

Summary of Consolidated Business Results of Tokio Marine Holdings, Inc. under Japanese GAAP for the fiscal year ended March 31, 2021



MEMBERSHIP
May 20, 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 of Ordinary General Meeting of Shareholders: June 28, 2021
Scheduled date to commence dividend payments: June 29, 2021
Scheduled date to file Securities Report: June 25, 2021
Supplementary information for financial statements: Available
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 fiscal year 2020 (April 1, 2020 to March 31, 2021)

(1) Consolidated Results of Operations

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

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%
Fiscal year 2020	5,461,195	(0.1)	266,735	(26.7)	161,801	(37.7)
Fiscal year 2019	5,465,432	(0.2)	363,945	(12.6)	259,763	(5.4)

(Note) Comprehensive income:

Fiscal year 2020	465,071 million yen	16,891.2 %
Fiscal year 2019	2,737 million yen	(93.6) %

	Net income per share - Basic	Net income per share - Diluted	Ratio of net income to equity capital	Ratio of ordinary profit to total assets	Ratio of ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year 2020	232.13	231.97	4.6	1.0	4.9
Fiscal year 2019	369.74	369.45	7.5	1.5	6.7

(Reference) Equity in earnings (losses) of affiliates:

Fiscal year 2020	(10,074) million yen
Fiscal year 2019	(4,445) million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Ratio of equity capital to total assets	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2021	25,765,368	3,722,780	14.2	5,285.10
As of March 31, 2020	25,253,966	3,426,675	13.4	4,832.05

(Reference) Equity capital:

As of March 31, 2021	3,664,020 million yen
As of March 31, 2020	3,372,148 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	million yen	million yen	million yen	million yen
Fiscal year 2020	1,177,873	(731,010)	(512,967)	924,687
Fiscal year 2019	997,623	(2,546,411)	1,543,105	1,021,167

2. Dividends

	Cash dividends per share					Total amount of annual dividends	Ratio of cash dividends to consolidated net income	Ratio of cash dividends to consolidated net assets
	First quarter	Second quarter	Third quarter	Year-end	Annual total			
Fiscal year 2019	-	130.00	-	95.00	225.00	157,589	60.9	4.5
Fiscal year 2020	-	135.00	-	100.00	235.00	163,565	101.2	4.6
Fiscal year 2021 (Forecast)	-	107.50	-	107.50	215.00		47.3	

(Note) 1. Fiscal year 2019 Breakdown for Annual total Ordinary dividend 190 yen One-time dividend for the capital level adjustment(*) 35 yen
2. Fiscal year 2020 Breakdown for Annual total Ordinary dividend 200 yen One-time dividend for the capital level adjustment(*) 35 yen
3. Fiscal year 2021 (Forecast) Breakdown for Annual total Ordinary dividend 215 yen One-time dividend for the capital level adjustment(*) -
(*)The Company resolved the one-time dividends aiming to implement flexible financial policies.

3. Consolidated Business Forecasts for the fiscal year 2021 (April 1, 2021 to March 31, 2022)

(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 2021	440,000	65.0	315,000	94.7	454.36

*** Notes**

(1) Changes in significant subsidiaries during the fiscal year 2020

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

(2) 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

(3) Number of shares issued (common stock)

(a) Total number of shares issued including treasury stock

As of March 31, 2021 697,500,000 shares

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

(b) Number of treasury stock held

As of March 31, 2021 4,226,975 shares

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

(c) Average number of shares outstanding

During the fiscal year 2020 697,006,305 shares

During the fiscal year 2019 702,541,718 shares

*** "Summary of Consolidated Business Results" is outside the scope of external audit.**

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

Business forecasts are prepared based on business results for previous years, 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. For key assumptions for the business forecasts and other related information, please refer to Appendix p.3.

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1. Overview of Business results

(1) Consolidated Results of Operations for the fiscal year 2020

During the fiscal year 2020, after a significant slowdown due to the spread of coronavirus disease 2019 (COVID-19), the world economy and Japanese economy showed signs of recovery with the resumption of economic activity. However, the situation remained severe due to the renewed spread of COVID-19. Meanwhile, the market environment improved and share prices rose significantly, due to the expansive fiscal and monetary policies implemented by major countries in response to the economic downturn.

Under these circumstances, as a result of our efforts to expand our domestic and overseas business, which is centered on non-life insurance and life insurance, our consolidated results of operations for the fiscal year 2020 were as follows:

Ordinary income decreased by 4.2 billion yen to 5,461.1 billion yen from the previous fiscal year, the main components of which were Underwriting income of 4,669.9 billion yen and Investment income of 661.4 billion yen. Ordinary expenses increased by 92.9 billion yen to 5,194.4 billion yen from the previous fiscal year, the main components of which were Underwriting expenses of 4,185.3 billion yen, Investment expenses of 79.5 billion yen, and Operating and general administrative expenses of 900.9 billion yen.

