

# Summary of Consolidated Business Results of Tokio Marine Holdings, Inc. under Japanese GAAP for the nine months ended December 31, 2020



MEMBERSHIP  
February 10, 2021

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: February 10, 2021  
Scheduled date to commence dividend payments: Not applicable  
Supplementary information for quarterly financial statements: Available  
Quarterly IR Conference Call: None

Stock Exchange Listing: Tokyo

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

## 1. Consolidated Business Results for the nine months ended December 31, 2020 (April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	4,096,372	0.0	182,417	(39.0)	112,780	(50.2)
Nine months ended December 31, 2019	4,094,832	(0.4)	299,221	(3.2)	226,690	2.3

(Note) Comprehensive income:

Nine months ended December 31, 2020	324,334 million yen	(11.3) %
Nine months ended December 31, 2019	365,581 million yen	- %

	Net income per share - Basic	Net income per share - Diluted
	yen	yen
Nine months ended December 31, 2020	161.59	161.49
Nine months ended December 31, 2019	322.11	321.87

### (2) Consolidated Financial Conditions

	Total assets	Net assets	Ratio of equity capital to total assets
	million yen	million yen	%
As of December 31, 2020	25,564,154	3,601,312	13.9
As of March 31, 2020	25,253,966	3,426,675	13.4

(Reference) Equity capital:

As of December 31, 2020	3,544,218 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	-	135.00	-		
Fiscal year 2020 (Forecast)				100.00	235.00

(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(\*) 35 yen

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

For the second quarter of fiscal year 2020, the Company resolved additional shareholder return of around 50.0 billion yen, which consists of one-time dividend for the capital level adjustment (total amount of 24.4 billion yen) and share repurchases (up to 25.6 billion yen).

## 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	310,000	(14.8)	200,000	(23.0)	286.69

(Note) Revision to the latest Consolidated Business Forecasts: None

**\* Notes**

(1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2020 702,000,000 shares

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

(b) Number of treasury stock held

As of December 31, 2020 5,253,322 shares

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

(c) Average number of shares outstanding

During the nine months ended December 31, 2020 697,905,192 shares

During the nine months ended December 31, 2019 703,750,640 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 business results for previous year, information available to the Company as of the release date of this document and certain assumptions. Actual results may significantly differ depending on various factors.

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# 1. Consolidated Financial Statements and Major Notes

## (1) Consolidated Balance Sheet

(Yen in millions)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Cash and bank deposits	820,873	967,163
Call loans	-	1
Receivables under resale agreements	999	7,999
Receivables under securities borrowing transactions	4,612	500
Monetary receivables bought	1,363,752	1,358,053
Money trusts	2,103	2,349
Securities	17,875,998	18,536,098
Loans	1,524,100	1,550,608
Tangible fixed assets	315,216	313,834
Intangible fixed assets	1,101,306	1,038,524
Other assets	2,217,451	1,757,808
Net defined benefit assets	2,710	2,277
Deferred tax assets	33,888	37,937
Customers' liabilities under acceptances and guarantees	2,114	1,997
Allowance for doubtful accounts	(11,162)	(10,998)
<b>Total assets</b>	<b>25,253,966</b>	<b>25,564,154</b>
<b>Liabilities</b>		
Insurance liabilities	17,222,596	17,853,431
Outstanding claims	2,995,636	3,153,488
Underwriting reserves	14,226,960	14,699,943
Corporate bonds	270,536	231,434
Other liabilities	3,628,726	3,122,344
Net defined benefit liabilities	245,966	247,562
Provision for employees' bonus	70,698	48,054
Reserves under special laws	118,071	125,448
Reserve for price fluctuation	118,071	125,448
Deferred tax liabilities	239,668	311,329
Negative goodwill	28,911	21,239
Acceptances and guarantees	2,114	1,997
<b>Total liabilities</b>	<b>21,827,291</b>	<b>21,962,841</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	150,000	150,000
Retained earnings	1,800,292	1,764,486
Treasury stock	(23,210)	(29,079)
<b>Total shareholders' equity</b>	<b>1,927,082</b>	<b>1,885,406</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities	1,435,437	1,753,656
Deferred gains (losses) on hedge transactions	11,427	6,978
Foreign currency translation adjustments	8,042	(94,129)
Remeasurements of defined benefit plans	(9,840)	(7,692)
<b>Total accumulated other comprehensive income</b>	<b>1,445,066</b>	<b>1,658,811</b>
<b>Stock acquisition rights</b>	<b>2,545</b>	<b>2,236</b>
<b>Non-controlling interests</b>	<b>51,980</b>	<b>54,857</b>
<b>Total net assets</b>	<b>3,426,675</b>	<b>3,601,312</b>
<b>Total liabilities and net assets</b>	<b>25,253,966</b>	<b>25,564,154</b>

