



TOKIO MARINE

**Information of major subsidiaries' business results
for the six months ended September 30, 2019**

November 19, 2019

TOKIO MARINE HOLDINGS, INC.

(Securities Code Number 8766)

*To Be a **Good Company***



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1. Key figures of consolidated results

(1) Tokio Marine Holdings, Inc. (consolidated)

(Yen in millions)

| | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) | Rate of change |
|---|--|--|------------------------|----------------|
| Ordinary income | 2,767,538 | 2,743,021 | (24,516) | (0.9)% |
| Ordinary profit | 75,100 | 147,485 | 72,384 | 96.4 |
| Net income attributable to owners of the parent | 53,885 | 116,611 | 62,725 | 116.4 |

(2) Insurance premiums

(Yen in millions)

| | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) | Rate of change |
|---------------------------------|--|--|------------------------|----------------|
| Insurance premiums | 2,321,903 | 2,292,308 | (29,595) | (1.3)% |
| Net premiums written (non-life) | 1,836,420 | 1,807,364 | (29,056) | (1.6) |
| Tokio Marine & Nichido | 1,094,421 | 1,145,438 | 51,016 | 4.7 |
| Nisshin Fire | 73,442 | 76,717 | 3,275 | 4.5 |
| Overseas subsidiaries | 654,492 | 570,077 | (84,414) | (12.9) |
| Others | 14,064 | 15,130 | 1,066 | 7.6 |
| Life insurance premiums | 485,483 | 484,944 | (538) | (0.1) |
| Tokio Marine & Nichido Life | 323,317 | 305,880 | (17,436) | (5.4) |
| Overseas subsidiaries | 162,261 | 179,130 | 16,868 | 10.4 |

(3) Net income attributable to owners of the parent

(Yen in millions)

| | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) | Rate of change |
|---|--|--|------------------------|----------------|
| Net income attributable to owners of the parent | 53,885 | 116,611 | 62,725 | 116.4 % |
| Tokio Marine & Nichido | (10,356) | 41,547 | 51,903 | - |
| Nisshin Fire | (4,388) | (2,546) | 1,841 | - |
| Tokio Marine & Nichido Life | 13,834 | 13,254 | (579) | (4.2) |
| Overseas subsidiaries | 82,369 | 91,050 | 8,681 | 10.5 |
| Financial and other business subsidiaries | 2,111 | 1,936 | (175) | (8.3) |
| Consolidation adjustment, etc. | (29,685) | (28,630) | 1,054 | - |

2. Key figures of the domestic non-life insurance business

(1) Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)

(Yen in millions)

| | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) | |
|--|---|--|------------------------|----------|
| Key components of ordinary profit | | | | |
| Underwriting | (+) Net premiums written | 1,094,421 | 1,145,438 | 51,016 |
| | (-) Net claims paid | 624,317 | 588,107 | (36,209) |
| | (-) Loss adjustment expenses | 56,170 | 56,109 | (60) |
| | (-) Agency commissions and brokerage | 198,862 | 208,856 | 9,993 |
| | (-) Operating and general administrative expenses on underwriting | 133,762 | 133,481 | (280) |
| | (-) Provision for (reversal of) outstanding claims | 176,144 | 93,275 | (82,869) |
| | (-) Provision for (reversal of) underwriting reserves | 15,460 | 97,687 | 82,227 |
| | Underwriting profit (loss) | (113,905) | (40,509) | 73,396 |
| Investment and other | (+) Interest and dividends | 73,368 | 77,515 | 4,147 |
| | (+) Gains (losses) on sales of securities | 63,524 | 57,952 | (5,572) |
| | (-) Impairment losses on securities | 285 | 2,544 | 2,258 |
| | (+) Gains (losses) on derivatives | (8,829) | (7,857) | 971 |
| | Net investment income and other | 93,995 | 83,528 | (10,466) |
| Ordinary profit (loss) | (18,103) | 45,476 | 63,579 | |
| (+) Extraordinary gains | 26 | 3,548 | 3,521 | |
| (-) Extraordinary losses | 3,935 | 3,252 | (682) | |
| Net income (loss) | (10,356) | 41,547 | 51,903 | |
| Loss ratio (W/P basis) | 62.2 % | 56.2 % | (5.9) | |
| Fire and allied lines | 80.6 | 50.1 | (30.5) | |
| Voluntary automobile | 60.6 | 59.1 | (1.6) | |
| Expense ratio (W/P basis) | 30.4 | 29.9 | (0.5) | |
| Combined ratio (W/P basis) | 92.6 | 86.1 | (6.4) | |
| Loss ratio (private sector, E/I basis) | 78.7 % | 66.4 % | (12.3) | |
| Fire and allied lines | 173.5 | 98.7 | (74.8) | |
| Voluntary automobile | 63.6 | 61.0 | (2.7) | |
| Expense ratio (private sector) | 31.9 | 31.3 | (0.5) | |
| Combined ratio (private sector) | 110.5 | 97.7 | (12.8) | |
| Net incurred losses related to natural catastrophe | 199,860 | 82,281 | (117,578) | |
| Fire and allied lines | 166,832 | 72,067 | (94,765) | |
| Voluntary automobile | 19,271 | 6,873 | (12,397) | |
| Increase (decrease) in catastrophe loss reserve | (4,230) | 34,441 | 38,672 | |
| Fire and allied lines | (16,227) | 10,011 | 26,238 | |
| Voluntary automobile | 3,600 | 10,482 | 6,882 | |
| Balance of catastrophe loss reserve | 1,093,926 | 1,001,112 | (92,814) | |
| Reservation ratio of catastrophe loss reserve | 57.0 % | 50.0 % | (7.1) | |
| Solvency margin ratio (non-consolidated) | 844.9 % | 881.7 % | 36.8 | |

(2) Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)

(Yen in millions)

| | | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) |
|--|---|--|--|------------------------|
| Key components of ordinary profit | | | | |
| Underwriting | (+) Net premiums written | 73,442 | 76,717 | 3,275 |
| | (-) Net claims paid | 40,501 | 36,101 | (4,399) |
| | (-) Loss adjustment expenses | 4,921 | 4,948 | 26 |
| | (-) Agency commissions and brokerage | 12,721 | 13,482 | 761 |
| | (-) Operating and general administrative expenses on underwriting | 11,676 | 11,717 | 41 |
| | (-) Provision for (reversal of) outstanding claims | 10,288 | 8,793 | (1,494) |
| | (-) Provision for (reversal of) underwriting reserves | (591) | 5,813 | 6,404 |
| | Underwriting profit (loss) | (6,970) | (3,889) | 3,080 |
| Investment and other | (+) Interest and dividends | 1,987 | 2,298 | 311 |
| | (+) Gains (losses) on sales of securities | 266 | 187 | (78) |
| | (-) Impairment losses on securities | - | 388 | 388 |
| | (+) Gains (losses) on derivatives | (150) | (466) | (315) |
| | Net investment income and other | 1,086 | 618 | (467) |
| Ordinary profit (loss) | | (6,243) | (3,890) | 2,353 |
| (+) Extraordinary gains | | 205 | 469 | 263 |
| (-) Extraordinary losses | | 141 | 2 | (138) |
| Net income (loss) | | (4,388) | (2,546) | 1,841 |
| Loss ratio (W/P basis) | | 61.8 % | 53.5 % | (8.3) |
| | Fire and allied lines | 78.9 | 41.3 | (37.6) |
| | Voluntary automobile | 56.7 | 54.1 | (2.6) |
| Expense ratio (W/P basis) | | 33.2 | 32.8 | (0.4) |
| Combined ratio (W/P basis) | | 95.1 | 86.4 | (8.7) |
| Loss ratio (private sector, E/I basis) | | 76.1 % | 66.8 % | (9.3) |
| | Fire and allied lines | 168.0 | 109.7 | (58.3) |
| | Voluntary automobile | 58.3 | 57.4 | (0.9) |
| Expense ratio (private sector) | | 34.1 | 33.8 | (0.3) |
| Combined ratio (private sector) | | 110.2 | 100.6 | (9.6) |
| Net incurred losses related to natural catastrophe | | 12,494 | 7,137 | (5,356) |
| | Fire and allied lines | 11,399 | 6,751 | (4,647) |
| | Voluntary automobile | 804 | 247 | (557) |
| Increase (decrease) in catastrophe loss reserve | | (89) | 2,702 | 2,791 |
| | Fire and allied lines | (1,819) | 785 | 2,605 |
| | Voluntary automobile | 1,370 | 1,379 | 8 |
| Balance of catastrophe loss reserve | | 64,050 | 62,839 | (1,210) |
| Reservation ratio of catastrophe loss reserve | | 49.5 % | 46.4 % | (3.1) |
| Solvency margin ratio (non-consolidated) | | 1,246.3 % | 1,169.3 % | (77.0) |

(3) E.design Insurance Co., Ltd. (non-consolidated)

(Yen in millions)

| | | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) |
|--|---|--|--|------------------------|
| Key components of ordinary profit | | | | |
| Underwriting | (+) Net premiums written | 14,287 | 15,360 | 1,073 |
| | (-) Net claims paid | 7,812 | 8,605 | 793 |
| | (-) Loss adjustment expenses | 975 | 1,050 | 75 |
| | (-) Agency commissions and brokerage | 25 | 216 | 190 |
| | (-) Operating and general administrative expenses on underwriting | 4,008 | 5,056 | 1,048 |
| | (-) Provision for (reversal of) outstanding claims | 1,694 | 755 | (938) |
| | (-) Provision for (reversal of) underwriting reserves | (215) | (336) | (120) |
| | Underwriting profit (loss) | (5) | 21 | 26 |
| Investment and other | (+) Interest and dividends | 1 | 1 | 0 |
| | (+) Gains (losses) on sales of securities | - | - | - |
| | (-) Impairment losses on securities | - | - | - |
| | (+) Gains (losses) on derivatives | - | - | - |
| | Net investment income and other | 0 | (5) | (6) |
| Ordinary profit (loss) | | (1,918) | 15 | 1,933 |
| (+) Extraordinary gains | | - | 4 | 4 |
| (-) Extraordinary losses | | 0 | 7 | 7 |
| Net income (loss) | | (1,924) | 6 | 1,930 |
| Loss ratio (W/P basis) | | 61.5 % | 62.9 % | 1.4 |
| | Fire and allied lines | - | - | - |
| | Voluntary automobile | 61.3 | 62.8 | 1.5 |
| Expense ratio (W/P basis) | | 28.2 | 34.3 | 6.1 |
| Combined ratio (W/P basis) | | 89.7 | 97.2 | 7.4 |
| Loss ratio (private sector, E/I basis) | | 73.3 % | 67.9 % | (5.3) |
| | Fire and allied lines | - | - | - |
| | Voluntary automobile | 73.3 | 67.9 | (5.3) |
| Expense ratio (private sector) | | 28.6 | 34.8 | 6.2 |
| Combined ratio (private sector) | | 101.8 | 102.7 | 0.9 |
| Net incurred losses related to natural catastrophe | | 833 | 210 | (622) |
| | Fire and allied lines | - | - | - |
| | Voluntary automobile | 833 | 210 | (622) |
| Increase (decrease) in catastrophe loss reserve | | (256) | (449) | (192) |
| | Fire and allied lines | - | - | - |
| | Voluntary automobile | (256) | (449) | (192) |
| Balance of catastrophe loss reserve | | 640 | 510 | (130) |
| Reservation ratio of catastrophe loss reserve | | 2.3 % | 1.7 % | (0.6) |
| Solvency margin ratio (non-consolidated) | | 517.7 % | 430.3 % | (87.4) |