As a result, Ordinary profit decreased by 97.2 billion yen to 266.7 billion yen from the previous fiscal year.

Net income attributable to owners of the parent, composed of Ordinary profit plus Extraordinary gains minus Extraordinary losses and Total income taxes, decreased by 97.9 billion yen to 161.8 billion yen from the previous fiscal year.

Results by our reportable segments are as follows:

In the Domestic non-life insurance business, Ordinary income decreased by 21.5 billion yen to 2,760.9 billion yen from the previous fiscal year. Ordinary profit decreased by 36.6 billion yen to 142.8 billion yen from the previous fiscal year.

In the Domestic life insurance business, Ordinary income increased by 27.1 billion yen to 775.3 billion yen from the previous fiscal year. Ordinary profit increased by 16.8 billion yen to 68.7 billion yen from the previous fiscal year.

In the International insurance business, Ordinary income decreased by 13.4 billion yen to 1,877.8 billion yen from the previous fiscal year. Ordinary profit decreased by 80.8 billion yen to 44.6 billion yen from the previous fiscal year.

(2) Consolidated Financial Conditions as of March 31, 2021

As of March 31, 2021, consolidated total assets was 25,765.3 billion yen, an increase of 511.4 billion yen from that as of March 31, 2020.

Cash flows for the fiscal year 2020 were as follows:

Net cash provided by operating activities increased by 180.2 billion yen to 1,177.8 billion yen compared to the previous fiscal year, mainly due to a decrease in paid claims. Net cash used in investing activities decreased by 1,815.4 billion yen to 731.0 billion yen, mainly due to a decrease in purchases of securities. Net cash provided by financing activities decreased by 2,056.0 billion yen to 512.9 billion yen, mainly due to a decrease in cash collateral under securities lending transactions for procurement of funds.

As a result, Cash and cash equivalents at end of year was 924.6 billion yen, a decrease of 96.4 billion yen from that as of March 31, 2020.

(3) Consolidated Business Forecasts for the fiscal year 2021

The Company's consolidated business forecasts for the fiscal year 2021 are 440.0 billion yen for Ordinary profit and 315.0 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 3,760.0 billion yen and 930.0 billion yen respectively.
- Net incurred losses related to natural catastrophe that occur during the period are projected to be 74.0 billion yen in Japan and 52.0 billion yen outside Japan.
- The Company basically assumes there will be no significant changes in interest rates and stock market conditions from those as of March 31, 2021 for Japanese subsidiaries and as of December 31, 2020 for overseas subsidiaries.
- The Company assumes there will be no significant changes in exchange rates from those as of March 31, 2021.

The above forecasts are prepared based on business results for previous years, 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.

2. Basic Approach to the Selection of Accounting Standards

The Company is considering adopting International Financial Reporting Standards ("IFRS") to enhance comparability of the Company's financial information internationally and to unify accounting policies within the Group and is preparing the necessary infrastructure. IFRS, including IFRS17 Insurance Contracts, is highly compatible with the economic value based business management methods that has been used internally within the Company. However, there still are some major differences between the two and the Company will adopt IFRS at an appropriate timing after taking necessary measures in terms of business management based on sufficient analysis and evaluation post scheduled IFRS17 effective date in 2023.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Yen in millions)

	As of March 31, 2020	As of March 31, 2021
Assets		
Cash and bank deposits	820,873	812,011
Receivables under resale agreements	999	999
Receivables under securities borrowing transactions	4,612	-
Monetary receivables bought	1,363,752	1,377,728
Money trusts	2,103	2,378
Securities	17,875,998	18,741,600
Loans	1,524,100	1,626,615
Tangible fixed assets	315,216	334,501
Land	133,825	132,618
Buildings	134,346	152,964
Construction in progress	4,206	5,008
Other tangible fixed assets	42,837	43,910
Intangible fixed assets	1,101,306	1,054,990
Software	43,992	105,486
Goodwill	533,432	485,682
Other intangible fixed assets	523,880	463,821
Other assets	2,217,451	1,783,213
Net defined benefit assets	2,710	3,391
Deferred tax assets	33,888	37,224
Customers' liabilities under acceptances and guarantees	2,114	1,997
Allowance for doubtful accounts	(11,162)	(11,284)
Total assets	25,253,966	25,765,368
Liabilities		
Insurance liabilities	17,222,596	18,020,554
Outstanding claims	2,995,636	3,157,123
Underwriting reserves	14,226,960	14,863,430
Corporate bonds	270,536	230,597
Other liabilities	3,628,726	2,992,122
Payables under securities lending transactions	1,620,178	1,509,051
Other liabilities	2,008,548	1,483,071
Net defined benefit liabilities	245,966	254,274
Provision for employees' bonus	70,698	75,210
Reserves under special laws	118,071	128,006
Reserve for price fluctuation	118,071	128,006
Deferred tax liabilities	239,668	321,141
Negative goodwill	28,911	18,682
Acceptances and guarantees	2,114	1,997
Total liabilities	21,827,291	22,042,587
Net assets		
Shareholders' equity		
Share capital	150,000	150,000
Retained earnings	1,800,292	1,788,764
Treasury stock	(23,210)	(23,211)
Total shareholders' equity	1,927,082	1,915,553
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	1,435,437	1,908,438
Deferred gains (losses) on hedge transactions	11,427	2,787
Foreign currency translation adjustments	8,042	(149,098)
Remeasurements of defined benefit plans	(9,840)	(13,661)
Total accumulated other comprehensive income	1,445,066	1,748,467
Stock acquisition rights	2,545	2,379
Non-controlling interests	51,980	56,380
Total net assets	3,426,675	3,722,780
Total liabilities and net assets	25,253,966	25,765,368