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

(Yen in millions)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)
<b>Ordinary income</b>	4,094,832	4,096,372
<b>Underwriting income</b>	3,519,620	3,509,567
Net premiums written	2,710,296	2,721,725
Deposit premiums from policyholders	64,494	55,902
Investment income on deposit premiums	30,684	28,268
Life insurance premiums	710,267	699,028
<b>Investment income</b>	487,411	493,989
Interest and dividends	382,411	367,887
Gains on money trusts	75	246
Gains on trading securities	22,199	-
Gains on sales of securities	95,319	105,516
Gains on redemption of securities	304	415
Investment gains on separate accounts	13,597	38,893
Transfer of investment income on deposit premiums	(30,684)	(28,268)
<b>Other ordinary income</b>	87,799	92,814
Amortization of negative goodwill	7,671	7,671
<b>Ordinary expenses</b>	3,795,611	3,913,954
<b>Underwriting expenses</b>	3,075,011	3,157,247
Net claims paid	1,547,768	1,393,790
Loss adjustment expenses	107,131	107,462
Agency commissions and brokerage	510,781	515,498
Maturity refunds to policyholders	106,921	118,181
Dividends to policyholders	17	3
Life insurance claims	323,367	291,152
Provision for outstanding claims	125,277	235,621
Provision for underwriting reserves	350,461	491,890
<b>Investment expenses</b>	46,850	74,090
Losses on trading securities	-	3,616
Losses on sales of securities	6,570	19,141
Impairment losses on securities	2,017	22,017
Losses on redemption of securities	378	244
Losses on derivatives	28,249	17,083
<b>Operating and general administrative expenses</b>	652,912	661,632
<b>Other ordinary expenses</b>	20,836	20,984
Interest expenses	13,250	9,441
Increase in allowance for doubtful accounts	458	461
Losses on bad debts	56	72
Equity in losses of affiliates	3,439	7,262
<b>Ordinary profit</b>	299,221	182,417

(Yen in millions)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)
<b>Extraordinary gains</b>	9,238	424
Gains on disposal of fixed assets	123	159
Gains on step acquisitions	4,119	-
Gains on sales of shares of subsidiaries and affiliates	4,323	251
Other extraordinary gains	671	13
<b>Extraordinary losses</b>	8,875	19,767
Losses on disposal of fixed assets	1,159	1,154
Impairment losses on fixed assets	1,067	535
Provision for reserves under special laws	6,647	7,376
Provision for reserve for price fluctuation	6,647	7,376
Other extraordinary losses	-	10,701
<b>Income before income taxes and non-controlling interests</b>	299,584	163,073
<b>Income taxes - current</b>	77,878	99,639
<b>Income taxes - deferred</b>	(6,896)	(48,188)
<b>Total income taxes</b>	70,982	51,451
<b>Net income</b>	228,601	111,622
<b>Net income (loss) attributable to non-controlling interests</b>	1,911	(1,158)
<b>Net income attributable to owners of the parent</b>	226,690	112,780

**(Consolidated Statement of Comprehensive Income)**

(Yen in millions)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)
<b>Net income</b>	228,601	111,622
<b>Other comprehensive income</b>		
Unrealized gains (losses) on available-for-sale securities	203,040	321,033
Deferred gains (losses) on hedge transactions	(216)	(4,449)
Foreign currency translation adjustments	(63,222)	(97,000)
Remeasurements of defined benefit plans	2,090	2,151
Share of other comprehensive income of affiliates accounted for by the equity method	(4,711)	(9,023)
<b>Total other comprehensive income</b>	136,979	212,712
<b>Total comprehensive income</b>	365,581	324,334
Comprehensive income attributable to:		
Owners of the parent	363,418	324,504
Non-controlling interests	2,162	(170)

**(3) Notes regarding going concern assumption**

Not applicable.

**(4) Notes regarding significant changes in shareholders' equity**

Not applicable.

## 2. Others

### (1) Summary of Consolidated Business Results

(Yen in millions)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Increase (Decrease)	Rate of change
<b>Ordinary income and expenses</b>				%
<b>Underwriting income</b>	3,519,620	3,509,567	(10,052)	(0.3)
Net premiums written	2,710,296	2,721,725	11,428	0.4
Deposit premiums from policyholders	64,494	55,902	(8,591)	(13.3)
Life insurance premiums	710,267	699,028	(11,239)	(1.6)
<b>Underwriting expenses</b>	3,075,011	3,157,247	82,235	2.7
Net claims paid	1,547,768	1,393,790	(153,977)	(9.9)
Loss adjustment expenses	107,131	107,462	330	0.3
Agency commissions and brokerage	510,781	515,498	4,716	0.9
Maturity refunds to policyholders	106,921	118,181	11,260	10.5
Life insurance claims	323,367	291,152	(32,215)	(10.0)
Provision for outstanding claims	125,277	235,621	110,344	88.1
Provision for underwriting reserves	350,461	491,890	141,429	40.4
<b>Investment income</b>	487,411	493,989	6,577	1.3
Interest and dividends	382,411	367,887	(14,524)	(3.8)
Gains on money trusts	75	246	171	227.7
Gains on trading securities	22,199	-	(22,199)	(100.0)
Gains on sales of securities	95,319	105,516	10,197	10.7
Investment gains on separate accounts	13,597	38,893	25,296	186.0
<b>Investment expenses</b>	46,850	74,090	27,240	58.1
Losses on trading securities	-	3,616	3,616	-
Losses on sales of securities	6,570	19,141	12,571	191.3
Impairment losses on securities	2,017	22,017	20,000	991.5
Losses on derivatives	28,249	17,083	(11,166)	(39.5)
<b>Operating and general administrative expenses</b>	652,912	661,632	8,719	1.3
<b>Other ordinary income and expenses</b>	66,962	71,829	4,866	7.3
Equity in earnings (losses) of affiliates	(3,439)	(7,262)	(3,822)	-
<b>Ordinary profit</b>	299,221	182,417	(116,803)	(39.0)
<b>Extraordinary gains and losses</b>				
<b>Extraordinary gains</b>	9,238	424	(8,813)	(95.4)
<b>Extraordinary losses</b>	8,875	19,767	10,892	122.7
<b>Extraordinary gains (losses)</b>	363	(19,343)	(19,706)	(5,427.8)
<b>Income before income taxes and non-controlling interests</b>	299,584	163,073	(136,510)	(45.6)
<b>Income taxes - current</b>	77,878	99,639	21,761	27.9
<b>Income taxes - deferred</b>	(6,896)	(48,188)	(41,292)	-
<b>Total income taxes</b>	70,982	51,451	(19,530)	(27.5)
<b>Net income</b>	228,601	111,622	(116,979)	(51.2)
<b>Net income (loss) attributable to non-controlling interests</b>	1,911	(1,158)	(3,070)	(160.6)
<b>Net income attributable to owners of the parent</b>	226,690	112,780	(113,909)	(50.2)



