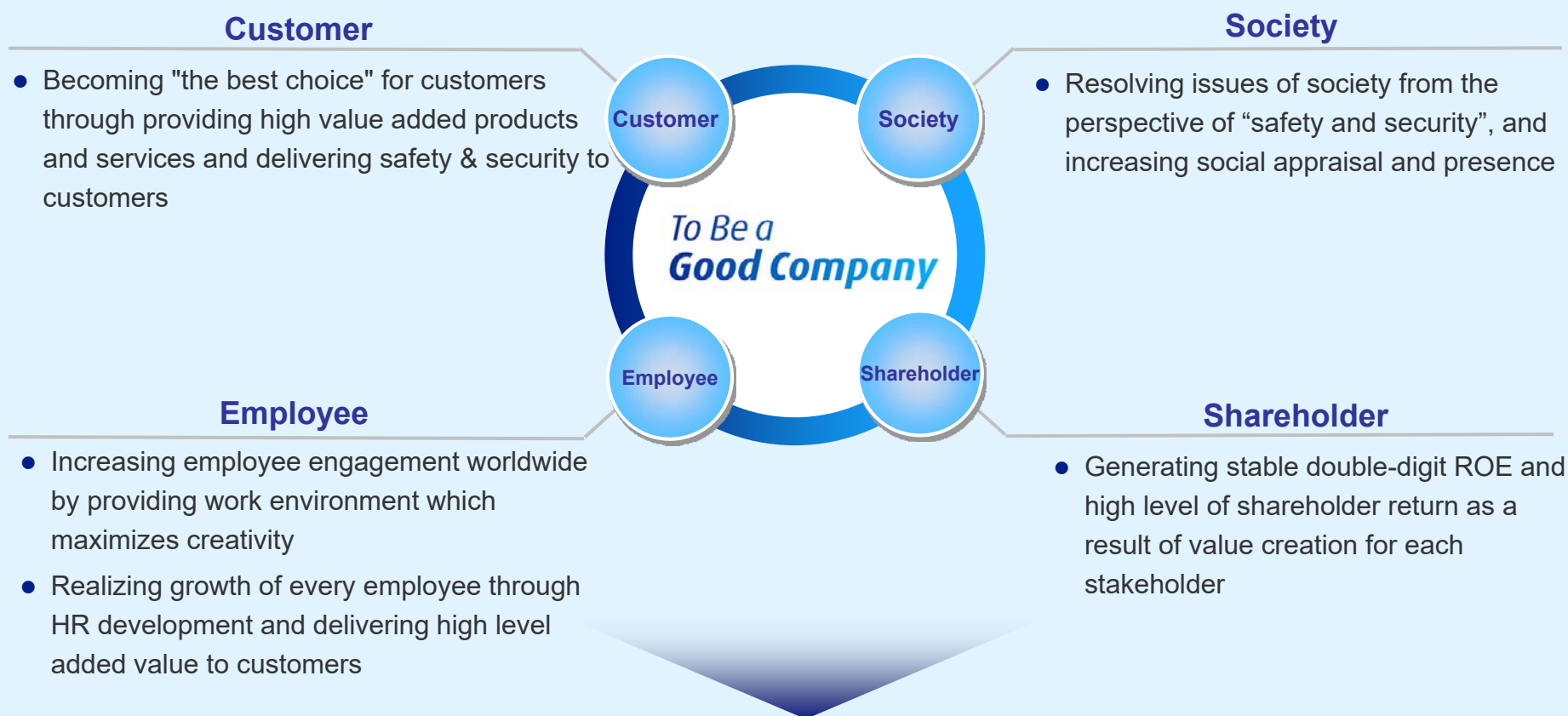
1-1. Long-Term Vision and Value Providing Cycle

Long-Term Vision

A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide

- *Our timeless endeavor to be a Good Company* -

Value providing cycle leading to sustainable growth



Aim to maximize long-term shareholder value through the value providing cycle for each stakeholder

1-2. Future Group Vision

Aim for further growth by capitalizing on expected changes in the business environment

Expected business environment

- Change of social structure (change in demography)
- Technology advancement (autonomous driving, AI, etc.)
- Climate change (global warming)
- Economic environment (economy/interest rate environment, insurance market environment)

Strengths of the Group

- Aligned Group management (maximize the Group's comprehensive capability)
- Ability to execute (proven track record of business performance)
- Ability to capitalize on changes (proactively meeting the emerging and evolving needs of customers)
- Corporate culture (core identity of "Good Company")

Future Group Vision

Optimal portfolio

Achieve growth in markets expected to expand (emerging countries, speciality insurance, medical insurance, etc.), and **constantly realize stable profits through optimal diversification of geography, business, and products**

Strong group synergy

Realize further **higher growth** by promoting aligned group management to **maximize group synergies** and strengthen local management

Lean management system

Realize **high productivity** by promoting structural reform and establishing a **lean management system** that can withstand any business environment

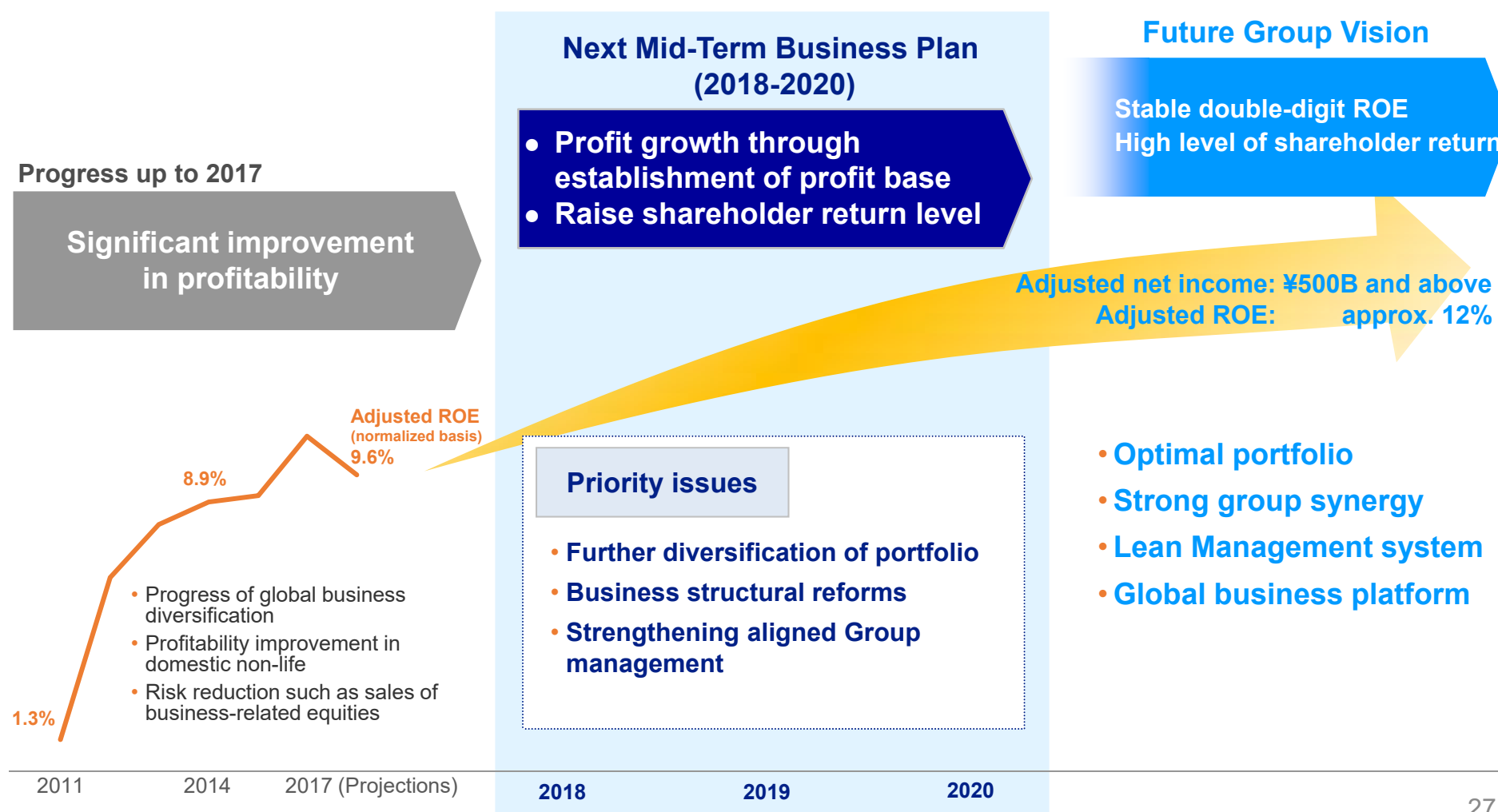
Global business platform

Under the core identity of "Good Company", **leverage the diverse talent of employees globally** and realize **solid global management** that supports strong local business

