



Tokio Marine Holdings

To Be a Good Company

Overview of 1Q FY2019 Results

August 9, 2019

Tokio Marine Holdings, Inc.

◆ Abbreviations used in this material

TMNF : Tokio Marine & Nichido Fire Insurance Co., Ltd.
NF : Nisshin Fire & Marine Insurance Co., Ltd.
TMNL : Tokio Marine & Nichido Life Insurance Co., Ltd.
TMHCC : Tokio Marine HCC
TMK : Tokio Marine Kiln



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1Q FY2019 Results

■ Reference

	Applied FX Rate (USD/JPY)	
	FY2018	FY2019
Domestic non-life and life businesses (End of Jun.)	JPY 110.54 (-JPY 4.30 from Mar. 2018)	JPY 107.79 (+JPY 3.20 from Mar. 2019)
International insurance business (End of Mar.)	JPY 106.24 (+JPY 6.76 from Dec. 2017)	JPY 110.99 (+JPY 0.01 from Dec. 2018)

Highlight

Consolidated	Domestic Life
Domestic Non-Life	International



Top-line growth was +3.7% YoY, its trend was on track (excluding the impact of reinsurance businesses divestment)

Total premiums

(Net premiums written + Life insurance premiums)

¥1,145.1B

+3.7% YoY

(Including the impact of reinsurance businesses divestment: -1.0%)

- Net premiums written grew mainly in fire and specialty insurance in Japan (+3.2%) International insurance also grew mainly in North America and Asia excluding the impact of reinsurance businesses divestment (+6.7%)
- Life insurance premiums increased by only +1.7% due to sales suspension of a part of products for corporations in Japan

Bottom-line growth trend was +10.8% YoY, well on track driven by favorable international insurance businesses (progress rate : 35%)

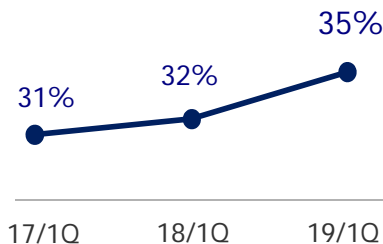
Consolidated net income

(net income attributable to owners of the parent)

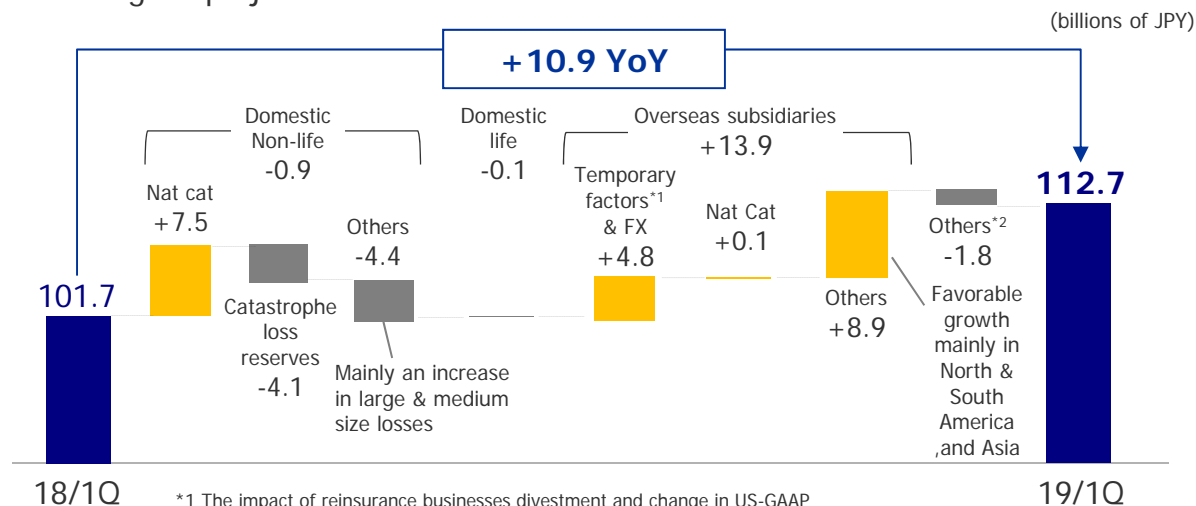
¥112.7B

+¥10.9B YoY

The progress rate to the original projections in respective years



- The domestic trend was favorable due to a decrease in natural catastrophes, etc. excluding the technical decrease in profits owing to the provision rate up for catastrophe loss reserves. In addition, international insurance businesses sustained favorable growth mainly in North America, South America, and Asia. As a result, the progress rate to the original projections was 35%



