



INTEGRATED ANNUAL REPORT 2016

*To Be a **Good Company***

Tokio Marine Group Corporate Philosophy

**With customer trust as the foundation for all its activities,
Tokio Marine Group continually strives to raise corporate value.**

Through the provision of the highest quality products and services,
Tokio Marine Group aims to deliver safety and security to all our customers.

By developing sound, profitable and growing businesses throughout the world,
Tokio Marine Group will fulfill its mandate to shareholders.

Tokio Marine Group will continue to build an open and dynamic corporate culture that
enables each and every employee to demonstrate his or her creative potential.

Acting as a good corporate citizen through fair and responsible management,
Tokio Marine Group will broadly contribute to the development of society.

Editorial Policy

Tokio Marine Group has established a Group message, “To Be a Good Company”, to show its resolve to continue to aim to be a “Good Company”.

To present our ideas and measures for continuing to aim to be a “Good Company” in a format that is easy for our stakeholders to understand, we have published this Integrated Annual Report, which comprehensively compiles non-financial information such as the value creation processes and CSR activities that are the foundation of our sustainable growth in addition to financial information such as business results and management strategies.

Note: In editing this report, we have referred to international guidelines including the “International Integrated Reporting Framework 1.0” proposed by the International Integrated Reporting Council (IIRC) and aimed to take the perspective of stakeholders.

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Tokio Marine Group's Value Creation Model

The starting point of this report is an explanation of our value creation model. Each section introduces our initiatives for creating value based on this model.

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Forward-Looking Statements

All forward-looking information is based on current information and assumptions available to Tokio Marine Holdings at the time of the preparation of this report and is subject to a range of inherent risks and uncertainties. Readers should note that actual results may vary materially from those estimated, anticipated, expected or projected in this report and no assurances can be given that any such forward-looking information will prove to have been accurate.

To Be a Good Company

We will be there for our customers,
playing our part in society in times of need.

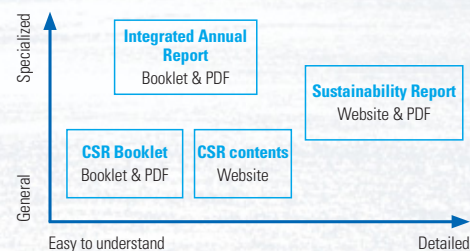
We will balance our strength as an
organization with compassion as individuals,
looking beyond profit to deliver fully on our commitments.

Through our collective efforts,
we will strive to be a Good Company,
living up to the trust placed in us.

Group CSR Information

Tokio Marine Group works to enhance communication with its stakeholders toward a safe, secure and sustainable future. Our CSR Booklet conveys the initiatives being undertaken by the Group in an easy-to-understand manner. Our Sustainability Report explains the Group's CSR strategy in detail with data.

Overall Image of Tokio Marine Group CSR Reporting



About the Cover

The cover shows one of a series of meetings where Group CEO Tsuyoshi Nagano and employees of Group companies discuss various topics in an open, frank and creative manner. Tokio Marine Group meetings are held globally to discuss becoming a "Good Company" regardless of the participants' age, gender, position or other factors.

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We introduce specific examples of initiatives to enhance the "power of our people", which is the source of Tokio Marine Group's value creation.

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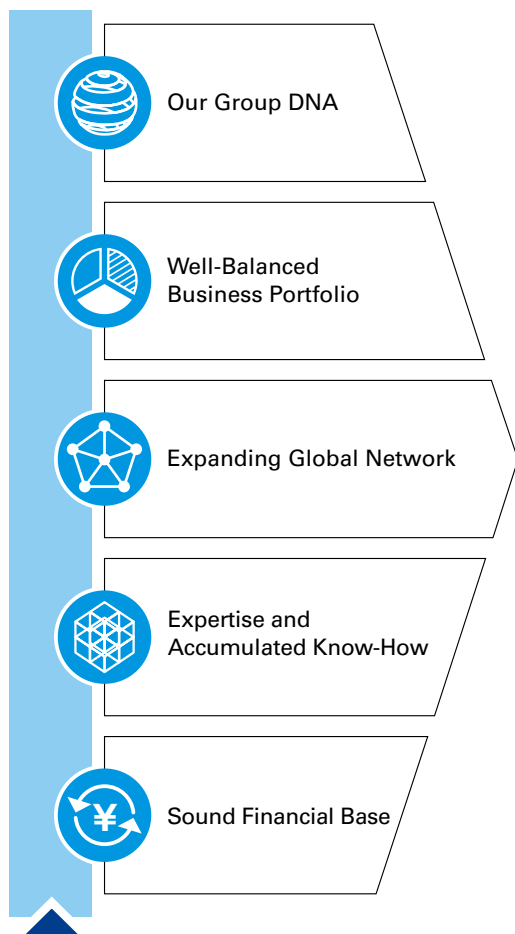
For the convenience of shareholders and investors, we present detailed information on business conditions and financial statements.

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Tokio Marine Group's Value Creation Model

Tokio Marine Group Strengths

► P6



Value Creation Process

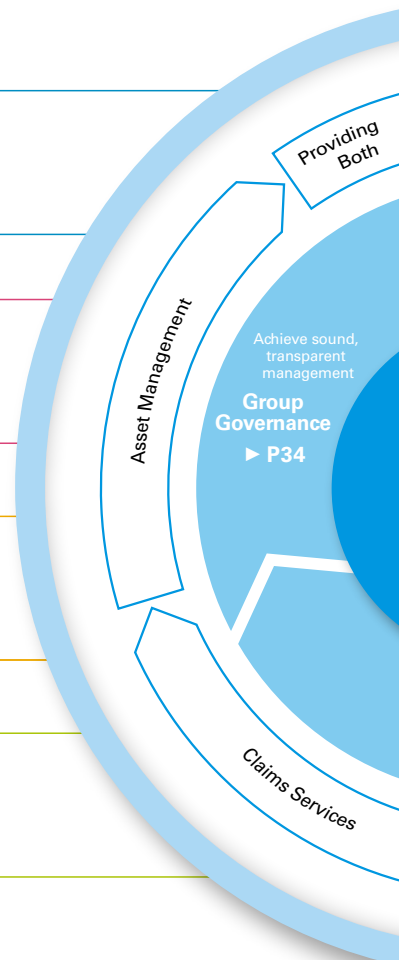
Domestic Non-Life Insurance Business
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Financial and General Businesses
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Aligned Group Management
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By delivering value to all stakeholders, we will earn trust from

Management Vision ► P4

We aim to be a "Good Company" now and 100 years into the future as a global insurance group that delivers sustainable growth by providing safety and security to customers worldwide.

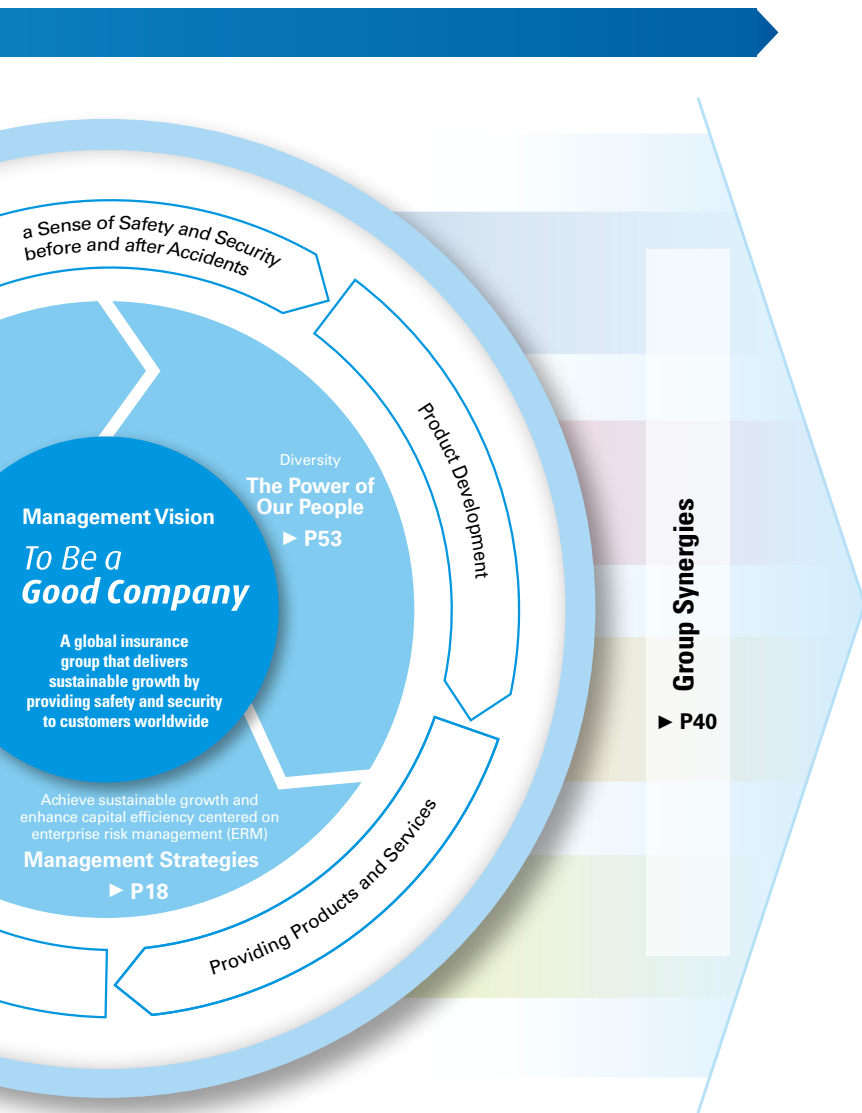
*To Be a
Good Company*

The Power of Our People Management Strategies Group Governance ► P53 ► P18 ► P34

With the highly diverse power of our people as the driving force, we aim for sustainable enhancement of our corporate value, leveraging our ERM-centered* management strategies and sound, transparent group governance.



*ERM: Enterprise Risk Management



Value Creation

▶ P10



Providing Safety and Security to Customers, Local Communities and Society Worldwide through the Insurance Business



Developing Employees and Partners Who Support and Bring a Virtuous Cycle to Local Communities and Society



Contributing to a Sustainable Global Environment

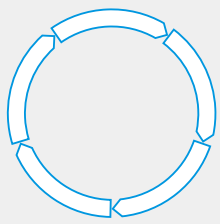


Continuously Enhancing Shareholder Value

all people and society to continuously enhance corporate value

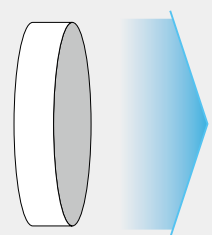
Value Chain ▶ P8

We will contribute to the development of society by providing safety and security to customers worldwide, delivering added value at each point of the value chain.



Aligned Group Management Group Synergies ▶ P38 ▶ P40

We will provide value to our stakeholders by working to strengthen aligned Group management and maximize Group synergies globally to enhance our value creation over the long term.



Message from the President and CEO

Aiming “To Be a Good Company” That Earns Trust from All Stakeholders



In our mid-term business plan “To Be a Good Company 2017”, we set out the long-term vision to be a good company that creates sustainable growth by delivering safety and security to customers around the world both now and 100 years into the future. When I talk about “Good Company” I mean a company based on an organization that is, and people who are full of vitality and intrinsically motivated to think and act for the benefit of all stakeholders. By doing this, we will be a company that is able to further enhance our corporate value by earning, maintaining and building trust.

We will come together as an aligned Group to continue to take on the challenge to be a company that is driven by our desire to be there for our customers and society in their moment of need, to be their trusted partner, to be a “Good Company”.

Progression of Global Risk Diversification and Realization of Record High Earnings

By embedding the growth strategies as laid out in the mid-term business plan, in fiscal 2015 (the first year of this plan) we were able to achieve record earnings for the second consecutive year and as a result of this we were able to increase dividends per share for the fourth year in a row. Fiscal 2015 was also evidence of the effectiveness of our global risk diversification strategy and our ability to generate sustainable growth as we suffered relatively large claims in Japan due to natural disasters, however the occurrence of natural disasters overseas was below average, and due to this we were still able to produce such results.

Further Growth Driven by the Creation of Global Synergies

In October 2015, we acquired HCC Insurance Holdings, which is a top-class specialty insurer, and through this new addition, the contribution of the international business to the Group's business unit profit is expected to exceed 40% in fiscal 2016. The addition of HCC to the Group not only helps to further our risk diversification and stability but we also have high expectations of the synergistic value to the Group. As a Group, we have high levels of expertise and a global network, by working to further utilize these we can expect to see the creation of a wide range of synergies that will drive our growth.

Realization of Group Value through the Diversification and Strengthening of the Global Executive Team

With the macro environmental changes that are facing our business in terms of artificial intelligence, technological advancements such as autonomous cars, global warming, and a declining population in Japan, we must build a management team that is agile and capable of leveraging the power of the Group to proactively turn these business challenges into business chances. With this in mind, we redesigned the executive structure in April 2016.

Specifically, I asked Mr. Kitazawa to take the role of CEO of Tokio Marine & Nichido to allow me to focus on the role of Group CEO. At the same time, to reinforce corporate functions we set Group-wide chief officer positions. In addition, to better leverage knowledge and ensure the right decisions are made at the Group-wide level, we have strengthened the executive committee's structure within corporate functions. I feel like we have entered the second phase of our globalization and from now we must work to further build on the steps taken so far to ensure that we continue on our journey to be a "Good Company" that plays a vital role for our clients and society.

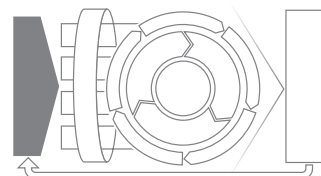
Please let me express my thanks to you our valued shareholders and all of our stakeholders for your continued support of Tokio Marine Group.



Tsuyoshi Nagano
President and CEO

Group Strengths

Since its establishment in 1879, Tokio Marine Group has grown to operate its businesses globally, with expertise and know-how, a well-balanced business portfolio and a sound financial base as its strengths, supported by the accumulated power of its people and the network it has established both inside and outside Japan. We will continue taking on challenges to further enhance these strengths.



Our Group DNA



Tokio Marine Group Spirit

Since its establishment in 1879, there have been times when Tokio Marine Group faced crises and catastrophes. The driving force that allowed us to overcome these challenges was always the power of our people: people who have been empowered and enabled to act for the benefit of customers and society.



Expertise and Accumulated Know-How



S&P Evaluation of Our ERM Framework

Strong

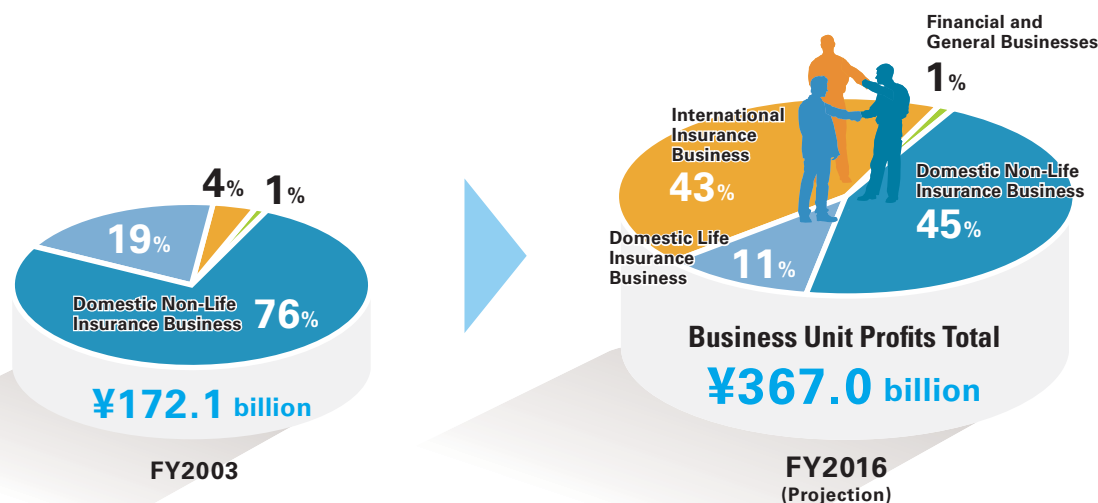


The insurance business requires a high level of expertise in carrying out operations such as product design, risk management and asset management. The ERM* framework forms the core of an insurance business, and Tokio Marine Group is the only major Japanese insurance group to receive a "Strong" rating for its ERM framework (as of June 30, 2016).

*ERM: Enterprise Risk Management



Well-Balanced Business Portfolio



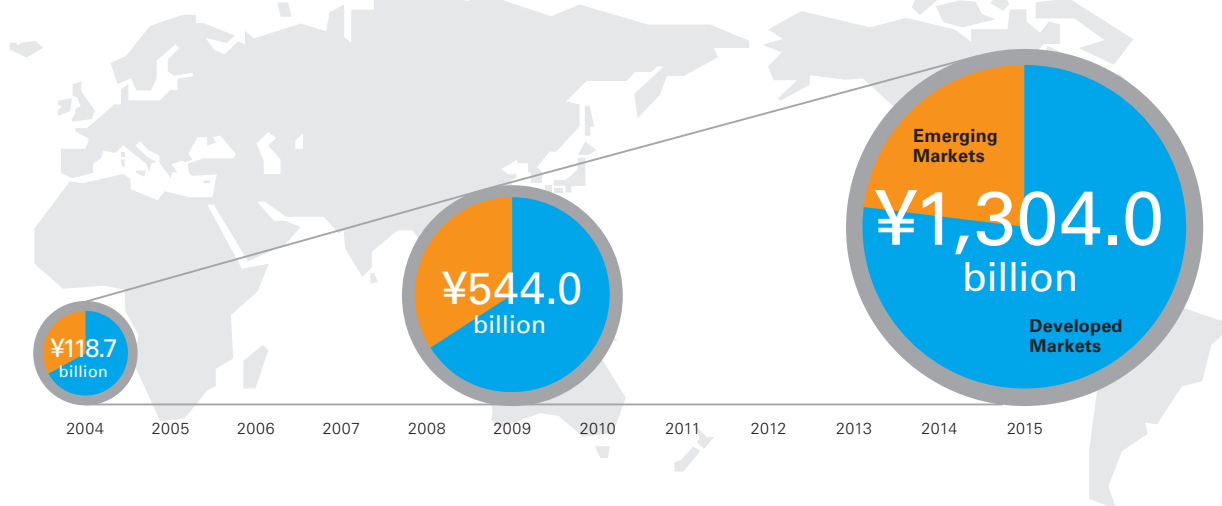
With the three core business domains of domestic non-life insurance, domestic life insurance and international insurance, we have worked to build a risk diversified portfolio in terms of geography and business. In fiscal 2003, the domestic non-life insurance accounted for approximately three-quarters of the Group's total business unit profits, but as a result of initiatives to expand profit in each business while diversifying risk, we have significantly expanded the scale of profits for the entire Group as well as established a balanced business portfolio globally.

Note: Fiscal 2003 results for the domestic life insurance business on a traditional embedded value basis.



Expanding Global Network

Net premiums written in the international insurance business have grown by approximately 11 times in 11 years.



We have proactively expanded our international insurance business since the establishment of Tokio Millenium Re, a reinsurance company, in Bermuda in 2000. Since 2008, we have been proactively developing our international insurance business with the large-scale acquisitions of Kiln, Philadelphia and Delphi, and conducting balanced business expansion both in emerging and developed markets. As a result, net premiums written in the international insurance business have grown by approximately 11 times over the past 11 years.



Sound Financial Base

A. M. Best
Best Financial Strength Rating



Moody's
Insurer Financial Strength Rating



S&P
Insurer Financial Strength Rating

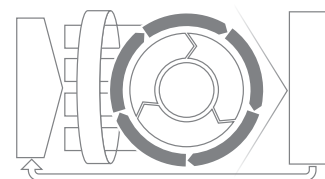


With enterprise risk management (ERM) at the core, Tokio Marine Group has been building a business portfolio that effectively diversifies risks globally to ensure financial soundness, enhance ROE and achieve sustainable profit growth. This has earned the Group a high evaluation from rating organizations, with world-class ratings from major rating organizations.

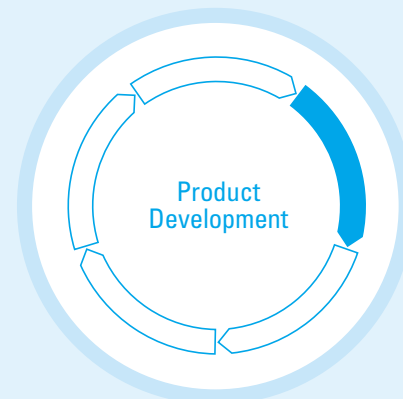
Note: Ratings of Tokio Marine & Nichido as of June 30, 2016. See the website of Tokio Marine Holdings for the latest rating information.
<http://www.tokiomarinehd.com/en/ir/stock/rating.html>

Value Chain

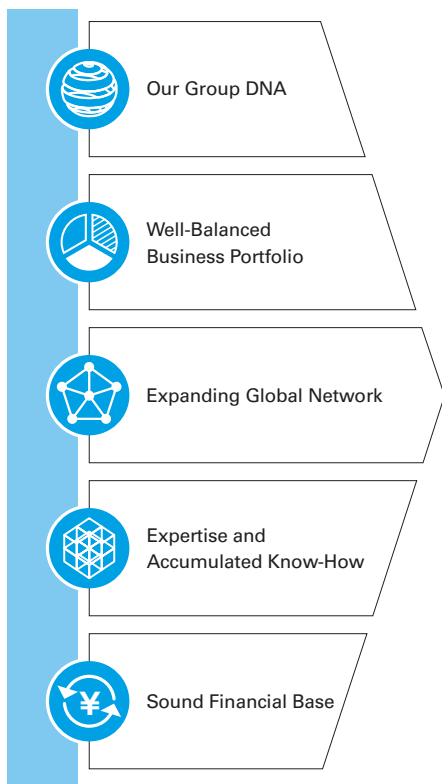
Tokio Marine Group provides safety and security to customers at each point of the insurance business value chain. Through this value chain, we provide value to our customers and other stakeholders, and contribute to the development of society.



Insurance can be seen as a method of support and cooperation, rooted in a history of mutual collaboration. To deliver a sense of safety and security to our customers worldwide, Tokio Marine Group provides unique value at each point of the insurance business value chain and will continue to contribute to the development of society through insurance.



Strengths of Tokio Marine Group



Issuance of a diagnostic report on dangerous driving based on dashboard camera video

Insurance is a mechanism for providing reliable protection for the various risks and uncertainties customers face. Tokio Marine Group goes beyond paying claims to customers in times of need; we provide “a sense of safety and security before and after accidents” by offering loss prevention support and assisting rapid restoration and recovery following an accident.

Examples of services provided in the domestic non-life insurance business include consulting to reduce automobile accidents utilizing dashboard cameras, and services for rapid restoration of buildings, machinery, electrical equipment and other property damaged by fire, water or other types of disaster in cooperation with a company specializing in disaster recovery.



As society changes, risks change and new risks emerge. Product development that accurately meets customer needs and responds in a timely manner is one of Tokio Marine Group’s competitive advantages.

We have developed unique products that anticipate customer needs such as *Super Insurance*, an all-in-one life and non-life insurance product developed with the concept of providing customers and their families with lifelong security, and *Medical Kit R*, a new form of medical insurance that refunds unused premiums. In the international insurance business as well, we have been expanding our customer base by developing specialty insurance that requires profound expertise, targeting specified markets, mainly in North America.



Tokio Marine Group's Overseas Network



Taking advantage of its global footprint, Tokio Marine Group provides the best products and services through agents, life planners, brokers, direct sales and other channels best suited to customers' needs.

To become a company that delivers a sense of safety and security to customers, that is chosen by customers and continues to grow, we sincerely accept and actively apply customer feedback in our corporate activities.

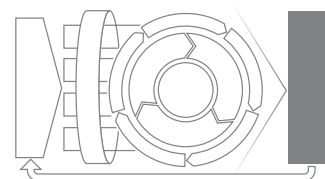
Insurance is an intangible product. It is, therefore, claim services that determine the quality of insurance. We provide high-quality services for swift, smooth claim settlement by taking full advantage of our accident response capabilities, with profound expertise accumulated over many years and our extensive network. For auto insurance in Japan, we provided claim services for 2.55 million accidents (Tokio Marine & Nichido fiscal 2015 results), and have the solid reliability and track record to deliver customers a sense of safety and security in times of need.

To maintain our financial soundness, we aim to enhance profitability within the range of risk tolerance while ensuring liquidity for payments for claims and other items as well as risk control through asset liability management (ALM).

In addition, we promote global portfolio diversification as the international insurance business expands while further strengthening investment capability by enhancing coordination among Group companies, both in Japan and overseas.

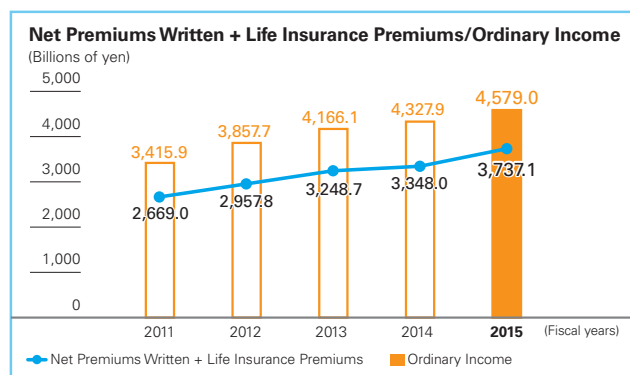
Group Value Creation

By thoroughly refining our unique “value creation model”, we have increased the value we provide to our stakeholders. We aim to enhance the trust we earn from all people and society and to continuously improve corporate value.



