



Tokio Marine Holdings

*To Be a Good Company*

# 2Q FY2019 Results and Full-Year Projections

November 19, 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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# I. Highlight

# Results and Projections of Top-line, Results of Bottom-line

Consolidated	Domestic Life
Domestic Non-Life	International



## Top-line

Stable growth of +2.4% YoY is projected for full-year net premiums written despite the appreciation of yen.

Life insurance premiums are projected to fall by -4.1% YoY mainly due to the appreciation of yen and cautious underwriting in North America.

### Net premiums written

2Q FY2019 results : ¥1,807.3B (+3.7% YOY\*1)

Full-year projections : ¥3,540.0B (+2.4% YOY\*1)

- 2Q FY2019 results : Grew by +3.7% YoY driven by growth in all domestic lines (+4.7%), and for overseas, stable growth in North America and new consolidation of Safety (+1.5%)
- Full-year projections : Downward revision by ¥20.0B from the original projections due to the appreciation of yen (approx. -¥46.0B), despite remaining positive trend

### Life insurance premiums

2Q FY2019 results : ¥ 484.9B (-6.1% YOY\*2)

Full-year projections : ¥1,010.0B (-4.1% YOY)

- 2Q FY2019 results : Fell by -6.1% YoY due to sales suspension of some products for corporations in Japan, cautious underwriting in North America, and the appreciation of yen
- Full-year projections : Downward revision by ¥20.0B from the original projections, incorporating the impact of the appreciation of yen and cautious underwriting in North America

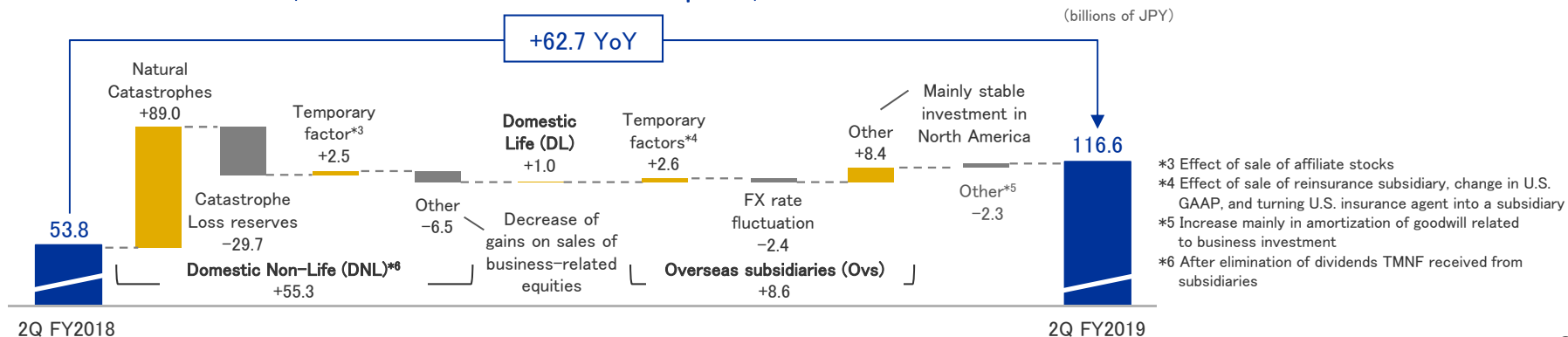
\*1 Figures excluding the effect of sale of reinsurance subsidiary. When including, 2Q and FY premiums fell by -1.6% and -1.3%, respectively.

\*2 Figures excluding the effect of change in recording method for surrender benefits of Delphi's annuity products (See P.6 for details)

## Bottom-line (2Q FY2019 results)

Consolidated net income grew by ¥62.7B YoY mainly due to a decrease in net incurred losses from natural catastrophes in Japan

### Consolidated net income (Net income attributable to owners of parent)



\*3 Effect of sale of affiliate stocks

\*4 Effect of sale of reinsurance subsidiary, change in U.S. GAAP, and turning U.S. insurance agent into a subsidiary

\*5 Increase mainly in amortization of goodwill related to business investment

\*6 After elimination of dividends TMNF received from subsidiaries

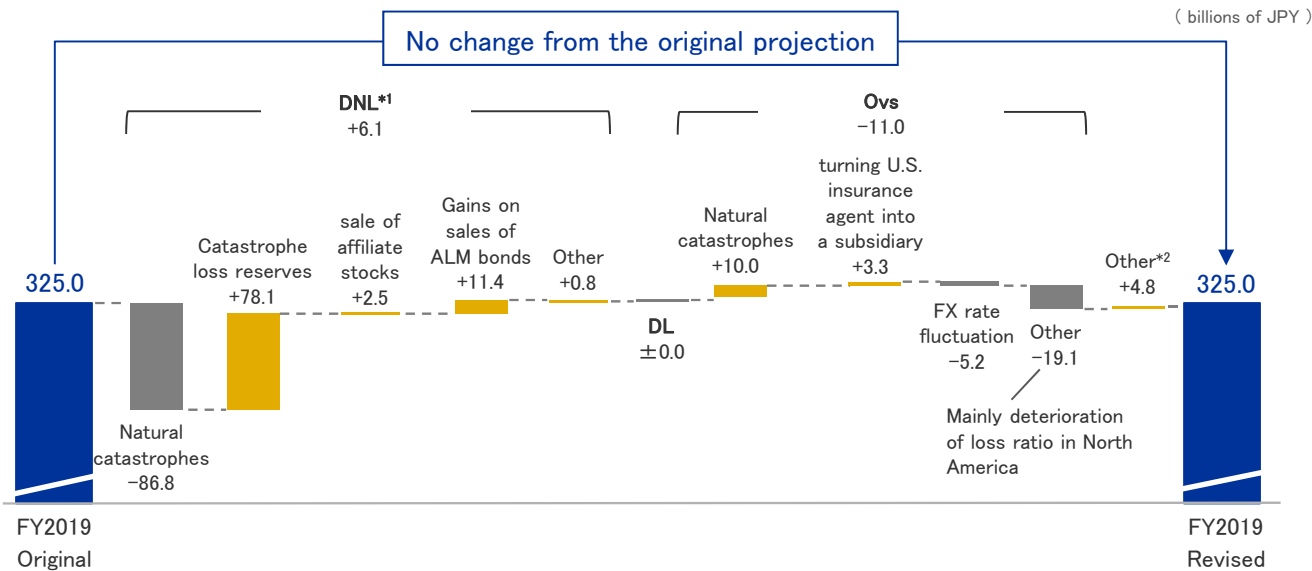
# Full-Year Projections of Bottom-Line

<b>Consolidated</b>	Domestic Life
Domestic Non-Life	International

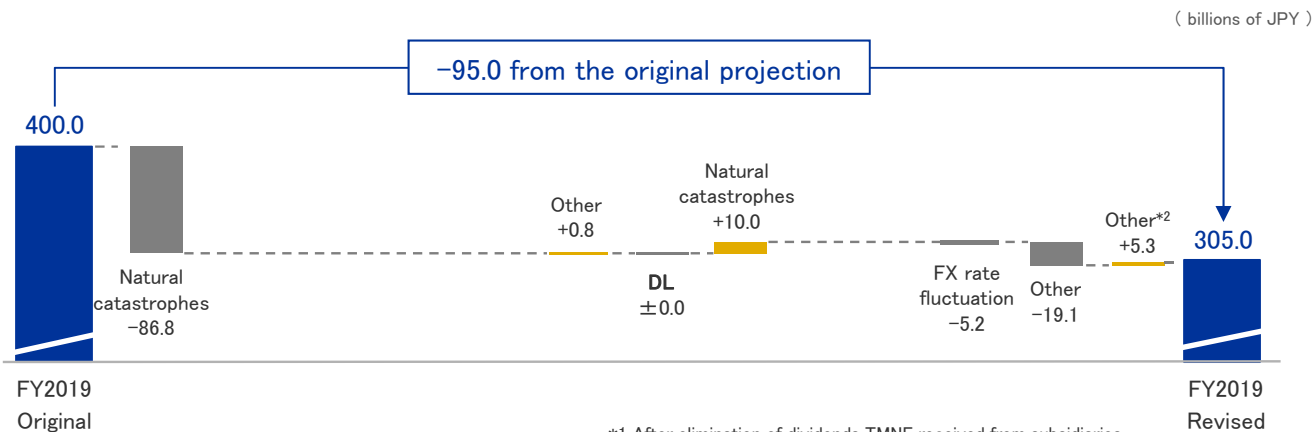


No change in consolidated net income from the original projections, by covering the impact of increase in domestic natural catastrophes and deterioration of loss ratio in North America with takedown of catastrophe loss reserves, decrease in natural catastrophes overseas, etc. Adjusted net income is revised downward by -¥95.0B because the impact of catastrophe loss reserves, etc. are excluded.

## Consolidated net income (Net income attributable to owners of parent)



## Adjusted net income



\*1 After elimination of dividends TMNF received from subsidiaries  
 \*2 Other consolidation adjustments, etc.