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

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Ordinary income	5,465,432	5,461,195
Underwriting income	4,701,979	4,669,910
Net premiums written	3,598,396	3,606,548
Deposit premiums from policyholders	77,041	65,122
Investment income on deposit premiums	39,466	36,032
Life insurance premiums	981,900	954,954
Other underwriting income	5,174	7,251
Investment income	642,214	661,414
Interest and dividends	513,041	492,170
Gains on money trusts	-	277
Gains on trading securities	18,016	5,670
Gains on sales of securities	142,625	127,130
Gains on redemption of securities	541	1,058
Investment gains on separate accounts	-	49,054
Other investment income	7,456	22,085
Transfer of investment income on deposit premiums	(39,466)	(36,032)
Other ordinary income	121,238	129,870
Amortization of negative goodwill	10,229	10,229
Other ordinary income	111,009	119,641
Ordinary expenses	5,101,486	5,194,459
Underwriting expenses	4,096,249	4,185,395
Net claims paid	2,057,707	1,863,128
Loss adjustment expenses	145,299	146,653
Agency commissions and brokerage	694,708	697,263
Maturity refunds to policyholders	158,337	175,458
Dividends to policyholders	18	4
Life insurance claims	412,721	396,519
Provision for outstanding claims	128,992	262,454
Provision for underwriting reserves	489,344	638,068
Other underwriting expenses	9,120	5,844
Investment expenses	82,938	79,552
Losses on money trusts	50	-
Losses on sales of securities	12,723	25,385
Impairment losses on securities	26,577	19,387
Losses on redemption of securities	772	346
Losses on derivatives	12,809	16,762
Investment losses on separate accounts	8,449	-
Other investment expenses	21,554	17,670
Operating and general administrative expenses	892,776	900,956
Other ordinary expenses	29,522	28,556
Interest expenses	18,940	11,455
Increase in allowance for doubtful accounts	808	863
Losses on bad debts	133	204
Equity in losses of affiliates	4,445	10,074
Other ordinary expenses	5,195	5,958
Ordinary profit	363,945	266,735

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Extraordinary gains	9,695	649
Gains on disposal of fixed assets	173	386
Gains on step acquisitions	4,454	-
Gains on sales of shares of subsidiaries and affiliates	4,336	250
Other extraordinary gains	731	13
Extraordinary losses	19,513	24,210
Losses on disposal of fixed assets	1,941	2,401
Impairment losses on fixed assets	6,386	746
Provision for reserves under special laws	9,614	9,935
Provision for reserve for price fluctuation	9,614	9,935
Losses on advanced depreciation of real estates	0	-
Losses on sales of shares of subsidiaries and affiliates	209	854
Other extraordinary losses	1,359	10,273
Income before income taxes and non-controlling interests	354,127	243,174
Income taxes - current	118,662	161,442
Income taxes - deferred	(26,372)	(80,104)
Total income taxes	92,289	81,337
Net income	261,838	161,837
Net income attributable to non-controlling interests	2,074	35
Net income attributable to owners of the parent	259,763	161,801

(Consolidated Statement of Comprehensive Income)

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Net income	261,838	161,837
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	(244,344)	475,762
Deferred gains (losses) on hedge transactions	1,394	(8,639)
Foreign currency translation adjustments	(13,968)	(158,160)
Remeasurements of defined benefit plans	544	(3,823)
Share of other comprehensive income of affiliates accounted for by the equity method	(2,726)	(1,904)
Total other comprehensive income	(259,100)	303,234
Total comprehensive income	2,737	465,071
Comprehensive income attributable to:		
Owners of the parent	(715)	463,181
Non-controlling interests	3,452	1,890

(3) Consolidated Statement of Changes in Shareholders' Equity

Fiscal year 2019 (April 1, 2019 to March 31, 2020)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,742,188	(18,299)	1,873,889
Cumulative effects of revision in accounting standards for overseas subsidiaries		(3,565)		(3,565)
Restated balance	150,000	1,738,622	(18,299)	1,870,323
Changes during the year				
Dividends		(154,882)		(154,882)
Net income attributable to owners of the parent		259,763		259,763
Purchases of treasury stock			(50,940)	(50,940)
Disposal of treasury stock		(321)	1,066	744
Cancellation of treasury stock		(44,962)	44,962	-
Changes in the scope of consolidation		2,272		2,272
Changes in equity resulted from increase in capital of consolidated subsidiaries				-
Others		(199)		(199)
Net changes in items other than shareholders' equity				
Total changes during the year	-	61,669	(4,910)	56,759
Ending balance	150,000	1,800,292	(23,210)	1,927,082