3. Key figures of the domestic life insurance business

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

(Yen in millions)

| | Six months ended September 30, 2018 | Six months ended September 30, 2019 | Increase (Decrease) | Rate of change |
|--|--|--|------------------------|----------------|
| Annualized premiums | | | | |
| Policies in force | 853,890 | 844,978 | (8,911) | (1.0)% |
| Individual insurance | 701,783 | 700,751 | (1,031) | (0.1) |
| Medical coverage, accelerated death benefits, etc. | 183,906 | 197,748 | 13,841 | 7.5 |
| Medical and cancer | 157,234 | 168,772 | 11,537 | 7.3 |
| Individual annuities | 152,106 | 144,226 | (7,880) | (5.2) |
| New policies | 39,317 | 18,414 | (20,902) | (53.2) |
| Individual insurance | 39,317 | 18,414 | (20,902) | (53.2) |
| Medical coverage, accelerated death benefits, etc. | 11,110 | 10,954 | (155) | (1.4) |
| Medical and cancer | 9,290 | 9,056 | (234) | (2.5) |
| Individual annuities | - | - | - | - |
| Net income | 13,834 | 13,254 | (579) | (4.2) |

4. Business forecasts for the fiscal year 2019 (April 1, 2019 to March 31, 2020)

(1) Tokio Marine Holdings, Inc. (consolidated)

(Yen in millions)

| | Actual results for the fiscal year 2018 | Forecasts for the fiscal year 2019 | | Increase (Decrease) (B)-(A) | Rate of change |
|---|---|---|-----------------------|-----------------------------|----------------|
| | | (A) Original forecasts at the beginning of the year | (B) Revised forecasts | | |
| Insurance premiums | 4,640,920 | 4,590,000 | 4,550,000 | (40,000) | (0.9)% |
| Ordinary profit | 416,330 | 455,000 | 445,000 | (10,000) | (2.2) |
| Net income attributable to owners of the parent | 274,579 | 325,000 | 325,000 | - | - |

(2) Insurance premiums

(Yen in millions)

| | Actual results for the fiscal year 2018 | Forecasts for the fiscal year 2019 | | Increase (Decrease) (B)-(A) | Rate of change |
|---------------------------------|---|---|-----------------------|-----------------------------|----------------|
| | | (A) Original forecasts at the beginning of the year | (B) Revised forecasts | | |
| Insurance premiums | 4,640,920 | 4,590,000 | 4,550,000 | (40,000) | (0.9)% |
| Net premiums written (non-life) | 3,587,400 | 3,560,000 | 3,540,000 | (20,000) | (0.6) |
| Tokio Marine & Nichido | 2,166,627 | 2,217,000 | 2,234,000 | 17,000 | 0.8 |
| Nisshin Fire | 143,798 | 147,500 | 149,400 | 1,900 | 1.3 |
| Overseas subsidiaries | 1,247,004 | 1,161,000 | 1,127,000 | (34,000) | (2.9) |
| Others | 29,969 | 34,500 | 29,600 | (4,900) | (14.2) |
| Life insurance premiums | 1,053,520 | 1,030,000 | 1,010,000 | (20,000) | (1.9) |
| Tokio Marine & Nichido Life | 668,735 | 649,000 | 649,000 | - | - |
| Overseas subsidiaries | 384,986 | 386,000 | 359,000 | (27,000) | (7.0) |

(3) Net income attributable to owners of the parent

(Yen in millions)

| | Actual results for the fiscal year 2018 | Forecasts for the fiscal year 2019 | | Increase (Decrease) (B)-(A) | Rate of change |
|---|---|---|-----------------------|-----------------------------|----------------|
| | | (A) Original forecasts at the beginning of the year | (B) Revised forecasts | | |
| Net income attributable to owners of the parent | 274,579 | 325,000 | 325,000 | - | - % |
| Tokio Marine & Nichido | 261,384 | 250,000 | 256,000 | 6,000 | 2.4 |
| Nisshin Fire | 4,403 | 5,100 | 2,400 | (2,700) | (52.9) |
| Tokio Marine & Nichido Life | 27,376 | 28,000 | 28,000 | - | - |
| Overseas subsidiaries | 155,171 | 150,000 | 139,000 | (11,000) | (7.3) |
| Financial and other business subsidiaries | 2,792 | 3,600 | 3,600 | - | - |
| Consolidation adjustment, etc. | (176,550) | (111,700) | (104,000) | 7,700 | - |

(Assumptions for business forecasts)

- The Company assumes there will be no significant changes in interest rates, exchange rates and stock market conditions from those as of September 30, 2019.
- The above forecasts are prepared based on certain assumptions and information available to the Company as of the release date of this document. The actual results may significantly differ depending on various factors.

5. Dividend forecast (Tokio Marine Holdings, Inc.)

(Yen)

| | Actual results for the fiscal year 2018 | Fiscal year 2019 | |
|---|---|-------------------|---------------------|
| | | Declared dividend | Forecasted dividend |
| Ordinary dividends per share | 180.00 | 190.00 | |
| Interim dividends | 90.00 | 95.00 | — |
| Year-end dividends | 90.00 | — | 95.00 |
| One-time dividend for the capital level adjustment(*) | 70.00 | 35.00 | - |

(*)The Company resolved the one-time dividends aiming to implement flexible financial policies.

For the six months ended September 30, 2019, the Company resolved additional shareholder return of around 50.0 billion yen, which consists of one-time dividend for the capital level adjustment (total amount of 24.5 billion yen) and share repurchases (up to 25.5 billion yen).

Financial statements

1. Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

| | As of March 31, 2019 | | As of September 30, 2019 | | Increase (Decrease) |
|--|----------------------|----------------------|--------------------------|----------------------|------------------------|
| | Amount | Composition ratio | Amount | Composition ratio | |
| Assets | | % | | % | |
| Cash and bank deposits | 419,530 | 4.47 | 277,882 | 2.94 | (141,648) |
| Receivables under resale agreements | 999 | 0.01 | 999 | 0.01 | (0) |
| Monetary receivables bought | 101,536 | 1.08 | 283,941 | 3.00 | 182,404 |
| Money trusts | 2,156 | 0.02 | 2,187 | 0.02 | 31 |
| Securities | 7,803,911 | 83.08 | 7,829,027 | 82.69 | 25,115 |
| Loans | 135,094 | 1.44 | 167,506 | 1.77 | 32,412 |
| Tangible fixed assets | 211,184 | 2.25 | 211,009 | 2.23 | (174) |
| Intangible fixed assets | 523 | 0.01 | 523 | 0.01 | (0) |
| Other assets | 711,622 | 7.58 | 688,811 | 7.28 | (22,810) |
| Other assets | 711,622 | | 688,811 | | (22,810) |
| Prepaid pension costs | 7,567 | 0.08 | 6,701 | 0.07 | (866) |
| Customers' liabilities under acceptances and guarantees | 2,230 | 0.02 | 2,114 | 0.02 | (116) |
| Allowance for doubtful accounts | (3,318) | (0.04) | (3,323) | (0.04) | (4) |
| Total assets | 9,393,039 | 100.00 | 9,467,383 | 100.00 | 74,344 |
| Liabilities | | | | | |
| Insurance liabilities | 5,288,084 | 56.30 | 5,479,047 | 57.87 | 190,963 |
| Outstanding claims | 975,348 | | 1,068,624 | | 93,275 |
| Underwriting reserves | 4,312,735 | | 4,410,423 | | 97,687 |
| Corporate bonds | 10,100 | 0.11 | 10,100 | 0.11 | - |
| Other liabilities | 736,572 | 7.84 | 726,336 | 7.67 | (10,235) |
| Income taxes payable | 27,691 | | 30,881 | | 3,189 |
| Lease obligations | 3,020 | | 2,628 | | (391) |
| Asset retirement obligations | 3,450 | | 3,461 | | 10 |
| Other liabilities | 702,408 | | 689,365 | | (13,043) |
| Provision for retirement benefits | 209,059 | 2.23 | 211,479 | 2.23 | 2,420 |
| Provision for employees' bonus | 14,737 | 0.16 | 18,936 | 0.20 | 4,198 |
| Reserves under special laws | 96,859 | 1.03 | 99,642 | 1.05 | 2,783 |
| Reserve for price fluctuation | 96,859 | | 99,642 | | 2,783 |
| Deferred tax liabilities | 146,344 | 1.56 | 102,223 | 1.08 | (44,121) |
| Acceptances and guarantees | 2,230 | 0.02 | 2,114 | 0.02 | (116) |
| Total liabilities | 6,503,988 | 69.24 | 6,649,880 | 70.24 | 145,892 |
| Net assets | | | | | |
| Share capital | 101,994 | 1.09 | 101,994 | 1.08 | - |
| Capital surplus | 133,625 | 1.42 | 133,625 | 1.41 | - |
| Additional paid-in capital | 123,521 | | 123,521 | | - |
| Other capital surplus | 10,104 | | 10,104 | | - |
| Retained earnings | 1,185,780 | 12.62 | 1,151,780 | 12.17 | (34,000) |
| Surplus reserve | 81,099 | | 81,099 | | - |
| Other retained earnings | 1,104,681 | | 1,070,680 | | (34,000) |
| Reserve for special depreciation | 10 | | 10 | | - |
| Reserve for advanced depreciation of fixed assets | 23,963 | | 23,963 | | - |
| Special reserves | 235,426 | | 235,426 | | - |
| Retained earnings carried forward | 845,281 | | 811,281 | | (34,000) |
| Total shareholders' equity | 1,421,401 | 15.13 | 1,387,400 | 14.65 | (34,000) |
| Unrealized gains (losses) on available-for-sale securities | 1,479,305 | 15.75 | 1,435,300 | 15.16 | (44,004) |
| Deferred gains (losses) on hedge transactions | (11,655) | (0.12) | (5,198) | (0.05) | 6,457 |
| Total valuation and translation adjustments | 1,467,649 | 15.62 | 1,430,102 | 15.11 | (37,547) |
| Total net assets | 2,889,050 | 30.76 | 2,817,503 | 29.76 | (71,547) |
| Total liabilities and net assets | 9,393,039 | 100.00 | 9,467,383 | 100.00 | 74,344 |

