

Summary of Consolidated Business Results of Tokio Marine Holdings, Inc. under Japanese GAAP for the three months ended June 30, 2020



MEMBERSHIP
August 7, 2020

Company Name: Tokio Marine Holdings, Inc. (the "Company")
Securities Code Number: 8766
(URL: <https://www.tokiomarinehd.com/en/>)
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Scheduled date to file Quarterly Securities Report: August 7, 2020
Scheduled date to commence dividend payments: Not applicable
Supplementary information for quarterly financial statements: Available
Quarterly IR Conference Call: To be held for analysts

Stock Exchange Listing: Tokyo

(Note) All amounts are rounded down and all percentages are rounded.

1. Consolidated Business Results for the three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(1) Consolidated Results of Operations

(Note) Percentages represent changes from the same period in the previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2020	1,413,834	1.4	139,779	(6.9)	99,225	(12.0)
Three months ended June 30, 2019	1,394,119	(0.2)	150,058	8.7	112,714	10.8

(Note) Comprehensive income:

Three months ended June 30, 2020	12,043 million yen	(91.9) %
Three months ended June 30, 2019	148,202 million yen	- %

	Net income per share - Basic	Net income per share - Diluted
	yen	yen
Three months ended June 30, 2020	142.14	142.05
Three months ended June 30, 2019	159.58	159.46

(2) Consolidated Financial Conditions

	Total assets	Net assets	Ratio of equity capital to total assets
	million yen	million yen	%
As of June 30, 2020	24,985,061	3,387,415	13.4
As of March 31, 2020	25,253,966	3,426,675	13.4

(Reference) Equity capital:

As of June 30, 2020	3,335,753 million yen
As of March 31, 2020	3,372,148 million yen

2. Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual total
	yen	yen	yen	yen	yen
Fiscal year 2019	-	130.00	-	95.00	225.00
Fiscal year 2020	-	-	-	-	-
Fiscal year 2020 (Forecast)	-	100.00	-	100.00	200.00

(Note) 1. Revision to the latest dividend forecast: None

2. Fiscal year 2019 Breakdown for Annual total Ordinary dividend 190 yen One-time dividend for the capital level adjustment(*) 35 yen
Fiscal year 2020 (Forecast) Breakdown for Annual total Ordinary dividend 200 yen One-time dividend for the capital level adjustment(*) -

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

3. Consolidated Business Forecasts for the fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Note) Percentages represent changes from the previous fiscal year.

	Ordinary profit		Net income attributable to owners of the parent		Net income per share - Basic
	million yen	%	million yen	%	yen
Fiscal year 2020	265,000	(27.2)	175,000	(32.6)	250.69

(Note) Revision to the latest Consolidated Business Forecasts: Yes

*** Notes**

(1) Changes in significant subsidiaries during the three months ended June 30, 2020

(Changes in specified subsidiaries that resulted in a change in the scope of consolidation): None

(2) Adoption of accounting methods that are specific to quarterly consolidated financial reports: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policies to reflect amendments of accounting standards: None

(b) Changes in accounting policies other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(4) Number of shares issued (common stock)

(a) Total number of shares issued including treasury stock

As of June 30, 2020 702,000,000 shares

As of March 31, 2020 702,000,000 shares

(b) Number of treasury stock held

As of June 30, 2020 3,946,824 shares

As of March 31, 2020 4,129,635 shares

(c) Average number of shares outstanding

During the three months ended June 30, 2020 698,038,131 shares

During the three months ended June 30, 2019 706,306,037 shares

*** "Summary of Consolidated Business Results" is outside the scope of external auditor's quarterly review.**

*** Notes concerning the business forecasts and other items**

Business forecasts are prepared based on certain assumptions and information available to the Company as of the release date of this document, and actual results may significantly differ depending on various factors. For related information for the business forecasts, please refer to Appendix p. 2 and p. 20.

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1. Qualitative information concerning Consolidated Business Forecasts

The Company's consolidated business forecasts for the fiscal year 2020 were undetermined at the beginning of the fiscal year as there were difficulties in reasonably estimating the impacts caused by the spread of Coronavirus disease 2019 (COVID-19). As economic activities are gradually resuming, given the lifts and eases of restrictions on movement and others globally, the Company has estimated the impacts caused by COVID-19 based on information currently available and has announced the consolidated business forecasts for the fiscal year 2020.

The Company's consolidated business forecasts for the fiscal year 2020 are 265.0 billion yen for Ordinary profit and 175.0 billion yen for Net income attributable to owners of the parent. The forecasts are based on the following assumptions:

- Net premiums written and Life insurance premiums are projected to be 3,560.0 billion yen and 910.0 billion yen respectively, based on the Company's own projections taking the business results for previous years into consideration.
- Net incurred losses related to natural catastrophe are projected to be 55.0 billion yen for Tokio Marine & Nichido Fire Insurance Co., Ltd. and 3.0 billion yen for Nisshin Fire & Marine Insurance Co., Ltd., taking the actual results for previous years into consideration.
- The Company assumes there will be no significant changes in interest rates and stock market conditions from those as of June 30, 2020.
- The Company assumes there will be no significant changes in exchange rates from those as of March 31, 2020.