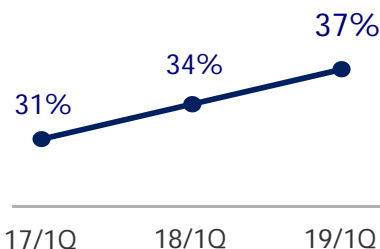
*1 The impact of reinsurance businesses divestment and change in US-GAAP
 *2 Increase in amortization of goodwill owing to the acquisition of "Safety" and bolt-on M&A

Adjusted net income was +11.1% YoY, also well on track (progress rate: 37%)

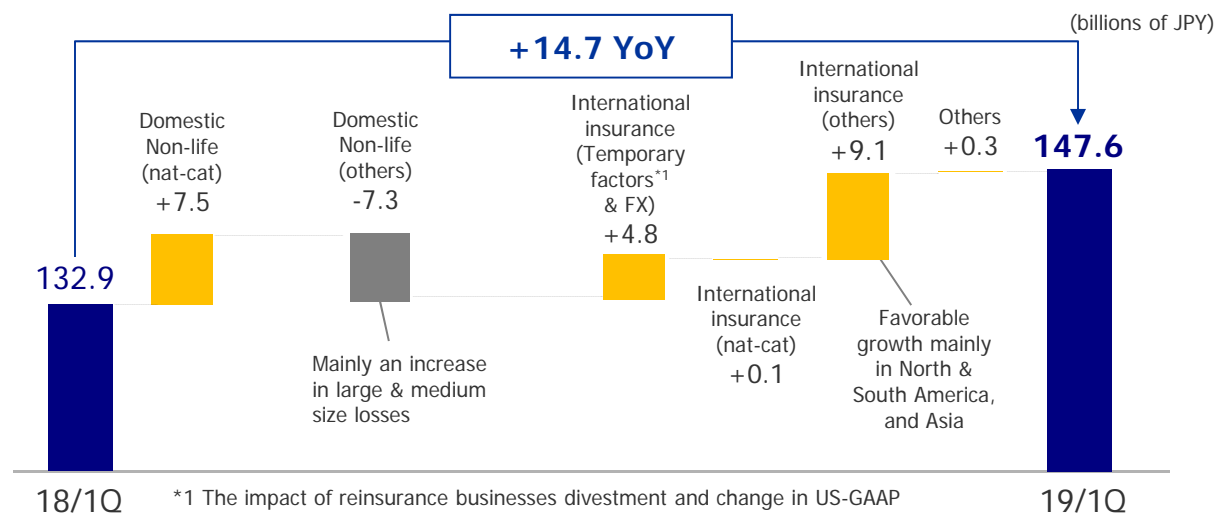
Adjusted net income

¥147.6B
+¥14.7B YoY

The progress rate to the original projections in respective years



- Adjusted net income, excluding the impact of catastrophe loss reserves and goodwill, etc. from financial accounting income is in line with our plan. As a result, the progress rate to the original projections was 37%



(Reference: Natural catastrophes)

Net incurred losses relating to natural catastrophes (business unit profits basis, billions of JPY)

	2018 1Q	2019 1Q	YoY (Decrease in both domestic and international)	2019 Original Projections
Before tax				
Domestic Non-life	10.5	0.0	-10.4	52.5
International	6.3	5.9	-0.4	46.0
Total	16.9	5.9	-10.9	98.5
After tax*2				
Domestic Non-life	7.5	0.0	-7.5	37.8
International	5.1	4.6	-0.4	36.0
Total	12.7	4.7	-7.9	73.8

