



Tokio Marine Holdings

*To Be a **Good Company***

Overview of 3Q FY2019 Results

February 14, 2020

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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3Q FY2019 Results

<Reference>

	Applied FX rate (USD/JPY)	
	FY2018	FY2019
Domestic Non-Life and Life Business (end of Dec.)	JPY111.00 (-JPY4.76 from Mar. 31, 2018)	JPY109.56 (+JPY1.43 from Mar. 31, 2019)
International Insurance Business (end of Sep.)	JPY113.57 (-JPY0.57 from Dec. 31, 2017)	JPY107.92 (+JPY3.08 from Dec. 31, 2018)

Highlights ①

Consolidated	Domestic Life
Domestic Non-Life	International



Top-line

Net premiums written were basically strong, growing +3.0% YoY despite the appreciation of yen
 Life insurance premiums fell 7.9% YoY mainly due to sales suspension of some products for corporations in Japan and the appreciation of yen

■ Net premiums written

¥2,710.2bn
 +3.0% YoY*1

- Increased in all domestic lines (+4.1%), mainly fire and specialty insurance
- Grew +0.9% overseas, despite the appreciation of yen, thanks to the new consolidation of Safety, rate increase in North America, and stable growth in South America. Grew +7.3% on the local currency basis

■ Life insurance premiums

¥710.2bn
 -7.9%YoY*2

- Declined -5.2% in Japan due to sales suspension of some products for corporations
- Declined -12.1% overseas mainly due to the stronger yen and the stricter underwriting disciplines adopted in North America

*1 Figures excluding the impact of the sale of reinsurance subsidiaries

*2 Figures excluding the impact of change in recording method for surrender benefits of Delphi's annuity products (see P. 5 for details)

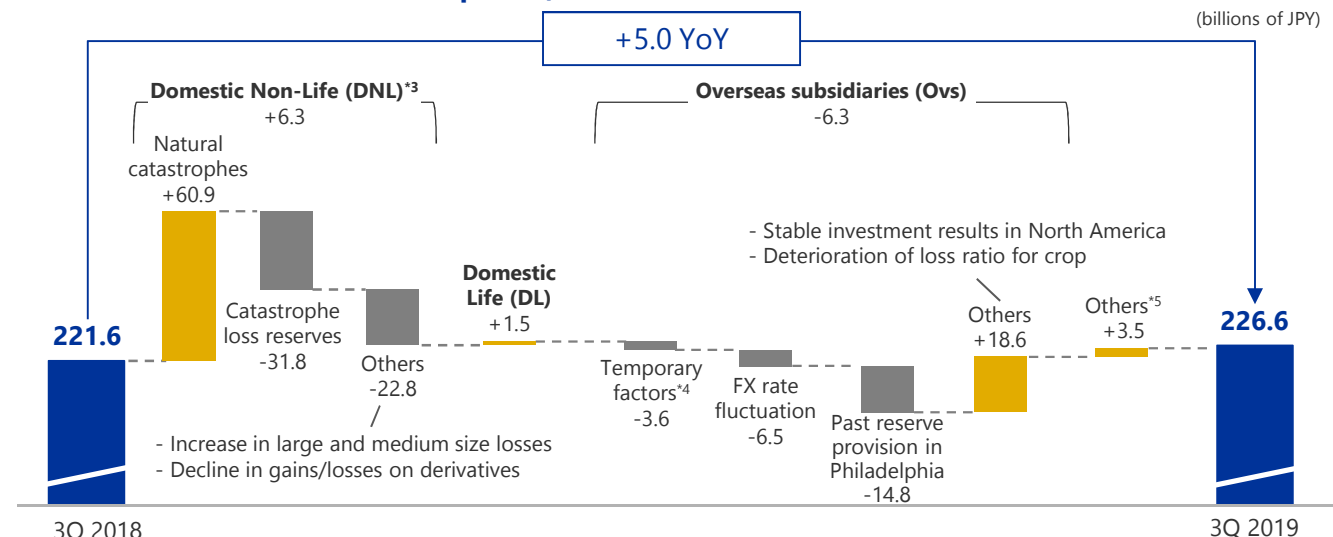
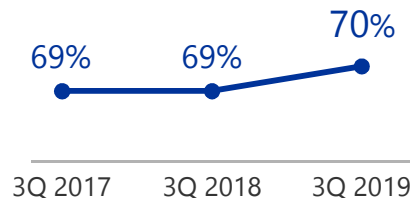
Bottom-line