The above forecasts are prepared based on information available to the Company as of the release date of this document and the aforementioned assumptions. Actual results may significantly differ depending on various factors.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Yen in millions)

	As of March 31, 2020	As of June 30, 2020
Assets		
Cash and bank deposits	820,873	832,094
Receivables under resale agreements	999	10,999
Receivables under securities borrowing transactions	4,612	2,605
Monetary receivables bought	1,363,752	1,355,425
Money trusts	2,103	2,285
Securities	17,875,998	18,045,958
Loans	1,524,100	1,586,768
Tangible fixed assets	315,216	310,843
Intangible fixed assets	1,101,306	1,095,639
Other assets	2,217,451	1,708,217
Net defined benefit assets	2,710	2,646
Deferred tax assets	33,888	40,933
Customers' liabilities under acceptances and guarantees	2,114	2,114
Allowance for doubtful accounts	(11,162)	(11,470)
Total assets	25,253,966	24,985,061
Liabilities		
Insurance liabilities	17,222,596	17,301,555
Outstanding claims	2,995,636	2,949,178
Underwriting reserves	14,226,960	14,352,376
Corporate bonds	270,536	242,655
Other liabilities	3,628,726	3,404,770
Net defined benefit liabilities	245,966	246,547
Provision for employees' bonus	70,698	32,800
Reserves under special laws	118,071	120,513
Reserve for price fluctuation	118,071	120,513
Deferred tax liabilities	239,668	220,333
Negative goodwill	28,911	26,354
Acceptances and guarantees	2,114	2,114
Total liabilities	21,827,291	21,597,645
Net assets		
Shareholders' equity		
Share capital	150,000	150,000
Retained earnings	1,800,292	1,845,012
Treasury stock	(23,210)	(22,180)
Total shareholders' equity	1,927,082	1,972,831
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	1,435,437	1,410,900
Deferred gains (losses) on hedge transactions	11,427	7,531
Foreign currency translation adjustments	8,042	(46,468)
Remeasurements of defined benefit plans	(9,840)	(9,040)
Total accumulated other comprehensive income	1,445,066	1,362,922
Stock acquisition rights	2,545	1,930
Non-controlling interests	51,980	49,730
Total net assets	3,426,675	3,387,415
Total liabilities and net assets	25,253,966	24,985,061

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**(Consolidated Statement of Income)**

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Ordinary income	1,394,119	1,413,834
Underwriting income	1,177,277	1,187,904
Net premiums written	905,422	911,758
Deposit premiums from policyholders	20,915	22,049
Investment income on deposit premiums	10,333	9,565
Life insurance premiums	239,691	227,504
Reversal of outstanding claims	-	13,651
Investment income	187,065	195,881
Interest and dividends	137,856	127,919
Gains on money trusts	8	182
Gains on trading securities	7,727	-
Gains on sales of securities	49,723	49,984
Gains on redemption of securities	195	48
Investment gains on separate accounts	520	15,578
Transfer of investment income on deposit premiums	(10,333)	(9,565)
Other ordinary income	29,777	30,048
Amortization of negative goodwill	2,557	2,557
Ordinary expenses	1,244,061	1,274,055
Underwriting expenses	1,002,122	957,054
Net claims paid	455,447	458,601
Loss adjustment expenses	35,023	34,778
Agency commissions and brokerage	173,770	174,172
Maturity refunds to policyholders	30,462	32,282
Dividends to policyholders	6	1
Life insurance claims	121,533	100,052
Provision for outstanding claims	201	-
Provision for underwriting reserves	182,670	155,710
Investment expenses	19,135	89,103
Losses on trading securities	-	28,661
Losses on sales of securities	3,725	6,302
Impairment losses on securities	1,984	11,281
Losses on redemption of securities	131	116
Losses on derivatives	3,964	39,026
Operating and general administrative expenses	216,393	222,229
Other ordinary expenses	6,410	5,667
Interest expenses	4,512	3,826
Increase in allowance for doubtful accounts	6	702
Losses on bad debts	30	10
Equity in losses of affiliates	1,074	223
Ordinary profit	150,058	139,779

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Extraordinary gains	56	282
Gains on disposal of fixed assets	52	23
Other extraordinary gains	4	258
Extraordinary losses	2,280	3,318
Losses on disposal of fixed assets	209	181
Impairment losses on fixed assets	96	231
Provision for reserves under special laws	1,975	2,441
Provision for reserve for price fluctuation	1,975	2,441
Other extraordinary losses	-	464
Income before income taxes and non-controlling interests	147,834	136,742
Income taxes - current	48,900	61,496
Income taxes - deferred	(14,483)	(22,345)
Total income taxes	34,416	39,151
Net income	113,417	97,591
Net income (loss) attributable to non-controlling interests	703	(1,634)
Net income attributable to owners of the parent	112,714	99,225

(Consolidated Statement of Comprehensive Income)

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Net income	113,417	97,591
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	20,358	(22,563)
Deferred gains (losses) on hedge transactions	1,068	(3,896)
Foreign currency translation adjustments	13,629	(48,771)
Remeasurements of defined benefit plans	687	800
Share of other comprehensive income of affiliates accounted for by the equity method	(960)	(11,116)
Total other comprehensive income	34,784	(85,547)
Total comprehensive income	148,202	12,043
Comprehensive income attributable to:		
Owners of the parent	146,960	15,060
Non-controlling interests	1,241	(3,016)

(3) Notes regarding going concern assumption

Not applicable.

(4) Notes regarding significant changes in shareholders' equity

Not applicable.