(2) Statement of income

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|---|--|--|------------------------|
| Ordinary income | 1,286,827 | 1,327,413 | 40,586 |
| Underwriting income | 1,160,070 | 1,205,037 | 44,966 |
| Net premiums written | 1,094,421 | 1,145,438 | 51,016 |
| Deposit premiums from policyholders | 45,326 | 39,808 | (5,518) |
| Investment income on deposit premiums | 20,287 | 19,704 | (583) |
| Investment income | 121,759 | 116,768 | (4,990) |
| Interest and dividends | 73,368 | 77,515 | 4,147 |
| Gains on money trusts | 82 | 31 | (51) |
| Gains on sales of securities | 63,726 | 58,646 | (5,079) |
| Transfer of investment income on deposit premiums | (20,287) | (19,704) | 583 |
| Other ordinary income | 4,996 | 5,607 | 610 |
| Ordinary expenses | 1,304,930 | 1,281,937 | (22,993) |
| Underwriting expenses | 1,138,406 | 1,109,608 | (28,798) |
| Net claims paid | 624,317 | 588,107 | (36,209) |
| Loss adjustment expenses | 56,170 | 56,109 | (60) |
| Agency commissions and brokerage | 198,862 | 208,856 | 9,993 |
| Maturity refunds to policyholders | 67,326 | 63,703 | (3,623) |
| Provision for outstanding claims | 176,144 | 93,275 | (82,869) |
| Provision for underwriting reserves | 15,460 | 97,687 | 82,227 |
| Investment expenses | 10,878 | 14,412 | 3,533 |
| Losses on money trusts | 1,540 | - | (1,540) |
| Losses on sales of securities | 202 | 694 | 492 |
| Impairment losses on securities | 285 | 2,544 | 2,258 |
| Operating and general administrative expenses | 151,357 | 153,464 | 2,106 |
| Other ordinary expenses | 4,287 | 4,452 | 165 |
| Interest expenses | 4,123 | 4,205 | 81 |
| Ordinary profit (loss) | (18,103) | 45,476 | 63,579 |
| Extraordinary gains | 26 | 3,548 | 3,521 |
| Gains on disposal of fixed assets | 19 | 68 | 48 |
| Gains on sales of investment in subsidiaries and affiliates | - | 3,479 | 3,479 |
| Gains on liquidation of subsidiaries and affiliates | 6 | - | (6) |
| Extraordinary losses | 3,935 | 3,252 | (682) |
| Losses on disposal of fixed assets | 340 | 450 | 109 |
| Impairment losses on fixed assets | 871 | 18 | (852) |
| Provision for reserves under special laws | 2,723 | 2,783 | 60 |
| Provision for reserve for price fluctuation | 2,723 | 2,783 | 60 |
| Income (loss) before income taxes | (22,012) | 45,772 | 67,784 |
| Income taxes - current | 19,380 | 34,815 | 15,435 |
| Income taxes - deferred | (31,035) | (30,590) | 444 |
| Total income taxes | (11,655) | 4,224 | 15,880 |
| Net income (loss) | (10,356) | 41,547 | 51,903 |

(3) Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | |
|-------------------------------------|--|-------------------|----------------|--|-------------------|----------------|
| | Amount | Composition ratio | Rate of change | Amount | Composition ratio | Rate of change |
| | | % | % | | % | % |
| Fire and allied lines | 165,958 | 13.9 | 3.3 | 206,119 | 16.4 | 24.2 |
| Hull and cargo | 33,371 | 2.8 | 4.4 | 34,837 | 2.8 | 4.4 |
| Personal accident | 102,264 | 8.6 | 2.3 | 104,092 | 8.3 | 1.8 |
| Voluntary automobile | 532,941 | 44.7 | 0.1 | 537,614 | 42.9 | 0.9 |
| Compulsory automobile liability | 128,584 | 10.8 | (4.2) | 136,875 | 10.9 | 6.4 |
| Others | 230,014 | 19.3 | 3.3 | 233,818 | 18.7 | 1.7 |
| Total | 1,193,133 | 100.0 | 0.9 | 1,253,357 | 100.0 | 5.0 |
| Deposit premiums from policyholders | 45,326 | - | (8.9) | 39,808 | - | (12.2) |

Net premiums written

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | |
|---------------------------------|--|-------------------|----------------|--|-------------------|----------------|
| | Amount | Composition ratio | Rate of change | Amount | Composition ratio | Rate of change |
| | | % | % | | % | % |
| Fire and allied lines | 135,784 | 12.4 | 4.7 | 164,407 | 14.4 | 21.1 |
| Hull and cargo | 32,460 | 3.0 | 9.6 | 33,331 | 2.9 | 2.7 |
| Personal accident | 99,570 | 9.1 | 2.5 | 101,872 | 8.9 | 2.3 |
| Voluntary automobile | 531,569 | 48.6 | 0.1 | 536,382 | 46.8 | 0.9 |
| Compulsory automobile liability | 134,790 | 12.3 | (9.4) | 143,102 | 12.5 | 6.2 |
| Others | 160,247 | 14.6 | 7.7 | 166,341 | 14.5 | 3.8 |
| Total | 1,094,421 | 100.0 | 0.9 | 1,145,438 | 100.0 | 4.7 |

Net claims paid

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | |
|---------------------------------|--|----------------|------------|--|----------------|------------|
| | Amount | Rate of change | Loss ratio | Amount | Rate of change | Loss ratio |
| | | % | % | | % | % |
| Fire and allied lines | 105,983 | 56.9 | 80.6 | 78,253 | (26.2) | 50.1 |
| Hull and cargo | 17,308 | 6.3 | 56.6 | 18,928 | 9.4 | 60.0 |
| Personal accident | 39,613 | (0.6) | 45.3 | 42,665 | 7.7 | 46.5 |
| Voluntary automobile | 290,764 | 4.9 | 60.6 | 284,279 | (2.2) | 59.1 |
| Compulsory automobile liability | 101,267 | (1.9) | 82.2 | 94,933 | (6.3) | 72.6 |
| Others | 69,378 | (26.4) | 46.4 | 69,046 | (0.5) | 44.4 |
| Total | 624,317 | 4.3 | 62.2 | 588,107 | (5.8) | 56.2 |

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

(4) Investment

Interest and dividends

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|--|--|--|------------------------|
| Bank deposits | 194 | 100 | (94) |
| Receivables under resale agreements | 0 | 0 | (0) |
| Receivables under security borrowing transactions | 15 | - | (15) |
| Monetary receivables bought | 19 | 59 | 40 |
| Securities | 67,943 | 71,834 | 3,891 |
| Domestic debt securities | 11,285 | 10,281 | (1,003) |
| Domestic equity securities | 35,227 | 37,176 | 1,949 |
| Foreign securities | 20,412 | 22,215 | 1,803 |
| Others | 1,018 | 2,160 | 1,142 |
| Loans | 589 | 695 | 106 |
| Land and buildings | 4,319 | 4,412 | 92 |
| Others | 286 | 413 | 126 |
| Total | 73,368 | 77,515 | 4,147 |

Gains (losses) on sales of securities, impairment losses on securities

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | Increase (Decrease) | |
|----------------------------|--|------------------------------------|--|------------------------------------|----------------------------|------------------------------------|
| | Gains (losses) on sales | Impairment losses on securities | Gains (losses) on sales | Impairment losses on securities | Gains (losses) on sales | Impairment losses on securities |
| Domestic debt securities | 740 | - | 2,999 | - | 2,259 | - |
| Domestic equity securities | 62,784 | 285 | 54,544 | 2,233 | (8,240) | 1,947 |
| Foreign securities | (0) | - | 408 | 310 | 408 | 310 |
| Others | - | - | - | - | - | - |
| Total | 63,524 | 285 | 57,952 | 2,544 | (5,572) | 2,258 |

Available-for-sale securities

(Yen in millions)

| | As of March 31, 2019 | | | As of September 30, 2019 | | |
|----------------------------|----------------------|--------------------------------------|------------------------------|--------------------------|--------------------------------------|------------------------------|
| | Cost | Fair value shown on balance sheet | Unrealized gains (losses) | Cost | Fair value shown on balance sheet | Unrealized gains (losses) |
| Domestic debt securities | 2,023,848 | 2,175,114 | 151,266 | 2,082,097 | 2,248,948 | 166,851 |
| Domestic equity securities | 497,958 | 2,334,752 | 1,836,794 | 481,849 | 2,229,369 | 1,747,520 |
| Foreign securities | 769,607 | 825,718 | 56,110 | 791,201 | 842,735 | 51,533 |
| Others | 119,551 | 120,087 | 535 | 317,467 | 318,277 | 809 |
| Total | 3,410,965 | 5,455,672 | 2,044,707 | 3,672,615 | 5,639,329 | 1,966,714 |

(Note) The table shows Available-for-sale securities with fair value, which includes Monetary receivables bought, etc. on the balance sheet.

(5) Solvency margin ratio (non-consolidated)

(Yen in millions)

| | As of March 31, 2019 | As of September 30, 2019 |
|---|----------------------|--------------------------|
| (A) Total amount of solvency margin | 4,891,588 | 4,946,940 |
| Shareholders' equity less adjusting items | 1,345,853 | 1,387,400 |
| Reserve for price fluctuation | 96,859 | 99,642 |
| Contingency reserve | 5,449 | 6,150 |
| Catastrophe loss reserve | 979,088 | 1,013,923 |
| General allowance for doubtful accounts | 240 | 162 |
| Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions | 1,840,342 | 1,787,575 |
| Unrealized gains (losses) on land | 216,476 | 228,729 |
| Excess of policyholders' contract deposits | - | - |
| Subordinated debt, etc. | - | - |
| Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin | - | - |
| Deductions | - | - |
| Others | 407,277 | 423,355 |
| (B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$ | 1,185,150 | 1,122,134 |
| General insurance risk (R ₁) | 184,654 | 185,124 |
| Third sector insurance risk (R ₂) | - | - |
| Assumed interest rate risk (R ₃) | 20,092 | 19,854 |
| Asset management risk (R ₄) | 963,630 | 914,304 |
| Business administration risk (R ₅) | 26,522 | 25,276 |
| Catastrophe risk (R ₆) | 157,725 | 144,532 |
| (C) Solvency margin ratio $[(A)/\{(B)\times 1/2\}]\times 100$ | 825.4% | 881.7% |

2. Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)
(1) Balance sheet

(Yen in millions)

| | As of March 31, 2019 | | As of September 30, 2019 | | Increase (Decrease) |
|--|----------------------|----------------------|--------------------------|----------------------|------------------------|
| | Amount | Composition ratio | Amount | Composition ratio | |
| Assets | | % | | % | |
| Cash and bank deposits | 38,881 | 9.81 | 44,260 | 11.11 | 5,378 |
| Securities | 275,440 | 69.47 | 275,972 | 69.26 | 532 |
| Loans | 213 | 0.05 | 198 | 0.05 | (15) |
| Tangible fixed assets | 28,914 | 7.29 | 28,833 | 7.24 | (80) |
| Intangible fixed assets | 91 | 0.02 | 91 | 0.02 | - |
| Other assets | 38,371 | 9.68 | 32,179 | 8.08 | (6,192) |
| Other assets | 38,371 | | 32,179 | | (6,192) |
| Prepaid pension costs | 1,540 | 0.39 | 1,612 | 0.40 | 71 |
| Deferred tax assets | 13,249 | 3.34 | 15,619 | 3.92 | 2,369 |
| Allowance for doubtful accounts | (228) | (0.06) | (319) | (0.08) | (90) |
| Total assets | 396,474 | 100.00 | 398,449 | 100.00 | 1,974 |
| Liabilities | | | | | |
| Insurance liabilities | 285,395 | 71.98 | 300,002 | 75.29 | 14,607 |
| Outstanding claims | 48,996 | | 57,790 | | 8,793 |
| Underwriting reserves | 236,398 | | 242,211 | | 5,813 |
| Other liabilities | 15,400 | 3.88 | 14,281 | 3.58 | (1,119) |
| Income taxes payable | 406 | | 1,708 | | 1,302 |
| Asset retirement obligations | 11 | | 10 | | (0) |
| Other liabilities | 14,982 | | 12,561 | | (2,421) |
| Provision for retirement benefits | 3,110 | 0.78 | 3,572 | 0.90 | 461 |
| Provision for employees' bonus | 534 | 0.13 | 616 | 0.15 | 82 |
| Reserves under special laws | 1,516 | 0.38 | 1,048 | 0.26 | (468) |
| Reserve for price fluctuation | 1,516 | | 1,048 | | (468) |
| Total liabilities | 305,957 | 77.17 | 319,521 | 80.19 | 13,563 |
| Net assets | | | | | |
| Share capital | 20,389 | 5.14 | 20,389 | 5.12 | - |
| Capital surplus | 15,518 | 3.91 | 15,518 | 3.89 | - |
| Additional paid-in capital | 12,620 | | 12,620 | | - |
| Other capital surplus | 2,898 | | 2,898 | | - |
| Retained earnings | 21,023 | 5.30 | 9,786 | 2.46 | (11,237) |
| Surplus reserve | 7,769 | | 7,769 | | - |
| Other retained earnings | 13,254 | | 2,017 | | (11,237) |
| Reserve for advanced depreciation of fixed assets | 1,678 | | 1,678 | | - |
| Retained earnings carried forward | 11,575 | | 338 | | (11,237) |
| Total shareholders' equity | 56,932 | 14.36 | 45,694 | 11.47 | (11,237) |
| Unrealized gains (losses) on available-for-sale securities | 33,585 | 8.47 | 33,233 | 8.34 | (351) |
| Total valuation and translation adjustments | 33,585 | 8.47 | 33,233 | 8.34 | (351) |
| Total net assets | 90,517 | 22.83 | 78,928 | 19.81 | (11,589) |
| Total liabilities and net assets | 396,474 | 100.00 | 398,449 | 100.00 | 1,974 |

(2) Statement of income

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|--|--|--|------------------------|
| Ordinary income | 77,240 | 80,139 | 2,898 |
| Underwriting income | 75,788 | 78,363 | 2,575 |
| Net premiums written | 73,442 | 76,717 | 3,275 |
| Deposit premiums from policyholders | 906 | 777 | (129) |
| Investment income on deposit premiums | 841 | 865 | 23 |
| Reversal of underwriting reserves | 591 | - | (591) |
| Investment income | 1,414 | 1,716 | 301 |
| Interest and dividends | 1,987 | 2,298 | 311 |
| Gains on sales of securities | 266 | 189 | (77) |
| Transfer of investment income on deposit premiums | (841) | (865) | (23) |
| Other ordinary income | 37 | 59 | 21 |
| Ordinary expenses | 83,484 | 84,029 | 545 |
| Underwriting expenses | 71,441 | 71,154 | (287) |
| Net claims paid | 40,501 | 36,101 | (4,399) |
| Loss adjustment expenses | 4,921 | 4,948 | 26 |
| Agency commissions and brokerage | 12,721 | 13,482 | 761 |
| Maturity refunds to policyholders | 2,876 | 1,900 | (975) |
| Provision for outstanding claims | 10,288 | 8,793 | (1,494) |
| Provision for underwriting reserves | - | 5,813 | 5,813 |
| Investment expenses | 186 | 861 | 674 |
| Losses on sales of securities | 0 | 2 | 1 |
| Impairment losses on securities | - | 388 | 388 |
| Operating and general administrative expenses | 11,824 | 11,884 | 59 |
| Other ordinary expenses | 31 | 129 | 97 |
| Ordinary profit (loss) | (6,243) | (3,890) | 2,353 |
| Extraordinary gains | 205 | 469 | 263 |
| Gains on disposal of fixed assets | 0 | 0 | (0) |
| Reversal of reserves under special laws | - | 468 | 468 |
| Reversal of reserve for price fluctuation | - | 468 | 468 |
| Compensation for relocation | 204 | - | (204) |
| Extraordinary losses | 141 | 2 | (138) |
| Losses on disposal of fixed assets | 16 | 2 | (13) |
| Provision for reserves under special laws | 124 | - | (124) |
| Provision for reserve for price fluctuation | 124 | - | (124) |
| Income (loss) before income taxes | (6,179) | (3,423) | 2,755 |
| Income taxes - current | 832 | 1,436 | 604 |
| Income taxes - deferred | (2,623) | (2,313) | 310 |
| Total income taxes | (1,790) | (876) | 914 |
| Net income (loss) | (4,388) | (2,546) | 1,841 |

(3) Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | |
|-------------------------------------|--|-------------------|----------------|--|-------------------|----------------|
| | Amount | Composition ratio | Rate of change | Amount | Composition ratio | Rate of change |
| | | % | % | | % | % |
| Fire and allied lines | 15,302 | 19.5 | 16.3 | 18,064 | 22.0 | 18.0 |
| Hull and cargo | - | - | - | - | - | - |
| Personal accident | 3,932 | 5.0 | (7.4) | 3,762 | 4.6 | (4.3) |
| Voluntary automobile | 42,817 | 54.6 | (0.0) | 43,111 | 52.4 | 0.7 |
| Compulsory automobile liability | 9,180 | 11.7 | (5.1) | 9,185 | 11.2 | 0.1 |
| Others | 7,235 | 9.2 | 16.8 | 8,128 | 9.9 | 12.3 |
| Total | 78,468 | 100.0 | 3.1 | 82,251 | 100.0 | 4.8 |
| Deposit premiums from policyholders | 906 | - | (1.5) | 777 | - | (14.3) |

Net premiums written

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | |
|---------------------------------|--|-------------------|----------------|--|-------------------|----------------|
| | Amount | Composition ratio | Rate of change | Amount | Composition ratio | Rate of change |
| | | % | % | | % | % |
| Fire and allied lines | 10,985 | 15.0 | 21.9 | 13,085 | 17.1 | 19.1 |
| Hull and cargo | 0 | 0.0 | (71.1) | 0 | 0.0 | (68.6) |
| Personal accident | 3,899 | 5.3 | (7.3) | 3,731 | 4.9 | (4.3) |
| Voluntary automobile | 42,729 | 58.2 | (0.0) | 43,001 | 56.1 | 0.6 |
| Compulsory automobile liability | 8,751 | 11.9 | (13.0) | 8,955 | 11.7 | 2.3 |
| Others | 7,075 | 9.6 | 17.1 | 7,943 | 10.4 | 12.3 |
| Total | 73,442 | 100.0 | 1.9 | 76,717 | 100.0 | 4.5 |

Net claims paid

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | |
|---------------------------------|--|----------------|------------|--|----------------|------------|
| | Amount | Rate of change | Loss ratio | Amount | Rate of change | Loss ratio |
| | | % | % | | % | % |
| Fire and allied lines | 8,370 | 79.8 | 78.9 | 5,131 | (38.7) | 41.3 |
| Hull and cargo | 1 | (81.5) | 600.0 | 1 | (16.0) | 926.6 |
| Personal accident | 1,861 | (6.0) | 53.2 | 1,604 | (13.8) | 48.4 |
| Voluntary automobile | 20,696 | 3.0 | 56.7 | 19,734 | (4.7) | 54.1 |
| Compulsory automobile liability | 6,879 | (4.4) | 85.8 | 6,181 | (10.1) | 75.7 |
| Others | 2,691 | 19.9 | 41.5 | 3,448 | 28.1 | 47.7 |
| Total | 40,501 | 11.9 | 61.8 | 36,101 | (10.9) | 53.5 |

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

(4) Investment

Interest and dividends

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|----------------------------|--|--|------------------------|
| Bank deposits | 0 | 0 | (0) |
| Securities | 1,851 | 2,164 | 312 |
| Domestic debt securities | 1,131 | 1,086 | (45) |
| Domestic equity securities | 467 | 464 | (2) |
| Foreign securities | 217 | 613 | 395 |
| Others | 36 | - | (36) |
| Loans | 4 | 4 | (0) |
| Land and buildings | 129 | 129 | (0) |
| Others | 0 | (0) | (0) |
| Total | 1,987 | 2,298 | 311 |

Gains (losses) on sales of securities, impairment losses on securities

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | Increase (Decrease) | |
|----------------------------|--|------------------------------------|--|------------------------------------|----------------------------|------------------------------------|
| | Gains (losses) on sales | Impairment losses on securities | Gains (losses) on sales | Impairment losses on securities | Gains (losses) on sales | Impairment losses on securities |
| Domestic debt securities | 64 | - | 3 | - | (61) | - |
| Domestic equity securities | (0) | - | 183 | 388 | 184 | 388 |
| Foreign securities | 202 | - | - | - | (202) | - |
| Others | - | - | - | - | - | - |
| Total | 266 | - | 187 | 388 | (78) | 388 |

Available-for-sale securities

(Yen in millions)

| | As of March 31, 2019 | | | As of September 30, 2019 | | |
|----------------------------|----------------------|--------------------------------------|------------------------------|--------------------------|--------------------------------------|------------------------------|
| | Cost | Fair value shown on balance sheet | Unrealized gains (losses) | Cost | Fair value shown on balance sheet | Unrealized gains (losses) |
| Domestic debt securities | 169,104 | 188,328 | 19,223 | 166,032 | 185,889 | 19,857 |
| Domestic equity securities | 23,543 | 47,867 | 24,324 | 22,530 | 45,173 | 22,642 |
| Foreign securities | 32,643 | 34,602 | 1,958 | 38,962 | 40,698 | 1,735 |
| Others | - | - | - | - | - | - |
| Total | 225,291 | 270,798 | 45,506 | 227,525 | 271,761 | 44,235 |

(Note) The table shows Available-for-sale securities with fair value, which includes part of Cash and bank deposits on the balance sheet.