*2 After-tax figures are approximate calculation

Consolidated Results Overview

Consolidated	Domestic Life
Domestic Non-Life	International



TOKIO MARINE

	FY2018 1Q	FY2019 1Q	YoY		Progress rate %	
			Change	%		
(billions of JPY, except for %)						
■ Total premiums	1,156.6	1,145.1	- 11.4	- 1.0%	+ 24.9%	→ +3.7% increase when excluding the impact of reinsurance businesses divestment (-52.8)
Net premiums written (TMHD Consolidated)	920.8	905.4	- 15.4	- 1.7%	+ 25.4%	
Life insurance premiums (TMHD Consolidated)	235.7	239.6	3.9	+ 1.7%	+ 23.3%	
■ Ordinary profit (TMHD Consolidated)	138.0	150.0	12.0	+ 8.7%	+ 33.0%	
Tokio Marine & Nichido	101.5	100.5	- 0.9	- 0.9%	+ 31.0%	
Nisshin Fire	3.7	1.1	- 2.5	- 68.4%	+ 18.7%	
Tokio Marine & Nichido Life	7.0	5.9	- 1.0	- 15.2%	+ 14.6%	
Overseas subsidiaries	40.8	56.8	15.9	+ 39.0%	+ 30.4%	
Financial and general	1.4	1.4	0.0	+ 3.4%	+ 27.8%	
Elimination of dividends received by Tokio Marine & Nichido from subsidiaries etc.	- 6.7	- 8.7	- 2.0			
Purchase method adjustments	- 1.3	- 1.1	0.2			
Amortization of goodwill and negative goodwill	- 8.3	- 9.2	- 0.9			
Others (Consolidation adjustments, etc.)	- 0.2	3.1	3.4			
■ Net income attributable to owners of the parent	101.7	112.7	10.9	+ 10.8%	+ 34.7%	→ +12.2% increase in profit when excluding the impact of reinsurance businesses divestment (-1.2)
Tokio Marine & Nichido	77.5	79.1	1.6	+ 2.2%	+ 31.7%	
Nisshin Fire	2.8	0.8	- 2.0	- 70.1%	+ 17.0%	
Tokio Marine & Nichido Life	4.5	3.7	- 0.8	- 18.5%	+ 13.3%	
Overseas subsidiaries	32.6	46.5	13.9	+ 42.7%	+ 31.0%	
Financial and general	0.9	0.9	0.0	+ 1.9%	+ 27.1%	
Elimination of dividends received by Tokio Marine & Nichido from subsidiaries etc.	- 6.7	- 8.7	- 2.0			
Purchase method adjustments	- 0.9	- 0.8	0.1			
Amortization of goodwill and negative goodwill	- 8.3	- 9.2	- 0.9			
Others (Consolidation adjustments, etc.)	- 0.7	0.3	1.0			
■ [KPI for the Group Total] Adjusted net income	132.9	147.6	14.7	+ 11.1%	+ 36.9%	→ Reconciliations from net income on financial accounting basis are listed in the reference

Changes in Major P/L Items

(billions of JPY)

	FY2018 1Q Results	FY2019 1Q Results	YoY Change
Underwriting profit/loss	25.8	28.7	2.8
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	41.4	49.2	7.7
Net premiums written (Private insurance)	489.9	503.9	14.0
Net premiums earned (Private insurance)	467.6	471.7	4.1
Net incurred losses (Private insurance)*1	- 263.7	- 257.9	5.7
Natural catastrophe losses	- 10.5	- 0.0	10.4
Provision/Reversal of foreign currency denominated outstanding claims reserves	- 3.4	2.9	6.4
Other than above	- 249.8	- 260.9	- 11.1
Business expenses (Private insurance)	- 156.5	- 157.9	- 1.3
Provision/Reversal of catastrophe loss reserves	- 15.6	- 20.5	- 4.9
Auto	- 8.6	- 8.7	- 0.0
Fire	- 2.5	- 4.4	- 1.8
Net investment income (loss) and other	74.1	69.7	- 4.3
Net investment income/loss	82.9	80.9	- 2.0
Interest and dividends	51.9	55.3	3.3
Dividends from domestic stocks	31.6	33.3	1.6
Dividends from foreign stocks	7.2	9.7	2.4
Income from other foreign securities*2	2.5	1.2	- 1.2
Gains/Losses on sales of securities	44.7	42.2	- 2.5
Impairment losses on securities	- 0.2	- 1.5	- 1.2
Gains/Losses on derivatives	- 3.6	- 2.9	0.7
Foreign exchange gains/losses	2.0	- 2.4	- 4.4
Ordinary profit/loss	101.5	100.5	- 0.9
Extraordinary gains/losses	- 1.4	- 1.5	- 0.0
Net income/loss	77.5	79.1	1.6

*1 Including loss adjustment expenses

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

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

¥2.8B increase YoY to ¥28.7B mainly due to the following factors:

- Net premiums written (Private insurance) (See p.8 for details):
 - Increase in all lines, mainly in fire and specialty insurance
- Net incurred losses (Private insurance):
 - Decrease in net incurred losses from natural catastrophes
 - Decrease in provision for foreign currency denominated outstanding claims reserves due to the yen's appreciation
 - Increase in large and medium size losses
 - Increase in net incurred losses associated with NPW increase
- Business expenses (Private insurance):
 - Increase in agency commissions associated with NPW increase
- Catastrophe loss reserves:
 - Increase in provision due to provision rate increase in fire group based on tax revision

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

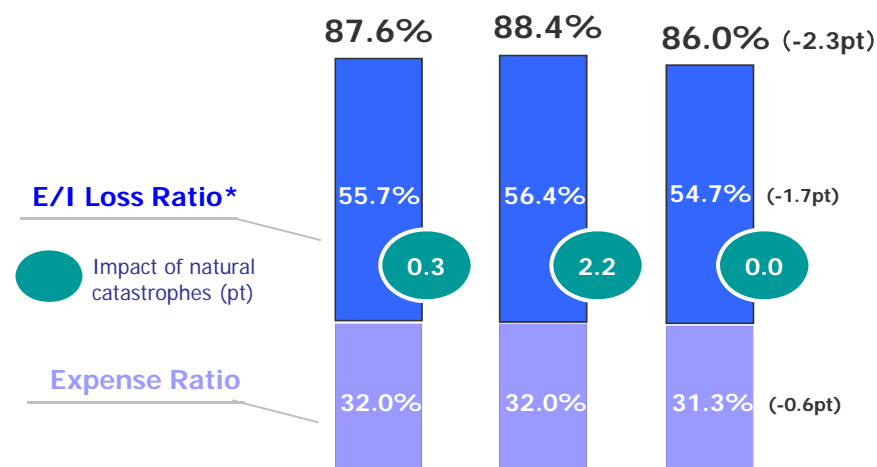
¥4.3B decrease YoY to ¥69.7B mainly due to foreign exchange losses of U.S. dollar deposits owing to the appreciation of the yen

Net Income

¥1.6B increase YoY to ¥79.1B due to the factors above, etc.

Combined Ratio (Private insurance: E/I basis)

※(): YoY Change



(billions of JPY)

	FY2017 1Q Results	FY2018 1Q Results	FY2019 1Q Results	YoY Change
Net premiums written	481.3	489.9	503.9	14.0
Net premiums earned	459.2	467.6	471.7	4.1
Net incurred losses*	255.7	263.7	257.9	- 5.7
Business expenses	153.8	156.5	157.9	1.3
Corporate expenses	58.2	58.9	56.6	- 2.3
Agency commissions	95.5	97.6	101.3	3.7

(Reference) All lines: W/P basis

	FY2017 1Q	FY2018 1Q	FY2019 1Q	YoY Change
Combined ratio*	86.3%	89.0%	86.5%	- 2.5pt
Loss ratio*	56.0%	58.1%	56.4%	- 1.7pt
Expense ratio	30.3%	30.8%	30.1%	- 0.7pt

* Including loss adjustment expenses

-E/I Basis Loss Ratio

Improved by 1.7 points YoY to 54.7% mainly due to:

- Decrease in net incurred losses relating to natural catastrophes
- Decrease in provision for foreign currency denominated outstanding claims reserves due to the appreciation of the yen
- Increase in large and medium size losses

-Expense Ratio

Improved by 0.6 points YoY to 31.3% mainly due to a decrease in personnel cost and an increase in NPW

Net Premiums Written by Line

(billions of JPY, except for %)

	FY2018 1Q Results	FY2019 1Q Results	YoY	
			Change	%
Fire	64.9	71.9	6.9	10.7%
Marine	16.1	16.7	0.6	3.9%
P.A.	57.6	59.1	1.5	2.7%
Auto	270.5	272.4	1.8	0.7%
CALI	60.9	64.6	3.6	6.1%
Other	80.9	83.9	3.0	3.7%
Total	551.2	568.9	17.7	3.2%
Private insurance total	489.9	503.9	14.0	2.9%

Major Factors of Changes in NPW

- Fire: Grew mainly due to the sales of additional coverage and an increase in the number of policies
- P.A.: Grew mainly due to an increase in the number of policies
- Auto: Grew mainly due to the product revisions (an increase in riders) in January 2019
- CALI: Grew mainly due to an increase in the number of vehicles with upcoming maturities
- Other: Grew due to sales expansion of *Super Business Insurance*, etc.