3. Others

(1) Summary of Consolidated Business Results

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Increase (Decrease)	Rate of change
Ordinary income and expenses				%
Underwriting income	1,177,277	1,187,904	10,627	0.9
Net premiums written	905,422	911,758	6,336	0.7
Deposit premiums from policyholders	20,915	22,049	1,134	5.4
Life insurance premiums	239,691	227,504	(12,186)	(5.1)
Reversal of outstanding claims	-	13,651	13,651	-
Underwriting expenses	1,002,122	957,054	(45,067)	(4.5)
Net claims paid	455,447	458,601	3,154	0.7
Loss adjustment expenses	35,023	34,778	(244)	(0.7)
Agency commissions and brokerage	173,770	174,172	401	0.2
Maturity refunds to policyholders	30,462	32,282	1,820	6.0
Life insurance claims	121,533	100,052	(21,481)	(17.7)
Provision for outstanding claims	201	-	(201)	(100.0)
Provision for underwriting reserves	182,670	155,710	(26,959)	(14.8)
Investment income	187,065	195,881	8,815	4.7
Interest and dividends	137,856	127,919	(9,936)	(7.2)
Gains on money trusts	8	182	174	2,177.1
Gains on trading securities	7,727	-	(7,727)	(100.0)
Gains on sales of securities	49,723	49,984	261	0.5
Investment gains on separate accounts	520	15,578	15,058	2,894.6
Investment expenses	19,135	89,103	69,968	365.7
Losses on trading securities	-	28,661	28,661	-
Losses on sales of securities	3,725	6,302	2,576	69.1
Impairment losses on securities	1,984	11,281	9,296	468.4
Losses on derivatives	3,964	39,026	35,062	884.5
Operating and general administrative expenses	216,393	222,229	5,836	2.7
Other ordinary income and expenses	23,366	24,381	1,014	4.3
Equity in earnings (losses) of affiliates	(1,074)	(223)	851	-
Ordinary profit	150,058	139,779	(10,279)	(6.9)
Extraordinary gains and losses				
Extraordinary gains	56	282	225	395.0
Extraordinary losses	2,280	3,318	1,037	45.5
Extraordinary gains (losses)	(2,223)	(3,036)	(812)	-
Income before income taxes and non-controlling interests	147,834	136,742	(11,092)	(7.5)
Income taxes - current	48,900	61,496	12,596	25.8
Income taxes - deferred	(14,483)	(22,345)	(7,861)	-
Total income taxes	34,416	39,151	4,734	13.8
Net income	113,417	97,591	(15,826)	(14.0)
Net income (loss) attributable to non-controlling interests	703	(1,634)	(2,337)	(332.5)
Net income attributable to owners of the parent	112,714	99,225	(13,488)	(12.0)

(2) Premiums written and claims paid by lines of business

Direct premiums written including deposit premiums from policyholders

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	160,519	15.8	9.7	176,982	17.2	10.3
Hull and cargo	30,803	3.0	7.0	33,934	3.3	10.2
Personal accident	90,860	8.9	(2.2)	88,122	8.6	(3.0)
Voluntary automobile	363,260	35.7	2.4	367,617	35.7	1.2
Compulsory automobile liability	74,485	7.3	6.2	57,709	5.6	(22.5)
Others	296,556	29.2	7.2	304,354	29.6	2.6
Total	1,016,484	100.0	4.9	1,028,721	100.0	1.2
Deposit premiums from policyholders	20,915	2.1	(12.4)	22,049	2.1	5.4

(Note) Direct premiums written including deposit premiums from policyholders = Gross premiums written - Surrender benefits of direct policies - Other refunds of direct policies (including deposit premiums from policyholders)

Net premiums written

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	126,832	14.0	(6.9)	130,740	14.3	3.1
Hull and cargo	29,536	3.3	(1.9)	33,761	3.7	14.3
Personal accident	69,452	7.7	(2.1)	66,272	7.3	(4.6)
Voluntary automobile	364,156	40.2	0.3	365,512	40.1	0.4
Compulsory automobile liability	68,901	7.6	5.8	64,861	7.1	(5.9)
Others	246,543	27.2	(3.5)	250,611	27.5	1.7
Total	905,422	100.0	(1.7)	911,758	100.0	0.7

Net claims paid

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	70,252	15.4	(11.8)	71,448	15.6	1.7
Hull and cargo	14,315	3.1	9.5	14,707	3.2	2.7
Personal accident	26,201	5.8	(1.4)	24,557	5.4	(6.3)
Voluntary automobile	193,221	42.4	(0.8)	181,288	39.5	(6.2)
Compulsory automobile liability	49,976	11.0	(6.3)	47,363	10.3	(5.2)
Others	101,480	22.3	7.4	119,237	26.0	17.5
Total	455,447	100.0	(1.4)	458,601	100.0	0.7

(3) Securities

1. Bonds held to maturity

(Yen in millions)

	As of March 31, 2020			As of June 30, 2020		
	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Domestic debt securities	5,051,122	5,939,706	888,583	5,068,730	5,811,776	743,046
Foreign securities	41,657	45,780	4,123	53,943	57,353	3,409
Total	5,092,780	5,985,487	892,707	5,122,674	5,869,130	746,455

2. Bonds earmarked for underwriting reserves

(Yen in millions)

	As of March 31, 2020			As of June 30, 2020		
	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Domestic debt securities	1,859,815	1,870,691	10,876	2,016,608	1,940,036	(76,571)
Total	1,859,815	1,870,691	10,876	2,016,608	1,940,036	(76,571)

3. Available-for-sale securities

(Yen in millions)

	As of March 31, 2020			As of June 30, 2020		
	Cost	Fair value shown on balance sheet	Unrealized gains (losses)	Cost	Fair value shown on balance sheet	Unrealized gains (losses)
Domestic debt securities	3,238,756	3,652,101	413,344	3,249,220	3,621,600	372,380
Domestic equity securities	542,527	1,956,407	1,413,879	531,347	2,048,128	1,516,780
Foreign securities	4,336,404	4,507,124	170,719	4,321,881	4,469,887	148,006
Others	1,363,885	1,389,006	25,120	1,477,889	1,387,382	(90,507)
Total	9,481,575	11,504,640	2,023,065	9,580,339	11,526,999	1,946,659

(Note) 1. Available-for-sale securities whose fair value cannot be measured reliably are not included in the table above.