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

Direct premiums written including deposit premiums from policyholders

(Yen in millions)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)			Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	532,627	17.4	9.9	635,544	20.0	19.3
Hull and cargo	102,294	3.3	10.5	103,031	3.2	0.7
Personal accident	233,498	7.6	1.1	213,988	6.7	(8.4)
Voluntary automobile	1,077,024	35.2	2.4	1,101,676	34.7	2.3
Compulsory automobile liability	212,962	7.0	2.1	175,669	5.5	(17.5)
Others	902,299	29.5	(0.9)	943,339	29.7	4.5
Total	3,060,705	100.0	2.8	3,173,249	100.0	3.7
Deposit premiums from policyholders	64,494	2.1	(0.0)	55,902	1.8	(13.3)

(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)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)			Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	410,306	15.1	(1.7)	451,106	16.6	9.9
Hull and cargo	83,541	3.1	2.1	83,849	3.1	0.4
Personal accident	166,110	6.1	(1.6)	153,227	5.6	(7.8)
Voluntary automobile	1,077,199	39.7	0.8	1,090,064	40.1	1.2
Compulsory automobile liability	223,624	8.3	4.3	190,801	7.0	(14.7)
Others	749,514	27.7	(5.9)	752,675	27.7	0.4
Total	2,710,296	100.0	(1.4)	2,721,725	100.0	0.4

Net claims paid

(Yen in millions)

	Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)			Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	307,349	19.9	(18.6)	257,477	18.5	(16.2)
Hull and cargo	48,707	3.1	4.9	41,499	3.0	(14.8)
Personal accident	77,814	5.0	1.1	70,793	5.1	(9.0)
Voluntary automobile	611,133	39.5	(0.0)	541,950	38.9	(11.3)
Compulsory automobile liability	154,354	10.0	(6.5)	141,593	10.2	(8.3)
Others	348,409	22.5	9.5	340,476	24.4	(2.3)
Total	1,547,768	100.0	(3.0)	1,393,790	100.0	(9.9)

**(3) Securities**

## 1. Bonds held to maturity

(Yen in millions)

	As of March 31, 2020			As of December 31, 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	5,071,792	5,781,109	709,316
Foreign securities	41,657	45,780	4,123	50,828	56,018	5,190
Total	5,092,780	5,985,487	892,707	5,122,621	5,837,127	714,506

## 2. Bonds earmarked for underwriting reserves

(Yen in millions)

	As of March 31, 2020			As of December 31, 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	2,187,457	2,088,693	(98,763)
Total	1,859,815	1,870,691	10,876	2,187,457	2,088,693	(98,763)

## 3. Available-for-sale securities

(Yen in millions)

	As of March 31, 2020			As of December 31, 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	3,096,059	3,457,598	361,538
Domestic equity securities	542,527	1,956,407	1,413,879	517,485	2,261,505	1,744,019
Foreign securities	4,336,404	4,507,124	170,719	4,366,706	4,691,033	324,326
Others	1,363,885	1,389,006	25,120	1,357,704	1,379,358	21,654
Total	9,481,575	11,504,640	2,023,065	9,337,956	11,789,495	2,451,539

(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 December 31, 2020: cost 5,744 million yen, fair value 5,744 million yen, unrealized losses (0) 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 December 31, 2020: cost 1,335,224 million yen, fair value 1,355,002 million yen, unrealized gains 19,777 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)

Nine months ended December 31, 2020: 24,173 million yen (Domestic equity securities 4,015 million yen, Foreign securities 16,503 million yen,

