

Business Conditions

Main Financial and Non-Financial Data

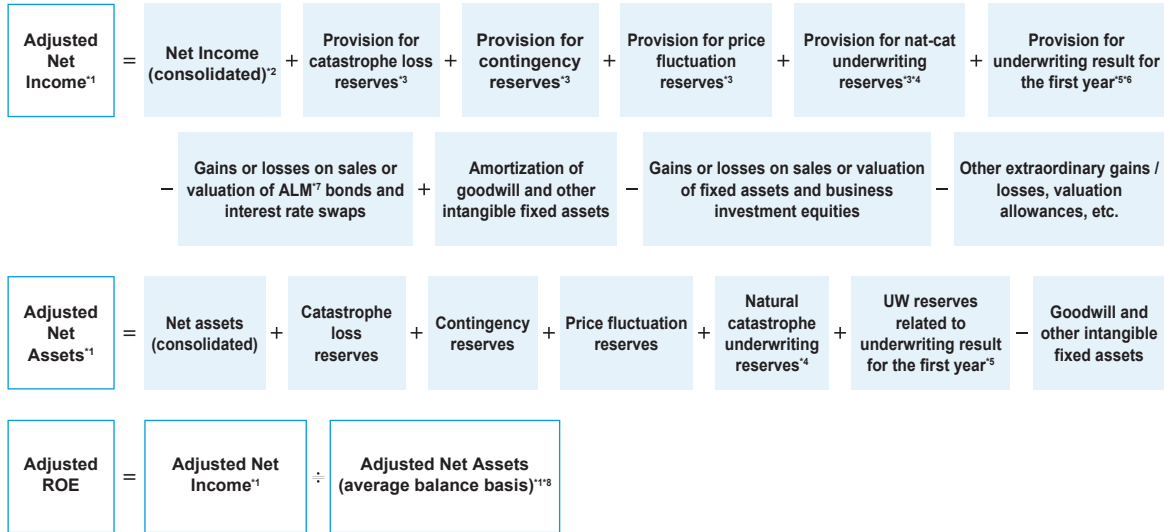
	(Yen in millions unless otherwise indicated)										
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Performance Indicators (Consolidated)											
Ordinary income	3,857,769	4,166,130	4,327,982	4,579,076	5,232,602	5,399,115	5,476,720	5,465,432	5,461,195	5,863,770	6,648,600
Net premiums written	2,558,010	2,870,714	3,127,638	3,265,578	3,480,478	3,564,747	3,587,400	3,598,396	3,606,548	3,887,821	4,469,989
Ordinary profit	207,457	274,386	358,182	385,825	387,659	344,939	416,330	363,945	266,735	567,413	503,907
Net income attributable to owners of the parent	129,578	184,114	247,438	254,540	273,856	284,183	274,579	259,763	161,801	420,484	376,447
Comprehensive income	548,251	442,277	997,024	(14,543)	169,603	500,528	42,871	2,737	465,071	590,780	(116,412)
Financial Indicators (Consolidated)											
Net assets	2,363,183	2,739,114	3,609,655	3,512,656	3,569,760	3,835,536	3,603,741	3,426,675	3,722,780	4,072,625	3,657,849
Total assets	18,029,442	18,948,000	20,889,670	21,855,328	22,607,603	22,929,935	22,531,402	25,253,966	25,765,368	27,245,852	27,699,816
Capital ratio (%)	12.98	14.32	17.13	15.94	15.67	16.59	15.86	13.35	14.22	14.76	13.11
Return on equity: ROE (%)	6.2	7.3	7.9	7.2	7.8	7.7	7.4	7.5	4.6	10.9	9.8
Consolidated solvency margin ratio (%)	737.0	728.4	781.3	791.4	897.3	879.3	854.2	845.8	896.5	827.3	627.5
Stock-related Information											
Net assets per share (Yen)	1,017	1,178	1,580	1,539	1,574	1,748	1,686	1,610	1,761	1,977	1,823
Net income per share—Basic (Yen)	56	79	107	112	121	127	127	123	77	204	187
Dividends per share (Yen)	18	23	32	37	47	53	60	63	67	85	100
Dividends total (100 million yen)	422	537	722	830	1,053	1,176	1,280	1,330	1,391	1,739	2,002
Number of shares outstanding at year-end (Thousands)	2,413,572	2,308,572	2,272,572	2,272,572	2,259,072	2,244,072	2,130,000	2,106,000	2,092,500	2,040,000	2,002,500
Share price at year-end (Yen)	883	1,032	1,512	1,267	1,565	1,578	1,787	1,650	1,755	2,376	2,547
Price-to-earnings ratio: PER (Ratio)	15.69	12.91	14.01	11.27	12.92	12.37	14.00	13.39	22.68	11.62	13.60
Price-to-book value ratio: PBR (Ratio)	0.87	0.88	0.96	0.82	0.99	0.90	1.06	1.02	0.99	1.20	1.39
Key Performance Indicators											
Adjusted net income (100 million yen)	1,631	2,437	3,233	3,519	4,067	3,414	2,809	2,867	3,361	5,783	4,440
Business unit profits											
Domestic non-life insurance	483	340	1,225	1,260	1,676	1,443	189	259	1,279	2,167	1,079
Domestic life insurance	1,103	1,045	1,398	(1,881)	3,735	984	(1,586)	(703)	2,052	511	364
International insurance	692	1,369	1,455	1,318	1,695	1,441	1,762	1,795	1,011	2,523	2,186
Financial and other	(187)	25	40	73	66	72	68	53	73	69	70
Adjusted net assets (100 million yen)	27,465	31,725	41,034	35,993	38,124	40,864	37,631	32,409	36,924	42,240	37,991
Adjusted ROE (%)	6.5	8.2	8.9	9.1	11.0	8.6	7.2	8.2	9.7	14.4	11.1
Adjusted BPS (Yen)	1,193	1,378	1,812	1,589	1,694	1,877	1,775	1,547	1,775	2,077	1,908
Adjusted EPS (Yen)	70	105	141	155	179	153	130	136	160	281	221
Adjusted PBR (Ratio)	0.74	0.75	0.83	0.80	0.92	0.84	1.01	1.07	0.99	1.14	1.33
Environmental, Social and Governance (ESG) Information											
Number of employees	33,006	33,310	33,829	36,902	38,842	39,191	40,848	41,101	43,260	43,048	43,217
Number of employees outside Japan	8,687	9,102	9,640	12,612	13,525	13,803	15,557	15,814	17,811	17,936	18,394
CO ₂ emissions (Tons)	93,311	87,971	98,317	122,280	119,420	115,244	111,509	111,172	89,894	83,483	80,201
CO ₂ fixation/reduction effect (Tons)	84,360	100,951	113,310	133,447	163,459	163,521	153,335	133,617	123,531	130,003	93,000

Notes: 1. With the application of "Accounting Standard for Business Conbinations" (Accounting Standards Board of Japan ("ASBJ") Statement No.21), the former Net income is Net income attributable to owners of the parent from FY2015.
2. Number of employees is staff head-count currently at work.
3. Figures for Comprehensive income, consolidated solvency margin ratio, and number of employees outside Japan are provided beginning with the fiscal year from which data collection and disclosure began.

4. Dividends per share for FY2018, FY2019, and FY2020 do not include one-time dividends of approximately JPY50.0 billion, JPY25.0 billion, and JPY25.0 billion, respectively.
5. A stock split was implemented (a ratio of three shares per share) in October 2022. The "BPS," "EPS," "DPS," "Number of shares outstanding at year-end," and "Share price at year-end" for FY2021 and earlier fiscal years have been recalculated based on after the stock split.
6. The Key Performance Indicators have been newly defined in FY2015 and figures for FY2012 and thereafter have been restated. FY2021 onward is based on new definition.
7. The main reason for the increase in CO₂ emissions from FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emissions). The CO₂ emissions for the fiscal year ended March 31, 2023 reflects a CO₂ reduction effect of 14,074 tons from green power purchases.

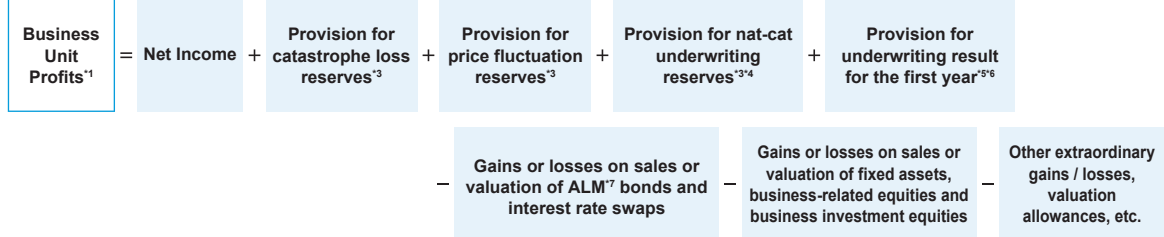
Business Conditions

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

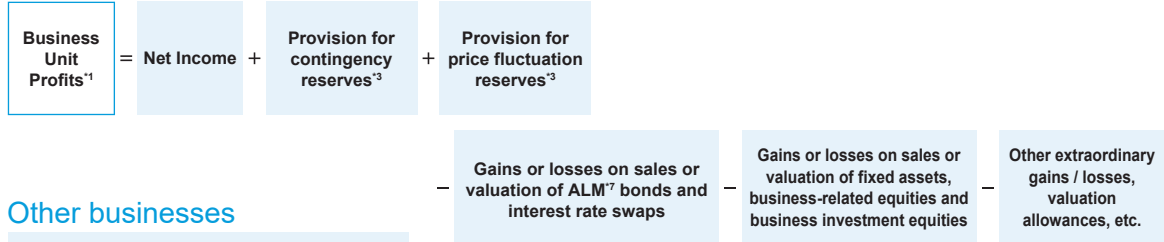


Definition of Business Unit Profits

Non-life insurance business



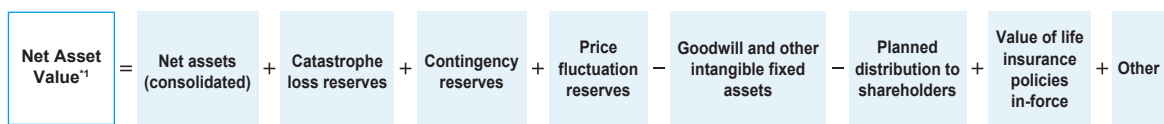
Life insurance business^{*9}



Other businesses

Net income determined in accordance with financial accounting principles

Definition of Net Asset Value



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

*2: Net income attributable to owners of the parent in the consolidated financial statements.

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

*4: Unearned fire insurance premiums corresponding to large natural catastrophe risk.

*5: Premiums, minus a portion of net incurred losses and business expenses, to be carried forward in preparation for an insured event in the following year.

*6: Provision for the general underwriting reserves excluding provision for unearned premiums.

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

*8: Average balance basis

*9: For the overseas life insurance companies, Business Unit Profit is calculated by using the definition in Other businesses.

Overview of Business Results

1. Consolidated Results of Operations

During the fiscal year 2022, the world economy remained on the recovery path that started in the fiscal year 2021. The pace of recovery, however, slowed due to record price inflation caused by such factors as surging energy prices and supply constraints. The Japanese economy gradually recovered, mainly driven by personal consumption, despite the impact of price inflation, due to the gradual relaxation of restrictions relating to the spread of the novel coronavirus (COVID-19) and the ongoing normalization of economic activities.

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 2022 were as follows:

Ordinary income increased by 784.8 billion yen to 6,648.6 billion yen from the previous fiscal year, the main components of which were Underwriting income of 5,634.8 billion yen and Investment income of 875.4 billion yen. Ordinary expenses increased by 848.3 billion yen to 6,144.6 billion yen from the previous fiscal year, the main components of which were Underwriting expenses of 4,666.0 billion yen, Investment expenses of 203.9 billion yen, and Operating and general administrative expenses of 1,135.6 billion yen.

As a result, Ordinary profit decreased by 63.5 billion yen to 503.9 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 44.0 billion yen to 376.4 billion yen from the previous fiscal year.

Domestic Non-Life Insurance Business

In the Domestic non-life insurance business, Ordinary income increased by 190.5 billion yen to 3,040.6 billion yen from the previous fiscal year. Ordinary profit decreased by 18.0 billion yen to 284.5 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the Domestic non-life insurance business are as follows:

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
	(Yen in millions)					
Fire and allied lines	530,932	18.65	7.25	495,041	17.82	0.94
Hull and cargo	95,380	3.35	18.59	80,431	2.89	18.35
Personal accident	249,177	8.75	3.60	240,526	8.66	0.62
Voluntary automobile	1,233,670	43.33	(0.69)	1,242,298	44.71	0.93
Compulsory automobile liability	223,400	7.85	1.21	220,727	7.94	(7.36)
Others	514,270	18.06	2.97	499,451	17.98	2.27
Total	2,846,830	100.00	2.46	2,778,476	100.00	0.85
Deposit premiums from policyholders	50,480	1.77	(19.99)	63,091	2.27	(3.12)

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.

2. 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)

Business Conditions

Net premiums written

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	438,566	17.13	14.42	383,292	15.54	1.78
Hull and cargo	85,019	3.32	15.57	73,565	2.98	19.75
Personal accident	192,583	7.52	10.72	173,932	7.05	4.04
Voluntary automobile	1,228,971	48.01	(0.60)	1,236,399	50.11	0.84
Compulsory automobile liability	225,269	8.80	(3.18)	232,657	9.43	(8.14)
Others	389,614	15.22	6.05	367,379	14.89	2.76
Total	2,560,025	100.00	3.76	2,467,227	100.00	1.03

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	273,740	18.85	22.65	223,186	17.35	(1.45)
Hull and cargo	39,386	2.71	(1.16)	39,847	3.10	4.78
Personal accident	102,314	7.04	25.78	81,342	6.32	0.75
Voluntary automobile	664,930	45.78	10.55	601,476	46.74	2.16
Compulsory automobile liability	157,832	10.87	(7.73)	171,063	13.29	(8.49)
Others	214,307	14.75	26.19	169,826	13.20	8.86
Total	1,452,510	100.00	12.88	1,286,743	100.00	0.77

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

	As of March 31, 2023		As of March 31, 2022	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	452,953	6.04	457,568	6.00
Receivables under resale agreements	999	0.01	3,999	0.05
Monetary receivables bought	28,475	0.38	46,634	0.61
Money trusts	8,000	0.11	—	—
Securities	5,297,550	70.68	5,574,688	73.15
Loans	481,547	6.43	387,837	5.09
Land and buildings	204,537	2.73	204,524	2.68
Total investment assets	6,474,064	86.38	6,675,254	87.59
Total assets	7,494,722	100.00	7,620,856	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

	As of March 31, 2023		As of March 31, 2022	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	1,220,504	23.04	1,322,222	23.72
Domestic municipal bonds	61,876	1.17	79,139	1.42
Domestic corporate bonds	520,867	9.83	571,797	10.26
Domestic equity securities	2,438,251	46.03	2,561,525	45.95
Foreign securities	1,030,826	19.46	1,013,321	18.18
Others	25,223	0.48	26,682	0.48
Total	5,297,550	100.00	5,574,688	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	194	433,821	0.04	78	520,287	0.02
Call loans	—	2	0.00	—	2	0.00
Receivables under resale agreements	0	1,987	0.02	1	9,081	0.01
Monetary receivables bought	20	23,260	0.09	42	85,009	0.05
Money trusts	(0)	7,333	(0.00)	—	504	0.00
Securities	139,601	3,391,674	4.12	125,267	3,400,815	3.68
Loans	18,003	410,926	4.38	11,380	359,976	3.16
Land and buildings	5,693	207,706	2.74	7,763	210,223	3.69
Subtotal	163,513	4,476,713	3.65	144,533	4,585,901	3.15
Others	2,531	—	—	635	—	—
Total	166,045	—	—	145,168	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.

2. Income is the sum of Interest and dividends and the amount equivalent to the Interest and dividends that is included in Gains on money trusts in the consolidated statement of income.

3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under resale agreements, and Monetary receivables bought are calculated based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Realized yield

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	9,847	433,821	2.27	10,174	520,287	1.96
Call loans	—	2	0.00	—	2	0.00
Receivables under resale agreements	0	1,987	0.02	1	9,081	0.01
Monetary receivables bought	20	23,260	0.09	42	85,009	0.05
Money trusts	293	7,333	4.00	44	504	8.77
Securities	244,208	3,391,674	7.20	215,483	3,400,815	6.34
Loans	31,242	410,926	7.60	24,365	359,976	6.77
Land and buildings	5,693	207,706	2.74	7,763	210,223	3.69
Derivatives	(59,617)	—	—	(37,182)	—	—
Others	2,905	—	—	6,350	—	—
Total	234,594	4,476,713	5.24	227,042	4,585,901	4.95

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.

2. Net investment income is the sum of Investment income and Investment income on deposit premiums in the consolidated statement of income less Investment expenses.

3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under resale agreements, and Monetary receivables bought are calculated based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Business Conditions

Domestic Life Insurance Business

In the Domestic life insurance business, Ordinary income decreased by 14.7 billion yen to 699.6 billion yen from the previous fiscal year. Ordinary profit decreased by 17.8 billion yen to 51.7 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the Domestic life insurance business are as follows:

Underwriting

Total amount of business in force

	As of March 31, 2023		As of March 31, 2022	
	Total	Rate of change (%)	Total	Rate of change (%)
Individual insurance	28,386,051	(1.13)	28,711,080	(0.95)
Individual annuities	1,878,882	(4.32)	1,963,806	(4.48)
Group insurance	1,912,540	(3.35)	1,978,781	(6.29)
Group annuities	2,768	(9.96)	3,074	(0.73)

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Amounts of individual annuities represent the sums of funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and the amount of underwriting reserves for an annuity for which payments have commenced.
3. Amounts of group annuities represent amounts of underwriting reserves.

Total amount of new business

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	New business + Net increase on conversion	New business	Net increase on conversion	New business + Net increase on conversion	New business	Net increase on conversion
Individual insurance	2,123,212	2,123,212	—	2,216,007	2,216,007	—
Individual annuities	—	—	—	—	—	—
Group insurance	25,092	25,092	—	18,856	18,856	—
Group annuities	—	—	—	—	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Amounts of individual annuities under new business represent the sums of annuity funds at the beginning of the annuity payment.
3. Amounts of group annuities under new business represent the first installment of premium payments.

Investment

Investment assets

	As of March 31, 2023		As of March 31, 2022	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	74,581	0.85	62,773	0.67
Securities	8,238,754	94.23	8,999,053	95.50
Loans	254,472	2.91	231,505	2.46
Land and buildings	833	0.01	912	0.01
Total investment assets	8,568,641	98.00	9,294,245	98.63
Total assets	8,743,102	100.00	9,423,469	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

	As of March 31, 2023		As of March 31, 2022	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	7,130,635	86.55	7,941,635	88.25
Domestic municipal bonds	5,610	0.07	4,811	0.05
Domestic corporate bonds	528,776	6.42	502,226	5.58
Domestic equity securities	151	0.00	155	0.00
Foreign securities	385,454	4.68	382,393	4.25
Others	188,125	2.28	167,832	1.87
Total	8,238,754	100.00	8,999,053	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	0	85,026	0.00	0	61,534	0.00
Securities	105,631	8,254,471	1.28	105,577	8,628,882	1.22
Loans	13,885	243,558	5.70	10,821	219,698	4.93
Land and buildings	—	1,025	0.00	—	629	0.00
Subtotal	119,517	8,584,081	1.39	116,398	8,910,745	1.31
Others	—	—	—	—	—	—
Total	119,517	—	—	116,398	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments and exclude investment gains and assets on separate accounts specified in Article 118 of the Insurance Business Act.
2. Income represents Interest and dividends in the consolidated statement of income.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs).

Realized yield

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	61	85,026	0.07	60	61,534	0.10
Securities	140,138	8,254,471	1.70	108,082	8,628,882	1.25
Loans	13,822	243,558	5.68	10,816	219,698	4.92
Land and buildings	—	1,025	0.00	—	629	0.00
Derivatives	(19,356)	—	—	(3,601)	—	—
Others	—	—	—	—	—	—
Total	134,665	8,584,081	1.57	115,358	8,910,745	1.29

Note: 1. The figures represent amounts before the elimination of internal transactions between segments and exclude investment gains and assets on separate accounts specified in Article 118 of the Insurance Business Act.
2. Net investment income represents Investment income in the consolidated statement of income less Investment expenses.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs).