Generate stable double-digit ROE and high level of shareholder return

1-3. Stage of the Next Mid-Term Business Plan

- Next Mid-Term Business Plan is an important stage to realize our future Group vision
- Although headwinds in business environment such as continuation of soft market and low interest rate, rate reduction in auto insurance are expected, aim to achieve profit growth and raise the level of shareholder return

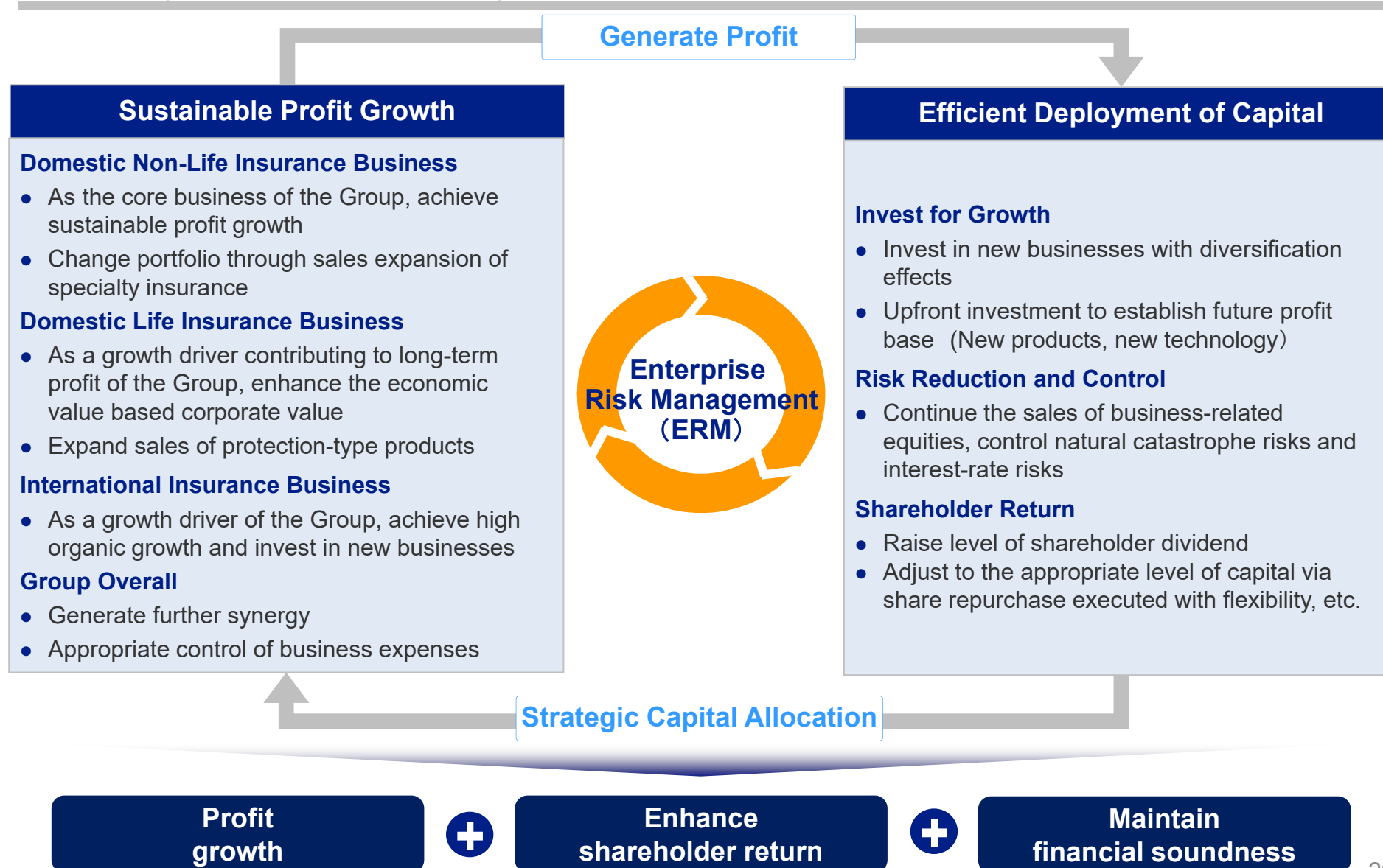


1-4. Priority Issues of the Next Mid-Term Business Plan

Further diversification of portfolio	Geography / Business diversification	<ul style="list-style-type: none"> Achieve growth through organic growth as well as M&A (targeting emerging countries such as Asia, etc. and developed countries)
	Appropriate risk control	<ul style="list-style-type: none"> Appropriately control interest rate risk and natural catastrophe risk along with continuing the sales of business-related equities
	Change in product portfolio	<ul style="list-style-type: none"> Expand specialty insurance, etc. in non-life insurance business and protection type products in life insurance business
Business structural reforms	Innovative products and services	<ul style="list-style-type: none"> Launching innovative products and services which proactively meet the emerging and evolving needs of customers
	Change and strengthen sales channels	<ul style="list-style-type: none"> Strengthen business platform to enhance sales capabilities through creating new customer contacts by using new technology, etc.
	Enhance productivity	<ul style="list-style-type: none"> Realize an efficient business process by using new technology, integrating common tasks, etc.
Strengthening aligned group management	Generate further synergy	<ul style="list-style-type: none"> Generate further synergy on a global basis and further strengthen local management by sharing best practices
	Leverage and develop global talent	<ul style="list-style-type: none"> Promote further talent development across the group and further leverage human resources globally
	Spread group culture “To Be a Good Company”	<ul style="list-style-type: none"> Enhancing a sense of group unity by spreading core identity throughout the company

1-5. Group Management Framework

Enhancing Enterprise Risk Management (ERM) to realize sustainable profit growth by strategically allocating capital while maintaining financial soundness