## (Reference)

### Impact of natural catastrophes

#### Net incurred losses of nat-cat (Business unit profit basis)

(billions of JPY)

(Before-tax)	FY2019 Projections		②-①
	① Original	② Revised	
DNL	52.5	173.0	120.5
Ovs	46.0	34.0	-12.0
<b>Total</b>	<b>98.5</b>	<b>207.0</b>	<b>108.5</b>

(After-tax)	FY2019 Projections		②-①
	① Original	② Revised	
DNL	37.8	124.7	86.8
Ovs	36.0	26.0	-10.0
<b>Total</b>	<b>73.8</b>	<b>150.7</b>	<b>76.8</b>

※ After-tax figures are approximate calculation

#### Catastrophe loss reserves in TMNF

(billions of JPY)

	End of FY2018	FY2019 Projections
Fire	Approx. ¥240B	Approx. ¥140B
Others	Approx. ¥730B	Approx. ¥710B
<b>Total</b>	<b>Approx. ¥970B</b>	<b>Approx. ¥850B</b>

## II. 2Q FY2019 Results

### <Reference>

	Applied FX Rate (USD/JPY)	
	FY2018	FY2019
Domestic non-life and life business (End of Sep.)	JPY113.57 -JPY 7.33 from Mar. 2018	JPY107.92 +JPY 3.07 from Mar. 2019
International insurance business (End of Jun.)	JPY110.54 +JPY 2.46 from Dec. 2017	JPY107.79 +JPY 3.21 from Dec. 2018

## Consolidated Results Overview

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 2Q	FY2019 2Q	YoY		
			Change	%	
<b>■ Total premiums</b>	2,321.9	2,292.3	- 29.5	- 1.3%	+1.4% increase when excluding the following effects +3.7% increase when excluding the effect of sales of reinsurance subsidiary (-92.7) -6.1% decrease when excluding the effect of change※ in recording method for surrender benefits of Delphi's annuity products
Net premiums written (TMHD Consolidated)	1,836.4	1,807.3	- 29.0	- 1.6%	
Life insurance premiums (TMHD Consolidated)	485.4	484.9	- 0.5	- 0.1%	
<b>■ Ordinary profit (TMHD Consolidated)</b>	75.1	147.4	72.3	+ 96.4%	
Tokio Marine & Nichido	- 18.1	45.4	63.5	-	
Nisshin Fire	- 6.2	- 3.8	2.3	-	
Tokio Marine & Nichido Life	20.5	20.1	- 0.3	- 1.9%	
Overseas subsidiaries	104.2	107.6	3.4	+ 3.3%	
Financial and general	2.8	2.8	- 0.0	- 1.1%	
Elimination of dividends received by TMNF from subsidiaries etc.	- 7.2	- 9.3	- 2.0		
Purchase method adjustments	- 1.5	- 1.7	- 0.2		
Amortization of goodwill and negative goodwill	- 17.2	- 18.0	- 0.8		
Others (Consolidation adjustments, etc.)	- 2.1	4.4	6.5		
<b>■ Net income attributable to owners of the parent</b>	53.8	116.6	62.7	+ 116.4%	
Tokio Marine & Nichido	- 10.3	41.5	51.9	-	
Nisshin Fire	- 4.3	- 2.5	1.8	-	
Tokio Marine & Nichido Life	13.8	13.2	- 0.5	- 4.2%	
Overseas subsidiaries	82.3	91.0	8.6	+ 10.5%	
Financial and general	2.1	1.9	- 0.1	- 8.3%	
Elimination of dividends received by TMNF from subsidiaries etc.	- 7.2	- 9.3	- 2.0		
Purchase method adjustments	- 1.2	- 1.2	- 0.0		
Amortization of goodwill and negative goodwill	- 17.2	- 18.0	- 0.8		
Others (Consolidation adjustments, etc.)	- 3.9	0.0	4.0		
<b>■ [KPI for the Group Total]</b>					
<b>■ Adjusted net income</b>	89.9	175.4	85.4	+ 95.1%	Reconciliation from net income on a financial accounting basis is listed in the reference (P.33)

※From the end of the previous fiscal year, a consolidated accounting method was changed based on U.S. GAAP (a method which does not deduct surrender benefits from premiums written).

(Life insurance premiums of 485.4 for FY2018 2Q in the table on the left are on a before the change basis.)

This change has no impact on consolidated net income.

## Changes in Major P/L Items

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Underwriting profit/loss</b>	- 113.9	- 40.5	73.3
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	- 118.1	- 6.0	112.0
Net premiums written (Private insurance)	959.1	1,001.9	42.7
Net premiums earned (Private insurance)	943.6	957.2	13.6
Net incurred losses (Private insurance)*1	- 742.3	- 635.1	107.1
Natural catastrophe losses	- 199.8	- 82.2	117.5
Provision/Reversal of foreign currency denominated outstanding claims reserves	- 5.8	2.8	8.7
Other than above	- 536.5	- 555.7	- 19.1
Business expenses (Private insurance)	- 305.5	- 313.9	- 8.4
Provision/Reversal of catastrophe loss reserves	4.2	- 34.4	- 38.6
Auto	- 3.6	- 10.4	- 6.8
Fire	16.2	- 10.0	- 26.2
<b>Net investment income (loss) and other</b>	<b>93.9</b>	<b>83.5</b>	- 10.4
Net investment income/loss	110.8	102.3	- 8.5
Interest and dividends	73.3	77.5	4.1
Dividends from domestic stocks	35.2	37.1	1.9
Dividends from foreign stocks	8.0	10.4	2.4
Income from other foreign securities*2	9.9	9.4	- 0.5
Gains/Losses on sales of securities	63.5	57.9	- 5.5
Impairment losses on securities	- 0.2	- 2.5	- 2.2
Gains/Losses on derivatives	- 8.8	- 7.8	0.9
Foreign exchange gains/losses	4.5	- 3.2	- 7.8
<b>Ordinary profit/loss</b>	- 18.1	<b>45.4</b>	63.5
<b>Extraordinary gains/losses</b>	- 3.9	<b>0.2</b>	4.2
<b>Net income/loss</b>	- 10.3	<b>41.5</b>	51.9

\*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

¥73.3B increase YoY to –¥40.5B mainly due to the following factors:

- Net premiums written (Private insurance) (see p.9 for details):
  - Increase in all lines, mainly 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 appreciation of yen
  - Increase in small size losses
  - Increase in net incurred losses associated with an increase in NPW
- Business expenses (Private insurance):
  - Decrease in labor cost
  - Increase in agency commissions associated with an increase in NPW
- Catastrophe loss reserves:
  - Decrease in takedown associated with a decrease in W/P loss ratio
  - Increase in provision due to higher provision rate in fire group based on tax reform

### – Net Investment Income and Other (See p.10 for details)

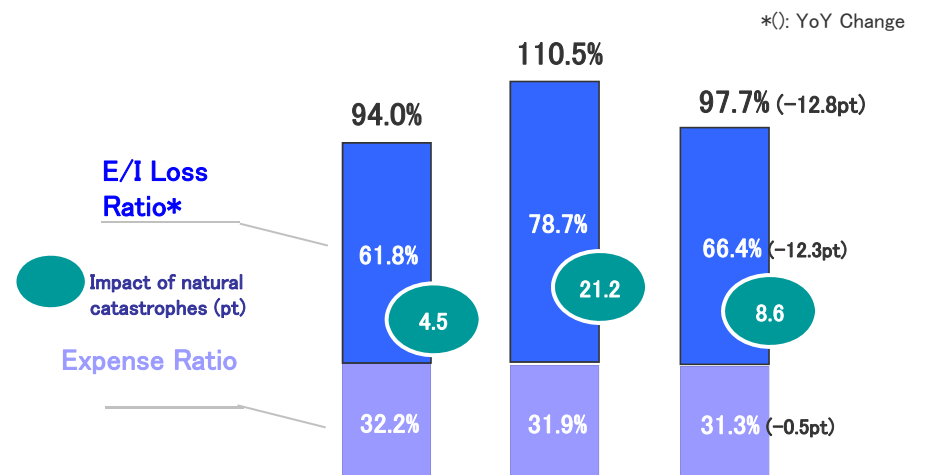
¥10.4B decrease YoY to ¥83.5B mainly due to a decrease in gains on sales of business-related equities and foreign exchange losses of U.S. dollar deposits owing to the appreciation of yen

### – Net Income

¥51.9B increase YoY to ¥41.5B due to the factors above, etc.



## Combined Ratio (Private insurance: E/I basis)



### E/I Basis Loss Ratio

Fell by 12.3 points YoY to 66.4% mainly due to:

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

### Expense Ratio

Fell by 0.5 points YoY to 31.3% mainly due to an increase in NPW and a decrease in labor cost

(billions of JPY)

	FY2017 2Q Results	FY2018 2Q Results	FY2019 2Q Results	YoY Change
Net premiums written	935.7	959.1	1,001.9	42.7
Net premiums earned	926.6	943.6	957.2	13.6
Net incurred losses*	573.0	742.3	635.1	- 107.1
Business expenses	301.2	305.5	313.9	8.4
Corporate expenses	113.7	112.5	111.3	- 1.2
Agency commissions	187.4	192.9	202.6	9.7

(Reference) All lines: W/P basis

Combined ratio*	90.5%	92.6%	86.1%	- 6.4pt
Loss ratio*	60.1%	62.2%	56.2%	- 5.9pt
Expense ratio	30.4%	30.4%	29.9%	- 0.5pt

\* Including loss adjustment expenses

# TMNF NPW & Loss Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



## Net Premiums Written by Line

(billions of JPY, except for %)

	FY2018 2Q Results	FY2019 2Q Results	YoY	
			Change	%
Fire	135.7	164.4	28.6	21.1%
Marine	32.4	33.3	0.8	2.7%
P.A.	99.5	101.8	2.3	2.3%
Auto	531.5	536.3	4.8	0.9%
CALI	134.7	143.1	8.3	6.2%
Other	160.2	166.3	6.0	3.8%
<b>Total</b>	<b>1,094.4</b>	<b>1,145.4</b>	51.0	4.7%
<b>Private insurance Total</b>	<b>959.1</b>	<b>1,001.9</b>	42.7	4.5%

## E/I Loss Ratio by Line

	FY2018 2Q Results	FY2019 2Q Results	YoY
			Change
Fire	173.5%	98.7%	- 74.8pt
Marine	80.7%	82.1%	1.4pt
P.A.	53.5%	54.5%	1.1pt
Auto	63.6%	61.0%	- 2.7pt
Other	60.6%	58.4%	- 2.2pt
<b>Private insurance Total</b>	<b>78.7%</b>	<b>66.4%</b>	- 12.3pt

### — Major Factors of Changes in NPW

- Fire: Grew due to additional coverage and an increase in the number of policies, and review of policies before product revision in October 2019, etc.
- P.A.: Grew mainly due to an increase in the number of policies
- Auto: Grew mainly due to unit premiums growth by product revision in January 2019
- CALI: Grew mainly due to an increase in the number of policies reaching maturity
- Other: Grew due to sales expansion of *Super Business Insurance*

### — Major Factors of Changes in E/I Loss Ratio

- Fire: Improved due to a decrease in net incurred losses from natural catastrophes despite an increase in small size losses
- Marine: Rose due to an increase in small size losses despite a decrease in net incurred losses from natural catastrophes
- P.A.: Rose mainly due to an increase in benefits for overseas travel insurance rider
- Auto: Improved mainly due to a decrease in net incurred losses from natural catastrophes
- Other: Improved mainly due to a decrease in net incurred losses from natural catastrophes despite an increase in large and medium size losses