Business Conditions

International Insurance Business

In the International insurance business, Ordinary income increased by 699.9 billion yen to 2,964.7 billion yen from the previous fiscal year. Ordinary profit decreased by 25.9 billion yen to 159.5 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the International insurance business are as follows:

Underwriting

Net premiums written

(Yen in millions)

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	379,239	19.86	41.26	268,462	18.90	19.64
Hull and cargo	89,271	4.67	30.52	68,398	4.81	40.53
Personal accident	35,347	1.85	11.78	31,623	2.23	5.96
Voluntary automobile	437,383	22.90	57.16	278,296	19.59	15.37
Others	968,777	50.72	25.19	773,867	54.47	24.74
Total	1,910,019	100.00	34.45	1,420,648	100.00	21.99

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	153,486	18.25	2.35	149,966	22.42	29.48
Hull and cargo	34,184	4.06	29.56	26,385	3.95	35.26
Personal accident	14,713	1.75	(2.33)	15,065	2.25	17.57
Voluntary automobile	223,401	26.56	50.01	148,923	22.27	6.76
Others	415,272	49.38	26.43	328,448	49.11	9.90
Total	841,058	100.00	25.76	668,789	100.00	14.03

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2023		As of March 31, 2022	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	307,035	2.63	290,414	2.82
Monetary receivables bought	1,835,348	15.75	1,583,889	15.38
Securities	4,951,147	42.48	4,712,188	45.76
Loans	2,011,498	17.26	1,521,656	14.78
Land and buildings	121,875	1.05	74,062	0.72
Total investment assets	9,226,906	79.17	8,182,211	79.45
Total assets	11,654,160	100.00	10,298,239	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	3,071	298,727	1.03	1,885	299,932	0.63
Monetary receivables bought	90,030	1,759,258	5.12	55,205	1,395,272	3.96
Securities	174,658	4,817,815	3.63	150,587	4,005,751	3.76
Loans	140,078	1,767,610	7.92	91,914	1,354,823	6.78
Land and buildings	1,000	97,969	1.02	787	68,800	1.14
Subtotal	408,839	8,741,382	4.68	300,381	7,124,579	4.22
Others	2,088	—	—	1,133	—	—
Total	410,927	—	—	301,515	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments. Securities on the consolidated balance sheet includes shares of affiliates accounted for by the equity method. However, these shares have been excluded from calculations of average balance and annual yield.
2. Income represents Interest and dividends in the consolidated statement of income.
3. Average balance is calculated based on average balances at the beginning and end of each fiscal year (acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	31	298,727	0.01	330	299,932	0.11
Receivables under resale agreements	2,531	—	—	—	—	—
Monetary receivables bought	81,777	1,759,258	4.65	54,088	1,395,272	3.88
Securities	142,084	4,817,815	2.95	177,482	4,005,751	4.43
Loans	127,133	1,767,610	7.19	87,057	1,354,823	6.43
Land and buildings	1,000	97,969	1.02	787	68,800	1.14
Derivatives	(13,254)	—	—	1,683	—	—
Others	2,466	—	—	9,944	—	—
Total	343,770	8,741,382	3.93	331,373	7,124,579	4.65

Note: 1. The figures represent amounts before the elimination of internal transactions between segments. Securities on the consolidated balance sheet includes shares of affiliates accounted for by the equity method. However, these shares have been excluded from calculations of average balance and annual yield.
2. Net investment income represents Investment income in the consolidated statement of income less Investment expenses.
3. Average balance is calculated based on average balances at the beginning and end of each fiscal year (acquisition costs or amortized costs).

(Reference) Total for All Businesses

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	1,097,688	21.39	18.49	926,362	20.39	12.23
Hull and cargo	218,315	4.25	23.87	176,248	3.88	28.54
Personal accident	288,737	5.63	4.56	276,149	6.08	2.80
Voluntary automobile	1,665,800	32.46	8.45	1,536,050	33.81	3.64
Compulsory automobile liability	223,400	4.35	1.21	220,727	4.86	(7.36)
Others	1,637,835	31.92	16.40	1,407,059	30.97	15.41
Total	5,131,778	100.00	12.97	4,542,598	100.00	8.92
Deposit premiums from policyholders	50,480	0.98	(19.99)	63,091	1.39	(3.12)

Note: 1. Figures are amounts after the elimination of internal transactions with other operating segments.
2. 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)

Business Conditions

Net premiums written

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	817,805	18.30	25.48	651,754	16.76	8.45
Hull and cargo	174,291	3.90	22.77	141,964	3.65	28.94
Personal accident	227,923	5.10	10.89	205,548	5.29	4.34
Voluntary automobile	1,666,353	37.28	10.01	1,514,695	38.96	3.23
Compulsory automobile liability	225,269	5.04	(3.18)	232,657	5.98	(8.14)
Others	1,358,345	30.39	19.03	1,141,201	29.35	16.70
Total	4,469,989	100.00	14.97	3,887,821	100.00	7.80

Note: Figures are amounts after the elimination of internal transactions with other operating segments.

Net claims paid

	FY2022 (April 1, 2022 - March 31, 2023)			FY2021 (April 1, 2021 - March 31, 2022)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	427,226	18.63	14.49	373,153	19.08	9.02
Hull and cargo	73,482	3.20	11.07	66,158	3.38	15.15
Personal accident	116,804	5.09	21.35	96,257	4.92	3.11
Voluntary automobile	888,330	38.74	18.38	750,399	38.38	3.04
Compulsory automobile liability	157,832	6.88	(7.73)	171,063	8.75	(8.49)
Others	629,573	27.45	26.35	498,275	25.48	9.55
Total	2,293,251	100.00	17.28	1,955,306	100.00	4.95

Note: Figures are amounts after the elimination of internal transactions with other operating segments.

2. Cash Flows

Cash flows for the fiscal year 2022 were as follows:

Net cash provided by operating activities decreased by 94.6 billion yen to 1,007.5 billion yen compared to the previous fiscal year, mainly due to an increase in claim payments. Net cash provided by investing activities increased by 683.6 billion yen to 18.1 billion yen, mainly due to an increase in Proceeds from sales and redemption of securities. Net cash used in financing activities increased by 504.5 billion yen to 1,009.2 billion yen, mainly due to a decrease in Change in cash collateral under securities lending transactions for procurement of funds. As a result, Cash and cash equivalents at end of year was 985.3 billion yen, an increase of 73.1 billion yen from that as of March 31, 2022.

3. Production, Orders and Sales

There is no applicable information due to the nature of the business as an insurance holding company.

Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, 1976, hereinafter referred to as "Consolidated Statements Regulation"). The consolidated financial statements have been also prepared in conformity with the Enforcement Regulations for the Insurance Business Act (Ministry of Finance Ordinance No. 5, 1996, hereinafter referred to as "Insurance Act Enforcement Regulations"), as stipulated under Articles 46 and 68 of the Consolidated Statements Regulation.

The Company and its domestic consolidated subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Amounts of less than 1 million yen have been omitted in the consolidated financial statements. As a result, the provided total balance does not necessarily agree with the sum of the individual account balances.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

	Notes No.	As of March 31, 2023	As of March 31, 2022
Assets			
Cash and bank deposits	*4	871,993	848,819
Receivables under resale agreements		999	3,999
Monetary receivables bought	*4	1,863,824	1,630,523
Money trusts		8,000	—
Securities	*2*4*6	18,489,522	19,288,018
Loans	*3*4*7	2,576,446	2,008,708
Tangible fixed assets	*1	399,817	344,703
Land		132,547	133,930
Buildings		204,194	155,392
Construction in progress		4,919	5,650
Other tangible fixed assets		58,155	49,729
Intangible fixed assets		1,165,860	1,082,579
Software		224,927	157,580
Goodwill		428,601	453,433
Other intangible fixed assets		512,330	471,565
Other assets		2,262,950	1,996,932
Net defined benefit assets		3,717	4,523
Deferred tax assets		77,800	46,252
Customers' liabilities under acceptances and guarantees		1,759	1,878
Allowance for doubtful accounts		(22,876)	(11,089)
Total assets		27,699,816	27,245,852
Liabilities			
Insurance liabilities		20,807,869	19,246,028
Outstanding claims	*4	4,287,286	3,609,687
Underwriting reserves	*4	16,520,582	15,636,341
Corporate bonds		222,811	219,795
Other liabilities		2,376,340	2,945,481
Payables under securities lending transactions		461,324	1,157,261
Other liabilities	*4*10	1,915,015	1,788,219
Net defined benefit liabilities		255,437	259,198
Provision for employees' bonus		97,559	85,893
Provision for share awards		3,401	3,410
Reserves under special laws		132,394	138,331
Reserve for price fluctuation		132,394	138,331
Deferred tax liabilities		137,746	264,754
Negative goodwill		6,645	8,453
Acceptances and guarantees		1,759	1,878
Total liabilities		24,041,966	23,173,226
Net assets			
Shareholders' equity			
Share capital		150,000	150,000
Retained earnings		2,042,054	1,954,445
Treasury stock		(28,056)	(13,179)
Total shareholders' equity		2,163,998	2,091,265
Accumulated other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		954,650	1,835,605
Deferred gains (losses) on hedge transactions		(8,755)	(1,551)
Foreign currency translation adjustments		535,662	110,335
Remeasurements of defined benefit plans		(14,471)	(15,011)
Total accumulated other comprehensive income		1,467,085	1,929,376
Stock acquisition rights		33	33
Non-controlling interests		26,731	51,949
Total net assets		3,657,849	4,072,625
Total liabilities and net assets		27,699,816	27,245,852

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Financial Statements

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

Consolidated Statement of Income			
(Yen in millions)			
	Notes No.	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Ordinary income		6,648,600	5,863,770
Underwriting income		5,634,811	4,988,607
Net premiums written		4,469,989	3,887,821
Deposit premiums from policyholders		50,480	63,091
Investment income on deposit premiums		32,893	34,238
Life insurance premiums		1,071,645	996,288
Other underwriting income		9,802	7,167
Investment income		875,494	738,186
Interest and dividends		690,474	560,082
Gains on money trusts		293	44
Gains on trading securities		—	22,553
Gains on sales of securities		184,521	131,947
Gains on redemption of securities		2,932	3,962
Investment gains on separate accounts		—	13,533
Other investment income		30,164	40,301
Transfer of investment income on deposit premiums		(32,893)	(34,238)
Other ordinary income		138,295	136,976
Amortization of negative goodwill		1,807	10,229
Other ordinary income		136,487	126,747
Ordinary expenses		6,144,693	5,296,357
Underwriting expenses		4,666,080	4,184,455
Net claims paid		2,293,251	1,955,306
Loss adjustment expenses	*1	171,018	160,775
Agency commissions and brokerage	*1	850,155	748,881
Maturity refunds to policyholders		153,472	180,516
Dividends to policyholders		2	3
Life insurance claims		521,666	436,693
Provision for outstanding claims		297,831	219,809
Provision for underwriting reserves		373,599	477,046
Other underwriting expenses		5,081	5,421
Investment expenses		203,996	88,364
Losses on trading securities		4,578	—
Losses on sales of securities		63,483	23,326
Impairment losses on securities		15,816	13,176
Losses on redemption of securities		1,292	2,069
Losses on derivatives		92,197	38,946
Investment losses on separate accounts		2,369	—
Other investment expenses		24,259	10,845
Operating and general administrative expenses	*1	1,135,646	1,002,477
Other ordinary expenses		138,970	21,060
Interest expenses		13,953	8,398
Increase in allowance for doubtful accounts		11,646	71
Losses on bad debts		394	339
Equity in losses of affiliates		104,887	3,034
Other ordinary expenses		8,088	9,215
Ordinary profit		503,907	567,413
Extraordinary gains		34,035	3,470
Gains on disposal of fixed assets		7,840	3,470
Reversal of reserves under special laws		5,936	—
Reversal of reserve for price fluctuation		5,936	—
Other extraordinary gains	*2	20,258	—
Extraordinary losses		8,584	16,611
Losses on disposal of fixed assets		4,616	3,374
Impairment losses on fixed assets	*3	3,740	764
Provision for reserves under special laws		—	10,324
Provision for reserve for price fluctuation		—	10,324
Other extraordinary losses	*4	228	2,148
Income before income taxes and non-controlling interests		529,358	554,272
Income taxes—current		176,548	180,191
Income taxes—deferred		3,179	(36,333)
Total income taxes		179,727	143,858
Net income		349,630	410,414
Net income (loss) attributable to non-controlling interests		(26,817)	(10,070)
Net income attributable to owners of the parent		376,447	420,484

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Yen in millions)			
	Note No.	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Net income		349,630	410,414
Other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		(890,153)	(79,398)
Deferred gains (losses) on hedge transactions		(7,203)	(4,339)
Foreign currency translation adjustments		437,698	258,238
Remeasurements of defined benefit plans		562	(1,295)
Share of other comprehensive income of affiliates accounted for by the equity method		(6,947)	7,161
Total other comprehensive income	*	(466,042)	180,366
Total comprehensive income		(116,412)	590,780
Comprehensive income attributable to:			
Owners of the parent		(85,843)	601,393
Non-controlling interests		(30,569)	(10,613)

The accompanying notes are an integral part of the consolidated financial statements.

(3) Consolidated Statement of Changes in Shareholders' Equity

FY2022 (April 1, 2022 – March 31, 2023)				
(Yen in millions)				
	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,954,445	(13,179)	2,091,265
Changes during the year				
Dividends		(192,151)		(192,151)
Net income attributable to owners of the parent		376,447		376,447
Purchases of treasury stock			(111,691)	(111,691)
Disposal of treasury stock		0	688	688
Cancellation of treasury stock		(96,126)	96,126	—
Changes in the scope of consolidation				—
Changes in equity resulted from increase in capital of consolidated subsidiaries		(49)		(49)
Others		(509)		(509)
Net changes in items other than shareholders' equity				
Total changes during the year	—	87,609	(14,876)	72,732
Ending balance	150,000	2,042,054	(28,056)	2,163,998

Accumulated other comprehensive income							
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,835,605	(1,551)	110,335	(15,011)	33	51,949	4,072,625
Changes during the year							
Dividends							(192,151)
Net income attributable to owners of the parent							376,447
Purchases of treasury stock							(111,691)
Disposal of treasury stock							688
Cancellation of treasury stock							—
Changes in the scope of consolidation							—
Changes in equity resulted from increase in capital of consolidated subsidiaries							(49)
Others							(509)
Net changes in items other than shareholders' equity	(880,954)	(7,203)	425,326	540	—	(25,217)	(487,508)
Total changes during the year	(880,954)	(7,203)	425,326	540	—	(25,217)	(414,775)
Ending balance	954,650	(8,755)	535,662	(14,471)	33	26,731	3,657,849

Consolidated Financial Statements

FY2021 (April 1, 2021 – March 31, 2022)

	(Yen in millions)			
	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,788,764	(23,211)	1,915,553
Changes during the year				
Dividends		(151,661)		(151,661)
Net income attributable to owners of the parent		420,484		420,484
Purchases of treasury stock			(93,736)	(93,736)
Disposal of treasury stock		(97)	869	772
Cancellation of treasury stock		(102,898)	102,898	—
Changes in the scope of consolidation		1,540		1,540
Changes in equity resulted from increase in capital of consolidated subsidiaries		(0)		(0)
Others		(1,686)		(1,686)
Net changes in items other than shareholders' equity				
Total changes during the year	—	165,680	10,031	175,712
Ending balance	150,000	1,954,445	(13,179)	2,091,265

	Accumulated other comprehensive income						
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,908,438	2,787	(149,098)	(13,661)	2,379	56,380	3,722,780
Changes during the year							
Dividends							(151,661)
Net income attributable to owners of the parent							420,484
Purchases of treasury stock							(93,736)
Disposal of treasury stock							772
Cancellation of treasury stock							—
Changes in the scope of consolidation							1,540
Changes in equity resulted from increase in capital of consolidated subsidiaries							(0)
Others							(1,686)
Net changes in items other than shareholders' equity	(72,833)	(4,339)	259,433	(1,350)	(2,345)	(4,431)	174,132
Total changes during the year	(72,833)	(4,339)	259,433	(1,350)	(2,345)	(4,431)	349,845
Ending balance	1,835,605	(1,551)	110,335	(15,011)	33	51,949	4,072,625

The accompanying notes are an integral part of the consolidated financial statements.

(4) Consolidated Statement of Cash Flows

	Notes No.	(Yen in millions)	
		FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Cash flows from operating activities			
Income before income taxes and non-controlling interests		529,358	554,272
Depreciation		112,514	89,754
Impairment losses on fixed assets		3,740	764
Amortization of goodwill		80,692	72,152
Amortization of negative goodwill		(1,807)	(10,229)
Increase (decrease) in outstanding claims		334,838	241,282
Increase (decrease) in underwriting reserves		491,149	529,601
Increase (decrease) in allowance for doubtful accounts		11,020	(600)
Increase (decrease) in net defined benefit liabilities		(4,914)	2,078
Increase (decrease) in provision for employees' bonus		3,106	5,336
Increase (decrease) in provision for share awards		465	3,410
Increase (decrease) in reserve for price fluctuation		(5,936)	10,324
Interest and dividends		(690,474)	(560,082)
Losses (gains) on securities		(120,237)	(118,255)
Interest expenses		13,953	8,398
Foreign exchange losses (gains)		(20,254)	(26,178)
Losses (gains) on tangible fixed assets		(3,224)	(601)
Equity in losses (earnings) of affiliates		104,887	3,034
Investment losses (gains) on separate accounts		2,369	(13,533)
Decrease (increase) in other assets (other than investing and financing activities)		(165,628)	(68,773)
Increase (decrease) in other liabilities (other than investing and financing activities)		(119,937)	52,765
Others		18,841	427
Subtotal		574,521	775,350
Interest and dividends received		665,382	552,023
Interest paid		(12,829)	(8,788)
Income taxes paid		(225,446)	(223,279)
Others		5,954	6,934
Net cash provided by (used in) operating activities (a)		1,007,582	1,102,240
Cash flows from investing activities			
Net decrease (increase) in deposits		18,569	228
Purchases of monetary receivables bought		(516,140)	(625,850)
Proceeds from sales and redemption of monetary receivables bought		296,315	474,800
Increase in money trusts		(8,000)	—
Decrease in money trusts		—	2,421
Purchases of securities		(2,015,966)	(2,255,729)
Proceeds from sales and redemption of securities		2,647,425	2,046,983
Payments for issuance of loans		(1,000,890)	(864,335)
Proceeds from collection of loans		697,998	650,557
Others		(95,355)	(70,711)
Subtotal (b)		23,956	(641,634)
(a) + (b)		1,031,538	460,606
Purchases of tangible fixed assets		(24,877)	(29,050)
Proceeds from sales of tangible fixed assets		18,798	5,240
Purchases of shares of subsidiaries resulting in change in the scope of consolidation		(26,111)	—
Sales of shares of subsidiaries resulting in change in the scope of consolidation		26,428	—
Net cash provided by (used in) investing activities		18,193	(665,444)
Cash flows from financing activities			
Proceeds from borrowings		15,565	34,506
Repayments of borrowings		(13,347)	(42,350)
Proceeds from issuance of short-term corporate bonds		9,999	9,999
Redemption of short-term corporate bonds		(10,000)	(10,000)
Redemption of corporate bonds		(48)	(12,705)
Change in cash collateral under securities lending transactions		(695,937)	(351,789)
Purchases of treasury stock		(111,691)	(93,736)
Dividends paid		(192,008)	(151,571)
Dividends paid to non-controlling shareholders		(707)	(681)
Proceeds from share issuance to non-controlling shareholders		11,091	6,794
Purchases of shares of subsidiaries not resulting in change in the scope of consolidation		(5,060)	—
Others		(17,081)	106,903
Net cash provided by (used in) financing activities		(1,009,226)	(504,629)
Effect of exchange rate changes on cash and cash equivalents		56,615	59,659
Net increase (decrease) in cash and cash equivalents		73,165	(8,174)
Cash and cash equivalents at beginning of year		912,216	924,687
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation		—	(4,295)
Cash and cash equivalents at end of year	*1	985,382	912,216

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 172 companies

For details of the Company's major consolidated subsidiaries, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

Standard Security Life Insurance Company of New York and four other companies are included in the scope of consolidation from the fiscal year 2022 due to the acquisition of shares, etc.

Chestnut Investors IV, Inc. and two other companies are excluded from the scope of consolidation from the fiscal year 2022 due to the liquidation, etc.

(2) Names of major non-consolidated subsidiaries

(Names of major non-consolidated subsidiaries)

Tokio Marine & Nichido Adjusting Service Co., Ltd.

Tokio Marine Life Insurance (Thailand) Public Company Limited

(Reason for exclusion from the scope of consolidation)

Each non-consolidated subsidiary is small in scale in terms of total assets, sales, net income or loss and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations, these companies are excluded from the consolidation.

2. Application of the equity method

(1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method: 9 companies

For details of major affiliates accounted for by the equity method, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

Newa Insurance (Cambodia) Plc. is included in the application of the equity method from the fiscal year 2022 due to the capital increase to Tokio Marine Newa Insurance Co., Ltd.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Life Insurance (Thailand) Public Company Limited, etc.) and other affiliates (Alinma Tokio Marine Company, etc.) are not accounted for by the equity method because these companies have an immaterial effect on the Company's consolidated net income or loss as well as consolidated retained earnings.

(3) The Company owns 30.1% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. through Tokio Marine & Nichido and Nisshin Fire. However, the Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it cannot exert a significant influence on any decision making of its policies given the highly public nature of their business.

(4) When a company accounted for by the equity method has a different closing date from that of the Company, in principle, the financial statements prepared at its closing date are used for presentation in the consolidated financial results.

3. Balance sheet date of consolidated subsidiaries

There are one domestic subsidiary and 162 overseas subsidiaries whose balance sheet dates are December 31. The consolidated financial statements incorporate the results of these subsidiaries for the period ended December 31. Necessary adjustments for the consolidation are made for material transactions that occur during the three-month lag between the balance sheet dates of these subsidiaries and the consolidated balance sheet date.

4. Accounting policies

(1) Accounting for insurance contracts

Accounting for insurance contracts such as insurance premiums, outstanding claims and underwriting reserves of domestic consolidated insurance subsidiaries is stipulated under Insurance Business Act and other laws and regulations.

(2) Valuation of securities

a. Trading securities are measured at fair value, with the costs of their sales being calculated based on the moving-average method.

b. Bonds held to maturity are recorded at amortized cost based on the moving-average method (straight-line method).

c. Bonds earmarked for underwriting reserves are stated at amortized cost under the straight-line method in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Securities Earmarked for Underwriting Reserve in Insurance Industry" (issued by the Japanese Institute of Certified Public Accountants (the "JICPA"), November 16, 2000).

The following is a summary of the risk management policy concerning bonds earmarked for underwriting reserves.

In order to adequately manage interest rate risk related to assets and liabilities, Tokio Marine & Nichido Life has established "part of underwriting reserve for individual insurance policies (non-participating or participating)" as an underwriting reserve subgroup. Tokio Marine & Nichido Life's policy is to match the duration of the underwriting reserve in the subgroup with the same or similar duration of bonds that are earmarked for underwriting reserves.

d. Available-for-sale securities (except for securities without a market price) are measured at fair value. Unrealized gains/losses on available-for-sale securities are included in net assets, and the costs of sales are calculated using the moving-average method.

e. Securities without a market price in available-for-sale securities are stated at original cost by the moving-average method.

f. Securities held in individually managed money trusts that are mainly invested in securities for trading are measured at fair value.