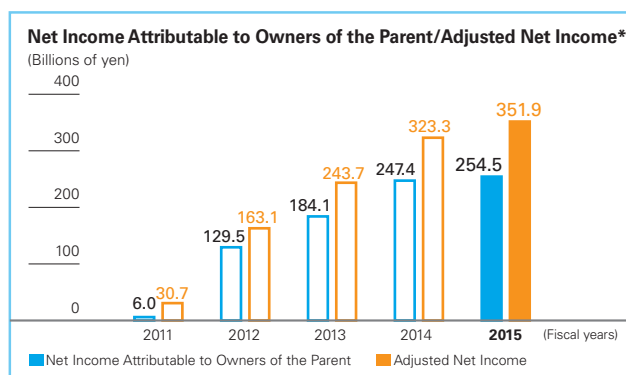
Providing Safety and Security to Customers, Local Communities and Society Worldwide through the Insurance Business

Tokio Marine Group operates a worldwide network that spans 483 cities in 38 countries and regions (as of March 31, 2016) to offer safety and security by providing the highest quality products and services to its customers in each country through its domestic non-life insurance, domestic life insurance, international insurance, and financial and general businesses. The outcome of this value creation is apparent in our financial growth. In fiscal 2015, our top line grew steadily and we achieved record-high income. We will further increase the trust we receive from our customers by supporting them and their local communities in times of need.



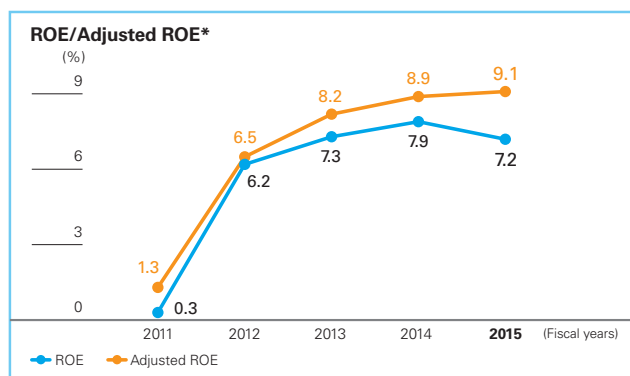
Steady Growth in Both the Top Line and Ordinary Income

By strengthening customer contacts, implementing growth measures in the international insurance business and other initiatives, we have steadily increased the total of net premiums written and life insurance premiums (consolidated basis) to 3.7 trillion yen in fiscal 2015 (an increase of 389.1 billion yen year-on-year). Ordinary income for fiscal 2015 increased to 4.5 trillion yen.



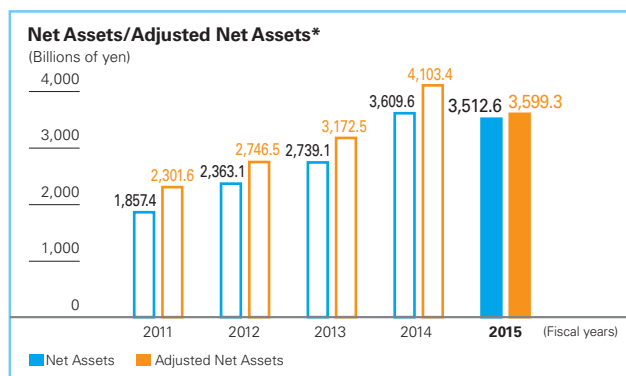
Record-High Income

As a result of improved profitability in the domestic non-life insurance business, mainly in auto insurance, and expansion of disciplined underwriting in the international insurance business, in fiscal 2015 net income attributable to owners of the parent (consolidated basis) was 254.5 billion yen (an increase of 7.1 billion yen year-on-year), and adjusted net income was 351.9 billion yen (an increase of 28.6 billion yen year-on-year).



Increase in Adjusted ROE to 9.1%

Capital efficiency improved due to sustainable profit growth and disciplined capital management including the ongoing sale of business-related equities. While ROE in fiscal 2015 fell to 7.2% due to an increase in goodwill and other items, adjusted ROE, which by definition excludes the impact of goodwill, increased to 9.1%.



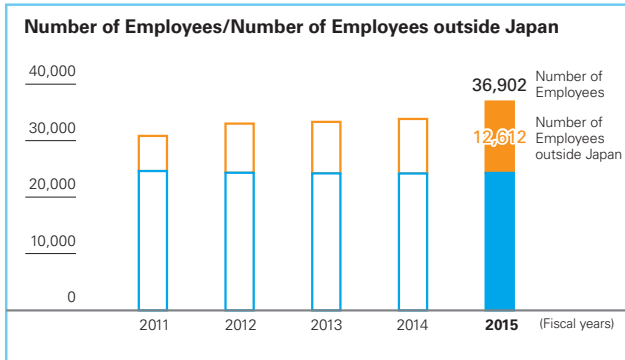
Net Assets at a Sufficient Level

Net assets (consolidated basis) totaled 3.5 trillion yen at the end of fiscal 2015, following a decrease in unrealized gains on securities due to a decline in stock prices. Adjusted net assets, which by definition excludes goodwill, totaled 3.5 trillion yen with deduction of goodwill associated with the acquisition of HCC Insurance Holdings, Inc.

* Indicators used for business plans and shareholder returns. Please refer to page 13 for a detailed definition.

Developing Employees and Partners Who Support and Bring a Virtuous Cycle to Local Communities and Society

As the insurance business expands globally, becoming more sophisticated and complex, we are encouraging diversity in our employees and partners on a global scale.



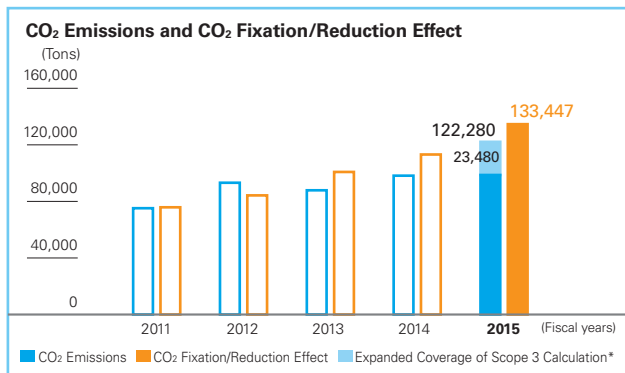
Selection as a “Nadeshiko Brand”

Tokio Marine Holdings was selected as a “Nadeshiko Brand” for its efforts to promote empowerment of women in the workplace. The designation is made jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. Tokio Marine Group works to create corporate cultures that promote the empowerment and growth of female employees with the aim of providing products and services that further satisfy customers.



Contributing to a Sustainable Global Environment

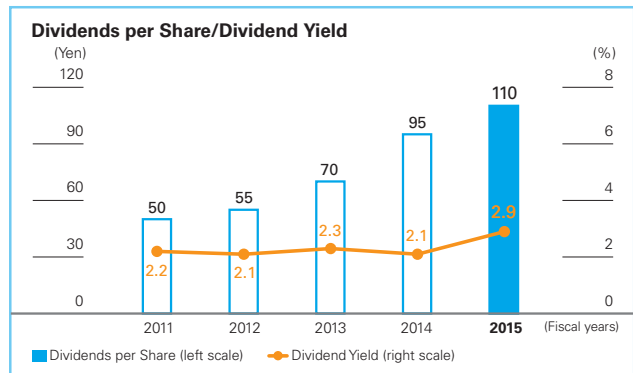
With the future of the Earth in mind, Tokio Marine Group promotes various initiatives to protect the planet as a global insurance group that acts responsibly.



* The main reason for the increase in CO₂ emissions in FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emission).

Continuously Enhancing Shareholder Value

Responding to the trust of shareholders, Tokio Marine Group will develop sound, profitable and growing businesses throughout the world to achieve sustainable profit growth and to enhance shareholder returns.



Achieving Carbon Neutral Status

Tokio Marine Group promotes initiatives to protect the Earth, and has achieved carbon neutral status for three consecutive years from fiscal 2013 to fiscal 2015 as well as in fiscal 2011 by successfully offsetting the CO₂ emissions from its business activities through CO₂ fixation and reduction through mangrove tree planting, use of natural energy and other measures.



Achieving Steady Growth of Dividends

Dividends per share for fiscal 2015 were 110 yen (an increase of 15 yen year-on-year), exceeding our initial projections by 5 yen. We will continue working to enhance shareholder returns and shareholder value.

Enhanced Disclosure of ESG Information

We strive to disclose environmental, social and governance (ESG) information with transparency, and were highly evaluated by socially responsible investment (SRI) rating organizations around the world (as of July 2016).



Topic
1

Chosen for the 2016 Health & Productivity Stock Selection as a Company with Superior Health Management

Tokio Marine Holdings was selected as a “2016 Health & Productivity Stock” co-sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for its outstanding health and productivity management.

Tokio Marine Holdings regards maintaining and enhancing the physical and mental health of its employees and their families as a critical theme, as they are the driving force enabling us to continue as a company that is trusted and chosen by customers. Based on a philosophy that health management is the starting point for creating the “Good Company” that the Tokio Marine Group aims to be, we have conducted key measures for issues such as health promotion, lifestyle improvements, prevention of the progression of diseases, and mental health, and deal with these issues through a plan-do-check-act (PDCA) cycle. We also support the promotion of health management at customer companies and disseminate information to make it more recognized in Japan. Aiming for the enhancement of the Group’s corporate value, we proactively work on providing

a working environment where employees can vibrantly play their roles with diverse working styles by promoting health and welfare initiatives that enable them to pursue high productivity.

What is the Health & Productivity Stock Selection?

This program selects companies that focus on and strategically carry out efforts with regard to their employees’ health from a management perspective and introduces them as attractive investment options for investors who prioritize the improvement of corporate value from a long-term perspective, with the aim of encouraging enterprises to further pursue efforts for health management.

Topic
2

Appointed as a Gold Partner of the Tokyo 2020 Olympic and Paralympic Games

Tokio Marine & Nichido was appointed as a Gold Partner of the Tokyo 2020 Olympic and Paralympic Games (the “Tokyo 2020 Games”). We support the Tokyo 2020 Games and Japan Olympic and Paralympic teams as a non-life insurance company. We are a “Tokyo 2020 Gold Partner”, the highest tier of the Tokyo 2020 domestic sponsorship program.

Tokio Marine Group sets customer trust as the foundation of all its activities and upholds a corporate philosophy of contributing to the development of an affluent and comfortable society as well as a prosperous economy by providing “safety and security” to its customers. Based on the desire to contribute to the healthy development of young people and of sports in Japan, we have supported sports in various ways. Examples of such initiatives are Tokio Marine & Nichido’s Gold Partnership for the Tokyo 2020 Games since 2013 and official sponsorship of the Japan Swimming Federation. We will support the challenges of

athletes, people and society as a Tokyo 2020 Gold Partner together with other partner companies, not only for the success of the Tokyo 2020 Games, but also for making the hosting and success of these games a glorious cornerstone for Japan’s future 100 years from now.



Adjusted Net Income, Adjusted Net Assets and Adjusted ROE

Tokio Marine Group has set adjusted net income, adjusted net assets and adjusted ROE, as defined below, as indicators for its management plans and shareholder returns to enhance transparency and comparability as well as ensuring linkage with shareholder returns.

These are indicators that clarify profit or loss attributable to the reporting period under review, eliminating the effect of various reserves exclusive to the Japanese insurance business as well as deducting gains or losses on sale or valuation of assets that are not necessarily attributable only to the period under review.

Adjusted Net Income¹

Adjusted net income	=	Net income (consolidated) ²	+	Provision for catastrophe loss reserves ³	+	Provision for contingency reserves ³	+	Provision for price fluctuation reserves ³	-	Gains or losses on sales or valuation of ALM ⁴ bonds and interest rate swaps
¥351.9 billion		¥254.5 billion		¥68.9 billion		¥(0.2) billion		¥3.7 billion		¥22.6 billion
						Gains or losses on sales or valuation of fixed assets and business investment equities ⁵	+	Amortization of goodwill and other intangible fixed assets	-	Other extraordinary gains/losses, valuation allowances, etc.
						¥(1.8) billion		¥34.3 billion		¥(11.3) billion

Adjusted Net Assets¹

Adjusted net assets	=	Net assets (consolidated)	+	Catastrophe loss reserves	+	Contingency reserves	+	Price fluctuation reserves	-	Goodwill and other intangible fixed assets
¥3,599.3 billion		¥3,484.7 billion		¥769.1 billion		¥34.2 billion		¥62.8 billion		¥751.5 billion

Adjusted ROE

Adjusted ROE	=	Adjusted net income	÷	Adjusted net assets
9.1%		¥351.9 billion		¥3,851.4 billion

Notes: 1. Each adjustment is on an after-tax basis
 2. Net income is attributable to owners of the parent
 3. Reversals are subtracted
 4. ALM: Asset Liability Management. Excluded as counter balance items against market value fluctuations of liabilities under ALM
 5. FY2015 Results: Gains or losses on sales or valuation of fixed assets

Business Unit Profits

For each business domain, business unit profits are used from the perspective of accurately assessing corporate value including economic value, etc. for the purpose of long-term expansion.

Non-Life Insurance Business

Business unit profits ¹	=	Net income	+	Provision for catastrophe loss reserves ²	+	Provision for price fluctuation reserves ²	-	Gains or losses on sales or valuation of ALM ³ bonds and interest rate swaps	-	Gains or losses on sales or valuation of fixed assets, business related equities and business investment equities ⁴	-	Other extraordinary gains/losses, valuation allowances, etc.
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Life Insurance Business⁵

Business unit profits ¹	=	Increase in EV ⁶ during the current fiscal year	+	Capital transactions such as capital increase
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Notes: 1. Each adjustment is on an after-tax basis
 2. Reversals are subtracted
 3. ALM: Asset Liability Management. Excluded as counter balance items against market value fluctuations of liabilities under ALM
 4. FY2015 Results: Gains or losses on sales or valuation of equity holdings and fixed assets
 5. For life insurance companies in certain regions, business unit profits are calculated by using the definition in Other Businesses (head office expenses, etc. are deducted from profits)
 6. EV: Embedded Value. An index that shows the net present value of profits to be gained from policies in-force is added to the net asset value. Changed from Traditional Embedded Value (TEV) to Market-Consistent Embedded Value (MCEV) effective from 2015.

Other Businesses

Net income determined in accordance with financial accounting principles

Difference between New Definition and Former Definition

The definitions of adjusted net income and business unit profits have been partially revised to make clear the treatment of gains or losses on sales or valuation for the types of equities.

Change in the definition of Adjusted Net Income (from FY2016)

“Gains or losses on sales or valuation of business investment equities” is added to the adjusting items for Adjusted Net Income (See bold text portion).

Change in the definition of Business Unit Profits for non-life insurance business (from FY2016)

Among the adjusting items for Business Unit Profits, gains or losses on sales or valuation of absolute return investment equities will be included. (See bold text portion).

Treatment of gains or losses on sales or valuation for the types of equities

	Adjusted Net Income (new)	Adjusted Net Income (former)
Absolute return investments ¹	Included	Included
Business-related equities ²	Included	Included
Investments in subsidiaries and affiliates	Excluded (excluded as “other extraordinary gains/losses”)	Excluded (excluded as “other extraordinary gains/losses”)
Business investment equities ³	Excluded	Included

Treatment of gains or losses on sales or valuation for the types of equities

	Business Unit Profits (new)	Business Unit Profits (former)
Absolute return investments ¹	Included	Excluded
Business-related equities ²	Excluded	Excluded
Investments in subsidiaries and affiliates	Excluded (excluded as “other extraordinary gains/losses”)	Excluded (excluded as “other extraordinary gains/losses”)
Business investment equities ³	Excluded	Excluded

Notes: 1. Equities held for the purpose of gains derived from the increase in the market value and/or the dividend income
 2. Domestic equities and other securities held by domestic subsidiaries for the main purpose of strengthening business relationships
 3. Equities and other securities other than Absolute return investments, Business-related equities and Investments in subsidiaries and affiliates (such as equities and other securities substantially equivalent to Investments in subsidiaries and affiliates, but not treated as Investments in subsidiaries and affiliates under the applicable accounting principles)

Transition of Value Creation

Remarkable Advancement with Pioneering Initiatives

Challenges for Creating New Value

Accelerating the Growth of the Group on a Global Basis

Overseas Expansion from the Start

1879: Tokio Marine Insurance Company was established as Japan's first non-life insurance company. Making its start with marine insurance to support the shipping and trade industries, the company contributed to the modernization of Japan. Within the same year of its inception, Tokio Marine established agencies in Shanghai, Hong Kong and Busan. In 1880, the following year, it began direct underwriting operations in London, Paris and New York. From the start, we have developed business with a global perspective.



Tokio Marine Insurance Company, London Branch

Young Employees' Efforts to Improve Business Results

1894: As a result of establishing three agents in 1890 in the United Kingdom, the home of marine insurance, premiums income from overseas hull insurance grew to account for more than 50% of total premiums income in 1891. However, underwriting results soon worsened due to imprecise underwriting of risks, and the company fell into a financial crisis in 1894. Young employees at the time thoroughly re-examined the policies in the U.K., and were able to bring about a financial recovery within a few years.



Members of Tokio Marine Insurance Company, London Branch

1898: Establishment of Tokyo Article Fire Insurance (later Nichido Fire)

Launched Japan's First Auto Insurance

1914: We launched auto insurance in 1914, when there were only about 1,000 vehicles in Japan. Since then, we have been responding to risks associated with postwar motorization. In fiscal 2015, domestic auto policies issued by the Group as a whole had grown to more than 15 million.

1944: Merger of Tokio Marine, Meiji Fire and Mitsubishi Marine to establish the "new" Tokio Marine and Fire Insurance

Entry into the Life Insurance Business

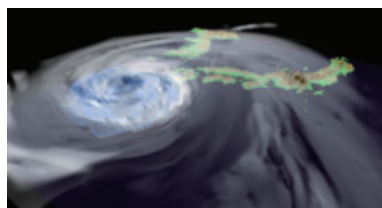
1996: We entered the life insurance business by publicizing our message, "It is not right that customers need to adjust to fit their life insurance". Based on the idea of "customer orientation", we consistently work to provide products and services that are truly of use to customers.



Tokio Marine & Nichido Life newspaper advertisement (1996)

Developed Risk Consulting

1996: Based on Group know-how accumulated over more than a century, Tokio Marine Risk Consulting was established in 1996. We have contributed to the development of a risk-resilient society by providing various countermeasures to risks that continue to change along with the times.



Future climate typhoon simulation model
Source: Hydrospheric Atmospheric Research Center, Nagoya University

Initiated Mangrove Planting

1999: Insurance for the Future of the Earth began as a commemorative project to celebrate Tokio Marine's 120th anniversary. We have planted 9,474 hectares (cumulative as of March 31, 2016) in nine countries in Southeast Asia and elsewhere in partnership with tree-planting NGOs. These activities play a role in the fields of preventing global warming, conserving biodiversity and reducing disaster damage.



Establishment of Japan's First Listed Insurance Holding Company

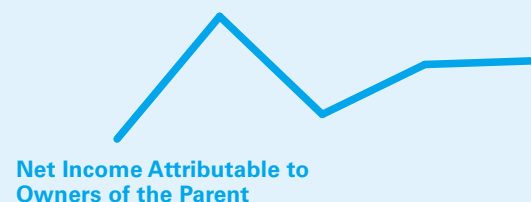
2002: We established Millea Holdings (currently Tokio Marine Holdings) with the aim of becoming one of the world's preeminent groups.



2002: *Super Insurance* was developed with the concept of providing customers and their families with lifelong security. It is the only insurance that protects customers with an integrated life and non-life approach.



2004: Under a vision of "providing the highest quality products and services", "offering a sense of security backed by a strong credit profile and financial soundness" and "implementation of group strategies including the full-scale integration of non-life and life insurance businesses", Tokio Marine and Fire Insurance and Nichido Fire and Marine Insurance merged in October 2004 to create Tokio Marine & Nichido Fire Insurance Co., Ltd.



2002 2003 2004 2005

Established Material Presence in the European and U.S. Markets

2008: Acquisition of Kiln, a U.K.-listed Lloyd's insurance group. Kiln is one of the most influential insurance groups in the Lloyd's market, and its addition established the Group's position as a major player in the Lloyd's market.

2008: Acquisition of Philadelphia Consolidated Holding, a P&C insurance group in the United States. Philadelphia is a leading insurer in the U.S. specialty market that has consistently achieved high growth and high profits since its establishment in 1962. Its addition to the Group brought about full-scale expansion in the U.S. insurance market, which is the world's largest.

2012: Acquisition of Delphi Financial Group, a U.S. life and P&C insurance group. Delphi is a prominent specialty insurance group in both life and P&C insurance in the U.S. Its addition to the Group varied the profit base and further diversified the business portfolio.

Launches of Pioneering Products That Meet Customer Needs

2012: Launch of *One Day Auto Insurance*, the industry's first auto insurance product available for purchase via mobile phone for just the number of days needed, with a premium of 500 yen per day. Because the product enables easy coverage when one drives a vehicle borrowed from a parent or a friend, it helps to reduce accidents involving uninsured drivers.



2013: Launch of *Medical Kit R*, "A New Form of Medical Insurance" that refunds unused premiums. The product provides lifelong coverage for radiation therapy in addition to hospitalization and surgery with affordable premiums that remain unchanged as at the time of enrollment (reserve function) and returns the balance of premiums paid excluding benefits (return function).



2014: Domestic auto insurance premiums exceeded 1 trillion yen¹ and the number of in-force policies in domestic life insurance business exceeded 5 million.²

1. Managerial accounting basis
2. Total of individual insurance and individual annuities

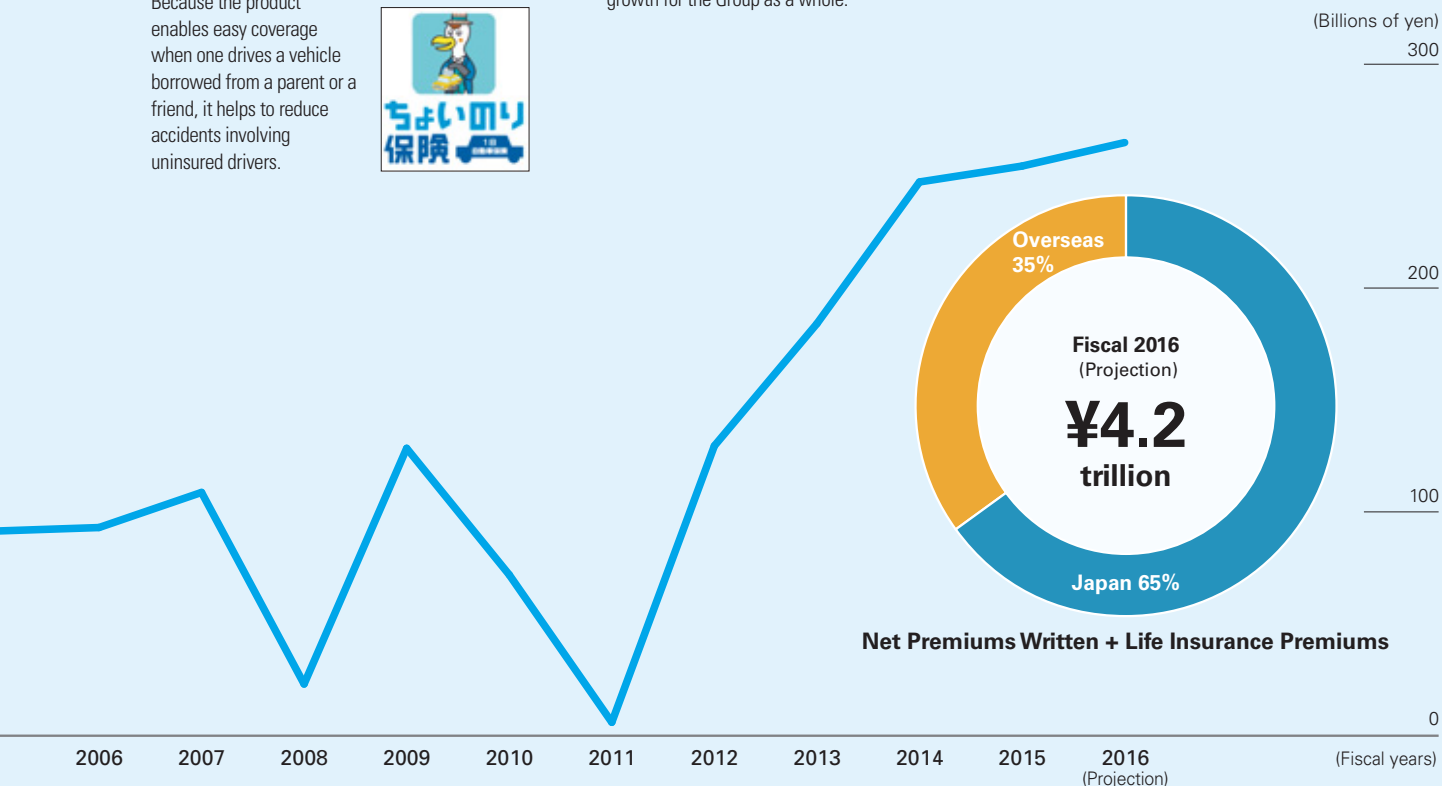
Further Growth and Increased Business Diversification/ Capital Efficiency

2015: Acquisition of HCC Insurance Holdings, a U.S. specialty insurance group. The addition of this world-leading specialty insurer to the Group further diversified our business portfolio and established a more solid group business foundation that enables higher capital efficiency and sustainable profit growth for the Group as a whole.



Further Development of Aligned Group Management

2016: We established the Group Chief Officer position for each function to create lateral linkages among the businesses in the Group, and to make clear the responsibilities of each function. In addition, we selected the people with the deepest insight in each field in the Group, regardless of country or involvement with life or non-life insurance, to establish a number of committees to discuss our business strategy on a Group and global level. We will continue to further promote aligned group management and work to maximize the comprehensive power of the Group for value creation over the long term.