Others 3,654 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 December 31, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	329,921	3.59	361,710	3.87	31,788
Receivables under resale agreements	999	0.01	7,999	0.09	6,999
Monetary receivables bought	139,299	1.52	97,006	1.04	(42,293)
Money trusts	2,103	0.02	2,349	0.03	246
Securities	7,511,266	81.71	7,742,577	82.82	231,310
Loans	196,746	2.14	231,268	2.47	34,522
Tangible fixed assets	216,642	2.36	212,750	2.28	(3,892)
Intangible fixed assets	523	0.01	34,907	0.37	34,384
Other assets	790,596	8.60	654,331	7.00	(136,264)
Prepaid pension costs	5,828	0.06	5,071	0.05	(757)
Customers' liabilities under acceptances and guarantees	2,114	0.02	1,997	0.02	(117)
Allowance for doubtful accounts	(3,350)	(0.04)	(3,280)	(0.04)	70
<b>Total assets</b>	<b>9,192,693</b>	<b>100.00</b>	<b>9,348,690</b>	<b>100.00</b>	<b>155,996</b>
<b>Liabilities</b>					
Insurance liabilities	5,292,251	57.57	5,457,469	58.38	165,217
Outstanding claims	983,759		1,068,466		84,707
Underwriting reserves	4,308,492		4,389,003		80,510
Corporate bonds	210,100	2.29	200,000	2.14	(10,100)
Other liabilities	778,132	8.46	482,454	5.16	(295,678)
Income taxes payable	19,995		25,858		5,863
Lease obligations	3,647		3,016		(630)
Asset retirement obligations	3,426		3,469		42
Other liabilities	751,063		450,109		(300,954)
Provision for retirement benefits	211,402	2.30	213,357	2.28	1,955
Provision for employees' bonus	16,850	0.18	8,178	0.09	(8,672)
Reserves under special laws	102,874	1.12	107,406	1.15	4,532
Reserve for price fluctuation	102,874		107,406		4,532
Deferred tax liabilities	6,403	0.07	83,712	0.90	77,308
Acceptances and guarantees	2,114	0.02	1,997	0.02	(117)
<b>Total liabilities</b>	<b>6,620,130</b>	<b>72.02</b>	<b>6,554,575</b>	<b>70.11</b>	<b>(65,554)</b>
<b>Net assets</b>					
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	1,136,166	12.15	(62,984)
Surplus reserve	81,099		81,099		-
Other retained earnings	1,118,051		1,055,067		(62,984)
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		796,406		(62,984)
Total shareholders' equity	1,436,580	15.63	1,373,595	14.69	(62,984)
Unrealized gains (losses) on available-for-sale securities	1,143,824	12.44	1,419,872	15.19	276,048
Deferred gains (losses) on hedge transactions	(7,842)	(0.09)	645	0.01	8,487
Total valuation and translation adjustments	1,135,982	12.36	1,420,518	15.19	284,536
<b>Total net assets</b>	<b>2,572,562</b>	<b>27.98</b>	<b>2,794,114</b>	<b>29.89</b>	<b>221,551</b>
<b>Total liabilities and net assets</b>	<b>9,192,693</b>	<b>100.00</b>	<b>9,348,690</b>	<b>100.00</b>	<b>155,996</b>

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

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )	Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )	Increase (Decrease)
<b>Ordinary income</b>	2,032,573	1,952,435	(80,138)
<b>Underwriting income</b>	1,816,874	1,767,345	(49,529)
Net premiums written	1,687,101	1,685,057	(2,043)
Deposit premiums from policyholders	63,353	54,800	(8,552)
Investment income on deposit premiums	29,372	27,064	(2,307)
Reversal of underwriting reserves	36,895	-	(36,895)
<b>Investment income</b>	207,555	176,835	(30,720)
Interest and dividends	159,768	128,162	(31,606)
Gains on money trusts	75	246	171
Gains on trading securities	-	26	26
Gains on sales of securities	75,840	74,325	(1,514)
Transfer of investment income on deposit premiums	(29,372)	(27,064)	2,307
<b>Other ordinary income</b>	8,143	8,253	110
<b>Ordinary expenses</b>	1,835,536	1,818,047	(17,489)
<b>Underwriting expenses</b>	1,575,129	1,578,223	3,093
Net claims paid	1,039,309	892,767	(146,541)
Loss adjustment expenses	83,435	83,099	(336)
Agency commissions and brokerage	308,635	320,558	11,923
Maturity refunds to policyholders	103,523	115,058	11,535
Provision for outstanding claims	38,856	84,707	45,851
Provision for underwriting reserves	-	80,510	80,510
<b>Investment expenses</b>	19,612	17,114	(2,497)
Losses on sales of securities	1,216	2,592	1,376
Impairment losses on securities	1,462	6,395	4,932
<b>Operating and general administrative expenses</b>	233,070	218,709	(14,360)
<b>Other ordinary expenses</b>	7,724	3,999	(3,724)
Interest expenses	6,150	3,838	(2,312)
<b>Ordinary profit (loss)</b>	197,037	134,388	(62,649)
<b>Extraordinary gains</b>	3,556	31	(3,524)
Gains on disposal of fixed assets	76	18	(57)
Gains on liquidation of subsidiaries and affiliates	-	13	13
Gains on sales of shares of subsidiaries and affiliates	3,479	-	(3,479)
<b>Extraordinary losses</b>	13,220	15,935	2,715
Losses on disposal of fixed assets	964	701	(263)
Impairment losses on fixed assets	302	-	(302)
Provision for reserves under special laws	4,195	4,532	336
Provision for reserve for price fluctuation	4,195	4,532	336
Impairment losses on shares of subsidiaries and affiliates	7,757	10,104	2,347
Losses on sales of shares of subsidiaries and affiliates	-	597	597
<b>Income (loss) before income taxes</b>	187,373	118,484	(68,889)
<b>Income taxes - current</b>	30,181	51,863	21,682
<b>Income taxes - deferred</b>	881	(29,889)	(30,771)
<b>Total income taxes</b>	31,063	21,974	(9,089)
<b>Net income (loss)</b>	156,309	96,509	(59,800)
Underwriting profit (loss)	36,227	(3,811)	(40,039)
Loss ratio (W/P basis)	66.5 %	57.9 %	(8.6)%
Expense ratio (W/P basis)	30.3	30.3	(0.0)
Combined ratio (W/P basis)	96.8	88.2	(8.7)
Loss ratio (private sector, E/I basis)	69.8	61.3	(8.5)
Expense ratio (private sector)	31.7	31.0	(0.7)
Combined ratio (private sector)	101.5	92.3	(9.2)