(3) Valuation of derivative transactions

Derivative financial instruments are measured at fair value.

(4) Depreciation methods for material depreciable assets

a. Tangible fixed assets

Depreciation of tangible fixed assets is calculated using the straight-line method.

b. Intangible fixed assets

Intangible fixed assets recognized in acquisitions of overseas subsidiaries are amortized over the estimated useful life reflecting the pattern of the assets' future economic benefits.

(5) Accounting policies for significant reserves and allowances

a. Allowance for doubtful accounts

In order to prepare for the losses from bad debts, allowances are provided pursuant to the rules of asset self-assessment and the rules of asset write-off. Allowances are provided by major domestic consolidated subsidiaries as follows:

For receivables from any debtor who has legally, or in practice, become insolvent (due to bankruptcy, special liquidation or suspension of transactions with banks based on the rules governing clearing houses, etc.) and for receivables from any debtor who has substantially become insolvent, allowances are provided based on the amount of any such receivables deducting the amount expected to be collectible calculated based on the disposal of collateral or execution of guarantees.

For receivables from any debtor who is likely to become insolvent in the near future, allowances are provided based on the amount of any such receivables deducting the amount expected to be collectible through the disposal of collateral or execution of guarantees and the overall solvency assessment of the relevant debtor.

For receivables other than those described above, allowances are the amount of receivables multiplied by the default rate, which is calculated based on historical default experience in certain previous periods.

In addition, all receivables are assessed by the asset accounting department and the asset management department in accordance with the rules of asset self-assessment. Subsequently, the asset auditing departments, which are independent from other asset-related departments, conduct audits of the assessment results of the other asset-related departments. Allowances are provided based on such assessment results as stated above.

b. Provision for employees' bonus

To provide for payment of bonuses to employees, the Company and its major consolidated domestic subsidiaries recognize

Provisions for employees' bonus based on the expected amount to be paid.

c. Provision for share awards

To provide the Company's shares to Directors and Executive Officers pursuant to the share delivery rules, the Company recognizes Provision for share awards based on the expected amount of obligation as of the end of the fiscal year 2022.

d. Reserve for price fluctuation

Domestic consolidated insurance subsidiaries recognize reserves in accordance with Article 115 of the Insurance Business Act in order to provide for possible losses or damages arising from fluctuation of share prices, etc.

(6) Accounting methods for retirement benefits

a. The method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the method of attributing expected retirement benefits to periods is based on the benefit formula basis.

b. The method of amortization of actuarial gains and losses and past service costs

Actuarial gains and losses for each fiscal year are amortized proportionally from the following fiscal year using the straight-line method over a certain number of years (5 to 13 years) within the average remaining work period of employees at the time of occurrence.

Past service costs are amortized by the straight-line method over a certain number of years (7 to 13 years) within the average remaining work period of employees at the time of occurrence.

(7) Consumption taxes

For the Company and its domestic consolidated subsidiaries, consumption taxes are accounted for by the tax-excluded method except for costs such as Operating and general administrative expenses incurred by domestic consolidated insurance subsidiaries which are accounted for by the tax-included method.

In addition, any non-deductible consumption taxes, in respect of assets, are included in Other assets and are amortized over five years using the straight-line method.

Notes to Consolidated Financial Statements

(8) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct Asset Liability Management ("ALM") to control such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swaps that are used to manage such risks, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swaps based upon the Industry Committee Practical Guideline No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, March 17, 2022).

Assessment of hedge effectiveness is omitted because the companies group hedged insurance liabilities with the interest rate swaps that are the hedging instruments, based on the period remaining for the instruments, and the hedge is highly effective.

b. Foreign exchange

Major domestic consolidated insurance subsidiaries apply fair value hedge accounting, deferred hedge accounting or assignment accounting for certain foreign exchange forwards and certain currency swaps used to reduce future currency risk such as in assets denominated in foreign currency. Assessment of hedge effectiveness is omitted because the principal terms of the hedging instruments and the hedged items are identical and the hedge is highly effective.

(9) Methods and periods of amortization of goodwill

Regarding goodwill recognized as an asset on the consolidated balance sheet, goodwill in connection with Philadelphia Consolidated Holding Corp. is amortized over 20 years using the straight-line method. Goodwill in connection with HCC Insurance Holdings, Inc. is amortized over 10 years using the straight-line method. Goodwill in connection with Privilege Underwriters, Inc. is amortized over 15 years using the straight-line method. Other goodwill is amortized over 5 to 15 years using the straight-line method. Other goodwill in small amounts is amortized immediately.

Negative goodwill incurred before March 31, 2010 and recognized as a liability on the consolidated balance sheet is amortized over 20 years using the straight-line method.

(10) Scope of Cash and cash equivalents on the consolidated statement of cash flows

Cash and cash equivalents on the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments such as time deposits with original maturities or redemption of three months or less at the date of acquisition.

Significant Accounting Estimates

Items including accounting estimates that could have a significant impact on the financial condition or results of operations of the Company and its consolidated subsidiaries are as follows:

1. Outstanding claims

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2023

(Yen in millions)

	As of March 31, 2023	As of March 31, 2022
Outstanding claims	4,287,286	3,609,687

(2) Information on the significant accounting estimates

a. Calculation method

Outstanding claims are estimated as the amount of claims, refunds and other benefits (hereinafter referred to as "Claims") deemed to have resulted in an obligation under an insurance contract that have not yet been paid.

b. Key assumptions used in the calculations

Outstanding claims are estimated based on the ultimate settlement of Claims by using the assumptions calculated mainly from historical payment experience.

c. Impact on the consolidated financial statements for the following fiscal year

Due to the revision of laws and regulations or court decisions, etc., the ultimate settlement of Insurance Claims may change from the initial estimate, and the amount recorded for outstanding claims may increase or decrease.

2. Impairment of goodwill

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2023

(Yen in millions)

	As of March 31, 2023	As of March 31, 2022
Goodwill	428,601	453,433

(2) Information on the significant accounting estimates

a. Calculation method

Impairment of goodwill is recognized mainly in accordance with the procedures for identifying indications of impairment, assessing the recognition of an impairment loss and measuring an impairment loss for each unit to which goodwill is attributed (hereinafter referred to as "Reporting unit") whose performance is reported independently for the Company's management purpose.

First, for each Reporting unit, the Company assesses if indications of impairment are identified, such as deterioration in the latest operating results and future prospects, a significant negative deviation compared to the business plan at the time of acquisition, or significant adverse changes in the business environment including market conditions. For Reporting units for which indications of impairment were identified, an impairment loss is recognized if the total amount of undiscounted future cash flows is less than the book value of goodwill. For Reporting units for which recognition of an impairment loss is deemed necessary, the book value of goodwill shall be reduced to the recoverable amount which is calculated by discounting future cash flows, and recognizes the reduced amount as impairment loss.

b. Key assumptions for the calculations

Future cash flows and discount rates are used to calculate impairment loss on goodwill.

Future cash flows are estimated based on the latest rational business plan, taking into account the growth, etc., based on the business environment of each Reporting unit.

The discount rate is the pre-tax interest rate, which is the cost of capital plus necessary adjustments such as interest rate differentials.

c. Impact on the consolidated financial statements for the following fiscal year

An impairment loss may be incurred if undiscounted future cash flows significantly decline due to, for example, a significant deterioration in profitability from the assumption at the time of acquisition and a significant downward deviation from the business plan.

3. Market value evaluation of financial instruments

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2023

Please refer to "Information on Financial Instruments".

(2) Information on significant accounting estimates

a. Calculation method and Key assumptions for the calculations

With regards to the calculation method of the fair value of financial instruments and key assumptions for the calculations, please refer to "Information on Financial Instruments-2. Fair value of financial instruments and breakdown by input level (Note 1)".

b. Impact on the consolidated financial statements for the following fiscal year

Key assumptions may change due to changes in the market environment, and the fair value of financial instruments may increase or decrease.

Notes to Consolidated Financial Statements

Accounting Standards Not Yet Adopted by the Company

- **Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements (Practical Issue Task Force ("PITF") No. 18, September 14, 2018)**
- **Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24, September 14, 2018)**

1. Overview

The Accounting Standards Board of Japan ("ASBJ") has revised PITF No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" and PITF No. 24 "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method". The major amendments are as follows:

For overseas subsidiaries that present subsequent changes in fair value of investment in equity instruments in Other comprehensive income, when investments in the equity instruments are sold, an adjustment is to be made to recognize the difference between the acquisition cost and sales price as a gain or loss for the corresponding fiscal year within the consolidation process, in accordance with the Tentative Practical Solution of "Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for the Consolidation Process".

For overseas subsidiaries that need to recognize any asset impairment, an adjustment is to be made to recognize the valuation difference as a loss for the corresponding fiscal year within the consolidation process.

2. Date of application

The Company plans to adopt the aforementioned standards from the beginning of the fiscal year in which its overseas subsidiaries adopt IFRS 9 "Financial Instruments".

3. Impact of application of standards

The Company has not yet evaluated the impact of the application of the aforementioned standards at the timing of the preparation of its consolidated financial statements.

Changes in Accounting Policies

The Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021) (hereinafter referred to as "Guidance for Application of Fair Value Measurement") from the beginning of the fiscal year 2022.

In accordance with the transitional treatment set forth in Paragraph 27-2 of Guidance for Application of Fair Value Measurement, the Company has prospectively applied a new accounting policy prescribed by Guidance for Application of Fair Value Measurement.

The effect of applying Guidance for Application of Fair Value Measurement on consolidated financial statements is immaterial.

Additional Information

The Company and its major domestic consolidated subsidiaries have adopted a structure called Board Incentive Plan Trust (hereinafter, the "BIP Trust") as a stock-based compensation system (hereinafter, the "System") for its Directors and Executive Officers (hereinafter, the "Directors, etc."). The Company and its major domestic consolidated subsidiaries have applied the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (Practical Solution Report No. 30, March 26, 2015) to the accounting treatment for the System.

Under the System, the Company and its major domestic consolidated subsidiaries entrust with the trustee the monies to pay for the Company's stock-based compensation to acquire the Company's shares through the trust. The Eligible Directors, etc. who meet certain beneficiary requirements will receive, after their resignation, the Company's shares in the number that is equivalent to a certain ratio of the granted points accumulated pursuant to the share delivery rules and money corresponding to the conversion value of the Company's shares through the trust.

The Company's shares remaining in the trust are recorded as treasury stock in shareholders' equity. The book value of such treasury stock is 4,272 million yen and the number of shares is 2,117,000 shares at the end of the fiscal year 2022, and 4,958 million yen and 819,000 shares at the end of the fiscal year 2021, respectively.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation of tangible fixed assets and advanced depreciation of tangible fixed assets, deducted from acquisition costs are as follows:

	As of March 31, 2023	As of March 31, 2022
Accumulated depreciation	406,178	381,710
Advanced depreciation of tangible fixed assets	17,313	17,887

*2. Securities of non-consolidated subsidiaries and affiliates are as follows:

	As of March 31, 2023	As of March 31, 2022
Securities (equity)	174,645	187,720
Securities (partnership)	26,229	24,849

*3. The total amount of bankrupt or de facto bankrupt assets, doubtful assets, loans past due for three months or more, and restructured loans among the assets under the Insurance Business Acts are as follows:

	As of March 31, 2023	As of March 31, 2022
Bankrupt or de facto bankrupt assets	8,553	10,937
Doubtful assets	130,647	138,344
Loans past due for three months or more	0	1
Restructured loans	1,388	12,466
Total	140,589	161,748

Note: Bankrupt or de facto bankrupt assets are receivables from any debtor who has become insolvent due to the commencement of bankruptcy proceedings, reorganization proceedings or rehabilitation proceedings and receivables equivalent to them.
Doubtful assets are receivables from any debtor who has not become insolvent, but which the principal or interest according to the contract are unlikely to be collected due to deterioration in the financial condition and business performance of the debtor. Assets classified as bankrupt or de facto bankrupt assets are excluded.
Loans past due for three months or more are defined as loans on which any principal or interest payments are delayed for three months or more from the date following the due date.
Loans classified as bankrupt or de facto bankrupt assets and doubtful assets are excluded.
Restructured loans are loans on which concessions (e.g. reduction of the stated interest rate, deferral of interest payment, extension of the maturity date, forgiveness of debt) are granted to borrowers in financial difficulties to assist them in their corporate restructuring or financial recovery by improving their ability to repay creditors. Restructured loans do not include loans classified as bankrupt or de facto bankrupt assets, doubtful assets, or loans past due for three months or more.

*4. The value of assets pledged as collateral and collateralized corresponding debt obligations are as follows:

	As of March 31, 2023	As of March 31, 2022
Assets pledged as collateral		
Bank deposits	58,414	55,217
Monetary receivables bought	34,309	21,159
Securities	822,209	730,691
Loans	394,719	264,866
Collateralized corresponding debt obligations		
Outstanding claims	223,584	170,156
Underwriting reserves	284,953	223,808
Other liabilities (payables under repurchase agreements, etc.)	271,147	240,338

5. The fair value of the commercial papers received under resale agreements which the Company has the right to dispose of by sale or rehypothecation is as follows:
They are wholly held by the Company.

	As of March 31, 2023	As of March 31, 2022
	999	3,999

*6. Securities lent under loan agreements are as follows:

	As of March 31, 2023	As of March 31, 2022
	939,517	1,558,306

Notes to Consolidated Financial Statements

*7. The outstanding balance of undrawn loan commitments is as follows:

	As of March 31, 2023	As of March 31, 2022
Total loan commitments	1,702,132	1,260,620
Balance of drawn loan commitments	1,285,057	890,702
Undrawn loan commitments	417,075	369,918

8. The amount of assets or liabilities in separate accounts as prescribed in Article 118 of the Insurance Business Act is as follows:

	As of March 31, 2023	As of March 31, 2022
	211,546	192,942

9. Tokio Marine & Nichido guarantees the liabilities of the following subsidiary.

	As of March 31, 2023	As of March 31, 2022
Tokio Marine Compania de Seguros, S.A. de C.V.	8,098	8,569

*10. Subordinated term loans, included in Other liabilities, of which the repayment is subordinated to other obligations, are as follows:

	As of March 31, 2023	As of March 31, 2022
	100,000	100,000

Notes to Consolidated Statement of Income

*1. Major components of business expenses are as follows:

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Agency commissions, etc.	687,846	637,801
Salaries	379,631	345,670

Note: Business expenses consist of Loss adjustment expenses, Operating and general administrative expenses, and Agency commissions and brokerage as shown in the accompanying consolidated statement of income.

*2. Other extraordinary gains for the fiscal year 2022 are primarily attributable to 18,145 million yen of Gains on sales of shares of subsidiaries and affiliates.

*3. The Company recognized impairment losses on the following assets:

FY2022 (April 1, 2022 – March 31, 2023)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (Other business (nursing care business))	Land and buildings	3 properties, including buildings in Setagaya-ku, Tokyo	160	77	36	275
Idle properties or properties planned for sale	Land and buildings	15 properties, including buildings in Kawachi-county, Tochigi	2,295	1,169	—	3,464
Total			2,456	1,247	36	3,740

Properties are classified as follows: (a) properties for use in insurance business are grouped by each consolidated company and (b) other properties including properties for rent, idle properties, or properties planned for sale and properties for business use in other business (nursing care business) are grouped on an individual basis.

The total amount of projected future cash flows generated from other business (nursing care business) fell below the book values of the properties used for this business. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount is primarily the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers.

The Company wrote off the excess of the book values over the recoverable amount for certain idle properties or properties planned for sale, mainly due to the decision to sell the properties, and recognized any such write-offs as impairment losses in Extraordinary losses. The recoverable amount is the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers appraisers less anticipated expenses for disposal of the relevant property.

*4. Other extraordinary losses for the fiscal year 2021 are primarily attributable to 1,608 million yen of Impairment losses on shares of subsidiaries and affiliates.

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effects relating to Other comprehensive income

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Unrealized gains (losses) on available-for-sale securities		
Amount arising during the year	(915,368)	(7,661)
Reclassification adjustment	(134,505)	(98,151)
Before tax effect adjustment	(1,049,873)	(105,812)
Tax effect	159,719	26,413
Unrealized gains (losses) on available-for-sale securities	(890,153)	(79,398)
Deferred gains (losses) on hedge transactions		
Amount arising during the year	(9,816)	(5,451)
Reclassification adjustment	(185)	(574)
Before tax effect adjustment	(10,001)	(6,026)
Tax effect	2,798	1,686
Deferred gains (losses) on hedge transactions	(7,203)	(4,339)
Foreign currency translation adjustments		
Amount arising during the year	437,698	258,238
Remeasurements of defined benefit plans		
Amount arising during the year	147	(6,064)
Reclassification adjustment	635	4,263
Before tax effect adjustment	783	(1,800)
Tax effect	(220)	504
Remeasurements of defined benefit plans	562	(1,295)
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	(6,238)	8,302
Reclassification adjustment	(709)	(1,140)
Share of other comprehensive income of affiliates accounted for by the equity method	(6,947)	7,161
Total other comprehensive income	(466,042)	180,366

Notes to Consolidated Financial Statements

Notes to Consolidated Statement of Changes in Shareholders' Equity

FY2022 (April 1, 2022 – March 31, 2023)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)				
	Number of shares as of April 1, 2022	Increase during the fiscal year 2022	Decrease during the fiscal year 2022	Number of shares as of March 31, 2023
Issued stock				
Common stock	680,000	1,360,000	37,500	2,002,500
Total	680,000	1,360,000	37,500	2,002,500
Treasury stock				
Common stock	2,217	46,856	37,678	11,396
Total	2,217	46,856	37,678	11,396

Note: 1. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022.
2. The number of shares of common stock at the beginning and the end of the fiscal year 2022 respectively include 819 thousand and 2,117 thousand shares of treasury stock held by BIP Trust.
3. The increase of 1,360,000 thousand shares of common stock is entirely attributable to the stock split.
4. The decrease of 37,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
5. The increase of 46,856 thousand shares of common stock is primarily attributable to the acquisition of 25,914 thousand shares of treasury stock resolved at the meeting of the Board of Directors, and an increase of 20,934 thousand shares by the stock split.
6. The decrease of 37,678 thousand shares of common stock is primarily attributable to the cancellation of 37,500 thousand shares of treasury stock and the sale of 177 thousand shares of treasury stock by BIP Trust.

2. Stock acquisition rights (including those owned by the Company)

Category	Nature of stock acquisition rights	Amount as of March 31, 2023 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	33

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2022	Common stock	91,611 million yen	135.00 yen	March 31, 2022	June 28, 2022
Meeting of the Board of Directors held on November 18, 2022	Common stock	100,540 million yen	150.00 yen	September 30, 2022	December 12, 2022

Note: 1. For dividends resolved at the ordinary general meeting of shareholders held on June 27, 2022, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 110 million yen.
2. For dividends resolved at the meeting of the Board of Directors held on November 18, 2022, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 110 million yen.
3. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022, but the amount of dividends per share is presented with the amount before the stock split.

(2) Dividends of which the record date falls within the fiscal year 2022, and the effective date falls after March 31, 2023

The Company intends to obtain approval for the following dividend payment at the 21st Ordinary General Meeting of Shareholders to be held on June 26, 2023.

Resolution	Type of stock	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2023	Common stock	99,661 million yen	Retained earnings	50.00 yen	March 31, 2023	June 27, 2023

Note: The amount of dividends paid includes dividends for treasury stock held by BIP Trust of 105 million yen.

FY2021 (April 1, 2021 – March 31, 2022)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)				
	Number of shares as of April 1, 2021	Increase during the fiscal year 2021	Decrease during the fiscal year 2021	Number of shares as of March 31, 2022
Issued stock				
Common stock	697,500	—	17,500	680,000
Total	697,500	—	17,500	680,000
Treasury stock				
Common stock	4,226	15,643	17,653	2,217
Total	4,226	15,643	17,653	2,217

Note: 1. The number of shares of common stock at the end of the fiscal year 2021 includes 819 thousand shares of treasury stock held by BIP Trust.
2. The decrease of 17,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
3. The increase of 15,643 thousand shares of common stock is primarily attributable to the acquisition of 14,753 thousand shares of treasury stock conducted based on resolution by the Board of Directors and the acquisition of 867 thousand shares of treasury stock by BIP Trust.
4. The decrease of 17,653 thousand shares of common stock is primarily attributable to the cancellation of 17,500 thousand shares of treasury stock and the sale of 48 thousand shares of treasury stock by BIP Trust.

2. Stock acquisition rights (including those owned by the Company)

Category	Nature of stock acquisition rights	Amount as of March 31, 2022 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	33

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28, 2021	Common stock	69,327 million yen	100.00 yen	March 31, 2021	June 29, 2021
Meeting of the Board of Directors held on November 19, 2021	Common stock	82,334 million yen	120.00 yen	September 30, 2021	December 13, 2021

Note: For dividends resolved at the meeting of the Board of Directors held on November 19, 2021, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 104 million yen.

(2) Dividends of which the record date falls within the fiscal year 2021, and the effective date falls after March 31, 2022

Resolution	Type of stock	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2022	Common stock	91,611 million yen	Retained earnings	135.00 yen	March 31, 2022	June 28, 2022

Note: The amount of dividends paid includes dividends for treasury stock held by BIP Trust of 110 million yen.

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents to the amounts disclosed in the consolidated balance sheet is provided as follows:

(Yen in millions)		
	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Cash and bank deposits	871,993	848,819
Monetary receivables bought	1,863,824	1,630,523
Securities	18,489,522	19,288,018
Time deposits with initial term over three months to maturity	(103,228)	(112,006)
Monetary receivables bought not included in cash equivalents	(1,863,224)	(1,596,975)
Securities not included in cash equivalents	(18,273,503)	(19,146,163)
Cash and cash equivalents	985,382	912,216

*2. Cash flows from investing activities include cash flows arising from asset management relating to insurance business.