Consolidated net income grew +¥5.0bn YoY as a decline in domestic natural catastrophes and stable investment results in North America offset the impact of past reserve provision in Philadelphia mainly by social inflation

■ Consolidated net income (net income attributable to owners of the parent)

¥226.6bn
 +¥5.0bn YoY

<Progress rate against the revised projection for each fiscal year>



*3 After consolidation adjustments

*4 Impact of sale of reinsurance subsidiaries, change in U.S. GAAP, and consolidation of a U.S. insurance agent

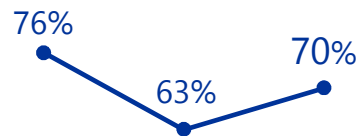
*5 Mainly the reversal effect of the increased taxes following the decision to sell reinsurance subsidiaries in 3Q FY2018

Adjusted net income grew +¥28.4bn YoY (70% progress rate), mainly due to a decrease in net incurred losses from natural catastrophes in Japan

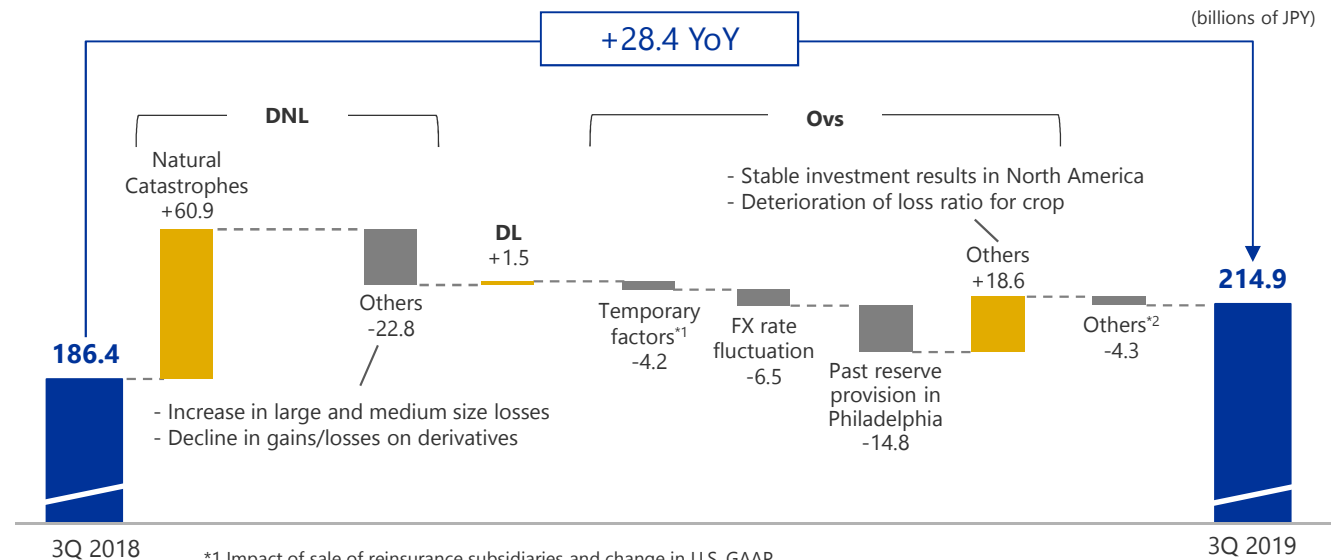
Adjusted net income

¥214.9bn
+¥28.4bn YoY

<Progress rate against the revised projection for each fiscal year>



3Q 2017 3Q 2018 3Q 2019



*1 Impact of sale of reinsurance subsidiaries and change in U.S. GAAP
*2 Other adjustments from consolidated net income to adjusted net income

(Reference: Effect of natural catastrophes)

Net incurred losses of natural catastrophes (Business unit profit basis)

	(Before tax)			2019 Projections	(After tax ^{*3})			2019 Projections
	3Q 2018	3Q 2019	YoY Change		3Q 2018	3Q 2019	YoY Change	
DNL	246.4	165.9	-80.5	173.0	177.6	119.6	-58.0	124.7
Ovs	21.4	17.1	-4.2	34.0	17.0	13.6	-3.4	26.0
Total	267.8	183.0	-84.7	207.0	194.7	133.2	-61.5	150.7

Catastrophe loss reserves in TMNF

	End of FY2018	3Q 2019
Fire	Approx. 240	Approx. 160
Others	Approx. 730	Approx. 720
Total	Approx. 970	Approx. 880

*3 After-tax figures are estimates.