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

## Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )			Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
Fire and allied lines	316,707	17.0%	16.8%	340,226	18.3%	7.4%
Hull and cargo	52,137	2.8	5.2	48,607	2.6	(6.8)
Personal accident	141,489	7.6	1.8	126,750	6.8	(10.4)
Voluntary automobile	807,239	43.3	1.0	828,677	44.6	2.7
Compulsory automobile liability	199,623	10.7	2.5	165,073	8.9	(17.3)
Others	347,710	18.6	2.3	349,574	18.8	0.5
Total	1,864,908	100.0	4.0	1,858,909	100.0	(0.3)
Deposit premiums from policyholders	63,353	-	0.3	54,800	-	(13.5)

## Net premiums written

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )			Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
Fire and allied lines	242,613	14.4%	15.8%	259,159	15.4%	6.8%
Hull and cargo	48,524	2.9	3.4	44,465	2.6	(8.4)
Personal accident	138,116	8.2	2.4	124,955	7.4	(9.5)
Voluntary automobile	804,629	47.7	1.0	825,578	49.0	2.6
Compulsory automobile liability	210,242	12.5	4.5	179,738	10.7	(14.5)
Others	242,974	14.4	4.6	251,160	14.9	3.4
Total	1,687,101	100.0	4.0	1,685,057	100.0	(0.1)

## Net claims paid

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )			Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
Fire and allied lines	218,207	(13.1)%	92.4%	160,075	(26.6)%	63.9%
Hull and cargo	32,195	10.7	69.6	28,697	(10.9)	67.8
Personal accident	64,375	5.9	51.8	59,742	(7.2)	53.3
Voluntary automobile	458,810	1.8	63.0	397,989	(13.3)	54.3
Compulsory automobile liability	144,766	(6.3)	75.1	133,079	(8.1)	80.8
Others	120,954	9.8	52.7	113,183	(6.4)	47.8
Total	1,039,309	(1.6)	66.5	892,767	(14.1)	57.9

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

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

## Balance sheet

(Yen in millions)

	As of March 31, 2020		As of December 31, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	49,049	12.85	85,389	21.64	36,340
Securities	248,914	65.20	227,606	57.67	(21,307)
Loans	179	0.05	163	0.04	(15)
Tangible fixed assets	29,041	7.61	28,193	7.14	(847)
Intangible fixed assets	91	0.02	1,301	0.33	1,209
Other assets	35,585	9.32	32,141	8.14	(3,444)
Prepaid pension costs	1,601	0.42	1,611	0.41	10
Deferred tax assets	17,584	4.61	18,530	4.70	946
Allowance for doubtful accounts	(289)	(0.08)	(272)	(0.07)	16
<b>Total assets</b>	<b>381,758</b>	<b>100.00</b>	<b>394,665</b>	<b>100.00</b>	<b>12,906</b>
<b>Liabilities</b>					
Insurance liabilities	284,589	74.55	291,072	73.75	6,482
Outstanding claims	46,048		48,931		2,882
Underwriting reserves	238,541		242,140		3,599
Other liabilities	16,764	4.39	14,164	3.59	(2,600)
Income taxes payable	2,195		3,273		1,077
Asset retirement obligations	10		11		0
Other liabilities	14,557		10,879		(3,678)
Provision for retirement benefits	3,782	0.99	4,270	1.08	487
Provision for employees' bonus	526	0.14	-	-	(526)
Reserves under special laws	1,732	0.45	1,882	0.48	149
Reserve for price fluctuation	1,732		1,882		149
<b>Total liabilities</b>	<b>307,396</b>	<b>80.52</b>	<b>311,389</b>	<b>78.90</b>	<b>3,992</b>
<b>Net assets</b>					
Share capital	20,389	5.34	20,389	5.17	-
Capital surplus	15,518	4.07	15,518	3.93	-
Additional paid-in capital	12,620		12,620		-
Other capital surplus	2,898		2,898		-
Retained earnings	16,091	4.21	22,795	5.78	6,704
Surplus reserve	7,769		7,769		-
Other retained earnings	8,321		15,026		6,704
Reserve for advanced depreciation of fixed assets	1,670		1,670		-
Retained earnings carried forward	6,651		13,356		6,704
Total shareholders' equity	51,999	13.62	58,703	14.87	6,704
Unrealized gains (losses) on available-for-sale securities	22,362	5.86	24,572	6.23	2,209
Total valuation and translation adjustments	22,362	5.86	24,572	6.23	2,209
<b>Total net assets</b>	<b>74,362</b>	<b>19.48</b>	<b>83,276</b>	<b>21.10</b>	<b>8,913</b>
<b>Total liabilities and net assets</b>	<b>381,758</b>	<b>100.00</b>	<b>394,665</b>	<b>100.00</b>	<b>12,906</b>