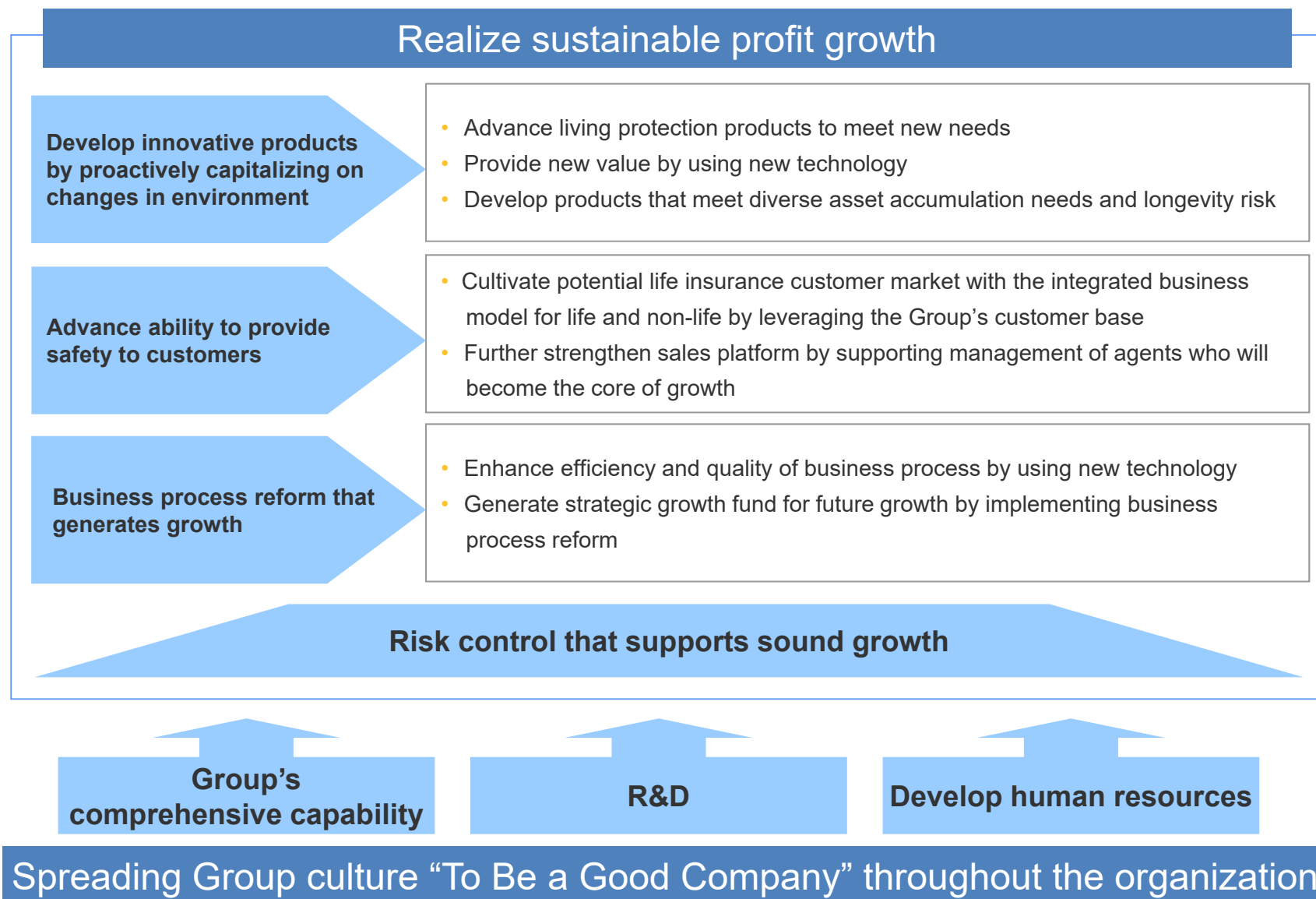
2(1). TMNF Direction of the Next Mid-Term Business Plan

**Achieve “sustainable growth” and “generate stable profits”
by implementing three measures to reform business structure and
establishing a thorough lean management system**



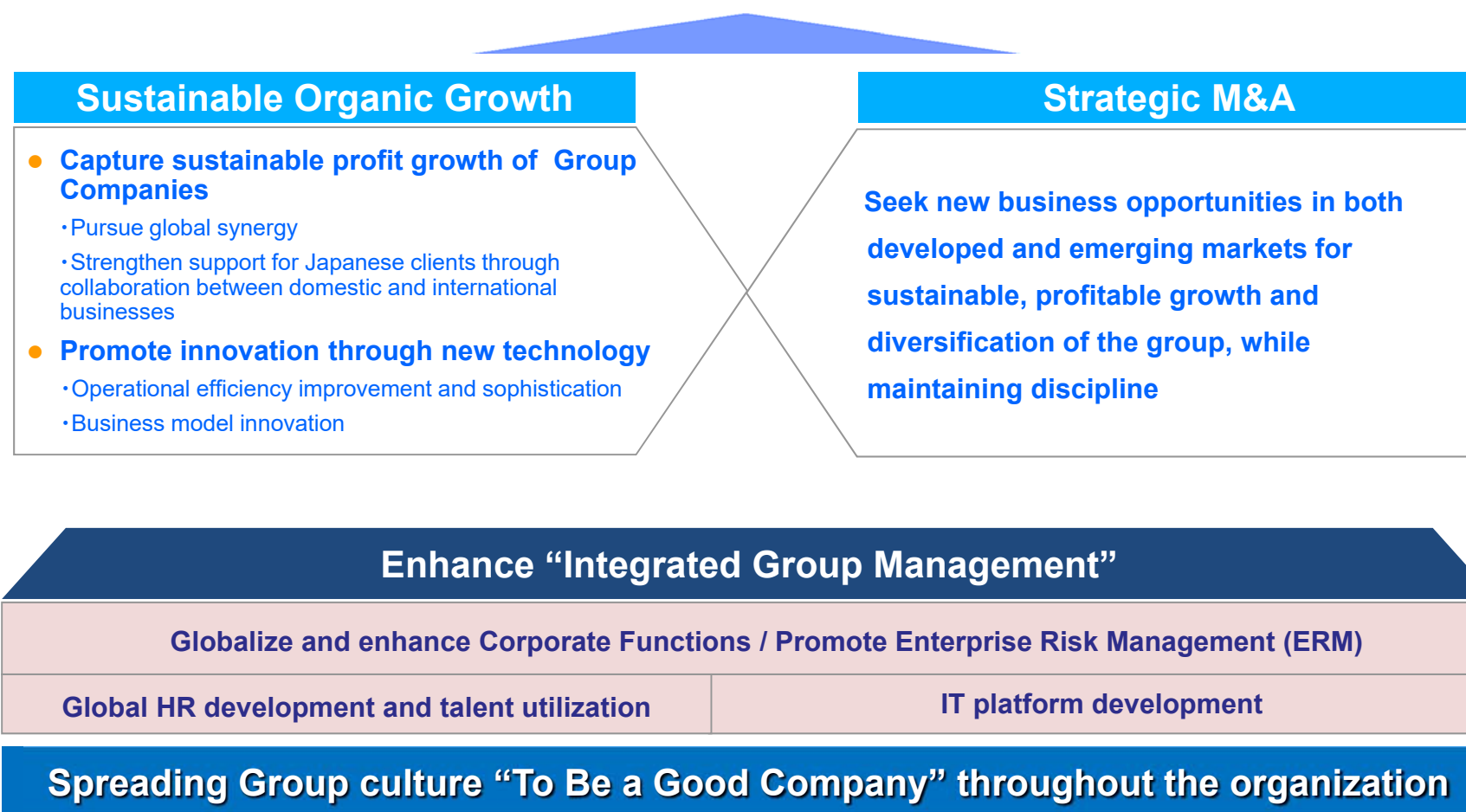
2(2). TMNL Direction of the Next Mid-Term Business Plan

**Achieve sustainable growth by pursuing quality
to become “the best choice” for customers**



2(3). International Insurance Direction of the Next Mid-Term Business Plan

- Be the driver of diversification and sustainable profit growth of the Group
- Pursue balanced, sustainable growth in both developed and emerging markets organically and through strategic M&A
- Strengthen “Integrated Group Management” through globalization and enhancement of business support functions



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- Tokio Marine Holdings Key Statistics
- Return to Shareholders
- 2Q FY2017 Results Overview
- FY2017 Projections Overview
- Adjusted Net Income and Business Unit Profits
- Definition of Adjusted Net Income, Adjusted Net Assets, Adjusted ROE, and Business Unit Profits
- Reconciliation of Adjusted Net Income and Adjusted Net Assets
- Reconciliation of Business Unit Profits
- Long-term Vision and Mid-Term Business Plan “To Be a Good Company 2017”
- Initiatives for “Sustainable Profit Growth”
- Framework of the Mid-Term Business Plan and Group Management
- Further Integration and Alignment of Group Management
- Expansion of Group Synergies
- Initiatives to Support Corporate Value Enhancement
- Basic Information (Domestic Non-Life)
- Basic Information (Domestic Life)
- Basic Information (International Insurance)
- Impact of FX rate change on the Group’s Financial Results
- Asset Portfolio

◆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.