Notes to Consolidated Financial Statements

Segment Information

1. Segment information

(1) Outline of reportable segments

The Company, as a holding company that controls the Group's business, establishes basic policies about Group business management, formulates corporate strategies based on the surrounding business environment and promotes the Group's business activities. The Company classifies its operations into four segments following its corporate strategies: "Domestic non-life insurance business", "Domestic life insurance business", "International insurance business" and "Financial and other businesses".

"Domestic non-life insurance business" primarily comprises underwriting of non-life insurance in Japan and related investments. "Domestic life insurance business" primarily comprises underwriting of life insurance in Japan and related investments. "International insurance business" primarily comprises underwriting of insurance overseas and related investments. In "Financial and other businesses", the main businesses are investment advisory, investment trust services, staffing business, facility management business and nursing care services.

(2) Calculation of ordinary income, profit (loss), assets, liabilities and other items by reportable segments

The accounting treatment for reported operating segments is the same as described in "Significant accounting policies".

Segment profit is based on Ordinary profit. Ordinary income from transactions with other operating segments is based on prevailing market prices.

(3) Ordinary income, profit (loss), assets, liabilities and other items by reportable segments

FY2022 (April 1, 2022 – March 31, 2023)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total		
Ordinary income							
Ordinary income from external customers	3,027,923	699,523	2,961,310	73,711	6,762,469	(113,868)	6,648,600
Ordinary income from transactions with other reportable segments	12,681	124	3,411	27,073	43,291	(43,291)	—
Total	3,040,604	699,648	2,964,722	100,785	6,805,760	(157,160)	6,648,600
Segment profit	284,594	51,749	159,545	8,017	503,907	—	503,907
Segment assets	7,494,722	8,743,102	11,654,160	73,290	27,965,275	(265,459)	27,699,816
Other items							
Depreciation	35,773	2,870	73,192	678	112,514	—	112,514
Amortization of goodwill	93	—	80,599	—	80,692	—	80,692
Amortization of negative goodwill	744	—	917	145	1,807	—	1,807
Interest and dividends	166,045	119,517	410,927	27	696,517	(6,042)	690,474
Interest expenses	2,139	1,695	15,629	—	19,464	(5,510)	13,953
Equity in earnings (losses) of affiliates	—	—	(104,887)	—	(104,887)	—	(104,887)
Investments in affiliates accounted for by the equity method	—	—	110,518	—	110,518	—	110,518
Increase in tangible and intangible fixed assets	91,763	6,967	47,038	938	146,708	—	146,708

Note: 1. "Adjustments" are as follows:
(1) "Adjustments" for Ordinary income from external customers of (113,868) million yen includes the transfer of Reversal of underwriting reserves of 105,718 million yen. This is included in Ordinary income of Domestic non-life insurance business segment, while it is included in Provision for underwriting reserves in the consolidated statement of income.
(2) "Adjustments" for Segment assets of (265,459) 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.

FY2021 (April 1, 2021 – March 31, 2022)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total		
Ordinary income							
Ordinary income from external customers	2,839,955	713,641	2,262,031	72,883	5,888,512	(24,741)	5,863,770
Ordinary income from transactions with other reportable segments	10,087	798	2,728	29,477	43,091	(43,091)	—
Total	2,850,042	714,440	2,264,759	102,360	5,931,603	(67,832)	5,863,770
Segment profit	302,684	69,579	185,526	9,623	567,413	—	567,413
Segment assets	7,620,856	9,423,469	10,298,239	72,026	27,414,592	(168,739)	27,245,852
Other items							
Depreciation	28,696	1,481	58,697	879	89,754	—	89,754
Amortization of goodwill	96	—	71,857	198	72,152	—	72,152
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	145,168	116,398	301,515	26	563,109	(3,027)	560,082
Interest expenses	2,052	1,992	6,204	—	10,249	(1,850)	8,398
Equity in earnings (losses) of affiliates	—	—	(3,034)	—	(3,034)	—	(3,034)
Investments in affiliates accounted for by the equity method	—	—	124,690	—	124,690	—	124,690
Increase in tangible and intangible fixed assets	66,725	8,932	27,584	734	103,976	—	103,976

Note: 1. "Adjustments" are as follows:
(1) "Adjustments" for Ordinary income from external customers of (24,741) million yen includes the transfer of Reversal of underwriting reserves of 21,268 million yen. This is included in Ordinary income of Domestic non-life insurance business segment, while it is included in Provision for underwriting reserves in the consolidated statement of income.
(2) "Adjustments" for Segment assets of (168,739) 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.

2. Related information

FY2022 (April 1, 2022 – March 31, 2023)

(1) Information by product and service

						Adjustments	Total
	Non-Life insurance	Life insurance	Others	Subtotal			
Ordinary income from external customers	5,090,351	1,494,001	73,711	6,658,064	(9,463)		6,648,600

Note: "Adjustments" includes transfer of Gains (Losses) on trading securities in the consolidated statement of income.

(2) Information by region

a. Ordinary income

						Adjustments	Total
Japan	United States	Others	Subtotal				
3,463,794	2,030,871	1,164,404	6,659,070		(10,470)		6,648,600

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of foreign exchange gains included in Other investment income and foreign exchange losses included in Other investment expenses in the consolidated statement of income.

b. Tangible fixed assets

				Total
Japan	United States	Others		
246,635	115,595	37,585		399,817

(3) Information about major customers

None.

Notes to Consolidated Financial Statements

FY2021 (April 1, 2021 – March 31, 2022)

(1) Information by product and service

(Yen in millions)						
	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	4,440,474	1,350,862	72,883	5,864,220	(449)	5,863,770

Note: "Adjustments" includes transfer of Increase (Decrease) in allowance for doubtful accounts in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)					
	Japan	United States	Others	Subtotal	Adjustments
	3,422,097	1,591,695	882,825	5,896,619	(32,848)

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of Gains (Losses) on derivatives in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)			
	Japan	United States	Others
	247,799	62,130	34,774

(3) Information about major customers

None.

3. Impairment losses of fixed assets by reportable segments

FY2022 (April 1, 2022 – March 31, 2023)

(Yen in millions)					
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Impairment losses	3,464	—	0	274	3,740

FY2021 (April 1, 2021 – March 31, 2022)

(Yen in millions)					
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Impairment losses	525	—	194	44	764

4. Amortization and remaining balance of goodwill by reportable segments

FY2022 (April 1, 2022 – March 31, 2023)

(1) Goodwill

(Yen in millions)					
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	93	—	80,599	—	80,692
Remaining balance as of March 31, 2023	9	—	428,592	—	428,601

(2) Negative goodwill

(Yen in millions)					
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	744	—	917	145	1,807
Remaining balance as of March 31, 2023	2,607	—	3,669	369	6,645

FY2021 (April 1, 2021 – March 31, 2022)

(1) Goodwill

(Yen in millions)					
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	96	—	71,857	198	72,152
Remaining balance as of March 31, 2022	102	—	453,331	—	453,433

(2) Negative goodwill

(Yen in millions)					
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2022	3,352	—	4,586	514	8,453

5. Gains on negative goodwill by reportable segments

None.

Related-party Transactions

There is no significant transaction to be disclosed.

Lease Transactions

Operating leases

Future lease payments related to non-cancelable operating leases

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
As lessee:		
Due within one year	8,545	17,180
Due after one year	26,412	72,868
Total	34,957	90,048
As lessor:		
Due within one year	1,922	1,374
Due after one year	9,774	9,201
Total	11,696	10,576

Notes to Consolidated Financial Statements

Deferred Tax Accounting

1. Major components of deferred tax assets and deferred tax liabilities

	As of March 31, 2023	As of March 31, 2022
Deferred tax assets		
Underwriting reserves	412,204	422,822
Unrealized losses on available-for-sale securities	96,616	—
Outstanding claims	93,274	97,475
Net defined benefit liabilities	74,733	74,901
Reserve for price fluctuation	36,962	38,617
Impairment losses on securities	25,746	28,959
Net operating loss carry forward (Note 2)	27,815	21,012
Others	140,596	114,137
Subtotal	907,948	797,926
Valuation allowance on net operating loss carry forward (Note 2)	(15,209)	(13,368)
Valuation allowance on deductible temporary differences	(115,333)	(35,388)
Subtotal (Note 1)	(130,542)	(48,756)
Total deferred tax assets	777,405	749,169
Deferred tax liabilities		
Unrealized gains on available-for-sale securities	(524,778)	(685,761)
Unrealized gains on consolidated subsidiaries	(182,665)	(163,235)
Others	(129,907)	(118,673)
Total deferred tax liabilities	(837,351)	(967,670)
Net deferred tax assets (liabilities)	(59,945)	(218,501)

(Note 1) The main reason for the increase in valuation allowance is as follows:
The fair value of available-for-sale securities held by some overseas consolidated subsidiaries decreased due to a rise in interest rates and were recognized as Unrealized losses. It was decided not to schedule the expected fiscal year for the reversal of the related deductible temporary differences and not to recognize deferred tax assets arising from the deductible temporary differences.

(Note 2) Schedule by expiration of net operating loss carry forward and the corresponding deferred tax assets.

As of March 31, 2023

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Net operating loss carry forward (*)	2,857	1,852	1,777	1,224	962	19,140	27,815
Valuation allowance	(2,718)	(1,781)	(1,757)	(1,220)	(919)	(6,810)	(15,209)
Deferred tax assets	138	70	19	4	42	12,330	12,605

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rates.

As of March 31, 2022

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Net operating loss carry forward (*)	1,479	2,783	1,821	1,799	1,257	11,870	21,012
Valuation allowance	(1,443)	(2,748)	(1,781)	(1,757)	(1,220)	(4,416)	(13,368)
Deferred tax assets	35	35	40	41	36	7,454	7,644

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rates.

2. Reconciliation of the statutory income tax rate and the effective tax rate after the application of deferred tax accounting when there is a significant difference

	As of March 31, 2023	As of March 31, 2022
Japanese statutory tax rate	30.6	30.6
(Adjustments)		
Permanent differences such as dividends received	(2.8)	(2.4)
Permanent differences such as entertainment expenses	2.2	1.4
Equity in earnings or losses of affiliates	6.1	0.2
Amortization of goodwill and negative goodwill	4.6	3.4
Valuation allowance	0.1	(0.0)
Tax rate applied to consolidated subsidiaries	(8.9)	(4.6)
Others	2.2	(2.6)
Effective tax rate	34.0	26.0

Changes in Presentation

"Equity in earnings or losses of affiliates" was included in "Others" in the previous fiscal year, however, due to the higher materiality, it is presented separately from this fiscal year. To reflect this change in presentation, the notes from the previous fiscal year have been reclassified.

As a result, "Others" which was (2.4%) in the previous fiscal year, has been reclassified and represented to "Equity in earnings or losses of affiliates" 0.2% and "Others" (2.6%).

3. Accounting treatment of tax effect accounting for corporate and local income taxes

The Company and some of its domestic consolidated subsidiaries have adopted the Group Tax Sharing System from the fiscal year 2022.

Accordingly, for the accounting treatment and disclosure of deferred tax accounting related to corporate and local income taxes, the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021) has been adopted from the beginning of the fiscal year 2022.

Information on Financial Instruments

1. Qualitative information on financial instruments

(1) Investment policies

The core operation of the Group is its insurance business, and it invests utilizing the cash inflows mainly arising from insurance premiums. Therefore, the Group seeks to appropriately control risks based on the characteristics of insurance products primarily through ALM. The Group thereby aims to ensure stable, long-term earnings while realizing efficient management of liquidity.

Specifically, the Group's approach entails controlling interest rate risks associated with insurance liabilities by utilizing interest rate swaps and other transactions while assuming a certain degree of credit risks by investing in bonds with high credit ratings. At the same time, the Group endeavors to ensure medium-to-long-term earnings by diversifying risks and asset management approaches in Japan and overseas through the utilization of a wide range of products including foreign securities and alternative investments. Foreign exchange forwards and other derivative transactions are used to mitigate risks associated with the Group's asset portfolio.

Through these approaches, the Group aims to increase investment income in order to maximize net asset value in the medium-to-long-term and maintain financial soundness.

With regard to financing, the Group issues corporate bonds and undertakes borrowings mainly to secure funds for investments. When financing is necessary, amounts and methodologies are determined based on the Group's cash flow status.

(2) Details of financial instruments and their risks

The Group holds financial instruments including equity securities, bonds, other securities, loans and derivatives. These instruments are exposed to market risk, which refers to the risk of losses arising from fluctuations in stock prices, exchange rates, interest rates, and other market indicators. They are also exposed to credit risk, which refers to the risk of losses when the value of an investment declines or is lost due to deterioration in the financial condition of the debtor. Other risks to which these instruments are exposed include market liquidity risk, which refers to the risk of losses that may occur from being unable to make transactions due to disorderly market conditions or being forced to make transactions at extremely unfavorable prices.

Some currency risk is hedged through foreign exchange forwards, currency swaps and other such transactions. Hedge accounting is applied to some of these transactions.

Credit risk associated with over-the-counter derivative transactions includes the risk of losses when the counterparties fail to fulfill their obligations due to insolvency or for other reasons. In order to reduce such credit risk, netting arrangements and collateral transfers equivalent to fair value of derivative transactions may be used with financial institutions and other counterparties with whom there are frequent transactions. Also, interest rate risk associated with long-term insurance liabilities is hedged by interest rate swaps and other transactions for which hedge accounting is applied in some cases.

With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to "Significant Accounting Policies - 4. Accounting policies - (8) Hedge accounting".

(3) Risk management structure

a. Market risk and credit risk management

Based on the "Investment risk management policy" established by the Board of Directors, Tokio Marine & Nichido executes risk management activities both quantitatively and qualitatively to control investment risk related to financial instruments, such as market risk and credit risk, at the risk management department, which is independent of trading departments.

In accordance with the policy, "Investment guidelines" are established, which set the rules for which instruments to invest in, risk limits, and actions to take when limits are exceeded for each segment set in the annual investment plan. Investment risk is quantitatively measured using VaR-like concepts. Compliance with the guidelines and investment risk and return are reported on a regular basis to directors.

Tokio Marine & Nichido appropriately manages credit risk by regularly monitoring the concentration and the status of issuers and borrowers using internal credit rating guidelines set by the "Guidelines for managing credit risk concentration".

In order to control individual investments, Tokio Marine & Nichido also executes pre-investment review and post-investment monitoring according to the "Review guidelines" and others.

Risk monitoring operations are reported to the Board of Directors depending on their importance.

Other consolidated subsidiaries maintain risk management structures based on the aforementioned risks.

b. Liquidity risk management

The Group manages liquidity risk by controlling payment schedules and ensuring various ways of financing through treasury management by each consolidated subsidiary and by the Group as a whole.

(4) Supplementary information on fair value of financial instruments

The fair value of financial instruments is measured under certain assumptions, therefore it may differ under other assumptions.

Notes to Consolidated Financial Statements

2. Fair value of financial instruments and breakdown by input level

The tables below show carrying amounts shown on the consolidated balance sheet, fair value, differences of financial instruments, and fair value breakdown by input level.

Securities without a market price, and investments in partnerships are not included below. (Refer to Note 3.)
 The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value calculation:
 Level 1: Fair value measured by the market price of the asset or liability in active markets among the observable inputs
 Level 2: Fair value measured by the observable inputs other than the Level 1 inputs
 Level 3: Fair value measured by unobservable inputs
 If multiple inputs are used with a significant impact on the fair value measurement, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

As of March 31, 2023				
(Yen in millions)				
	Carrying amount shown on the consolidated balance sheet			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	1,592,732	271,091	1,863,824
Securities				
Trading securities	103,999	479,147	10,347	593,494
Available-for-sale securities	4,920,572	5,157,840	151,727	10,230,139
Loans	—	—	20,274	20,274
Derivative transactions	6,491	87,478	6,494	100,465
Assets	5,031,063	7,317,198	459,935	12,808,198
Derivative transactions	200	114,835	9,367	124,403
Liabilities	200	114,835	9,367	124,403

As of March 31, 2022				
(Yen in millions)				
	Carrying amount shown on the consolidated balance sheet			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	1,433,790	196,733	1,630,523
Securities				
Trading securities	106,365	244,308	7,915	358,589
Available-for-sale securities	5,519,401	4,383,083	131,949	10,034,434
Loans	—	—	72,145	72,145
Derivative transactions	2,245	73,669	17,325	93,240
Assets	5,628,012	6,134,851	426,069	12,188,933
Derivative transactions	511	166,815	1,172	168,499
Liabilities	511	166,815	1,172	168,499

(*) The amount of investment trusts is not included in the table above in accordance with Paragraph 27-3 of "Guidance for Application of Fair Value Measurement". The amount of such investment trusts on the consolidated balance sheet is 1,141,916 million yen.

(2) Financial instruments which are not recorded at fair value on the consolidated balance sheet
 Cash and bank deposits, Receivables under resale agreements and Payables under securities lending transactions are omitted since they are mainly scheduled to be settled in a short period of time and the fair value approximates the book value.

As of March 31, 2023						
(Yen in millions)						
	Fair value				Carrying amount shown on the consolidated balance sheet	Difference
	Level 1	Level 2	Level 3	Total		
Securities						
Bonds held to maturity	3,780,595	1,437,539	—	5,218,135	5,116,287	101,848
Bonds earmarked for underwriting reserves	1,035,122	675,540	—	1,710,663	2,104,656	(393,993)
Loans(*)	—	—	2,538,764	2,538,764	2,554,213	(15,448)
Assets	4,815,718	2,113,080	2,538,764	9,467,563	9,775,156	(307,593)
Corporate bonds	—	210,939	—	210,939	222,811	(11,871)
Liabilities	—	210,939	—	210,939	222,811	(11,871)

(*) Carrying amount shown on the consolidated balance sheet is the loans after the deduction of Allowance for doubtful accounts earmarked for loans of 1,958 million yen.

As of March 31, 2022						
(Yen in millions)						
	Fair value				Carrying amount shown on the consolidated balance sheet	Difference
	Level 1	Level 2	Level 3	Total		
Securities						
Bonds held to maturity	3,968,104	1,560,872	—	5,528,977	5,112,881	416,095
Bonds earmarked for underwriting reserves	1,312,011	670,468	—	1,982,480	2,220,503	(238,023)
Loans(*)	—	—	1,935,010	1,935,010	1,934,859	150
Assets	5,280,115	2,231,341	1,935,010	9,446,467	9,268,245	178,222
Corporate bonds	—	219,359	42	219,401	219,795	(394)
Liabilities	—	219,359	42	219,401	219,795	(394)

(*) Carrying amount shown on the consolidated balance sheet is the loans after the deduction of Allowance for doubtful accounts earmarked for loans of 1,703 million yen.

(Note 1) Description of the valuation techniques and inputs used in the fair value measurement.

Monetary receivables bought
 The fair value of Monetary receivables bought is measured using valuation techniques such as discounted cash flow and matrix pricing. These valuation techniques include the inputs such as yield curves, prepayment rates and market prices of similar type of securities.
 The fair value is categorized within Level 2 if unobservable inputs are either not included or not significant in the valuation techniques. It is categorized within Level 3 if unobservable inputs are significant in the valuation techniques.

Securities
 The fair value of securities which is measured using quoted prices in active markets is categorized within Level 1. The fair value of securities which is based on quoted prices in inactive markets is categorized within Level 2.
 If quoted prices in markets are not available, the fair value of securities is measured using valuation techniques such as discounted cash flow and matrix pricing. These valuation techniques include the inputs such as yield curves, credit spreads and market prices of similar type of securities.
 The fair value is categorized within Level 2 if unobservable inputs are either not included or not significant in the valuation techniques. It is categorized within Level 3 if unobservable inputs are significant in the valuation techniques.
 The fair value of major investment trusts for which quoted prices in markets are not available, is based on net asset value and categorized within Level 2, as there is no significant restriction on cancellation.

Loans
 With regard to floating rate loans, fair value is measured using the book value and is categorized within Level 3 as long as there are no significant changes in the credit status of the borrowers, since the fair value is considered to approximate the book value as the changes in interest rates are reflected in a timely manner in the future cash flows.
 With regard to fixed rate loans, the fair value is measured using valuation techniques such as discounted cash flow. These valuation techniques include the inputs such as yield curves and credit spreads. The fair value of fixed rate loans is categorized within Level 3.
 With regard to loans of which borrowers are insolvent or in bankruptcy proceedings, the fair value approximates the amount after deducting the estimated uncollectible debts from the carrying amount. Therefore, the fair value is measured with such amount and is categorized within Level 3.

Corporate bonds
 The fair value of Corporate bonds is measured using quoted prices in markets and others and categorized within Level 2.

Derivative transactions
 With regard to exchange-traded derivative transactions, the fair value is measured using the closing prices at exchanges and others. For over-the-counter derivative transactions, the fair value is measured using valuation techniques such as the Black-Scholes model and the discounted cash flow, using the inputs such as swap rates, forward rates, volatilities and basis swap spreads.
 The fair value of derivative transactions which is measured using closing prices at exchanges and others is categorized within Level 1. It is categorized within Level 2 if unobservable inputs are either not included or not significant in the valuation techniques. It is categorized within Level 3 if unobservable inputs are significant in the valuation techniques.