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance	1,676,369	9,472	24,892	(10,389)	2,479	27,027	3,603,741
Cumulative effects of revision in accounting standards for overseas subsidiaries	3,565						-
Restated balance	1,679,935	9,472	24,892	(10,389)	2,479	27,027	3,603,741
Changes during the year							
Dividends							(154,882)
Net income attributable to owners of the parent							259,763
Purchases of treasury stock							(50,940)
Disposal of treasury stock							744
Cancellation of treasury stock							-
Changes in the scope of consolidation							2,272
Changes in equity resulted from increase in capital of consolidated subsidiaries							-
Others							(199)
Net changes in items other than shareholders' equity	(244,498)	1,955	(16,850)	548	66	24,953	(233,825)
Total changes during the year	(244,498)	1,955	(16,850)	548	66	24,953	(177,066)
Ending balance	1,435,437	11,427	8,042	(9,840)	2,545	51,980	3,426,675

Fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,800,292	(23,210)	1,927,082
Cumulative effects of revision in accounting standards for overseas subsidiaries				-
Restated balance	150,000	1,800,292	(23,210)	1,927,082
Changes during the year				
Dividends		(160,535)		(160,535)
Net income attributable to owners of the parent		161,801		161,801
Purchases of treasury stock			(25,792)	(25,792)
Disposal of treasury stock		(293)	1,080	787
Cancellation of treasury stock		(24,710)	24,710	-
Changes in the scope of consolidation		12,257		12,257
Changes in equity resulted from increase in capital of consolidated subsidiaries		4		4
Others		(53)		(53)
Net changes in items other than shareholders' equity				
Total changes during the year	-	(11,528)	(1)	(11,529)
Ending balance	150,000	1,788,764	(23,211)	1,915,553

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance	1,435,437	11,427	8,042	(9,840)	2,545	51,980	3,426,675
Cumulative effects of revision in accounting standards for overseas subsidiaries							-
Restated balance	1,435,437	11,427	8,042	(9,840)	2,545	51,980	3,426,675
Changes during the year							
Dividends							(160,535)
Net income attributable to owners of the parent							161,801
Purchases of treasury stock							(25,792)
Disposal of treasury stock							787
Cancellation of treasury stock							-
Changes in the scope of consolidation							12,257
Changes in equity resulted from increase in capital of consolidated subsidiaries							4
Others							(53)
Net changes in items other than shareholders' equity	473,001	(8,639)	(157,140)	(3,820)	(166)	4,399	307,634
Total changes during the year	473,001	(8,639)	(157,140)	(3,820)	(166)	4,399	296,105
Ending balance	1,908,438	2,787	(149,098)	(13,661)	2,379	56,380	3,722,780

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	354,127	243,174
Depreciation	60,921	80,905
Impairment losses on fixed assets	6,386	746
Amortization of goodwill	53,882	61,794
Amortization of negative goodwill	(10,229)	(10,229)
Increase (decrease) in outstanding claims	131,376	265,606
Increase (decrease) in underwriting reserves	626,117	739,418
Increase (decrease) in allowance for doubtful accounts	(113)	309
Increase (decrease) in net defined benefit liabilities	(3,801)	3,210
Increase (decrease) in provision for employees' bonus	7,865	5,952
Increase (decrease) in reserve for price fluctuation	9,614	9,935
Interest and dividends	(513,041)	(492,170)
Losses (gains) on securities	(129,888)	(77,656)
Interest expenses	18,940	11,455
Foreign exchange losses (gains)	5,579	(5,806)
Losses (gains) on tangible fixed assets	1,492	2,015
Equity in losses (earnings) of affiliates	4,445	10,074
Investment losses (gains) on separate accounts	8,449	(49,054)
Decrease (increase) in other assets (other than investing and financing activities)	(128,944)	(25,872)
Increase (decrease) in other liabilities (other than investing and financing activities)	90,636	4,484
Others	5,802	11,690
Subtotal	599,617	789,986
Interest and dividends received	519,238	495,774
Interest paid	(18,111)	(12,674)
Income taxes paid	(109,458)	(101,534)
Others	6,336	6,321
Net cash provided by (used in) operating activities (a)	997,623	1,177,873