## Net Investment Income and Other

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Net investment income and other</b>	<b>93.9</b>	<b>83.5</b>	- 10.4
<b>Net investment income</b>	<b>110.8</b>	<b>102.3</b>	- 8.5
<b>Net interest and dividends income</b>	<b>53.0</b>	<b>57.8</b>	4.7
Interest and dividends	73.3	77.5	4.1
Dividends from domestic stocks	35.2	37.1	1.9
Dividends from foreign stocks	8.0	10.4	2.4
Income from domestic bonds	11.2	10.2	- 1.0
Income from foreign bonds	2.4	2.3	- 0.1
Income from other domestic securities*1	1.0	2.1	1.1
Income from other foreign securities*2	9.9	9.4	- 0.5
Transfer of investment income on deposit premiums	- 20.2	- 19.7	0.5
<b>Net capital gains</b>	<b>57.8</b>	<b>44.5</b>	- 13.2
Gains/Losses on sales of securities	63.5	57.9	- 5.5
Impairment losses on securities	- 0.2	- 2.5	- 2.2
Gains/Losses on derivatives	- 8.8	- 7.8	0.9
Other investment income and expenses	0.3	0.2	- 0.0
Others	3.0	- 3.2	- 6.3
<b>Other ordinary income and expenses</b>	<b>- 16.8</b>	<b>- 18.8</b>	- 1.9

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

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

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

— Net investment income and other decreased by ¥10.4B YoY to ¥83.5B

- Net interest and dividends income  
¥4.7B increase YoY to ¥57.8B mainly due to the following factors:
  - Dividends from domestic stocks:
    - ✓ Increase in dividends of stocks holding
  - Dividends from foreign stocks:
    - ✓ Increase in dividends income from overseas subsidiaries
- Net capital gains  
¥13.2B decrease YoY to ¥44.5B 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 yen

¥55.0B capital gains from sales of business-related equities, ¥8.0B decrease YoY (Sales of business-related equities was ¥69.0B)

## Changes in Major P/L Items

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Underwriting profit/loss</b>	<b>- 6.9</b>	<b>- 3.8</b>	3.0
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	- 7.0	- 1.1	5.8
Net premiums written (Private insurance)	64.6	67.7	3.0
Net premiums earned (Private insurance)	63.0	64.8	1.7
Net incurred losses (Private insurance)*	- 48.0	- 43.2	4.7
Natural catastrophe losses	- 12.4	- 7.1	5.3
Other than above	- 35.5	- 36.1	- 0.6
Business expenses (Private insurance)	- 22.0	- 22.8	- 0.8
Provision/Reversal of catastrophe loss reserves	0.0	- 2.7	- 2.7
Fire	1.8	- 0.7	- 2.6
Auto	- 1.3	- 1.3	- 0.0
<b>Net investment income (loss) and other</b>	<b>1.0</b>	<b>0.6</b>	- 0.4
Net investment income/loss	1.2	0.8	- 0.3
Interest and dividends	1.9	2.2	0.3
Impairment losses on securities	-	- 0.3	- 0.3
Gains/Losses on derivatives	- 0.1	- 0.4	- 0.3
<b>Ordinary profit/loss</b>	<b>- 6.2</b>	<b>- 3.8</b>	2.3
<b>Extraordinary gains/losses</b>	<b>0.0</b>	<b>0.4</b>	0.4
<b>Net income/loss</b>	<b>- 4.3</b>	<b>- 2.5</b>	1.8
<b>Loss ratio (Private insurance, E/I basis)*</b>	<b>76.1%</b>	<b>66.8%</b>	- 9.3pt
<b>Expense ratio (Private insurance)</b>	<b>34.1%</b>	<b>33.8%</b>	- 0.3pt
<b>E/I Combined ratio (Private insurance)*</b>	<b>110.2%</b>	<b>100.6%</b>	- 9.6pt

\* 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

¥3.0B increase YoY to -¥3.8B mainly due to the following factors:

- Net premiums written (Private insurance):
  - Increase mainly relating to fire and specialty insurance
- Net incurred losses (Private insurance):
  - Decrease in net incurred losses relating to natural catastrophes
  - 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

¥0.4B decrease YoY to ¥0.6B mainly due to occurrence of impairment losses on securities

### Net Income

As a result of an increase in extraordinary gains/losses due to an increase in takedown of price fluctuation reserves in addition to the factors above, ¥1.8B increase YoY to -¥2.5B

## Annualized Premiums (ANP)

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY	
			Change	%
<b>New policies ANP</b>	<b>39.3</b>	<b>18.4</b>	- 20.9	-53.2%
<b>In-force policies ANP</b>	<b>853.8</b>	<b>844.9</b>	- 8.9	-1.0%

## Key Figures in Financial Accounting

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Ordinary income</b>	<b>496.8</b>	<b>481.8</b>	- 14.9
Insurance premiums and other	436.5	422.3	- 14.2
<b>Net income</b>	<b>13.8</b>	<b>13.2</b>	- 0.5
<b>Ordinary profit</b>	<b>19.2</b>	<b>15.6</b>	- 3.5
(-) Capital gains / losses	- 3.7	- 5.3	- 1.6
(-) Non-recurring income / losses	0.0	- 0.2	- 0.3
<b>Core operating profit</b>	<b>22.9</b>	<b>21.3</b>	- 1.6

## Business Unit Profits

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Increase in MCEV*</b>	<b>71.1</b>	<b>-51.4</b>	- 122.5
Value of new business+ Existing business contribution	38.5	30.2	- 8.3

\* Excluding capital transactions

### — New Policies ANP

- Decreased by 53.2% YoY mainly due to sales suspension of some term insurance for corporations  
(Increased by 9.1% YoY when excluding the sales suspension impact)

### — In-force Policies ANP

- Decreased by 1.0% YoY because an increase in new policies was lower than a decrease by surrender, etc. owing to the sales suspension

### — Net Income

- Decreased by ¥0.5B YoY to ¥13.2B due to an increase in system development expenses and in death benefits, etc. despite a decrease in agency commissions and in net provision for underwriting reserves relating to the sales suspension

### — Business Unit Profits (Increase in MCEV)

- Decreased by ¥122.5B YoY to -¥51.4B mainly due to lower interest rates

## Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 2Q Results	FY2019 2Q Results	YoY		(Ref.) YoY (Excluding FX effects) <sup>*5</sup>
			Change	%	
Applied FX rate (USD/JPY)	As of end Jun. 2018 JPY 110.5	As of end Jun. 2019 JPY 107.7			
North America <sup>*1</sup>	555.6	550.7	- 4.8	- 0.9%	1.7%
Philadelphia	180.9	179.9	- 1.0	- 0.6%	2.0%
Delphi	134.6	135.7	1.1	0.8%	3.4%
TMHCC	200.7	195.6	- 5.0	- 2.5%	- 0.0%
Europe, Middle East & Africa <sup>*2</sup>	81.2	93.6	12.4	15.3%	19.7%
South & Central America	64.7	67.7	3.0	4.7%	6.6%
Asia & Oceania	73.4	91.9	18.4	25.1%	27.5%
Reinsurance <sup>*3</sup>	92.7	-	- 92.7	-	-
<b>Total Non-Life<sup>*4</sup></b>	<b>867.8</b>	<b>812.7</b>	- 55.0	- 6.3%	- 4.0%
<b>Life</b>	<b>45.6</b>	<b>48.3</b>	2.7	5.9%	7.1%
<b>Total</b>	<b>913.4</b>	<b>861.1</b>	- 52.3	- 5.7%	- 3.4%
<b>Total (Except for Reinsurance)</b>	<b>820.6</b>	<b>861.1</b>	40.4	4.9%	7.5%

\*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

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.

- Grew 4.9% YoY (excluding effect of sale of reinsurance subsidiary) due to good performance in each business segment

### ■ Major Factors of Changes

#### North America (see P. 15–17 for details)

- Philadelphia: Fell due to the appreciation of yen, albeit growth driven by rate increase in renewal book, etc.
- Delphi: Grew driven by the expansion of new non-life business book, etc.
- TMHCC: Fell due to cautious underwriting in medical stop-loss insurance operations with focusing on profitability

#### Europe, Middle East & Africa

- Grew due to new contribution from Hollard (+¥26.8B), etc., despite fell due to underwriting focused on profitability in Europe

#### South & Central America

- Grew due to an increase in auto insurance in Brazil, etc.

#### Asia & Oceania

- Grew driven by growth in Thailand and India, and new consolidation of Safety (+¥13.9B), etc.

## Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 2Q Results	FY2019 2Q Results	YoY		(Ref.) YoY (Excluding FX effects) <sup>*5</sup>
			Change	%	
Applied FX rate (USD/JPY)	As of end Jun. 2018 JPY 110.5	As of end Jun. 2019 JPY 107.7			
North America <sup>*1</sup>	78.5	80.8	2.3	3.0%	5.6%
Philadelphia	18.4	18.8	0.3	1.7%	4.3%
Delphi	33.9	37.8	3.9	11.5%	14.4%
TMHCC	22.4	21.6	- 0.7	-3.4%	-1.0%
Europe, Middle East & Africa <sup>*2</sup>	6.9	4.2	- 2.7	-39.2%	-35.7%
South & Central America	5.4	6.7	1.3	23.9%	26.3%
Asia & Oceania	5.2	8.4	3.1	60.3%	63.6%
Reinsurance <sup>*3</sup>	3.5	-	- 3.5	-	-
<b>Total Non-Life<sup>*4</sup></b>	<b>100.3</b>	<b>101.9</b>	<b>1.6</b>	<b>1.6%</b>	<b>4.3%</b>
<b>Life</b>	<b>- 3.0</b>	<b>6.4</b>	<b>9.5</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>93.2</b>	<b>102.6</b>	<b>9.4</b>	<b>10.1%</b>	<b>13.2%</b>
<b>Total (Except for Reinsurance)</b>	<b>89.7</b>	<b>102.6</b>	<b>12.9</b>	<b>14.4%</b>	<b>17.6%</b>

\*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 ¥12.9B YoY due to increased investment income from Delphi and profitability improvement in Asia and Brazil, as well as increased profit for life insurance, etc. (excluding impact from sale of reinsurance subsidiary)

### ■ Major Factors of Changes

North America (see P. 15–17 for details)

- Philadelphia: Grew driven by an increase in investment income, etc.
- Delphi: Grew due to improved underwriting profit, as well as an increase in investment income, etc.
- TMHCC: Fell due to deteriorated loss ratio of medical stop-loss insurance

Europe, Middle East & Africa

- Fell due to deteriorated loss ratio in TMK non-Lloyd's operation in Europe, etc., despite new consolidation of Hollard (+¥0.6B)

South & Central America

- Grew mainly due to improved profitability of auto insurance in Brazil

Asia & Oceania

- Grew due to new consolidation of Safety (+¥0.8B) as well as profitability improvement in Thai, Malaysia, and China, etc.

Life

- Grew driven by impact of rise in stock prices in Singapore, 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.