3Q FY2019 Results – Consolidated Results

Overview

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 3Q	FY2019 3Q	YoY		Progress rate %
			Change	%	
■ Total premiums	3,468.7	3,420.5	- 48.2	- 1.4%	75.2%
Net premiums written (TMHD Consolidated)	2,748.0	2,710.2	- 37.7	- 1.4%	76.6%
Life insurance premiums (TMHD Consolidated)	720.6	710.2	- 10.4	- 1.4%	70.3%
■ Ordinary profit (TMHD Consolidated)	309.2	299.2	- 10.0	- 3.2%	67.2%
Tokio Marine & Nichido	190.3	197.0	6.6	+ 3.5%	60.1%
Nisshin Fire	1.5	0.4	- 1.0	- 70.2%	19.8%
Tokio Marine & Nichido Life	28.2	27.6	- 0.6	- 2.3%	67.3%
Overseas subsidiaries	161.5	149.3	- 12.1	- 7.5%	87.9%
Financial and general	4.2	4.8	0.6	+ 15.7%	90.0%
Elimination of dividends received by Tokio Marine & Nichido from subsidiaries etc.	- 46.4	- 56.3	- 9.9		
Purchase method adjustments	- 1.6	- 2.1	- 0.4		
Amortization of goodwill and negative goodwill	- 26.4	- 27.0	- 0.6		
Others (Consolidation adjustments, etc.)	- 2.0	5.5	7.5		
■ Net income attributable to owners of the parent	221.6	226.6	5.0	+ 2.3%	69.8%
Tokio Marine & Nichido	152.6	156.3	3.7	+ 2.4%	61.1%
Nisshin Fire	1.2	0.3	- 0.9	- 74.5%	13.3%
Tokio Marine & Nichido Life	18.9	17.9	- 0.9	- 5.2%	64.2%
Overseas subsidiaries	131.5	125.2	- 6.3	- 4.8%	90.1%
Financial and general	2.9	3.2	0.3	+ 11.1%	91.0%
Elimination of dividends received by Tokio Marine & Nichido from subsidiaries etc.	- 46.4	- 56.3	- 9.9		
Purchase method adjustments	- 1.0	- 1.6	- 0.5		
Amortization of goodwill and negative goodwill	- 26.4	- 27.0	- 0.6		
Others (Consolidation adjustments, etc.)	- 11.7	8.6	20.4		
■ [KPI for the Group Total] Adjusted net income	186.4	214.9	28.4	+ 15.3%	70.5%

+0.5% increase when excluding 1) and 2) below:

1) +3.0% rise when excluding the impact of the sale of reinsurance subsidiaries (-116.8)

2) -7.9% decline when excluding the impact of the change* in recording method for surrender benefits of Delphi's annuity products

* 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 720.6 for FY2018 3Q in the left-side table are on a before the change basis.) This change has no impact on consolidated net income

Consolidated net income in Domestic Non-Life on P. 3 (+6.3) reflects the elimination of dividends TMNF receives from its subsidiaries and so on as well as the elimination of valuation losses on affiliate shares in "Others (Consolidation adjustments, etc.)" in the left-side table

Reconciliation from net income on a financial accounting basis is listed in the reference (P.18)

Changes in Major P/L Items

(billions of JPY)

	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Underwriting profit/loss	28.4	36.2	7.7
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	-99.4	-52.2	47.2
Net premiums written (Private insurance)	1,419.5	1,476.2	56.7
Net premiums earned (Private insurance)	1,414.5	1,440.5	26.0
Net incurred losses (Private insurance)*	-1,042.6	-1,005.1	37.5
Natural catastrophe losses	-233.6	-153.1	80.4
Provision/Reversal of foreign currency denominated outstanding claims reserves	-3.8	1.3	5.1
Other than above	-805.2	-853.2	-48.0
Business expenses (Private insurance)	-452.6	-468.4	-15.8
Provision/Reversal of catastrophe loss reserves	127.9	88.4	-39.5
Auto	17.5	23.1	5.5
Fire	117.6	79.1	-38.5
Net investment income (loss) and other	159.6	157.8	-1.7
Net investment income/loss	186.6	187.9	1.2
Interest and dividends	150.4	159.7	9.2
Dividends from foreign stocks	47.1	57.4	10.2
Gains/Losses on sales of securities	73.4	74.6	1.1
Impairment losses on securities	-3.6	-1.4	2.1
Gains/Losses on derivatives	-5.3	-16.7	-11.4
Ordinary profit/loss	190.3	197.0	6.6
Extraordinary gains/losses	-4.7	-9.6	-4.9
Net income/loss	152.6	156.3	3.7