(5) Solvency margin ratio (non-consolidated)

(Yen in millions)

| | As of March 31, 2019 | As of September 30, 2019 |
|---|----------------------|--------------------------|
| (A) Total amount of solvency margin | 155,193 | 154,039 |
| Shareholders' equity less adjusting items | 48,241 | 45,694 |
| Reserve for price fluctuation | 1,516 | 1,048 |
| Contingency reserve | - | - |
| Catastrophe loss reserve | 60,962 | 63,693 |
| General allowance for doubtful accounts | 3 | 45 |
| Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions | 41,414 | 41,047 |
| Unrealized gains (losses) on land | 1,150 | 1,593 |
| Excess of policyholders' contract deposits | - | - |
| Subordinated debt, etc. | - | - |
| Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin | - | - |
| Deductions | - | - |
| Others | 1,903 | 914 |
| (B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$ | 25,443 | 26,345 |
| General insurance risk (R ₁) | 12,807 | 12,907 |
| Third sector insurance risk (R ₂) | - | - |
| Assumed interest rate risk (R ₃) | 928 | 903 |
| Asset management risk (R ₄) | 12,488 | 11,996 |
| Business administration risk (R ₅) | 649 | 664 |
| Catastrophe risk (R ₆) | 6,245 | 7,431 |
| (C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$ | 1,219.9% | 1,169.3% |

3. E.design Insurance Co., Ltd. (non-consolidated)
(1) Balance sheet

(Yen in millions)

| | As of March 31, 2019 | | As of September 30, 2019 | | Increase (Decrease) |
|---|----------------------|----------------------|--------------------------|----------------------|------------------------|
| | Amount | Composition ratio | Amount | Composition ratio | |
| Assets | | % | | % | |
| Cash and bank deposits | 45,384 | 90.25 | 44,973 | 90.49 | (411) |
| Tangible fixed assets | 93 | 0.19 | 209 | 0.42 | 115 |
| Intangible fixed assets | 0 | 0.00 | 0 | 0.00 | - |
| Other assets | 4,809 | 9.56 | 4,519 | 9.09 | (290) |
| Allowance for doubtful accounts | (0) | (0.00) | (0) | (0.00) | 0 |
| Total assets | 50,287 | 100.00 | 49,701 | 100.00 | (585) |
| Liabilities | | | | | |
| Insurance liabilities | 35,494 | 70.58 | 35,914 | 72.26 | 419 |
| Outstanding claims | 17,344 | | 18,100 | | 755 |
| Underwriting reserves | 18,150 | | 17,814 | | (336) |
| Other liabilities | 5,330 | 10.60 | 4,322 | 8.70 | (1,007) |
| Income taxes payable | 37 | | 29 | | (7) |
| Suspense receipts | 3,753 | | 3,135 | | (618) |
| Lease obligations | 12 | | 87 | | 74 |
| Asset retirement obligations | 50 | | 48 | | (1) |
| Other liabilities | 1,476 | | 1,021 | | (455) |
| Provision for retirement benefits | 215 | 0.43 | 242 | 0.49 | 26 |
| Provision for employees' bonus | 177 | 0.35 | 146 | 0.29 | (30) |
| Deferred tax liabilities | 0 | 0.00 | 0 | 0.00 | (0) |
| Total liabilities | 41,218 | 81.97 | 40,626 | 81.74 | (592) |
| Net assets | | | | | |
| Share capital | 29,303 | 58.27 | 29,303 | 58.96 | - |
| Capital surplus | 29,303 | 58.27 | 29,303 | 58.96 | - |
| Additional paid-in capital | 29,303 | | 29,303 | | - |
| Retained earnings | (49,538) | (98.51) | (49,532) | (99.66) | 6 |
| Other retained earnings | (49,538) | | (49,532) | | 6 |
| Retained earnings carried forward | (49,538) | | (49,532) | | 6 |
| Total shareholders' equity | 9,069 | 18.03 | 9,075 | 18.26 | 6 |
| Total net assets | 9,069 | 18.03 | 9,075 | 18.26 | 6 |
| Total liabilities and net assets | 50,287 | 100.00 | 49,701 | 100.00 | (585) |

(2) Statement of income

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|---|--|--|------------------------|
| Ordinary income | 14,512 | 15,701 | 1,189 |
| Underwriting income | 14,510 | 15,706 | 1,195 |
| Net premiums written | 14,287 | 15,360 | 1,073 |
| Investment income on deposit premiums | 7 | 9 | 1 |
| Reversal of underwriting reserves | 215 | 336 | 120 |
| Investment income | (6) | (8) | (1) |
| Interest and dividends | 1 | 1 | 0 |
| Transfer of investment income on deposit premiums | (7) | (9) | (1) |
| Other ordinary income | 8 | 3 | (4) |
| Ordinary expenses | 16,430 | 15,686 | (744) |
| Underwriting expenses | 10,508 | 10,628 | 120 |
| Net claims paid | 7,812 | 8,605 | 793 |
| Loss adjustment expenses | 975 | 1,050 | 75 |
| Agency commissions and brokerage | 25 | 216 | 190 |
| Provision for outstanding claims | 1,694 | 755 | (938) |
| Operating and general administrative expenses | 4,008 | 5,056 | 1,048 |
| Other ordinary expenses | 1,914 | 1 | (1,912) |
| Interest expenses | 0 | 0 | 0 |
| Amortization of deferred assets under Article 113 of the Insurance Business Act | 1,913 | - | (1,913) |
| Ordinary profit (loss) | (1,918) | 15 | 1,933 |
| Extraordinary gains | - | 4 | 4 |
| Other extraordinary gains | - | 4 | 4 |
| Extraordinary losses | 0 | 7 | 7 |
| Losses on disposal of fixed assets | 0 | 7 | 7 |
| Income (loss) before income taxes | (1,918) | 12 | 1,930 |
| Income taxes - current | 6 | 6 | - |
| Income taxes - deferred | (0) | (0) | 0 |
| Total income taxes | 5 | 5 | 0 |
| Net income (loss) | (1,924) | 6 | 1,930 |

4. Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

| | As of March 31, 2019 | | As of September 30, 2019 | | Increase (Decrease) |
|--|----------------------|----------------------|--------------------------|----------------------|------------------------|
| | Amount | Composition ratio | Amount | Composition ratio | |
| Assets | | % | | % | |
| Cash and bank deposits | 73,472 | 0.99 | 70,451 | 0.86 | (3,021) |
| Receivables under securities borrowing transactions | 9,084 | 0.12 | 1,200 | 0.01 | (7,883) |
| Monetary receivables bought | 138,998 | 1.88 | 999 | 0.01 | (137,998) |
| Securities | 6,934,724 | 93.89 | 7,926,615 | 96.37 | 991,891 |
| Domestic government bonds | 6,112,210 | | 6,985,646 | | 873,436 |
| Domestic municipal bonds | 25,348 | | 36,662 | | 11,313 |
| Domestic corporate bonds | 243,058 | | 313,247 | | 70,188 |
| Domestic equity securities | 166 | | 152 | | (13) |
| Foreign securities | 434,898 | | 473,297 | | 38,399 |
| Others | 119,042 | | 117,609 | | (1,433) |
| Loans | 96,219 | 1.30 | 98,925 | 1.20 | 2,705 |
| Policy loans | 96,219 | | 98,925 | | 2,705 |
| Tangible fixed assets | 1,135 | 0.02 | 1,322 | 0.02 | 186 |
| Intangible fixed assets | 27 | 0.00 | 27 | 0.00 | - |
| Agency accounts receivable | 478 | 0.01 | 271 | 0.00 | (206) |
| Reinsurance accounts receivable | 1,606 | 0.02 | 1,343 | 0.02 | (262) |
| Other assets | 131,031 | 1.77 | 124,401 | 1.51 | (6,630) |
| Other assets | 131,031 | | 124,401 | | (6,630) |
| Allowance for doubtful accounts | (821) | (0.01) | (720) | (0.01) | 100 |
| Total assets | 7,385,957 | 100.00 | 8,224,840 | 100.00 | 838,882 |
| Liabilities | | | | | |
| Insurance liabilities | 6,602,207 | 89.39 | 6,792,124 | 82.58 | 189,917 |
| Outstanding claims | 64,634 | | 68,369 | | 3,735 |
| Underwriting reserves | 6,446,824 | | 6,639,208 | | 192,384 |
| Reserve for dividends to policyholders | 90,748 | | 84,546 | | (6,202) |
| Agency accounts payable | 5,764 | 0.08 | 4,519 | 0.05 | (1,244) |
| Reinsurance accounts payable | 2,062 | 0.03 | 1,564 | 0.02 | (498) |
| Other liabilities | 349,269 | 4.73 | 949,853 | 11.55 | 600,584 |
| Payables under securities lending transactions | 197,623 | | 792,565 | | 594,941 |
| Income taxes payable | 4,132 | | 4,525 | | 392 |
| Lease obligations | 107 | | 307 | | 199 |
| Other liabilities | 147,404 | | 152,455 | | 5,050 |
| Provision for retirement benefits | 6,940 | 0.09 | 7,542 | 0.09 | 601 |
| Reserves under special laws | 10,080 | 0.14 | 11,537 | 0.14 | 1,456 |
| Reserve for price fluctuation | 10,080 | | 11,537 | | 1,456 |
| Deferred tax liabilities | 30,755 | 0.42 | 44,793 | 0.54 | 14,038 |
| Total liabilities | 7,007,080 | 94.87 | 7,811,936 | 94.98 | 804,855 |
| Net assets | | | | | |
| Share capital | 55,000 | 0.74 | 55,000 | 0.67 | - |
| Capital surplus | 55,095 | 0.75 | 55,095 | 0.67 | - |
| Additional paid-in capital | 41,860 | | 41,860 | | - |
| Other capital surplus | 13,235 | | 13,235 | | - |
| Retained earnings | 47,749 | 0.65 | 45,904 | 0.56 | (1,845) |
| Surplus reserve | 13,140 | | 13,140 | | - |
| Other retained earnings | 34,609 | | 32,764 | | (1,845) |
| Retained earnings carried forward | 34,609 | | 32,764 | | (1,845) |
| Total shareholders' equity | 157,845 | 2.14 | 156,000 | 1.90 | (1,845) |
| Unrealized gains (losses) on available-for-sale securities | 211,705 | 2.87 | 244,186 | 2.97 | 32,481 |
| Deferred gains (losses) on hedge transactions | 9,326 | 0.13 | 12,717 | 0.15 | 3,391 |
| Total valuation and translation adjustments | 221,031 | 2.99 | 256,903 | 3.12 | 35,872 |
| Total net assets | 378,876 | 5.13 | 412,903 | 5.02 | 34,027 |
| Total liabilities and net assets | 7,385,957 | 100.00 | 8,224,840 | 100.00 | 838,882 |