Tokio Marine Holdings Key Statistics



		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Projections
Financial accounting basis	Net income (billions of yen) *1	108.7	23.1	128.4	71.9	6.0	129.5	184.1	247.4	254.5	273.8	230.0
	Shareholders' equity after tax (billions of yen)	2,563.5	1,627.8	2,169.0	1,886.5	1,839.6	2,340.7	2,712.7	3,578.7	3,484.7	3,542.1	3,634.3
	EPS (yen)	133	29	163	92	7	168	239	323	337	363	308
	BPS (yen)	3,195	2,067	2,754	2,460	2,399	3,052	3,536	4,742	4,617	4,722	4,878
	ROE	3.6%	1.1%	6.8%	3.5%	0.3%	6.2%	7.3%	7.9%	7.2%	7.8%	6.4%
	PBR	1.15	1.16	0.96	0.90	0.95	0.87	0.88	0.96	0.82	0.99	0.90
KPI	Adjusted net income (billions of yen)	-	-	-	-	30.7	163.1	243.7	323.3	351.9	406.7	315.0
	Adjusted net assets (billions of yen)	-	-	-	-	2,301.6	2,746.5	3,172.5	4,103.4	3,599.3	3,812.4	3,973.7
	Adjusted EPS (yen)	-	-	-	-	40	212	317	423	466	539	422
	Adjusted BPS (yen)	-	-	-	-	3,001	3,580	4,135	5,437	4,769	5,082	5,334
	Adjusted ROE	-	-	-	-	1.3%	6.5%	8.2%	8.9%	9.1%	11.0%	8.1%
	Adjusted PBR	-	-	-	-	0.76	0.74	0.75	0.83	0.80	0.92	0.83
Business Unit Profits *2 (billions of yen)	Domestic non-life insurance business	99.4	5.1	46.2	20.4	-26.1	48.3	34.0	122.5	126.0	167.6	147.0
	Domestic life insurance business	15.1	-57.2	52.0	27.5	15.9	110.3	104.5	139.8	-188.1	373.5	117.0
	International insurance business	29.7	20.8	76.5	24.8	-11.9	69.2	136.9	145.5	131.8	169.5	104.0
	Financial and general businesses	-1.0	-21.1	-9.4	-0.7	2.6	-18.7	2.5	4.0	7.3	6.6	5.0
Sales of business-related equity holdings (billions of yen)		60	50	95	187	206	115	109	112	122	117	more than 100
		2008/3E	2009/3E	2010/3E	2011/3E	2012/3E	2013/3E	2014/3E	2015/3E	2016/3E	2017/3E	2017/9E
Adjusted number of issued and outstanding shares (thousands of shares) *3		802,231	787,562	787,605	766,820	766,928	767,034	767,218	754,599	754,685	750,112	744,982
Market capitalization (billions of yen)		2,960.6	1,926.8	2,118.3	1,789.3	1,827.1	2,039.2	2,383.9	3,438.0	2,878.6	3,536.2	3,292.8
Share price (yen)		3,680	2,395	2,633	2,224	2,271	2,650	3,098	4,538.5	3,800	4,696	4,402
Percentage change		- 15.6%	- 34.9%	9.9%	- 15.5%	2.1%	16.7%	16.9%	46.5%	- 16.3%	23.6%	- 6.3%
(Reference) TOPIX		1,212.96	773.66	978.81	869.38	854.35	1,034.71	1,202.89	1,543.11	1,347.20	1,512.60	1,674.75
Percentage change		- 29.2%	- 36.2%	26.5%	- 11.2%	- 1.7%	21.1%	16.3%	28.3%	- 12.7%	12.3%	10.7%

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

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

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

Return to Shareholders

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

Share repurchases ^{*1}	90.0bn yen	50.0bn yen	-	50.0bn yen	-	-	-	50.0bn yen	-	25.0bn yen	125.0bn yen ^{*2} (plan)
Total distributions to shareholders	128.7bn yen	88.0bn yen	39.4bn yen	88.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	122.2bn yen	83.0bn yen	130.3bn yen	244.1bn yen (plan)

Adjusted net income								30.7bn yen	163.1bn yen	243.7bn yen	323.3bn yen	351.9bn yen	406.7bn yen	315.0bn yen
Average adjusted net income	Adjusted net income was adopted as a new KPI in FY2015. (Figures from FY2011 to FY2014 were calculated as a reference)											220.0bn yen	295.0bn yen	325.0bn yen
Payout ratio ^{*3}	Key Statistics from FY2007 to FY2014 are shown in Reference 2 table.											38%	36%	37%

<Reference1 : Financial accounting basis>

Net income (Consolidated)	108.7bn yen	23.1bn yen	128.4bn yen	71.9bn yen	6.0bn yen	129.5bn yen	184.1bn yen	247.4bn yen	254.5bn yen	273.8bn yen	230.0bn yen
Payout ratio	36%	165%	31%	54%	639%	33%	29%	29%	33%	39%	52%

<Reference2 : Former KPI>

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

*1: On a repurchase year basis

*2: FY2017 1H ¥25B completed, FY2017 2H up to ¥100B scheduled

*3: Until FY2014: payout ratio to average adjusted earnings (excluding EV)
From FY2015: payout ratio to average adjusted net income

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

2Q FY2017 Results Overview (Consolidated)



	FY2016 2Q Results	FY2017 2Q Results	(billions of yen, except for %)	
			YoY	
			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%

● 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

● Domestic Non-Life

Decreased mainly due to the following factors at TMNF:

- Decrease in underwriting profit mainly due to (i) impact of large natural catastrophes, (ii) reversal effect of a decrease in provision for foreign currency dominated outstanding claims reserves in FY2016 and (iii) impact of large losses, etc.
- Increase in net investment income and other due an to increase in dividends income from overseas subsidiaries despite a decrease in (i) gains/losses on derivatives and (ii) 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

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

● Net Income attributable to owners of the parent

- Decreased mainly due to impact of large natural catastrophes and large losses at TMNF, etc.

● Adjusted Net Income

- 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

2Q FY2017 Results Overview (Business Unit Profits)

(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		-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

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 mainly due to the below

- ➡ Progress of growth measures in each business segment and the impact of depreciation of the yen
- ➡ Deterioration of foreign exchange gains/losses, etc.
- ➡ Adjustment of large natural catastrophe losses

FY2017 Projections Overview (Consolidated)



(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%

● Net Premiums Written

- Upward revision due to business expansion and depreciation of the yen at overseas subsidiaries

● Life Insurance Premiums

- Upward revision due to an increase in in-force policies at TMNL and business expansion at overseas subsidiaries

● Ordinary Profit

- Domestic Non-Life**
Downward revision mainly due to the following factors at TMNF:
 - Downward revision in underwriting profit due to (i) an increase in net incurred losses relating to natural catastrophes and (ii) impact of large losses, etc. despite an increase in amount taken down from catastrophe loss reserves
 - Upward revision in net investment income and other due to an increase in (i) dividends from domestic stocks and (ii) gains/losses on sales of securities
- Domestic Life**
Downward revision due to an increase in provision of underwriting reserves for a new product for corporations, etc.
- Overseas Subsidiaries**
Downward revision due to large natural catastrophes and foreign exchanges losses, etc.

● Net Income attributable to owners of the parent

- Downward revision due to impact of large natural catastrophes and an increase in provision for underwriting reserves for a new product for corporations at TMNL, etc.

● Adjusted Net Income

- Downward revision by - ¥67.0B from the original projections to ¥315.0B

FY2017 Projections Overview (Business Unit Profits)

(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.17

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.42 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

*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.42 for details regarding the definition

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			

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

Long-term Vision and the Mid-Term Business Plan

"To Be a Good Company 2017"



Long-term
vision

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

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

~Drive ROE towards double-digit sphere~

2020~

Mid-Term Business Plan

"To Be a Good Company 2017"

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

2017

"Innovation and Execution 2014"