2. "Others" includes items as follows:

-Negotiable certificates of deposit which are presented as Cash and bank deposits on the consolidated balance sheet

As of March 31, 2020: cost 9,353 million yen, fair value 9,353 million yen

As of June 30, 2020: cost 15,720 million yen, fair value 15,720 million yen

-Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet

As of March 31, 2020: cost 1,338,772 million yen, fair value 1,362,259 million yen, unrealized gains 23,487 million yen

As of June 30, 2020: cost 1,445,905 million yen, fair value 1,354,385 million yen, unrealized losses (91,520) million yen

3. Impairment losses were recognized for Available-for-sale securities with fair value as follows:

-Fiscal year 2019: 30,060 million yen (Domestic equity securities 21,460 million yen, Foreign securities 5,053 million yen, Others 3,546 million yen)

-Three months ended June 30, 2020: 12,266 million yen (Domestic equity securities 314 million yen, Foreign securities 9,959 million yen, Others 1,991 million yen)

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

(4) Financial results of major consolidated subsidiaries**Reference : Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)**

Balance sheet

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
Assets		%		%	
Cash and bank deposits	329,921	3.59	302,562	3.24	(27,358)
Receivables under resale agreements	999	0.01	10,999	0.12	9,999
Monetary receivables bought	139,299	1.52	209,060	2.24	69,760
Money trusts	2,103	0.02	2,285	0.02	182
Securities	7,511,266	81.71	7,690,588	82.48	179,321
Loans	196,746	2.14	194,509	2.09	(2,236)
Tangible fixed assets	216,642	2.36	214,709	2.30	(1,932)
Intangible fixed assets	523	0.01	19,647	0.21	19,123
Other assets	790,596	8.60	675,662	7.25	(114,933)
Prepaid pension costs	5,828	0.06	5,562	0.06	(266)
Customers' liabilities under acceptances and guarantees	2,114	0.02	2,114	0.02	-
Allowance for doubtful accounts	(3,350)	(0.04)	(3,404)	(0.04)	(53)
Total assets	9,192,693	100.00	9,324,298	100.00	131,605
Liabilities					
Insurance liabilities	5,292,251	57.57	5,305,376	56.90	13,124
Outstanding claims	983,759		949,651		(34,107)
Underwriting reserves	4,308,492		4,355,725		47,232
Corporate bonds	210,100	2.29	210,000	2.25	(100)
Other liabilities	778,132	8.46	719,899	7.72	(58,233)
Income taxes payable	19,995		39,069		19,073
Lease obligations	3,647		3,613		(34)
Asset retirement obligations	3,426		3,436		9
Other liabilities	751,063		673,780		(77,283)
Provision for retirement benefits	211,402	2.30	212,053	2.27	651
Provision for employees' bonus	16,850	0.18	8,129	0.09	(8,721)
Reserves under special laws	102,874	1.12	104,394	1.12	1,519
Reserve for price fluctuation	102,874		104,394		1,519
Deferred tax liabilities	6,403	0.07	34,843	0.37	28,439
Acceptances and guarantees	2,114	0.02	2,114	0.02	-
Total liabilities	6,620,130	72.02	6,596,810	70.75	(23,320)
Net assets					
Share capital	101,994	1.11	101,994	1.09	-
Capital surplus	135,434	1.47	135,434	1.45	-
Additional paid-in capital	123,521		123,521		-
Other capital surplus	11,913		11,913		-
Retained earnings	1,199,151	13.04	1,255,727	13.47	56,576
Surplus reserve	81,099		81,099		-
Other retained earnings	1,118,051		1,174,628		56,576
Reserve for special depreciation	5		5		-
Reserve for advanced depreciation of fixed assets	23,230		23,230		-
Special reserves	235,426		235,426		-
Retained earnings carried forward	859,390		915,966		56,576
Total shareholders' equity	1,436,580	15.63	1,493,156	16.01	56,576
Unrealized gains (losses) on available-for-sale securities	1,143,824	12.44	1,241,073	13.31	97,249
Deferred gains (losses) on hedge transactions	(7,842)	(0.09)	(6,741)	(0.07)	1,100
Total valuation and translation adjustments	1,135,982	12.36	1,234,331	13.24	98,349
Total net assets	2,572,562	27.98	2,727,488	29.25	154,925
Total liabilities and net assets	9,192,693	100.00	9,324,298	100.00	131,605