* 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

Rose ¥7.7bn YoY to ¥36.2bn mainly due to the following factors:

- Net premiums written (private insurance) (See P. 8 for details):
 - Increase in all lines, especially fire and specialty insurance
- Net incurred losses (private insurance):
 - Decrease in net incurred losses from natural catastrophes
 - Smaller provision for the foreign currency denominated outstanding claims reserves due to the appreciation of yen
 - Increase in large and medium size losses in specialty insurance
 - Increase in small size losses in fire and marine insurance
 - Increase in net incurred losses due to an increase in NPW
- Business expenses (private insurance):
 - Decrease in labor cost
 - Increase in investment for growth and enhancing the management foundation
 - Increase in agency commissions due to an increase in NPW
- Catastrophe loss reserves:
 - Increase in the takedown of the reserves due to the higher loss ratio in auto insurance
 - Decrease in the takedown of the reserves due to smaller claims paid for natural catastrophes

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

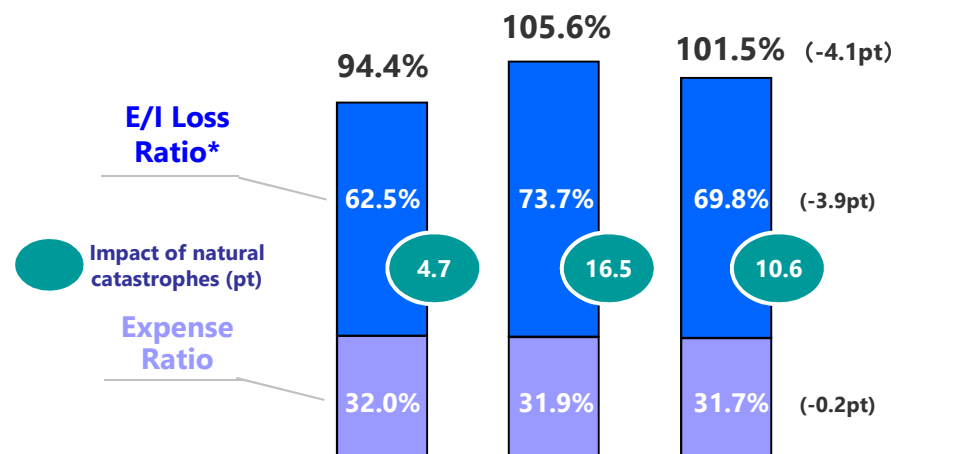
Shrank ¥1.7bn YoY to ¥157.8bn due to factors such as smaller gains/losses on derivatives (including the reversal effect of the gains on hedging instruments in the same quarter of the previous year), while dividend income from overseas subsidiaries increased

Net Income

Rose ¥3.7bn YoY to ¥156.3bn due to the above factors

Combined Ratio (Private insurance: E/I basis)

*(): YoY Change



(billions of JPY)

	FY2017 3Q Results	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Net premiums written	1,396.0	1,419.5	1,476.2	56.7
Net premiums earned	1,398.4	1,414.5	1,440.5	26.0
Net incurred losses*	873.3	1,042.6	1,005.1	- 37.5
Business expenses	446.6	452.6	468.4	15.8
Corporate expenses	169.3	167.2	168.8	1.6
Agency commissions	277.2	285.4	299.5	14.1

(Reference) All lines: W/P basis

Combined ratio*	92.3%	100.6%	96.8%	- 3.8pt
Loss ratio*	62.0%	70.2%	66.5%	- 3.7pt
Expense ratio	30.3%	30.4%	30.3%	- 0.1pt

* Including loss adjustment expenses

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– E/I Basis Loss Ratio

Dropped 3.9 percentage points YoY to 69.8% mainly due to the following factors:

- Decrease in net incurred losses from natural catastrophes
- Smaller provision for the foreign currency denominated outstanding claims reserves due to the appreciation of yen
- Increase in large and medium size losses in specialty insurance
- Increase in small size losses in fire and marine insurance