Notes to Consolidated Financial Statements

(Note 2) Information on the fair value of Level 3 financial instruments which are recorded at fair value on the consolidated balance sheet
 (1) Reconciliation of beginning balances to ending balances, unrealized gains and losses recognized in profit or loss for the period
 As of March 31, 2023

	(Yen in millions)							
	Beginning balance	Transfers to Level 3 fair value (*1, *2)	Transfers from Level 3 fair value (*1, *3)	Recorded in profit or loss for the period (*4)	Recorded in other comprehensive income (*5)	Net amount of purchases, sales, issues and settlements	Ending balance	Unrealized gains (losses) on financial assets and liabilities held at the end of the period, of the amount recorded in profit or loss for the period (*4)
Monetary receivables bought	196,733	14,139	(11,431)	(13,248)	17,933	66,965	271,091	—
Securities								
Trading securities	7,915	690	—	2,025	1,081	(1,365)	10,347	1,078
Available-for-sale securities (*6)	134,508	1,484	(2,387)	8,398	16,820	(7,097)	151,727	—
Loans	72,145	—	—	(5,685)	11,089	(57,276)	20,274	(1,678)
Derivative transactions (*7)	16,153	—	—	(14,800)	2,575	(6,800)	(2,872)	(14,741)

(*1) Transfers between levels are recognized at the beginning of the period.
 (*2) The fair value were transferred from Level 2 to Level 3 because the inputs became unobservable.
 (*3) The fair value were transferred from Level 3 to Level 2 because the inputs became observable.
 (*4) The amounts are included in "Investment income" and "Investment expenses" on the consolidated statement of income.
 (*5) The amounts are included in "Unrealized gains (losses) on available-for-sale securities" and "Foreign currency translation adjustments" in "Other comprehensive income" on the consolidated statement of comprehensive income.
 (*6) The amount of investment trusts has been included from the beginning of the fiscal year due to the application of the "Guidance for Application of Fair Value Measurement".
 (*7) Derivative transactions recorded in Other assets and Other liabilities are collectively presented. Net receivables and payables and Gains and losses arising from derivative transactions are presented on a net basis, and Net liability or Loss are shown in parentheses.

	(Yen in millions)							
	Beginning balance	Transfers to Level 3 fair value (*1, *2)	Transfers from Level 3 fair value (*1, *3)	Recorded in profit or loss for the period (*4)	Recorded in other comprehensive income (*5)	Net amount of purchases, sales, issues and settlements	Ending balance	Unrealized gains (losses) on financial assets and liabilities held at the end of the period, of the amount recorded in profit or loss for the period (*4)
Monetary receivables bought	155,575	15,677	(4,516)	(5,940)	17,725	18,211	196,733	—
Securities								
Trading securities	4,909	104	—	1,843	556	500	7,915	1,862
Available-for-sale securities	76,033	12,731	(3,241)	9,989	9,406	27,031	131,949	—
Loans	53,093	—	—	3,505	5,909	9,636	72,145	3,136
Derivative transactions (*6)	16,258	—	—	16,386	1,927	(18,418)	16,153	6,931

(*1) Transfers between levels are recognized at the beginning of the period.
 (*2) The fair value were transferred from Level 2 to Level 3 because the inputs became unobservable.
 (*3) The fair value were transferred from Level 3 to Level 2 because the inputs became observable.
 (*4) The amounts are included in "Investment income" and "Investment expenses" on the consolidated statement of income.
 (*5) The amounts are included in "Unrealized gains (losses) on available-for-sale securities" and "Foreign currency translation adjustments" in "Other comprehensive income" on the consolidated statement of comprehensive income.
 (*6) Derivative transactions recorded in Other assets and Other liabilities are collectively presented. Net receivables and payables and Gains and losses arising from derivative transactions are presented on a net basis, and Net liability or Loss are shown in parentheses.

(2) Explanation of the fair value valuation process
 The Group's policies and procedures of fair value measurement are established by a department which is independent of the trading departments.
 In regard to the measured fair value and the categorized levels, the Group verifies the appropriateness of the valuation techniques and inputs used for the fair value measurement.
 In measuring the fair value, the valuation models are appropriately selected by nature, characteristics and risks of each financial instrument.
 When using the quoted market prices obtained from third parties, the prices are verified by appropriate methods such as confirming the valuation techniques and inputs, or comparing with the prices of similar financial instruments.

(Note 3) The amounts of securities without a market price, and investments in partnerships on the consolidated balance sheet
 (Yen in millions)

	As of March 31, 2023	As of March 31, 2022
Securities without a market price (*1)	241,530	246,748
Investments in partnerships (*2)	199,802	169,334
Total	441,333	416,082

(*1) Securities without a market price include unlisted stock and others. These are not subject to fair value disclosure in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).
 (*2) Investments in partnerships are not subject to fair value disclosure in accordance with Paragraph 24-16 of "Guidance for Application of Fair Value Measurement".

(Note 4) Maturity analysis of financial assets

	(Yen in millions)			
As of March 31, 2023	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	147,127	12,746	—	—
Monetary receivables bought	27,201	39,067	541,623	1,495,287
Securities				
Bonds held to maturity				
Domestic government bonds	13,000	308,800	711,097	3,765,532
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	13,268	17,235	16,580	25,656
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,764,300
Domestic municipal bonds	—	—	—	2,600
Domestic corporate bonds	—	—	—	330,400
Available-for-sale securities with maturity				
Domestic government bonds	43,245	258,049	516,569	755,922
Domestic municipal bonds	12,643	36,070	4,782	6,690
Domestic corporate bonds	36,185	282,237	189,695	65,889
Foreign securities	175,508	748,478	806,781	2,493,192
Loans ^(*)	688,543	1,260,786	277,462	249,712
Total	1,156,722	2,963,471	3,064,593	11,113,783

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (30 million yen), and loans with no repayment schedule (8,789 million yen) are not included above.

	(Yen in millions)			
As of March 31, 2022	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	139,114	8,517	—	—
Monetary receivables bought	41,095	25,168	467,342	1,133,727
Securities				
Bonds held to maturity				
Domestic government bonds	4,500	246,500	497,767	4,054,162
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	5,543	12,635	15,370	24,978
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,897,200
Domestic municipal bonds	—	—	—	1,800
Domestic corporate bonds	—	—	—	305,500
Available-for-sale securities with maturity				
Domestic government bonds	37,105	249,298	579,815	1,297,873
Domestic municipal bonds	9,612	41,013	18,700	7,236
Domestic corporate bonds	60,196	280,981	214,743	56,917
Foreign securities	119,714	582,696	745,114	2,034,528
Loans ^(*)	520,850	918,923	228,130	228,276
Total	937,734	2,365,736	2,766,983	11,200,801

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (25 million yen), and loans with no repayment schedule (8,175 million yen) are not included above.

Notes to Consolidated Financial Statements

(Note 5) Maturity schedules for corporate bonds, long-term borrowings and lease obligations

As of March 31, 2023

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Corporate bonds	—	—	—	—	—	223,222
Long-term borrowings	—	39,810	78,293	—	63,032	103,622
Lease obligations	12,502	11,250	9,200	7,385	6,055	24,201
Total	12,502	51,060	87,493	7,385	69,088	351,046

As of March 31, 2022

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Corporate bonds	42	—	—	—	—	220,128
Long-term borrowings	66,136	—	34,506	—	—	154,634
Lease obligations	3,607	2,735	1,944	1,603	1,121	3,584
Total	69,786	2,735	36,450	1,603	1,121	378,347

Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2023	As of March 31, 2022
Unrealized gains (losses) included in income	62,841	81,405

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2023			As of March 31, 2022		
		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	2,984,059	3,397,534	413,474	3,045,970	3,629,930	583,959
	Foreign securities	37,038	38,110	1,071	47,956	50,663	2,706
	Subtotal	3,021,098	3,435,644	414,546	3,093,927	3,680,593	586,666
Those with fair value not exceeding the carrying amount	Domestic debt securities	2,059,095	1,747,368	(311,727)	2,007,913	1,837,454	(170,459)
	Foreign securities	36,093	35,122	(970)	11,040	10,929	(111)
	Subtotal	2,095,188	1,782,490	(312,697)	2,018,954	1,848,383	(170,570)
Total		5,116,287	5,218,135	101,848	5,112,881	5,528,977	416,095

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2023			As of March 31, 2022		
		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	11,200	11,371	171	5,500	5,545	45
	Subtotal	11,200	11,371	171	5,500	5,545	45
Those with fair value not exceeding the carrying amount	Domestic debt securities	2,093,456	1,699,291	(394,164)	2,215,003	1,976,934	(238,068)
	Subtotal	2,093,456	1,699,291	(394,164)	2,215,003	1,976,934	(238,068)
Total		2,104,656	1,710,663	(393,993)	2,220,503	1,982,480	(238,023)

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2023			As of March 31, 2022		
		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	1,485,564	1,366,670	118,894	2,444,299	2,185,962	258,336
	Domestic equity securities	2,361,225	448,616	1,912,609	2,477,828	466,979	2,010,849
	Foreign securities	1,833,099	1,671,956	161,142	4,098,931	3,703,787	395,144
	Others (Note 2)	256,109	223,744	32,365	674,595	613,800	60,794
	Subtotal	5,935,999	3,710,987	2,225,012	9,695,654	6,970,529	2,725,125
Those with fair value not exceeding the cost	Domestic debt securities	837,900	874,268	(36,367)	707,264	715,626	(8,361)
	Domestic equity securities	16,700	18,195	(1,494)	24,462	27,949	(3,486)
	Foreign securities	3,679,402	4,169,737	(490,335)	1,223,458	1,270,490	(47,031)
	Others (Note 3)	1,610,743	1,784,710	(173,966)	969,597	983,593	(13,996)
	Subtotal	6,144,747	6,846,911	(702,164)	2,924,783	2,997,659	(72,876)
Total		12,080,746	10,557,898	1,522,847	12,620,437	9,968,188	2,652,249

Note: 1. Available-for-sale securities without a market price, and investments in partnerships 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, 2022: fair value 59 million yen, cost 58 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, 2023: fair value 248,258 million yen, cost 217,562 million yen, unrealized gains 30,695 million yen
As of March 31, 2022: fair value 663,602 million yen, cost 606,606 million yen, unrealized gains 56,996 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, 2023: fair value 2,870 million yen, cost 2,875 million yen, unrealized losses (4) million yen
As of March 31, 2022: fair value 5,575 million yen, cost 5,575 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, 2023: fair value 1,599,477 million yen, cost 1,772,894 million yen, unrealized losses (173,416) million yen
As of March 31, 2022: fair value 958,904 million yen, cost 972,501 million yen, unrealized losses (13,596) million yen

5. Bonds held to maturity that were sold

None.

Notes to Consolidated Financial Statements

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)						
	FY2022 (April 1, 2022 – March 31, 2023)			FY2021 (April 1, 2021 – March 31, 2022)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	178,030	—	26,961	180,066	2,799	6,895
Total	178,030	—	26,961	180,066	2,799	6,895

7. Available-for-sale securities that were sold

(Yen in millions)						
	FY2022 (April 1, 2022 – March 31, 2023)			FY2021 (April 1, 2021 – March 31, 2022)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	863,570	64,219	7,271	473,825	6,787	3,644
Domestic equity securities	131,782	103,646	540	118,949	93,977	397
Foreign securities	645,110	16,655	28,709	495,579	28,215	12,389
Others	159,124	641	3,717	290,211	5,035	3,909
Total	1,799,587	185,163	40,239	1,378,566	134,015	20,341

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 2022: proceeds 3,599 million yen
- Fiscal year 2021: proceeds 23 million yen
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
- Fiscal year 2022: proceeds 155,524 million yen, gains 641 million yen, losses 3,717 million yen
- Fiscal year 2021: proceeds 289,574 million yen, gains 4,868 million yen, losses 3,909 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 2022: 22,989 million yen (Domestic equity securities 1,367 million yen, Foreign securities 13,926 million yen, Others 7,695 million yen)

Fiscal year 2021: 14,892 million yen (Domestic equity securities 2,059 million yen, Foreign securities 9,764 million yen, Others 3,068 million yen)

- Available-for-sale securities without a market price, and investments in partnerships

Fiscal year 2022: 500 million yen (Domestic equity securities 26 million yen, Foreign securities 474 million yen)

Fiscal year 2021: 620 million yen (Domestic equity securities 354 million yen, Foreign securities 266 million yen)

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

Money Trusts

1. Money trusts held for trading purposes

None.

2. Money trusts held to maturity

None.

3. Money trusts other than those held to maturity or those held for trading purposes

None.

Derivative Transactions

"Principal amount" as shown in the tables is the nominal contract amount or notional principal amount of derivative transactions. The amount itself does not represent the market or credit risk of such derivative transactions.

1. Derivative transactions to which hedge accounting is not applied

(1) Foreign currency-related instruments

(Yen in millions)									
		As of March 31, 2023				As of March 31, 2022			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Market transactions	Currency futures								
	Short	2,511	—	—	—	2,675	—	—	—
	Long	1,112	—	—	—	1,028	—	—	—
Over-the-counter transactions	Foreign exchange forwards								
	Short	827,849	—	1,685	1,685	721,810	—	(28,162)	(28,162)
	Long	43,351	—	14	14	22,198	—	508	508
	Currency swaps								
	Pay foreign/Rec. yen	12,435	—	(2,557)	(2,557)	12,435	12,435	(1,075)	(1,075)
	Pay foreign/Rec. foreign	52,226	52,226	2,025	2,025	45,029	—	(5,092)	(5,092)
Total		—	—	1,167	1,167	—	—	(33,820)	(33,820)

(2) Interest rate-related instruments

(Yen in millions)									
		As of March 31, 2023				As of March 31, 2022			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Market transactions	Interest rate futures								
	Short	8,390	—	—	—	6,856	—	—	—
	Long	748	—	—	—	1,902	—	—	—
Over-the-counter transactions	Interest rate swaps								
	Rec. fix/Pay float	1,061,210	1,020,166	(20,894)	(20,894)	1,169,047	1,138,611	35,845	35,845
	Rec. float/Pay fix	1,018,853	986,625	14,306	14,306	1,052,312	1,028,614	(32,591)	(32,591)
	Rec. float/Pay float	4,398	4,398	(75)	(75)	4,696	4,696	(100)	(100)
	Rec. fix/Pay fix	237	237	5	5	339	339	11	11
	Interest rate swap options								
	Long	1,500	1,500			—	—		
		[25]	[25]	21	(4)	[—]	[—]	—	—
Total		—	—	(6,636)	(6,661)	—	—	3,165	3,165

Note: For option contracts, the figures below the principal amount denoted with [] represent option premiums.

(3) Equity-related instruments

(Yen in millions)									
		As of March 31, 2023				As of March 31, 2022			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Market transactions	Equity index futures								
	Short	5,127	—	(175)	(175)	4,757	—	(383)	(383)
	Long	663	—	—	—	2,305	—	—	—
Over-the-counter transactions	Equity index options								
	Short	209,309	—			183,131	—		
		[15,518]	[—]	6,974	8,543	[8,293]	[—]	19,283	(10,989)
	Long	282,417	—			251,533	—		
		[28,207]	[—]	13,043	(15,164)	[18,261]	[—]	35,450	17,189
Total		—	—	19,843	(6,795)	—	—	54,349	5,815

Note: For option contracts, the figures below the principal amount denoted with [] represent option premiums.

Notes to Consolidated Financial Statements

(4) Bond-related instruments

(Yen in millions)									
		As of March 31, 2023				As of March 31, 2022			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Market transactions	Bond futures								
	Short	—	—	—	—	2,794	—	24	24
	Long	12,423	—	233	233	14,121	—	(80)	(80)
Over-the-counter transactions	Bond over-the-counter options								
	Short	3,084	—			—	—		
		[23]	[—]	112	(89)	[—]	[—]	—	—
	Long	3,084	—			—	—		
		[28]	[—]	0	(28)	[—]	[—]	—	—
Total		—	—	346	115	—	—	(55)	(55)

Note: For option contracts, the figures below the principal amount denoted with [] represent option premiums.

(5) Commodity-related instruments

(Yen in millions)									
		As of March 31, 2023				As of March 31, 2022			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Market transactions	Commodity futures								
	Short	319	—	—	—	439	—	—	—
	Long	332	—	—	—	169	—	—	—
	Commodity futures options								
	Short	190,265	438			77,822	—		
		[10,338]	[39]	6,250	(4,088)	[3,203]	[—]	2,150	(1,053)
Total		—	—	6,250	(4,088)	—	—	2,150	(1,053)

Note: For option contracts, the figures below the principal amount denoted with [] represent option premiums.

(6) Others

(Yen in millions)									
		As of March 31, 2023				As of March 31, 2022			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter transactions	Natural catastrophe derivatives								
	Short	26,904	3,939			27,696	16,121		
		[1,937]	[289]	668	1,268	[1,386]	[851]	674	711
	Long	22,581	3,600			22,450	15,000		
		[1,086]	[110]	258	(827)	[641]	[331]	173	(468)
	Weather derivatives								
	Short	—	—			13	—		
		[—]	[—]	—	—	[1]	[—]	0	0
	Others								
	Short	152,480	—			72,019	—		
	[9,785]	[—]	6,132	3,653	[5,035]	[—]	3,249	1,785	
Long	7,686	—			14,507	—			
	[130]	[—]	464	333	[1,886]	[—]	1,734	(152)	
Total		—	—	7,523	4,428	—	—	5,833	1,876

Note: For option contracts, the figures below the principal amount denoted with [] represent option premiums.

2. Derivative transactions to which hedge accounting is applied

(1) Foreign currency-related instruments

(Yen in millions)									
Hedged items			As of March 31, 2023			As of March 31, 2022			
			Principal amount		Fair value	Principal amount		Fair value	
			Over 1 year			Over 1 year			
Deferred hedges	Foreign exchange forwards Short	Investment in subsidiaries	324,689	—	(4,502)	290,888	—	(12,730)	
Fair value hedges	Foreign exchange forwards Short	Available-for-sale securities	972,069	—	(17,770)	991,355	—	(53,037)	
	Currency swaps Pay foreign/Rec. yen	Available-for-sale securities	13,886	9,934	(2,306)	13,886	13,886	(1,581)	
Assignment accounting	Currency swaps Pay foreign/Rec. yen	Bonds held to maturity	12,316	12,316	(Note)	12,316	12,316	(Note)	
Total			—	—	(24,580)	—	—	(67,349)	

Note: As the currency swaps to which assignment accounting is applied are accounted for as an integral part of Bonds held to maturity which are treated as hedged item, the fair value of the currency swaps is included in the fair value of the Bonds held to maturity.

(2) Interest rate-related instruments

(Yen in millions)								
Hedged items			As of March 31, 2023			As of March 31, 2022		
			Principal amount		Fair value	Principal amount		Fair value
			Over 1 year			Over 1 year		
Deferred hedges	Interest rate swaps Rec. fix/Pay float	Insurance liabilities	110,182	110,182	(77)	259,782	259,782	6,884
Total			—	—	(77)	—	—	6,884

Notes to Consolidated Financial Statements

Retirement Benefits

1. Outline of retirement benefit plans

The Company and some consolidated subsidiaries have defined benefit plans and defined contribution plans.

Tokio Marine & Nichido has an unfunded lump-sum payment retirement plan covering substantially all employees. The corporate pension plan is a defined benefit corporate pension plan and a defined contribution pension plan. The benefits of the corporate pension plan and lump-sum payment retirement plan are based on the points which each employee acquired through service.

Additionally, some domestic consolidated subsidiaries have an employee retirement trust.

2. Defined benefit plan

(1) Changes in retirement benefit obligations

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Beginning balance	529,706	538,203
Service costs	17,863	18,522
Interest costs	4,778	3,899
Actuarial (gains) losses arising in current year	(26,755)	(9,966)
Benefit payments	(25,235)	(23,684)
Past service costs (credits) arising in current year	0	—
Others	2,626	2,731
Ending balance	502,983	529,706

Note: The Company and some consolidated subsidiaries use the simplified method in calculation of retirement benefit obligations.

(2) Changes in plan assets

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Beginning balance	275,126	287,449
Expected return on plan assets	2,209	1,617
Actuarial gains (losses) arising in current year	(26,647)	(16,029)
Employer contribution	10,423	10,572
Benefit payments	(10,247)	(9,796)
Others	552	1,313
Ending balance	251,416	275,126

(3) Reconciliation of retirement benefit obligations and plan assets with net defined benefit liabilities and assets

	As of March 31, 2023	As of March 31, 2022
Funded retirement benefit obligations	283,920	299,676
Plan assets	(251,416)	(275,126)
	32,503	24,550
Unfunded retirement benefit obligations	219,063	230,029
Asset ceiling adjustments	153	94
Net liabilities recognized on the balance sheet	251,720	254,674
Net defined benefit liabilities	255,437	259,198
Net defined benefit assets	(3,717)	(4,523)
Net liabilities recognized on the balance sheet	251,720	254,674

Note: "Asset ceiling adjustments" represents adjustments to reflect certain limits on the recording of net defined benefit assets at overseas consolidated subsidiaries applying the accounting standard "Employee Benefits" (IAS 19).

(4) Retirement benefit expenses

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Service costs	17,863	18,522
Interest costs	4,778	3,899
Expected return on plan assets	(2,209)	(1,617)
Amortization of actuarial losses (gains)	1,911	5,522
Amortization of past service costs (credits)	(1,275)	(1,258)
Others	31	528
Retirement benefit expenses	21,098	25,596

(5) Remeasurements of defined benefit plans included in Other comprehensive income

Remeasurements of defined benefit plans (before tax effect) consist of the following:

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Past service costs	(1,275)	(1,258)
Actuarial differences	1,976	(499)
Others	82	(42)
Total	783	(1,800)

(6) Remeasurements of defined benefit plans included in Accumulated other comprehensive income

Remeasurements of defined benefit plans (before tax effect) consist of the following:

	As of March 31, 2023	As of March 31, 2022
Unrecognized past service costs (credits)	(12,805)	(14,080)
Unrecognized net actuarial losses (gains)	32,802	34,861
Total	19,996	20,780

(7) Plan assets

a. Components of plan assets

Percentages by major categories of plan assets are as follows:

	As of March 31, 2023	As of March 31, 2022
Debt securities	86	90
Equity securities	1	1
Cash and bank deposits	2	2
Life insurance company general accounts	5	4
Others	6	3
Total	100	100

Note: The retirement benefit trusts established for the corporate pension plan and the lump-sum payment retirement plan account for 2% of total plan assets as of March 31, 2023, and 2% of total plan assets as of March 31, 2022.

b. Calculation of long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined through consideration of present and expected allocation of plan assets and long-term expected rate of returns on the various types of assets in plan assets.