## 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 2Q Results	FY2019 2Q Results	YoY		(Ref.)  YoY  (Excluding FX effects) <sup>*2</sup>
			Change	%	
FX rates (USD/JPY)	As of end Jun. 2018  JPY 110.5	As of end Jun. 2019  JPY 107.7			
Net premiums written	180.9	179.9	-1.0	-0.6%	2.0%
Net premium earned	177.3	182.5	5.1	2.9%	5.5%
Net incurred losses	120.3	124.4	4.1	3.4%	6.1%
Nat-Cat losses	7.9	8.8	0.8	11.3%	14.1%
Commissions / Other Underwriting expense	54.6	56.0	1.4	2.6%	5.2%
Underwriting profit	2.4	2.0	-0.4	-16.5%	-14.4%
Net investment income / loss	17.7	18.9	1.2	7.1%	9.8%
Business unit profits	18.4	18.8	0.3	1.7%	4.3%
Loss ratio <sup>*1</sup>	67.8%	68.2%	0.4pt	-	-
Expense ratio <sup>*1</sup>	30.8%	30.7%	-0.1pt	-	-
Combined ratio <sup>*1</sup>	98.6%	98.9%	0.3pt	-	-

\*1 Denominator used is net premiums earned.

\*2 Excluding FX effects due to yen conversion.



## North America (Breakdown – Delphi)

Consolidated	Domestic Life
Domestic Non-Life	International



## Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2018 2Q Results	FY2019 2Q Results	YoY		(Ref.)  YoY  (Excluding FX effects) <sup>*2</sup>
			Change	%	
FX rates (USD/JPY)	As of end Jun. 2018  JPY 110.5	As of end Jun. 2019  JPY 107.7			
Net premiums written	134.6	135.7	1.1	0.8%	3.4%
Net premium earned	128.2	130.1	1.9	1.5%	4.1%
Net incurred losses	95.3	94.1	-1.1	-1.2%	1.3%
Nat-Cat losses	-	-	-	-	-
Commissions / Other Underwriting expense	34.7	35.3	0.5	1.6%	4.2%
Underwriting profit	-1.8	0.6	2.5	-	-
Net investment income / loss	67.1	81.3	14.2	21.2%	24.3%
Business unit profits	33.9	37.8	3.9	11.5%	14.4%
Loss ratio <sup>*1</sup>	74.4%	72.4%	-2.0pt	-	-
Expense ratio <sup>*1</sup>	27.1%	27.1%	0.0pt	-	-
Combined ratio <sup>*1</sup>	101.5%	99.5%	-2.0pt	-	-

## Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2018 2Q Results	FY2019 2Q Results	YoY		(Ref.)  YoY  (Excluding FX effects) <sup>*2</sup>
			Change	%	
FX rates (USD/JPY)	As of end Jun. 2018  JPY 110.5	As of end Jun. 2019  JPY 107.7			
Non-life	63.0	67.4	4.3	6.8%	9.6%
Life	71.5	68.3	-3.2	-4.5%	-2.1%
Total	134.6	135.7	1.1	0.8%	3.4%

## Loss Ratio by Segment

	FY2018 2Q Results	FY2019 2Q Results	Change
Non-life <sup>*1</sup>	71.8%	70.8%	-1.0pt
Life <sup>*1</sup>	76.4%	73.8%	-2.5pt
Total <sup>*1</sup>	74.4%	72.4%	-2.0pt

\*1 Denominator used is net premiums earned.

\*2 Excluding FX effects due to yen conversion.

# North America (Breakdown – TMHCC)

Consolidated	Domestic Life
Domestic Non-Life	International



## Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2018 2Q Results	FY2019 2Q Results	YoY		(Ref.) YoY (Excluding FX effects) <sup>*2</sup>
			Change	%	
FX rates (USD/JPY)	As of end Jun. 2018 JPY 110.5	As of end Jun. 2019 JPY 107.7			
Net premiums written	200.7	195.6	-5.0	-2.5%	-0.0%
Net premium earned	171.0	166.6	-4.4	-2.6%	-0.1%
Net incurred losses	110.2	108.1	-2.1	-2.0%	0.5%
Nat-Cat losses	1.4	0.7	-0.6	-46.2%	-44.8%
Commissions / Other Underwriting expense	40.9	41.8	0.8	2.1%	4.7%
Underwriting profit	15.2	12.9	-2.2	-14.8%	-12.7%
Net investment income / loss	12.6	14.3	1.6	13.1%	16.0%
Business unit profits	22.4	21.6	-0.7	-3.4%	-1.0%
Loss ratio <sup>*1</sup>	64.5%	64.9%	0.4pt	-	-
Expense ratio <sup>*1</sup>	23.9%	25.1%	1.1pt	-	-
Combined ratio <sup>*1</sup>	88.4%	90.0%	1.6pt	-	-

## Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2018 2Q Results	FY2019 2Q Results	YoY		(Ref.) YoY (Excluding FX effects) <sup>*2</sup>
			Change	%	
FX rates (USD/JPY)	As of end Jun. 2018 JPY 110.5	As of end Jun. 2019 JPY 107.7			
Non-life : North America	72.5	69.0	-3.4	-4.7%	-2.3%
A&H	77.9	69.2	-8.7	-11.3%	-9.0%
International	50.2	57.3	7.1	14.1%	17.0%
Total	200.7	195.6	-5.0	-2.5%	-0.0%

## Loss Ratio by Segment

	FY2018 2Q Results	FY2019 2Q Results	Change
Non-life : North America <sup>*1</sup>	59.9%	61.0%	1.1pt
A&H <sup>*1</sup>	76.8%	78.5%	1.7pt
International <sup>*1</sup>	45.3%	47.6%	2.3pt
Total <sup>*1</sup>	64.5%	64.9%	0.4pt

\*1 Denominator used is net premiums earned.

\*2 Excluding FX effects due to yen conversion.

### III. FY2019 Revised Projections

<Reference>

	Assumptions used for FY2019 Full-Year Projections	
	FX Rate USD/JPY	Nikkei Stock Average
Original Projections (End of Mar.2019 rate and stock avg.)	110.99 yen	21,205 yen
Revised Projections (End of Sep. 2019 rate and stock avg.)	107.92 yen	21,755 yen

## Consolidated Projections Overview

<b>Consolidated</b>	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 Results	FY2019 Projections Original(a)	FY2019 Projections Revised(b)	Difference (b) - (a)	YoY Change
<b>■ Ordinary income (TMHD Consolidated)</b>	<b>4,640.9</b>	<b>4,590.0</b>	<b>4,550.0</b>	- 40.0	- 0.9%
Net premiums written (TMHD Consolidated)	3,587.4	3,560.0	3,540.0	- 20.0	- 0.6%
Life insurance premiums (TMHD Consolidated)	1,053.5	1,030.0	1,010.0	- 20.0	- 1.9%
<b>■ Ordinary profit (TMHD Consolidated)</b>	<b>416.3</b>	<b>455.0</b>	<b>445.0</b>	- 10.0	- 2.2%
Tokio Marine & Nichido	315.3	324.0	328.0	4.0	+ 1.2%
Nisshin Fire	5.0	6.4	2.3	- 4.1	- 64.1%
Tokio Marine & Nichido Life	39.9	41.0	41.0	-	-
Overseas subsidiaries	189.0	187.0	170.0	- 17.0	- 9.1%
Financial and general	6.2	5.3	5.4	0.1	+ 1.9%
Elimination of dividends received by TMNF from subsidiaries etc.	- 95.6	- 64.3	- 60.9	3.3	
Purchase method adjustments	- 2.9	- 3.4	- 2.1	1.2	
Amortization of goodwill and negative goodwill	- 35.1	- 36.9	- 36.1	0.8	
Others (Consolidation adjustments, etc.)	- 5.7	- 4.0	- 2.4	1.5	
<b>■ Net income attributable to owners of the parent</b>	<b>274.5</b>	<b>325.0</b>	<b>325.0</b>	-	-
Tokio Marine & Nichido	261.3	250.0	256.0	6.0	+ 2.4%
Nisshin Fire	4.4	5.1	2.4	- 2.7	- 52.9%
Tokio Marine & Nichido Life	27.3	28.0	28.0	-	-
Overseas subsidiaries	155.1	150.0	139.0	- 11.0	- 7.3%
Financial and general	2.7	3.6	3.6	-	-
Elimination of dividends received by TMNF from subsidiaries etc.	- 95.6	- 64.3	- 60.9	3.3	
Purchase method adjustments	- 2.4	- 2.6	- 1.7	0.8	
Amortization of goodwill and negative goodwill	- 35.1	- 36.9	- 36.1	0.8	
Others (Consolidation adjustments, etc.)	- 43.3	- 7.8	- 5.1	2.6	
<b>■ Adjusted net income</b>	<b>280.9</b>	<b>400.0</b>	<b>305.0</b>	-95.0	- 23.8%

**[KPI for the Group Total]**

**■ Adjusted net income**

## Changes in Major P/L Items

(billions of JPY)

	FY2018 Results	FY2019 Projections			
		Original (a)	Revised (b)	Difference (b-a)	YoY Change
<b>Underwriting profit/loss</b>	<b>89.1</b>	<b>152.0</b>	<b>120.0</b>	- 32.0	30.8
(Underwriting profit/loss: excluding Provision/Reversal of catastrophe loss reserves)	- 42.2	135.0	3.4	- 131.5	45.7
Net premiums written (Private insurance)	1,895.0	1,940.0	1,955.3	15.3	60.3
Net premiums earned (Private insurance)*1	1,875.9	1,918.2	1,912.1	- 6.0	36.2
Net incurred losses (Private insurance)*2	- 1,312.7	- 1,135.6	- 1,255.5	- 119.8	57.2
Natural catastrophe losses	- 238.4	- 50.0	- 160.0	- 110.0	78.4
Provision/Reversal of foreign currency denominated outstanding claims reserves	- 3.8	-	2.9	2.9	6.7
Other than above	- 1,070.4	- 1,085.6	- 1,098.5	- 12.8	- 28.0
Business expenses (Private insurance)	- 611.1	- 638.9	- 639.1	- 0.1	- 27.9
Provision/Reversal of catastrophe loss reserves	131.4	16.9	116.5	99.5	- 14.9
Auto	18.7	29.1	37.0	7.8	18.2
Fire	123.5	8.7	98.6	89.9	- 24.8
<b>Net investment income (loss) and other</b>	<b>223.5</b>	<b>171.7</b>	<b>205.5</b>	33.7	- 18.0
Net investment income/loss	258.7	213.7	241.6	27.8	- 17.0
Interest and dividends	224.4	188.7	194.4	5.7	- 29.9
Dividends from domestic stocks	65.7	61.7	67.1	5.4	1.4
Dividends from foreign stocks	102.9	68.7	66.3	- 2.4	- 36.5
Income from other foreign securities*3	15.1	21.7	21.7	0.0	6.5
Gains/Losses on sales of securities	96.1	77.5	106.9	29.4	10.8
Impairment losses on securities	- 3.7	-	- 2.5	- 2.5	1.2
Gains/Losses on derivatives	- 19.6	- 15.7	- 14.8	0.8	4.8
<b>Ordinary profit/loss</b>	<b>315.3</b>	<b>324.0</b>	<b>328.0</b>	4.0	12.6
<b>Extraordinary gains/losses</b>	<b>6.1</b>	<b>- 6.3</b>	<b>- 3.7</b>	2.6	- 9.9
<b>Net income/loss</b>	<b>261.3</b>	<b>250.0</b>	<b>256.0</b>	6.0	- 5.3

\*1 Excluding provision for nat-cat underwriting reserves

\*2 Including loss adjustment expenses

\*3 Income from foreign securities excluding foreign stocks and 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

Downward revision by ¥32.0B from the original projections mainly due to following factors:

- ↘ Increase in net incurred losses from natural catastrophes
- ↘ Decrease in net premiums earned due to payment of reinstatement additional premiums
- ↗ Increase in takedown of catastrophe loss reserves associated with claims paid relating to natural catastrophes
- ↘ Increase in net provision for natural catastrophe reserves (\*)
- ↘ Increase in small size losses in fire insurance

(\*) Reserves for fire insurance when premiums are insufficient to theoretically sufficient premiums.