Financial and Non-Financial Highlights

	FY2006	FY2007	FY2008	FY2009
Performance Indicators				
Ordinary income	4,218,557	3,710,066	3,503,102	3,570,803
Net premiums written	2,148,683	2,245,135	2,134,243	2,292,911
Ordinary profit.....	168,042	179,071	(15,128)	203,413
Net income attributable to owners of the parent	93,014	108,766	23,141	128,418
Financial Indicators				
Net assets	3,410,707	2,579,339	1,639,514	2,184,795
Total assets	17,226,952	17,283,242	15,247,223	17,265,868
Capital ratio (%)	19.73	14.83	10.68	12.56
Return on equity: ROE (%).....	2.82	3.65	1.10	6.76
Consolidated solvency margin ratio (%)	—	—	—	—
Stock-Related Information				
Net assets per share (Yen)	4,128	3,195	2,067	2,754
Net income per share – Basic (Yen)	112	133	29	163
Dividends per share (Yen).....	36	48	48	50
Dividends total.....	29,822	38,741	38,002	39,380
Number of shares outstanding at year-end (Thousands)	824,524	804,524	804,524	804,524
Share price at year-end (Yen).....	4,360	3,680	2,395	2,633
Price-to-earnings ratio: PER (Ratio).....	38.89	27.56	82.22	16.15
Price-to-book value ratio: PBR (Times)	1.06	1.15	1.16	0.96
Key Performance Indicators				
Adjusted net income	—	—	—	—
Adjusted net assets.....	—	—	—	—
Adjusted ROE (%)	—	—	—	—
Adjusted BPS (Yen)	—	—	—	—
Adjusted EPS (Yen).....	—	—	—	—
Adjusted PBR (Times).....	—	—	—	—
Environmental, Social and Governance (ESG) Information				
Number of employees.....	23,280	24,959	28,063	29,578
Number of employees outside Japan	—	—	—	—
CO ₂ emissions (Tons)	—	—	—	85,701
CO ₂ fixation/reduction effect (Tons)	—	—	—	49,561

- Notes: 1. With the application of "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21), the former Net income is Net income attributable to owner of the parent.
2. Effective FY2010, the Company applied "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4) to calculate Net income per share – diluted.
3. On September 30, 2006, the Company conducted a stock split in the ratio of 500:1.
4. Number of employees is head-count of staff currently at work.
5. Consolidated solvency margin ratio, Number of employees outside Japan, CO₂ emissions and CO₂ fixation/reduction effect are the figures compiled and announced in the respective fiscal year.
6. The Key Performance Indicators have been newly defined in the current mid-term business plan commenced in FY2015 and figures for FY2011 and thereafter have been restated. Please refer to page 13 for details on the definitions.
7. The main reason for the increase in CO₂ emissions in FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emission).

(Yen in millions unless otherwise indicated)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
	3,288,605	3,415,984	3,857,769	4,166,130	4,327,982	4,579,076
	2,272,117	2,324,492	2,558,010	2,870,714	3,127,638	3,265,578
	126,587	160,324	207,457	274,386	358,182	385,825
	71,924	6,001	129,578	184,114	247,438	254,540
	1,904,477	1,857,465	2,363,183	2,739,114	3,609,655	3,512,656
	16,528,644	16,338,460	18,029,442	18,948,000	20,889,670	21,855,328
	11.41	11.26	12.98	14.32	17.13	15.94
	3.55	0.32	6.20	7.29	7.87	7.21
	—	717.8	737.0	728.4	781.3	791.4
	2,460	2,399	3,052	3,536	4,742	4,617
	92	7	168	239	323	337
	50	50	55	70	95	110
	38,597	38,346	42,187	53,705	72,197	83,015
	804,524	804,524	769,524	769,524	757,524	757,524
	2,224	2,271	2,650	3,098	4,538.5	3,800
	24.05	290.41	15.69	12.91	14.01	11.27
	0.90	0.95	0.87	0.88	0.96	0.82
	—	30,798	163,137	243,756	323,318	351,906
	—	2,301,621	2,746,566	3,172,530	4,103,470	3,599,396
	—	1.3	6.5	8.2	8.9	9.1
	—	3,001	3,580	4,135	5,437	4,769
	—	40	212	317	423	466
	—	0.76	0.74	0.75	0.83	0.80
	29,758	30,831	33,006	33,310	33,829	36,902
	5,565	6,207	8,687	9,102	9,640	12,612
	73,692	75,277	93,311	87,971	98,317	122,280
	58,000	75,925	84,360	100,951	113,310	133,447

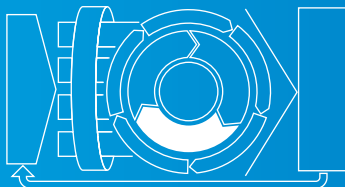


Management Strategies

Overview of the Management Strategies	19
Tokio Marine Group's CSR	22
Group CEO Tsuyoshi Nagano on Tokio Marine Group's Management Strategy	25
Group CFO Takayuki Yuasa on Tokio Marine Group's Capital Strategy	30
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With enterprise risk management (ERM) at the core of the group management framework, we aim to achieve sustainable profit growth and to enhance capital efficiency while maintaining financial soundness.



Overview of the Management Strategies

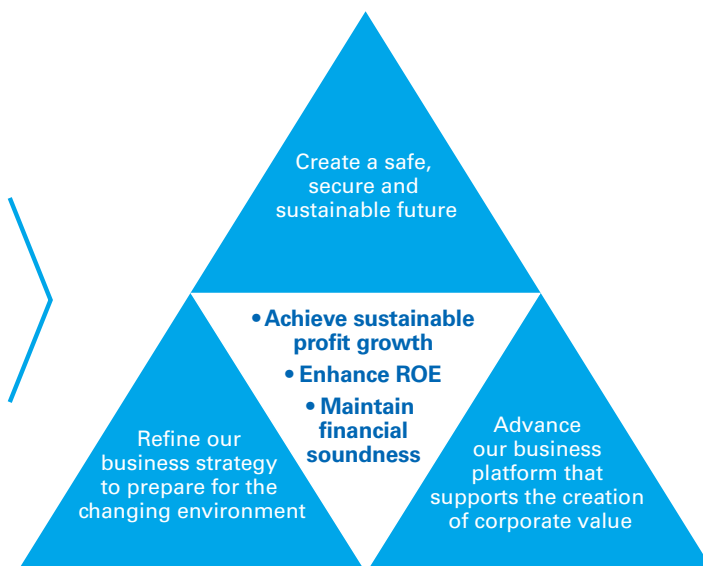
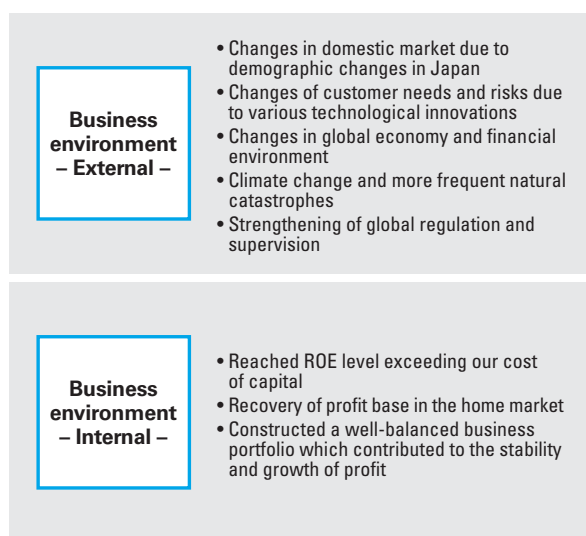
Changing Business Environment

We expect the insurance business environment to change significantly over the medium to long term due to a number of factors including the unprecedented pace of technological development, more frequent natural catastrophes, demographic shifts in the Japanese market and an increase in global oversight and regulation.

In fiscal 2015, we saw substantial changes in the insurance business environment. In Japan, 2015 saw a series of large-scale natural catastrophes and the introduction of a negative interest rate policy by the Bank of Japan.

In Europe, the Solvency II Directive became applicable and economic recovery has weakened, while developing countries have been facing economic downturns.

In order to continue our sustainable growth amid these environmental changes, it will be necessary to refine our business strategy, further enhance our business platform that supports the creation of corporate value, and create a safe, secure and sustainable future.



Long-Term Vision and the Mid-Term Business Plan “To Be a Good Company 2017”

Tokio Marine Group has established a long-term vision of being “A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide: Our timeless endeavor to be a Good Company”.

Until the close of fiscal 2014 under the previous mid-term business plan, we executed initiatives for strengthening our profit base focusing mainly on improving the profitability of the domestic non-life insurance business, and improving capital efficiency by promoting global risk diversification.

The mid-term business plan that started in fiscal 2015 is positioned as a “sustainable profit growth stage” to achieve sustainable profit growth and enhance ROE by continuing to adapt our business structure. In the stage that will follow, we will aim to become a company with the ability to generate double-digit ROE at a globally competitive level.

Long-term Vision and Mid-Term Business Plan “To Be a Good Company 2017”

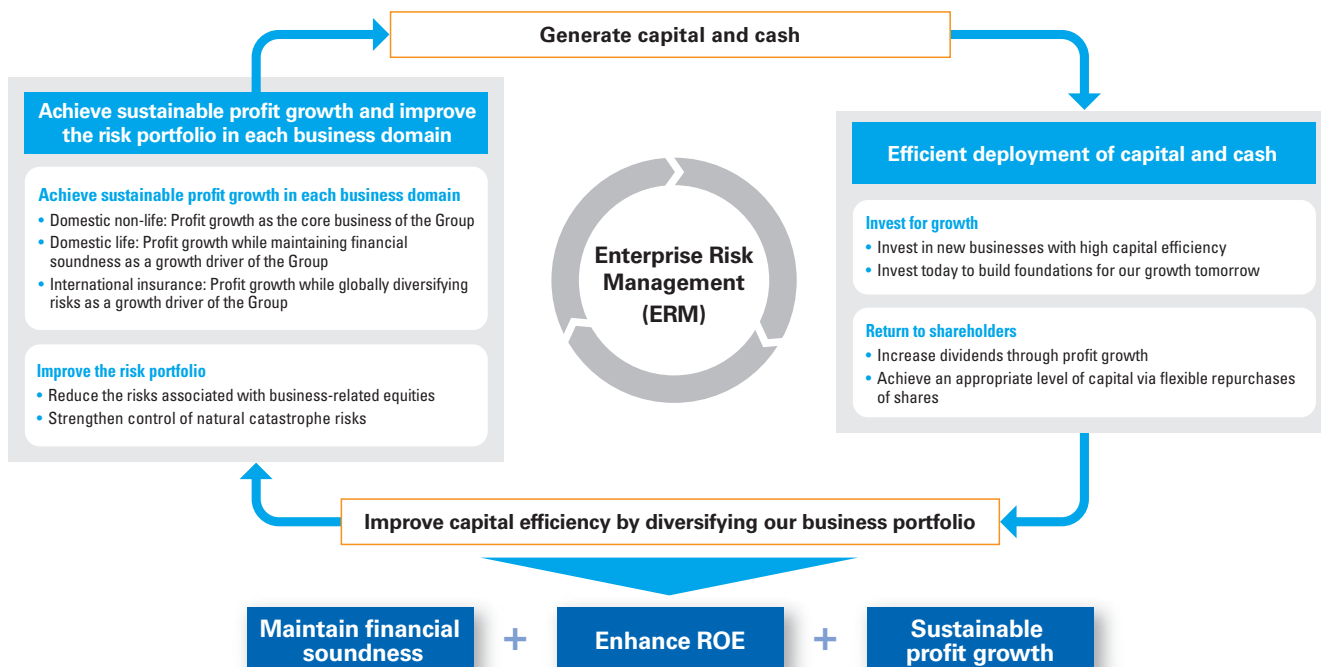


Mid-Term Business Plan/Group Management Framework

We will promote enterprise risk management (ERM) as our business platform to achieve our mid-term business plan. ERM is a business management method for addressing all aspects of decision-making in view of risks. In this framework, we aim to realize sustainable growth in corporate value while firmly maintaining financial soundness by making decisions informed by both capital sufficiency and profitability relative to risk.

In the mid-term business plan, we place ERM at the core of the group management framework. Through promotion and further refinement, with a balanced approach that maintains financial soundness, we aim to enhance ROE and achieve sustainable profit growth.

Framework of the Mid-Term Business Plan and Group Management



Mid-Term Business Plan Outlook

We are carrying out measures for improving capital efficiency, maintaining sustainable profit growth, and enhancing shareholder returns. Initially, the targets for fiscal 2017 were an adjusted ROE of approximately 9% and adjusted net income of 350 billion yen to 400 billion yen. However, with the acquisition of HCC, we revised our fiscal 2017 outlook upwards in November 2015.

With regards to capital efficiency, the fiscal 2017 outlook for adjusted ROE has been revised upward to the upper

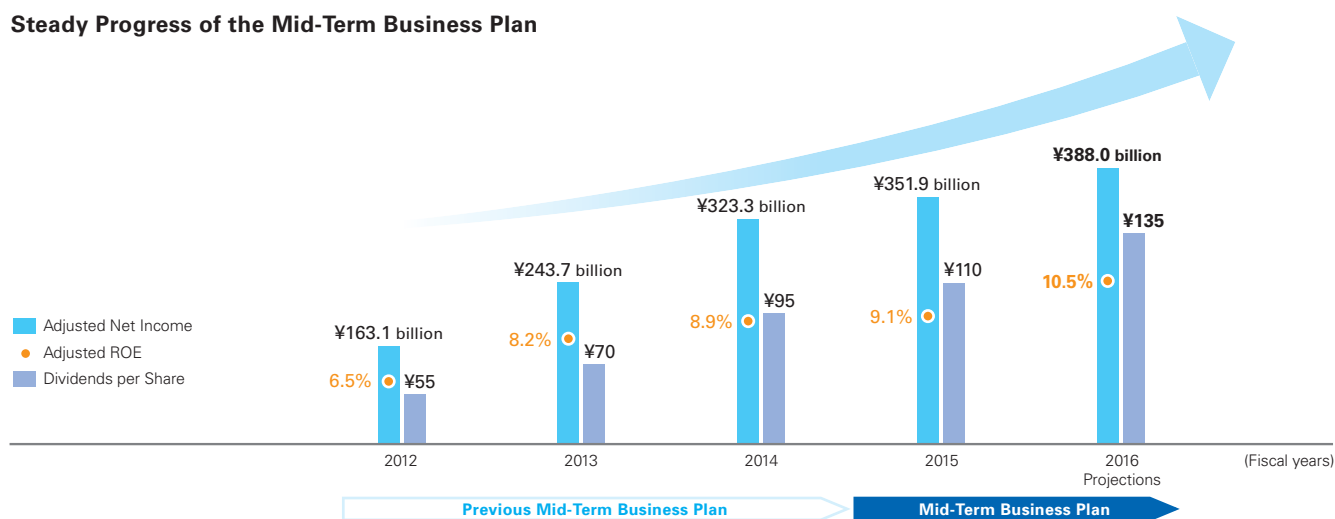
9% range, compared with adjusted ROE of 9.1% in fiscal 2015. Regarding outlook for profit, adjusted net income for fiscal 2017 is forecast to grow to approximately 400.0 billion yen, compared with adjusted net income of 351.9 billion yen in fiscal 2015. As for shareholder returns, we intend to steadily increase adjusted net income, which is the source of dividends, to achieve steady growth of dividends in line with the profit growth.

Objectives of the Mid-Term Business Plan

	FY2017 Target*	Outlook (Update)	FY2015 Results
Enhance capital efficiency	Adjusted ROE: approx. 9%	Upper 9% range	9.1%
Sustainable profit growth	Adjusted Net Income: ¥350 billion–¥400 billion	Approx. ¥400 billion	¥351.9 billion
Enhance shareholder returns	Steady growth of dividends in line with profit growth ✓ FY2016 projections: ¥135 per share (YoY +25 yen)		Dividends/share ¥110

* Based on market environment as of the end of March 2015

Steady Progress of the Mid-Term Business Plan



Tokio Marine Group's CSR

Tokio Marine Group's Social Value Creation

Understanding of Current Environment

Our world faces a variety of challenges, including frequent natural catastrophes, demographic shifts, poverty and changes in the business environment brought on by technological innovations. With Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015, companies are expected to cooperate with their stakeholders to a greater extent to proactively contribute to resolving social issues. Tokio Marine Group views continuing to meet the expectations of society by tackling these issues as its corporate social responsibility (CSR), and is working to create a safe, secure and sustainable future.

Our Stance on CSR

For Tokio Marine Group, CSR represents a way of realizing our corporate philosophy, and working to resolve social issues leads to the sustainable growth of the Group. Based on this belief, we formulated the "Tokio Marine Group CSR Charter" in 2004 to practice CSR together with our employees, business partners and local communities in all our business activities, from products and services, respect for human rights and dignity, protection of the global environment, contribution to local communities and societies, and governance to stakeholder engagement.

In our mid-term business plan "To Be a Good Company 2017", we are focusing on the three areas of "Providing Safety and Security", "Protecting the Earth" and "Supporting People" as our core CSR themes. Starting with the proactive

efforts of our employees, we aim to resolve social issues and increase our corporate value by being of service to our customers and society in times of need. We are also making efforts for "Governance—Strengthening CSR Management" as the foundation for sustainable growth. In fiscal 2015, we established "Tokio Marine Group CEO Recognition for CSR", which extended the scope of the Tokio Marine & Nichido CSR awards system to the entire Group to foster a corporate culture in which each employee engages in CSR as his/her own issue and to create social value. These CSR awards were given to three Group companies in Japan (E. design Insurance Co., Ltd., Tokio Marine & Nichido Facilities, Inc. and Tokio Marine & Nichido Systems Co., Ltd.) and two Group companies outside Japan (Philadelphia Insurance Companies in the United States and IFFCO-TOKIO General Insurance Company Ltd. in India), as well as six departments and/or branches of Tokio Marine & Nichido, etc.

Our Approach to CSR

Our self-motivated employees continue to act with integrity and compassion. As these actions spread throughout the Group, they will create a virtuous cycle of developing innovative products and services and contributing to society. Moreover, this cycle will lead to the sustainable growth of the Group. We believe these efforts will become a bridge to our children and to future generations, thus contributing to a brighter future for the Earth.

Tokio Marine Group's CSR Approach



Core CSR Themes (Value Creation)

Tokio Marine Group's initiatives for CSR lead to "Value Creation" under "Tokio Marine Group's Value Creation Model" on page 3.



Providing Safety and Security

The Sendai Framework for Disaster Risk Reduction 2015-2030 was adopted in 2015 with the aim of mitigating damages from natural disasters and other causes. Moreover, amid the rise of risks other than natural disasters including geopolitical risks, it is necessary to develop appropriate risk management solutions and build safe and secure communities.

Viewing these changes as opportunities, Tokio Marine Group provides safety and security throughout all its business activities. These initiatives include carrying out industry-academia collaborative research, offering products and services to prepare for a variety of risks, and conducting on-site Disaster Prevention Lessons for school children in cooperation with partners.

Value Creation Providing safety and security to customers, local communities and society worldwide through the insurance business



Protecting the Earth

The Paris Agreement was adopted at the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change in December 2015 as countermeasures to climate change, which is a threat to humanity.

Tokio Marine Group is working to reduce its environmental footprint through measures including offering products and services that are designed to contribute to global environmental protection, promoting eco-safe driving, and curtailing energy and paper use. In addition, we contribute to the creation of a sustainable global environment through all our business activities including value creation through mangrove planting, which generated the economic value of more than US\$338 million, regional environmental management through "Green Gift" Project activities for environmental protection in Japan, planting of 80,000 trees under the "PHLY 80K Trees" initiative in the United States, and raising environmental awareness with "Green Lessons" and the "Children's Environmental Award".

Value Creation Contributing to a sustainable global environment



Supporting People

Due to Japan's long-lived society, needs to support longevity have been increasing, and it is becoming more important for us to accept diversity in gender, age, nationality and disabilities.

Tokio Marine Group offers products for promoting the "Life Insurance Revolution to Protect One's Living" and the growth of young people, as well as the elderly, the challenged and athletes. Specifically, we provide support to the Japan Swimming Federation to help junior swimmers grow, to "Room to Read", an international non-governmental organization to promote education of children in developing countries, and to the All-China Youth Federation to support education for children of migrant workers in China. We also support people through our overall business activities including promotion of Dementia Supporters Training Programs, support for Special Olympics Nippon Foundation and promotion of Blood Donation Drive in India.

Value Creation Developing employees and partners who support and bring a virtuous cycle to local communities and society

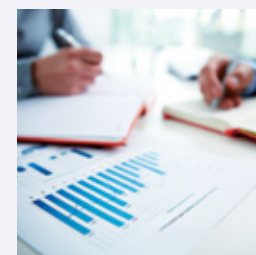


Governance—Strengthening CSR Management

To meet the expectations of stakeholders and achieve sustainable growth, a company must raise the quality of its "business strategies", "governance" and "social responsibility" to build a highly sound and transparent management structure.

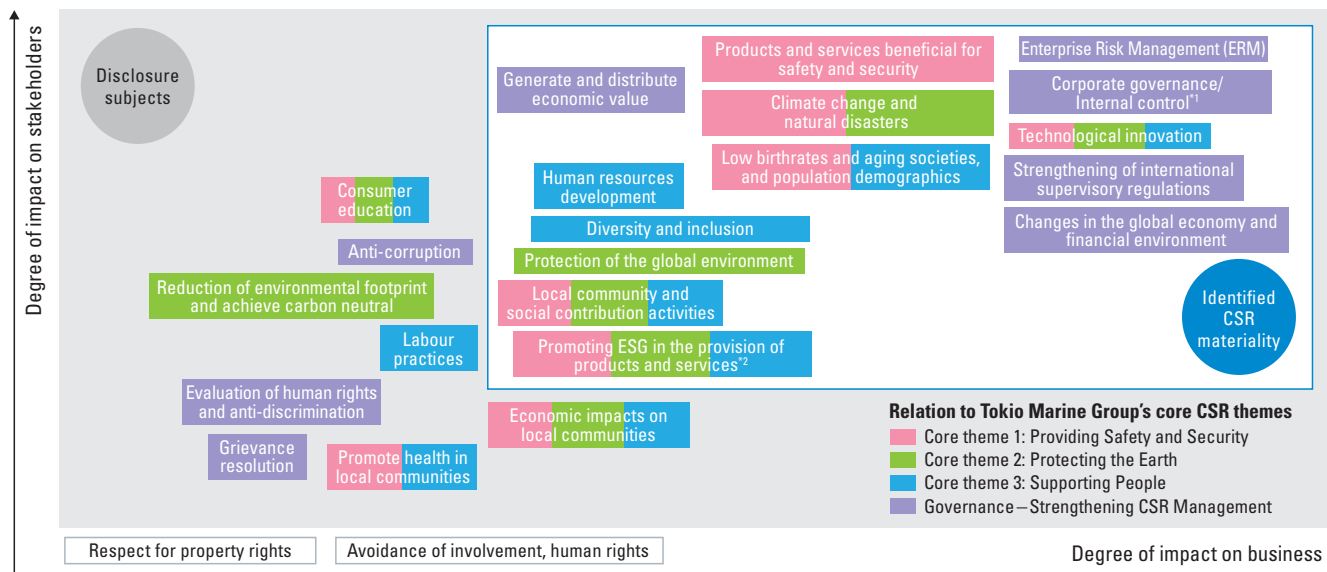
Tokio Marine Group is "strengthening CSR management" as the foundation for sustainable growth. We strive to enhance the quality of "enterprise risk management (ERM)", "corporate governance" and "internal control system", and to promote ESG (environmental, social and governance) activities in providing products and services. Through these initiatives, we try to enhance our financial and non-financial performance to enhance shareholder value.

Value Creation Continuously enhancing shareholder value



Tokio Marine Group's CSR Materiality (Material Issues)

Tokio Marine Group identifies CSR issues for each of the three core CSR themes and governance and specifies their CSR materiality through an analysis of both their "degree of impact on stakeholders" and "degree of impact on business". We will promote initiatives by reflecting the identified CSR materiality in CSR strategy and CSR targets.



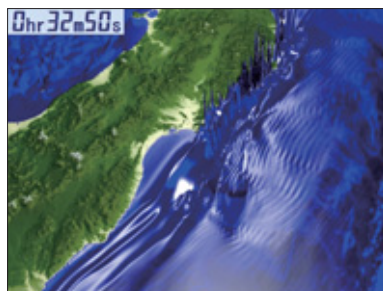
*1 Compliance, information security and disclosure are also included in internal control.
*2 Acronym for Environmental, Social and Governance

Case Studies of Creating Social Value through Business



Research on Climate Change and Natural Disaster Risks

Responding to climate change and natural disaster risks, Tokio Marine Group provides essential risk information to customers and society, and will continue to offer products and services into the future by conducting industry-academia collaborative research with the Atmosphere and Ocean Research Institute at The University of Tokyo, the Hydrospheric Atmospheric Research Center at Nagoya University, the Graduate School of Engineering and the Disaster Prevention Research Institute at Kyoto University, and the International Research Institute of Disaster Science (IRIDeS) at Tohoku University. In March 2016, five years after the Great East Japan Earthquake, we held a forum entitled "Five Years after the Great East Japan Earthquake, a Disaster We Will Never Forget", where we publicly presented our achievements on earthquake and tsunami risk assessment, tsunami evacuation research as well as disaster prevention education and awareness-raising activities.



Tsunami simulation model for an earthquake off the coast of Tohoku
Source: International Research Institute of Disaster Science, Tohoku University



"Green Gift" Project



Tokio Marine Group is promoting the development of products and services that contribute to dealing with climate change, protecting biodiversity, reducing natural disaster damage and developing local communities.

Under Tokio Marine & Nichido's "Green Gift" Project, when a customer chooses Web-based insurance contracts (clauses) on its website rather than a paper-based contract in brochure form, the company donates funds corresponding to a portion of the value of the reduction in paper used to support mangrove planting and other environmental protection activities in Japan and overseas.



"Data Health" Support Service

With the progress of the aging society and low birthrate in Japan, it is becoming more important for business management to conduct employee health management to maintain and improve productivity. Tokio Marine Group supports initiatives of corporations to promote health management by delivering a sense of security both before and after the occurrence of health issues through a variety of services and insurance benefits.

Tokio Marine & Nichido Risk Consulting offers "Data Health" support services, which enable corporations to maintain and promote the health of their employees. The service provides support to companies in working with health insurance associations to ascertain and analyze disease risks and productivity, and provides support for effective health promotion from planning to evaluation and improvement.

Group CEO Tsuyoshi Nagano on Tokio Marine Group's Management Strategy



Our strategy is defined by our goal to achieve sustainable profit growth and higher ROE. In order to do this we will continue to leverage the strengths and synergies of aligned group management as set out in our mid-term business plan “To Be a Good Company 2017”.