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

Statement of income

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Increase (Decrease)
Ordinary income	702,322	724,818	22,496
Underwriting income	611,004	635,836	24,832
Net premiums written	568,942	570,932	1,989
Deposit premiums from policyholders	20,525	21,680	1,155
Investment income on deposit premiums	9,893	9,156	(736)
Reversal of outstanding claims	11,603	34,048	22,444
Investment income	88,552	86,653	(1,898)
Interest and dividends	55,320	54,491	(828)
Gains on money trusts	8	182	174
Gains on sales of securities	42,919	39,691	(3,228)
Transfer of investment income on deposit premiums	(9,893)	(9,156)	736
Other ordinary income	2,765	2,328	(436)
Ordinary expenses	601,759	579,065	(22,694)
Underwriting expenses	513,883	494,545	(19,337)
Net claims paid	293,997	279,019	(14,977)
Loss adjustment expenses	26,984	27,194	209
Agency commissions and brokerage	104,820	109,490	4,670
Maturity refunds to policyholders	29,506	31,424	1,917
Provision for underwriting reserves	57,401	47,232	(10,168)
Investment expenses	7,609	8,888	1,278
Losses on sales of securities	660	114	(545)
Impairment losses on securities	1,529	2,875	1,345
Operating and general administrative expenses	77,893	73,852	(4,041)
Other ordinary expenses	2,373	1,779	(594)
Interest expenses	2,125	1,646	(479)
Ordinary profit (loss)	100,562	145,753	45,191
Extraordinary gains	33	3	(29)
Gains on disposal of fixed assets	33	3	(29)
Extraordinary losses	1,536	2,154	617
Losses on disposal of fixed assets	165	170	5
Provision for reserves under special laws	1,371	1,519	148
Provision for reserve for price fluctuation	1,371	1,519	148
Impairment losses of shares of subsidiaries and affiliates	-	464	464
Income (loss) before income taxes	99,058	143,603	44,544
Income taxes - current	33,432	42,041	8,608
Income taxes - deferred	(13,546)	(8,464)	5,082
Total income taxes	19,886	33,577	13,691
Net income (loss)	79,172	110,025	30,852
Underwriting profit (loss)	28,714	74,666	45,952
Loss ratio (W/P basis)	56.4 %	53.6 %	(2.8)%
Expense ratio (W/P basis)	30.1	30.4	0.3
Combined ratio (W/P basis)	86.5	84.0	(2.5)
Loss ratio (private sector, E/I basis)	54.7	46.2	(8.5)
Expense ratio (private sector)	31.3	31.4	0.0
Combined ratio (private sector)	86.0	77.6	(8.5)

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

Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	90,809	14.4	14.7	95,787	15.5	5.5
Hull and cargo	17,150	2.7	0.3	17,604	2.8	2.6
Personal accident	60,183	9.5	2.2	54,753	8.8	(9.0)
Voluntary automobile	272,870	43.3	0.6	277,296	44.8	1.6
Compulsory automobile liability	69,712	11.1	6.7	54,043	8.7	(22.5)
Others	119,796	19.0	1.9	119,204	19.3	(0.5)
Total	630,523	100.0	3.5	618,689	100.0	(1.9)
Deposit premiums from policyholders	20,525	-	(12.3)	21,680	-	5.6

Net premiums written

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	71,908	12.6	10.7	74,535	13.1	3.7
Hull and cargo	16,745	2.9	3.9	18,134	3.2	8.3
Personal accident	59,172	10.4	2.7	54,199	9.5	(8.4)
Voluntary automobile	272,447	47.9	0.7	276,578	48.4	1.5
Compulsory automobile liability	64,686	11.4	6.1	60,989	10.7	(5.7)
Others	83,982	14.8	3.7	86,494	15.1	3.0
Total	568,942	100.0	3.2	570,932	100.0	0.3

Net claims paid

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
		%	%		%	%
Fire and allied lines	38,804	(3.8)	56.7	43,785	12.8	61.1
Hull and cargo	9,264	22.3	58.3	9,758	5.3	56.6
Personal accident	21,339	6.8	39.8	20,329	(4.7)	41.7
Voluntary automobile	143,203	0.9	58.2	124,400	(13.1)	50.8
Compulsory automobile liability	46,841	(6.1)	79.5	44,493	(5.0)	80.2
Others	34,542	3.3	43.9	36,252	4.9	44.5
Total	293,997	0.3	56.4	279,019	(5.1)	53.6

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

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

Balance sheet

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
Assets		%		%	
Cash and bank deposits	49,049	12.85	61,979	15.92	12,929
Securities	248,914	65.20	243,163	62.45	(5,750)
Loans	179	0.05	182	0.05	3
Tangible fixed assets	29,041	7.61	28,948	7.43	(92)
Intangible fixed assets	91	0.02	429	0.11	337
Other assets	35,585	9.32	36,033	9.25	447
Prepaid pension costs	1,601	0.42	1,601	0.41	(0)
Deferred tax assets	17,584	4.61	17,320	4.45	(263)
Allowance for doubtful accounts	(289)	(0.08)	(301)	(0.08)	(11)
Total assets	381,758	100.00	389,357	100.00	7,598
Liabilities					
Insurance liabilities	284,589	74.55	285,395	73.30	805
Outstanding claims	46,048		45,568		(479)
Underwriting reserves	238,541		239,826		1,285
Other liabilities	16,764	4.39	17,215	4.42	450
Income taxes payable	2,195		4,482		2,286
Asset retirement obligations	10		10		(0)
Other liabilities	14,557		12,722		(1,835)
Provision for retirement benefits	3,782	0.99	3,944	1.01	162
Provision for employees' bonus	526	0.14	-	-	(526)
Reserves under special laws	1,732	0.45	1,785	0.46	52
Reserve for price fluctuation	1,732		1,785		52
Total liabilities	307,396	80.52	308,341	79.19	944
Net assets					
Share capital	20,389	5.34	20,389	5.24	-
Capital surplus	15,518	4.07	15,518	3.99	-
Additional paid-in capital	12,620		12,620		-
Other capital surplus	2,898		2,898		-
Retained earnings	16,091	4.21	19,411	4.99	3,320
Surplus reserve	7,769		7,769		-
Other retained earnings	8,321		11,642		3,320
Reserve for advanced depreciation of fixed assets	1,670		1,670		-
Retained earnings carried forward	6,651		9,972		3,320
Total shareholders' equity	51,999	13.62	55,319	14.21	3,320
Unrealized gains (losses) on available-for-sale securities	22,362	5.86	25,696	6.60	3,333
Total valuation and translation adjustments	22,362	5.86	25,696	6.60	3,333
Total net assets	74,362	19.48	81,016	20.81	6,654
Total liabilities and net assets	381,758	100.00	389,357	100.00	7,598