– Expense Ratio

Declined 0.2 percentage points YoY to 31.7% mainly due to an increase in NPW

TMNF NPW & Loss Ratio

Consolidated	Domestic Life
Domestic Non-Life	International



Net Premiums Written by Line

(billions of JPY, except for %)

	FY2018 3Q Results	FY2019 3Q Results	YoY	
			Change	%
Fire	209.5	242.6	33.0	15.8%
Marine	46.9	48.5	1.6	3.4%
P.A.	134.8	138.1	3.2	2.4%
Auto	796.6	804.6	7.9	1.0%
CALI	201.1	210.2	9.1	4.5%
Other	232.2	242.9	10.6	4.6%
Total	1,621.4	1,687.1	65.6	4.0%
Private insurance Total	1,419.5	1,476.2	56.7	4.0%

E/I Loss Ratio by Line

	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Fire	143.1%	109.2%	- 34.0pt
Marine	81.0%	78.2%	- 2.7pt
P.A.	53.9%	54.9%	1.0pt
Auto	63.4%	63.2%	- 0.2pt
Other	58.1%	63.0%	4.9pt
Private insurance Total	73.7%	69.8%	- 3.9pt

Major Factors of Changes in NPW

- Fire: Grew mainly due to the expanded coverage, greater number of policies sold, and policy reviews ahead of product revisions in October 2019
- Marine: Grew mainly due to an increase in the unit price of hull insurance premiums
- P.A.: Grew mainly due to an increase in the number of policyholders
- Auto: Grew due to an increase in the unit price of insurance premiums following product revisions in January 2019
- CALI: Grew mainly due to an increase in the number of policies reaching maturity
- Other: Grew mainly due to the sales expansion of *Super Business Insurance* and *Business Interruption Insurance*

Major Factors of Changes in E/I Loss Ratio

- Fire: Improved due to a drop in net incurred losses from natural catastrophes despite an increase in small size losses
- Marine: Improved due to a decrease in net incurred losses from natural catastrophes despite an increase in small size losses
- P.A.: Rose mainly due to an increase in overseas travel insurance losses
- Auto: Improved due to a decrease in net incurred losses from natural catastrophes despite the impact of the consumption tax hike, etc.
- Other: Rose mainly due to an increase in large and medium size losses

Net Investment Income and Other

(billions of JPY)

	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Net investment income and other	159.6	157.8	- 1.7
Net investment income	186.6	187.9	1.2
Net interest and dividends income	120.3	130.3	10.0
Interest and dividends	150.4	159.7	9.2
Dividends from domestic stocks	61.4	62.5	1.1
Dividends from foreign stocks	47.1	57.4	10.2
Income from domestic bonds	16.7	15.4	- 1.3
Income from foreign bonds	3.5	3.5	- 0.0
Income from other domestic securities ^{*1}	2.2	2.0	- 0.2
Income from other foreign securities ^{*2}	11.1	10.1	- 0.9
Transfer of investment income on deposit premiums	- 30.1	- 29.3	0.7
Net capital gains	66.3	57.5	- 8.7
Gains/Losses on sales of securities	73.4	74.6	1.1
Impairment losses on securities	- 3.6	- 1.4	2.1
Gains/Losses on derivatives	- 5.3	- 16.7	- 11.4
Other investment income and expenses	0.4	0.4	0.0
Others	1.3	0.7	- 0.6
Other ordinary income and expenses	- 26.9	- 30.0	- 3.0

*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 ¥1.7bn YoY to ¥157.8bn

- Net interest and dividends income Grew ¥10.0bn YoY to ¥130.3bn mainly due to the following factor:
 - Dividends from foreign stocks:
 - ✓ Increase in dividends income from overseas subsidiaries
- Net capital gains Declined ¥8.7bn YoY to ¥57.5bn mainly due to the following factors:
 - Gains/losses on derivatives:
 - ✓ Fluctuations in the market value of derivatives held for hedging purpose
 - * This impact is offset when factoring in gains and losses on the hedged assets.
 - ✓ The reversal effect of the gains on hedging instruments in the same quarter of the previous year

Gains on the sale of business-related equities shrank ¥6.0bn YoY to ¥67.0bn (sales amount: ¥92.0bn)

- Other ordinary income and expenses Shrank ¥3.0bn YoY to -¥30.0bn mainly due to the following factor:
 - Increase in expenses for the replacement of financial systems