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Cash flows from investing activities		
Net decrease (increase) in deposits	(3,122)	(5,876)
Purchases of monetary receivables bought	(420,129)	(328,005)
Proceeds from sales and redemption of monetary receivables bought	541,277	222,549
Purchases of securities	(4,378,037)	(2,575,102)
Proceeds from sales and redemption of securities	2,664,749	2,262,990
Payments for issuance of loans	(871,923)	(662,767)
Proceeds from collection of loans	413,804	473,377
Changes in cash collateral under securities borrowing and lending transactions	(120,106)	(320)
Others	(9,772)	(51,593)
Subtotal (b)	(2,183,260)	(664,747)
(a) + (b)	(1,185,636)	513,125
Purchases of tangible fixed assets	(24,709)	(26,224)
Proceeds from sales of tangible fixed assets	1,463	2,680
Purchases of shares of subsidiaries resulting in change in the scope of consolidation	(340,897)	(42,981)
Sales of shares of subsidiaries resulting in change in the scope of consolidation	993	262
Net cash provided by (used in) investing activities	(2,546,411)	(731,010)
Cash flows from financing activities		
Proceeds from borrowings	24,320	41,189
Repayments of borrowings	(37,031)	(280,395)
Proceeds from issuance of short-term corporate bonds	9,999	9,999
Redemption of short-term corporate bonds	(10,000)	(10,000)
Proceeds from issuance of corporate bonds	198,783	-
Redemption of corporate bonds	-	(36,050)
Change in cash collateral under securities lending transactions	1,547,132	(106,194)
Purchases of treasury stock	(50,940)	(25,792)
Dividends paid	(154,799)	(160,419)
Dividends paid to non-controlling shareholders	(590)	(1,089)
Proceeds from share issuance to non-controlling shareholders	-	5,319
Others	16,231	50,464
Net cash provided by (used in) financing activities	1,543,105	(512,967)
Effect of exchange rate changes on cash and cash equivalents	3,022	(33,124)
Net increase (decrease) in cash and cash equivalents	(2,659)	(99,229)
Cash and cash equivalents at beginning of year	1,023,342	1,021,167
Increase in cash and cash equivalents due to newly consolidated subsidiaries	484	2,749
Cash and cash equivalents at end of year	1,021,167	924,687

(5) Notes regarding going concern assumption

Not applicable.

**(6) Notes to Consolidated Financial Statements
(Segment information)**

Fiscal year 2019 (April 1, 2019 to March 31, 2020)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total		
Ordinary income							
Ordinary income from external customers	2,773,198	748,129	1,889,254	68,172	5,478,755	(13,322)	5,465,432
Ordinary income from transactions with other reportable segments	9,304	16	1,992	27,506	38,819	(38,819)	-
Total	2,782,502	748,146	1,891,246	95,679	5,517,574	(52,141)	5,465,432
Segment profit	179,577	51,837	125,453	7,077	363,945	-	363,945
Segment assets	7,225,925	9,200,998	8,856,731	72,371	25,356,026	(102,060)	25,253,966
Other items							
Depreciation	12,221	344	47,345	1,011	60,921	-	60,921
Amortization of goodwill	96	-	53,416	368	53,882	-	53,882
Amortization of negative goodwill	8,917	248	917	145	10,229	-	10,229
Interest and dividends	138,874	109,201	267,153	63	515,293	(2,251)	513,041
Interest expenses	8,386	1,546	10,019	0	19,952	(1,012)	18,940
Equity in earnings (losses) of affiliates	-	-	(4,445)	-	(4,445)	-	(4,445)
Investments in affiliates accounted for by the equity method	-	-	99,729	-	99,729	-	99,729
Increase in tangible and intangible fixed assets	21,525	445	23,215	682	45,868	-	45,868

(Note) 1. "Adjustments" are as follows:

- (1) "Adjustments" for Ordinary income from external customers of (13,322) million yen includes the transfer of Gains on derivatives of 11,296 million yen. This is included in Ordinary income of International insurance segment, while it is included in Losses on derivatives in the consolidated statement of income.
 - (2) "Adjustments" for Segment assets of (102,060) million yen is mainly to eliminate intersegment transactions.
 - (3) "Adjustments" for Other items is to eliminate intersegment transactions.
2. Segment profit corresponds to Ordinary profit in the consolidated statement of income.

Fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total		
Ordinary income							
Ordinary income from external customers	2,751,387	775,305	1,875,660	71,769	5,474,122	(12,927)	5,461,195
Ordinary income from transactions with other reportable segments	9,579	30	2,184	29,123	40,918	(40,918)	-
Total	2,760,967	775,336	1,877,844	100,893	5,515,041	(53,845)	5,461,195
Segment profit	142,891	68,722	44,638	10,149	266,401	334	266,735
Segment assets	7,544,109	9,488,683	8,817,744	79,360	25,929,897	(164,529)	25,765,368
Other items							
Depreciation	16,447	608	63,076	773	80,905	-	80,905
Amortization of goodwill	96	-	61,482	215	61,794	-	61,794
Amortization of negative goodwill	8,917	248	917	145	10,229	-	10,229
Interest and dividends	127,544	116,911	250,178	84	494,719	(2,548)	492,170
Interest expenses	4,446	2,244	6,035	0	12,725	(1,270)	11,455
Equity in earnings (losses) of affiliates	-	-	(10,074)	-	(10,074)	-	(10,074)
Investments in affiliates accounted for by the equity method	-	-	85,280	-	85,280	-	85,280
Increase in tangible and intangible fixed assets	75,381	5,325	56,378	986	138,073	-	138,073