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

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )	Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )	Increase (Decrease)
<b>Ordinary income</b>	119,851	120,806	955
<b>Underwriting income</b>	117,220	114,797	(2,422)
Net premiums written	113,246	112,463	(782)
Deposit premiums from policyholders	1,140	1,101	(38)
Investment income on deposit premiums	1,296	1,187	(109)
Reversal of underwriting reserves	1,524	-	(1,524)
<b>Investment income</b>	2,550	5,914	3,363
Interest and dividends	3,061	2,833	(227)
Gains on sales of securities	689	4,204	3,514
Transfer of investment income on deposit premiums	(1,296)	(1,187)	109
<b>Other ordinary income</b>	80	95	14
<b>Ordinary expenses</b>	119,396	111,146	(8,249)
<b>Underwriting expenses</b>	100,700	93,905	(6,794)
Net claims paid	67,026	56,356	(10,670)
Loss adjustment expenses	7,483	7,162	(320)
Agency commissions and brokerage	20,021	20,633	612
Maturity refunds to policyholders	3,397	3,122	(274)
Provision for outstanding claims	2,585	2,882	297
Provision for underwriting reserves	-	3,599	3,599
<b>Investment expenses</b>	837	591	(246)
Losses on sales of securities	16	16	(0)
Impairment losses on securities	57	263	205
Losses on derivatives	756	283	(472)
<b>Operating and general administrative expenses</b>	17,694	16,542	(1,152)
<b>Other ordinary expenses</b>	164	108	(56)
<b>Ordinary profit (loss)</b>	454	9,660	9,205
<b>Extraordinary gains</b>	100	57	(43)
Gains on disposal of fixed assets	100	57	(43)
<b>Extraordinary losses</b>	143	624	480
Losses on disposal of fixed assets	32	17	(15)
Impairment losses on fixed assets	-	457	457
Provision for reserves under special laws	111	149	38
Provision for reserve for price fluctuation	111	149	38
<b>Income (loss) before income taxes</b>	411	9,092	8,680
<b>Income taxes - current</b>	66	4,082	4,015
<b>Income taxes - deferred</b>	24	(1,694)	(1,718)
<b>Total income taxes</b>	91	2,388	2,296
<b>Net income (loss)</b>	320	6,704	6,384
Underwriting profit (loss)	(337)	5,029	5,366
Loss ratio (W/P basis)	65.8 %	56.5 %	(9.3)%
Expense ratio (W/P basis)	33.1	32.9	(0.2)
Combined ratio (W/P basis)	98.9	89.4	(9.5)
Loss ratio (private sector, E/I basis)	68.9	57.0	(11.9)
Expense ratio (private sector)	34.1	33.1	(1.0)
Combined ratio (private sector)	103.0	90.0	(13.0)

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

## Underwriting

Direct premiums written excluding deposit premiums from policyholders

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )			Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
Fire and allied lines	26,314	21.7	11.2	26,832	22.1	2.0
Hull and cargo	-	-	-	-	-	-
Personal accident	5,236	4.3	(5.0)	4,565	3.8	(12.8)
Voluntary automobile	64,503	53.2	0.8	66,346	54.7	2.9
Compulsory automobile liability	13,338	11.0	(2.7)	10,596	8.7	(20.6)
Others	11,878	9.8	12.6	12,876	10.6	8.4
Total	121,271	100.0	3.3	121,216	100.0	(0.0)
Deposit premiums from policyholders	1,140	-	(14.1)	1,101	-	(3.4)

Net premiums written

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )			Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
Fire and allied lines	19,039	16.8	16.4	18,549	16.5	(2.6)
Hull and cargo	0	0.0	(68.7)	0	0.0	(81.5)
Personal accident	5,189	4.6	(5.0)	4,521	4.0	(12.9)
Voluntary automobile	64,340	56.8	0.8	66,119	58.8	2.8
Compulsory automobile liability	13,066	11.5	0.7	10,783	9.6	(17.5)
Others	11,611	10.3	13.1	12,489	11.1	7.6
Total	113,246	100.0	4.0	112,463	100.0	(0.7)

Net claims paid

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )			Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
Fire and allied lines	16,980	(17.4)	91.4	11,497	(32.3)	64.3
Hull and cargo	1	0.9	1,328.8	0	(56.8)	5,771.2
Personal accident	2,439	(8.9)	52.9	1,963	(19.5)	49.6
Voluntary automobile	32,633	3.7	59.0	28,746	(11.9)	50.9
Compulsory automobile liability	9,373	(10.2)	78.5	8,289	(11.6)	85.2
Others	5,598	19.7	52.7	5,858	4.6	52.2
Total	67,026	(4.0)	65.8	56,356	(15.9)	56.5