### Net Investment Income and Other

Upward revision by ¥33.7B from the original projections mainly due to following factors:

- ↗ Increase in dividends from business-related equities
- ↗ Increase in gains from sale of domestic bonds, etc.

### Net Income

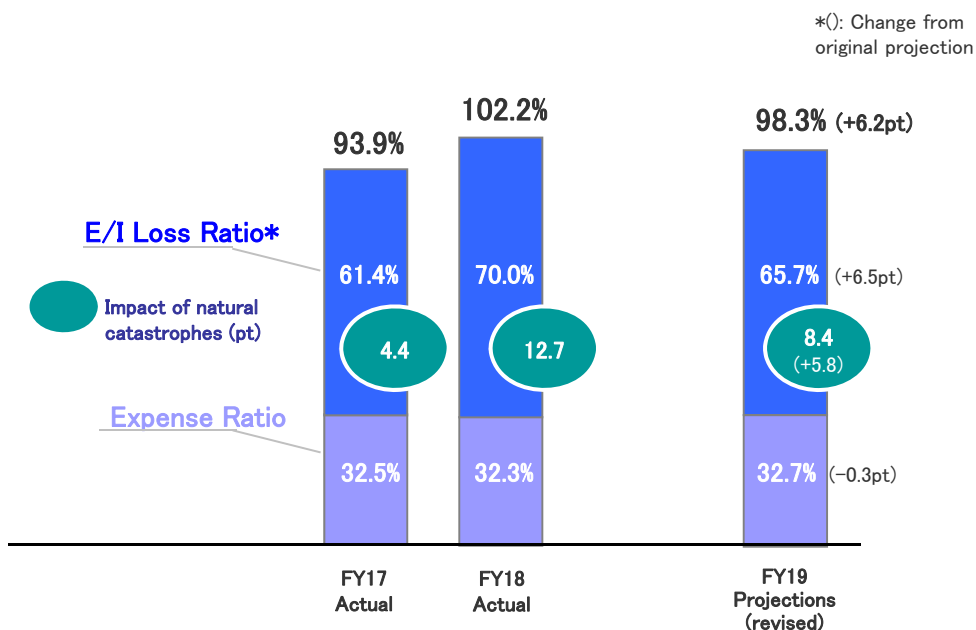
Upward revision by ¥6.0B from the original projections to ¥256.0B due to factors above, etc.

# TMNF Combined Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



## Combined Ratio (Private insurance: E/I basis)



### E/I Basis Loss Ratio

Project to increase by 6.5points from the original projections mainly due to following factors:

- Increase in net incurred losses from natural catastrophes
- Decrease in net premiums earned due to payment of reinstatement additional premiums
- Increase in small size losses in fire insurance

### Expense Ratio

Project to decrease by 0.3points from the original projections due to an increase in NPW and a decrease in labor cost

### Combined Ratio

Project to increase by 6.2points from the original projections due to factors above, etc.

(billions of JPY)

	FY2017 Results	FY2018 Results	FY2019 Projections			
			Original (a)	Revised (b)	Difference (b-a)	YoY Change
Net premiums written	1,861.5	1,895.0	1,940.0	1,955.3	15.3	60.3
Net premiums earned*1	1,860.2	1,875.9	1,918.2	1,912.1	- 6.0	36.2
Net incurred losses*2	1,142.4	1,312.7	1,135.6	1,255.5	119.8	- 57.2
Business expenses	605.4	611.1	638.9	639.1	0.1	27.9
Corporate expenses	234.2	230.6	245.5	238.2	- 7.2	7.6
Agency commissions	371.2	380.5	393.3	400.8	7.4	20.2

\*1 Excluding provision for nat-cat underwriting reserves

\*2 Including loss adjustment expenses

## Net Premiums Written by Line

(billions of JPY, except for %)

	FY2018 Results	FY2019 Projections				
		Original (a)	Revised (b)	Difference (b-a)	YoY	
					Change	%
Fire	281.9	300.7	310.3	9.5	28.4	10.1%
Marine	62.7	66.4	64.7	-1.7	2.0	3.2%
P.A.	173.3	174.3	176.9	2.6	3.5	2.1%
Auto	1,065.1	1,082.2	1,082.3	0.0	17.2	1.6%
CALI	270.5	276.2	277.9	1.6	7.4	2.8%
Other	313.0	316.8	321.6	4.7	8.6	2.7%
<b>Total</b>	<b>2,166.6</b>	<b>2,217.0</b>	<b>2,234.0</b>	17.0	67.3	3.1%
<b>Private insurance Total</b>	<b>1,895.0</b>	<b>1,940.0</b>	<b>1,955.3</b>	15.3	60.3	3.2%

### Major Factors of Changes

- Fire: Upward revision based on an increase in 1H FY2019 despite payment of reinstatement additional premiums
- Marine: Downward revision due to the appreciation of yen
- P.A.: Upward revision based on latest positive trends
- CALI: Upward revision driven by increasing insurance policies
- Others: Upward revision based on latest positive trends mainly in liability insurance

## E/I Loss Ratio by Line

	FY2018 Results	FY2019 Projections			
		Original (a)	Revised (b)	Difference (b-a)	YoY Change
Fire	122.8%	54.0%	91.6%	37.6pt	- 31.3pt
Marine	74.7%	60.4%	64.5%	4.2pt	- 10.2pt
P.A.	55.0%	53.8%	54.7%	0.9pt	- 0.3pt
Auto	62.3%	62.8%	63.4%	0.7pt	1.2pt
Other	57.4%	54.5%	55.7%	1.2pt	- 1.7pt
<b>Private insurance Total</b>	<b>70.0%</b>	<b>59.2%</b>	<b>65.7%</b>	6.5pt	- 4.3pt

### Major Factors of Changes

- Fire: Project to worsen mainly due to an increase in net incurred losses from natural catastrophes and small size losses
- Marine: Project to worsen due to an increase in net incurred losses from natural catastrophes
- Auto: Project to worsen due to an increase in net incurred losses from natural catastrophes
- Others: Project to worsen due to an increase in net incurred losses from natural catastrophes

## Changes in Major P/L Items

(billions of JPY, except for %)

	FY2018 Results	FY2019 Projections			
		Original (a)	Revised (b)	Difference (b-a)	YoY Change
<b>Underwriting profit/loss</b>	<b>1.5</b>	<b>4.8</b>	<b>1.2</b>	-3.5	-0.2
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	-2.4	8.9	-3.4	-12.3	-0.9
Net premiums written (Private insurance)	126.4	130.3	132.2	1.8	5.8
Net premiums earned (Private insurance)	125.7	128.9	129.4	0.5	3.6
Net incurred losses (Private insurance)*	-85.3	-75.2	-87.1	-11.8	-1.7
Natural catastrophe losses	-14.8	-2.5	-13.0	-10.5	1.8
Other than above	-70.5	-72.7	-74.1	-1.3	-3.5
Business expenses (Private insurance)	-44.5	-45.1	-45.3	-0.2	-0.8
Provision/Reversal of catastrophe loss reserves	4.0	-4.0	4.7	8.7	0.7
Fire	7.2	-0.4	8.3	8.7	1.1
Auto	-2.7	-2.7	-2.7	0.0	-0.0
<b>Net investment income (loss) and other</b>	<b>3.9</b>	<b>1.8</b>	<b>1.4</b>	-0.4	-2.4
Net investment income/loss	4.3	2.1	1.8	-0.3	-2.4
Interest and dividends	4.4	4.5	4.6	0.0	0.1
Impairment losses on securities	-0.0	-	-0.3	-0.3	-0.3
Gains/Losses on derivatives	-0.6	-0.9	-0.9	-0.0	-0.2
<b>Ordinary profit/loss</b>	<b>5.0</b>	<b>6.4</b>	<b>2.3</b>	-4.0	-2.6
<b>Extraordinary gains/losses</b>	<b>0.5</b>	<b>0.6</b>	<b>1.0</b>	0.3	0.4
<b>Net income/loss</b>	<b>4.4</b>	<b>5.1</b>	<b>2.4</b>	-2.6	-1.9
<b>Loss ratio (Private insurance, E/I basis)*</b>	<b>67.9%</b>	<b>58.4%</b>	<b>67.3%</b>	8.9pt	-0.6pt
<b>Expense ratio (Private insurance)</b>	<b>35.3%</b>	<b>34.7%</b>	<b>34.3%</b>	-0.3pt	-0.9pt
<b>E/I Combined ratio (Private insurance)*</b>	<b>103.1%</b>	<b>93.0%</b>	<b>101.6%</b>	8.6pt	-1.5pt

\* Including loss adjustment expenses

(Notes)

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

### Underwriting Profit

Downward revision by ¥3.5B from the original projections mainly due to following factors:

- Premium increase due to the sales expansion in fire
- Increase in net incurred losses from natural catastrophes
- Decrease in net provision for catastrophe loss reserves due to an increase in takedown associated with claims paid relating to natural catastrophes
- Increase in large losses

### Net Investment Income and Other

Downward revision by ¥0.4B from the original projections due to occurrence of impairment losses on securities, etc.