(Note) 1. "Adjustments" are as follows:

- (1) "Adjustments" for Ordinary income from external customers of (12,927) million yen includes the transfer of Gains on derivatives of 12,362 million yen. This is included in Ordinary income of International insurance segment, while it is included in Losses on derivatives in the consolidated statement of income.
 - (2) "Adjustments" for Segment profit of 334 million yen is mainly to eliminate intersegment transactions.
 - (3) "Adjustments" for Segment assets of (164,529) million yen is mainly to eliminate intersegment transactions.
 - (4) "Adjustments" for Other items is to eliminate intersegment transactions.
2. Segment profit corresponds to Ordinary profit in the consolidated statement of income.

(Per share information)

(Yen)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Net assets per share	4,832.05	5,285.10
Net income per share - Basic	369.74	232.13
Net income per share - Diluted	369.45	231.97

(Note) Calculations of "Net income per share - Basic" and "Net income per share - Diluted" are based on the following figures.

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)
Net income per share - Basic		
Net income attributable to owners of the parent (Yen in millions)	259,763	161,801
Amount not attributable to common shareholders (Yen in millions)	-	-
Net income attributable to owners of the parent related to common stock (Yen in millions)	259,763	161,801
Average number of shares outstanding (In thousand shares)	702,541	697,006
Net income per share - Diluted		
Adjustment of net income attributable to owners of the parent (Yen in millions)	-	-
Increased number of common stock (In thousand shares)	565	505
Increased number of stock acquisition rights (In thousand shares)	565	505

(Business combinations and other matters)

1. Business combination by acquisition

The Company acquired 100% of the outstanding shares of Acorn Advisory Capital L.P. and six other companies ("Acorn"), which are asset management companies in U.S., through the Company's wholly owned subsidiary Delphi Financial Group, Inc. ("DFG").

(1) Outline of the business combination

a. Name of the acquirees

Acorn Advisory Capital L.P. and six other companies

b. Business

Asset management business

c. Objective of the business combination

The acquisition will allow DFG to strengthen the asset management skills by insourcing Acorn's investment function and expertise.

d. Date of the business combination

December 31, 2020

e. Form of the business combination

Share purchase of which the consideration is cash

f. Company name after the business combination

Acorn Advisory Capital L.P. and six other companies

g. Voting rights acquired through the business combination

100%

h. Primary reasons for determination of controlling company

DFG is the controlling company, as DFG acquired 100% of voting rights of Acorn.

(2) Period for which the acquirees' operating results are included in the consolidated statement of income of the Company

As the Company uses the acquirees' financial statements as of the date of the business combination for consolidation purposes, the acquirees' operating results are not included in the consolidated statement of income for the fiscal year 2020.

(3) Acquisition cost and breakdown by class of consideration

Consideration for Acorn's shares acquired	Cash	41,125 million yen
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Acquisition cost		41,125 million yen
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(4) Description and amount of major acquisition-related cost

Advisory fee	199 million yen
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(5) Amount, reason for recognition, period and method of amortization of goodwill

a. Amount of goodwill

	39,207 million yen
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b. Reason for recognition of goodwill

The acquisition cost of the acquirees, which was calculated by taking into account projections of the acquirees' future revenue as of the valuation date, exceeded the net amount of assets acquired and liabilities assumed, and the difference is recognized as goodwill.

c. Period and method of amortization of goodwill

	10 years using the straight-line method
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(6) Amount of assets acquired and liabilities assumed on the date of the business combination

Total assets:	3,783 million yen
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Total liabilities:	1,864 million yen
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(7) Allocation of acquisition cost

The Company provisionally accounted for the business combination based on relevant information available as of March 31, 2021, because the purchase price allocation has not been completed within a short period from the date of the business combination.

2. Finalization of provisional accounting treatment for business combination

On February 7, 2020, HCC Insurance Holdings, Inc., a consolidated subsidiary of the Company, acquired Privilege Underwriters, Inc.. The purchase price allocation accounted for on a provisional basis for the fiscal year 2019 was completed in the fiscal year 2020. There is no significant revision to the initial allocation of the purchase price.

(Subsequent events)

Not applicable.