(2) Statement of income

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|---|--|--|------------------------|
| Ordinary income | 496,815 | 481,844 | (14,970) |
| Insurance premiums and other | 436,555 | 422,300 | (14,254) |
| Insurance premiums | 432,328 | 418,655 | (13,673) |
| Investment income | 58,474 | 57,872 | (601) |
| Interest and dividends | 48,899 | 50,537 | 1,637 |
| Gains on sales of securities | 2,533 | 3,949 | 1,415 |
| Investment gains on separate accounts | 6,933 | 3,261 | (3,671) |
| Other ordinary income | 1,785 | 1,670 | (114) |
| Ordinary expenses | 477,580 | 466,149 | (11,430) |
| Insurance claims and other | 240,771 | 197,289 | (43,481) |
| Insurance claims | 21,190 | 23,727 | 2,536 |
| Annuity payments | 31,609 | 30,879 | (729) |
| Benefits | 77,170 | 28,823 | (48,346) |
| Surrender benefits | 99,535 | 105,003 | 5,468 |
| Other refunds | 6,488 | 5,224 | (1,263) |
| Provision for underwriting reserves and other | 168,715 | 196,120 | 27,404 |
| Provision for outstanding claims | 5,398 | 3,735 | (1,663) |
| Provision for underwriting reserves | 163,316 | 192,384 | 29,067 |
| Interest on reserve for dividends to policyholders | 0 | 0 | 0 |
| Investment expenses | 4,740 | 9,323 | 4,582 |
| Interest expenses | 621 | 628 | 6 |
| Losses on sales of securities | 530 | 2 | (528) |
| Losses on derivatives | 2,458 | 3,574 | 1,116 |
| Foreign exchange losses | 1,129 | 5,118 | 3,988 |
| Operating expenses | 58,504 | 58,275 | (229) |
| Other ordinary expenses | 4,847 | 5,141 | 293 |
| Ordinary profit | 19,235 | 15,695 | (3,540) |
| Extraordinary losses | 1,117 | 1,463 | 345 |
| Reversal of reserve for dividends to policyholders | 1,289 | 4,435 | 3,145 |
| Income before income taxes | 19,407 | 18,667 | (739) |
| Income taxes - current | 4,598 | 5,324 | 725 |
| Income taxes - deferred | 974 | 88 | (886) |
| Total income taxes | 5,573 | 5,413 | (160) |
| Net income | 13,834 | 13,254 | (579) |

Breakdown of Ordinary profit (Core operating profit)

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|--|--|--|------------------------|
| Core operating profit A | 22,935 | 21,321 | (1,613) |
| Capital gains | 2,533 | 4,358 | 1,824 |
| Gains on sales of securities | 2,533 | 3,949 | 1,415 |
| Other capital gains | - | 408 | 408 |
| Capital losses | 6,290 | 9,731 | 3,440 |
| Losses on sales of securities | 530 | 2 | (528) |
| Losses on derivatives | 3,448 | 4,576 | 1,128 |
| Foreign exchange losses | 1,129 | 5,118 | 3,988 |
| Other capital losses | 1,182 | 34 | (1,147) |
| Net capital gains (losses) B | (3,757) | (5,373) | (1,616) |
| Core operating profit including net capital gains (losses) A+B | 19,177 | 15,948 | (3,229) |
| Non-recurring income | 67 | 4 | (62) |
| Reversal of contingency reserves | 67 | - | (67) |
| Decrease in specific allowance for doubtful accounts | - | 4 | 4 |
| Non-recurring losses | 9 | 257 | 247 |
| Provision for contingency reserves | - | 257 | 257 |
| Increase in specific allowance for doubtful accounts | 9 | - | (9) |
| Net non-recurring income (losses) C | 57 | (252) | (310) |
| Ordinary profit A+B+C | 19,235 | 15,695 | (3,540) |

(3) Underwriting (life)

Amount of policies

Policies in force

(Number in thousands, yen in 100 millions)

| | As of March 31, 2019 | | | | As of September 30, 2019 | | | |
|----------------------|----------------------|------------------------|---------|------------------------|--------------------------|------------------------|---------|------------------------|
| | Number of policies | | Amount | | Number of policies | | Amount | |
| | | % to March 31, 2018 | | % to March 31, 2018 | | % to March 31, 2019 | | % to March 31, 2019 |
| Individual insurance | 5,323 | 103.6 | 295,612 | 103.7 | 5,387 | 101.2 | 294,045 | 99.5 |
| Individual annuities | 532 | 93.8 | 22,837 | 91.9 | 520 | 97.7 | 22,165 | 97.1 |
| Group insurance | - | - | 22,660 | 95.1 | - | - | 22,652 | 100.0 |
| Group annuities | - | - | 32 | 98.6 | - | - | 31 | 98.6 |

New policies

(Number in thousands, yen in 100 millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | | |
|----------------------|--|-------------------------------|--------|-------------------------------|--|-------------------------------|--------|-------------------------------|
| | Number of policies | | Amount | | Number of policies | | Amount | |
| | | % to September 30, 2017 | | % to September 30, 2017 | | % to September 30, 2018 | | % to September 30, 2018 |
| Individual insurance | 213 | 98.2 | 18,056 | 118.2 | 189 | 89.0 | 9,998 | 55.4 |
| Individual annuities | - | - | - | - | - | - | - | - |
| Group insurance | - | - | 44 | 39.3 | - | - | 113 | 257.7 |
| Group annuities | - | - | - | - | - | - | - | - |

Annualized premiums

Policies in force

(Yen in 100 millions)

| | As of March 31, 2019 | | As of September 30, 2019 | |
|--|----------------------|---------------------|--------------------------|---------------------|
| | | % to March 31, 2018 | | % to March 31, 2019 |
| Individual insurance | 7,089 | 102.6 | 7,007 | 98.8 |
| Individual annuities | 1,487 | 91.9 | 1,442 | 96.9 |
| Total | 8,577 | 100.6 | 8,449 | 98.5 |
| Medical coverage, accelerated death benefits, etc. | 1,916 | 108.1 | 1,977 | 103.2 |
| Medical and cancer | 1,636 | 107.9 | 1,687 | 103.1 |

New policies

(Yen in 100 millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | |
|--|--|-------------------------|--|-------------------------|
| | | % to September 30, 2017 | | % to September 30, 2018 |
| Individual insurance | 393 | 82.7 | 184 | 46.8 |
| Individual annuities | - | - | - | - |
| Total | 393 | 82.7 | 184 | 46.8 |
| Medical coverage, accelerated death benefits, etc. | 111 | 102.2 | 109 | 98.6 |
| Medical and cancer | 92 | 102.7 | 90 | 97.5 |

(4) Separate account

Separate account asset balance

(Yen in 100 millions)

| | As of March 31, 2019 | As of September 30, 2019 |
|-------------------------------|----------------------|--------------------------|
| Individual variable insurance | 727 | 771 |
| Individual variable annuities | 685 | 620 |
| Group annuities | - | - |
| Separate account total | 1,412 | 1,392 |

Separate account policies in force

Individual variable insurance

(Number in thousands, yen in 100 millions)

| | As of March 31, 2019 | | As of September 30, 2019 | |
|--|----------------------|--------|--------------------------|--------|
| | Number of policies | Amount | Number of policies | Amount |
| Variable insurance (defined term type) | 35 | 2,795 | 51 | 4,199 |
| Variable insurance (whole life type) | 27 | 2,188 | 27 | 2,168 |
| Total | 62 | 4,984 | 78 | 6,367 |

Individual variable annuities

(Number in thousands, yen in 100 millions)

| | As of March 31, 2019 | | As of September 30, 2019 | |
|-------------------------------|----------------------|--------|--------------------------|--------|
| | Number of policies | Amount | Number of policies | Amount |
| Individual variable annuities | 8 | 672 | 7 | 614 |
| Total | 8 | 672 | 7 | 614 |

(5) Investment (General account)

Interest and dividends

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | Increase (Decrease) |
|---|--|--|------------------------|
| Bank deposits | 1 | 0 | (0) |
| Call loans | - | - | - |
| Receivables under resale agreements | - | - | - |
| Receivables under securities borrowing transactions | 1 | 0 | (1) |
| Monetary receivables bought | 7 | 4 | (2) |
| Securities | 47,553 | 49,099 | 1,545 |
| Domestic debt securities | 43,004 | 43,231 | 227 |
| Domestic equity securities | 4 | 7 | 2 |
| Foreign securities | 4,544 | 5,860 | 1,315 |
| Others | - | - | - |
| Loans | 1,335 | 1,432 | 96 |
| Land and buildings | - | - | - |
| Total | 48,899 | 50,537 | 1,637 |

Gains (losses) on sales of securities, impairment losses on securities

(Yen in millions)

| | Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018) | | Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) | | Increase (Decrease) | |
|----------------------------|--|---------------------------------------|--|---------------------------------------|----------------------------|---------------------------------------|
| | Gains (losses) on sales | Impairment losses on securities | Gains (losses) on sales | Impairment losses on securities | Gains (losses) on sales | Impairment losses on securities |
| Domestic debt securities | 40 | - | 39 | - | (1) | - |
| Domestic equity securities | 768 | - | - | - | (768) | - |
| Foreign securities | 1,193 | - | 3,907 | - | 2,713 | - |
| Others | - | - | - | - | - | - |
| Total | 2,002 | - | 3,947 | - | 1,944 | - |

Fair value information on securities (Securities with fair value other than trading securities)

(Yen in millions)

| | As of March 31, 2019 | | | As of September 30, 2019 | | |
|---|----------------------|------------|---------------------------|--------------------------|------------|---------------------------|
| | Carrying amount | Fair value | Unrealized gains (losses) | Carrying amount | Fair value | Unrealized gains (losses) |
| Bonds held to maturity | 4,505,847 | 5,373,758 | 867,910 | 4,624,904 | 5,632,533 | 1,007,628 |
| Bonds earmarked for underwriting reserves | 377,030 | 397,151 | 20,120 | 1,183,872 | 1,219,711 | 35,839 |
| Available-for-sale securities | 1,689,843 | 1,982,765 | 292,921 | 1,554,974 | 1,885,120 | 330,145 |
| Domestic debt securities | 1,233,702 | 1,523,497 | 289,794 | 1,231,609 | 1,551,300 | 319,690 |
| Domestic equity securities | 31 | 108 | 76 | 31 | 94 | 62 |
| Foreign securities | 317,111 | 320,161 | 3,050 | 322,333 | 332,725 | 10,391 |
| Others | 138,998 | 138,998 | - | 999 | 999 | - |
| Total | 6,572,722 | 7,753,675 | 1,180,953 | 7,363,751 | 8,737,365 | 1,373,613 |
| Domestic debt securities | 6,090,822 | 7,268,836 | 1,178,014 | 7,015,865 | 8,377,003 | 1,361,138 |
| Domestic equity securities | 31 | 108 | 76 | 31 | 94 | 62 |
| Foreign securities | 342,869 | 345,731 | 2,862 | 346,854 | 359,267 | 12,412 |
| Others | 138,998 | 138,998 | - | 999 | 999 | - |

(Note) "Others" includes Monetary receivables bought on the balance sheet.