Changes in Major P/L Items

(billions of JPY)

	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Underwriting profit/loss	- 0.2	- 0.3	- 0.0
(Underwriting profit/loss: excluding provision/reversal of catastrophe loss reserves)	- 8.7	- 4.0	4.7
Net premiums written (Private insurance)	95.8	100.1	4.2
Net premiums earned (Private insurance)	94.4	97.3	2.9
Net incurred losses (Private insurance)*	- 69.6	- 67.0	2.6
Natural catastrophe losses	- 15.5	- 12.1	3.4
Other than above	- 54.1	- 54.9	- 0.7
Business expenses (Private insurance)	- 33.1	- 34.1	- 0.9
Provision/Reversal of catastrophe loss reserves	8.4	3.6	- 4.7
Fire	10.8	6.0	- 4.8
Auto	- 2.0	- 1.9	0.0
Net investment income (loss) and other	2.1	1.4	- 0.7
Net investment income/loss	2.4	1.7	- 0.7
Interest and dividends	3.1	3.0	- 0.0
Gains/Losses on sales of securities	0.8	0.6	- 0.1
Gains/Losses on derivatives	- 0.4	- 0.7	- 0.3
Ordinary profit/loss	1.5	0.4	- 1.0
Extraordinary gains/losses	- 0.0	- 0.0	0.0
Net income/loss	1.2	0.3	- 0.9
Loss ratio (Private insurance, E/I basis)*	73.8%	68.9%	- 4.9pt
Expense ratio (Private insurance)	34.6%	34.1%	- 0.5pt
E/I Combined ratio (Private insurance)*	108.4%	103.0%	- 5.4pt

* 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

Shrank -¥0.0bn YoY to -¥0.3bn mainly due to the following factors:

- Net premiums written (private insurance):
 - ➔ Increase due to sales expansion of fire and specialty insurance
- Net incurred losses (private insurance):
 - ➔ Decrease in net incurred losses from natural catastrophes
 - ➔ Increase in large losses in fire and specialty insurance
- Catastrophe loss reserves:
 - ➔ Decrease in the takedown of the reserves due to smaller claims paid for natural catastrophes

Net Investment Income and Other

Declined ¥0.7bn YoY to ¥1.4bn mainly due to a decrease in gains/losses on derivatives

Net Income

Shrank ¥0.9bn YoY to ¥0.3bn due to the above factors

■ Annualized Premiums (ANP)

(billions of JPY)

	FY2018 3Q Results	FY2019 3Q Results	YoY	
			Change	%
New policies ANP	55.8	28.1	- 27.6	-49.6%
In-force policies ANP	855.2	840.5	- 14.7	-1.7%

■ Key Figures in Financial Accounting

(billions of JPY)

	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Ordinary income	726.5	723.1	- 3.3
Insurance premiums and other	647.8	627.7	- 20.0
Net income	18.9	17.9	- 0.9
Ordinary profit	25.5	20.9	- 4.6
(-) Capital gains / losses	- 7.3	- 8.0	- 0.7
(-) Non-recurring income / losses	0.5	- 0.5	- 1.0
Core operating profit	32.3	29.5	- 2.8

— New Policies ANP

Decreased 49.6% YoY mainly due to the sales suspension of some term insurance for corporations (“Sales Suspension”) (Increased 4.5% YoY when excluding the impact of the Sales Suspension)

— In-force Policies ANP

Decreased 1.7% YoY because an increase in new policies, which was affected by the Sales Suspension, was smaller than a decrease caused by surrenders or other reasons

— Net Income

Decreased ¥0.9bn YoY to ¥17.9bn due to an increase in system development expenses, death benefits until 1H and so on, despite a decrease in agency commissions and a smaller net provision for the underwriting reserves following the Sales Suspension

Net Premiums Written

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*5}
			Change	%	
Applied FX rate (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
North America ^{*1}	880.0	862.7	- 17.2	- 2.0%	3.2%
Philadelphia	293.6	282.0	- 11.5	- 3.9%	1.1%
Delphi	216.2	213.6	- 2.5	- 1.2%	4.0%
TMHCC	311.4	309.3	- 2.0	- 0.7%	4.6%
Europe, Middle East & Africa ^{*2}	119.9	136.4	16.4	13.7%	26.0%
South & Central America	97.3	98.0	0.6	0.7%	8.8%
Asia & Oceania	107.0	132.4	25.4	23.8%	28.6%
Reinsurance ^{*3}	116.8	-	- 116.8	-	-
Total Non-Life^{*4}	1,321.2	1,238.5	- 82.7	- 6.3%	- 0.6%
Life	69.7	65.6	- 4.0	- 5.8%	- 1.9%
Total	1,390.9	1,304.2	- 86.7	- 6.2%	- 0.7%
Total (Except for Reinsurance)	1,274.1	1,304.2	30.0	2.4%	8.4%