(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 December 31, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	44,877	87.16	41,501	76.36	(3,375)
Tangible fixed assets	214	0.42	249	0.46	35
Intangible fixed assets	0	0.00	8,367	15.39	8,367
Other assets	6,395	12.42	4,234	7.79	(2,161)
Allowance for doubtful accounts	(0)	(0.00)	(0)	(0.00)	(0)
<b>Total assets</b>	51,487	100.00	54,352	100.00	2,865
<b>Liabilities</b>					
Insurance liabilities	37,722	73.26	37,922	69.77	200
Outstanding claims	18,715		17,650		(1,065)
Underwriting reserves	19,007		20,272		1,265
Other liabilities	5,949	11.56	4,650	8.56	(1,299)
Income taxes payable	118		569		451
Lease obligations	76		70		(6)
Asset retirement obligations	62		74		12
Other liabilities	5,692		3,935		(1,756)
Provision for retirement benefits	268	0.52	312	0.58	44
Provision for employees' bonus	147	0.29	62	0.12	(84)
Deferred tax liabilities	1	0.00	2	0.00	0
<b>Total liabilities</b>	44,089	85.63	42,951	79.02	(1,138)
<b>Net assets</b>					
Share capital	29,303	56.91	29,303	53.91	-
Capital surplus	29,303	56.91	29,303	53.91	-
Additional paid-in capital	29,303		29,303		-
Retained earnings	(51,209)	(99.46)	(47,205)	(86.85)	4,004
Other retained earnings	(51,209)		(47,205)		4,004
Retained earnings carried forward	(51,209)		(47,205)		4,004
Total shareholders' equity	7,397	14.37	11,401	20.98	4,004
<b>Total net assets</b>	7,397	14.37	11,401	20.98	4,004
<b>Total liabilities and net assets</b>	51,487	100.00	54,352	100.00	2,865

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

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )	Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )	Increase (Decrease)
<b>Ordinary income</b>	23,342	25,689	2,346
<b>Underwriting income</b>	23,351	25,701	2,350
Net premiums written	23,336	24,620	1,283
Investment income on deposit premiums	14	15	1
Reversal of outstanding claims	-	1,065	1,065
<b>Investment income</b>	(12)	(13)	(1)
Interest and dividends	1	1	(0)
Transfer of investment income on deposit premiums	(14)	(15)	(1)
<b>Other ordinary income</b>	4	2	(1)
<b>Ordinary expenses</b>	23,360	21,045	(2,315)
<b>Underwriting expenses</b>	16,342	14,734	(1,607)
Net claims paid	13,975	11,696	(2,279)
Loss adjustment expenses	1,560	1,494	(66)
Agency commissions and brokerage	304	277	(27)
Provision for outstanding claims	418	-	(418)
Provision for underwriting reserves	82	1,265	1,183
<b>Operating and general administrative expenses</b>	7,015	6,306	(709)
<b>Other ordinary expenses</b>	2	3	1
Interest expenses	1	2	1
<b>Ordinary profit (loss)</b>	(17)	4,644	4,662
<b>Extraordinary gains</b>	4	-	(4)
Other extraordinary gains	4	-	(4)
<b>Extraordinary losses</b>	12	0	(11)
Losses on disposal of fixed assets	12	0	(11)
<b>Income (loss) before income taxes</b>	(25)	4,643	4,669
<b>Income taxes - current</b>	47	639	592
<b>Income taxes - deferred</b>	(0)	0	0
<b>Total income taxes</b>	46	639	592
<b>Net income (loss)</b>	(72)	4,004	4,076
Underwriting profit (loss)	(7)	4,660	4,667
Loss ratio (W/P basis)	66.6 %	53.6 %	(13.0)%
Expense ratio (W/P basis)	31.4	26.7	(4.6)
Combined ratio (W/P basis)	97.9	80.3	(17.6)
Loss ratio (private sector, E/I basis)	68.9	49.7	(19.2)
Expense ratio (private sector)	31.8	27.0	(4.7)
Combined ratio (private sector)	100.7	76.8	(24.0)

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

## Balance sheet

(Yen in millions)