Groundwork Laid in 2015

Starting in fiscal 2015, the mid-term business plan set a goal for globally competitive growth and capital efficiency by pursuing a “Sustainable Profit Growth Stage”. In this stage we are laying the foundation for future double-digit ROE by fine-tuning our business structure to achieve sustainable growth. This forward looking approach aligns with our long-term vision to be “a global insurance group that delivers sustainable growth by providing safety and security to customers worldwide”.

In the first year of the mid-term business plan, our group-wide efforts have resulted in an adjusted ROE of 9.1% and an adjusted net income of 351.9 billion yen despite some large-scale natural catastrophes. In October 2015 we made what we expect to be a major step toward realizing our vision with the acquisition of the Houston-based specialty insurer HCC Insurance Holdings, Inc (“HCC”). This has led us to update our fiscal 2017 outlook to an adjusted ROE in the upper 9% range and an adjusted net income of approximately 400 billion yen.

Achieving Sustainable Growth

Unlocking Potential (Enhancement)

To unlock our growth potential in the domestic insurance market we will continue to work to strengthen our integrated life and non-life business model, to enhance our claims-service capabilities and to improve our risk consulting services. In the international insurance business, along with recent large-scale acquisitions, we will also continue to pursue organic growth.

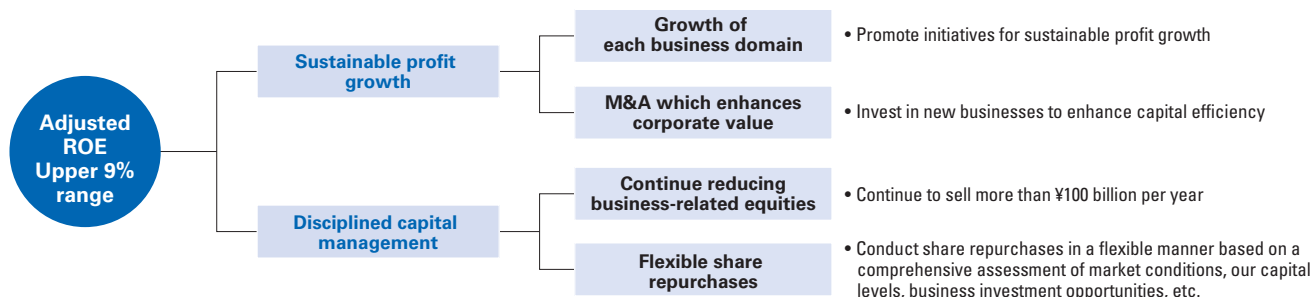
Developing an integrated life and non-life business model is a journey that began over 10 years ago and one that we continue to build on and strengthen today. In 2002, to comprehensively protect our customers facing both life and non-life risks we introduced *Super Insurance*. This product allowed agents to go beyond the traditional boundaries of life and non-life insurance, by single-handedly providing safety and security across both of these needs. Today, we are continuing to increase the

number of qualified agents for selling *Super Insurance* as well as taking active steps to improve the sales experience for our customers through the use of technology such as tablets. Our claims service has always been a unique competitive strength and we are also enhancing it through smartphone applications that improve speed of service and offer increased capability to respond in large-scale disaster situations.

Addressing Changing Needs (Evolution)

The rate of change continues to increase with technological improvements in areas such as artificial intelligence and autonomous cars, climate changes and demographic shifts among others. To actively address challenges such as these we will enhance our research and development function. This proactive approach will enable us to anticipate and respond as an aligned Group to the changing needs of the market and our customers.

Initiatives for Achieving Our Adjusted ROE Target



Initiatives for “Sustainable Profit Growth”



Enhancement

Unlocking our potential

- Domestic insurance: **Enhancing the integrated business model for life and non-life, strengthening claims-service capabilities, and further utilizing our risk consulting service**
- International insurance: **Enhancing organic growth**



Evolution

Capitalizing on changes

- **Effectively forecasting and proactively meeting the emerging and evolving needs** of the market and our customers
- **Strengthening R&D** to convert new risks into our business opportunities



Expansion

Pursuing growth opportunities

- **Promoting disciplined business investment** to capture growth opportunities globally
- **Enhancing our diversified business portfolio** based on risk appetite



Excellence

Advancing our business platform

- **Advancing ERM and improving risk portfolio** to sustainably and comprehensively enhance profit growth, capital efficiency, and financial soundness
- **Strengthening our business platform** to further reinforce our globalized business
- **Developing a diverse workforce** with a strong customer orientation to drive sustainable growth

Growth and Diversity (Expansion)

Through strategic business investment to capture global growth opportunities, we are continuing to enhance our diversified business portfolio based on risk appetite. An example of a success from this approach in fiscal 2015 was our resilience against natural disasters in Japan. Though the amount of net incurred losses relating to natural disasters was above average in Japan, on a global scale the overall occurrence was below average. This translated into increased profit for the Group overall and is a clear result of our risk diversification.

As I mentioned earlier, in 2015 we also welcomed HCC to the Group. As a world-class specialty insurer they bring highly specialized underwriting and technical capabilities relating to risks that are not covered by general insurance. Their own diverse portfolio of over 100 types of specialty insurance is highly profitable, stable, and has growth potential with financial soundness that surpasses its competitors. With the addition of HCC we are further diversifying risk and creating a stronger, more stable Tokio Marine Group.

Enhancing our Business Foundation

In order to further raise our global competitiveness we are enhancing our enterprise risk management (ERM), aligning governance across the group and developing a more diverse workforce.

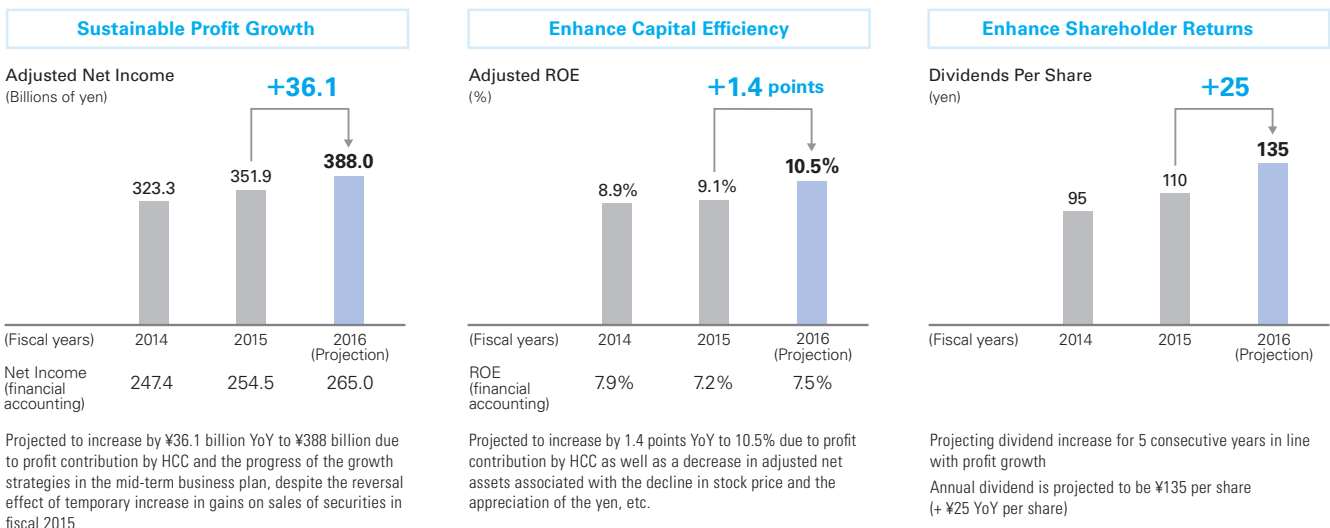
Integration, Alignment and Group Synergies

By adding HCC to our Group the weight of the international insurance business has risen to account for about half of all our business and at the same time issues that require strategy from a global perspective are increasing. Traditional boundaries between domestic and global, life and non-life continue to be crossed and we have come to a time where challenges can't be addressed by one company alone.

There is a need for further integration and alignment in Group decision making – a need to maximize the Group's comprehensive capability. To achieve this, we need to ensure we have the systems in place to support such an approach. With this in mind, I became the Group CEO in April 2016 and have been pursuing a change in management structure. Following the goal of true globalization we will link the strengths of each Group company around the world. We will do this by strengthening both the lateral functions of Tokio Marine Holdings and the communication functions of the Group as a whole.

An example of this is the creation of new group level Group Chief Officer positions (CFO, CRO, CRDO, etc.) that horizontally link businesses in the Group and also

Progress of the Mid-Term Business Plan



clarify the responsibility structure. We also established a number of functional committees to discuss strategy from a Group level such as in risk management, asset management, IT and retention policies. The members of these committees were selected from across the entire group for their knowledge and expertise, without considering country or business channel.

The new Research & Development Department is yet another example of synergy and expertise shared across the Group. With specialty insurance products from HCC and Philadelphia being sold to Japanese corporate clients operating overseas as well as high-level joint underwriting programs in the international business, the results of our cooperation are evident. Pursuing synergies like these on both a domestic and global scale is a key part of our strategy to achieve sustainable profit growth.

liquidity for payments of claims and other purposes.

In addition, we will further promote global portfolio diversification in line with the expansion of the international insurance business while further strengthening investment capability by enhancing coordination among Group companies, both in Japan and overseas.

Moreover, Tokio Marine & Nichido continues to sell business-related equities from the perspective mainly of enhancing capital efficiency and risk control. Under the previous mid-term business plan, business-related equities were reduced by a total of approximately 336 billion yen over the three-year period. Under the current mid-term business plan, we plan to sell more than 100 billion yen in business-related equities per year, with a reduction of 122 billion yen in fiscal 2015.

Asset Management

Regarding asset management, we put financial soundness first, and aim to enhance profitability within the scope of risk tolerance while controlling risk through asset and liability management (ALM) and ensuring

Steady Growth in 2016

Adjusted net income for fiscal 2016 is projected to increase by 36.1 billion yen year on year to 388.0 billion yen. This increase is due both to growth measures as well as to HCC's contribution. Adjusted ROE is projected to

Enhancing Shareholder Returns

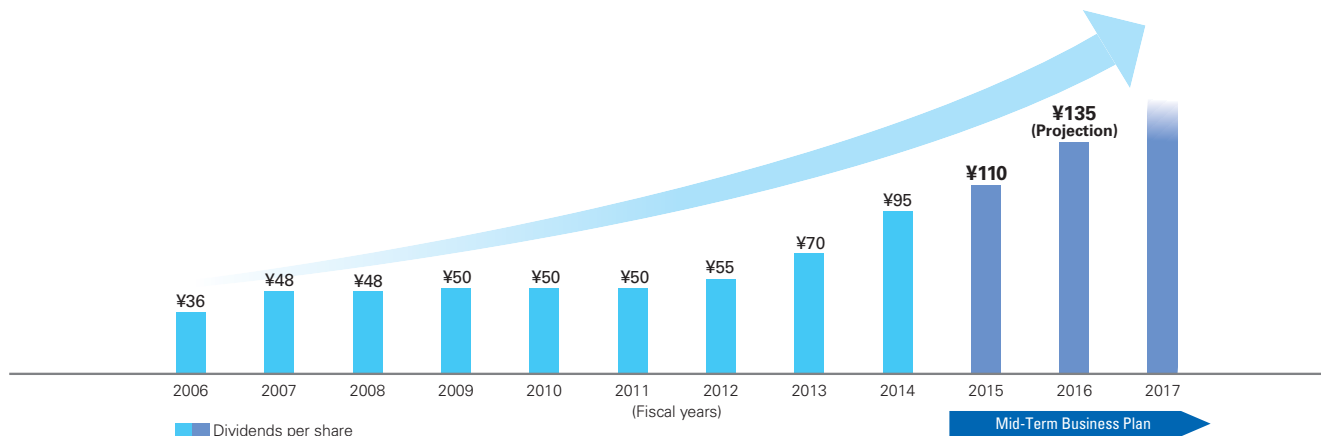
Steady growth of dividends



Flexible share repurchases

- Our primary means of shareholder return is dividends, which we plan to increase in line with profit growth
- We pursue steady growth of dividends, and payout ratio as a guide is above 35% of average adjusted net income

- We intend to conduct share repurchases in a flexible manner based on a comprehensive assessment of market conditions, our capital levels, business investment opportunities, and other relevant factors



increase by 1.4 percentage points year on year to 10.5%. This is also due to HCC's contribution as well as a decrease in adjusted net assets associated with the decline in stock prices and the appreciation of the yen.

Moving forward, following the mid-term business plan, we will continue to create synergies through alignment and integration in order to achieve sustainable profit growth.

Enhancing Shareholder Returns

Tokio Marine Group's basic policy on shareholder returns is to increase dividends in line with profit growth. It is these dividends that are our primary means of shareholder returns.

Our focus is the stable growth of dividends. As a source of dividends, we use adjusted net income, which has been the Group's profit indicator since fiscal 2015. We are expanding the scope to include a number of things including profit contribution from the domestic life insurance business and gains on sales of business-related equities. In addition, our target payout ratio is above 35% of average adjusted net income.

As a result, for fiscal 2015, annual dividends were 110 yen per share, which marks the fourth year of consecutive increase. Looking to fiscal 2016, we project an increase of 25 yen to 135 yen per share. This, due to the addition of HCC, would be the fifth consecutive year of dividend increase.

In addition, we will continue to consider share repurchases as a means of adjusting capital. Our approach will be flexible and primarily based on a comprehensive assessment of market conditions, our capital levels and business investment opportunities.

Supporting Customers and Society in Times of Need and Working To Build a Safe, Secure and Sustainable Future

With the accelerating pace of change in the global environment, we face many new risks and opportunities. In these circumstances, Tokio Marine Group will continue with unflagging effort to be a company that is essential to society, chosen by customers and communities, which also steadily supports their endeavors. Based on dialogue and cooperation with our stakeholders, all of our employees are emphasizing our three core CSR themes (Providing Safety and Security, Protecting the Earth and Supporting People) and will work to build a safe, secure and sustainable future. As insurance is intangible, it is the trust that we, as people, build with our customers that is most important. We aim "To Be a Good Company", being there for our customers and society in times of need.



Group CFO Takayuki Yuasa on Tokio Marine Group's Capital Strategy



Takayuki Yuasa
 Managing Director
 Group CFO (Group Chief Financial Officer)

Achieving Sustained Growth through the Enterprise Risk Management (ERM) Cycle

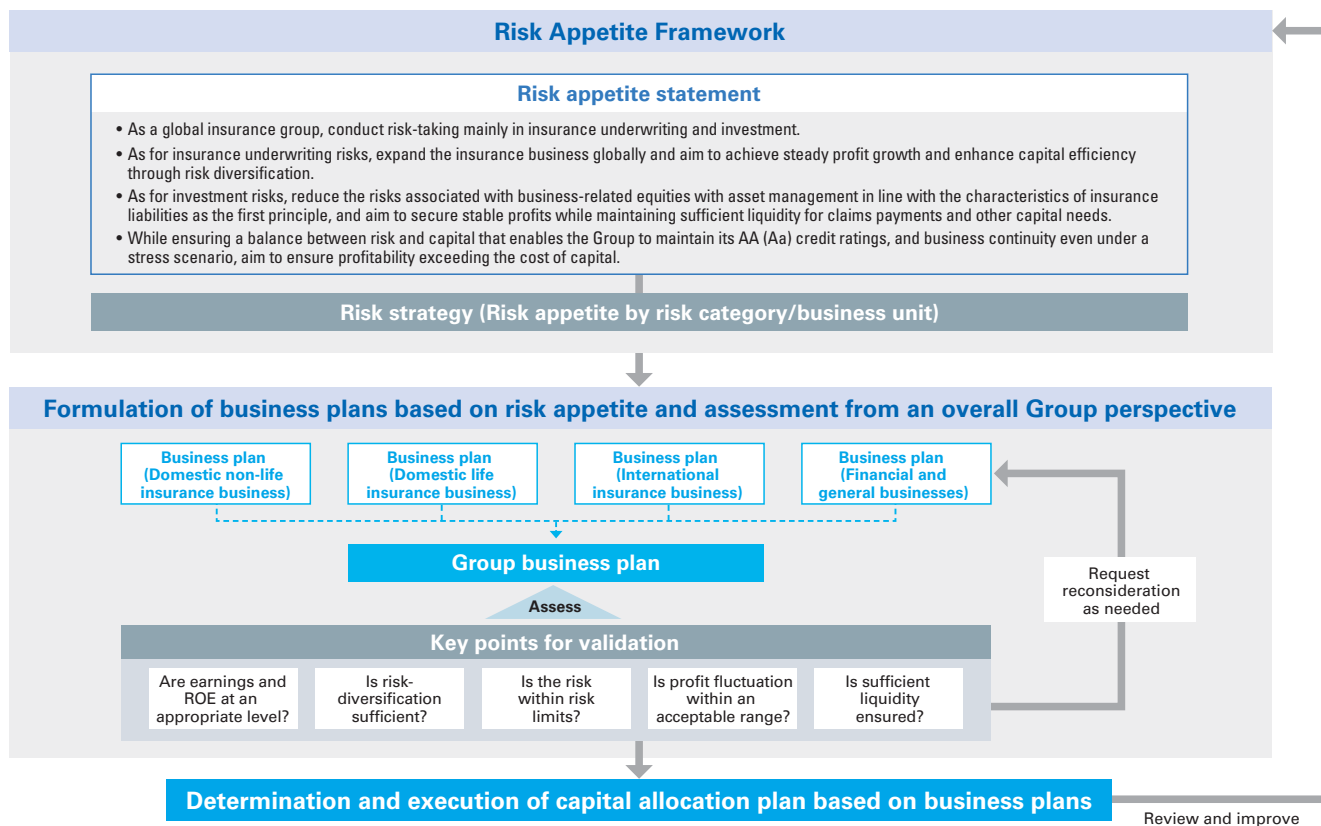
Tokio Marine Group has allocated capital effectively and efficiently with the objective of maintaining financial soundness together with sustained expansion of profits and enhancement of capital efficiency through the Enterprise Risk Management (ERM) Cycle. We will continue to implement the ERM Cycle under the mid-term business plan.

With the ERM Cycle, we have set a risk appetite framework that articulates a basic policy for relevant risk taking and management to ensure expected returns. This framework is the starting point for formulating business plans and allocating capital.

Amid the substantial changes in our business environment, the ERM Cycle is becoming increasingly important to promote the global expansion of our operations.

For the first step of the ERM Cycle, each Group company formulates its business plans based on the risk appetite framework.

Tokio Marine Group's Enterprise Risk Management (ERM) Cycle Overview



Tokio Marine Holdings then gathers these business plans and takes an overall Group perspective in assessing whether they maintain an appropriate balance between financial soundness and profitability while achieving sustained growth. Specifically, issues assessed include whether natural catastrophe risks are within the tolerable risk parameters, and whether the Group's overall profit and ROE are at the expected level, among others. After scrutiny of risk profiles and business plans, we then make decisions with regard to allocation of capital to each business segment.

Finally, the results of Group companies are reviewed annually and improvements are made if necessary.

Initiatives to Enhance Profitability

Under its mid-term business plan, Tokio Marine Group intends to improve the combined ratio in the Group's core domestic non-life insurance business while concurrently working for profit growth in the domestic life and international insurance businesses.

In addition, we intend to enhance capital efficiency and the stability of profits through certain measures including reducing the risks associated with business-related equities, strengthening natural catastrophe risk management and diversifying our businesses. For example, in addition to HCC's high profitability, its specialization in specialty insurance

complements the Group's business portfolio, and through its acquisition we are further improving capital efficiency and profit stability.

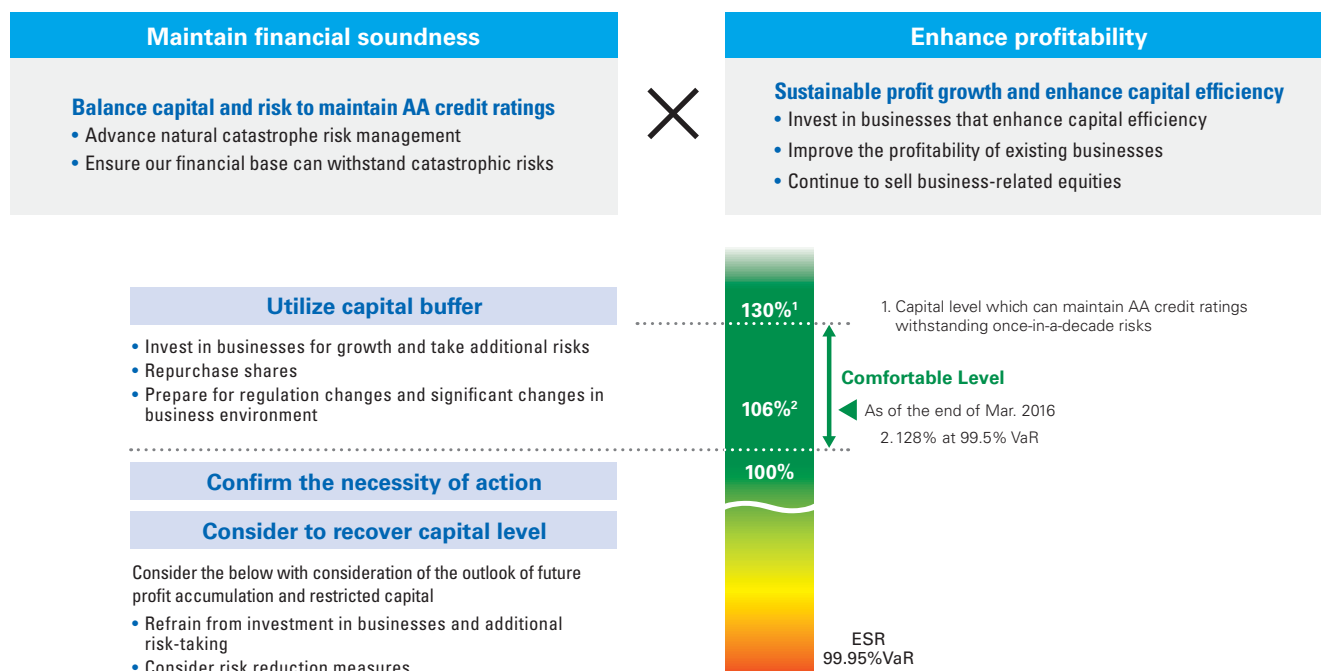
We will continue our initiatives to support further improvement of overall Group profitability by expanding our business globally, which will enhance risk diversification effects, and by achieving profit growth in every business segment.

From the perspective of capital management, we will work to enhance corporate value while securing financial soundness through strict and disciplined capital management using stress tests in addition to the economic solvency ratio (ESR).

At present, a comfortable level for our ESR is between 100% and 130%. The maximum comfortable level of 130% is based on our calculation of the capital level that will enable us to maintain AA credit ratings withstanding once-in-a-decade risk events.

Upon improving risk diversification, accumulating profits and continuously reducing the risks associated with business-related equities, we will work to enhance capital efficiency by utilizing a capital buffer to invest in businesses for growth and additional risk-taking, repurchase shares and concurrently prepare for regulatory changes and other significant changes in the business environment. Lastly, if the ESR falls below 100%, we will consider the necessity of restoring the capital level in light of the outlook for future profit accumulation and other factors.

Promoting Strong ERM (Controlling Risk and Capital)



Group CRO Kunihiko Fujii on Tokio Marine Group's Risk Management



Kunihiko Fujii
Senior Managing Director
Group CRO (Group Chief Risk Officer)

Initiatives to Maintain Financial Soundness

Aiming to maintain its solid credit ratings, Tokio Marine Group confirms that it is maintaining financial soundness by verifying from various perspectives that its net asset value is at a sufficient level for the risks it has assumed.

Specifically, Tokio Marine Group uses a statistical risk indicator called “value at risk” (VaR) to quantify potential financial losses and confirms that its net asset value is at a sufficient level for the total amount of the risks it has assumed. In addition, we perform stress tests using scenarios with low frequency but high severity in risk such as major natural catastrophes and turmoil in the financial systems, which could have significant impact when they occur.

As of March 31, 2016, Tokio Marine Group's risk capital, calculated at the 99.95% confidence level, which corresponds to an AA (Aa) credit rating, was 2.9 trillion yen and net asset value was 3.0 trillion yen. The economic solvency ratio (ESR), which shows the ratio of net asset value to risk capital, was 106%, indicating that we secured sufficient net asset value required for AA (Aa) ratings.

Initiatives to Strengthen the Enterprise Risk Management System

Because the risks Tokio Marine Group assumes have become more diverse and complex as it expands its business globally, the Group strives to further refine its enterprise risk management (ERM) system. Moreover, in the recent business environment characterized by a sense of uncertainty and drastic change, we must continually prepare for the emergence of new risk elements associated with the businesses we are in.

From this perspective, Tokio Marine Group is strengthening its ERM system. Specifically, the Group has begun to incorporate global insights by adding top executives from major overseas Group companies to the Enterprise Risk Management (ERM) Committee, which deliberates on policies for important ERM-related issues. Tokio Marine Group is also taking proactive steps to comprehensively assess every kind of risk, including emerging risks that result from environmental changes on a global scale and other factors, and is strengthening the framework for an integrated management of risks involving not only quantitative elements such as economic loss and frequency, but also qualitative elements such as business continuity and reputation.

Tokio Marine Group continues to strive for more accurate risk capital assessment by advancing the assessment method for insurance underwriting risk, market risk, credit risk and investment management risk consisting of real estate investment risk, which represent major risks for the Group.

The Definition of Risk

- **Insurance underwriting risk**
Risk of loss due to a change in the rate of occurrence of insurance claims, etc. from projections at the time premiums were set
- **Market risk**
Risk of loss from a change in the value of assets and liabilities held due to changes in the interest, currency exchange, stock or other markets
- **Credit risk**
Risk of loss from partial or total reduction of the value of an asset due to the worsening financial condition of a credit recipient, etc.
- **Real estate investment risk**
Risk of loss from a decrease in profit from real estate due to a change in rent, etc., or a decrease in the price of the property itself due to a change in market conditions, etc.