E/I Loss Ratio by Line

	FY2018 1Q Results	FY2019 1Q Results	YoY Change
Fire	54.4%	45.3%	- 9.1pt
Marine	79.5%	62.7%	- 16.8pt
P.A.	53.9%	54.2%	0.3pt
Auto	56.2%	56.5%	0.2pt
Other	54.9%	55.5%	0.6pt
Private insurance total	56.4%	54.7%	- 1.7pt

Major Factors of Changes in E/I Loss Ratio

- Fire: Improved mainly due to a decrease in net incurred losses relating to natural catastrophes
- Marine: Improved mainly due to a decrease in net incurred losses relating to natural catastrophes
- Auto: Rose mainly due to rate cut in January 2018
- Other: Rose mainly due to an increase in large and medium size losses

■ Net Investment Income and Other

(billions of JPY)

	FY2018 1Q Results	FY2019 1Q Results	YoY Change
Net investment income and other	74.1	69.7	- 4.3
Net investment income	82.9	80.9	- 2.0
Net interest and dividends income	41.7	45.4	3.7
Interest and dividends	51.9	55.3	3.3
Dividends from domestic stocks	31.6	33.3	1.6
Dividends from foreign stocks	7.2	9.7	2.4
Income from domestic bonds	5.6	5.1	- 0.4
Income from foreign bonds	1.1	1.0	- 0.0
Income from other domestic securities*1	0.8	1.8	0.9
Income from other foreign securities*2	2.5	1.2	- 1.2
Transfer of investment income on deposit premiums	- 10.2	- 9.8	0.3
Net capital gains	41.2	35.5	- 5.7
Gains/Losses on sales of securities	44.7	42.2	- 2.5
Impairment losses on securities	- 0.2	- 1.5	- 1.2
Gains/Losses on derivatives	- 3.6	- 2.9	0.7
Other investment income and expenses	0.1	0.1	- 0.0
Others	0.2	- 2.4	- 2.6
Other ordinary income and expenses	- 8.8	- 11.1	- 2.3

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

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

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

— Net investment income and other decreased by ¥4.3B YoY to ¥69.7B

- Net interest and dividends income

¥3.7B increase YoY to ¥45.4B mainly due to the following factors:

- Dividends from foreign stocks:
 - ✓ Increase in dividends income from overseas subsidiaries
- Dividends from domestic stocks:
 - ✓ Increase in dividends of stocks holding

- Net capital gains

¥5.7B decrease YoY to ¥35.5B mainly due to the following factors:

- Gains/Losses on sales of securities:
 - ✓ Decrease in gains on sales of business-related equities
- Others:
 - ✓ Foreign exchange losses of U.S. dollar deposits owing to the appreciation of the yen

¥41.0B capital gains from sales of business-related equities, ¥3.0B decrease YoY (Sales of business-related equities was ¥51.0B)

Change in Major P/L Items

(billions of JPY)

	FY2018 1Q Results	FY2019 1Q Results	YoY Change
Underwriting profit/loss	3.8	1.6	- 2.1
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	4.1	2.9	- 1.1
Net premiums written (Private insurance)	32.7	33.6	0.8
Net premiums earned (Private insurance)	31.4	31.9	0.5
Net incurred losses (Private insurance)*	- 16.7	- 18.1	- 1.4
Natural catastrophe losses	- 0.0	- 0.0	0.0
Other than above	- 16.7	- 18.1	- 1.4
Business expenses (Private insurance)	- 11.1	- 11.3	- 0.1
Provision/Reversal of catastrophe loss reserves	- 0.3	- 1.3	- 0.9
Fire	0.5	- 0.3	- 0.8
Auto	- 0.7	- 0.7	- 0.0
Net investment income (loss) and other	0.3	0.1	- 0.1
Net investment income/loss	0.4	0.3	- 0.0
Interest and dividends	0.9	0.8	- 0.0
Gains/Losses on derivatives	- 0.0	- 0.2	- 0.1
Ordinary profit/loss	3.7	1.1	- 2.5
Extraordinary gains/losses	0.1	0.0	- 0.1
Net income/loss	2.8	0.8	- 2.0
Loss ratio (Private insurance, E/I basis)*	53.2%	56.9%	3.7pt
Expense ratio (Private insurance)	34.1%	33.7%	- 0.4pt
E/I Combined ratio (Private insurance)*	87.3%	90.6%	3.3pt

* 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.