~Achieve an ROE exceeding our cost of capital~

2014

2015

2012

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

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

Profit recovery stage

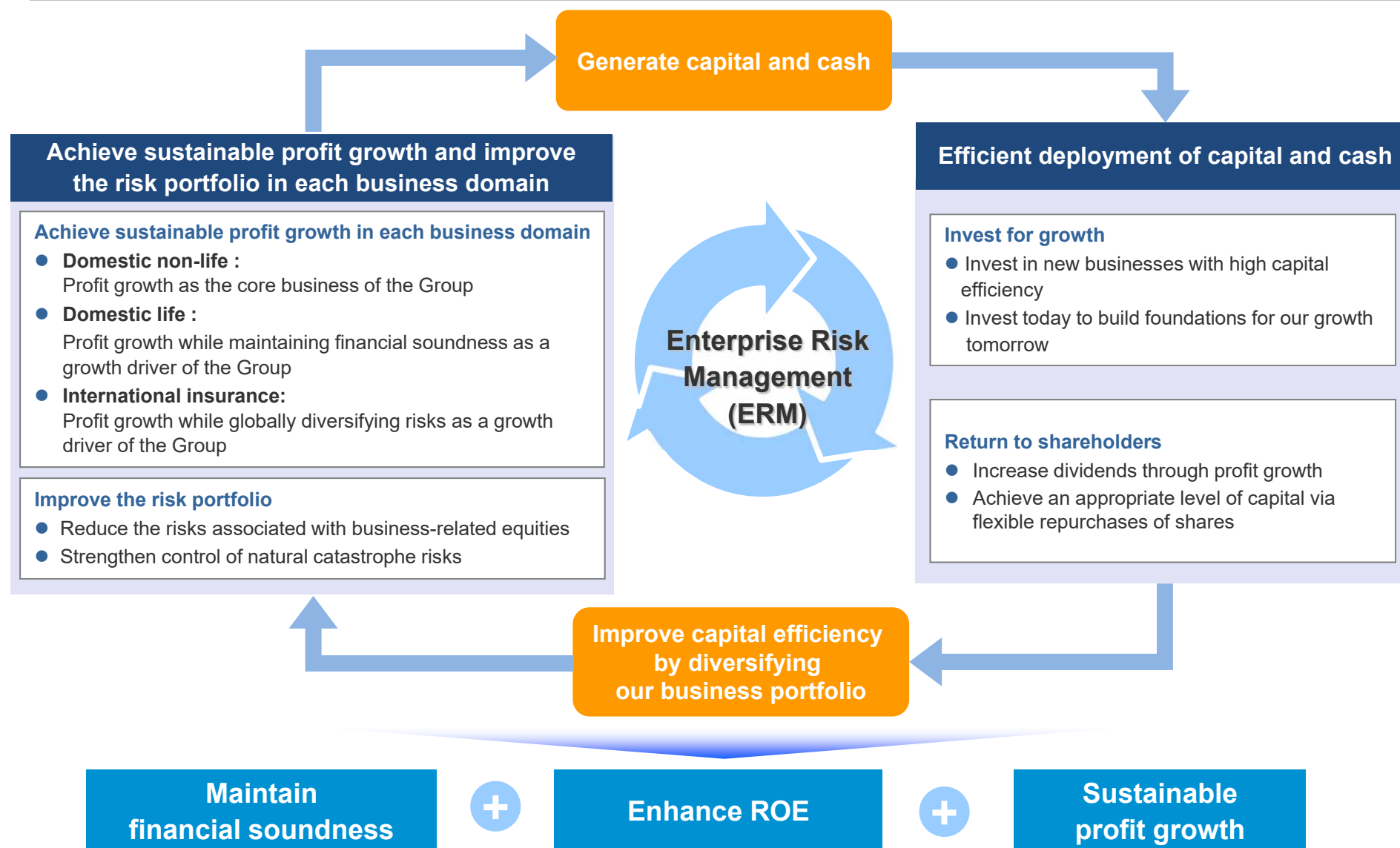
Sustainable profit growth stage

Initiatives for “Sustainable Profit Growth”



Framework of the Mid-Term Business Plan and Group Management

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



Further Integration and Alignment of Group Management

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

Globalization and Strengthening



TOKIO MARINE
GROUP

Group CEO / CCO

Chief Culture Officer

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

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

Committees

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

ERM Committee

International Executive Committee (IEC)

Global Investment Strategy Committee (GISC)

Global Retention Strategy Committee (GRSC)

Global Information Technology Committee (GITC)

Maximize the Group's comprehensive capabilities

Domestic Non-life	Domestic Life	International Insurance	Financial and General
<ul style="list-style-type: none"> • Create synergy and share best practices across the group • Address challenges the group is facing by leveraging the group collective insights and expertise • Achieve greater involvement of best global talents in the group management 			

Expansion of Group Synergies

Pursuing synergies by leveraging the Group's global footprint, high expertise of each group company, and financial strengths, etc.

- Providing specialty insurance products through each company's sales network for cross selling in developed countries
- Cultivating the market in emerging countries by setting up underwriting system for specialty insurance and offering products
- Reaching out to and expanding the specialty insurance market in Japan

Revenue

Aim to expand revenue synergy by leveraging our global network

Creating Group Synergies

Capital

- Optimizing retention and outward reinsurance on a group basis

Investment

- Enhancing investment return through Delphi's superior investment expertise, etc.

Cost

- Cost reduction through effective use of the group resources and scale merit

Initiatives to Support Corporate Value Enhancement

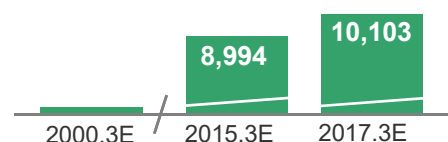
Initiatives and external acknowledgments etc.



Mangrove tree planting

Initiatives to achieve “carbon neutral” through mangrove tree planting

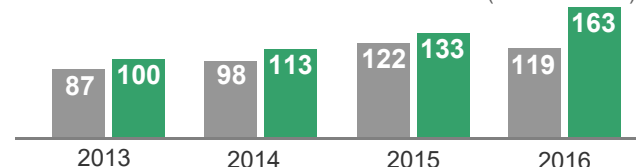
(total of planted area in hectares)



CO₂ emissions and fixation/reduction effects

■ CO₂ emissions ■ CO₂ fixation/reduction effects
“Carbon neutral” for four consecutive years

(thousand tons)



Business continuity plan (BCP) workshops for SMEs

➢ More than 80 workshops held and more than 700 companies have participated

Earthquake-risk awareness brochure and BCP planning sheet

➢ Distributed more than 70,000 brochures to companies, local governments and chambers of commerce

Disaster Prevention Lesson

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

➢ Approx. 23,000 people have attended



Supporting the youth and the challenged

- 1989- Japan Swimming Federation (official sponsor)
- 2005- Special Olympics Nippon Foundation (friendship sponsor)
- 2016- Japanese Para-Sports Association (official sponsor)
Japan Inclusive Football Federation (partner)
- 2017- Career Development Program for Junior High and High School Students “Group Work on Managing Risks and Opportunities” expanded throughout Japan

Diversity on a global scale

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



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

Implementing a PDCA cycle to enhance the health of employees

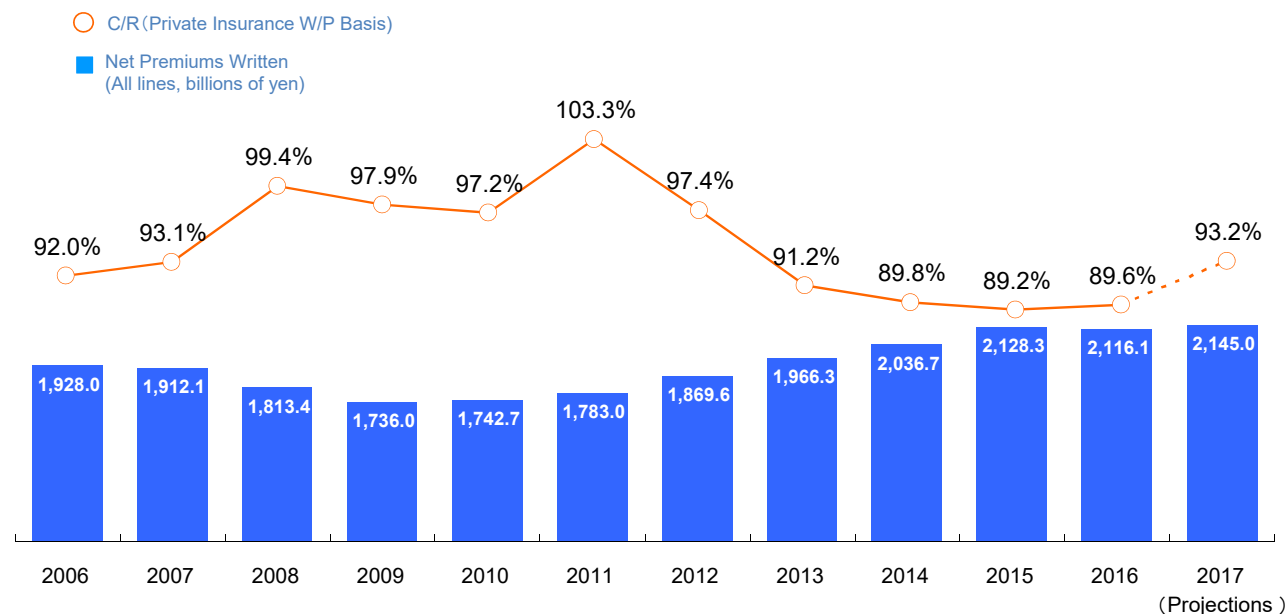
Support our customers’ health & productivity management by leveraging the know-how accumulated in the Group