(8) Actuarial assumptions

Principal actuarial assumptions are as follows:

	As of March 31, 2023	As of March 31, 2022
Discount rate	0.2–1.5	0.2–1.0
Long-term expected rate of return on plan assets	0.7–1.4	0.5–1.1

3. Defined contribution pension plans

The contributions of the Company and its consolidated subsidiaries to the defined contribution pension plan are as follows:

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
	12,463	10,318

Notes to Consolidated Financial Statements

Investment Property

1. Some consolidated subsidiaries own office buildings and land mainly in Tokyo, Osaka and Nagoya, of which some properties are leased. The carrying amount shown on the consolidated balance sheet, its change during the year and the fair value at the end of the fiscal year of these investment properties are as follows:

	(Yen in millions)	
	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Carrying amount shown on the consolidated balance sheet		
Beginning balance	86,795	84,331
Change during the year	(1,840)	2,461
Ending balance	84,954	86,792
Fair value at the end of the fiscal year	148,785	159,382

Note: 1. Carrying amount shown on the consolidated balance sheet is the acquisition cost after the deduction of accumulated depreciation and accumulated impairment losses.
2. For the fiscal year 2022, the increase is mainly due to the acquisition of real estate properties of 8,263 million yen and renovation work of 3,415 million yen, and the decrease is mainly due to the sale of real estate properties of 14,298 million yen. In addition, for the fiscal year 2021, the increase is mainly due to the acquisition of real estate properties of 3,104 million yen.
3. Fair value at the end of the fiscal year is primarily based on appraisals by qualified independent valuers.

2. Income and expenses related to investment property are as follows:

	(Yen in millions)	
	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Rental income	6,654	7,462
Direct operating expenses	8,470	5,862
Net amount	(1,815)	1,600
Others (Gains and losses on disposal by sales, etc.)	6,379	2,255

Note: Rental income is included in Interest and dividends. Direct operating expenses such as depreciation, repairs and maintenance, insurance costs, and taxes are included in Operating and general administrative expenses. Others, such as gains and losses on disposal by sales and impairment losses, is included in Extraordinary gains or Extraordinary losses.

Stock Options

1. Expenses related to stock options on the consolidated statement of income

	(Yen in millions)	
	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Loss adjustment expenses	—	21
Operating and general administrative expenses	—	94

(Note) The Company and its major domestic consolidated subsidiaries has adopted a stock-based compensation system through BIP Trust in the previous fiscal year.

2. Details of stock options

(1) Details of stock options

	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)
Title and number of grantees (Note 1)	Directors of the Company: 12 Executive officers of the Company: 13 Directors of the Company's consolidated subsidiaries: 17 Executive officers of the Company's consolidated subsidiaries: 52	Directors of the Company: 13 Executive officers of the Company: 17 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 49	Directors of the Company: 13 Executive officers of the Company: 12 Directors of the Company's consolidated subsidiaries: 15 Executive officers of the Company's consolidated subsidiaries: 51
Number of stock options (Note 2)	Common stock: 480,300 shares	Common stock: 481,200 shares	Common stock: 479,700 shares
Grant date	July 9, 2019	July 10, 2018	July 11, 2017
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 10, 2019 to June 30, 2020	From July 11, 2018 to June 30, 2019	From July 12, 2017 to June 30, 2018
Exercise period (Note 4)	From July 10, 2019 to July 9, 2049	From July 11, 2018 to July 10, 2048	From July 12, 2017 to July 11, 2047

	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)
Title and number of grantees (Note 1)	Directors of the Company: 11 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 51	Directors of the Company: 10 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 46	Directors of the Company: 10 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 34
Number of stock options (Note 2)	Common stock: 535,200 shares	Common stock: 480,000 shares	Common stock: 581,400 shares
Grant date	July 12, 2016	July 14, 2015	July 8, 2014
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 13, 2016 to June 30, 2017	From July 15, 2015 to June 30, 2016	From July 9, 2014 to June 30, 2015
Exercise period (Note 4)	From July 13, 2016 to July 12, 2046	From July 15, 2015 to July 14, 2045	From July 9, 2014 to July 8, 2044

	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Title and number of grantees (Note 1)	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 24 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 11 Executive officers of the Company: 7 Directors of the Company's consolidated subsidiaries: 22 Executive officers of the Company's consolidated subsidiaries: 31
Number of stock options (Note 2)	Common stock: 606,300 shares	Common stock: 787,500 shares	Common stock: 666,300 shares
Grant date	July 9, 2013	July 10, 2012	July 12, 2011
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 10, 2013 to June 30, 2014	From July 11, 2012 to June 30, 2013	From July 13, 2011 to June 30, 2012
Exercise period (Note 4)	From July 10, 2013 to July 9, 2043	From July 11, 2012 to July 10, 2042	From July 13, 2011 to July 12, 2041

Note: 1. The number of directors of the Company's consolidated subsidiaries and executive officers of the Company's consolidated subsidiaries exclude those concurrently serving as directors of the Company and executive officers of the Company.
2. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. The number of stock options is converted into the numbers of equivalent shares and presented on an after-stock split basis.

Notes to Consolidated Financial Statements

3. Stock options are vested on the grant date. If directors or executive officers of the Company or the Company's subsidiaries retire or resign from their position before the end of service period, the number of exercisable stock options is calculated by the following formula:
Exercisable stock options = Stock options allotted × Months of service from July in the fiscal year of grant to the month of retirement / 12
Remaining stock options expire after the retirement date, and cannot be exercised after that date.
4. Stock options can only be exercised within ten days from the day following the retirement or resignation from the position of directors, executive officers, or Audit & Supervisory Board Members of the Company or the Company's consolidated subsidiaries.

(2) Figures relating to stock options
The number of stock options that existed in the fiscal year 2022 is converted into the number of equivalent shares and listed.

	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)
Stock options before vesting (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding at the end of the year	—	—	—	—	—	—
Exercisable stock options (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	3,000	3,300	3,900	2,700	2,400	2,400
Vested	—	—	—	—	—	—
Exercised	—	—	—	—	—	—
Forfeited (Note)	—	—	—	—	—	—
Outstanding at the end of the year	3,000	3,300	3,900	2,700	2,400	2,400

	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Stock options before vesting (converted into the number of equivalent shares)			
Outstanding at the beginning of the year	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Outstanding at the end of the year	—	—	—
Exercisable stock options (converted into the number of equivalent shares)			
Outstanding at the beginning of the year	3,000	5,100	1,800
Vested	—	—	—
Exercised	—	—	—
Forfeited (Note)	—	—	—
Outstanding at the end of the year	3,000	5,100	1,800

Note: The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. The above numbers of shares are presented on an after-stock split basis.

	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)
Exercise price (Note)	300	300	300	300	300
Average share price at exercise	—	—	—	—	—
Fair value on the grant date	523,700	500,700	455,100	337,700	500,800

	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Exercise price (Note)	300	300	300	300
Average share price at exercise	—	—	—	—
Fair value on the grant date	310,800	332,600	181,900	219,500

Note: 1. Exercise price per one stock option
2. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. The above exercise prices are presented on an after-stock split basis.

3. Valuation technique used for the estimated fair value of stock options
There were no stock options granted during the fiscal year 2022.

4. Estimate of vested number of stock options
Not applicable, as all rights have vested.

Per Share Information

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Net assets per share	1,823.65	1,977.35
Net income per share – Basic	187.33	204.48
Net income per share – Diluted	187.33	204.42

Note: 1. Calculations of "Net income per share – Basic" and "Net income per share – Diluted" are based on the following figures.

	FY2022 (April 1, 2022 – March 31, 2023)	FY2021 (April 1, 2021 – March 31, 2022)
Net income per share – Basic		
Net income attributable to owners of the parent (Yen in millions)	376,447	420,484
Amount not attributable to common shareholders (Yen in millions)	—	—
Net income attributable to owners of the parent related to common stock (Yen in millions)	376,447	420,484
Average number of shares outstanding (In thousand shares)	2,009,454	2,056,279
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)	27	592
Increased number of stock acquisition rights (In thousand shares)	27	592

2. In the calculation of "Net income per share - Basic" and "Net income per share - Diluted", the Company shares outstanding in BIP Trust which are recognized as Treasury stock in Shareholders' equity are included in treasury stock deducted from Average number of shares outstanding (fiscal year 2022: 2,212 thousand shares, fiscal year 2021: 1,506 thousand shares). In addition, in the calculation of "Net assets per share", such shares are included in treasury stock deducted from the number of total shares outstanding (fiscal year 2022: 2,117 thousand shares, fiscal year 2021: 2,458 thousand shares).
3. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. "Net assets per share", "Net income per share - Basic" and "Net income per share - Diluted" are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Notes to Consolidated Financial Statements

Subsequent Events

On May 19, 2023 the Company's board of directors resolved repurchases of its own shares, pursuant to Article 156 of the Companies Act which is applicable in accordance with Article 165, Paragraph 3 of the Companies Act, as detailed below.

1. Reason for the repurchase of shares

The Company intends to repurchase its own shares in order to implement flexible financial policies.

2. Class of shares to be repurchased

Common stock of the Company

3. Aggregate number of shares to be repurchased

Up to 30,000,000 shares

4. Aggregate purchase price of shares

Up to 50 billion yen

5. Period in which repurchases may be made

From May 22, 2023 through September 22, 2023

Supplementary Schedule

(Schedule of corporate bonds)

Issuer	Series	Issue date	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Coupon (%)	Collateral	Maturity date
Tokio Marine & Nichido Fire Insurance Co., Ltd.	First series of domestic subordinated unsecured bonds with interest deferral option and early redemption option	Dec. 24, 2019	200,000	200,000	0.96	N/A	Dec. 24, 2079
Delphi Financial Group, Inc.	Subordinated Bond in USD	May 23, 2007	19,753 (USD 171,737 thousand)	22,811 (USD 171,902 thousand)	3.35–7.80	N/A	May 1, 2067
Privilege Underwriters Reciprocal Exchange	Surplus Note	Jun. 13, 2007	42 (USD 370 thousand)	—	1.52	N/A	Jun. 13, 2022
Total		—	219,795	222,811	—	—	—

Note: 1. The figures denoted with () in the columns for beginning balance and ending balance are the amounts denominated in foreign currency.
2. There is no redemption schedule within five years after the consolidated closing date.

(Schedule of borrowings)

	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Average interest rate (%)	Maturity date
Short-term borrowings	23,579	30,521	4.4	—
Long-term borrowings to be repaid within 1 year	66,136	—	—	—
Lease obligations to be repaid within 1 year	3,384	12,180	3.2	—
Long-term borrowings other than those to be repaid within 1 year	189,078	278,379	3.0	Apr. 30, 2024 to Jan. 1, 2046
Lease obligations other than those to be repaid within 1 year	10,815	52,675	3.2	Jan. 1, 2024 to Aug. 31, 2042
Total	292,993	373,756	—	—

Note: 1. Average interest rate is calculated based on the interest rate as of the end of the fiscal year and the outstanding principal amount.
2. The above amount is included in Other liabilities in the consolidated balance sheet.
3. Repayment schedule of long-term borrowings and lease obligations to be repaid within 5 years (excluding the amount to be repaid within 1 year) after the closing date is as follows:

	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years
Long-term borrowings	39,810	78,293	—	63,032
Lease obligations	11,250	9,200	7,385	6,055

(Schedule of asset retirement obligations)

Detailed information is omitted due to its immateriality.

Solvency Margin Ratio

Sufficiency of solvency of insurance holding company and its subsidiaries, etc. to fulfill payment obligations such as insurance claims

Tokio Marine Holdings' solvency margin ratio (consolidated)

	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	4,947,004	5,953,649
Shareholders' equity less adjusting items	1,150,128	1,129,262
Reserve for price fluctuation	132,394	138,331
Contingency reserve	64,711	61,869
Catastrophe loss reserve	1,136,120	1,145,489
General allowance for doubtful accounts	3,505	3,411
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,248,244	2,313,740
Unrealized gains (losses) on land	286,856	273,658
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(20,010)	(20,759)
Excess of premium reserve, etc.	287,390	294,676
Subordinated debt, etc.	300,000	300,000
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	—	—
Total margin of Small Amount and Short Term Insurers	783	628
Deductions	156,141	159,990
Others	513,019	473,330
(B) Total amount of risks	1,576,526	1,439,272
$\sqrt{((R_1^2+R_2^2)+R_3+R_4)^2+(R_5+R_6+R_7)^2+R_8+R_9}$		
General insurance risk on non-life insurance contracts (R ₁)	486,054	411,122
Life insurance risk (R ₂)	39,691	34,923
Third sector insurance risk (R ₃)	66,602	51,776
Insurance risk of Small Amount and Short Term Insurers (R ₄)	10	10
Assumed interest rate risk (R ₅)	19,663	21,431
Minimum guarantee risk on life insurance contracts (R ₆)	2,188	2,235
Asset management risk (R ₇)	976,083	959,700
Business administration risk (R ₈)	39,711	35,940
Catastrophe risk on non-life insurance contracts (R ₉)	395,276	315,825
(C) Solvency margin ratio on a consolidated basis [(A)/{(B) × 1/2}] ×100	627.5%	827.3%

Note: "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 issued by the Financial Services Agency in 2011.

Solvency margin ratio (consolidated)

1. Most subsidiaries in Tokio Marine Group engage in non-life insurance business, life insurance business and Small Amount and Short Term insurance business. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance groups to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, or a significant decline in value of assets held by insurance groups.

2. (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance company groups in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates) which is calculated in accordance with the Insurance Business Act.

3. "Risks that exceed normal estimates" is composed of risks described below.

- General insurance risk on non-life insurance contracts, life insurance risk, third sector insurance risk and insurance risk of Small Amount and Short Term Insurers: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk on non-life insurance contracts.
- Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
- Minimum guarantee risk on life insurance contracts: risk that value of assets related to the minimum guarantee for benefits of insurance contracts, which are managed as a separate account, fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
- Asset management risk: risk that the prices of retained securities and other assets fluctuate in excess of normal estimates.

Solvency Margin Ratio

- (5) Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
- (6) Catastrophe risk on non-life insurance contracts: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan Typhoon or overseas major catastrophe occurs.
4. Subsidiaries that were excluded from the scope of consolidation in preparation of the consolidated financial statements due to immateriality were included within the calculation of the consolidated solvency margin ratio.
5. Solvency of insurance company groups in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. price fluctuation reserve, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land, etc.
6. Solvency margin ratio on a consolidated basis is one of the objective indicators used by the regulatory authority to supervise corporate groups headed by an insurance holdings company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

Sufficiency of solvency of major domestic subsidiaries to fulfill payment obligations such as insurance claims

Solvency margin ratio (non-consolidated) for Tokio Marine & Nichido Fire Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	5,287,626	5,384,523
Shareholders' equity less adjusting items	1,421,939	1,365,291
Reserve for price fluctuation	108,000	115,167
Contingency reserve	9,578	7,546
Catastrophe loss reserve	1,081,242	1,085,378
General allowance for doubtful accounts	202	183
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,772,797	1,948,640
Unrealized gains (losses) on land	260,134	249,460
Excess of policyholders' contract deposits	—	—
Subordinated debt, etc.	200,000	200,000
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	—	—
Deductions	590	—
Others	434,321	412,854
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	1,231,234	1,276,937
General insurance risk (R ₁)	208,993	205,776
Third sector insurance risk (R ₂)	—	—
Assumed interest rate risk (R ₃)	13,762	15,485
Asset management risk (R ₄)	1,023,509	1,055,088
Business administration risk (R ₅)	27,831	28,688
Catastrophe risk (R ₆)	145,286	158,078
(C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$	858.9%	843.3%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

- Solvency margin ratio (non-consolidated)
1. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, a significant decline in value of assets held by insurance companies.
2. (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance companies in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates), which is calculated in accordance with the Insurance Business Act.
3. "Risks that exceed normal estimates" is composed of risks described below.
- (1) (General) insurance risk, third sector insurance risk: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk.
- (2) Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
- (3) Minimum guarantee risk: risk that value of assets related to the minimum guarantee for benefits of insurance contracts, which are managed as a separate account, fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
- (4) Asset management risk: risk that prices of retained securities and other assets fluctuate in excess of normal estimates.
- (5) Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
- (6) Catastrophe risk: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan typhoon occurs.
4. Solvency of insurance companies in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. reserve for price fluctuation, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land, etc.
5. Solvency margin ratio is one of the objective indicators used by the regulators to supervise insurance companies. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

Solvency Margin Ratio

Solvency margin ratio (non-consolidated) for Nisshin Fire & Marine Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	133,868	145,459
Shareholders' equity less adjusting items	60,574	60,483
Reserve for price fluctuation	5,048	4,896
Contingency reserve	—	—
Catastrophe loss reserve	53,926	56,981
General allowance for doubtful accounts	20	42
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	4,009	12,863
Unrealized gains (losses) on land	2,461	2,402
Excess of policyholders' contract deposits	—	—
Subordinated debt, etc.	—	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	—	—
Deductions	—	—
Others	7,826	7,790
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	22,542	23,361
General insurance risk (R ₁)	14,448	14,614
Third sector insurance risk (R ₂)	—	—
Assumed interest rate risk (R ₃)	639	719
Asset management risk (R ₄)	5,972	6,572
Business administration risk (R ₅)	543	567
Catastrophe risk (R ₆)	6,110	6,461
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	1,187.6%	1,245.2%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for E. design Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	12,988	15,484
Shareholders' equity less adjusting items	12,037	12,354
Reserve for price fluctuation	—	—
Contingency reserve	—	—
Catastrophe loss reserve	950	3,129
General allowance for doubtful accounts	0	0
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	—	—
Unrealized gains (losses) on land	—	—
Excess of policyholders' contract deposits	—	—
Subordinated debt, etc.	—	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	—	—
Deductions	—	—
Others	—	—
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	4,666	4,784
General insurance risk (R ₁)	4,205	4,312
Third sector insurance risk (R ₂)	—	—
Assumed interest rate risk (R ₃)	—	—
Asset management risk (R ₄)	359	427
Business administration risk (R ₅)	145	151
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	556.6%	647.2%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for Tokio Marine & Nichido Life Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	555,469	648,429
Shareholders' equity less adjusting items	126,960	119,748
Reserve for price fluctuation	19,346	18,267
Contingency reserve	55,133	54,323
General allowance for doubtful accounts	325	338
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions × 90%	17,118	161,832
Unrealized gains (losses) on land × 85%	—	—
Excess of continued Zillmerized reserve	287,390	294,676
Subordinated debt, etc.	100,000	100,000
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	(121,675)	(153,442)
Deductions	—	—
Others	70,870	52,685
(B) Total amount of risks $\sqrt{(R_1+R_3)^2+(R_2+R_3+R_7)^2}+R_4$	106,044	114,913
Insurance risk (R ₁)	16,734	16,652
Third sector insurance risk (R ₃)	7,011	6,790
Assumed interest rate risk (R ₂)	5,261	5,226
Minimum guarantee risk (R ₇)	2,188	2,235
Asset management risk (R ₃)	93,344	102,311
Business administration risk (R ₄)	2,490	2,664
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	1,047.6%	1,128.5%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for Tokio Marine Millea SAST Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	1,759	1,743
Total net assets excluding deferred assets, etc.	1,609	1,598
Reserve for price fluctuation	—	—
Catastrophe loss reserve	10	8
General allowance for doubtful accounts	—	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	—	—
Unrealized gains (losses) on land	—	—
Part of reserve for dividends to policyholders excluding dividends for following period	—	—
Future profit	—	—
Tax effect	140	135
Subordinated debt, etc.	—	—
Deductions	—	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	105	101
Insurance risk	31	31
General insurance risk (R ₁)	5	5
Catastrophe risk (R ₄)	26	26
Asset management risk (R ₂)	77	73
Business administration risk (R ₃)	2	2
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	3,329.6%	3,434.0%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Solvency Margin Ratio

Solvency margin ratio (non-consolidated) for Tokio Marine West SAST Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	2,545	2,014
Total net assets excluding deferred assets, etc.	1,911	1,530
Reserve for price fluctuation	—	—
Catastrophe loss reserve	8	6
General allowance for doubtful accounts	—	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	—	—
Unrealized gains (losses) on land	—	—
Part of reserve for dividends to policyholders excluding dividends for following period	—	—
Future profit	—	—
Tax effect	625	477
Subordinated debt, etc.	—	—
Deductions	—	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2+R_3+R_4}$	102	94
Insurance risk	27	27
General insurance risk (R ₁)	4	4
Catastrophe risk (R ₄)	22	22
Asset management risk (R ₂)	77	69
Business administration risk (R ₃)	2	1
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	4,986.5%	4,275.9%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Solvency margin ratio (non-consolidated) for Tokio Marine X SAST Insurance Co., Ltd.

(Yen in millions)		
	As of March 31, 2023	As of March 31, 2022
(A) Total amount of solvency margin	486	—
Total net assets excluding deferred assets, etc.	486	—
Reserve for price fluctuation	—	—
Catastrophe loss reserve	0	—
General allowance for doubtful accounts	—	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	—	—
Unrealized gains (losses) on land	—	—
Part of reserve for dividends to policyholders excluding dividends for following period	—	—
Future profit	—	—
Tax effect	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2+R_3+R_4}$	4	—
Insurance risk	0	—
General insurance risk (R ₁)	0	—
Catastrophe risk (R ₄)	—	—
Asset management risk (R ₂)	4	—
Business administration risk (R ₃)	0	—
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	20,928.4%	—

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Market Consistent Embedded Value (MCEV)
Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL)

About MCEV

The current Japanese financial accounting standards focus on conservativeness and have the limitation that the profits generated from life insurance business are generally undervalued shortly after underwriting contracts in terms of the valuation and assessment of performance of life insurance business.

Embedded values (EV) are calculated as the total of the "adjusted net worth" and the "value of in-force." EV is designed to address the limitations of the financial accounting standards in order to facilitate an appropriate evaluation of value and improve performance assessment, considering the actual situation of the business performance.

While there have been various methodologies for calculation of EV, the European Insurance CFO Forum released its MCEV Principles, the European Insurance CFO Forum Market Consistent Embedded Value Principles, in June 2008, to enhance the consistency of valuation standards and unify the standards for disclosures. TMNL has been disclosing its EV in compliance with the MCEV Principles to enhance the disclosure since the fiscal year ended March 31, 2015.