### Net Income

Downward revision by ¥2.6B from the original projections to ¥2.4B due to the factors above, etc.



## Annualized Premiums (ANP)

(billions of JPY)

	FY2018 Results	FY2019 Projections		
		Original (a)	Revised (b)	Difference (b)-(a)
New policies ANP	74.6	45.0	45.0	-
In-force policies ANP	857.7	834.0	834.0	-

## Key Figures in Financial Accounting

(billions of JPY)

	FY2018 Results	FY2019 Projections		
		Original (a)	Revised (b)	Difference (b)-(a)
Ordinary income	1,017.1	984.0	984.0	-
Insurance premiums and other	906.7	883.0	883.0	-
Net income	27.3	28.0	28.0	-
Ordinary profit	34.7	31.0	31.0	-
(-) Capital gains / losses	- 13.4	- 13.0	- 10.0	3.0
(-) Non-recurring income / losses	- 0.1	0.0	-	-
Core operating profit	48.4	45.0	42.0	- 3.0

## Business Unit Profits

(billions of JPY)

	FY2018 Results	FY2019 Projections		
		Original (a)	Revised (b)	Difference (b)-(a)
Increase in MCEV*	- 158.6	49.0	- 36.0	- 85.0
Value of new business+ Existing business contribution	78.3	70.0	65.0	-5.0

\* Excluding capital transactions

### Net Income

- Project ¥28.0B, same as the original projections, due to a decrease in investment income relating to a decrease in new entrustment of asset management to Delphi despite an increase in interest and dividend income because of an increased purchases of government bonds

### Business Unit Profit (Increase in MCEV)

- Downward revision by ¥85.0B from the original projections to -¥36.0B by incorporating the effect of lower interest rates, etc. in 1H FY2019
- “New business value + Existing business contribution” is revised downward by ¥5.0B from the original projections to ¥65.0B

## Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 Results	FY2019 Projections					(Ref.) YoY (Excluding FX effects) <sup>5</sup>
		Original (a)	Revised (b)	Difference (b-a)	YoY		
		As of end-Dec. 2018	As of end-Mar. 2019		As of end-Sep. 2019	Change	
Applied FX rate (USD/JPY)	JPY 111.0	JPY 110.9	JPY 107.9				
North America <sup>*1</sup>	1,107.9	1,147.0	1,102.0	-45.0	-5.9	-0.5%	2.3%
Philadelphia	373.0	377.0	367.0	-10.0	-6.0	-1.6%	1.2%
Delphi	270.7	271.0	271.0	-	0.2	0.1%	3.0%
TMHCC	387.2	418.0	388.0	-30.0	0.7	0.2%	3.1%
Europe, Middle East & Africa <sup>*2</sup>	153.2	170.0	175.0	5.0	21.7	14.2%	20.5%
South & Central America	134.3	139.0	127.0	-12.0	-7.3	-5.5%	4.0%
Asia & Oceania	149.3	189.0	181.0	-8.0	31.6	21.2%	24.7%
Reinsurance <sup>*3</sup>	129.7	-	-	-	-129.7	-	-
<b>Total Non-Life<sup>*4</sup></b>	<b>1,674.6</b>	<b>1,654.0</b>	<b>1,594.0</b>	<b>-60.0</b>	<b>-80.6</b>	<b>-4.8%</b>	<b>-1.4%</b>
<b>Life</b>	<b>91.7</b>	<b>100.0</b>	<b>89.0</b>	<b>-11.0</b>	<b>-2.7</b>	<b>-3.0%</b>	<b>-0.7%</b>
<b>Total</b>	<b>1,766.3</b>	<b>1,754.0</b>	<b>1,683.0</b>	<b>-71.0</b>	<b>-83.3</b>	<b>-4.7%</b>	<b>-1.3%</b>
<b>Total (Except for Reinsurance)</b>	<b>1,636.6</b>	<b>1,754.0</b>	<b>1,683.0</b>	<b>-71.0</b>	<b>46.4</b>	<b>2.8%</b>	<b>6.6%</b>

\*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

- Downward revision by ¥71.0B from the original projections due to the effect of appreciation of yen (approx. ¥65.0B) and impact from cautious underwriting with focusing on profitability in North America, etc.

## ■ Major Factors of Changes

### North America

- Philadelphia: Downward revision due to appreciation of yen, although flat on a local currency basis
- Delphi: Remain flat due to the appreciation of yen despite an increase on a local currency basis in new business book for non-life insurance, etc.
- TMHCC: Downward revision due to the impact from cautious underwriting in medical stop-loss insurance with focusing on profitability

### Europe, Middle East & Africa

- Upward revision due to a rate increase in renewal book at TMK as well as an increase of Hollard, etc.

### South & Central America

- Downward revision due to the appreciation of yen despite remaining flat on a local currency basis

### Asia & Oceania

- Downward revision due to the appreciation of yen and the impact from cautious underwriting with profitability focus in Malaysia, etc.

### Life

- Downward revision due to an increase in reinsurance to stabilize profitability in Singapore, 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 %)

Applied FX rate (USD/JPY)	FY2018 Results	FY2019 Projections			YoY		(Ref.) YoY (Excluding FX effects) <sup>5</sup>
		Original (a)	Revised (b)	Difference (b-a)	Change	%	
		As of end- Dec. 2018 JPY 111.0	As of end- Mar. 2019 JPY 110.9				
North America <sup>*1</sup>	153.0	159.0	138.0	- 21.0	- 15.0	- 9.8%	- 7.2%
Philadelphia	43.9	46.0	33.0	- 13.0	- 10.9	- 24.8%	- 22.7%
Delphi	58.5	61.0	65.0	4.0	6.4	11.0%	14.2%
TMHCC	45.3	48.0	38.0	- 10.0	- 7.3	- 16.2%	- 13.8%
Europe, Middle East & Africa <sup>*2</sup>	- 0.1	7.0	6.0	- 1.0	6.1	-	-
South & Central America	9.2	6.0	9.0	3.0	- 0.2	- 3.0%	6.9%
Asia & Oceania	12.0	12.0	11.0	- 1.0	- 1.0	- 9.0%	- 6.2%
Reinsurance <sup>*3</sup>	13.0	-	-	-	- 13.0	-	-
<b>Total Non-Life<sup>*4</sup></b>	<b>187.8</b>	<b>186.0</b>	<b>166.0</b>	<b>- 20.0</b>	<b>- 21.8</b>	<b>- 11.6%</b>	<b>- 8.6%</b>
<b>Life</b>	<b>- 0.7</b>	<b>3.0</b>	<b>3.0</b>	<b>-</b>	<b>3.7</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>176.2</b>	<b>177.0</b>	<b>156.0</b>	<b>- 21.0</b>	<b>- 20.2</b>	<b>- 11.5%</b>	<b>- 8.4%</b>
<b>Total (Except for Reinsurance)</b>	<b>163.2</b>	<b>177.0</b>	<b>156.0</b>	<b>- 21.0</b>	<b>- 7.2</b>	<b>- 4.4%</b>	<b>- 1.0%</b>

\*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 &amp; 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

– Downward revision by ¥21.0B due to the effect of appreciation of yen (approx. -¥6.0B) and deterioration of loss ratio in North America, etc. despite a decrease in natural catastrophe from original projections

### ■ Major Factors of Changes

#### North America

- Philadelphia: Downward revision mainly due to increased past reserve provision mainly for liabilities
- Delphi: Upward revision due to an increase in investment income, etc.
- TMHCC: Downward revision due to the deterioration of loss ratio of Crop from unstable weather and medical stop-loss from rising medical costs, etc.

#### Europe, Middle East & Africa

- Downward revision due to the appreciation of yen despite remaining flat on a local currency basis

#### South & Central America

- Upward revision mainly due to improved profitability of auto insurance in Brazil

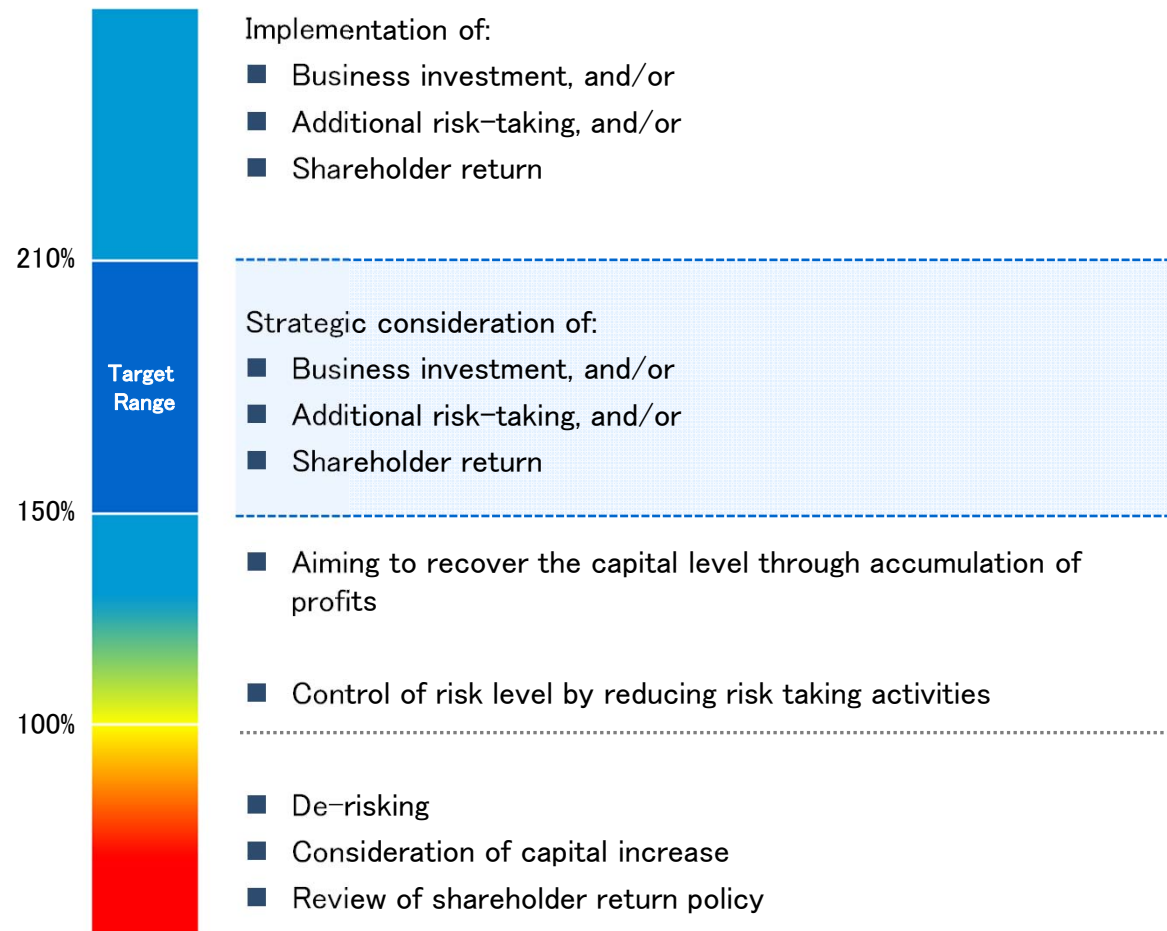
#### Asia & Oceania

- Downward revision due to the appreciation of yen despite remaining flat on a local currency basis