	As of March 31, 2020		As of December 31, 2020		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
<b>Assets</b>		%		%	
Cash and bank deposits	119,013	1.29	87,384	0.92	(31,628)
Call loans	-	-	1	0.00	1
Receivables under securities borrowing transactions	4,612	0.05	500	0.01	(4,112)
Securities	8,837,504	96.09	9,215,761	96.81	378,256
Domestic government bonds	7,823,712		8,067,756		244,044
Domestic municipal bonds	47,843		52,024		4,181
Domestic corporate bonds	414,668		481,673		67,004
Domestic equity securities	176		175		(0)
Foreign securities	449,600		477,654		28,054
Others	101,503		136,476		34,972
Loans	102,722	1.12	97,147	1.02	(5,574)
Policy loans	102,722		97,147		(5,574)
Tangible fixed assets	1,210	0.01	1,025	0.01	(185)
Intangible fixed assets	27	0.00	3,567	0.04	3,539
Agency accounts receivable	285	0.00	298	0.00	13
Reinsurance accounts receivable	1,329	0.01	1,243	0.01	(86)
Other assets	131,530	1.43	112,840	1.19	(18,690)
Allowance for doubtful accounts	(762)	(0.01)	(662)	(0.01)	99
<b>Total assets</b>	<b>9,197,474</b>	<b>100.00</b>	<b>9,519,108</b>	<b>100.00</b>	<b>321,633</b>
<b>Liabilities</b>					
Insurance liabilities	6,973,814	75.82	7,263,513	76.30	289,699
Outstanding claims	63,774		64,894		1,120
Underwriting reserves	6,831,767		7,127,936		296,169
Reserve for dividends to policyholders	78,272		70,682		(7,589)
Agency accounts payable	5,720	0.06	5,042	0.05	(678)
Reinsurance accounts payable	1,949	0.02	1,550	0.02	(399)
Other liabilities	1,788,891	19.45	1,796,900	18.88	8,009
Payables under securities lending transactions	1,620,178		1,652,424		32,245
Income taxes payable	9,054		3,365		(5,689)
Lease obligations	231		155		(75)
Other liabilities	159,426		140,955		(18,471)
Provision for retirement benefits	7,758	0.08	8,390	0.09	632
Reserves under special laws	13,464	0.15	16,158	0.17	2,694
Reserve for price fluctuation	13,464		16,158		2,694
Deferred tax liabilities	24,195	0.26	28,629	0.30	4,433
<b>Total liabilities</b>	<b>8,815,794</b>	<b>95.85</b>	<b>9,120,186</b>	<b>95.81</b>	<b>304,392</b>
<b>Net assets</b>					
Share capital	55,000	0.60	55,000	0.58	-
Capital surplus	55,095	0.60	41,860	0.44	(13,235)
Additional paid-in capital	41,860		41,860		-
Other capital surplus	13,235		-		(13,235)
Retained earnings	66,909	0.73	93,688	0.98	26,779
Surplus reserve	13,140		13,140		-
Other retained earnings	53,769		80,548		26,779
Retained earnings carried forward	53,769		80,548		26,779
Total shareholders' equity	177,005	1.92	190,548	2.00	13,543
Unrealized gains (losses) on available-for-sale securities	192,200	2.09	194,389	2.04	2,188
Deferred gains (losses) on hedge transactions	12,474	0.14	13,983	0.15	1,509
Total valuation and translation adjustments	204,674	2.23	208,372	2.19	3,697
<b>Total net assets</b>	<b>381,680</b>	<b>4.15</b>	<b>398,921</b>	<b>4.19</b>	<b>17,241</b>
<b>Total liabilities and net assets</b>	<b>9,197,474</b>	<b>100.00</b>	<b>9,519,108</b>	<b>100.00</b>	<b>321,633</b>

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

## Statement of income

(Yen in millions)

	Nine months ended December 31, 2019 ( April 1, 2019 to December 31, 2019 )	Nine months ended December 31, 2020 ( April 1, 2020 to December 31, 2020 )	Increase (Decrease)
<b>Ordinary income</b>	723,196	730,227	7,031
<b>Insurance premiums and other</b>	627,792	605,430	(22,362)
Insurance premiums	622,220	600,909	(21,311)
<b>Investment income</b>	92,873	120,873	28,000
Interest and dividends	74,230	80,422	6,192
Gains on sales of securities	4,910	486	(4,423)
Foreign exchange gains	-	929	929
Investment gains on separate accounts	13,597	38,893	25,296
<b>Other ordinary income</b>	2,529	3,922	1,393
<b>Ordinary expenses</b>	702,254	687,992	(14,261)
<b>Insurance claims and other</b>	299,237	296,074	(3,163)
Insurance claims	35,802	36,753	950
Annuity payments	46,135	42,479	(3,655)
Benefits	44,073	43,986	(86)
Surrender benefits	160,288	161,546	1,257
Other refunds	7,589	6,215	(1,373)
<b>Provision for underwriting reserves and other</b>	292,100	297,291	5,190
Provision for outstanding claims	1,701	1,120	(581)
Provision for underwriting reserves	290,397	296,169	5,771
Interest on reserve for dividends to policyholders	1	1	0
<b>Investment expenses</b>	12,624	5,373	(7,250)
Interest expenses	1,058	1,707	648
Losses on sales of securities	2	1	(1)
Losses on derivatives	7,710	3,663	(4,047)
Foreign exchange losses	3,851	-	(3,851)
<b>Operating expenses</b>	90,578	80,033	(10,544)
<b>Other ordinary expenses</b>	7,713	9,219	1,506
<b>Ordinary profit (loss)</b>	20,941	42,234	21,293
<b>Extraordinary losses</b>	2,348	2,698	349
<b>Reversal of reserve for dividends to policyholders</b>	6,658	5,351	(1,307)
<b>Income (loss) before income taxes</b>	25,252	44,888	19,635
<b>Income taxes - current</b>	7,601	9,948	2,347
<b>Income taxes - deferred</b>	(313)	2,995	3,309
<b>Total income taxes</b>	7,287	12,944	5,656
<b>Net income (loss)</b>	17,964	31,943	13,979

## Glossary of terminology

- Underwriting profit (loss)

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

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

- 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)