Group CRDO Kenji Iwasaki on Creating Group Synergies



Kenji Iwasaki
Senior Managing Executive Officer
Group CRDO (Group Chief Research and Development Officer)

Efforts for Mid-to-Long-Term Strategies across the Group

The environment in which Tokio Marine Group operates will change substantially in the future. This change will be due to a number of factors including rapid advances in technology, more frequent natural catastrophes and demographic shifts centered on Japan's declining population, aging society and low birthrate.

In particular, the shift to the Internet of Things (IoT) and the impact of other technological advances are changing our operating environment at an unprecedented pace. It is necessary for the Group to take prompt and appropriate measures to promote the use of this technological development. As a result, we have established the Research & Development Department of Tokio Marine Holdings. This department will plan and design mid-to-long-term strategies, including R&D for new businesses by applying state-of-the-art technologies with a mid-to-long-term viewpoint.

Specifically, in Japan we will implement innovations such as systems using artificial intelligence to respond to inquiries, and we will develop products and marketing methods that employ wearable terminals and big data. We will also use telematics technology to promote an

automated reporting service for accidents, and to offer consulting to support safe driving. We will also be offering insurance and services for the increasing number of tourists visiting Japan.

We also intend to deepen our efforts in areas such as developing products and services, innovating work processes and strengthening customer contacts. We will proactively incorporate state-of-the-art technologies that are currently being developed in Silicon Valley and elsewhere through measures including increased cooperation with venture companies by investing venture capital or other means.

Efforts to Generate Synergies in the Group

The scope of Tokio Marine Group's businesses, which previously centered on the domestic non-life insurance business, has expanded substantially and now the Group in Japan encompasses Tokio Marine & Nichido, Nisshin Fire, Tokio Marine & Nichido Life, E. design Insurance, Tokio Marine Millea SAST Insurance as well as the financial and general businesses that support the insurance business. In addition, the Group is steadily growing through the acquisition of insurance companies overseas, with expansion of the scope of business centered on the commercial market and reinsurance in North America and Europe and the personal market in Asia and South America.

Group companies will share and utilize the strengths we possess at each company and in each market. At the same time, in regions such as Japan and North America, we will pursue synergy creation in areas such as revenue, investment, capital and cost using the advantages of our scale.

Specifically, we will use various Group committees to plan, design and execute efforts to maximize synergies in areas including selling the specialty products of HCC, Philadelphia and others to Japanese corporate customers, joint underwriting by Group companies of high-level insurance programs outside Japan, transferring the life and non-life retail business know-how we have accumulated in Japan to our Asian bases, utilizing the Group's high credit ratings and profound investment expertise, and lastly by optimizing our retention strategy and outward reinsurance on a Group basis.



Directors

- ① **Shuzo Sumi**
Representative Director and
Chairman of the Board
- ② **Tsuyoshi Nagano**
Representative Director,
President & Chief Executive
Officer
- ③ **Kunihiko Fujii**
Senior Managing Director
- ④ **Ichiro Ishii**
Representative Director and
Senior Managing Director

- ⑤ **Hirokazu Fujita**
Managing Director
- ⑥ **Takayuki Yuasa**
Representative Director and
Managing Director
- ⑦ **Toshifumi Kitazawa**
Director
- ⑧ **Shinichi Hirose**
Director

- ⑨ **Akio Mimura**
Outside Director
- ⑩ **Mikio Sasaki**
Outside Director
- ⑪ **Masako Egawa**
Outside Director
- ⑫ **Yasuyuki Higuchi**
Outside Director

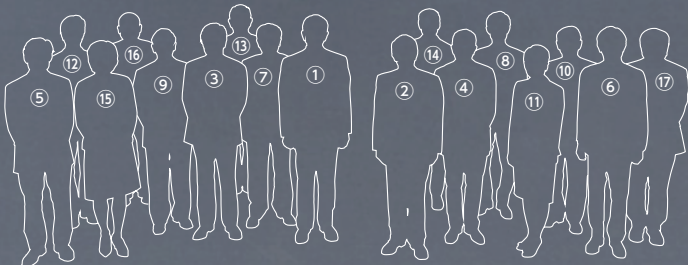
Audit & Supervisory Board Members

- ⑬ **Takaaki Tamai**
Audit & Supervisory Board
Member (Full-Time)
- ⑭ **Takashi Ito**
Audit & Supervisory Board
Member (Full-Time)
- ⑮ **Yuko Kawamoto**
Outside Audit &
Supervisory Board Member
- ⑯ **Akinari Horii**
Outside Audit &
Supervisory Board Member
- ⑰ **Akihiro Wani**
Outside Audit &
Supervisory Board Member

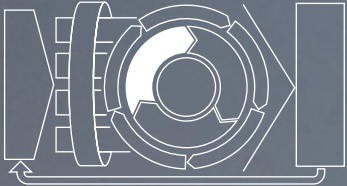


Group Governance

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With sound and transparent Group governance, we are working to globalize and strengthen our management system that supports the development of the Group's comprehensive power.



Directors and Audit & Supervisory Board Members



Directors

1. Shuzo Sumi

Representative Director and Chairman of the Board

April 1970 Joined Tokio Marine
 June 2000 Director and Chief Representative in London, Overseas Division of Tokio Marine
 June 2002 Managing Director of Tokio Marine
 Oct. 2004 Managing Director of Tokio Marine & Nichido
 June 2005 Senior Managing Director of Tokio Marine & Nichido
 June 2007 President & Chief Executive Officer of Tokio Marine & Nichido
 June 2007 President & Chief Executive Officer of Tokio Marine Holdings
 June 2013 Chairman of the Board of Tokio Marine & Nichido
 June 2013 Chairman of the Board of Tokio Marine Holdings (to present)
 April 2016 Counselor of Tokio Marine & Nichido (to present)

2. Tsuyoshi Nagano

Representative Director, President & Chief Executive Officer

April 1975 Joined Tokio Marine
 June 2003 Executive Officer and General Manager of Nagoya Production Dept. III, Tokai Division of Tokio Marine
 Oct. 2004 Executive Officer and General Manager of Nagoya Production Dept. III of Tokio Marine & Nichido
 June 2006 Managing Executive Officer of Tokio Marine & Nichido
 June 2008 Managing Director and General Manager of Corporate Planning Dept. of Tokio Marine & Nichido
 June 2008 Director of Tokio Marine Holdings
 June 2009 Resigned from position as Director of Tokio Marine Holdings
 June 2010 Senior Managing Director of Tokio Marine & Nichido
 June 2011 Senior Managing Director of Tokio Marine Holdings
 Feb. 2012 Senior Managing Director and General Manager of International Business Development Dept. of Tokio Marine Holdings
 June 2012 Executive Vice President of Tokio Marine & Nichido
 June 2012 Executive Vice President and General Manager of International Business Development Dept. of Tokio Marine Holdings
 June 2013 President & Chief Executive Officer of Tokio Marine & Nichido
 June 2013 President & Chief Executive Officer of Tokio Marine Holdings (to present)
 April 2016 Chairman of the Board of Tokio Marine & Nichido (to present)

3. Kunihiro Fujii

Senior Managing Director

April 1978 Joined Tokio Marine
 June 2009 Executive Officer and General Manager, International Business Development Dept. of Tokio Marine Holdings
 June 2012 Managing Executive Officer of Tokio Marine Holdings
 June 2014 Managing Director of Tokio Marine & Nichido
 June 2014 Managing Director of Tokio Marine Holdings
 April 2015 Senior Managing Director of Tokio Marine Holdings
 April 2015 Senior Managing Director of Tokio Marine & Nichido
 June 2015 Resigned from position as Senior Managing Director of Tokio Marine & Nichido
 June 2015 Senior Managing Executive Officer of Tokio Marine Holdings
 June 2016 Senior Managing Director of Tokio Marine & Nichido (to present)
 June 2016 Senior Managing Director of Tokio Marine Holdings (to present)

4. Ichiro Ishii

Representative Director and Senior Managing Director

April 1978 Joined Tokio Marine
 June 2010 Executive Officer and General Manager of International Business Development Dept. of Tokio Marine Holdings
 June 2013 Managing Executive Officer of Tokio Marine & Nichido
 June 2013 Managing Executive Officer of Tokio Marine Holdings
 Dec. 2013 Resigned from position as Managing Executive Officer of Tokio Marine & Nichido
 April 2015 Senior Managing Executive Officer of Tokio Marine Holdings
 June 2015 Senior Managing Director of Tokio Marine & Nichido (to present)
 June 2015 Senior Managing Director of Tokio Marine Holdings (to present)

5. Hirokazu Fujita

Managing Director

April 1980 Joined Tokio Marine
 June 2011 Executive Officer and General Manager of Corporate Accounting Dept. of Tokio Marine & Nichido
 June 2011 Executive Officer and General Manager of Corporate Accounting Dept. of Tokio Marine Holdings
 June 2012 Managing Director and General Manager of Corporate Accounting Dept. of Tokio Marine & Nichido
 June 2012 Managing Director and General Manager of Corporate Accounting Dept. of Tokio Marine Holdings
 July 2013 Managing Director of Tokio Marine & Nichido (to present)
 July 2013 Managing Director of Tokio Marine Holdings (to present)

6. Takayuki Yuasa

Representative Director and Managing Director

April 1981 Joined Tokio Marine
 June 2012 President & Chief Executive Officer of Tokio Marine & Nichido Financial Life
 Sep. 2014 Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Financial Life
 Oct. 2014 Managing Executive Officer of Tokio Marine Holdings
 June 2015 Managing Director of Tokio Marine & Nichido (to present)
 June 2015 Managing Director of Tokio Marine Holdings (to present)

7. Toshiyuki Kitazawa

Director

April 1977 Joined Tokio Marine
 June 2008 Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life
 June 2009 Senior Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life
 July 2009 Senior Managing Director of Tokio Marine & Nichido Life
 June 2010 President & Chief Executive Officer of Tokio Marine & Nichido Life
 June 2010 Director of Tokio Marine Holdings
 March 2014 Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Life
 April 2014 Executive Vice President of Tokio Marine & Nichido
 June 2014 Vice President Executive Officer of Tokio Marine Holdings
 March 2016 Resigned from position as Vice President Executive Officer of Tokio Marine Holdings
 April 2016 President & Chief Executive Officer of Tokio Marine & Nichido (to present)
 June 2016 Director of Tokio Marine Holdings (to present)

8. Shinichi Hirose

Director

April 1982 Joined Tokio Marine
 June 2013 Managing Director of Tokio Marine & Nichido Life
 April 2014 President & Chief Executive Officer of Tokio Marine & Nichido Life (to present)
 June 2014 Director of Tokio Marine Holdings (to present)



9



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9. Akio Mimura

Outside Director

- April 1963 Joined Fuji Iron and Steel Co., Ltd.
- June 1993 Director of Nippon Steel Corporation
- April 1997 Managing Director of Nippon Steel Corporation
- April 2000 Representative Director and Executive Vice President of Nippon Steel Corporation
- April 2003 Representative Director and President of Nippon Steel Corporation
- April 2008 Representative Director and Chairman of Nippon Steel Corporation
- June 2010 Director of Tokio Marine Holdings (Outside Director, to present)
- Oct. 2012 Director, Member of the Board and Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
- June 2013 Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
- Nov. 2013 Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (to present)

10. Mikio Sasaki

Outside Director

- April 1960 Joined Mitsubishi Corporation
- June 1992 Director of Mitsubishi Corporation
- June 1994 Managing Director of Mitsubishi Corporation
- April 1998 President of Mitsubishi Corporation
- April 2004 Chairman of the Board of Mitsubishi Corporation
- June 2010 Director and Senior Corporate Advisor of Mitsubishi Corporation
- June 2011 Senior Corporate Advisor of Mitsubishi Corporation (to present)
- June 2011 Director of Tokio Marine Holdings (Outside Director, to present)

11. Masako Egawa

Outside Director

- April 1980 Joined Citibank, N.A., Tokyo Branch
- Sep. 1986 Joined Salomon Brothers Inc, New York Head Office
- June 1988 Joined Salomon Brothers Asia Limited, Tokyo Branch
- Dec. 1993 Joined S.G. Warburg Securities, Tokyo Branch
- Nov. 2001 Executive Director, Japan Research Center, Harvard Business School
- April 2009 Executive Vice President, The University of Tokyo
- March 2015 Resigned from position as Executive Vice President, The University of Tokyo
- June 2015 Director of Tokio Marine Holdings (Outside Director, to present)
- Sep. 2015 Professor, Graduate School of Commerce and Management, Hitotsubashi University (to present)

12. Yasuyuki Higuchi

Outside Director

- April 1980 Joined Matsushita Electric Industrial Co., Ltd.
- April 1992 Joined The Boston Consulting Group K.K.
- July 1994 Joined Apple Japan, Inc.
- July 1997 Joined Compaq Computer K.K.
- Oct. 2000 Board member and Director of Consumer Group of Compaq Computer K.K.
- Nov. 2002 Executive Officer of Hewlett-Packard Japan, Ltd.
- May 2003 President and Chief Operating Officer of Hewlett-Packard Japan, Ltd.
- May 2004 President and Chief Executive Officer of Hewlett-Packard Japan, Ltd.
- May 2005 President and Chief Operating Officer of The Daiiei, Inc.
- March 2007 COO of Microsoft Japan Co., Ltd.
- April 2008 President and CEO of Microsoft Japan Co., Ltd.
- April 2008 Corporate Vice President of Microsoft Corporation (to present)
- July 2015 Chairman of Microsoft Japan Co., Ltd. (to present)
- June 2016 Director of Tokio Marine Holdings (Outside Director, to present)

Audit & Supervisory Board Members

13. Takaaki Tamai

Audit & Supervisory Board Member (Full-Time)

- April 1975 Joined Tokio Marine
- June 2003 Executive Officer and General Manager, Overseas Division of Tokio Marine
- Oct. 2004 Executive Officer and General Manager in charge of Asia region of Tokio Marine & Nichido
- June 2006 Managing Director and General Manager of Corporate Planning Dept. of Tokio Marine & Nichido
- June 2006 Director of Tokio Marine Holdings
- June 2008 Managing Director of Tokio Marine & Nichido
- June 2008 Resigned from position as Director of Tokio Marine Holdings
- June 2010 Senior Managing Director of Tokio Marine & Nichido
- June 2011 Senior Managing Director of Tokio Marine Holdings
- June 2012 Resigned from position as Senior Managing Director of Tokio Marine & Nichido
- June 2012 Executive Vice President of Tokio Marine Holdings
- June 2013 Executive Vice President of Tokio Marine & Nichido
- June 2014 Resigned from position as Executive Vice President of Tokio Marine & Nichido
- June 2014 Resigned from position as Executive Vice President of Tokio Marine Holdings
- June 2014 Audit & Supervisory Board Member (Full-Time) of Tokio Marine Holdings (to present)

14. Takashi Ito

Audit & Supervisory Board Member (Full-Time)

- April 1980 Joined Tokio Marine
- June 2011 Executive Officer and General Manager of Corporate Planning Dept. of Tokio Marine Holdings
- June 2013 Managing Director of Tokio Marine & Nichido
- June 2013 Managing Director of Tokio Marine Holdings
- June 2015 Resigned from position as Managing Director of Tokio Marine & Nichido
- June 2015 Resigned from position as Managing Director of Tokio Marine Holdings
- June 2015 Audit & Supervisory Board Member (Full-Time) of Tokio Marine Holdings (to present)

15. Yuko Kawamoto

Outside Audit & Supervisory Board Member

- April 1982 Joined The Bank of Tokyo, Ltd.
- Sep. 1988 Joined McKinsey & Company, Tokyo Office
- April 2004 Professor, Graduate School of Finance, Accounting and Law (now Graduate School of Business and Finance), Waseda University (to present)
- June 2006 Audit & Supervisory Board Member of Tokio Marine Holdings (Outside Audit & Supervisory Board Member, to present)

16. Akinari Horii

Outside Audit & Supervisory Board Member

- April 1974 Joined Bank of Japan
- July 2002 Director-General of the International Department of Bank of Japan
- June 2006 Assistant Governor of Bank of Japan
- June 2010 Resigned from position as Assistant Governor of Bank of Japan
- July 2010 Special Advisor of The Canon Institute for Global Studies
- Dec. 2010 Director and Special Advisor of The Canon Institute for Global Studies (to present)
- June 2011 Audit & Supervisory Board Member of Tokio Marine Holdings (Outside Audit & Supervisory Board Member, to present)

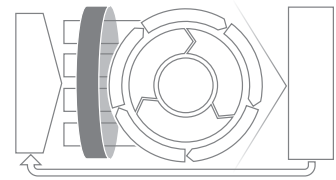
17. Akihiro Wani

Outside Audit & Supervisory Board Member

- April 1979 Admitted to Japanese Bar (to present)
- May 1987 Mitsui, Yasuda, Wani & Maeda
- Dec. 2004 Linklaters
- May 2014 Ito & Mitomi (Morrison & Foerster LLP)
- June 2014 Audit & Supervisory Board Member of Tokio Marine Holdings (Outside Audit & Supervisory Board Member, to present)

Aligned Group Management

We are globalizing and strengthening our aligned group management so that the expertise and strengths of each our businesses result in strengths for the Group as a whole. We will deploy the knowledge and know-how we have accumulated within the Group to display the Group's comprehensive capability.



Group CEO



Tsuyoshi Nagano
President and CEO

With the continuing expansion and globalization of the Group's businesses, the challenges facing group management have become broader both within Japan and overseas as well as in the life and non-life insurance businesses.

Enhancing our ability to create value over the long term will require us to maximize the Group's comprehensive capabilities through further integration and alignment in group decision making, and we need a mechanism and structure to support these efforts. With this in mind, we changed the group management structure in April 2016 to raise group communication functions to a new level and organically link the strengths of group companies inside and outside Japan.

Main Points of the Changes to the Group Management Structure

- Established Group Chief Officer positions and committees as well as strengthened their functions to globalize and reinforce group management system
- Involvement of top management from overseas subsidiaries in solving group management issues with their expertise
- Increased focus by the Group CEO on group management to maximize the Group's comprehensive capability

Group Chief Officers

Group CRDO

(Group Chief Research and Development Officer)



Kenji Iwasaki
Senior Managing Executive Officer
In charge of Research and Development Department

Group CRO

(Group Chief Risk Officer)



Kunihiko Fujii
Senior Managing Director
In charge of Risk Management Department and International Business Development Department (international business strategies (ERM*, etc.))

Group CIO

(Group Chief Investment Officer)



Hirokazu Fujita
Managing Director
In charge of Financial Planning Department, Corporate Accounting Department and Internal Audit Department

Group CRSO

(Group Chief Retention Strategy Officer)



Shozo Mori
Managing Executive Officer
In charge of Global Retention Strategy Department

Group CITO

(Group Chief Information Technology Officer)



Yoshihiko Igarashi
Managing Executive Officer
In charge of IT Planning Department

Group CFO

(Group Chief Financial Officer)



Takayuki Yuasa
Managing Director
In charge of Corporate Planning Department, Legal Department and Internal Control Department

Group CHRO

(Group Chief Human Resources Officer)



Hajime Oba
Managing Executive Officer
In charge of Human Resources Department

* Advisory to the head and (Senior) Managing Executive Officers in charge of International Business Development Department



Christopher J.B. Williams
CEO, HCC

Ian Brimecome
Senior Managing
Executive Officer,
Tokio Marine Holdings

Robert D. O'Leary
President & CEO,
Philadelphia

Donald A. Sherman
Executive Officer,
Tokio Marine Holdings
President & COO, Delphi

Charles Franks
Executive Officer,
Tokio Marine Holdings
Group CEO, Tokio Marine Kiln Group

Arthur Lee
Executive Officer,
Tokio Marine Holdings
Chief Executive, Tokio Marine Asia

Globalization and Strengthening



**TOKIO MARINE
GROUP**

Group CEO

**More focus on group
management by the
Group CEO**

Group Chief Officer (by order of organization)

Dept. in charge

CRDO Research and Development	Research and Development
CIO Investment	Financial Planning
CFO Financial	Corporate Planning
CRSO Retention Strategy	Global Retention Strategy
CHRO Human Resources	Human Resources
CITO Information Technology	IT Planning
CRO Risk	Risk Management

Committees

Major management issues

Risk management
Asset management
IT
Retention strategies, etc.

**Involvement of
top management
from overseas
subsidiaries**

Maximize the Group's comprehensive capabilities

**Domestic
Non-life**

**Domestic
Life**

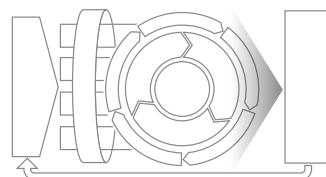
**International
Insurance**

**Financial
and
General**

- Enhancing group governance
- Utilization of the group management resources
- Involvement of overseas talent in the group management

Group Synergies

Meeting the needs of various customers around the world requires leveraging the comprehensive strengths of the Group. By creating group synergies that make the most of the footprint and expertise of each of its businesses, Tokio Marine Group will continue to provide value to all its stakeholders.



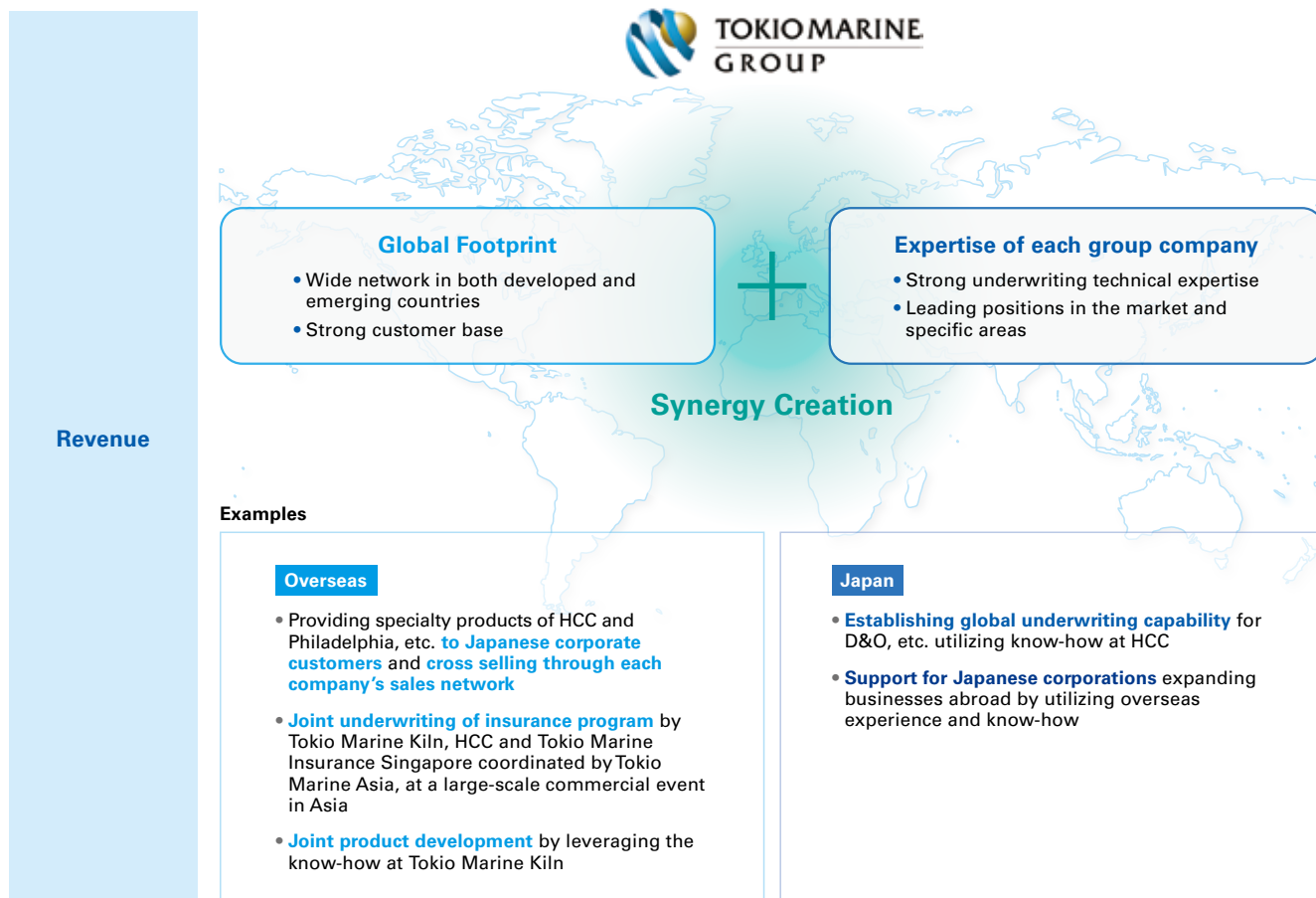
Creating Group Synergies

Since its inception in 1879, Tokio Marine Group has built a broad network inside and outside Japan in the insurance business. Although we have been conducting a full-scale expansion of the international insurance business since 2000, we have been simultaneously ensuring risk diversification and growth potential by acquiring companies that have strong expertise, unique advantages in terms of markets and products, and little overlap with our existing businesses.

To take advantage of the global footprint we have established with our business development to date and the expertise of each group company, we are working to create synergies in the areas of revenue, investment, capital and cost.

For revenue synergy, we are generating results in areas such as providing the specialty products of North American companies HCC, Philadelphia and others to Japanese corporate customers, and conducting joint underwriting of high-level insurance programs outside Japan through cooperation among group companies. In Japan, we are proactively incorporating the experience and know-how of overseas group companies to achieve results such as establishing global underwriting capability for D&O utilizing know-how at HCC.

For investment synergy, we are enhancing investment return through the superior investment expertise of the



North American company Delphi by entrusting them with the asset management of a portion of assets held by group companies.

For capital synergy, we are optimizing our retention strategy and outward reinsurance on a group basis, leveraging the group's risk diversification effect and financial strengths to expand the underwriting capacity of each group company, and reducing the cost of outward reinsurance through intra-group reinsurance.

In addition, we are steadily generating effects in cost synergy through effective use of the Group's advantages of scale.