MCEV as of March 31, 2023

1. MCEV as of March 31, 2023

MCEV of TMNL as of March 31, 2023, was 1,199.3 billion yen, a decrease of 10.7 billion yen from the previous fiscal year end (March 31, 2022). MCEV consisted of 48.7 billion yen of adjusted net worth and 1,150.6 billion yen of value of in-force.

(Billions of yen)			
	FY2022	FY2021	FY2020
Adjusted net worth	48.7	542.1	854.6
Value of in-force	1,150.6	667.9	322.7
MCEV at fiscal year-end	1,199.3	1,210.0	1,177.3
New business value	75.0	69.4	55.0

2. Change in MCEV

During FY2022, the change in MCEV (before dividends paid) was 76.5 billion yen, which was a decrease of 2.5 billion yen from the previous fiscal year change in MCEV (FY2021). The reactionary decrease of the actuarial assumption changes and the reactionary increase in economic variances from FY2021 offset each other, and so changes in MCEV year on year were flat overall. (For details on the changes, refer to "Reconciliation Analysis of MCEV from the End of FY2021.")

(Billions of yen)		
	FY2022	FY2021
Change in MCEV (Before dividends paid)	76.5	79.1
(Reference) Change in MCEV (Before dividends paid and excluding economic variances)	86.7	125.6

Market Consistent Embedded Value (MCEV)
Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL)

Reconciliation Analysis of MCEV from the End of FY 2021

The table below shows the reconciliation analysis of MCEV as of March 31, 2023 with the MCEV as of March 31, 2022.

	(Billions of yen)
	MCEV
Opening MCEV (MCEV as of March 31, 2022)	1,210.0
(1) Dividends paid	(87.3)
Adjusted opening MCEV	1,122.7
(2) New business value	75.0
(3) Expected existing business contribution (risk-free rate)	19.3
(4) Expected existing business contribution (in excess of risk-free rate)	6.5
(5) Actuarial experience variances	(22.9)
(6) Actuarial assumption changes	10.7
(7) Other operating variances	(1.9)
(8) Operating MCEV earnings ((2)–(7))	86.7
(9) Economic variances	(10.1)
(10) Other non-operating variances	—
Total MCEV earnings (before dividends paid)	76.5
Closing MCEV (MCEV as of March 31, 2023)	1,199.3

Sensitivity Analysis

The impacts of changing specified assumptions underlying the MCEV are as follows.

(Billions of yen)				
Assumption	Change in assumption	MCEV	Change in amount	Rate of change
Base case: MCEV as of March 31, 2023	No change	1,199.3	—	—
(1) Interest rates	50bp decrease	1,115.3	(839)	(7.0%)
	50bp increase	1,200.5	11	0.1%
	Swap	971.0	(2,282)	(19.0%)
	Ultimate fwd rate	1,379.1	1,797	15.0%
(2) Stock/real estate market values	10% decrease	1,196.2	(30)	(0.3%)
(3) Stock/real estate implied volatility	25% increase	1,193.9	(54)	(0.5%)
(4) Interest swaption implied volatility	25% increase	1,133.8	(655)	(5.5%)
(5) Maintenance expenses	10% decrease	1,244.8	454	3.8%
(6) Surrender and lapse rates	×0.9	1,204.9	55	0.5%
(7) Mortality rates	Death protection products: ×0.95	1,221.3	219	1.8%
	A&H products and annuity products: ×0.95	1,186.4	(129)	(1.1%)
(8) Morbidity rates	×0.95	1,272.1	727	6.1%
(9) Required capital	Solvency margin ratio of 200%	1,199.3	—	—
(10) Foreign exchange rates	10% appreciation of JPY	1,200.9	16	0.1%

Assumptions

1. Risk-Free Rates

We have used government bond yields as of the end of March 2023.

The Company has made sets to the method of 1-year forward rate of government bonds in the 41st year and thereafter, assuming that adjustments were carried out based on the past yield fluctuations in the 40-year spot rate.We have adjusted and used Bloomberg's government bond yields as our data source.The government bond yields (spot rates) for key terms are shown below.

JPY		
Term	End of March 2023	End of March 2022
1 year	(0.10%)	(0.08%)
5 years	0.10%	0.03%
10 years	0.45%	0.23%
20 years	1.09%	0.73%
30 years	1.35%	0.95%
40 years	1.36%	0.95%
50 years	1.43%	1.03%

The sensitivity analysis in P.191 presented the impact of changing the extrapolation of JPY-interest rates beyond the 40th year to use an ultimate forward rate (UFR) method. This UFR method entails setting the JPY ultimate forward rate to 3.8%, extrapolating rates from year 30,and applying the Smith-Wilson method so that forward rates from the 31st year onwards approach to the UFR in 30 years. This method was established with reference to the global Insurance Capital Standard (ICS) currently in development by the International Association of Insurance Supervisors (IAIS). Representative JPY interest rates are as follows:

JPY	
Term	End of March 2023
1 year	(0.10%)
5 years	0.10%
10 years	0.45%
20 years	1.09%
30 years	1.35%
40 years	1.72%
50 years	2.10%

We have not included a liquidity premium in the risk-free rates given that definitions in the MCEV Principles are not clear and generally accepted practice has not yet been established. Negative interest rates are not floored at zero.

2. Insurance Assumptions

Assumptions	Basis of assumptions
Mortality and morbidity rates	Mortality and morbidity rates are developed based on claims experience of the latest 1–3 years, in principle, by type of protection, policy year, attained age, and other attributes. For A&H morbidity rates, temporary impacts due to the spread of COVID-19 are excluded.
Surrender and lapse rates	Surrender and lapse rates are developed based on the experience of the most recent year, in principle, by line of business, premium mode, and policy year.
Renewal rates	Renewal rates are developed based on past experience. Policies for which renewals are projected are A&H products, whose impact is large due to a high number of limited term in-force policies. For the sake of simplicity, we have not reflected future renewals for some riders.
Operating expense rates	Operating expense rates are developed from past experience based on the ratio (unit cost) of overall actual operating expenditures to the policy count or the premium separately for acquisition and maintenance expenses. Some of the operating expense rates were adjusted by removing one-off costs which are not ordinarily expected to be incurred in future periods. The removed one-off cost is 1,580 million yen, which is tied primarily to costs relating to response, etc. for insurance premiums and incurred claims related to COVID-19 and a portion of system development costs. And with regard to system development costs for policy acquisition and maintenance, and the information technology device costs for policy maintenance, the average amount incurred over the past five years is reflected in the corresponding unit costs. An increase due to inflation is reflected in future maintenance expenses. Corporate administration costs paid to the parent company are reflected in unit costs. Other than this, there is no look-through effect with regards to other companies within the Tokio Marine Group that needs to be reflected.
Effective tax rate	The effective tax rate is set as follows: 28.0%
Consumption tax rate	The consumption tax rate is set as follows: 10%
Inflation rate	With reference to the break-even inflation rate from the most recently issued inflation index-linked government bond and the past Consumer Price Index (CPI), inflation rates are set as shown below. 1.0%
Policyholder dividend	For products with interest dividends paid every 5 years, dividend rates are set based on the interest rate level in future periods using the method consistent with the one applied to determine the most recent dividend results.
Reinsurance	Reinsurance premiums are recorded as expenses and reinsurance claims are recorded as profit to reflect the fact that the Company cedes mortality risks on death protection insurance, third sector risks on third sector and part of the minimum guarantee risks of variable annuities. Reinsurance premiums and reinsurance claims are based on reinsurance agreements.

Caveats

Embedded values are calculated using various assumptions about the drivers of future results and the risks and uncertainties inherent in those results; future experience may deviate, possibly materially, from that underlying the forecasts used in the EV calculation. Also, the actual market value is determined as a result of informed judgments of investors and may differ materially from an embedded value. As such, embedded values should be used with sufficient caution.

Corporate Overview

Tokio Marine Holdings and Its Subsidiaries

Description of Business

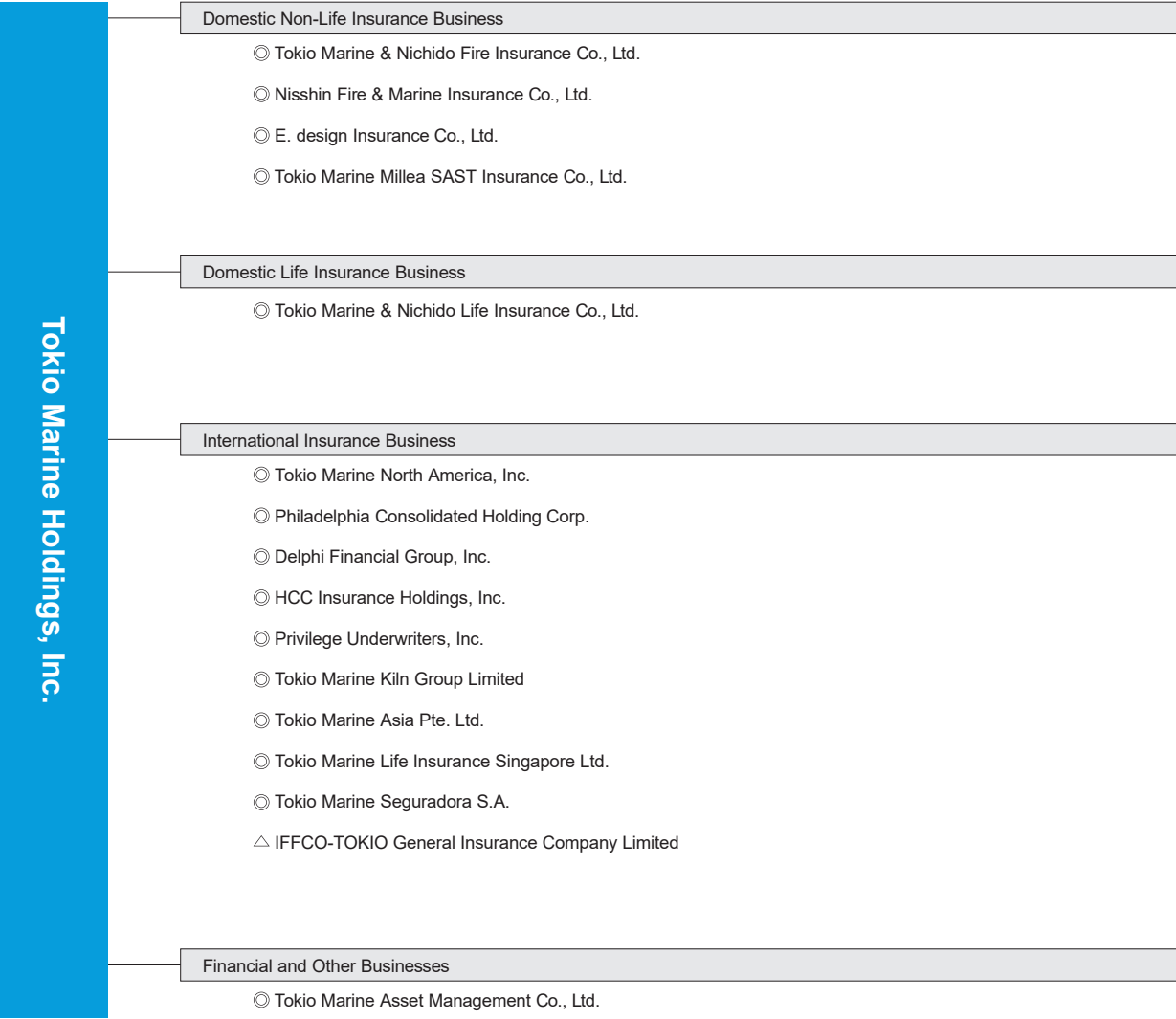
Tokio Marine Group is engaged in domestic non-life insurance, domestic life insurance, international insurance, and financial and other businesses.

In addition, Tokio Marine Holdings is a specified listed company. Due to the specified listed company designation, the *de minimis* standard for insider trading regulations is determined on a consolidated basis.

The following is a diagram of businesses as of March 31, 2023.

Business Diagram

Note: ◎ indicates consolidated subsidiaries; △ indicates equity-method affiliates



Major Subsidiaries

(As of March 31, 2023)

Company name	Date of incorporation	Paid-in capital	Ratio of Tokio Marine Holdings' voting rights ¹ (%)	Ratio of Tokio Marine Holdings' subsidiaries' voting rights ² (%)	Location	Major business
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Mar. 20, 1944 ³	JPY101,994 million	100	0	Tokyo, Japan	Domestic non-life insurance business
Nisshin Fire & Marine Insurance Co., Ltd.	June 10, 1908	JPY20,389 million	100	0	Tokyo, Japan	Domestic non-life insurance business
E. design Insurance Co., Ltd.	Jan. 26, 2009	JPY29,303 million	95.2	0	Tokyo, Japan	Domestic non-life insurance business
Tokio Marine & Nichido Life Insurance Co., Ltd.	Aug. 6, 1996	JPY55,000 million	100	0	Tokyo, Japan	Domestic life insurance business
Tokio Marine Millea SAST Insurance Co., Ltd.	Sept. 1, 2003	JPY895 million	100	0	Yokohama, Japan	Domestic non-life insurance business
Tokio Marine Asset Management Co., Ltd.	Dec. 9, 1985	JPY2,000 million	100	0	Tokyo, Japan	Financial and general businesses
Tokio Marine North America, Inc.	June 29, 2011	USD0 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
Philadelphia Consolidated Holding Corp.	July 6, 1981	USD1 thousand	0	100	Bala Cynwyd, Pennsylvania, U.S.A.	International insurance business
Delphi Financial Group, Inc.	May 27, 1987	USD1 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
HCC Insurance Holdings, Inc.	Mar. 27, 1991	USD1 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
Privilege Underwriters, Inc.	Jan. 5, 2006	USD0 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
Tokio Marine Kiln Group Limited	July 11, 1994	GBP1,010 thousand	0	100	London, U.K.	International insurance business
Tokio Marine Asia Pte. Ltd.	Mar. 12, 1992	SGD1,250,971 thousand THB542,000 thousand ZAR5,000,000 thousand	0	100	Singapore, Singapore	International insurance business
Tokio Marine Life Insurance Singapore Ltd.	May 21, 1948	SGD369,624 thousand	0	90.4	Singapore, Singapore	International insurance business
Tokio Marine Seguradora S.A.	June 23, 1937	BRL2,373,779 thousand	0	98.5	Sao Paulo, Brazil	International insurance business
Affiliate accounted for by the equity method						
IFFCO-TOKIO General Insurance Company Limited	Sept. 8, 2000	INR2,878,185 thousand	0	49.0	New Delhi, India	International insurance business

1 The ratio of voting rights of said subsidiaries held by Tokio Marine Holdings to total voting rights
2 The ratio of voting rights of said subsidiaries held by Tokio Marine Holdings' subsidiaries to total voting rights
3 Founded on August 1, 1879

Corporate Overview

Worldwide Network of Tokio Marine Group

(As of March 31, 2023)

Tokio Marine Group operates a worldwide network that spans 46 countries and regions. The Group has built a structure that can respond to the diverse needs of customers in each country, beginning with companies setting up overseas operations, as well as overseas travelers.

North America

United States

■

New York, New Jersey, Los Angeles, Chicago, Atlanta, Honolulu, Philadelphia, Bala Cynwyd, St. Louis, Houston, Dallas, and San Francisco

□

Tokio Marine North America, Inc. (New York and Bala Cynwyd)

□

TMNA Services, LLC (New York, Bala Cynwyd, and New Jersey)

□

Tokio Marine America (New York, New Jersey, Los Angeles, Chicago, Atlanta, Houston, Nashville, Dallas, and San Francisco)

□

TM Claims Service, Inc. (New York, Los Angeles, Honolulu, and Dallas)

□

First Insurance Company of Hawaii, Ltd. (Honolulu)

□

Philadelphia Insurance Companies (Bala Cynwyd and others)

□

Delphi Financial Group, Inc. (New York)

□

Reliance Standard Life Insurance Company (Philadelphia and others)

□

Safety National Casualty Corporation (St. Louis and others)

□

Tokio Marine HCC (Houston and others)

□

Privilege Underwriters, Inc. (White Plains and others)

Guam

■

Guam

Northern Marianas

□

Tokio Marine Pacific Insurance Limited (Guam)

Canada

■

Toronto, Vancouver, and Montreal

●

Toronto, Vancouver, and Montreal

□

Tokio Marine Canada Ltd. (Tronto)

Central & South America

Mexico

■

Mexico City

□

Tokio Marine HCC México Compañía Afianzadora, S.A. de C.V. (Mexico City and others)

□

Tokio Marine Compañía de Seguros, S.A. de C.V. (Mexico City and others)

Colombia

○

Tokio Marine Compañía de Seguros, S.A. de C.V. (Bogotá)

Brazil

■

São Paulo

□

Tokio Marine Seguradora S.A. (São Paulo and others)

□

XS3 Seguros S.A. (São Paulo)

Paraguay

□

La Rural S.A. de Seguros (Asunción and others)

Europe, Africa & Middle East

United Kingdom

■

London

□

Tokio Marine Kiln Group Limited (London)

□

Tokio Marine HCC (London, Birmingham, Bridgend, Bristol, Leicester, and Manchester)

□

TM Claims Service Europe Ltd. (London)

France

■

Paris

○

Tokio Marine Europe S.A. (Paris, Lyon, Bordeaux, Colmar, and Nantes)

Germany

■

Dusseldorf

○

Tokio Marine Europe S.A. (Dusseldorf, Munich, and Frankfurt)

Netherlands

■

Amsterdam

○

Tokio Marine Europe S.A. (Amsterdam)

○

TM Claims Service Europe Ltd. (Amsterdam)

Belgium

■

Brussels

○

Tokio Marine Europe S.A. (Brussels)

Luxembourg

□

Tokio Marine Europe S.A. (Luxembourg)

Italy

■

Milan

○

Tokio Marine Europe S.A. (Milan)

Spain

■

Barcelona

○

Tokio Marine Europe S.A. (Barcelona)

Norway

○

Tokio Marine Europe S.A. (Oslo)

Denmark

○

Tokio Marine Europe S.A. (Hellerup)

Russia

□

Tokio Marine Risk Management Rus, LLC (Moscow)

Switzerland

○

Tokio Marine HCC (Zurich)

Ireland

○

Tokio Marine Europe S.A. (Kildare)

Egypt

■

Cairo

□

Tokio Marine Egypt General Takaful Company (Cairo, Alexandria and others)

U.A.E.

■

Dubai

□

Tokio Marine Middle East Limited (Dubai)

◆

Al Futtaim Development Services Company (L.L.C.) (Dubai and Abu Dhabi)

Saudi Arabia

■

Riyadh, Jeddah

□

Alinma Tokio Marine Company (Riyadh, Jeddah, and Al Khobar)

Turkey

□

Allianz Sigorta A.S. (Istanbul)

□

Allianz Hayat ve Emeklilik A.S. (Istanbul)

South Africa and sub-Saharan countries*

■

Johannesburg

□

Holland Group

*

Mozambique, Zambia, Botswana, Namibia, Ghana, and Lesotho

Malaysia

■

Kuala Lumpur

□

Tokio Marine Insurans (Malaysia) Berhad (Kuala Lumpur and others)

□

Tokio Marine Life Insurance Malaysia Bhd. (Kuala Lumpur and others)

Singapore

■

Singapore

□

Tokio Marine Asia Pte. Ltd. (Singapore)

□

Tokio Marine Insurance Singapore Ltd. (Singapore)

□

Tokio Marine Life Insurance Singapore Ltd. (Singapore)

□

TM Claims Service Asia Pte. Ltd. (Singapore)

Brunei

○

Tokio Marine Insurance Singapore Ltd. (Bandar Seri Begawan)

○

Tokio Marine Life Insurance Singapore Ltd. (Bandar Seri Begawan)

Indonesia

■

Jakarta

□

PT Asuransi Tokio Marine Indonesia (Jakarta and others)

□

PT Tokio Marine Life Insurance Indonesia (Jakarta and others)

Asia & Oceania

■

Seoul

Korea

●

Seoul

People's Republic of China

■

Beijing, Shanghai, Guangzhou, Suzhou, and Hangzhou

□

The Tokio Marine & Nichido Fire Insurance Company (China) Limited (Beijing, Shanghai, Guangzhou, Suzhou, and Hangzhou)

Hong Kong

■

Hong Kong

□

The Tokio Marine and Fire Insurance Company (Hong Kong) Limited (Hong Kong)

Taiwan

■

Taipei

□

Tokio Marine Nawa Insurance Co., Ltd. (Taipei and others)

Philippines

■

Manila

□

Malayan Insurance Company, Inc. (Manila and others)

Vietnam

■

Hanoi and Ho Chi Minh City

□

Tokio Marine Insurance Vietnam Company Limited (Hanoi and others)

Thailand

■

Bangkok

□

Tokio Marine Safety Insurance (Thailand) Public Company Limited (Bangkok and others)

□

Tokio Marine Life Insurance (Thailand) Public Company Limited (Bangkok and others)

India

■

New Delhi, Mumbai, and Chennai

□

IFFCO-TOKIO General Insurance Company Limited (New Delhi and others)

□

Edelweiss Tokio Life Insurance Company Limited (Mumbai and others)

Myanmar

■

Yangon

●

Yangon

□

Grand Guardian Tokio Marine General Insurance Company Limited (Yangon)

Cambodia

■

Phnom Penh

Australia

■

Sydney and Melbourne

□

Tokio Marine Management (Australasia) Pty. Ltd. (Sydney and Melbourne)