*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 8.4% YoY on a local currency basis as each business line performed well
Grew 2.4% YoY including the impact of the appreciation of yen
(Both of the above exclude the impact of the sale of reinsurance subsidiaries)

Major Factors of Changes

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

- Three core companies fell due to the appreciation of yen, despite an increase on a local currency basis driven by expansion of the business and rate increase, etc.

Europe, Middle East & Africa

- Grew due to the new contribution from Hollard (+¥34.8bn), etc., despite a decrease due to underwriting focused on profitability in Europe

South & Central America

- Grew due to an increase in products for corporations and auto insurance, etc. in Brazil

Asia & Oceania

- Grew driven by growth in India and Thailand, and new consolidation of Safety (+¥20.9bn), etc.

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

Business Unit Profits

Consolidated	Domestic Life
Domestic Non-Life	International



(billions of JPY, except for %)

	FY2018 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*5}
			Change	%	
Applied FX rate (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
North America ^{*1}	122.4	114.1	- 8.2	-6.7%	-1.8%
Philadelphia	30.9	20.8	- 10.1	-32.8%	-29.3%
Delphi	52.0	55.7	3.7	7.2%	12.8%
TMHCC	34.6	35.6	1.0	3.0%	8.4%
Europe, Middle East & Africa ^{*2}	9.8	6.4	- 3.4	-35.2%	-28.5%
South & Central America	8.4	9.2	0.8	10.0%	19.0%
Asia & Oceania	9.2	13.0	3.8	41.6%	48.8%
Reinsurance ^{*3}	7.2	-	- 7.2	-	-
Total Non-Life^{*4}	157.8	144.8	- 12.9	-8.2%	-2.9%
Life	- 2.3	5.2	7.6	-	-
Total	147.3	140.6	- 6.6	-4.5%	1.6%
Total (Except for Reinsurance)	140.0	140.6	0.6	0.4%	6.9%

*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 ¥0.6bn YoY due to the increased investment income from Delphi and larger profits in life insurance business, despite the impact of the appreciation of yen and the past reserve provision (excluding the impact of the sale of reinsurance subsidiaries)

Major Factors of Changes

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

- Philadelphia: Fell mainly due to the past reserve provision for liabilities
- Delphi: Grew due to improved underwriting profit, as well as an increase in investment income, etc.
- TMHCC: Grew due to increased investment income, etc.

Europe, Middle East & Africa

- Fell due to deteriorated loss ratio in TMK non-Lloyd's operation in Europe, etc., despite new consolidation of Hollard (+¥0.8bn)

South & Central America

- Grew mainly due to improved profitability of auto insurance and an increase in investment income in Brazil, etc.

Asia & Oceania

- Grew due to new consolidation of Safety (+¥1.3bn) as well as profitability improvement in Thailand and China

Life

- Grew driven by impact of rise in stock prices and lower interest rates 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 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
Net premiums written	293.6	282.0	-11.5	-3.9%	1.1%
Net premium earned	276.4	274.3	-2.0	-0.7%	4.5%
Net incurred losses	185.3	196.5	11.2	6.1%	11.6%
Nat-Cat losses	10.9	9.5	-1.3	-12.8%	-8.1%
Commissions / Other Underwriting expense	84.8	84.7	-0.1	-0.1%	5.1%
Underwriting profit	6.2	-6.9	-13.1	-210.2%	-215.9%
Net investment income / loss	27.4	28.6	1.2	4.6%	10.1%
Business unit profits	30.9	20.8	-10.1	-32.8%	-29.3%
Loss ratio ^{*1}	67.0%	71.6%	4.6pt	-	-
Expense ratio ^{*1}	30.7%	30.9%	0.2pt	-	-
Combined ratio ^{*1}	97.7%	102.5%	4.8pt	-	-