Group synergies are a key strategy for enhancing internal growth potential, and we will continue to promote efforts throughout the Group.

<p>Investment</p>	<p>Enhancing investment return through Delphi's superior investment expertise</p>	<ul style="list-style-type: none"> • Entrust the asset management of a portion of assets held by the group companies* to Delphi with high investment expertise * Asset management entrusted to Delphi: Philadelphia (from Jul. 2014), Tokio Millennium Re (from Jul. 2015), TMNF (from Jan. 2016), HCC (from Mar. 2016)
<p>Capital</p>	<p>Optimizing retention strategy and outward reinsurance on a group basis</p>	<ul style="list-style-type: none"> • Expand underwriting capacity of each group company leveraging the group's risk diversification effect • Reduce cost of outward reinsurance through intra-group reinsurance, leveraging the group's financial strengths
<p>Cost</p>	<p>Cost reduction through effective use of the group resources and scale merit</p>	<ul style="list-style-type: none"> • Cost reduction by joint purchase of IT system, etc. • Optimize resources due to delisting of company purchased and utilizing shared services

Message from CEO Christopher J.B. Williams of HCC Insurance Holdings, Inc.

We are seeing the effects of measures to create group synergies.

HCC joined Tokio Marine Group since October 2015. From the early days of our discussions about a possible merger, it was clear that Tokio Marine's values and underwriting culture are aligned with HCC's. Similar to Tokio Marine's "To Be a Good Company" message, we at HCC value our clients and respect the trust they place in us. We also understand and appreciate Tokio Marine's stated long-term business strategy, and we are pleased to be a part of that strategy.

Joining Tokio Marine is exciting because it will leverage our underwriting and investment expertise and give us access to substantial resources to take advantage of acquisitions and other new business opportunities. Our expertise in specialty insurance, coupled with Tokio Marine's global resources, should allow the combined company to realize growth and profitability superior to what we could achieve on a stand-alone basis. The stronger capital base will enhance our ability to make acquisitions of complementary businesses, develop

new products, expand our coverages and attract new underwriting teams. The global footprint will allow us to distribute our products and expertise into new markets. The results have already started surfacing with our provision of specialty insurance such as D&O to Japanese corporate clients. I can feel fruits of our efforts aimed at generating and enhancing our group synergies.



Chris Williams
Chief Executive Officer, HCC Insurance Holdings, Inc.

Interview with an Outside Director



I expect Tokio Marine to become a Global “Good Company” by embracing diversity as a source of competitiveness and continuously enhancing corporate value.

Masako Egawa
Outside Director

Professor, Graduate School of Commerce and Management, Hitotsubashi University. Executive Director of Japan Research Center, Harvard Business School from 2001 to 2009. Executive Vice President of The University of Tokyo from 2009 to 2015. Director of Tokio Marine Holdings since June 2015.

How do you view your role as an Outside Director? What are the issues of Tokio Marine Group from the standpoint of an Outside Director?

I understand that the word “governance” has originated from the Latin word *gubernare* (to steer a ship), and the role of the Board of Directors is to designate the overall direction of the company to maximize corporate value. To achieve this objective, an Outside Director has the role of providing advice and monitoring based on the trust with senior management. Some people consider governance as a kind of insurance; Outside Directors play important roles in case of declining business results or management problems. It is important for the Board of Directors to incorporate opinions and approaches from different viewpoints by choosing multiple Outside Directors with diverse backgrounds and skills.

The Board of Directors of Tokio Marine Holdings has worked to strengthen its governance function through introducing Outside Officers at an early stage and establishing the Nomination Committee and Compensation Committee. We engage in lively discussions with exchanges of opinions from diverse points of view. I believe the Board needs to further strengthen its functions by having more in-depth

discussions on medium-to-long-term management strategies and succession plans, and sharing issues with senior management. In addition, because our operations are globalizing, we should consider the appointment of non-Japanese members to the Board of Directors and the use of English as an official language.

To maximize its comprehensive capabilities, the Group strengthened the functional axes of its management structure and stepped up globalization in April 2016. How do you evaluate these measures?

The mid-term business plan that started in fiscal 2015 sets forth “advancing our business platform” as an initiative for sustainable profit growth, and I believe the recent organizational changes are in line with this strategy. In the newly established committees, we set up a system to discuss management issues such as risk management, asset management and retention strategies, incorporating information and knowledge from overseas, and to maximize the Group’s comprehensive capabilities in each field under

the leadership of Group Chief Officers. The insurance industry has been global from an early age, and it is relatively easier for companies in financial industries to integrate their operations globally compared to other industries, so I would like the Group to move ahead speedily.

However, simply changing the organizational structures does not guarantee results. Many companies have established a chief officer system and committees, but very few Japanese companies have succeeded in deploying their functions. Since it is people that actually make these structures and systems work, we need to change the mindset of employees and to train Chief Officers and other staff members at the same time. I expect this will maximize the comprehensive capabilities of the Group and further enhance corporate value.

Do you have any advice for Tokio Marine Group for continuously enhancing corporate value in its aim to be a “Good Company”?

The first is to promote diversity. Japanese companies tend to take a passive attitude toward diversity, but foreign companies regard diversity as a source of competitiveness and have a sense of urgency that homogenous companies will not survive. This reflects the way of thinking that

incorporating diverse opinions leads to better decision making; studies have shown that companies with diverse management have better performance.

With the globalization of Tokio Marine Group’s operations, the number of overseas employees has risen dramatically, and diversity has become increasingly important. I hope the Group will enhance its competitiveness by incorporating diverse opinions from Japan and overseas and by appropriately evaluating human resources based on their capabilities without regard to age, gender, nationality or other factors to place the right people in the right place.

Second is to share the Group’s corporate vision to be a “Good Company”. Incidents such as the Enron scandal have shown clearly that a mechanism alone will not bring about good governance; the attitude of the managers is also important. I support the management vision of aiming to be a “Good Company” that is truly needed by all stakeholders, with the credit and trust it has created with people as its foundation, and I would like this vision to permeate every corner of the organization worldwide. The series of meetings held by Group CEO Nagano and Group employees where diverse topics are discussed in an open, frank and creative manner are also helpful in sharing the corporate philosophy. By sharing the philosophy using additional channels, I expect it to become the driving force in developing energetic, independent employees and generating a virtuous cycle for continuously enhancing corporate value.

Measures to Strengthen Corporate Governance

April 2002	Millea Holdings established Three Outside Directors inaugurated Two Outside Audit & Supervisory Board Members inaugurated
June 2004	One Outside Audit & Supervisory Board Member added for a total of three
May 2005 July 2005	Corporate Governance Policy formulated Nomination Committee and Compensation Committee established Introduction of stock option compensation plan for Directors, Audit & Supervisory Board Members and Executive Officers
July 2008	Corporate name changed to Tokio Marine Holdings
June 2013	First non-Japanese Executive Officer inaugurated
April 2014	Two non-Japanese Executive Officers added for a total of three
June 2016 August 2016	One Outside Director added for a total of four One non-Japanese Executive Officer added for a total of four

Corporate Governance

Fundamental Corporate Governance Policy

The Company is committed to the continuous enhancement of corporate value by fulfilling its responsibilities to shareholders, customers, society, employees and other stakeholders as set forth in the "Tokio Marine Group Corporate Philosophy".

For this purpose, the Company hereby establishes a sound and transparent corporate governance system and, as a holding company, recognizes the importance of appropriate control over its Group companies and has formulated the "Tokio Marine Holdings Fundamental Corporate Governance Policy". In this Policy, the Company defines the rights of shareholders and securing fairness, and the responsibilities of the Board of Directors, etc.

Corporate Governance System

The corporate governance system of the Company is designed as a hybrid structure whereby the Nomination Committee and Compensation Committee are discretionarily established in addition to the fundamental structure of a company with an Audit & Supervisory Board. The Company believes that the above structure is optimal at this point and in light of the following measures taken: the Company determines significant business execution by resolution of the Board of Directors as an insurance holding company, and makes high-quality decisions reflecting the insight of Outside Directors and Outside Audit & Supervisory Board Members; Audit & Supervisory Board Members who hold no voting rights at Board of Directors meetings conduct unbiased and objective audits; and the transparency of the decision-making process of nomination and compensation of and for Directors, Audit & Supervisory Board Members, and Executive Officers is ensured by those issues being deliberated at the Nomination Committee and Compensation Committee.

(1) The Board of Directors

The Board of Directors is responsible for decisions on important matters relating to the execution of the Company's business, supervising the performance of individual Directors and establishing an effective internal control system. In addition, as the Board of Directors of a holding company, the board is responsible for determining mid-to-long-term business strategies and various basic business policies such as the Basic Policies for Internal Controls for Tokio Marine Group.

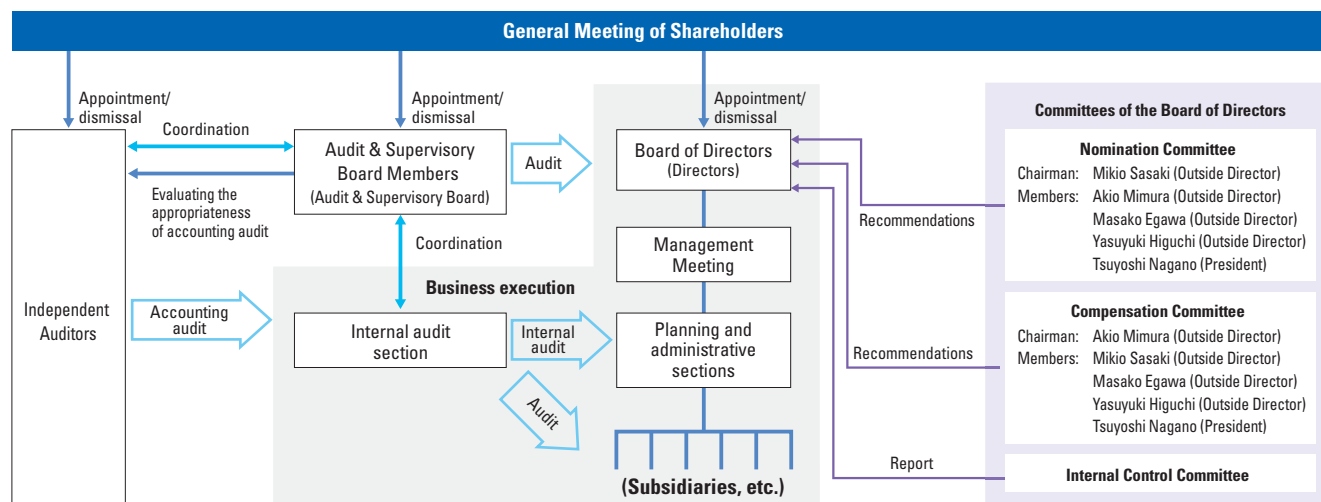
The Company shall define Rules of the Board of Directors, and define the content of significant business execution to be determined by the Board of Directors. The Company shall entrust decision-making to Executive Officers of matters that do not require decisions to be made by the Board of Directors.

The Company shall have approximately 10 Directors, with a maximum of 15 set by the Articles of Incorporation. As a general rule, the Company shall have at least three Outside Directors. In addition, Directors are appointed for a term of office of one year and may be re-appointed. To ensure the effectiveness of the Board of Directors, when selecting Directors, a balanced composition shall be established, with viewpoints and specializations from diverse fields. As of July 1, 2016, the Company had 12 Directors, of whom four were Outside Directors.

(2) Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members, as an independent body entrusted by shareholders, audit the performance of Directors, with the aim of ensuring sound and fair management and accountability. Audit & Supervisory Board Members shall endeavor to conduct a high-quality audit in accordance with the regulations of the Audit & Supervisory Board, auditing standards, auditing policies and auditing plans determined by the Audit & Supervisory Board.

Overview of the Corporate Governance System of Tokio Marine Holdings



The Company shall have approximately five Audit & Supervisory Board Members, with a maximum of six set by the Articles of Incorporation. As a general rule, a majority shall be Outside Audit & Supervisory Board Members. As of July 1, 2016, the Company had five Audit & Supervisory Board Members, of whom three were Outside Audit & Supervisory Board Members.

(3) Nomination Committee and Compensation Committee

The Company has established the Nomination Committee and the Compensation Committee, which consist mainly of Outside Directors, to raise the transparency of the processes for selecting as well as determining compensation for Directors, Audit & Supervisory Board Members and Executive Officers of the Company and principal business subsidiaries.

The Nomination Committee reports to the Board of Directors. It deliberates on the requirements for and the appointment and dismissal of candidate Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and principal business subsidiaries.

The Compensation Committee reports to the Board of Directors. Its duties include deliberating on the compensation system and evaluating the performance of Directors and Executive Officers of the Company and principal business subsidiaries.

The Nomination Committee and the Compensation Committee generally consist of approximately five members

each. As a general rule, a majority of the members of each committee are selected from outside of the Company, and the chairman of each committee is one of the outside members.

Framework Supporting the Corporate Governance System

(1) Conditions for Selection of Directors and Audit & Supervisory Board Members

Directors of the Company and its principal business subsidiaries shall have a deep understanding of the Company's business type, possess a wide range of knowledge required for management, and as a member of the Board of Directors, have the ability to make decisions that are necessary to determine significant business execution matters. Audit & Supervisory Board Members of the Company and its principal business subsidiaries shall have operational abilities and previous achievements and experience, etc., as Audit & Supervisory Board Members, and through implementation of high quality audits, secure sound and continuous growth of the Company, contributing to the establishment of a superior corporate control system that can respond to societal trust.

(2) Outside Officers

The presence of Outside Directors ensures effective supervision of director performance by the Board of Directors. In addition, Outside Directors provide advice based on their insight as experts in various fields, thus ensuring an organization

Conditions for Selection of Outside Officers (Excerpt)

Persons selected shall have deep insights and plentiful experiences in their fields (such as global corporate management, financial affairs, finance and accounting, law, compliance and internal control, technological innovation, and human resource management).

Independence Standards of Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors and Outside Audit & Supervisory Board Members of the Company are judged to be independent from the Company if they do not fall within any of the following categories:

- (i) an executive of the Company or a subsidiary or affiliate of the Company;
- (ii) a person who has been an executive of the Company or a subsidiary or affiliate of the Company in the past ten years;
- (iii) a party whose major client or supplier is the Company or a principal business subsidiary of the Company (a party whose transactions with the Company or a principal business subsidiary of the Company in the most recent fiscal year amount to 2% or more of its consolidated net sales), or an executive thereof;
- (iv) a party who is a major client or supplier of the Company or a principal business subsidiary of the Company (a party whose transactions with the Company or a principal business subsidiary of the Company in the most recent fiscal year amount to 2% or more of consolidated ordinary income of the Company), or an executive thereof;
- (v) a financial institution or other major creditor which the Company or a principal business subsidiary of the Company relies on to the extent that it is an indispensable funding source that cannot be replaced, or an executive thereof;
- (vi) an executive of a corporation or association or any other organization that receives donations from the Company or a principal business subsidiary of the Company in excess of a certain amount in the most recent fiscal year (10 million yen or 2% of the total revenue of such organization in the most recent fiscal year, whichever is larger);
- (vii) a spouse or relative within the third degree of kinship of a Director, Audit & Supervisory Board Member, or Executive Officer of the Company or a subsidiary or affiliate of the Company;
- (viii) a consultant, accountant, lawyer, or other specialist who receives compensation from the Company or a principal business subsidiary of the Company other than compensation for Directors, Audit & Supervisory Board Members and Executive Officers of the Company or a principal business subsidiary of the Company in excess of a certain amount in the most recent fiscal year (10 million yen or 2% of the total revenue of a corporation or association or any other organization to which such specialist belongs in the most recent fiscal year, whichever is larger); or
- (ix) a party who holds 10% or more of the voting rights of all shareholders of the Company at the end of the most recent fiscal year, or an executive thereof.

that enables appropriate decisions on important matters relating to the execution of the Company's business. The presence of Outside Audit & Supervisory Board Members creates an auditing organization with an independent and objective perspective. In addition, it enhances the effectiveness of the Audit & Supervisory Board and ensures an organization that maintains sound, transparent management.

The Company has established conditions for selection and standards for determining independence when selecting Outside Officers.

The Company currently has four Outside Directors and three Outside Audit & Supervisory Board Members, and has determined their independence from the Company with reference to the above criteria. In addition, all seven meet the requirements of independent directors/auditors as prescribed by the Tokyo Stock Exchange.

(3) Training of Directors and Audit & Supervisory Board Members

The Company provides opportunities for training, as necessary, to Directors and Audit & Supervisory Board Members to allow them to appropriately fulfill duties required in each respective area. In fiscal 2015, the Company conducted the following training.

(1) The Company conducted training on the duties and responsibilities of Directors and Audit & Supervisory Board Members, with an attorney at law as the instructor, for newly appointed internal Directors and internal Audit & Supervisory Board Members of the Company and main Group companies.

(2) The Company conducted training for newly appointed Outside Directors and Outside Audit & Supervisory Board Members of the Company and main Group companies before they assumed their offices, on the themes of Tokio Marine Group Mid-Term Business Plan, enterprise risk management (ERM), settlement of accounts and insurance accounting, international insurance business strategy, and an overview of the non-life insurance industry, of which an understanding is considered essential for the fulfillment of their responsibilities.

(4) Policies for Determining the Method for Calculating Compensation for Directors, Audit & Supervisory Board Members and Executive Officers

Basic policies for determining compensation for Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its principal Group companies are as follows:

- Ensure "transparency", "fairness" and "objectivity" regarding compensation for Directors, Audit & Supervisory Board Members and Executive Officers;
- Strengthen incentives for improving the business performance of the Company by introducing a performance-linked compensation system;
- Enhance accountability through sharing returns with shareholders by introducing a compensation system linked to meeting the Company's business results indices based on the management strategy and Company share price; and
- Fully implement a performance-based pay system through processes designed to objectively evaluate individual

Concurrent Posts, Attendance and Other Information for Outside Officers (As of July 2016)

	Name	Tenure ¹	Concurrent Posts	Reason for Appointment	Attendance
Outside Directors	Akio Mimura	6 years	Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation Director of Japan Post Holdings Co., Ltd. (Outside Director) Director of Development Bank of Japan Inc. (Outside Director) Director of Innovation Network Corporation of Japan (Outside Director) Director of Nisshin Seifun Group Inc. (Outside Director) Chairman of The Japan Chamber of Commerce and Industry Chairman of The Tokyo Chamber of Commerce and Industry	Expected to fulfill his supervisory functions and provide valuable advice based on his insight as a company manager, acquired through many years of experience in a management role.	Attended 11 of the 12 meetings of the Board of Directors in fiscal 2015
	Mikio Sasaki	5 years	Senior Corporate Advisor of Mitsubishi Corporation Director of Mitsubishi Research Institute, Inc. (Outside Director)	Expected to fulfill his supervisory functions and provide valuable advice based on his insight as a company manager, acquired through many years of experience in a management role.	Attended all 12 meetings of the Board of Directors in fiscal 2015
	Masako Egawa	1 year	Professor, Graduate School of Commerce and Management, Hitotsubashi University Managing Director of Mitsui Fudosan Co., Ltd. (Outside Director) Director of Asahi Glass Company, Limited (Outside Director)	Expected to fulfill her supervisory functions and provide valuable advice based on her insight as a specialist in business management, acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President.	Attended all 10 meetings of the Board of Directors held in fiscal 2015 after her appointment
	Yasuyuki Higuchi ²	—	Chairman of Microsoft Japan Co., Ltd. Corporate Vice President of Microsoft Corporation Director of ASKUL Corporation (Outside Director) Director of Faith, Inc. (Outside Director)	Expected to fulfill his supervisory functions and provide valuable advice based on his insight as a company manager, acquired through many years of experience in a management role.	—
Outside Audit & Supervisory Board Members	Yuko Kawamoto	10 years	Professor, Graduate School of Business and Finance, Waseda University Director of Mitsubishi UFJ Financial Group, Inc. (Outside Director)	Expected to fulfill her audit functions based on her insight on business management, acquired through many years of experience as a consultant and involvement in academic activities.	Attended 11 of the 12 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board in fiscal 2015
	Akinari Horii	5 years	Director and Special Advisor of The Canon Institute for Global Studies	Expected to fulfill his audit functions based on his insight acquired through many years of experience in his roles as an executive or a regular employee of the Bank of Japan.	Attended all 12 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board in fiscal 2015
	Akihiro Wani	2 years	Attorney-at-law	Expected to fulfill his audit functions based on his insight on corporate legal affairs acquired through many years of experience in his role as an attorney-at-law.	Attended all 12 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board held in fiscal 2015

Notes: 1. Tenure as of the close of the Ordinary General Meeting of Shareholders convened on June 27, 2016.

2. Because Mr. Yasuyuki Higuchi was newly appointed at the Ordinary General Meeting of Shareholders convened on June 27, 2016, his tenure and attendance are not presented.

performance of Directors (Full-Time) and Executive Officers with respect to management objectives.

In order to determine the level of compensation for Directors, Audit & Supervisory Board Members and Executive Officers, the Company shall set the standard of compensation for each position, depending on the responsibilities of Directors, Audit & Supervisory Board Members and Executive Officers, and take the business performance of the Company and the level of compensation of other companies into consideration.

Based on ability to meet business results indices, etc., defined by the management strategy, evaluations on business results shall be made on a yearly basis at the Company and principal business subsidiaries, and the results of such evaluations will be incorporated into compensation for Directors, Audit & Supervisory Board Members and Executive Officers of the Company and the relevant business subsidiaries.

(5) Compensation System for Directors, Audit & Supervisory Board Members and Executive Officers

Compensation for Directors (Full-Time) and Executive Officers consists of three elements: fixed compensation, bonuses related to the business performance of the Company and the performance of the individual, and stock options. Compensation for Directors (Part-Time) consists of two elements: fixed compensation and stock options. Compensation for Audit & Supervisory Board Members consists of one element: fixed compensation. The compensation system for Directors, Audit & Supervisory Board Members and Executive Officers of the Company's principal business subsidiaries shall generally be identical to that applied to Directors, Audit & Supervisory Board Members and Executive Officers of the Company.

The Board of Directors makes decisions regarding the above compensation system based on reports from the Compensation Committee.

(6) Evaluation of the Board of Directors

The Company conducts surveys of all of the Directors and Audit & Supervisory Board Members regarding their evaluation of the Board of Directors, and reports the results to the Board of Directors. In the results of the surveys, the operation of the Board of Directors received a positive evaluation overall. However, there were also indications of points for improvement, and the Company is working to improve these points. In addition, based on the survey results, the Company has selected important themes for strategic discussions by the Board of Directors, and will strive to further vitalize Board of Directors meetings by ensuring sufficient time to discuss these themes.

Relations with Shareholders and Other Stakeholders

(1) Rights of Shareholders and Securing Fairness

The Company shall maintain an environment in which voting rights at General Meetings of Shareholders can be appropriately executed. Specific initiatives include issuing the Notice of Convocation well in advance of the meeting, scheduling the meeting on days that are not crowded with the shareholder meetings of other companies, and using a website that allows shareholders to exercise their voting rights via the Internet. In addition, the Company shall handle the exercise of voting rights in a fair manner, based on the type and number of shares held.

(2) Conversation with Shareholders

The Company shall establish Executive Officers in charge of business execution to conduct overall management for conversations with shareholders, and establish an IR section to plan and implement these activities. Toward conversations with shareholders such as earnings announcements and presentation meetings for investors, etc., the IR section shall work with other relevant sections to provide accurate and balanced information to shareholders.

Total Compensation for Directors and Audit & Supervisory Board Members for Fiscal 2015

Position	Total Compensation (Millions of yen)	Breakdown of Compensation (Millions of yen)		Number of Directors and Audit & Supervisory Board Members
		Monetary compensation	Stock options	
Directors (excluding Outside Directors)	408	321	86	9
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	72	72	—	3
Outside Officers	60	54	5	7

Total Compensation for Directors and Audit & Supervisory Board Members Exceeding ¥100 Million on a Consolidated Basis in Fiscal 2015

Name	Company	Position	Breakdown of Compensation (Millions of yen)		Total Compensation on a Consolidated Basis (Millions of yen)
			Monetary compensation	Stock options	
Shuzo Sumi	Tokio Marine Holdings, Inc.	Director	68	19	145
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Director	47	10	
Tsuyoshi Nagano	Tokio Marine Holdings, Inc.	Director	85	23	177
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Director	57	12	

Taking into account shareholding conditions and the views of shareholders, etc., the Company shall work to provide various methods to communicate with shareholders. Specific measures such as the following are handled primarily by the President and other senior management and Directors.

- IR meetings with shareholders and investors
- IR conference for institutional investors and conference calls for the announcement of quarterly results
- IR presentations for individual investors held in Japan

The Company shall strive to share opinions and matters of concern obtained from conversations with shareholders and investors through semiannual reports to management and other methods.

The Company, pursuant to its "Insider Trading Prevention Regulations", shall exercise the utmost care with regard to unpublicized information, and shall have conversations with shareholders without utilizing any significant unpublicized information.

(3) Business-Related Equities

Business-related equities are held by some of the Company's business subsidiaries (companies at which the Company directly holds a majority of voting rights) with the intent of strengthening business relationships to improve corporate value of the Group.

However, the Company will continue to work to make its capital less affected by fluctuations in share price, and from the viewpoint of improving capital efficiency, continue to work to reduce the total amount.

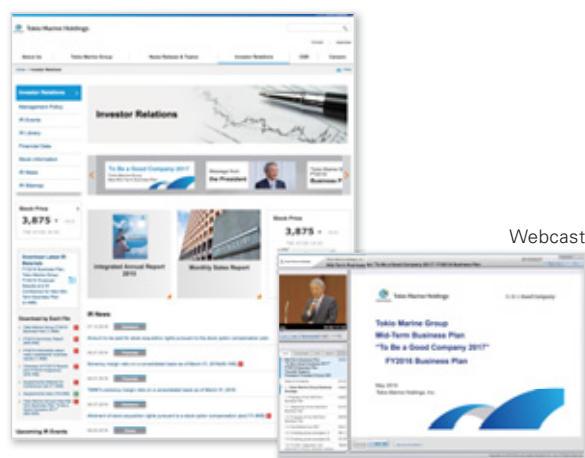
With regard to the business-related equities the Company holds, the Board of Directors reviews risk and returns of major issues every year to confirm economic rationality. In addition, in accordance with the standards for exercising the voting rights of business-related equities, if it is considered that a certain agenda may damage corporate value, the Company shall decide on whether to approve it through a careful examination.