Underwriting Profit

¥2.1B decrease YoY to ¥1.6B mainly due to the following factors:

- Net premiums written (Private insurance)
 - Increase due to sales expansion in fire and specialty insurance
- Net incurred losses (Private insurance)
 - Increase in large losses in fire and specialty insurance
- Catastrophe loss reserves
 - Decrease in takedown associated with a decrease in W/P loss ratio

Net Investment Income and Other

¥0.1B decrease YoY to ¥0.1B due to an increase in losses on derivatives, etc.

Net Income

As a result, ¥2.0B decrease YoY to ¥0.8B

■ Annualized Premiums (ANP)

(billions of JPY)

	FY2018 1Q Results	FY2019 1Q Results	YoY	
			Change	%
New policies ANP	20.3	8.4	- 11.9	-58.7%
In-force policies ANP	851.1	849.7	- 1.4	-0.2%

— New Policies ANP

- Decreased by 58.7% YoY mainly due to sales suspension of some products for corporations (increased by 10.1% YoY when excluding the sales suspension impact)

— In-force Policies ANP

- Decrease by 0.2% YoY because an increase in new policies was lower than a decrease by surrender, etc. owing to the sales suspension

■ Key Figures in Financial Accounting

(billions of JPY)

	FY2018 1Q Results	FY2019 1Q Results	YoY
			Change
Ordinary income	243.7	234.0	- 9.6
Insurance premiums and other	213.5	207.0	- 6.5
Net income	4.5	3.7	- 0.8
Ordinary profit	6.8	4.0	- 2.7
(-) Capital gains / losses	- 2.0	- 3.4	- 1.4
(-) Non-recurring income / losses	- 0.2	- 0.1	0.1
Core operating profit	9.1	7.6	- 1.4

— Net Income

- Decreased by ¥0.8B YoY to ¥3.7B due to higher FX hedging costs associated with an increase in entrusted AUM to Delphi (investment income will be posted after 2Q) and increased system development expenses, etc. despite a decrease in agency commissions and in net provision for underwriting reserves relating to the sales suspension

— Ordinary Profit

- Decreased by ¥2.7B to ¥4.0B YoY due to excluding the effect of an increase in takedown of dividend reserves for policy holders, etc. from net income

— Core Operating Profit

- Decreased by ¥1.4B YoY to ¥7.6B as a result of excluding the impact of FX hedging costs, etc. from ordinary profit

Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY 2018 1Q Results	FY 2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*5}
	As of end Mar. 2018	As of end Mar. 2019	Change	%	
Applied FX rate (USD/JPY)	JPY 106.2	JPY 110.9			
North America ^{*1}	259.7	282.1	22.4	8.6%	4.0%
Philadelphia	79.8	87.2	7.4	9.3%	4.7%
Delphi	70.4	76.0	5.6	8.0%	3.3%
TMHCC	92.3	101.0	8.7	9.4%	4.8%
Europe, Middle East & Africa ^{*2}	40.8	42.9	2.0	5.1%	7.4%
South & Central America	37.4	34.2	- 3.1	- 8.5%	3.7%
Asia & Oceania	37.8	47.1	9.2	24.5%	25.1%
Reinsurance ^{*3}	52.8	-	- 52.8	-	-
Total Non-Life^{*4}	428.8	415.5	- 13.3	- 3.1%	- 5.0%
Life	22.3	24.0	1.7	7.6%	7.0%
Total	451.1	439.5	- 11.6	- 2.6%	- 4.4%
Total (Except for Reinsurance)	398.3	439.5	41.2	10.4%	8.6%

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

*2 Figures of "Europe, Middle East & Africa" include North American business of TMK, but not include European and Reinsurance businesses of TMHCC

*3 Reinsurance figures are those of the reinsurance businesses divested

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

*5 Excluding FX effects due to yen conversion

— Grew by 10.4% YoY driven by a favorable trend in each business segment (excluding the impact of reinsurance businesses divestment)

【Major Factors of Changes】

North America (See P.14~16 for details)

- Philadelphia: Grew driven by rate increase in renewal book and expansion of new business book, etc.
- Delphi: Grew mainly driven by expansion of new non-life business book
- TMHCC: Grew mainly driven by rate increase in both non-life business in North America and International business

Europe, Middle East & Africa

- Grew mainly due to new contribution of "Hollard" (+¥9.9B), while fell in Europe due to controlling underwriting with emphasis on profitability

South & Central America

- Fell due to the depreciation of Brazilian Real while grew on a local currency basis driven by auto insurance sales growth in Brazil, etc.