## IV. Economic Solvency Ratio

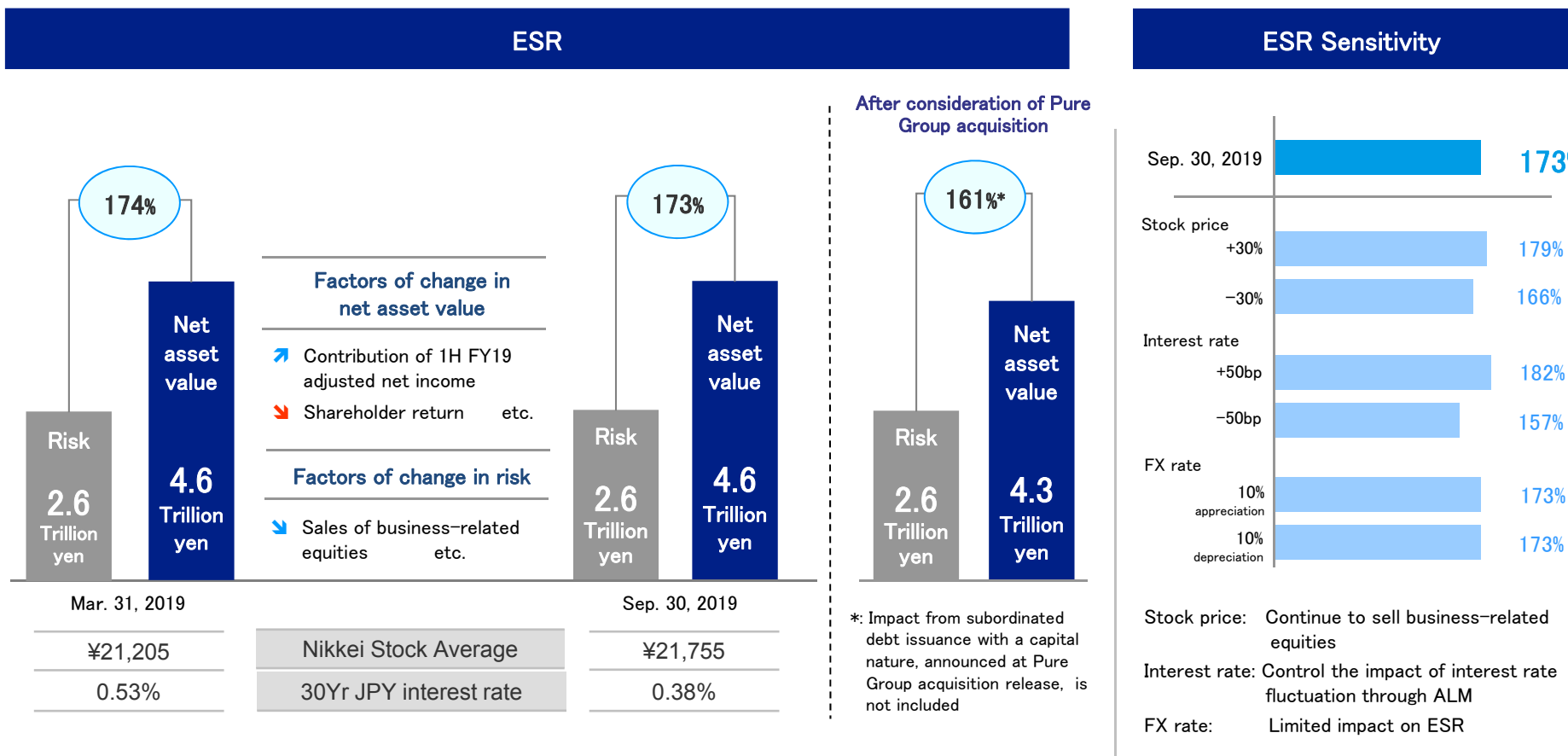
# Target Range of Economic Solvency Ratio (ESR)

- ESR is calculated using capital model based on 99.95%VaR (equivalent to AA credit rating)
- Target Range of ESR is 150 – 210% to achieve financial soundness and profitability simultaneously

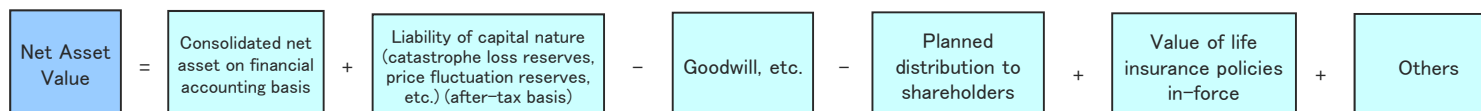


# ESR and Sensitivity

- ESR as of end of September 2019 was 173% (within target range) due to shareholder return, etc. offsetting positive impact associated with the profit contribution in 1H FY19



## (Reference) Definition of Net Asset value



# Reference

# Adjusted Net Income and Business Unit Profit

## Adjusted Net Income (Group total)

Enhancing transparency and comparability /  
Linking with shareholder return

- For the Group total, “Adjusted Net Income” based on financial accounting is used from the perspective of enhancing transparency and comparability as well as linking with shareholder return
- Profit indicator for the Group total as the base for calculating capital efficiency (adjusted ROE) and source of dividends

## Business Unit Profits

Creating long-term corporate value

- For each business domain, “Business Unit Profits” is used from the perspective of accurately assessing corporate value including economic value, etc. for the purpose of long-term expansion
- Use MCEV (market-consistent embedded value) for domestic life, which reflects the economic value of the business more accurately

### <Main differences>

		Adjusted Net Income	Business Unit Profits
Domestic non-life	Gains or losses on sales of business-related equities	Included	Excluded
	Provision for reserves of capital nature, etc.	Excluded	Excluded
Domestic life		Adjust the financial accounting basis net income	Increase in MCEV during the current fiscal year
Other than the above	Amortization of goodwill and other intangible fixed assets	Excluded	Excluded



### Definition of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

#### Adjusted Net Income\*<sup>1</sup>

$$\begin{aligned}
 \text{Adjusted Net Income} = & \text{Net income (consolidated)*}^2 + \text{Provision for catastrophe loss reserves*}^3 + \text{Provision for contingency reserves*}^3 + \text{Provision for price fluctuation reserves*}^3 \\
 & - \text{Gains or losses on sales or valuation of ALM*}^4 \text{ bonds and interest rate swaps} \\
 & + \text{Amortization of goodwill and other intangible fixed assets} - \text{Gains or losses on sales or valuation of fixed assets and business investment equities} - \text{Other extraordinary gains/losses, valuation allowances, etc.}
 \end{aligned}$$

#### Adjusted Net Assets\*<sup>1</sup>

$$\begin{aligned}
 \text{Adjusted Net Assets} = & \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} \\
 & - \text{Goodwill and other intangible fixed assets}
 \end{aligned}$$

#### Adjusted ROE

$$\begin{aligned}
 \text{Adjusted ROE} = & \frac{\text{Adjusted Net Income}}{\text{Adjusted Net Assets (Average balance basis)}}
 \end{aligned}$$

### Definition of Business Unit Profits

#### Non-life insurance business

$$\begin{aligned}
 \text{Business Unit Profits*}^1 = & \text{Net income} + \text{Provision for catastrophe loss reserves*}^3 + \text{Provision for price fluctuation reserves*}^3 \\
 & - \text{Gains or losses on sales or valuation of ALM*}^4 \text{ bonds and interest rate swaps}
 \end{aligned}$$

#### Life insurance business\*<sup>5</sup>

$$\begin{aligned}
 \text{Business Unit Profits*}^1 = & \text{Increase in EV*}^6 \text{ during the current fiscal year} - \text{Capital transactions such as capital increase}
 \end{aligned}$$

#### Other businesses

Net income determined in accordance with financial accounting principles

$$\begin{aligned}
 & - \text{Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities} - \text{Other extraordinary gains/losses, valuation allowances, etc.}
 \end{aligned}$$

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

\*2: Net income attributable to owners of the parent

\*3: In case of reversal, it is subtracted from the equation

\*4: ALM: Asset Liability Management. Excluded since it is counter balance of ALM related liabilities

\*5: For some of the life insurance companies, Business Unit Profits is calculated by using the definition in Other businesses (head office expenses, etc. are deducted from profits)

\*6: EV: Embedded Value. An index that shows the sum of the net present value of profits to be gained from policies in-force and the net asset value

## Adjusted Net Income (Group Total): 2Q FY2019 Results

■ Adjusted net income for 2Q FY2019 increased by ¥85.4B YoY to ¥175.4B

### ■ Reconciliation\*1

Note: Factors positive to profit are showed with “plus signs”

	(billions of JPY)		
	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Net income attributable to owners of the parent (consolidated)</b>	<b>53.8</b>	<b>116.6</b>	<b>62.7</b>
Provision for catastrophe loss reserves <sup>*2</sup>	-3.3	+26.3	29.7
Provision for contingency reserves <sup>*2</sup>	+0.3	+0.6	0.3
Provision for price fluctuation reserves <sup>*2</sup>	+2.8	+2.7	-0.1
Gains or losses on sales or valuation of ALM <sup>*3</sup> bonds and interest rate swaps	+1.0	-1.4	-2.5
Gains or losses on sales or valuation of fixed assets and business investment equities	+1.2	+0.3	-0.8
Amortization of goodwill and other intangible fixed assets	+34.1	+36.7	2.6
Other extraordinary gains/losses, valuation allowances, etc.	-0.2	-6.6	-6.3
<b>Adjusted Net Income</b>	<b>89.9</b>	<b>175.4</b>	<b>85.4</b>

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

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

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

### — Major changes in reconciliation YoY

#### ● Provision for catastrophe loss reserves:

➤ Increase in provision for catastrophe loss reserves mainly due to decrease in net incurred losses relating to natural catastrophes in domestic non-life (increases reconciling amount)