(4) Appropriate Cooperation with Stakeholders Other Than Shareholders

The Company shall define the "Tokio Marine Group Corporate Philosophy", and respond to the trust of shareholders through global business expansion that incorporates profitability, growth and soundness, providing safety and security to customers, and establishing a corporate environment that encourages creativity from employees. Through contributing to the development of society on a wide scale, the Company shall work to perpetually improve its corporate value.

(5) Appropriate Information Disclosure and Securing of Transparency

The Company shall define the "Tokio Marine Group Basic Policies for Disclosure", and with the aim of securing transparency and fairness in management, shall conduct appropriate and timely disclosure regarding financial information such as business results, etc., and non-financial information such as corporate philosophy and business plans.



"Investor Relations" section of the Tokio Marine Holdings website
<http://www.tokiomarinehd.com/en/ir/>

Evaluation of the Board of Directors

Objectives

- Aim for better operation of the Board of Directors by collecting and utilizing opinions about its operation
- Select important themes for strategic discussions

Method

- Conduct a survey of all members of the Board of Directors
- Use both numerical ratings and write-in comments

Major Results of the Survey

- The timing of proposal of agenda items at Board of Directors meetings is appropriate
- The Board of Directors conducts free, frank and constructive discussions
- The opinions of Outside Officers are dealt with seriously
- The information provided by the Company is sufficient
- Efforts are required to present materials concisely with simpler expressions
- Some explanations should be more concise

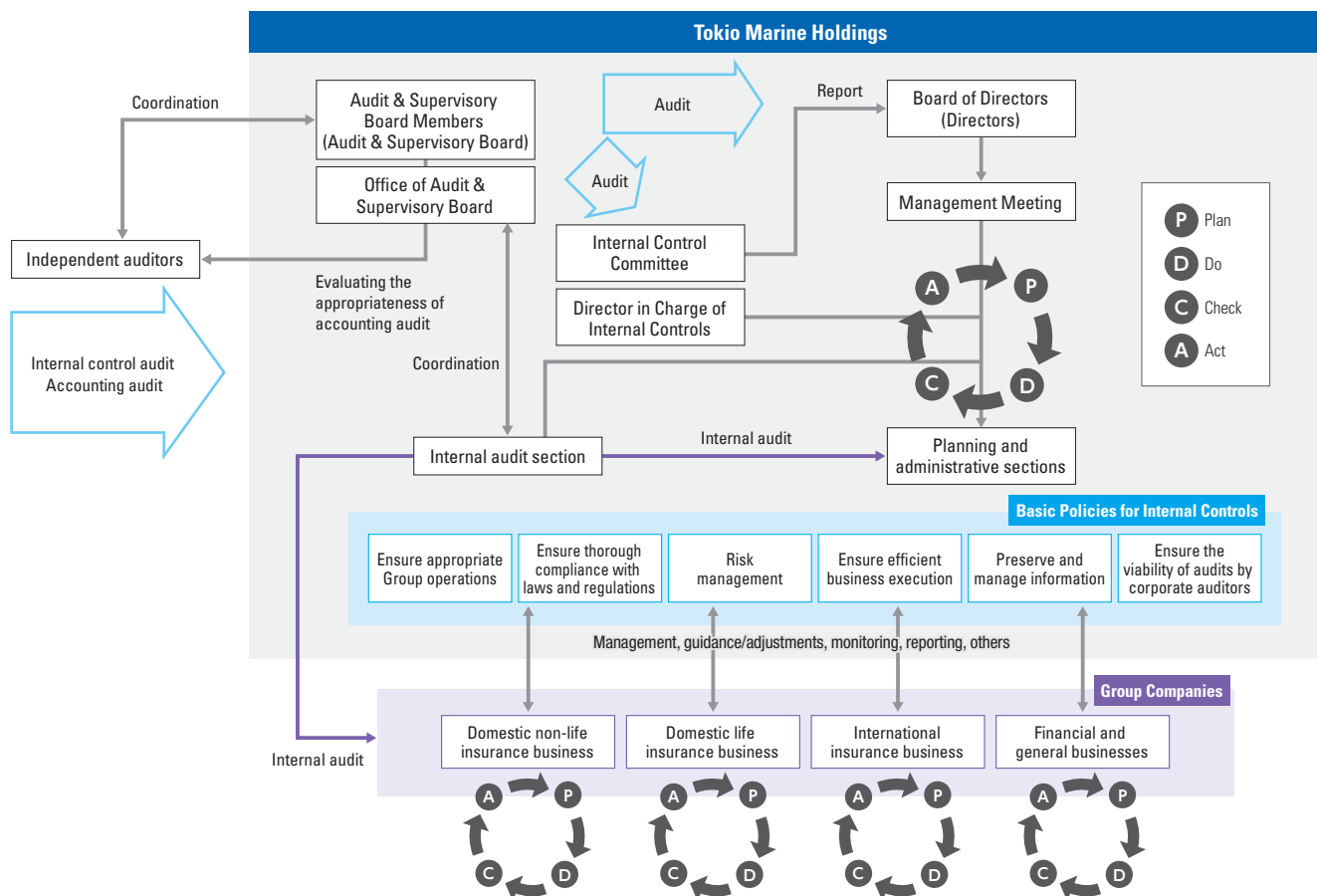
Internal Control System, Compliance and Risk Management

Internal Control System

The Company has formulated “Basic Policies for Internal Controls”. In accordance with these policies, the Company has established an internal control system for the entire Tokio Marine Group that encompasses structures for management control, compliance, risk management, customer protection, information security management, response to anti-social forces and others, and internal auditing of Group companies. The Company employs this system to ensure proper

operations while raising corporate value. Additionally, the Company monitors the status and practical application of its internal control system twice every year. The Board of Directors confirms the details of the monitoring based on deliberations at the Internal Control Committee, which is a committee of the Board of Directors. In addition, the Company continually strengthens and improves its internal control system in light of the results of this monitoring.

Tokio Marine Group’s Internal Control System



Compliance

Tokio Marine Group defines compliance as “observing applicable laws, rules and regulations and internal regulations and conducting fair and equitable business activities within social norms” and thoroughly implements compliance in this manner.

To thoroughly implement compliance as a Group, the Company has formulated the “Tokio Marine Group Basic

Policies for Compliance” and the “Tokio Marine Group Code of Conduct”, and has also formulated measures and policies for the entire Group, including the “Tokio Marine Group Compliance Standards”, which stipulate such items as laws and regulations that are commonly applicable within the entire Group. Also, the Company has built a structure to ensure group-wide compliance by periodically monitoring the status

of compliance within the Group; receiving reports from Group companies on important matters; discussing these matters among the Board of Directors and the Internal Control Committee; and providing guidance and advice about the activities of Group companies when necessary.

Group companies proactively undertake thorough compliance in accordance with the “Tokio Marine Group Basic Policies for Compliance”.

Organizational Framework

Tokio Marine Group has set up specialized departments for controlling internal compliance at each Group company. Group companies have established internal frameworks enabling organized responses for compliance, which include compliance committees that formulate compliance policies and measures according to the actual state of operations and check on the state of compliance implementation.

Compliance Manuals

The Company and each of the Tokio Marine Group companies have prepared their own compliance manuals based on the “Tokio Marine Group Compliance Standards”, which were formulated by the Company, by adding items necessitated by their respective businesses and have made these manuals available for the reference of directors, officers and employees.

Compliance Training

Tokio Marine Group nurtures an awareness of compliance while providing persons in charge of business operations with necessary knowledge about compliance through training

on laws, regulations and internal regulations, etc. with which directors, officers and employees must comply.

Evaluation and Improvement Activities (Including Inspections and Monitoring)

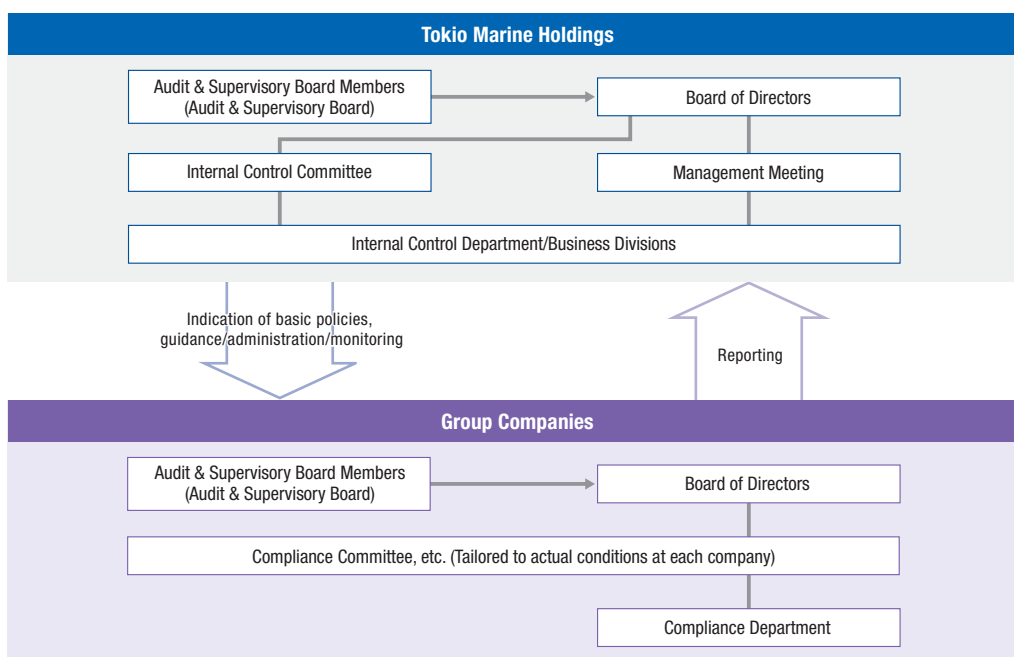
Tokio Marine Group formulates a fiscal year action plan for enhancing structures for thorough compliance, and prepares and implements measures in accordance with the action plan. Tokio Marine Group monitors the effectiveness of these measures through autonomous checks, internal audits and other methods.

Hotline System

In the event that an employee or member of management discovers an issue or potential issue in compliance, Tokio Marine Group requires such person to immediately report and consult on the issue through organizational channels based on the “Tokio Marine Group Compliance Standards”. However, to prepare for cases where it is not appropriate for employees or members of management to report or consult through organizational channels, the Group has installed hotlines. Specifically, in addition to an in-house hotline, the Group has also set up a contact point at an external law firm so that the person reporting or consulting can choose the most convenient method. Furthermore, in addition to internal and external hotlines, the Group has set up a system that enables reporting to Audit & Supervisory Board Members.

The Group keeps personal information on individuals making such reports strictly confidential according to the Whistleblower Protection Act of Japan and ensures that such individuals are not put in a disadvantageous position.

Compliance System for Tokio Marine Group



Risk Management System

To ensure financial soundness and appropriateness of business operations, Tokio Marine Group has identified the various risks surrounding it in an overall fashion and implements appropriate risk management corresponding to the nature, status and other attributes of risks.

The Company promotes the development and enhancement of the risk management system for the entire Group in accordance with the “Tokio Marine Group’s Basic Policies for Risk Management”. The Company also manages quantitative risks for the Group in order to maintain credit ratings and to forestall insolvency in accordance with the “Tokio Marine Group’s Basic Policies for Integrated Risk Management”.

Among various risks, the Company recognizes that insurance underwriting risks and investment risks (core risks) must be managed as sources of earnings. The Company

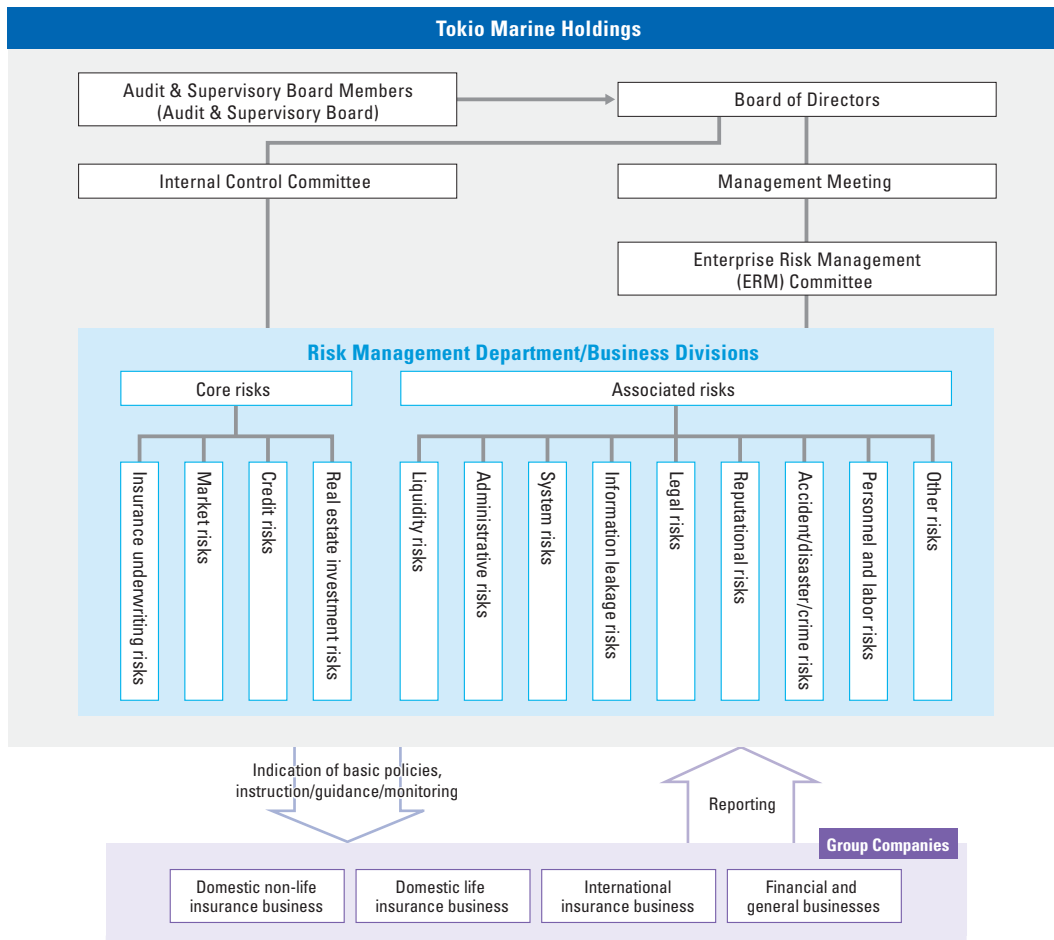
therefore controls these risks considering the balance between risk and return.

The Company also identifies administrative risks, system risks and other associated risks (non-core risks) that arise from the Group’s business activities and strives to prevent the occurrence of or reduce these risks.

The Company presents its basic policies for risk management and provides instruction, guidance, monitoring and other services to domestic and overseas Group companies through the Risk Management Department and the Business Divisions. Group companies establish risk management policies in line with the policies of the Group and execute risk management independently.

Through the above measures, the Company works to execute proper risk management and ensure stable business operations of the entire Group.

Tokio Marine Group’s Risk Management System



Crisis Management System

Tokio Marine Group has established the crisis management system to minimize economic losses and other impact incurred in an emergency and immediately restore ordinary business operations.

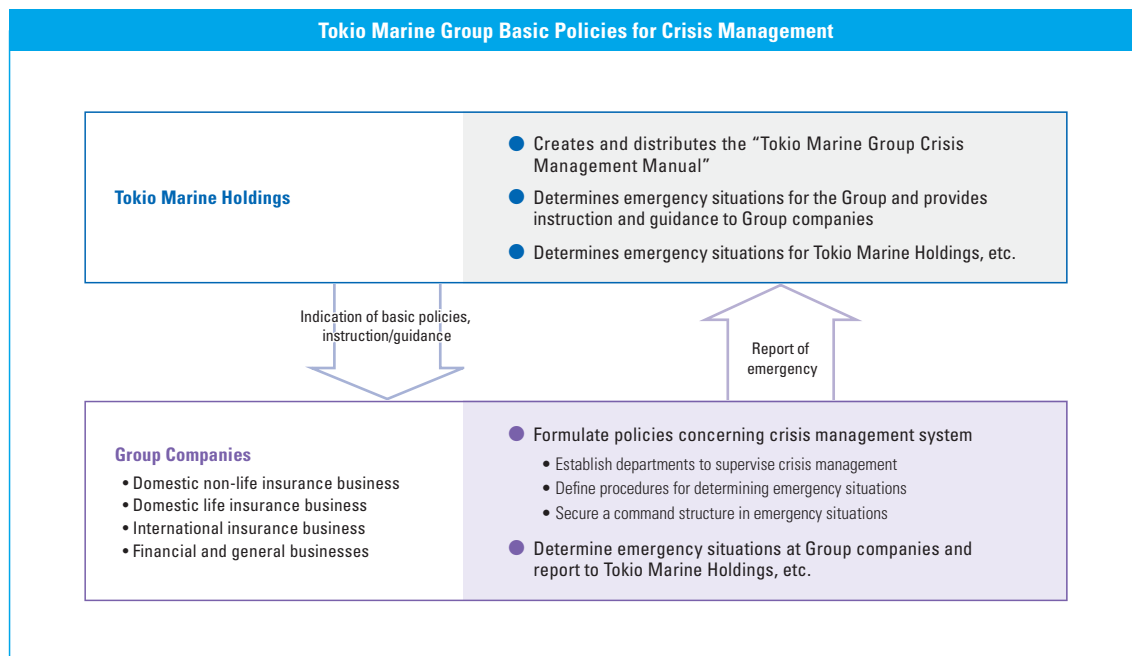
The Company has formulated the “Tokio Marine Group Basic Policies for Crisis Management” and the “Tokio Marine Group Crisis Management Manual” based on it, and has set forth the crisis management systems necessary for Group companies to carry out their own roles.

Group companies formulate crisis management policies in line with policies of the Group to develop crisis management systems that include establishing a department in charge of crisis management, decision-making procedures for

emergency situations and securing the chain of command. In addition to developing the crisis management system during normal conditions, the department in charge of crisis management plays the role of secretariat for response during emergency situations, including reporting to the Company.

Consequently, when conditions that may develop into an emergency situation arise, in addition to each Group company determining whether or not these conditions correspond to an emergency situation, the Company determines, if necessary, whether or not these conditions correspond to an emergency situation for the Group. This system enables the Company to properly instruct Group companies and make sure necessary actions as a Group can be made.

Tokio Marine Group’s Crisis Management System



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 Japan
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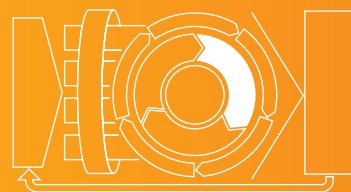


The Power of Our People

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With the power of our people, our most valuable asset, as the driving force in every aspect, we will continue to enhance our corporate value.



Group CHRO Hajime Oba on the Diverse People Driving Our Aligned Group Management



Hajime Oba

Managing Executive Officer
Group CHRO (Chief Human Resources Officer)

Insurance is a people's business. Our diverse people support Tokio Marine Group.

Insurance is often called a “people’s business”. Our business follows a cycle of people creating products, driven by a desire to provide safety and security, and then delivering these intangible products to our clients, to people. People are the most important assets for the insurance business as they form the bond between company and client.

Tokio Marine Group will continue to take a people-based approach to the insurance business 10, 20, and 100 years into the future. We will achieve this goal by being a company where individuals grow by aspiring toward their visions for themselves regardless of nationality, gender or disability. We will be a company where supervisors actively strive to support this

growth, and where this inclusive corporate culture reaches across every corner of the Group. To this end, we are making an all-out effort aimed at being the most successful company where people can grow and develop.

Tokio Marine Group is expanding its business globally. To support this expansion, following the four pillars of our Global Human Resource Strategy as laid out in our current mid-term business plan, we will (1) develop global leaders, (2) secure human resources by specialty, (3) expand the base of the global talent pool, and (4) spread the Company’s corporate philosophy.

In addition, the more our business expands, the more important it is for the Group to act in an aligned fashion. My mission as Group Chief Human Resources Officer (CHRO) is to create an environment in which our people can work enthusiastically every day with a sense of meaning for their personal growth, and I will carry out this mission in collaboration with the other human resources departments across the Group. Our staff should consider their own personal aspirations, while the supervisors who develop them will consistently strive to set clear expectations, support training, and provide opportunities for growth.

The diversity of our people is our greatest asset and the success of our human resource strategy is dependent on how we are able to leverage this asset across the Group. This in turn will support the success of our aligned Group management. I will execute our strategies while always keeping this clearly in mind.

Finally, for a highly diverse group of people to work together successfully they need a shared vision. For Tokio Marine Group that vision is “To Be a Good Company”. We are committed to having all our employees understand, adopt, practice and share it as a guiding principle.

Human Resource Strategy to Maximize the Potential of Our Diverse People



Hajime Oba
Managing Executive Officer,
Group CHRO



Caryn Angelson
Chief HR Officer &
Chief Legal Officer,
TMNA Services, LLC
General Manager, HR,
Tokio Marine Holdings, Inc.

Hajime An essential component of Tokio Marine's strategic agenda is to enjoy sustainable growth, while globalizing our corporate functions. We, in HR, also need to address how we globalize – while not negatively impacting the Group companies' existing strengths. Since April, we have decided to have you join the global HR team, working more closely and collaboratively with us. What do you feel about this move?

Caryn I am thrilled to work more closely with Tokio Marine Holdings as it continues on its path to becoming a more global company. As you know, Tokio Marine has deployed a very unique acquisition model where it chooses not to assimilate in a wholesale fashion any of the companies that it acquires. Yet, Tokio Marine also understands that what we can achieve with all of our Group companies should be something greater than simply the sum of our companies or parts. With so many diverse companies – ensuring that all of the cultures remain true to the tenets of "Good Company" is paramount. As the CHRO of Tokio Marine North America Services (TMNAS), I have always tried to ensure that my actions (and that of my team) contribute to Tokio Marine as a whole. I always ask myself – if I were in charge of Tokio Marine Holdings – which decision would be best for the Group overall? That has been my guidepost. It is not easy, but it is how a CHRO – or any C-level position within Tokio Marine – should act and work. I am especially excited to take on this new role in Tokio Marine Holdings and very much look forward to working together to make positive changes that enhance Tokio Marine overall.

Hajime Thank you for your encouraging message. I am so glad to hear that. Turning to your area of expertise, you have been developed in the legal and HR fields. What was your career progression like?

Caryn I am an attorney and at the inception of my career I practiced litigation with large law firms in California and New York; I had a specialty in employment matters. After practicing law for a few years, I was looking for something that would give me a better work-life balance. Coincidentally, around that time, I had an interview with the-then Tokio Marine US Branch/Tokio Marine Management (TMM) for an HR Manager post. After interviewing, I was very impressed with the management and culture of Tokio Marine, so joining the team was an easy decision. During my tenure at TMM, my team and I launched many initiatives to allow more flexibility in terms of work, to maximize his/her potential. We changed the appraisal structure and system, we updated the compensation structure, and we introduced flexible working hours and enhanced telecommuting. In 2011, I had the opportunity to work on establishing the structure for Tokio Marine North America (TMNA) and TMNAS. And since 2012, I have been appointed the CHRO and CLO of TMNAS. I also oversee the corporate communications and facilities functions. I am very fortunate that I have been able to grow with Tokio Marine, as it has expanded.

Hajime That is a very enriching experience in HR. We, Tokio Marine Group, have been supporting many initiatives for diversity enhancement in Japan. When it comes to diversity in our society, women are the first and foremost group we would like to focus upon. Looking back on your last 15 years at Tokio Marine in the US, how would you describe your career and what do you think have been success factors for you, as a woman?

Caryn Interestingly, I do not think that being a woman has impacted my career at Tokio Marine. Rather, I was very fortunate to be evaluated based on my abilities and accordingly, have been given myriad opportunities as a result of those abilities. Also, for those who know me, I am fairly

outspoken. I have certainly held viewpoints that were not popular, but I always made sure that my opinions were guided by what I felt was “right” for the company, not my personal agenda. I was also very fortunate to be able to find and to seek out several bosses at Tokio Marine who were mentors for me and helped me navigate my career. Although these mentors were all men, I never felt that they were judging me differently based upon my gender. They listened to me, understood me and guided me well. I truly believe that everyone can benefit from mentorship. I also understand my role as a positive example for other women.

Hajime How about work and life (family)? This is not only applicable to women, though.

Caryn Work-style diversity is a key, I believe. Certainly at the TMNA companies, but also at other Group companies within North America, we provide flexible work environments including flexible work hours and tele-commuting. When I am not travelling on business, I usually leave the office around 6 or 6:30pm to have some family time with my children and husband in the evenings. I often will resume work after the children go to sleep and to connect with my colleagues in Tokyo. Honestly, since working to launch TMNA/TMNAS in 2011, I work many, many hours - however, I am given an amazing amount of flexibility in where and how I do my work. Technology is key – as well as an understanding boss who knows that I will always get the job done – no matter what it takes! In the US, we used to talk about work-life balance – I think that concept is outdated. It is work-life blend!

Hajime As I said earlier, here in Japan, diversity enhancement has been focused around women’s development at work and we, Tokio Marine, give high priority to this issue among the mid-term business plan initiatives. Notwithstanding the fact that we put in a lot of effort, is there anything that women, themselves, can do to improve their own development opportunities?

Caryn I do not necessarily feel knowledgeable enough to speak about a woman’s experience in the Japanese workforce. What I can tell you from my experience in the US, however, is that more gets changed by being on the inside, than standing on the outside and passively observing the inequities of the situation.

Hajime I fully agree. We should put our efforts into creating more and more opportunities for female employees to want to say “I can try that!” rather than their standing on the outside. No matter what hard systems or numerical targets we introduce, we need to stimulate their intrinsic motivation through the environment or atmosphere we foster. Since this April, we have involved you in the various global HR initiatives to work together with our Global HR Team. How do you see this opportunity?