(Reference) Maturity schedule of securities

(Yen in millions)

| | As of September 30, 2019 | | | | | | |
|----------------------------|--------------------------|-----------|-----------|-----------|------------|--|-----------|
| | Within 1 year | 1-3 years | 3-5 years | 5-7 years | 7-10 years | Over 10 years (Including no fixed maturity) | Total |
| Domestic government bonds | 24,741 | 31,943 | 5,744 | 210,766 | 415,052 | 6,297,397 | 6,985,646 |
| Domestic municipal bonds | - | - | - | - | - | 36,662 | 36,662 |
| Domestic corporate bonds | - | 7,236 | - | - | - | 306,010 | 313,247 |
| Domestic equity securities | - | - | - | - | - | 152 | 152 |
| Foreign securities | 2,844 | 6,130 | 3,143 | 228 | 2,274 | 446,065 | 460,688 |
| Others | 999 | - | - | - | - | - | 999 |
| Total | 28,586 | 45,310 | 8,887 | 210,995 | 417,327 | 7,086,288 | 7,797,396 |

(Note) "Others" includes Monetary receivables bought on the balance sheet.

(6) Solvency margin ratio (non-consolidated)

(Yen in millions)

| | As of March 31, 2019 | As of September 30, 2019 |
|---|----------------------|--------------------------|
| (A) Total amount of solvency margin | 848,530 | 911,669 |
| Shareholders' equity less adjusting items | 142,745 | 154,138 |
| Reserve for price fluctuation | 10,080 | 11,537 |
| Contingency reserve | 51,255 | 51,512 |
| General allowance for doubtful accounts | 462 | 372 |
| (Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions) × 90% | 264,631 | 305,233 |
| Unrealized gains (losses) on land × 85% | - | - |
| Excess of continued Zillmerized reserve | 319,977 | 317,213 |
| Subordinated debt, etc. | 100,000 | 100,000 |
| Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin | (132,053) | (120,552) |
| Deductions | - | - |
| Others | 91,430 | 92,214 |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 82,235 | 96,782 |
| Insurance risk (R ₁) | 16,661 | 16,650 |
| Third sector insurance risk (R ₈) | 6,248 | 6,269 |
| Assumed interest rate risk (R ₂) | 5,059 | 5,086 |
| Minimum guarantee risk (R ₇) | 2,439 | 2,422 |
| Asset management risk (R ₃) | 69,400 | 84,159 |
| Business administration risk (R ₄) | 1,996 | 2,291 |
| (C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$ | 2,063.6% | 1,883.9% |

Glossary of terminology

【2. Key figures of the domestic non-life insurance business】

- Underwriting profit (loss)

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

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

- Net investment income and other

Net investment income and other = (Investment income - Investment expenses) + (Other ordinary income - Other ordinary expenses (*)) - Operating and general administrative expenses other than underwriting

* Excluding Amortization of deferred assets under Article 113 of the Insurance Business Act on the Statement of income of E.design Insurance Co., Ltd.

- Loss ratio (W/P basis)

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

- Expense ratio (W/P basis)

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

- Combined ratio (W/P basis)

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

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

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

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

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

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

- Expense ratio (private sector)

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

- Combined ratio (private sector)

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

- Net incurred losses related to natural catastrophe (*1)

Sum of net claims paid and outstanding claims (*2) related to natural catastrophe that occurred during the current period.

*1 Excluding the net incurred losses related to earthquake insurance under the Law concerning Earthquake Insurance.

*2 Outstanding claims are net of reinsurance recoverable.

- Reservation ratio of catastrophe loss reserve

Reservation ratio of catastrophe loss reserve = Balance of catastrophe loss reserve / Net premiums written (*) × 100

* For the six months ended September 30, the amount of Net premiums written (excluding earthquake insurance under the Law concerning Earthquake Insurance and compulsory automobile liability insurance) is doubled in this calculation.

【3. Key figures of the domestic life insurance business】

- Annualized premiums

Annualized premiums are amount of premiums per year calculated by dividing aggregate amount of premiums by the duration of insurance policies.

- Medical coverage, accelerated death benefits, etc.

Medical coverage, accelerated death benefits, etc. includes coverage for medical expenses (e.g. hospitalization and operation), accelerated death benefits (e.g. specific diseases and nursing care) and exemption of obligation to pay insurance premiums excluding those caused by disability but including those caused by specific diseases, nursing care, etc.

【Solvency margin ratio】

- Solvency margin ratio

- In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, a significant decline in value of assets held by insurance companies.
- (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance companies in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates), which is calculated in accordance with the Insurance Business Act.
- "Risks that exceed normal estimates" is composed of risks described below.
 - ① (General) insurance risk, third sector insurance risk: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk.
 - ② Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
 - ③ Minimum guarantee risk: risk that value of assets related to the minimum guarantee for benefits of insurance contracts which are managed as a separate account fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.

- ④ Asset management risk: risk that prices of retained securities and other assets fluctuate in excess of normal estimates.
 - ⑤ Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
 - ⑥ Catastrophe risk: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan typhoon occurs.
- Solvency of insurance companies in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. reserve for price fluctuation, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains on land, etc.
 - Solvency margin ratio is one of the objective indicators used by the regulators to supervise insurance companies. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

【Underwriting (life)】

- Amount of Policies in force
 - Individual insurance and group insurance
 - Total amount of death benefits under policies in force at the end of the period.
 - Individual annuities
 - ① Individual annuities whose payments have not yet commenced: amount of funds for annuity payments that is expected to have accrued at the commencement of annuity payments.
 - ② Individual annuities whose payments have already commenced: amount of underwriting reserves.
 - Group annuities
 - Amount of underwriting reserves.
- Amount of New policies
 - Individual insurance and group insurance
 - Total amount of death benefits under new policies issued during the current period.
 - Individual annuities
 - Amount of funds for annuity payments that is expected to have accrued at the commencement of annuity payments for new policies issued during the current period.
 - Group annuities
 - First installment of premium payments.

【Separate account】

- Separate account

Separate account is an account held for insurance policies of which insurance benefits change based on investment performance, and its assets and liabilities are maintained separately from those of general account.

Supplementary information of business results for the six months ended September 30, 2019

1. Key figures

(Yen in 100 millions)

| | Six months ended September 30, 2018 (A) | Fiscal year 2018 (B) | Six months ended September 30, 2019 (C) | Increase (Decrease) | |
|------------------------------|--|----------------------|--|---------------------|-----------|
| | | | | (C) - (B) | (C) - (A) |
| ① Net premiums written | 10,944 | 21,666 | 11,454 | - | 510 |
| Rate of change | 0.9% | 1.0% | 4.7% | 3.6% | 3.8% |
| ② Total assets | 98,398 | 93,930 | 94,673 | 743 | (3,724) |
| ③ Loss ratio | 62.2% | 68.8% | 56.2% | (12.6%) | (5.9%) |
| ④ Expense ratio | 30.4% | 30.6% | 29.9% | (0.7%) | (0.5%) |
| ⑤ Combined ratio | 92.6% | 99.4% | 86.1% | (13.3%) | (6.4%) |
| Underwriting profit margin | 7.4% | 0.6% | 13.9% | 13.3% | 6.4% |
| ⑥ Voluntary automobile | | | | | |
| • Net premiums written | 5,315 | 10,651 | 5,363 | - | 48 |
| Rate of change | 0.1% | 0.1% | 0.9% | 0.8% | 0.8% |
| • Underwriting profit margin | 8.9% | 7.2% | 11.1% | 3.9% | 2.2% |
| • Loss ratio | 60.6% | 62.0% | 59.1% | (2.9%) | (1.6%) |
| • Expense ratio | 30.5% | 30.9% | 29.8% | (1.1%) | (0.7%) |
| ⑦ Fire and allied lines | | | | | |
| • Net premiums written | 1,357 | 2,819 | 1,644 | - | 286 |
| Rate of change | 4.7% | 2.6% | 21.1% | 18.5% | 16.3% |
| • Underwriting profit margin | (19.1%) | (49.7%) | 13.1% | 62.8% | 32.2% |
| • Loss ratio | 80.6% | 111.2% | 50.1% | (61.1%) | (30.5%) |
| • Expense ratio | 38.5% | 38.5% | 36.9% | (1.7%) | (1.7%) |
| ⑧ Number of employees | 17,464 | 17,203 | 17,326 | 123 | (138) |
| ⑨ Number of agencies | 50,203 | 49,651 | 49,053 | (598) | (1,150) |

(Note) 1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100

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

3. Combined ratio = Loss ratio + Expense ratio

4. Underwriting profit margin = 100 - Combined ratio

<Reference> Key figures from consolidated statement of income of Tokio Marine Holdings

(Yen in 100 millions)

| | Six months ended September 30, 2018 (A) | Fiscal year 2018 (B) | Six months ended September 30, 2019 (C) | Increase (Decrease) | |
|--|--|----------------------|--|---------------------|-----------|
| | | | | (C) - (B) | (C) - (A) |
| ① Ordinary income | 27,675 | 54,767 | 27,430 | - | (245) |
| ② Net premiums written | 18,364 | 35,874 | 18,073 | - | (290) |
| Rate of change | 1.7% | 0.6% | (1.6%) | (2.2%) | (3.2%) |
| ③ Life insurance premiums | 4,854 | 10,535 | 4,849 | - | (5) |
| Rate of change | 6.5% | 10.5% | (0.1%) | (10.7%) | (6.6%) |
| ④ Ordinary profit | 751 | 4,163 | 1,474 | - | 723 |
| ⑤ Net income attributable to owners of the parent | 538 | 2,745 | 1,166 | - | 627 |

2. Other information

① Impairment losses on securities

(Yen in 100 millions)

| | Six months ended September 30, 2018 | Fiscal year 2018 | Six months ended September 30, 2019 |
|----------------------------|--|------------------|--|
| Domestic debt securities | - | - | - |
| Domestic equity securities | 2 | 37 | 22 |
| Foreign securities | - | 0 | 3 |
| Others | - | - | - |
| Total | 2 | 37 | 25 |

· Rules for recognition of impairment

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

② Impairment losses on fixed assets

(Yen in 100 millions)

| | Six months ended September 30, 2018 | Fiscal year 2018 | Six months ended September 30, 2019 |
|-----------|--|------------------|--|
| Land | 2 | 3 | 0 |
| Buildings | 6 | 6 | 0 |
| Others | - | - | - |
| Total | 8 | 9 | 0 |

③ Unrealized gains (losses) on securities

(Yen in 100 millions)

| | As of September 30, 2018 | As of March 31, 2019 | As of September 30, 2019 |
|----------------------------|--------------------------|----------------------|--------------------------|
| Domestic debt securities | 1,022 | 1,512 | 1,668 |
| Domestic equity securities | 21,947 | 18,367 | 17,475 |
| Foreign securities | 741 | 561 | 515 |
| Others | 7 | 5 | 7 |
| Total | 23,719 | 20,446 | 19,666 |

④ Losses related to natural catastrophe

(Yen in 100 millions)

| | Six months ended September 30, 2018 | Fiscal year 2018 | Six months ended September 30, 2019 |
|----------------------------|--|------------------|--|
| Direct claims paid | 468 | 3,208 | 64 |
| Net claims paid | 467 | 1,981 | 63 |
| Net outstanding claims (*) | 1,530 | 403 | 759 |

(Note) Figures above represent losses caused by natural catastrophe occurred during the period, excluding losses related to earthquake insurance under the Law concerning Earthquake Insurance.