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

Statement of income

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Increase (Decrease)
Ordinary income	39,294	39,300	5
Underwriting income	38,660	38,350	(309)
Net premiums written	37,831	37,097	(734)
Deposit premiums from policyholders	390	368	(21)
Investment income on deposit premiums	435	403	(31)
Reversal of outstanding claims	-	479	479
Investment income	607	923	316
Interest and dividends	851	797	(53)
Gains on sales of securities	99	529	429
Gains on redemption of securities	90	-	(90)
Transfer of investment income on deposit premiums	(435)	(403)	31
Other ordinary income	27	26	(0)
Ordinary expenses	38,098	34,577	(3,520)
Underwriting expenses	31,873	28,638	(3,235)
Net claims paid	17,852	17,176	(675)
Loss adjustment expenses	2,446	2,432	(13)
Agency commissions and brokerage	6,718	6,804	85
Maturity refunds to policyholders	955	858	(97)
Provision for outstanding claims	1,229	-	(1,229)
Provision for underwriting reserves	2,567	1,285	(1,282)
Investment expenses	261	213	(47)
Losses on sales of securities	0	0	(0)
Impairment losses on securities	-	13	13
Losses on derivatives	258	178	(80)
Operating and general administrative expenses	5,876	5,668	(207)
Other ordinary expenses	86	57	(29)
Ordinary profit (loss)	1,196	4,722	3,525
Extraordinary gains	16	0	(15)
Gains on disposal of fixed assets	0	0	0
Reversal for reserves under special laws	15	-	(15)
Reversal for reserve for price fluctuation	15	-	(15)
Extraordinary losses	1	55	53
Losses on disposal of fixed assets	1	2	1
Provision for reserves under special laws	-	52	52
Provision for reserve for price fluctuation	-	52	52
Income (loss) before income taxes	1,211	4,667	3,456
Income taxes - current	1,002	2,203	1,201
Income taxes - deferred	(656)	(856)	(199)
Total income taxes	345	1,347	1,001
Net income (loss)	865	3,320	2,454
Underwriting profit (loss)	1,655	4,620	2,964
Loss ratio (W/P basis)	53.7 %	52.9 %	(0.8)%
Expense ratio (W/P basis)	33.0	33.5	0.5
Combined ratio (W/P basis)	86.6	86.3	(0.3)
Loss ratio (private sector, E/I basis)	56.9	49.6	(7.3)
Expense ratio (private sector)	33.7	34.4	0.8
Combined ratio (private sector)	90.6	84.1	(6.5)

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

Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
Fire and allied lines	7,567	18.4	12.3	6,861	17.3	(9.3)
Hull and cargo	-	-	-	-	-	-
Personal accident	2,148	5.2	(3.9)	1,868	4.7	(13.0)
Voluntary automobile	22,225	54.2	0.4	22,727	57.3	2.3
Compulsory automobile liability	4,773	11.6	(0.4)	3,665	9.2	(23.2)
Others	4,311	10.5	12.9	4,568	11.5	6.0
Total	41,025	100.0	3.3	39,691	100.0	(3.2)
Deposit premiums from policyholders	390	-	(15.9)	368	-	(5.5)

Net premiums written

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
Fire and allied lines	5,177	13.7	8.8	4,374	11.8	(15.5)
Hull and cargo	0	0.0	-	-	-	(100.0)
Personal accident	2,132	5.6	(3.8)	1,854	5.0	(13.1)
Voluntary automobile	22,170	58.6	0.3	22,651	61.1	2.2
Compulsory automobile liability	4,136	10.9	2.0	3,776	10.2	(8.7)
Others	4,214	11.1	13.1	4,440	12.0	5.4
Total	37,831	100.0	2.6	37,097	100.0	(1.9)

Net claims paid

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)			Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
Fire and allied lines	2,552	(28.6)	52.6	2,666	4.5	64.7
Hull and cargo	0	523.3	2,472.8	0	(12.9)	-
Personal accident	756	(21.6)	39.8	717	(5.1)	44.1
Voluntary automobile	9,775	(4.0)	52.1	9,104	(6.9)	48.1
Compulsory automobile liability	3,066	(9.9)	80.6	2,798	(8.8)	79.4
Others	1,699	20.7	43.4	1,889	11.2	46.5
Total	17,852	(8.6)	53.7	17,176	(3.8)	52.9