Basic Information (Domestic Non-Life 1) - TMNF



Trend of net premiums written and combined ratio



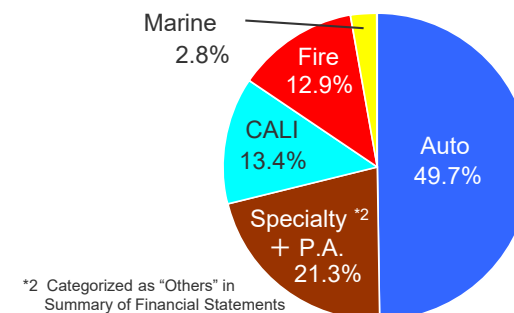
Statistics of combined ratio and loss ratio (private insurance E/I Basis)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Projections
Net E/I C/R*1	103.8%	99.6%	97.2%	90.6%	92.7%	90.4%	93.6%
E/I loss ratio	69.8%	66.8%	65.0%	58.5%	60.1%	57.7%	60.9%
Excluding natural catastrophes	61.3%	62.8%	60.1%	56.9%	56.0%	54.8%	56.5%
Expense ratio	34.0%	32.8%	32.2%	32.2%	32.6%	32.7%	32.8%

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

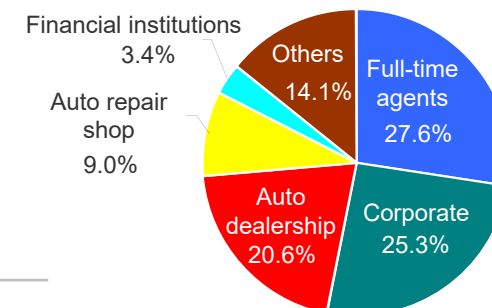
Premium composition by line

(FY2016 net premiums written basis)



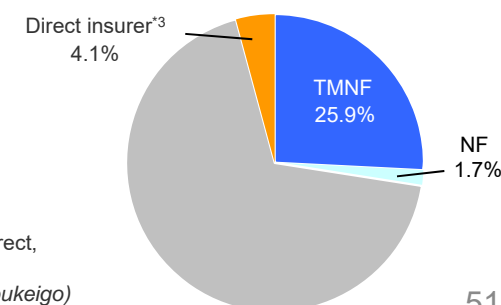
Premium composition by sales channel

(FY2016 managerial accounting basis)



Market share (excluding reinsurance companies)

(FY2015 net premiums written basis)



*3: Sony, American home, AXA, Mitsui Direct, Saison, SBI, E. design, Sonpo 24
Source Insurance Statistics (Sonpo Toukeigo)

Basic Information (Domestic Non-Life 2) - TMNF



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

<Factors of profitability deterioration>

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

<Measures to improve profitability>

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



● Trend of auto insurance policy renewal ratio, E/I basis combined ratio and loss ratio

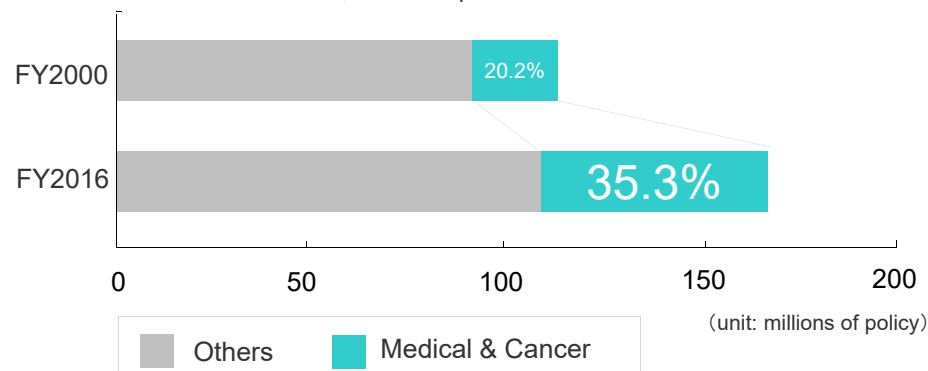
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Projections
Policy renewal ratio	95.1%	95.3%	95.6%	95.6%	95.7%	95.9%	—
Net E/I C/R*	102.9%	100.2%	95.7%	91.6%	91.4%	91.0%	91.6%
E/I L/R	70.7%	69.4%	65.3%	61.1%	60.5%	60.2%	60.6%

Basic Information (Domestic Life) - TMNL

● Growing "Medical & Cancer" market

【Composition of number of in-force policies】

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



- The source of figures regarding Japanese life insurance market is "The Life Insurance Association of Japan"
- The figures of TMNL are after merger basis between TMNL and former FL

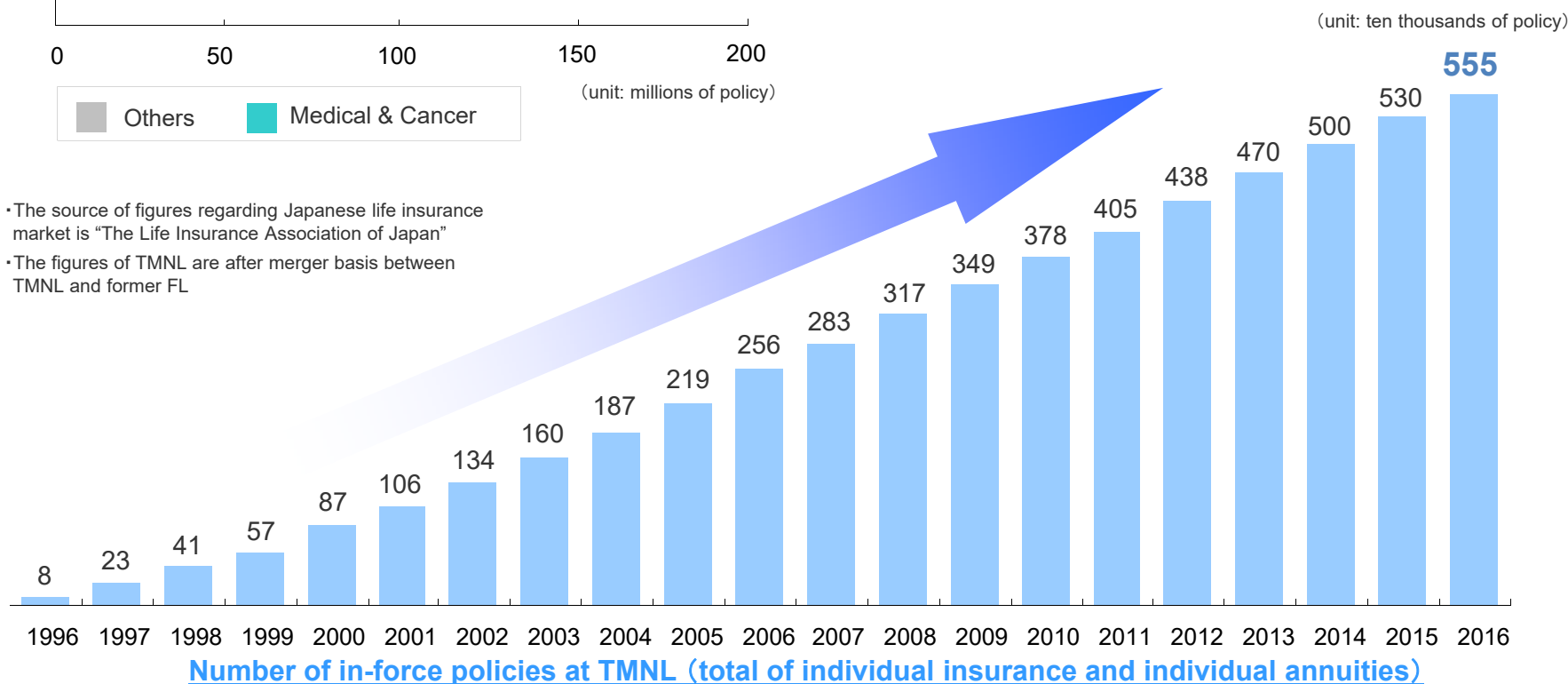
● Growth rate of number of in-force policies at TMNL