4. Others

(1) Summary of Consolidated Business Results

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)	Fiscal year 2020 (April 1, 2020 to March 31, 2021)	Increase (Decrease)	Rate of change
Ordinary income and expenses				
Underwriting income	4,701,979	4,669,910	(32,069)	(0.7)
Net premiums written	3,598,396	3,606,548	8,152	0.2
Deposit premiums from policyholders	77,041	65,122	(11,918)	(15.5)
Life insurance premiums	981,900	954,954	(26,946)	(2.7)
Underwriting expenses	4,096,249	4,185,395	89,145	2.2
Net claims paid	2,057,707	1,863,128	(194,578)	(9.5)
Loss adjustment expenses	145,299	146,653	1,354	0.9
Agency commissions and brokerage	694,708	697,263	2,555	0.4
Maturity refunds to policyholders	158,337	175,458	17,120	10.8
Life insurance claims	412,721	396,519	(16,202)	(3.9)
Provision for outstanding claims	128,992	262,454	133,461	103.5
Provision for underwriting reserves	489,344	638,068	148,723	30.4
Investment income	642,214	661,414	19,200	3.0
Interest and dividends	513,041	492,170	(20,871)	(4.1)
Gains on money trusts	-	277	277	-
Gains on trading securities	18,016	5,670	(12,346)	(68.5)
Gains on sales of securities	142,625	127,130	(15,494)	(10.9)
Investment gains on separate accounts	-	49,054	49,054	-
Investment expenses	82,938	79,552	(3,385)	(4.1)
Losses on money trusts	50	-	(50)	(100.0)
Losses on sales of securities	12,723	25,385	12,661	99.5
Impairment losses on securities	26,577	19,387	(7,190)	(27.1)
Losses on derivatives	12,809	16,762	3,953	30.9
Investment losses on separate accounts	8,449	-	(8,449)	(100.0)
Operating and general administrative expenses	892,776	900,956	8,179	0.9
Other ordinary income and expenses	91,716	101,314	9,597	10.5
Equity in earnings (losses) of affiliates	(4,445)	(10,074)	(5,629)	-
Ordinary profit	363,945	266,735	(97,210)	(26.7)
Extraordinary gains and losses				
Extraordinary gains	9,695	649	(9,045)	(93.3)
Extraordinary losses	19,513	24,210	4,697	24.1
Extraordinary gains (losses)	(9,818)	(23,561)	(13,742)	-
Income before income taxes and non-controlling interests	354,127	243,174	(110,952)	(31.3)
Income taxes - current	118,662	161,442	42,779	36.1
Income taxes - deferred	(26,372)	(80,104)	(53,732)	-
Total income taxes	92,289	81,337	(10,952)	(11.9)
Net income	261,838	161,837	(100,000)	(38.2)
Net income attributable to non-controlling interests	2,074	35	(2,038)	(98.3)
Net income attributable to owners of the parent	259,763	161,801	(97,961)	(37.7)

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

Direct premiums written including deposit premiums from policyholders

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)			Fiscal year 2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	714,550	17.6	10.4	825,384	19.8	15.5
Hull and cargo	133,597	3.3	11.5	137,120	3.3	2.6
Personal accident	296,102	7.3	1.7	268,624	6.4	(9.3)
Voluntary automobile	1,450,761	35.6	2.6	1,482,120	35.5	2.2
Compulsory automobile liability	281,885	6.9	(0.4)	238,263	5.7	(15.5)
Others	1,194,195	29.3	2.8	1,219,203	29.2	2.1
Total	4,071,093	100.0	3.9	4,170,716	100.0	2.4
Deposit premiums from policyholders	77,041	1.9	(4.4)	65,122	1.6	(15.5)

(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)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)			Fiscal year 2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	543,683	15.1	1.5	600,993	16.7	10.5
Hull and cargo	108,732	3.0	4.2	110,103	3.1	1.3
Personal accident	214,643	6.0	0.7	197,007	5.5	(8.2)
Voluntary automobile	1,450,451	40.3	0.9	1,467,314	40.7	1.2
Compulsory automobile liability	294,319	8.2	2.1	253,271	7.0	(13.9)
Others	986,565	27.4	(2.2)	977,858	27.1	(0.9)
Total	3,598,396	100.0	0.3	3,606,548	100.0	0.2

Net claims paid

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)			Fiscal year 2020 (April 1, 2020 to March 31, 2021)		
	Amount	Composition ratio	Rate of change	Amount	Composition ratio	Rate of change
		%	%		%	%
Fire and allied lines	386,383	18.8	(18.0)	342,289	18.4	(11.4)
Hull and cargo	67,606	3.3	10.4	57,452	3.1	(15.0)
Personal accident	103,924	5.1	2.8	93,356	5.0	(10.2)
Voluntary automobile	810,774	39.4	(0.9)	728,239	39.1	(10.2)
Compulsory automobile liability	203,048	9.9	(5.7)	186,933	10.0	(7.9)
Others	485,970	23.6	9.5	454,856	24.4	(6.4)
Total	2,057,707	100.0	(2.5)	1,863,128	100.0	(9.5)

(3) Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2020	As of March 31, 2021
Unrealized gains (losses) included in income	31,176	70,114