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

➤ Increased mainly due to the reversal effect of impairment losses on ALM related investment assets in the previous year at TMNF (decreases reconciling amount)

#### ● Amortization of goodwill and other intangible fixed assets:

➤ Increase in amortization of goodwill due to business investment concerning Safety and Hollard, and bolt-on M&A mainly by TMHCC (increases reconciling amount)

#### ● Other extraordinary gains/losses, valuation allowances, etc.:

➤ Increase due to recognition of gains on step acquisition in relation to turning U.S. insurance agent into a subsidiary, and sale of affiliate stocks (decreases reconciling amount)

## Adjusted Net Income (Group Total): FY2019 Revised Projections

- Adjusted Net Income is revised downward by ¥95.0B from the original projections to ¥305.0B
- Adjusted ROE is revised downward by 2.4pts from the original projections to 8.0%

### Reconciliation\*1

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

(billions of JPY)

	FY2018 Results	FY2019 Projections Original (a)	FY2019 Projections Revised (b)	(b)-(a)
<b>Net income attributable to owners of the parent (consolidated)</b>	<b>274.5</b>	<b>325.0</b>	<b>325.0</b>	<b>-</b>
Provision for catastrophe loss reserves <sup>2</sup>	-97.6	-9.0	-88.0	-79.0
Provision for contingency reserves <sup>2</sup>	+1.0	+1.0	+1.0	-
Provision for price fluctuation reserves <sup>2</sup>	+5.7	+6.0	+6.0	-
Gains or losses on sales or valuation of ALM <sup>3</sup> bonds and interest rate swaps	+1.2	+0.0	-11.0	-11.0
Gains or losses on sales or valuation of fixed assets and business investment equities	+25.4	+0.0	+1.0	1.0
Amortization of goodwill and other intangible fixed assets	+69.7	+77.0	+76.0	-1.0
Other extraordinary gains/losses, valuation allowances, etc.	+0.7	+0.0	-5.0	-5.0
<b>Adjusted Net Income</b>	<b>280.9</b>	<b>400.0</b>	<b>305.0</b>	<b>-95.0</b>
<b>Adjusted ROE</b>	<b>7.2%</b>	<b>10.4%</b>	<b>8.0%</b>	<b>-2.4pt</b>

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

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

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

— Major changes in reconciliation from the original projections

- Provision for catastrophe loss reserves
  - ↘ Increase in takedown of catastrophe loss reserves due to projecting an increase in claims paid relating to natural catastrophes in domestic non-life (decreases reconciling amount)
- Gains or losses on sales or valuation of ALM bonds and interest rate swaps
  - ↘ Realization of unrealized gains on domestic bonds, etc. for funding, etc. (decreases reconciling amount)

(billions of JPY)

- Adjusted Net Assets\*

	FY2018 Results	FY2019 Projections Original (a)	FY2019 Projections Revised (b)	(b)-(a)
<b>Net assets(consolidated)</b>	<b>3,574.2</b>	<b>3,688.0</b>	<b>3,720.0</b>	<b>32.0</b>
Catastrophe loss reserves	+741.1	+732.0	+653.0	-79.0
Contingency reserves	+40.8	+42.0	+42.0	-
Price fluctuation reserves	+78.1	+84.0	+84.0	-
Goodwill and other intangible fixed assets	-671.3	-595.0	-596.0	-1.0
<b>Adjusted Net Assets</b>	<b>3,763.1</b>	<b>3,951.0</b>	<b>3,903.0</b>	<b>-48.0</b>

\*Each adjustment is on an after-tax basis

- Adjusted ROE

	FY2018 Results	FY2019 Projections Original (a)	FY2019 Projections Revised (b)	(b)-(a)
<b>Net income(consolidated)</b>	<b>274.5</b>	<b>325.0</b>	<b>325.0</b>	<b>-</b>
<b>Net assets(consolidated)*</b>	<b>3,689.7</b>	<b>3,631.0</b>	<b>3,645.0</b>	<b>14.0</b>
<b>Financial accounting basis ROE</b>	<b>7.4%</b>	<b>9.0%</b>	<b>8.9%</b>	<b>-0.0pt</b>

\* average balance basis

	FY2018 Results	FY2019 Projections Original (a)	FY2019 Projections Revised (b)	(b)-(a)
<b>Adjusted Net Income</b>	<b>280.9</b>	<b>400.0</b>	<b>305.0</b>	<b>-95.0</b>
<b>Adjusted Net Assets*</b>	<b>3,924.7</b>	<b>3,857.0</b>	<b>3,833.0</b>	<b>-24.0</b>
<b>Adjusted ROE</b>	<b>7.2%</b>	<b>10.4%</b>	<b>8.0%</b>	<b>-2.4pt</b>

\* average balance basis

# Business Unit Profits : 2Q FY2019 Results

(billions of JPY)

Business Domain	FY2018 2Q Results	FY2019 2Q Results	YoY Change
<b>Domestic Non-Life</b>	<b>-63.6</b>	<b>20.2</b>	<b>83.9</b>
TMNF	-59.0	21.2	80.2
NF	-4.5	-0.7	3.8
Other	-0.0	-0.2	-0.1
<b>Domestic Life<sup>*1,*2</sup></b>	<b>71.1</b>	<b>-51.4</b>	<b>-122.5</b>
TMNL	71.1	-51.4	-122.5
<b>International Insurance</b>	<b>93.2</b>	<b>102.6</b>	<b>9.4</b>
North America	78.5	80.8	2.3
Europe, Middle East & Africa	6.9	4.2	-2.7
South & Central America	5.4	6.7	1.3
Asia & Oceania	5.2	8.4	3.1
Reinsurance	3.5	-	-3.5
International Non-Life <sup>*3</sup>	100.3	101.9	1.6
International Life	-3.0	6.4	9.5
<b>Financial &amp; General</b>	<b>3.0</b>	<b>3.9</b>	<b>0.8</b>

\*1: Excluding capital transactions

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

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

# Business Unit Profits : FY2019 Revised Projections

(billions of JPY)

Business Domain	FY2018 Results	FY2019 Projections		
		Original (a)	Revised (b)	(b)-(a)
<b>Domestic Non-Life</b>	<b>18.9</b>	<b>142.0</b>	<b>48.0</b>	<b>-94.0</b>
TMNF	18.7	135.0	50.0	-85.0
NF	0.7	8.0	-1.0	-9.0
Other	-0.6	-2.0	-1.0	1.0
<b>Domestic Life<sup>*1</sup></b>	<b>-158.6</b>	<b>49.0</b>	<b>-36.0</b>	<b>-85.0</b>
TMNL	-158.6	49.0	-36.0	-85.0
<b>International Insurance</b>	<b>176.2</b>	<b>177.0</b>	<b>156.0</b>	<b>-21.0</b>
North America	153.0	159.0	138.0	-21.0
Europe, Middle East & Africa	-0.1	7.0	6.0	-1.0
South & Central America	9.2	6.0	9.0	3.0
Asia & Oceania	12.0	12.0	11.0	-1.0
Reinsurance	13.0	-	-	-
International Non-Life <sup>*2</sup>	187.8	186.0	166.0	-20.0
International Life	-0.7	3.0	3.0	-
<b>Financial &amp; General</b>	<b>6.8</b>	<b>5.0</b>	<b>5.0</b>	<b>-</b>

\*1: Excluding capital transactions

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

# Reconciliation of Business Unit Profits

## Domestic Non-Life\*1 (TMNF)

(billions of JPY)

	FY2018 2Q Results	FY2019 2Q Results	YoY
<b>Net income for accounting purposes</b>	<b>-10.3</b>	<b>41.5</b>	<b>51.9</b>
Provision for catastrophe loss reserves <sup>2</sup>	-2.6	+25.3	28.0
Provision for price fluctuation reserves <sup>2</sup>	+1.9	+2.0	0.0
Gains or losses on sales or valuation of ALM*3 bonds and interest rate swaps	+1.2	-2.0	-3.3
Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities	-44.2	-37.3	6.8
Intra-group dividends	-7.5	-11.5	-4.0
Other extraordinary gains/losses, valuation allowances, etc	+2.5	+3.4	0.8
<b>Business Unit Profits</b>	<b>-59.0</b>	<b>21.2</b>	<b>80.2</b>

	FY2018 Results	FY2019 Projections Original (a)	FY2019 Projections Revised (b)	(b)-(a)
<b>Net income for accounting purposes</b>	<b>261.3</b>	<b>250.0</b>	<b>256.0</b>	<b>6.0</b>
Provision for catastrophe loss reserves <sup>2</sup>	-93.8	-11.5	-83.3	-71.8
Provision for price fluctuation reserves <sup>2</sup>	+3.9	+4.0	+3.9	-0.1
Gains or losses on sales or valuation of ALM*3 bonds and interest rate swaps	+0.7	+0.2	-11.2	-11.4
Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities	-66.0	-55.5	-60.0	-4.5
Intra-group dividends	-96.8	-62.2	-61.5	0.7
Other extraordinary gains/losses, valuation allowances, etc	+9.5	+10.0	+6.0	-4.0
<b>Business Unit Profits</b>	<b>18.7</b>	<b>135.0</b>	<b>50.0</b>	<b>-85.0</b>

## International Insurance\*1

	FY2018 2Q Results	FY2019 2Q Results	YoY
<b>Overseas subsidiaries Net income for accounting purposes</b>	<b>82.3</b>	<b>91.0</b>	<b>8.6</b>
Difference with EV (Life)	-2.6	+2.4	+5.1
Adjustment of non-controlling interests	-0.9	-1.6	-0.6
Difference of subsidiaries covered	+0.3	+1.3	+0.9
Other adjustments <sup>4</sup>	+14.2	+9.4	-4.7
<b>Business Unit Profits</b>	<b>93.2</b>	<b>102.6</b>	<b>9.4</b>

	FY2018 Results	FY2019 Projections Original(a)	FY2019 Projections Revised(b)	(b)-(a)
<b>Overseas subsidiaries Net income for accounting purposes</b>	<b>155.1</b>	<b>150.0</b>	<b>139.0</b>	<b>-11.0</b>
Difference with EV (Life)	-1.2			
Adjustment of non-controlling interests	-1.5			
Difference of subsidiaries covered	-1.4			
Other adjustments <sup>4</sup>	+25.4			
<b>Business Unit Profits</b>	<b>176.2</b>	<b>177.0</b>	<b>156.0</b>	<b>-21.0</b>

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

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

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

\*4: Amortization of other intangible fixed assets, head office expenses, etc.

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