* Net of reinsurance recoverable ceded.

⑤ Catastrophe loss reserve

(Yen in 100 millions)

| | As of September 30, 2018 | | | As of March 31, 2019 | | | As of September 30, 2019 | | |
|-----------------------|--------------------------|-------------------|-----------|----------------------|-------------------|-----------|--------------------------|-------------------|-----------|
| | Balance | Reservation ratio | Provision | Balance | Reservation ratio | Provision | Balance | Reservation ratio | Provision |
| Fire and allied lines | 3,467 | 128.2% | 68 | 2,393 | 85.2% | 260 | 2,493 | 76.0% | 100 |
| Hull and cargo | 1,277 | 196.8% | 15 | 1,264 | 201.7% | 23 | 1,283 | 192.5% | 18 |
| Personal accident | 1,294 | 65.0% | 31 | 1,317 | 76.0% | 54 | 1,350 | 66.3% | 32 |
| Voluntary automobile | 1,871 | 17.6% | 170 | 1,647 | 15.5% | 341 | 1,752 | 16.3% | 172 |
| Others | 3,029 | 94.5% | 77 | 3,042 | 97.2% | 161 | 3,132 | 94.1% | 91 |
| Total | 10,939 | 57.0% | 364 | 9,666 | 51.0% | 841 | 10,011 | 50.0% | 413 |

(Note) 1. Reservation ratio = Balance of catastrophe loss reserve / Net premiums written (*) × 100

* For the six months ended September 30, the amount of Net premiums written (excluding earthquake insurance under the Law concerning Earthquake Insurance and compulsory automobile liability insurance) is doubled in this calculation.

2. Provision is gross amount without reversal.

⑥ Reinsurance assumed

(Yen in 100 millions)

| | Six months ended September 30, 2018 | | Six months ended September 30, 2019 | |
|---------------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| | Premiums written | Claims paid | Premiums written | Claims paid |
| Fire and allied lines | 335 | 142 | 343 | 235 |
| Hull and cargo | 142 | 67 | 145 | 71 |
| Personal accident | 1 | 0 | 1 | 0 |
| Voluntary automobile | 4 | 1 | 5 | 5 |
| Compulsory automobile liability | 989 | 1,012 | 1,051 | 949 |
| Others | 162 | 83 | 155 | 75 |
| Total | 1,635 | 1,307 | 1,702 | 1,336 |

⑦ Reinsurance ceded

(Yen in 100 millions)

| | Six months ended September 30, 2018 | | Six months ended September 30, 2019 | |
|---------------------------------|-------------------------------------|------------------|-------------------------------------|------------------|
| | Ceded premiums | Claims recovered | Ceded premiums | Claims recovered |
| Fire and allied lines | 637 | 308 | 760 | 535 |
| Hull and cargo | 151 | 59 | 160 | 106 |
| Personal accident | 27 | 8 | 23 | 7 |
| Voluntary automobile | 18 | 5 | 18 | 42 |
| Compulsory automobile liability | 927 | 982 | 988 | 924 |
| Others | 860 | 342 | 830 | 297 |
| Total | 2,623 | 1,707 | 2,781 | 1,914 |

Supplementary information of business results for the six months ended September 30, 2019

1. Key figures

(Yen in 100 millions)

| | Six months ended September 30, 2018 (A) | Fiscal year 2018 (B) | Six months ended September 30, 2019 (C) | Increase (Decrease) | |
|------------------------------|--|----------------------|--|---------------------|-----------|
| | | | | (C) - (B) | (C) - (A) |
| ① Net premiums written | 734 | 1,437 | 767 | - | 32 |
| Rate of change | 1.9% | 1.4% | 4.5% | 3.1% | 2.5% |
| ② Total assets | 4,116 | 3,964 | 3,984 | 19 | (131) |
| ③ Loss ratio | 61.8% | 69.5% | 53.5% | (16.0%) | (8.3%) |
| ④ Expense ratio | 33.2% | 34.2% | 32.8% | (1.3%) | (0.4%) |
| ⑤ Combined ratio | 95.1% | 103.7% | 86.4% | (17.3%) | (8.7%) |
| Underwriting profit margin | 4.9% | (3.7%) | 13.6% | 17.3% | 8.7% |
| ⑥ Voluntary automobile | | | | | |
| • Net premiums written | 427 | 851 | 430 | - | 2 |
| Rate of change | (0.0%) | 0.0% | 0.6% | 0.6% | 0.6% |
| • Underwriting profit margin | 11.2% | 9.2% | 14.3% | 5.1% | 3.2% |
| • Loss ratio | 56.7% | 57.9% | 54.1% | (3.8%) | (2.6%) |
| • Expense ratio | 32.1% | 32.9% | 31.6% | (1.3%) | (0.6%) |
| ⑦ Fire and allied lines | | | | | |
| • Net premiums written | 109 | 210 | 130 | - | 20 |
| Rate of change | 21.9% | 11.3% | 19.1% | 7.8% | (2.8%) |
| • Underwriting profit margin | (15.6%) | (59.0%) | 22.0% | 81.0% | 37.5% |
| • Loss ratio | 78.9% | 119.4% | 41.3% | (78.1%) | (37.6%) |
| • Expense ratio | 36.6% | 39.7% | 36.7% | (2.9%) | 0.1% |
| ⑧ Number of employees | 2,254 | 2,223 | 2,229 | 6 | (25) |
| ⑨ Number of agencies | 13,414 | 13,148 | 12,801 | (347) | (613) |

(Note) 1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100

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

3. Combined ratio = Loss ratio + Expense ratio

4. Underwriting profit margin = 100 - Combined ratio

2. Other information

① Impairment losses on securities

(Yen in 100 millions)

| | Six months ended September 30, 2018 | Fiscal year 2018 | Six months ended September 30, 2019 |
|----------------------------|--|------------------|--|
| Domestic debt securities | - | - | - |
| Domestic equity securities | - | 0 | 3 |
| Foreign securities | - | - | - |
| Others | - | - | - |
| Total | - | 0 | 3 |

• Rules for recognition of impairment

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

② Impairment losses on fixed assets

(Yen in 100 millions)

| | Six months ended September 30, 2018 | Fiscal year 2018 | Six months ended September 30, 2019 |
|-----------|--|------------------|--|
| Land | - | 0 | - |
| Buildings | - | 0 | - |
| Others | - | - | - |
| Total | - | 0 | - |

③ Unrealized gains (losses) on securities

(Yen in 100 millions)

| | As of September 30, 2018 | As of March 31, 2019 | As of September 30, 2019 |
|----------------------------|--------------------------|----------------------|--------------------------|
| Domestic debt securities | 169 | 192 | 198 |
| Domestic equity securities | 325 | 243 | 226 |
| Foreign securities | 27 | 19 | 17 |
| Others | 21 | - | - |
| Total | 544 | 455 | 442 |

④ Losses related to natural catastrophe

(Yen in 100 millions)

| | Six months ended September 30, 2018 | Fiscal year 2018 | Six months ended September 30, 2019 |
|----------------------------|--|------------------|--|
| Direct claims paid | 30 | 333 | 3 |
| Net claims paid | 29 | 145 | 3 |
| Net outstanding claims (*) | 95 | 2 | 67 |

(Note) Figures above represent losses caused by natural catastrophe occurred during the period, excluding losses related to earthquake insurance under the Law concerning Earthquake Insurance.

* Net of reinsurance recoverable ceded.

⑤ Catastrophe loss reserve

(Yen in 100 millions)

| | As of September 30, 2018 | | | As of March 31, 2019 | | | As of September 30, 2019 | | |
|-----------------------|--------------------------|----------------------|-----------|----------------------|----------------------|-----------|--------------------------|----------------------|-----------|
| | Balance | Reservation ratio | Provision | Balance | Reservation ratio | Provision | Balance | Reservation ratio | Provision |
| Fire and allied lines | 184 | 84.0% | 5 | 130 | 62.0% | 60 | 137 | 52.8% | 7 |
| Hull and cargo | 24 | 169,926.4% | - | 24 | 338,744.0% | - | 24 | 541,701.4% | - |
| Personal accident | 63 | 81.8% | 1 | 64 | 93.7% | 2 | 65 | 88.4% | 1 |
| Voluntary automobile | 240 | 28.8% | 13 | 254 | 29.9% | 27 | 268 | 31.2% | 13 |
| Others | 127 | 90.2% | 3 | 127 | 95.6% | 6 | 132 | 83.1% | 4 |
| Total | 640 | 49.5% | 23 | 601 | 47.6% | 96 | 628 | 46.4% | 27 |

(Note) 1. Reservation ratio = Balance of catastrophe loss reserve / Net premiums written (*) × 100

* For the six months ended September 30, the amount of Net premiums written (excluding earthquake insurance under the Law concerning Earthquake Insurance and compulsory automobile liability insurance) is doubled in this calculation.

2. Provision is gross amount without reversal.

⑥ Reinsurance assumed

(Yen in 100 millions)

| | Six months ended September 30, 2018 | | Six months ended September 30, 2019 | |
|---------------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| | Premiums written | Claims paid | Premiums written | Claims paid |
| Fire and allied lines | 0 | 0 | 0 | 0 |
| Hull and cargo | 0 | 0 | 0 | 0 |
| Personal accident | - | - | - | - |
| Voluntary automobile | 0 | 0 | 0 | 0 |
| Compulsory automobile liability | 60 | 68 | 62 | 61 |
| Others | 0 | 1 | 0 | 0 |
| Total | 62 | 70 | 63 | 62 |

⑦ Reinsurance ceded

(Yen in 100 millions)

| | Six months ended September 30, 2018 | | Six months ended September 30, 2019 | |
|---------------------------------|-------------------------------------|------------------|-------------------------------------|------------------|
| | Ceded premiums | Claims recovered | Ceded premiums | Claims recovered |
| Fire and allied lines | 43 | 27 | 50 | 55 |
| Hull and cargo | 0 | 0 | 0 | 0 |
| Personal accident | 0 | 0 | 0 | 0 |
| Voluntary automobile | 1 | 0 | 1 | 1 |
| Compulsory automobile liability | 65 | 75 | 65 | 67 |
| Others | 2 | 1 | 2 | 0 |
| Total | 112 | 105 | 119 | 125 |