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

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

Balance sheet

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
Assets		%		%	
Cash and bank deposits	44,877	87.16	43,126	82.06	(1,751)
Tangible fixed assets	214	0.42	207	0.39	(6)
Intangible fixed assets	0	0.00	4,261	8.11	4,260
Other assets	6,395	12.42	4,959	9.44	(1,435)
Allowance for doubtful accounts	(0)	(0.00)	(0)	(0.00)	(0)
Total assets	51,487	100.00	52,554	100.00	1,066
Liabilities					
Insurance liabilities	37,722	73.26	37,880	72.08	158
Outstanding claims	18,715		17,865		(850)
Underwriting reserves	19,007		20,015		1,008
Other liabilities	5,949	11.56	5,022	9.56	(927)
Income taxes payable	118		289		171
Lease obligations	76		76		(0)
Asset retirement obligations	62		62		0
Other liabilities	5,692		4,594		(1,098)
Provision for retirement benefits	268	0.52	282	0.54	13
Provision for employees' bonus	147	0.29	62	0.12	(84)
Deferred tax liabilities	1	0.00	1	0.00	(0)
Total liabilities	44,089	85.63	43,249	82.29	(840)
Net assets					
Share capital	29,303	56.91	29,303	55.76	-
Capital surplus	29,303	56.91	29,303	55.76	-
Additional paid-in capital	29,303		29,303		-
Retained earnings	(51,209)	(99.46)	(49,302)	(93.81)	1,907
Other retained earnings	(51,209)		(49,302)		1,907
Retained earnings carried forward	(51,209)		(49,302)		1,907
Total shareholders' equity	7,397	14.37	9,304	17.71	1,907
Total net assets	7,397	14.37	9,304	17.71	1,907
Total liabilities and net assets	51,487	100.00	52,554	100.00	1,066

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

Statement of income

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Increase (Decrease)
Ordinary income	8,388	9,488	1,099
Underwriting income	8,389	9,490	1,101
Net premiums written	8,143	8,635	491
Investment income on deposit premiums	4	5	0
Reversal of outstanding claims	241	850	608
Investment income	(3)	(4)	(0)
Interest and dividends	0	0	(0)
Transfer of investment income on deposit premiums	(4)	(5)	(0)
Other ordinary income	3	2	(0)
Ordinary expenses	7,782	7,291	(490)
Underwriting expenses	5,594	5,204	(389)
Net claims paid	4,390	3,592	(798)
Loss adjustment expenses	551	513	(37)
Agency commissions and brokerage	114	90	(24)
Provision for underwriting reserves	538	1,008	469
Operating and general administrative expenses	2,186	2,085	(100)
Other ordinary expenses	1	0	(0)
Interest expenses	0	0	0
Ordinary profit (loss)	606	2,196	1,590
Extraordinary gains	4	-	(4)
Other extraordinary gains	4	-	(4)
Extraordinary losses	5	-	(5)
Losses on disposal of fixed assets	5	-	(5)
Income (loss) before income taxes	605	2,196	1,591
Income taxes - current	148	289	140
Income taxes - deferred	(0)	(0)	0
Total income taxes	148	289	141
Net income (loss)	456	1,907	1,450
Underwriting profit (loss)	608	2,199	1,591
Loss ratio (W/P basis)	60.7 %	47.5 %	(13.1)%
Expense ratio (W/P basis)	28.3	25.2	(3.1)
Combined ratio (W/P basis)	88.9	72.8	(16.2)
Loss ratio (private sector, E/I basis)	61.8	40.6	(21.2)
Expense ratio (private sector)	28.5	25.5	(3.0)
Combined ratio (private sector)	90.3	66.1	(24.2)

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

Balance sheet

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
Assets		%		%	
Cash and bank deposits	119,013	1.29	95,940	1.02	(23,072)
Receivables under securities borrowing transactions	4,612	0.05	2,605	0.03	(2,007)
Securities	8,837,504	96.09	9,029,778	96.45	192,273
Domestic government bonds	7,823,712		7,917,990		94,278
Domestic municipal bonds	47,843		52,002		4,158
Domestic corporate bonds	414,668		468,560		53,891
Domestic equity securities	176		178		1
Foreign securities	449,600		476,134		26,534
Others	101,503		114,911		13,408
Loans	102,722	1.12	113,913	1.22	11,190
Policy loans	102,722		113,913		11,190
Tangible fixed assets	1,210	0.01	1,145	0.01	(64)
Intangible fixed assets	27	0.00	1,489	0.02	1,461
Agency accounts receivable	285	0.00	293	0.00	7
Reinsurance accounts receivable	1,329	0.01	1,550	0.02	221
Other assets	131,530	1.43	116,568	1.25	(14,962)
Allowance for doubtful accounts	(762)	(0.01)	(684)	(0.01)	77
Total assets	9,197,474	100.00	9,362,599	100.00	165,125
Liabilities					
Insurance liabilities	6,973,814	75.82	7,062,207	75.43	88,393
Outstanding claims	63,774		63,934		160
Underwriting reserves	6,831,767		6,922,172		90,405
Reserve for dividends to policyholders	78,272		76,100		(2,172)
Agency accounts payable	5,720	0.06	4,464	0.05	(1,256)
Reinsurance accounts payable	1,949	0.02	1,828	0.02	(121)
Other liabilities	1,788,891	19.45	1,875,306	20.03	86,414
Payables under securities lending transactions	1,620,178		1,723,909		103,730
Income taxes payable	9,054		2,068		(6,986)
Lease obligations	231		203		(27)
Other liabilities	159,426		149,124		(10,302)
Provision for retirement benefits	7,758	0.08	7,968	0.09	210
Reserves under special laws	13,464	0.15	14,333	0.15	869
Reserve for price fluctuation	13,464		14,333		869
Deferred tax liabilities	24,195	0.26	25,263	0.27	1,068
Total liabilities	8,815,794	95.85	8,991,372	96.03	175,578
Net assets					
Share capital	55,000	0.60	55,000	0.59	-
Capital surplus	55,095	0.60	41,860	0.45	(13,235)
Additional paid-in capital	41,860		41,860		-
Other capital surplus	13,235		-		(13,235)
Retained earnings	66,909	0.73	70,224	0.75	3,314
Surplus reserve	13,140		13,140		-
Other retained earnings	53,769		57,084		3,314
Retained earnings carried forward	53,769		57,084		3,314
Total shareholders' equity	177,005	1.92	167,084	1.78	(9,920)
Unrealized gains (losses) on available-for-sale securities	192,200	2.09	193,055	2.06	854
Deferred gains (losses) on hedge transactions	12,474	0.14	11,087	0.12	(1,386)
Total valuation and translation adjustments	204,674	2.23	204,142	2.18	(532)
Total net assets	381,680	4.15	371,227	3.97	(10,452)
Total liabilities and net assets	9,197,474	100.00	9,362,599	100.00	165,125