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2020			As of March 31, 2021		
		Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Those with fair value exceeding the carrying amount	Domestic debt securities	4,377,309	5,291,043	913,733	3,574,497	4,307,169	732,671
	Foreign securities	41,434	45,557	4,123	51,750	56,600	4,849
	Subtotal	4,418,744	5,336,600	917,856	3,626,248	4,363,770	737,521
Those with fair value not exceeding the carrying amount	Domestic debt securities	673,813	648,663	(25,149)	1,487,630	1,403,102	(84,527)
	Foreign securities	223	223	-	337	334	(3)
	Subtotal	674,036	648,886	(25,149)	1,487,968	1,403,437	(84,530)
Total		5,092,780	5,985,487	892,707	5,114,216	5,767,207	652,991

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2020			As of March 31, 2021		
		Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Those with fair value exceeding the carrying amount	Domestic debt securities	637,716	669,633	31,916	250,749	258,436	7,686
	Subtotal	637,716	669,633	31,916	250,749	258,436	7,686
Those with fair value not exceeding the carrying amount	Domestic debt securities	1,222,098	1,201,058	(21,040)	1,944,149	1,823,872	(120,277)
	Subtotal	1,222,098	1,201,058	(21,040)	1,944,149	1,823,872	(120,277)
Total		1,859,815	1,870,691	10,876	2,194,898	2,082,308	(112,590)

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2020			As of March 31, 2021		
		Fair value shown on balance sheet	Cost	Unrealized gains (losses)	Fair value shown on balance sheet	Cost	Unrealized gains (losses)
Those with fair value exceeding the cost	Domestic debt securities	3,186,381	2,769,396	416,984	3,049,295	2,708,962	340,332
	Domestic equity securities	1,881,839	459,550	1,422,288	2,441,399	493,762	1,947,636
	Foreign securities	3,111,673	2,860,620	251,052	4,266,561	3,847,323	419,237
	Others (Note 2)	570,597	530,410	40,186	671,434	611,432	60,001
	Subtotal	8,750,490	6,619,978	2,130,512	10,428,689	7,661,481	2,767,207
Those with fair value not exceeding the cost	Domestic debt securities	465,720	469,360	(3,639)	366,370	369,809	(3,438)
	Domestic equity securities	74,568	82,976	(8,408)	21,241	24,017	(2,776)
	Foreign securities	1,395,451	1,475,784	(80,332)	434,855	444,221	(9,365)
	Others (Note 3)	818,409	833,475	(15,066)	753,092	772,031	(18,938)
	Subtotal	2,754,149	2,861,596	(107,447)	1,575,560	1,610,080	(34,520)
Total		11,504,640	9,481,575	2,023,065	12,004,250	9,271,562	2,732,687

(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, 2021: fair value 53 million yen, cost 53 million yen, unrealized gains 0 million yen

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

As of March 31, 2020: fair value 560,000 million yen, cost 521,958 million yen, unrealized gains 38,041 million yen

As of March 31, 2021: fair value 661,299 million yen, cost 604,722 million yen, unrealized gains 56,577 million yen

3. "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: fair value 9,353 million yen, cost 9,353 million yen

As of March 31, 2021: fair value 33,213 million yen, cost 33,213 million yen

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

As of March 31, 2020: fair value 802,259 million yen, cost 816,814 million yen, unrealized losses (14,554) million yen

As of March 31, 2021: fair value 711,830 million yen, cost 729,970 million yen, unrealized losses (18,140) million yen

5. Bonds held to maturity that were sold
None.

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)			Fiscal year 2020 (April 1, 2020 to March 31, 2021)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	1,659	108	-	43,239	315	3,170
Foreign securities	1,205	117	4	-	-	-
Total	2,865	226	4	43,239	315	3,170

7. Available-for-sale securities that were sold

(Yen in millions)

	Fiscal year 2019 (April 1, 2019 to March 31, 2020)			Fiscal year 2020 (April 1, 2020 to March 31, 2021)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	1,011,952	21,003	1,750	652,676	1,759	2,027
Domestic equity securities	112,648	78,225	404	112,291	84,914	278
Foreign securities	819,478	43,169	10,564	682,408	40,140	19,908
Others	275,917	4,980	2,597	131,032	3,816	3,959
Total	2,219,997	147,379	15,315	1,578,408	130,631	26,173

(Note) "Others" includes items as follows:

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

Fiscal year 2019: proceeds 34 million yen

Fiscal year 2020: proceeds 925 million yen

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

Fiscal year 2019: proceeds 275,883 million yen, gains 4,980 million yen, losses 2,597 million yen

Fiscal year 2020: proceeds 130,106 million yen, gains 3,816 million yen, losses 3,959 million yen

8. Securities on which impairment losses were recognized

Impairment losses were recognized as follows:

-Available-for-sale securities with fair value

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)

Fiscal year 2020: 22,546 million yen (Domestic equity securities 243 million yen, Foreign securities 18,043 million yen, Others 4,259 million yen)

-Available-for-sale securities whose fair value cannot be measured reliably

Fiscal year 2019: 63 million yen (Domestic equity securities 63 million yen)

Fiscal year 2020: 778 million yen (Domestic equity securities 129 million yen, Foreign securities 648 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.