【CAGR of in-force policies from FY2000 to FY2016】

(Total of individual insurance and individual annuities)

TMNL **+12.2%**

Average of Japanese life insurance market **+2.9%**



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

Basic Information (Domestic Life) - TMNL Major Products

(Products lineup as of November 2017)

Death insurance (whole life insurance/term insurance/ variable insurance)



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

★プレミアムシリーズ★ (Premium Series)

•Long-life Support Whole Life Insurance

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



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

★プレミアムシリーズ★ (Premium Series)

•Household Income Term Insurance NEO (Disability Plan)

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



Variable annuities for future asset accumulation while securing coverage in time of needs

•Market Link

Death, severe disability, and maturity insurance amount fluctuate based on the performance results. Ensure security of minimum coverage for death and severe disability insurance amount

Medical and cancer insurance



Medical insurance with lifelong coverage for disease and injury

★プレミアムシリーズ★ (Premium Series)

•Medical Kit NEO
•Medical Kit R

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

Product series with "R" function



Medical insurance that supports health enhancement which refunds a portion of insurance premiums by walking

★プレミアムシリーズ★ (Premium Series)

•Aruku Hoken

Refund a portion of insurance premiums in response to health enhancement activities using sensing technology (wearable device)



Insurance to secure coverage in case of cancer

★プレミアムシリーズ★ (Premium Series)

•Cancer Treatment Support Insurance NEO
•Cancer Insurance R

This product offers diagnosis benefit, etc. to the policyholder

Product series with "R" function

*Features of product series with "R" function:

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

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

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

Basic Information (International Insurance 1) - Strategic Expansion



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



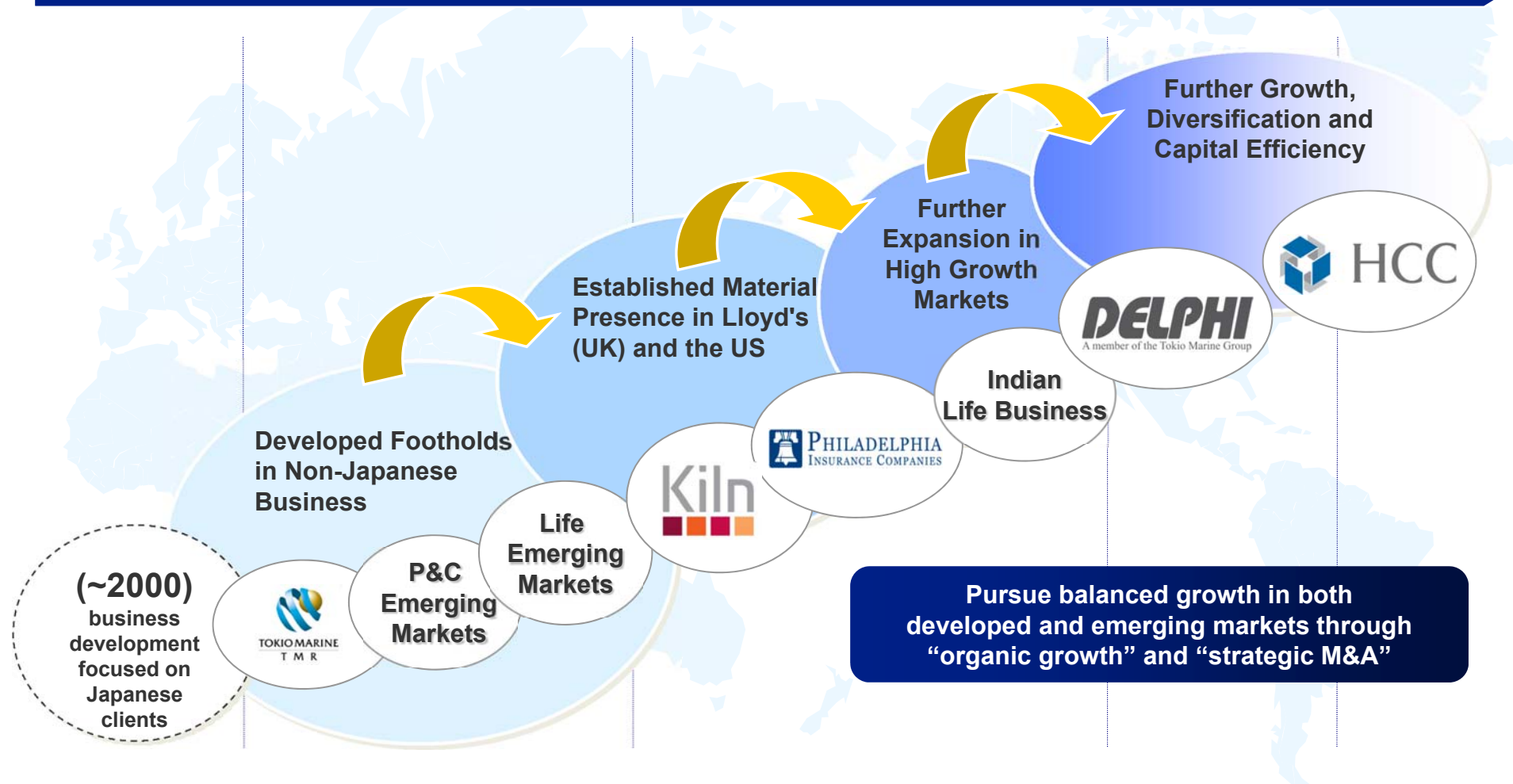
Pursue to establish a
diversified business portfolio