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

Statement of income

(Yen in millions)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Increase (Decrease)
Ordinary income	234,079	240,184	6,104
Insurance premiums and other	207,047	198,555	(8,492)
Insurance premiums	204,902	196,348	(8,554)
Investment income	26,113	40,608	14,495
Interest and dividends	22,470	24,530	2,060
Gains on sales of securities	3,037	200	(2,836)
Foreign exchange gains	-	211	211
Investment gains on separate accounts	520	15,578	15,058
Other ordinary income	918	1,020	101
Ordinary expenses	230,056	228,238	(1,817)
Insurance claims and other	99,074	106,669	7,595
Insurance claims	11,642	12,321	678
Annuity payments	15,339	15,011	(328)
Benefits	14,911	15,855	944
Surrender benefits	52,463	58,978	6,515
Other refunds	2,723	2,618	(104)
Provision for underwriting reserves and other	92,517	90,565	(1,951)
Provision for outstanding claims	4,778	160	(4,618)
Provision for underwriting reserves	87,738	90,405	2,666
Interest on reserve for dividends to policyholders	0	0	0
Investment expenses	6,730	2,698	(4,032)
Interest expenses	283	560	276
Losses on sales of securities	1	0	(1)
Losses on derivatives	2,646	2,137	(508)
Foreign exchange losses	3,798	-	(3,798)
Operating expenses	29,071	25,471	(3,600)
Other ordinary expenses	2,662	2,832	170
Ordinary profit (loss)	4,023	11,945	7,922
Extraordinary losses	620	870	249
Reversal of reserve for dividends to policyholders	1,949	1,168	(780)
Income (loss) before income taxes	5,351	12,243	6,891
Income taxes - current	1,000	2,489	1,488
Income taxes - deferred	638	1,274	636
Total income taxes	1,638	3,764	2,125
Net income (loss)	3,712	8,479	4,766

(5) Business forecasts for the fiscal year 2020 (April 1, 2020 to March 31, 2021)

1. Tokio Marine Holdings, Inc. (consolidated)

(Yen in millions)

	Fiscal year 2019	Fiscal year 2020 (Forecast)	Increase (Decrease)	Rate of change
Insurance premiums	4,580,296	4,470,000	(110,296)	(2.4)%
Ordinary profit	363,945	265,000	(98,945)	(27.2)
Net income attributable to owners of the parent	259,763	175,000	(84,763)	(32.6)

2. Insurance premiums

(Yen in millions)

	Fiscal year 2019	Fiscal year 2020 (Forecast)	Increase (Decrease)	Rate of change
Insurance premiums	4,580,296	4,470,000	(110,296)	(2.4)%
Net premiums written (non-life)	3,598,396	3,560,000	(38,396)	(1.1)
Tokio Marine & Nichido	2,247,508	2,201,000	(46,508)	(2.1)
Nisshin Fire	148,850	148,700	(150)	(0.1)
Overseas subsidiaries	1,170,646	1,182,000	11,353	1.0
Others	31,390	28,300	(3,090)	(9.8)
Life insurance premiums	981,900	910,000	(71,900)	(7.3)
Tokio Marine & Nichido Life	627,209	561,000	(66,209)	(10.6)
Overseas subsidiaries	354,956	349,000	(5,956)	(1.7)

3. Net income attributable to owners of the parent

(Yen in millions)

	Fiscal year 2019	Fiscal year 2020 (Forecast)	Increase (Decrease)	Rate of change
Net income attributable to owners of the parent	259,763	175,000	(84,763)	(32.6)%
Tokio Marine & Nichido	169,966	159,000	(10,966)	(6.5)
Nisshin Fire	3,757	13,200	9,442	251.3
Tokio Marine & Nichido Life	34,259	41,000	6,740	19.7
Overseas subsidiaries(*)	176,883	93,000	(83,883)	(47.4)
Financial and other business subsidiaries(*)	3,175	4,400	1,224	38.6
Consolidation adjustment, etc.	(128,278)	(135,600)	(7,321)	—

(*) Figures have been changed to exclude purchase method adjustments for amortization of intangible fixed assets and others.

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

(Yen in millions)

	Fiscal year 2019	Fiscal year 2020 (Forecast)	Increase (Decrease)	Rate of change
Net premiums written (non-life)	2,247,508	2,201,000	(46,508)	(2.1)%
Ordinary profit	223,945	214,000	(9,945)	(4.4)
Net income	169,966	159,000	(10,966)	(6.5)

Glossary of terminology

- Underwriting profit

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

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

- Loss ratio (W/P basis)

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

- Expense ratio (W/P basis)

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

- Combined ratio (W/P basis)

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

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

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

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

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

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

- Expense ratio (private sector)

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

- Combined ratio (private sector)

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