New Zealand

●

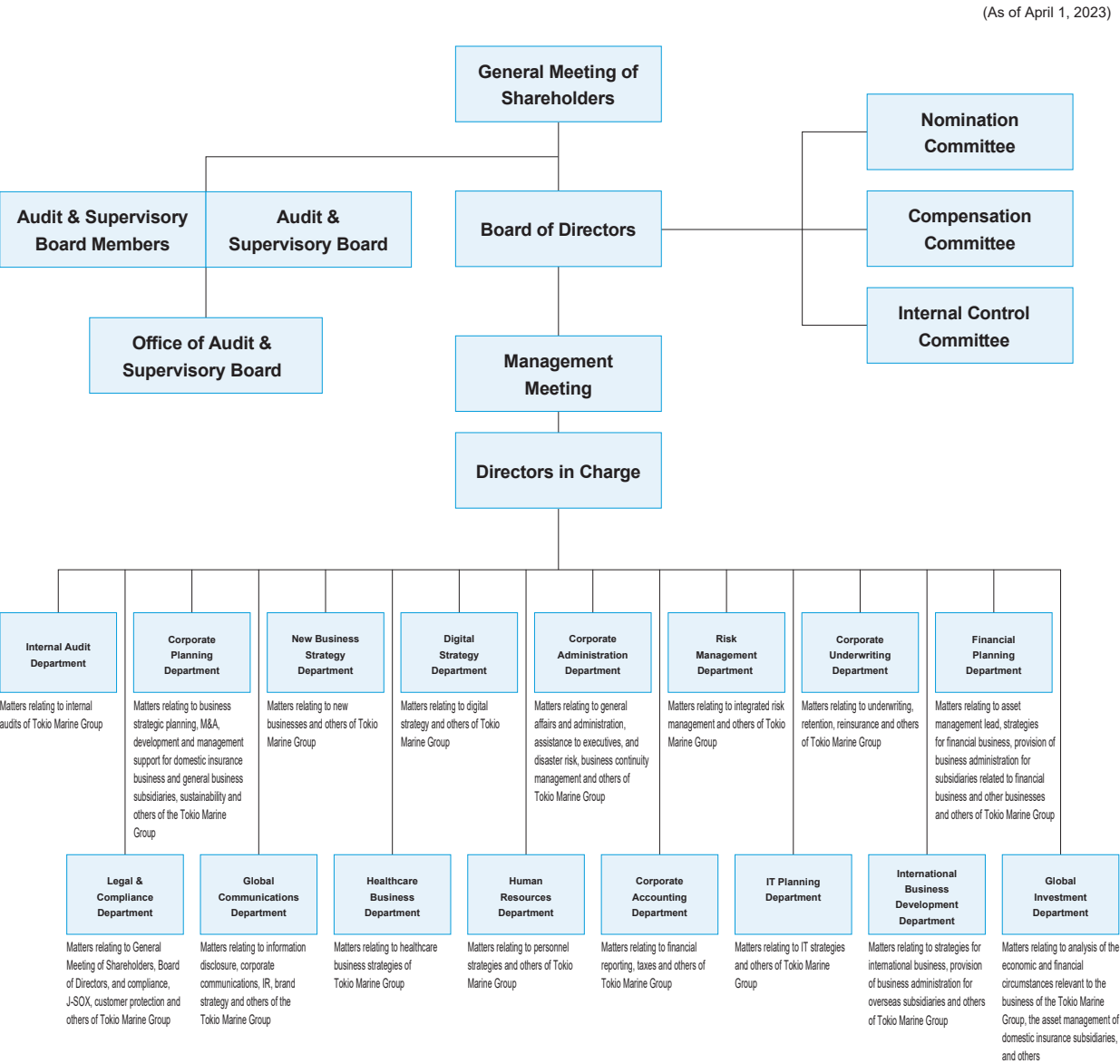
Auckland

Locations of overseas bases: 46 countries and regions
Number of Japanese employees positioned overseas: 302
Number of locally hired employees: Approx. 35,000
Number of claims agents: Approx. 250 (including subagents)

- Cities where employees of Tokio Marine & Nichido are dispatched/Representative and Liaison Offices of Tokio Marine & Nichido
- Branches of Tokio Marine & Nichido
- ◆ Underwriting Agents of Tokio Marine & Nichido
- Group Companies & Investing Companies of Tokio Marine Group
- Branches of Tokio Marine Group Companies

Corporate Overview

Organizational Chart



Facilities

Overview of Capital Investment

The Group makes capital investments to improve customer services and streamline workflows, mainly comprising software related investment. The following is a breakdown of capital investment in the fiscal year ended March 31, 2023.

Business segment	Amount (Yen in millions)
Domestic non-life insurance business	91,763
Domestic life insurance business	6,967
International insurance business	27,653
Financial and other businesses	938
Total	127,323

Status of Major Facilities

The following are the major facilities of Tokio Marine Holdings and its consolidated subsidiaries.

Tokio Marine Holdings

(As of March 31, 2023)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine Holdings	Headquarters (Chiyoda-ku, Tokyo)	Holding company	— (—)	—	63	2,556	971	—

Domestic subsidiaries

(As of March 31, 2023)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Headquarters (Chiyoda-ku, Tokyo)	Domestic non-life insurance business	61,065 (136,932)	60,798	24,144	128,281	16,645	12,017
Nisshin Fire & Marine Insurance Co., Ltd.	Headquarters (Chiyoda-ku, Tokyo)	Domestic non-life insurance business	9,943 (18,760)	7,498	1,350	5,235	2,078	1,408
E. design Insurance Co., Ltd.	Headquarters (Shinjuku-ku, Tokyo)	Domestic non-life insurance business	— (—)	103	54	9,074	317	265
Tokio Marine & Nichido Life Insurance Co., Ltd.	Headquarters (Chiyoda-ku, Tokyo)	Domestic life insurance business	— (—)	833	489	15,979	2,229	1,959
Tokio Marine Millea SAST Insurance Co., Ltd.	Headquarters (Nishi-ku, Yokohama)	Domestic non-life insurance business	— (—)	13	28	171	108	93
Tokio Marine Asset Management Co., Ltd.	Headquarters (Chiyoda-ku, Tokyo)	Financial and other businesses	— (—)	307	125	344	363	468

Employees

(As of March 31, 2023)

Number of employees	971
Average age of employees	43.2 years old
Average length of service of employees	17.5 years

Note: Most employees of Tokio Marine Holdings are seconded from its subsidiaries. Average length of service includes the years of service at these subsidiaries.

Facilities

Overseas subsidiaries

(As of March 31, 2023)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine North America, Inc.	Headquarters (Wilmington, Delaware, U.S.A.)	International insurance business	— (—)	3,899	822	3,026	461	426
Philadelphia Consolidated Holding Corp.	Headquarters (Bala Cynwyd, Pennsylvania, U.S.A.)	International insurance business	— (—)	12,374	534	14,139	1,858	1,760
Delphi Financial Group, Inc.	Headquarters (Wilmington, Delaware, U.S.A.)	International insurance business	569 (71,876)	19,307	4,510	20,432	3,011	2,625
HCC Insurance Holdings, Inc.	Headquarters (Wilmington, Delaware, U.S.A.)	International insurance business	592 (63,600)	12,725	6,808	9,228	3,787	3,416
Privilege Underwriters, Inc.	Headquarters (Wilmington, Delaware, U.S.A.)	International insurance business	— (—)	2,146	588	4,837	1,057	803
Tokio Marine Kiln Group Limited	Headquarters (London, U.K.)	International insurance business	— (—)	4,814	481	2,512	705	—
Tokio Marine Asia Pte. Ltd.	Headquarters (Singapore, Singapore)	International insurance business	— (—)	508	102	33	85	—
Tokio Marine Life Insurance Singapore Ltd.	Headquarters (Singapore, Singapore)	International insurance business	2,050 (214)	960	180	564	250	—
Tokio Marine Seguradora S.A.	Headquarters (São Paulo, Brazil)	International insurance business	234 (4,660)	1,212	586	311	2,251	316

Notes: 1. All of the above facilities are for business use.
2. Buildings and movables include leased assets.
3. Some buildings are being leased.
4. The figures presented for Tokio Marine North America, Inc., Philadelphia Consolidated Holding Corp., Delphi Financial Group, Inc., HCC Insurance Holdings, Inc., Privilege Underwriters, Inc. and Tokio Marine Kiln Group Limited include figures for subsidiaries of each company.
5. In addition to the above, main leased facilities are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m2)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Osaka Tokio Marine Nichido Building (Chuo-ku, Osaka)	4,032 (5,483)	2,357
	Sino Omiya South Wing (Omiya-ku, Saitama)	3,752 (2,617)	2,679
	La Mer Sanbancho (Chiyoda-ku, Tokyo)	3,686 (2,059)	2,283
	Minato Mirai Business Square (Nishi-ku, Yokohama)	2,545 (1,588)	1,491
	Otemachi First Square (Chiyoda-ku, Tokyo)	12 (844)	1,378

New Facility Construction and Elimination Schedule

As of March 31, 2023, the schedule for new construction and elimination of major facilities is as follows.

(1) New facilities

Company name Facility name	Location	Business segment	Description	Scheduled investment		Financing method	Start and completion schedule	
				Total (Yen in millions)	Amount already paid (Yen in millions)		Start	Completion
Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tentative name) Tokio Marine Building	Chiyoda-ku, Tokyo	Domestic non-life insurance	Reconstruction	T.B.D.	3,706	Self - financing	Dec, 2024	FY2028

(2) Renovation
None planned

(3) Sale
None planned

Stock Information

Stock and Shareholder Information

Stock Information (As of March 31, 2023)

Stock issued by Tokio Marine Holdings is common stock. The total number of authorized shares is 8.0 billion shares and the total number of shares outstanding is 2,002,500,000 shares.

- a. The Ordinary General Meeting of Shareholders is held within three months of the end of each fiscal year.
- b. Accounting period: Ends March 31
- c. Share registrar: The Mitsubishi UFJ Trust and Banking Corporation
- d. Record date: Ordinary General Meeting of Shareholders: March 31
Year-end dividend: March 31
Interim dividend: September 30
- e. Public notice will be electronically published. (<http://www.pronexus.co.jp/koukoku/8766/8766.html>)
However, in the event that public notice cannot be electronically published due to an accident or other compelling reason, a notification shall be published in the Tokyo issue of the *Nihon Keizai Shimbun*.
- f. Number of shares constituting one unit: 100
- g. Stock listing: Tokyo Stock Exchange

Matters for the General Meeting of Shareholders

The 21th General Meeting of Shareholders was held on June 26, 2023. The items reported and the proposals acted upon were as follows:

Items reported

- Business report, consolidated financial statements and the audit reports on consolidated financial statements prepared by the independent auditor and the Audit & Supervisory Board, respectively, for the fiscal year 2022 (April 1, 2022 to March 31, 2023)
- Non-consolidated financial statements for fiscal year 2022 (April 1, 2022 to March 31, 2023)

Proposals acted upon

- Appropriation of Surplus
- Election of 15 Directors
- Election of 1 Audit & Supervisory Board Members

Dividend Policy

The Company seeks to improve shareholder returns on a cash dividend basis, after providing sufficient capital to meet the business needs of Tokio Marine Group and taking into consideration the business results and the expected future business environment of the Company.

In accordance with the above policy, and considering various factors, the Company paid 50 yen per share as a year-end cash dividend for fiscal year 2022. As 50 yen per share was paid as an interim cash dividend (an ordinary dividend), the total amount of annual cash dividends (ordinary dividends) was 100 yen per share for fiscal year 2022. This is an increase of total annual cash dividends (ordinary dividends) of 15 yen per share from 85 yen per share paid for the previous fiscal year.

In the fiscal years 2018, 2019, and 2020, in addition to the ordinary dividends, the Company also paid one-time dividends (23 yen per share, 12 yen per share, and 12 yen per share respectively) for capital level adjustment.

Note: The Company conducted a 3-for-1 stock split on October 1, 2022. For dividends paid before the stock split, the amount per share equivalent after the stock split is shown (fractions less than 1 yen are rounded to the nearest whole number).

Capital

Date	Equity capital
April 2, 2002	¥150 billion
March 31, 2023	¥150 billion

Stock Information

Stock Ownership Distribution

As of March 31, 2023, the number of shareholders was 185,541. The percentage of major stock ownership was 39.54% and 33.57% for financial institutions and foreign shareholders, respectively.

a. Types of shareholders (As of March 31, 2023)

Category	Number of shareholders	Number of shares	Shareholding ratio (%)
Government/Local government	1	1,500	0.00
Financial institutions	231	791,847,300	39.54
Financial instruments firms	59	130,860,268	6.53
Other domestic companies	1,851	115,014,910	5.74
Foreign shareholders	1,191	672,210,157	33.57
Individuals and others	182,207	283,287,417	14.15
Treasury stocks	1	9,278,448	0.46
Total	185,541	2,002,500,000	100.00

b. Breakdown by region (As of March 31, 2023)

Category	Number of shareholders	Shareholder ratio (%)	Number of shares	Shareholding ratio (%)
Hokkaido	3,303	1.78	5,314,084	0.27
Tohoku	5,434	2.93	10,874,764	0.54
Kanto	87,603	47.21	1,149,611,228	57.41
Chubu	28,831	15.54	65,553,620	3.27
Kinki	37,077	19.98	66,876,744	3.34
Chugoku	7,723	4.16	9,855,832	0.49
Shikoku	4,204	2.27	7,608,703	0.38
Kyushu	10,268	5.53	14,247,625	0.71
Overseas and others	1,098	0.59	672,557,400	33.59
Total	185,541	100.00	2,002,500,000	100.00

c. Breakdown by number of shares held (As of March 31, 2023)

Category	5,000 units or more	1,000 units or more	500 units or more	100 units or more	50 units or more
Number of shareholders	295	407	430	5,299	6,264
Composition ratios to total number of shareholders (%)	0.16	0.22	0.23	2.86	3.38
Number of shares	1,631,959,921	95,225,478	30,017,179	101,193,683	44,097,940
Composition ratios to total number of shares (%)	81.50	4.76	1.50	5.05	2.20

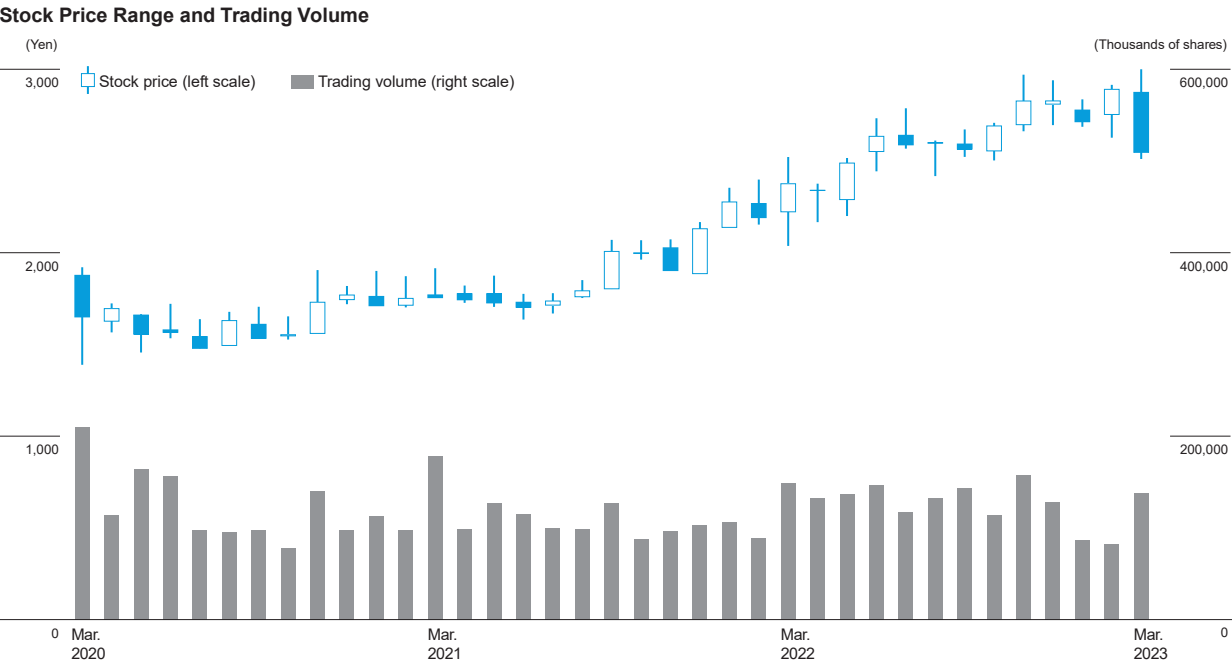
Category	10 units or more	5 units or more	1 unit or more	Less than 1 unit	Total
Number of shareholders	32,651	17,344	75,102	47,749	185,541
Composition ratios to total number of shareholders (%)	17.60	9.35	40.48	25.74	100.00
Number of shares	71,931,516	11,625,821	15,597,897	850,565	2,002,500,000
Composition ratios to total number of shares (%)	3.59	0.58	0.78	0.04	100.00

Top 10 Shareholders (As of March 31, 2023)

Shareholders	Address	Number of shares held (Thousand shares)	Composition ratios to total number of shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	366,477	18.39
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	153,222	7.69
Meiji Yasuda Life Insurance Company (Custodian: Custody Bank of Japan, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	42,604	2.14
State Street Bank West Client - Treaty 505234 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171,U.S.A. (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	33,869	1.70
JPMorgan Securities Japan Co., Ltd.	Tokyo Building 7-3, Marunouchi 2-chome, Chiyoda-ku,Tokyo	32,440	1.63
Tokai Nichido Employee Stock Ownership Plan	Tokiwabashi Tower 6-4, Otemach 2-chome, Chiyoda-ku, Tokyo Human Resources Dept. Tokio Marine & Nichido Fire Insurance Co., Ltd.	30,589	1.53
SSBTC CLIENT OMNIBUS ACCOUNT (Custodian: Tokyo branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (11-1, Nihonbashi 3-chome,Chuo-ku, Tokyo)	27,862	1.40
JP Morgan Chase Bank 385632 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	26,844	1.35
Moxley & Co. LLC. (Custodian:MUFG Bank, Ltd.)	4 NEW YORK PLAZA, 13TH FLOOR, NEW YORK, NY 10004 U.S.A. (7-1,Marunouchi 2-chome,Chiyoda-ku,Tokyo)	26,839	1.35
JP Morgan Chase Bank 385781 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	26,512	1.33

Note: Moxley & Co. LLC. is the registered holder of shares deposited pursuant to ADR issuance.

Stock Information



Note: The Company conducted a stock split (3-for-1) in October 2022. Figures for and prior to September 2022 have been recalculated based on figures after the split.

On the publication of Our Integrated Annual Report 2023

As Group CFO (Chief Financial Officer) of Tokio Marine Holdings, I would like to thank you for taking the time to read our Integrated Annual Report 2023 to its conclusion.

We published our first integrated annual report in fiscal 2015 to provide analysts and institutional investors with a balanced understanding of our sustainable value creation capabilities from both financial and non-financial perspectives. Following this initial publication, we have continued to make improvements each year through a process of trial and error, referring to the opinions of analysts and institutional investors, comments of integrated annual report rating agencies, and various guidelines, and have now published our ninth integrated annual report, focusing on the following three main areas.

(1) The addition of social issues to address and clarifying value creation:

In last year's Integrated Annual Report, we adopted promoting climate action (pp. 14–15) and improving disaster resilience (pp. 16–17) as social issues we needed to address. In this year's report, we added supporting healthy and spiritually rich living (healthcare) (pp. 18–19). We aim to further enhance your confidence in our value creation capabilities by demonstrating that we are able to create both "social value" and "economic value" through addressing these three important social issues that are currently emerging, and that these two values are not contradictory but mutually enhance each other.

(2) Strengthening human, intellectual, and social capital and connectivity with the future of Tokio Marine:

This year, we concluded our Purpose Story with the message that we will continue to expand the scope of value provided by continuing to refine internal capital (human capital and intellectual capital) and co-creating with social capital (various external partners). We have adopted a structure that introduces initiatives such as CORE, a disaster prevention consortium, as an example of strengthening social capital and TdR, the Group's core data function, as an example of strengthening internal capital. We aim to deepen your understanding of "The Expansion of Tokio Marine's Value Creation Capabilities" (pp. 34–43) by strengthening connectivity between strengthening various types of capital, which are key success factors for our sustainable value creation capabilities and our future potential.

Among the various types of capital, human capital is the foundation of Tokio Marine's management and the source of all our initiatives. For this reason, we published the Human Capital Report in June 2023, and incorporated the essence of that report into this integrated annual report. In addition, because human capital is the source of all our efforts, in last year's integrated report, the information was provided across multiple sections. In this year's report, however, to make it easier to read, information has been consolidated in the form of comments by the chief officers in charge (pp. 86–93).

(3) Enhancement of disclosure on corporate governance:

In addition to enhancing disclosure in areas of high interest to institutional investors and analysts (reduction of business-related equities (pp. 116–117), our information and cybersecurity system (p. 124), etc.), we highlighted the main initiatives recently implemented by Tokio Marine to strengthen governance (accelerating diversity on the Board of Directors and Audit & Supervisory Board (p. 107), third-party evaluations on the effectiveness of the Board of Directors (pp. 110–111), etc.). Moreover, for the first time, a dialogue on corporate governance was held between the three top governance executives (Chairman of the Board, Chairman of the Nomination Committee, and Chairman of the Compensation Committee) (pp. 100–105). Under the topic of the Board of Directors' discussion on important issues and Tokio Marine's challenges, we introduced the main points of the discussion. In addition, by disclosing the measures taken in light of the COVID-19 outbreak in Taiwan (p. 125), which caused significant losses, we aim to demonstrate the increased effectiveness of Tokio Marine's corporate governance and further improve transparency and credibility.

Finally, as the officer responsible for publishing this integrated annual report, I would like to state that it is a clear and accurate representation of our Company's ability to create sustainable value.

Tokio Marine is in the middle of a long climb to achieve our Purpose. Sometimes there is rain or fog along the way. Nevertheless, we will still be climbing mountains one hundred years from now, step by step, through the strengthening of human, intellectual, and social capital.

This is the management sentiment that I most wanted to convey in this integrated annual report, and this sentiment is also included on the cover. (If you look at the cover again, I hope you will understand the thoughts of our editors.) We appreciate your continued support and guidance as we move ahead.

Kenji Okada

Integrated Annual Report
2023 Publication Officer
Senior Managing Director
Group Chief
Financial Officer (CFO)