Asia & Oceania

- Grew driven by sales growth in Thailand, Singapore and Indonesia, and new consolidation of "Safety" (+¥7.1B), etc.

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 JPY, except for %)

	FY2018 1Q Results	FY2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*5}
	As of end Mar. 2018 JPY 106.2	As of end Mar. 2019 JPY 110.9	Change	%	
Applied FX rate (USD/JPY)					
North America ^{*1}	34.1	44.6	10.5	30.8%	25.1%
Philadelphia	8.1	10.3	2.2	28.1%	22.6%
Delphi	15.0	21.2	6.1	40.9%	34.9%
TMHCC	9.8	10.9	1.0	10.9%	6.1%
Europe, Middle East & Africa ^{*2}	0.2	1.7	1.5	628.5%	-
South & Central America	2.5	3.4	0.9	36.6%	54.5%
Asia & Oceania	2.6	3.9	1.3	52.8%	51.3%
Reinsurance ^{*3}	1.2	-	-1.2	-	-
Total Non-Life^{*4}	41.1	55.0	13.9	33.9%	30.7%
Life	-1.6	2.7	4.4	-	-
Total	37.4	55.0	17.5	46.8%	43.1%
Total (Except for Reinsurance)	36.2	55.0	18.8	52.0%	48.3%

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

*2 Figures of "Europe, Middle East & Africa" include North American business of TMK, but not include European and Reinsurance businesses of TMHCC

*3 Reinsurance figures are those of the reinsurance businesses divested

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

*5 Excluding FX effects due to yen conversion

- Profit increased in all business domains, especially in North America and grew by ¥18.8B YoY (excluding the impact of reinsurance businesses divestment)
The progress against the original projections (¥177.0B) is 31.1%

【Major Factors of Changes】

North America (See P.14~16 for details)

- Philadelphia, Delphi: Increased driven by the effect of business expansion and the improvement in underwriting profit in addition to the strong investment income, etc.
- TMHCC: Increased driven by the effect of business expansion in addition to the improvement of foreign exchange gains/losses and the strong investment income, etc.

Europe, Middle East & Africa

- Increased driven by the strong investment income in addition to the improvement of foreign exchange gains/losses, etc.

South & Central America

- Increased mainly driven by the profitability improvement of auto insurance in Brazil

Asia & Oceania

- Increased due to new consolidation of "Safety" in addition to the profitability improvement in Malaysia and China, etc.

Life

- Increased due to rise in stock price in Singapore

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 - Philadelphia)

Consolidated	Domestic Life
Domestic Non-Life	International



Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2018 1Q Results	FY2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Mar. 2018 JPY 106.2	As of end Mar. 2019 JPY 110.9			
Net premiums written	79.8	87.2	7.4	9.3%	4.7%
Net premium earned	84.7	93.6	8.9	10.5%	5.8%
Net incurred losses	57.8	62.9	5.0	8.7%	4.1%
Nat-Cat losses	4.9	5.3	0.3	6.9%	2.4%
Commissions / Other Underwriting expenses	26.4	29.1	2.6	10.1%	5.4%
Underwriting profit	0.3	1.5	1.1	311.2%	293.6%
Net investment income / loss	8.2	10.0	1.7	21.9%	16.7%
Business unit profits	8.1	10.3	2.2	28.1%	22.6%
Loss ratio ^{*1}	68.3%	67.2%	-1.1pt	-	-
Expense ratio ^{*1}	31.2%	31.1%	-0.1pt	-	-
Combined ratio ^{*1}	99.5%	98.3%	-1.2pt	-	-

*1 Denominator used is net premiums earned.

*2 Excluding FX effects due to yen conversion.

North America (Breakdown – Delphi)

Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2018 1Q Results	FY2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Mar. 2018 JPY 106.2	As of end Mar. 2019 JPY 110.9			
Net premiums written	70.4	76.0	5.6	8.0%	3.3%
Net premium earned	60.5	66.5	5.9	9.8%	5.1%
Net incurred losses	45.2	47.7	2.4	5.5%	1.0%
Nat-Cat losses	-	-	-	-	-
Commissions / Other Underwriting expense	16.5	17.7	1.2	7.5%	2.9%
Underwriting profit	-1.2	1.0	2.2	-	-
Net investment income / loss	30.0	43.7	13.7	45.7%	39.5%
Business unit profits	15.0	21.2	6.1	40.9%	34.9%
Loss ratio ^{*1}	74.7%	71.8%	-3.0pt	-	-
Expense ratio ^{*1}	27.2%	26.7%	-0.6pt	-	-
Combined ratio ^{*1}	102.0%	98.4%	-3.5pt	-	-

Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2018 1Q Results	FY2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Mar. 2018 JPY 106.2	As of end Mar. 2019 JPY 110.9			
Non-life	36.4	40.6	4.2	11.6%	6.8%
Life	34.0	35.4	1.3	4.0%	-0.4%
Total	70.4	76.0	5.6	8.0%	3.3%

Loss Ratio by Segment

	FY2018 1Q Results	FY2019 1Q Results	Change
Non-life ^{*1}	73.2%	69.7%	-3.5pt
Life ^{*1}	75.9%	73.6%	-2.3pt
Total ^{*1}	74.7%	71.8%	-3.0pt

*1 Denominator used is net premiums earned.

*2 Excluding FX effects due to yen conversion.

North America (Breakdown – TMHCC)

Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2018 1Q Results	FY2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Mar. 2018 JPY 106.2	As of end Mar. 2019 JPY 110.9			
Net premiums written	92.3	101.0	8.7	9.4%	4.8%
Net premium earned	80.4	83.2	2.8	3.5%	-0.9%
Net incurred losses	51.4	53.8	2.4	4.8%	0.3%
Nat-Cat losses	0.7	0.5	-0.2	-31.3%	-34.3%
Commissions / Other Underwriting expenses	19.5	20.8	1.2	6.6%	2.0%
Underwriting profit	5.7	6.2	0.4	7.2%	2.7%
Net investment income / loss	6.3	7.3	0.9	15.5%	10.5%
Business unit profits	9.8	10.9	1.0	10.9%	6.1%
Loss ratio ^{*1}	63.9%	64.7%	0.8pt	-	-
Expense ratio ^{*1}	24.4%	25.1%	0.7pt	-	-
Combined ratio ^{*1}	88.3%	89.8%	1.5pt	-	-

Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2018 1Q Results	FY2019 1Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Mar. 2018 JPY 106.2	As of end Mar. 2019 JPY 110.9			
Non-life : North America	29.5	33.3	3.8	12.9%	8.1%
A&H	37.1	35.2	-1.8	-5.0%	-9.1%
International	25.6	32.4	6.7	26.3%	20.9%
Total	92.3	101.0	8.7	9.4%	4.8%

Loss Ratio by Segment

	FY2018 1Q Results	FY2019 1Q Results	Change
Non-life : North America ^{*1}	58.2%	59.7%	1.4pt
A&H ^{*1}	76.2%	78.8%	2.6pt
International ^{*1}	46.2%	47.6%	1.4pt
Total ^{*1}	63.9%	64.7%	0.8pt

*1 Denominator used is net premiums earned.

*2 Excluding FX effects due to yen conversion.

Reference

Adjusted Net Income (Group Total) : 1Q FY2019 Results

Adjusted Net Income increased by ¥14.7B YoY to ¥147.6B

Reconciliation^{*1}

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

(billions of JPY)

	2018 1Q Results	2019 1Q Results	YoY Change
Net income attributable to owners of the parent (consolidated)	101.7	112.7	10.9
Provision for catastrophe loss reserves ^{*2}	+11.6	+15.7	4.1
Provision for contingency reserves ^{*2}	+0.3	+0.3	-0.0
Provision for price fluctuation reserves ^{*2}	+1.3	+1.4	0.0
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	+1.4	-1.3	-2.8
Gains or losses on sales or valuation of fixed assets and business investment equities	+0.0	+0.1	0.1
Amortization of goodwill and other intangible fixed assets	+16.3	+18.6	2.2
Other extraordinary gains/losses, valuation allowances, etc.	-0.1	+0.0	0.1
Adjusted Net Income	132.9	147.6	14.7

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

*2 Reversals are subtracted.

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

Major changes in reconciliation YoY

Provision for catastrophe loss reserves

➤ Net provision for catastrophe loss reserves was increased as a result of provision rate increase in fire group based on tax revision, etc. (reconciling amount also increased)

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

➤ The reversal effect of loss on valuation associated with ALM related investment asset at TMNF in FY2018 (reconciling amount decreased)

Amortization of goodwill and other intangible fixed assets

➤ Increased due to the amortization of goodwill owing to the acquisition of "Safety" and bolt-on M&A (reconciling amount also increased)

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