2000

2007

2011

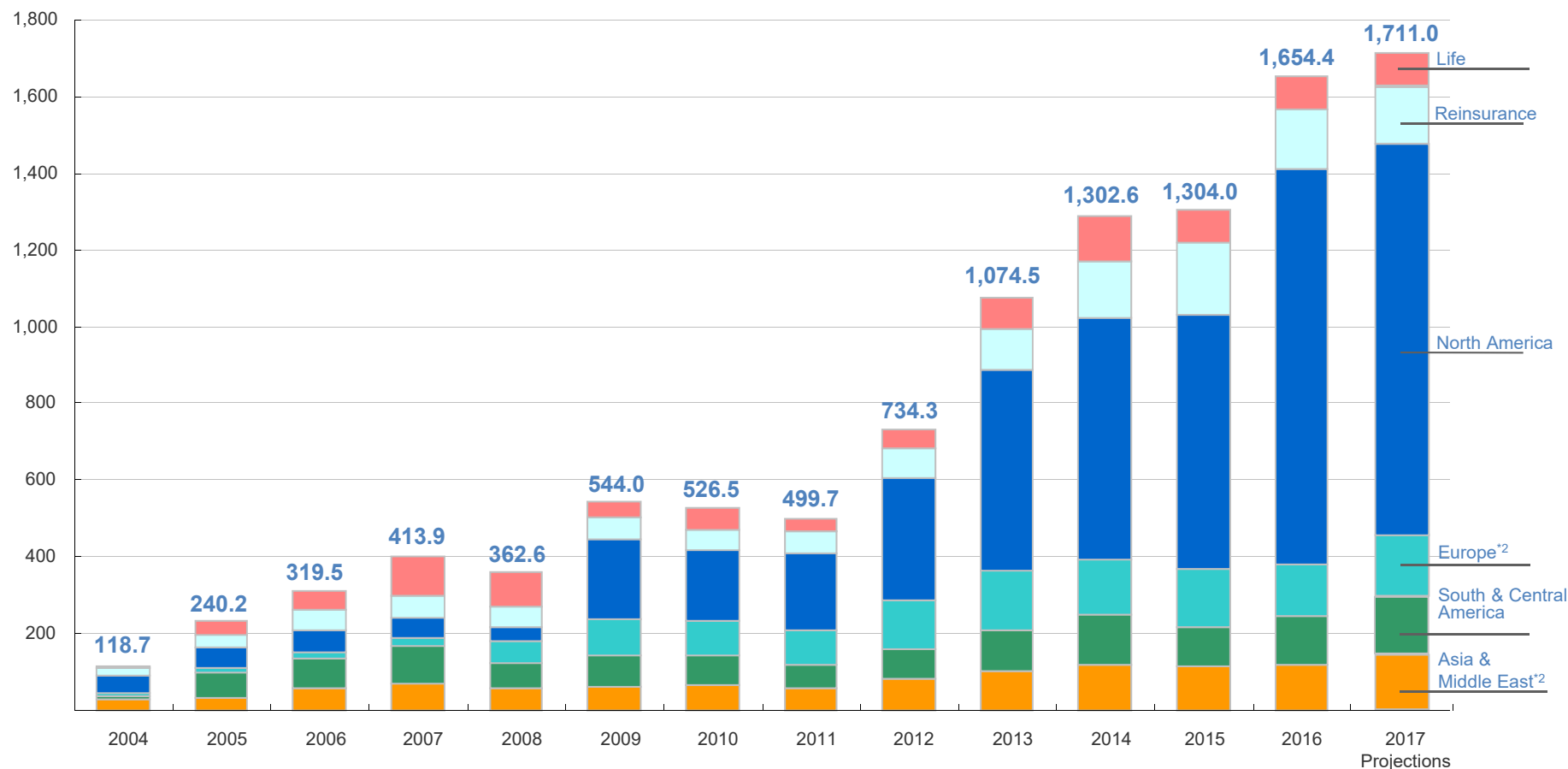
2015



Basic Information (International Insurance 2) - Net Premiums Written



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



USD/JPY*1

104.2	118.1	119.1	114.1	91.0	92.1	81.4	77.7	86.5	105.3	120.5	120.6	116.4	112.7
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*1: FX rates are as of Dec. 31 of each year
(FX rate for FY2017 Projections is as of Sept. 30, 2017)

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

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

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

Impact on net income on financial accounting basis*²

■ Decrease in profit from overseas subsidiaries:	approx. - ¥ 0.4B
🔴 Decrease in profit from local subsidiaries	
🔵 Decrease in amortization of intangible fixed assets and goodwill	
■ Change in foreign currency denominated outstanding claims reserves and derivatives at TMNF:	approx. + ¥1.1B
Total:	approx. + ¥0.7B

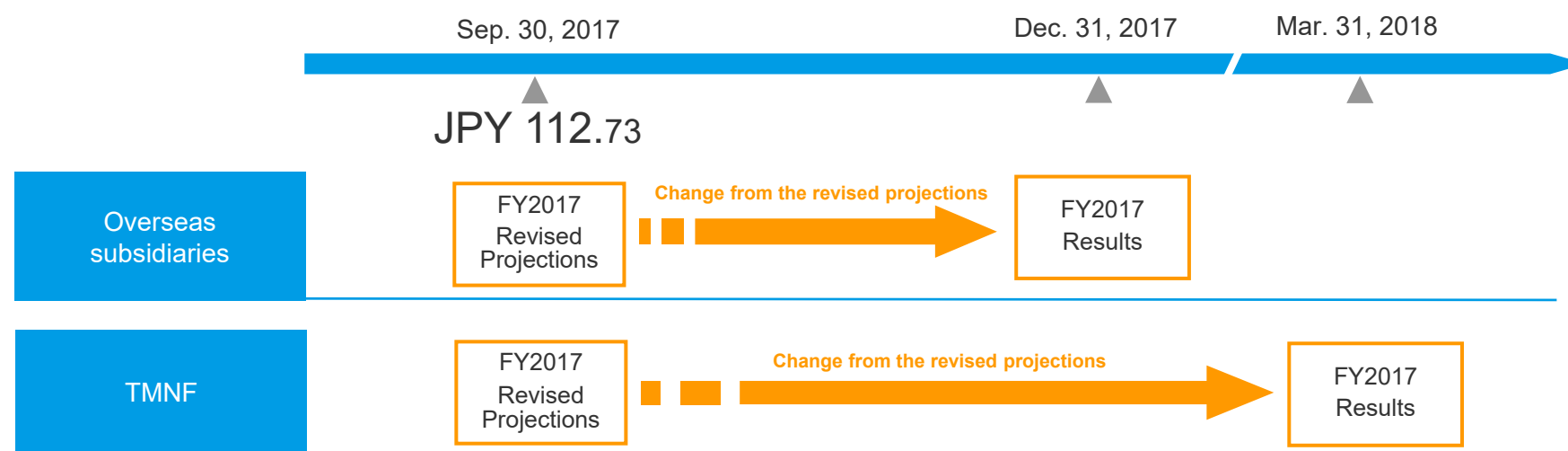
Impact on adjusted net income*²

■ Decrease in profit from overseas subsidiaries:	approx. - ¥1.0B
(Of factors stated in the left column, amortization of intangible fixed assets and goodwill has no impact because it is added back to adjusted net income)	
■ Change in foreign currency denominated outstanding claims reserves and derivatives at TMNF:	approx. + ¥1.1B
Total:	approx. + ¥0.1B

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

* 2 Impact on the FY2017 projections, after tax basis

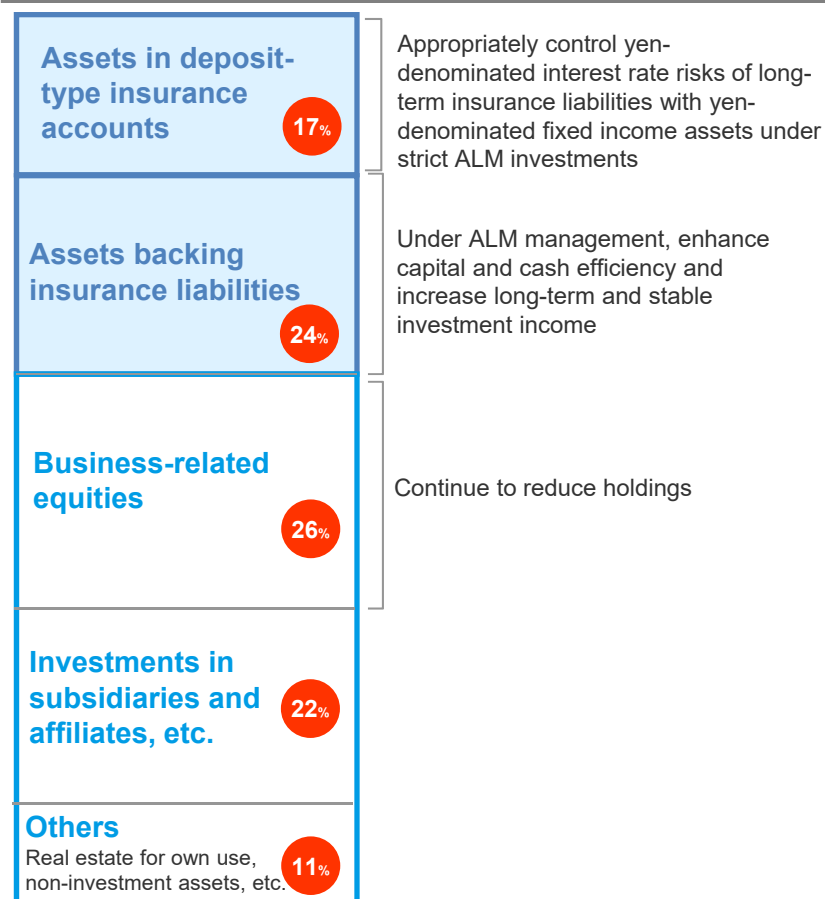
● Reference: applied FX rate (USD/JPY)



Domestic Non-Life (TMNF)

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

TMNF Total Assets ¥9.7T (as of end of Sep. 2017)



Domestic Life (TMNL)

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

TMNL Total Assets ¥7.2T (as of end of Sep. 2017)



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*To Be a **Good Company***



Tokio Marine Holdings