*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 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
Net premiums written	216.2	213.6	-2.5	-1.2%	4.0%
Net premium earned	200.5	197.3	-3.1	-1.6%	3.6%
Net incurred losses	148.5	141.2	-7.2	-4.9%	0.1%
Nat-Cat losses	-	-	-	-	-
Commissions / Other Underwriting expense	53.6	54.0	0.3	0.6%	5.8%
Underwriting profit	-1.6	2.0	3.7	-	-
Net investment income / loss	104.9	118.9	14.0	13.4%	19.3%
Business unit profits	52.0	55.7	3.7	7.2%	12.8%
Loss ratio ^{*1}	74.1%	71.6%	-2.5pt	-	-
Expense ratio ^{*1}	26.8%	27.4%	0.6pt	-	-
Combined ratio ^{*1}	100.8%	99.0%	-1.9pt	-	-

Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2018 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
Non-life	105.4	111.9	6.4	6.2%	11.7%
Life	110.7	101.7	-9.0	-8.2%	-3.4%
Total	216.2	213.6	-2.5	-1.2%	4.0%

Loss Ratio by Segment

	FY2018 3Q Results	FY2019 3Q Results	Change
Non-life ^{*1}	71.5%	70.6%	-0.9pt
Life ^{*1}	76.1%	72.5%	-3.6pt
Total ^{*1}	74.1%	71.6%	-2.5pt

*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 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
Net premiums written	311.4	309.3	-2.0	-0.7%	4.6%
Net premium earned	284.5	277.1	-7.4	-2.6%	2.5%
Net incurred losses	190.2	183.8	-6.3	-3.3%	1.7%
Nat-Cat losses	3.1	1.0	-2.1	-67.4%	-65.7%
Commissions / Other Underwriting expense	63.4	65.4	2.0	3.2%	8.6%
Underwriting profit	23.5	22.4	-1.1	-4.7%	0.2%
Net investment income / loss	19.3	20.9	1.5	8.2%	13.9%
Business unit profits	34.6	35.6	1.0	3.0%	8.4%
Loss ratio ^{*1}	66.8%	66.3%	-0.5pt	-	-
Expense ratio ^{*1}	22.3%	23.6%	1.3pt	-	-
Combined ratio ^{*1}	89.1%	90.0%	0.9pt	-	-

Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2018 3Q Results	FY2019 3Q Results	YoY		(Ref.) YoY (Excluding FX effects) ^{*2}
			Change	%	
FX rates (USD/JPY)	As of end Sep. 2018 JPY 113.5	As of end Sep. 2019 JPY 107.9			
Non-life : North America	121.2	126.1	4.8	4.0%	9.4%
A&H	121.5	105.5	-15.9	-13.2%	-8.6%
International	68.5	77.7	9.1	13.3%	19.3%
Total	311.4	309.3	-2.0	-0.7%	4.6%

Loss Ratio by Segment

	FY2018 3Q Results	FY2019 3Q Results	Change
Non-life : North America ^{*1}	67.3%	66.6%	-0.7pt
A&H ^{*1}	76.6%	78.3%	1.7pt
International ^{*1}	45.5%	46.6%	1.1pt
Total ^{*1}	66.8%	66.3%	-0.5pt

*1 Denominator used is net premiums earned.

*2 Excluding FX effects due to yen conversion.

Reference

Adjusted net income for 3Q FY2019 rose ¥28.4bn YoY to ¥214.9bn

Reconciliation^{*1}

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

(billions of JPY)

	FY2018 3Q Results	FY2019 3Q Results	YoY Change
Net income attributable to owners of the parent (consolidated)	221.6	226.6	5.0
Provision for catastrophe loss reserves ^{*2}	-98.5	-66.6	31.8
Provision for contingency reserves ^{*2}	+0.1	+1.1	0.9
Provision for price fluctuation reserves ^{*2}	+4.3	+4.7	0.4
Gains or losses on sales or valuation of ALM ^{*3} bonds and interest rate swaps	+0.9	-2.1	-3.0
Gains or losses on sales or valuation of fixed assets and business investment equities	+0.9	+1.5	0.5
Amortization of goodwill and other intangible fixed assets	+52.8	+56.5	3.7
Other extraordinary gains/losses, valuation allowances, etc.	+4.1	-7.0	-11.1
Adjusted Net Income	186.4	214.9	28.4

*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 the catastrophe loss reserves:

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

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

➤ The reversal effect of the deduction of the increased taxes following the decision to sell reinsurance subsidiaries in 3Q FY2018, etc. (decreases reconciling amount)

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