Caryn I am very honored to be selected to expand my career with Tokio Marine once again. I look forward to making positive contributions and bringing a multi-company lens to the task.

Hajime Thank you so much for your time today. I was so energized and moved by your life and career story. You have just literally said what you wanted to say and have people understand what you can do to contribute to the company. You remind me of “the first penguin”! I wish I could see more “Caryns” in our Group going forward! Having said that, we must think seriously about how best to capitalize on our diverse group of individuals, translating their capabilities into Group strengths. Let us achieve our Group’s strategic objectives by implementing HR strategies! I hope you can keep our people inspired in many ways through leading by example.



Increasing the Potential of Our People with Group Synergies

Examples of Synergy from Collaboration within the Group

Through Tokio Marine Holdings, Inc. and its 245 subsidiaries and 32 affiliated companies (as of March 31, 2016) that operate around the world, Tokio Marine Group conducts a broad range of operations in the domestic non-life insurance business, domestic life insurance business, international

insurance business, and financial and general businesses.

To maximize the diverse strengths of the Group, we aim to create lateral linkages among the functions of each Group company, providing greater value to customers and other stakeholders.

Tokio Marine & Nichido × **Tokio Marine & Nichido Life** = **Comprehensive Product Proposals for Meeting Customer Needs**

Tokio Marine & Nichido, which is a non-life insurance company, and Tokio Marine & Nichido Life have a strong belief in our core value of protecting customers with both life and non-life insurance. Employees at both companies work together to implement various initiatives to realize this goal.

Under one such initiative, employees of Tokio Marine & Nichido receive training from Tokio Marine & Nichido Life employees, after which they visit customers together with agents and provide total life and non-life insurance consulting.

This allows these employees to obtain in-house certification once they have the required expertise, but also allows them the opportunity to directly hear customer needs and gain experience that deepens their ties with them. In doing so, employees gain a new perspective, which leads to a better

ability to support agents when they are supporting customers in times of need.



Yukari Kutsuzawa
Ota Sub-branch, Gunma Branch
Tokio Marine & Nichido Fire
Insurance Co., Ltd.

“I Felt That Closer Contact Encourages Customers to Be More Open”.

During the in-house certification program, I visited customers together with an agent. Through these visits, we both gained personal experience for making proposals and discovering needs, and as an added benefit the agent was also very appreciative. I felt that closer contact with our customers encourages them to be more open with us.

Tokio Marine Nichido Better Life Service × **Tokai Nichido Partners** = **Utilizing Nursing Care Knowledge in Consulting**

Tokio Marine & Nichido employees are working together to develop a new business domain to address the aging of Japanese society, which will continue to become more pronounced in the future. Their aim is “to protect customers as a whole Group by providing a sense of safety and security so they can lead full and comfortable lives in society”.

One new initiative in this area is to collaborate with Tokio Marine Nichido Better Life Service, a domestic Group company that operates a home-visit nursing care business, to leverage its strengths.

Plans are in place for sales staff and care managers to visit customers of Tokai Nichido Partners, a wholly owned agent of Tokio Marine & Nichido, to share information on nursing care

and step-by-step consulting services to make provisions for a later life in nursing care society.



Yoshiaki Sasaki
President
Tokai Nichido Partners TOKIO

“I Intend to Deepen Our Collaboration”.

By deepening our collaboration with Tokio Marine Nichido Better Life Service, we plan to visit customers together with care managers to provide information about nursing care, as well as to hold nursing care seminars.

Tokio Marine & Nichido × **Tokio Marine & Nichido Risk Consulting** = **Mitigating Risk through Advanced Risk Analysis**

Tokio Marine & Nichido is also conducting ongoing efforts with Tokio Marine & Nichido Risk Consulting, working together as a Group to build solutions to provide safety and security to customers.

Tokio Marine & Nichido Risk Consulting was established in 1996 to handle risk management within Tokio Marine Group. The company has worked together with Tokio Marine & Nichido to provide value to corporate customers in areas including

consulting on mitigating risks of traffic accidents, fires and explosions, visualizing and quantifying natural catastrophe risks, support for overseas crisis management, business continuity management, and enterprise risk management (ERM).

As risk management grows in importance, Tokio Marine & Nichido continues to work to reduce risk as much as possible for our clients by leveraging the strengths of Group companies and cooperating with agents while engaging in ongoing dialogue with customers seeking safety.

In ways such as these, Tokio Marine Group's people act as focal points to proactively link the strengths and functions of each Group company and provide customers with solutions from the Group as a whole.

Achieving Aligned Group Management through Mobility Programs

Tokio Marine Group actively supports mobility among Group companies to accommodate the personal ambitions of employees working in each company. The experience of diverse types of work within the Group, transcending company borders, not only helps employees' individual development but also links the strengths of each company. In the past, employees were mostly seconded from Tokio Marine & Nichido to other Group companies, but in recent years there has been a greater flow of employees in the other direction, consistently expanding the opportunities for employee involvement.

Seconded employees who make the most of this valuable experience and leverage the opportunity become more robust in terms of both awareness and conduct. In the process, they grow by acquiring new knowledge as well as a new network. This type of interaction fosters unity throughout the Group, with members of workplaces who receive seconded employees commenting that it has brought positive stimulation and vitalized their organizations.

With the regular staff reassignments in April 2016, Tokio Marine & Nichido welcomed 34 employees from other Group companies. For example, Misato Tsutsui is a fourth year employee at Tokio Marine Assistance, a Group company



“We Are Building Frameworks for Continuous Improvement with Our Customers”.

When people ask what kind of work I do, I tell them “My work is to reduce the number of traffic accidents as much as I possibly can”. We are particularly conscious of building frameworks for continuous improvement with our customers, even when a consultant is not routinely involved.

Shingo Watabe
Automobile Risk Division
Tokio Marine & Nichido Risk Consulting Co., Ltd.

that provides road assistance and other services for auto insurance policyholders of Tokio Marine & Nichido. She was seconded to the Claims Service Department of Tokio Marine & Nichido, where her duties include insurance company claims services, such as compensation for damages to counterparties and payment of automobile repair expenses. Coordination with the Tokio Marine & Nichido Claims Service Department is indispensable for providing efficient vehicle transport from towing companies and emergency response services. Having Ms. Tsutsui become thoroughly familiar with claims services will make it possible to further raise the quality of the company's comprehensive services. As employees get to know each other's jobs through personnel exchanges, we expect to generate synergy from leveraging employee growth and the strengths of both companies.

To further increase the total strength of Tokio Marine Group, we believe it is important to raise the motivation and capabilities of every employee at each Group company so they can play an active part. By combining each employee's growth with internal Group collaboration, we will support our employees as they take on their challenges to achieve aligned Group management.



“I Will Use What I Have Learned at Tokio Marine & Nichido to Give Back to Customers”.

Although I have often been in contact with customers immediately after accidents in the past, I would like to get an overall perspective on handling accidents up to the settlement stage at Tokio Marine & Nichido. I also want to provide seamless and pleasant services to customers as a whole Group.

Misato Tsutsui
Kanagawa Claims Service Department
Tokio Marine & Nichido Fire Insurance Co., Ltd. (Seconded from Tokio Marine Assistance)



“Strengthening Collaboration Will Further Improve Service Quality”.

We provide security to customers by leveraging the various strengths of many different Group companies when settling automobile accident claims. We have high hopes for Ms. Tsutsui's role as a bridge between companies, which should strengthen collaboration and thus further improve the quality of our services.

Takako Kikuchi
Manager, Kanagawa Claims Service Department
Tokio Marine & Nichido Fire Insurance Co., Ltd.

Promoting Active and Equal Participation

Each of the companies in Tokio Marine Group is building a corporate culture that facilitates the active participation and growth of female employees and other diverse human resources. The Group's overall efforts for promoting the active participation of women have been recognized with the selection of Tokio Marine Holdings as a "Nadeshiko Brand", which denotes listed companies that encourage women's success.

With its fundamental three-pronged approach of setting expectations, conducting training and providing opportunities, Tokio Marine & Nichido offers an environment that allows women to take on challenges according to their own desires and abilities. Measures include assigning duties based on each individual's career vision, year-round on-the-job training, interdepartmental staff reassignments and additional elective training. To create conditions where women participate in corporate and organizational decision-making, the company has increased the number of women in management-level positions by approximately 25 times, from eight in fiscal 2004 to 202 in fiscal 2016.

Tokiko Inoue, General Manager of the Commercial Lines Claims Department, is one employee who has broadened the scope of her work by taking on the new challenge of an overseas position. After joining the company, Ms. Inoue worked initially in domestic freight claim services. From July 2012 to March 2016, she was appointed to the position of president of TM Claims Service Europe Limited, Tokio Marine & Nichido's local claims service corporation in Amsterdam. Ms. Inoue provided value-added services including claims services and loss prevention for corporate customers, and restructured the claims service organization. At the same time, she gained valuable personal experience by learning overall management skills and broadening the scope of her career.

For its Area Course¹ employees, Tokio Marine & Nichido has established The Job Request System, a framework to enable overseas employment for a limited period.

Another notable example of an employee who is taking a pioneering role in a Tokio Marine Group company is Miho Haraguchi of the Kyushu No. 2 Sales Department and Sasebo Service Branch² of Nisshin Fire & Marine Insurance. After joining the company, she served as an Area Course employee, and her work involved supporting agents and expanding the agent network in Kumamoto Prefecture. As she gained career experience and became more interested in expanding her activity and contributing to development across a wider region, she switched positions to become a wide-area employee, which may require relocation within a certain geographical region. She later worked in the cities of Isahaya and Kumamoto and now leads a team of 10 employees. Her daily responsibilities include working with 120 insurance agents to help them meet their goals.

1. Employees who are not subject to transfers that would require relocation without their consent

2. A combined sales department and claims payment department

Number of Female Managers at Tokio Marine & Nichido



Tokiko Inoue
Commercial Lines Claims
Department
Tokio Marine & Nichido Fire
Insurance Co., Ltd.

"I Will Further Promote the Active Participation of Other Global Human Resources".

My wide-ranging experience, encompassing the overall management of an overseas subsidiary as well as expanding my network in European countries, has been a valuable asset for me. I hope to use this experience to help further promote the active participation of other global human resources.



Miho Haraguchi
Sasebo Service Branch
Nisshin Fire & Marine
Insurance Co., Ltd.

"I Can Be of Service by Putting the Customer above All Else".

It is now my job, my mission and my pleasure to make the most of the strengths of the service branch to provide our customers with high-quality products and services, never forgetting the basic principle of putting the customer above all else. I want to continue taking on new challenges.

A Vision That Supports Global Growth

Across the globe, the vision our Group aims toward is “To Be a Good Company”.

At Group companies around the world, Group CEO Tsuyoshi Nagano has been speaking enthusiastically about the idea and practice of implementing our goal to be a “Good Company”. We have also recorded messages by Group companies’ CEOs from across the globe for a program called “The CEO Series” and have been making them available throughout the Group to help spread this vision.

Tokio Marine Group has seen rapid globalization over the past decade. Today some 36,000 people work in the Group worldwide, about one-third of whom are non-Japanese employees.

One of the threads that connects all of these employees is the Group vision, “To Be a Good Company”.

Using a variety of tools including messages from management, training, in-house satellite broadcasts, letters, e-mail, and customer materials, we are working so that employees of every company in the Group, adopt, practice and live this vision.

In fiscal 2015, we established the Good Company Awards, which recognize superior achievement pursuing the values of a Good Company and the employees who promote them. They were recognized in the three categories that together form to create the Good Company concept: “Look Beyond Profit”, “Empower Our People”, and “Deliver on Commitments”.

At a ceremony held in April 2016, Group CEO Tsuyoshi Nagano presented trophies to 12 award winners who came to Headquarters in Japan for the event. On the following day, Group CEO Nagano met with the recipients for a dialogue session to discuss their experiences in implementing the “Good Company” vision in their daily work.



The CEO Series

This type of interaction, information sharing and discussion will further spread the “To Be a Good Company” vision within the Group, and the Human Resources Department will continue to provide its full support. In the future, we will continue promoting this “Good Company” vision and always remain an indispensable partner for safety and security for our customers and society.



Good Company Awards



Operations Section

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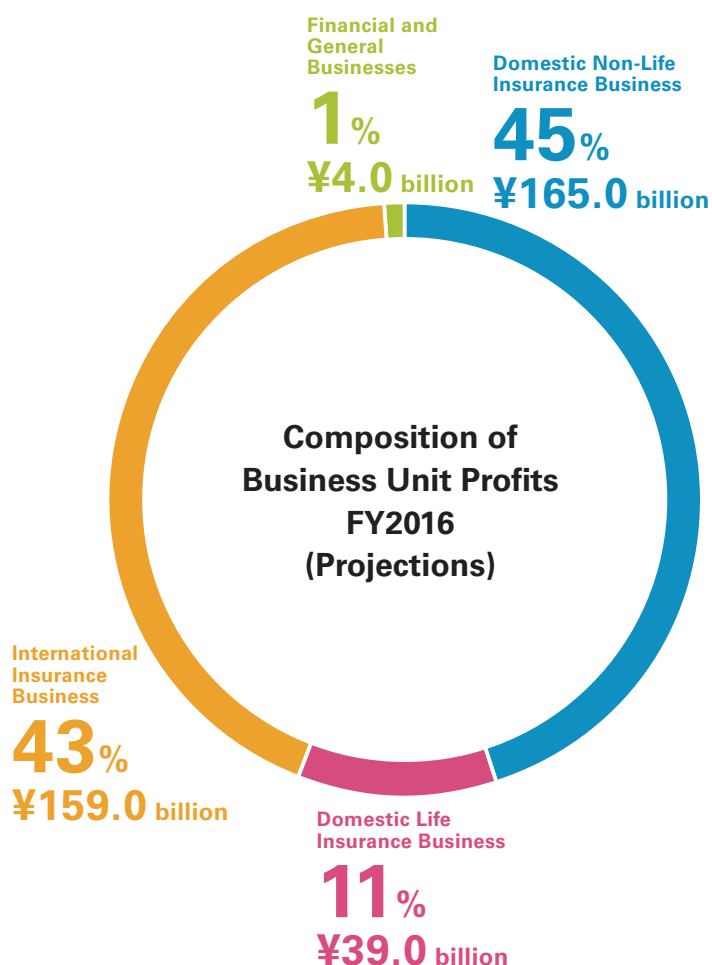


In order to provide value to all our stakeholders, we will enhance the comprehensive capability of the Group through growth of our four businesses leveraging the unique strength of each business.



Tokio Marine Group at a Glance

Tokio Marine Group consists of Tokio Marine Holdings and 245 subsidiaries and 32 affiliates worldwide, operating extensively in the non-life insurance business, life insurance business, and financial and general businesses.



Domestic Non-Life Insurance Business

With Tokio Marine & Nichido as the core company, which was established in 1879 as Japan's first non-life insurance company, we provide products and services that meet our customers' needs from our extensive product lineup and diverse services.

Domestic Life Insurance Business

Tokio Marine & Nichido Life, which commenced operations in 1996 to promote a "customer-oriented" and "innovative and efficient" life insurance business, provides products and services that accurately meet customer needs through the integrated life and non-life business model.

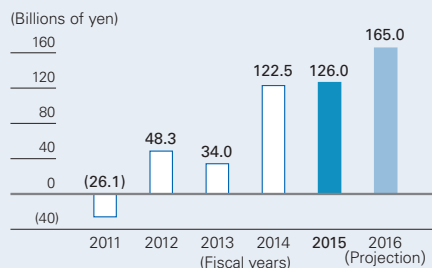
International Insurance Business

The international insurance business promotes balanced growth in both developed and emerging markets to enhance risk diversification and capital efficiency, aiming for sustainable growth and profit expansion as the Group's growth driver.

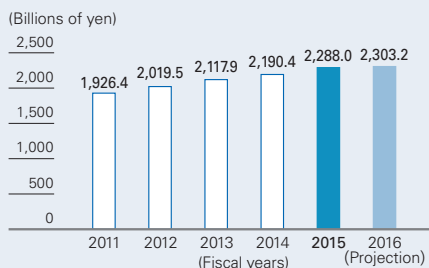
Financial and General Businesses

Leveraging the know-how we have accumulated in the Group and maximizing the comprehensive capabilities of the Group, we conduct operations to deliver a new level of "safety and security" to customers that goes beyond conventional insurance products.

Business Unit Profits



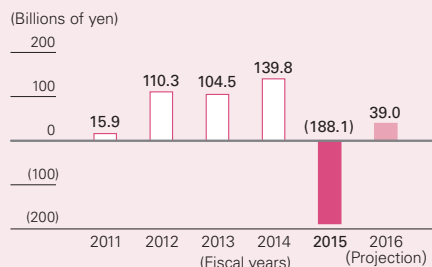
Net Premiums Written



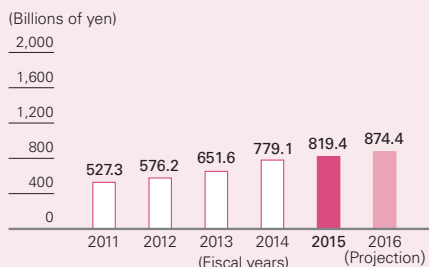
Value Creation in Local Communities

- Disaster prevention and environmental awareness activities: "Disaster Prevention Lessons" and "Green Lessons" at schools and the "Children's Environmental Award"
- Support for the recovery of disaster-affected areas (volunteer tours, etc.)
- Industry-academia collaborative research
- Initiatives for reducing our environmental footprint and achieving carbon neutral status
- Reduction of our environmental footprint through the introduction of a discount for paperless, Internet-based insurance policies
- Mangrove planting and domestic environmental protection activities through the "Green Gift" Project

Business Unit Profits¹



Life Insurance Premiums²

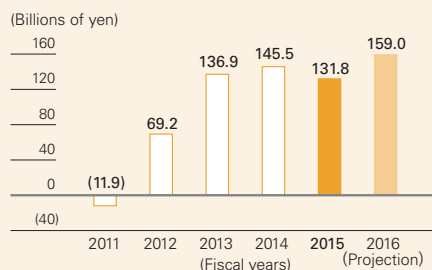


1. Adjusted earnings (traditional embedded value basis) for figures to fiscal 2014 and business unit profits (market consistent embedded value basis) for fiscal 2015.
2. Total of Tokio Marine & Nichido Life and former Tokio Marine & Nichido Financial Life

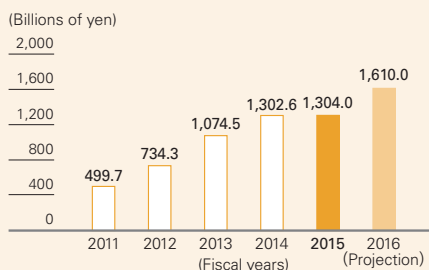
Value Creation in Local Communities

- Activities to protect customers from cancer
- The Pink Ribbon Movement: on-the-street campaigns to raise awareness of breast cancer detection
- Support for cancer patients undergoing chemotherapy by donating hand-made terry cloth caps
- Promoting Dementia Supporters Training Programs for employees
- Scholarships for university and other students
- Education support for children before entering elementary school

Business Unit Profits



Net Premiums Written



Value Creation in Local Communities

- PHLY 80K Trees: partnership with the Arbor Day Foundation to plant 80,000 trees to reduce the risk and damage caused by disasters
- Cultural education activities and a job training program for children in Philadelphia
- Support for interns from the City of London Business Traineeship Programme
- Holding sports events for local communities
- Education support for children in China
- Promoting Blood Donation Drive in India

Financial Business

Tokio Marine Asset Management Co., Ltd.¹
Investment advisory and investment trust services

Tokio Marine Capital Co., Ltd.
Private equity investment services

Tokio Marine Mezzanine Co., Inc.
Mezzanine fund services

and others

General Business

Tokio Marine & Nichido Risk Consulting Co., Ltd.
Risk consulting services

Tokio Marine & Nichido Career Service Co., Ltd.
Comprehensive personnel services

Tokio Marine & Nichido Facilities, Inc.
Facility management services

Tokio Marine & Nichido Medical Service Co., Ltd.
Healthcare services

and others

Tokio Marine Nichido Better Life Service Co., Ltd.²
Senior citizen-related services

Tokio Marine Assistance Co., Ltd.
Assistance services

Tokio Marine & Nichido Anshin Consulting Co., Ltd.
Insurance agent services

Value Creation in Local Communities

- Initiatives for sustainable investment
- Promoting the employment of the challenged
- Promoting usage of recycled parts for automobile repair
- Local philanthropic activities to be a society-friendly company
- Cleaning activities in the neighboring areas of offices and facilities

1. Scheduled to merge with Tokio Marine Property Investment on October 1, 2016
2. Merged with Tokio Marine Nichido Samuel on July 1, 2016

Domestic Non-Life Insurance Business

Market Environment (Opportunities and Risks)

In fiscal 2016, amid the rise of global economic uncertainty, Japan's economy is expected to recover moderately mainly led by personal consumption and capital expenditures with the enhanced monetary easing measures including a negative interest rate policy.

The domestic non-life insurance market is expected to continue expanding moderately with the rally in domestic demand. On the other hand, the business environment is expected to change substantially due to factors including a

changing market structure associated with demographic shifts, climate change and more frequent natural catastrophes, and trends in international supervisory regulations. In addition, customer needs and the roles expected of insurance companies may change materially due to various technological innovations. We view these changes in the business environment as opportunities, and are working on various strategies under the mid-term business plan.

Business Overview and Strengths

We conduct our non-life insurance business throughout Japan with Tokio Marine & Nichido as the core company, which was established in 1879 as Japan's first non-life insurance company, together with Nisshin Fire, E. design Insurance, Tokio Marine Millea SAST Insurance, Tokio Marine West SAST Insurance and other companies.

Tokio Marine & Nichido handles an extensive product lineup that meets various customer needs and is gaining trust from customers for its own unique strengths, such as

Super Insurance, which provides integrated life and non-life coverage tailored to each customer's needs.

We provide products and services that best meet our customers' needs using the unique expertise and strengths of each group company: Nisshin Fire focuses on the retail market; E. design Insurance on the direct sales market; and Tokio Marine Millea SAST Insurance and Tokio Marine West SAST Insurance on the rental housing and tenant market.

Group Company Positioning and Overview

Agent Sales	Tokio Marine & Nichido	Conducts strategies including rolling out high-quality services utilizing TNet, etc. and consulting sales, with a lineup of diverse products that meet the needs of customers. Full-time agents, corporations, auto dealerships and non-dedicated agents are its main sales channels.
	Nisshin Fire	Focuses on the personal and small-sized corporate market to conduct unique product and channel strategies through small and medium-sized full-time agents and non-dedicated agents as the main sales channels
	Tokio Marine Millea SAST Insurance/ Tokio Marine West SAST Insurance	As a small-amount and short-term insurer specializing in real estate leasing, provide insurance products for rental housing and tenants, mainly through real estate agents
Direct Sales	E. design Insurance	Strategic non-life insurance company for customers selecting based on price with direct, non-face-to-face sales

Financial Highlights

Business Unit Profits

(Billions of yen)

	FY2013	FY2014	FY2015	FY2016 (Projections)
Domestic Non-Life Insurance Business Total	34.0	122.5	126.0	165.0
Tokio Marine & Nichido	35.0	113.7	120.0	158.0
Nisshin Fire	2.7	12.2	8.8	7.0
Others	(3.7)	(3.4)	(2.7)	(1.0)

Initiatives at Group Companies

Tokio Marine & Nichido

Toshifumi Kitazawa
President & Chief Executive Officer
Tokio Marine & Nichido Fire Insurance Co., Ltd.



Progress of the Mid-Term Business Plan

Under the mid-term business plan, Tokio Marine & Nichido is working on “enhancement” (establish a solid business platform), “proactive measures” (strengthen R&D to meet future challenges) and “continuous enhancement of profit growth” (strengthen underwriting discipline and pursue business efficiency), to achieve compound annual growth rates of approximately 2% in net premiums written and approximately 3% in business unit profits.

In fiscal 2015, as a result of steady implementation of the strategies set in the plan, net premiums written increased in all lines, primarily in auto and fire, to reach 2,128.3 billion yen, an increase of 4.5% year on year. In fire, net premiums written recorded an 11.9% increase due to policy reviews by customers before the product revision, among other factors. Business unit profits were 120.0 billion yen, with an increase of 6.3 billion yen year on year mainly due to an increase in investment income, despite an increase in net incurred losses relating to natural catastrophes such as typhoons.

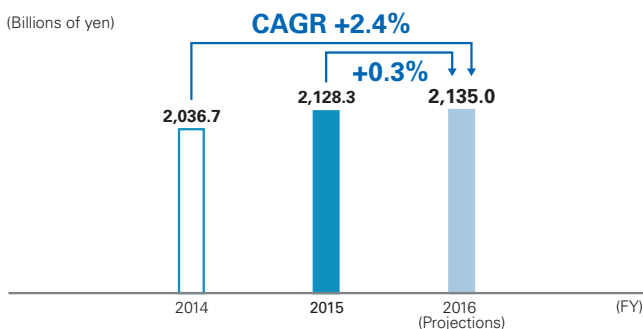
In fiscal 2016, the growth rate of net premiums written is projected to stay at 0.3% due to the reversal effect of an increase in fiscal 2015 because of the policy reviews by customers before the fire insurance product revisions. However, the compound annual growth rate (CAGR) from fiscal 2014 is projected to be 2.4%, which shows steady top-line growth in line with the mid-term business plan. As for business unit profits, because of factors including the reversal effect of an increase in natural catastrophe losses in fiscal 2015, we project a year-on-year increase of 38.0 billion yen, which will exceed the mid-term target of approximately +3% CAGR*. Moreover, our combined ratio is projected to be stable as a result of measures implemented to improve profitability.

We will continue to increase sustainable growth potential by establishing a solid business platform with the promotion of “enhancement” of our customer base and the “innovation in work style” that will support it, as well as by working to strengthen R&D for future growth as our “proactive measures”.

* CAGR from fiscal 2014 on a normalized basis (approximately 120.0 billion yen), in which effect of FX rate is excluded and natural catastrophe losses are normalized to an average annual level

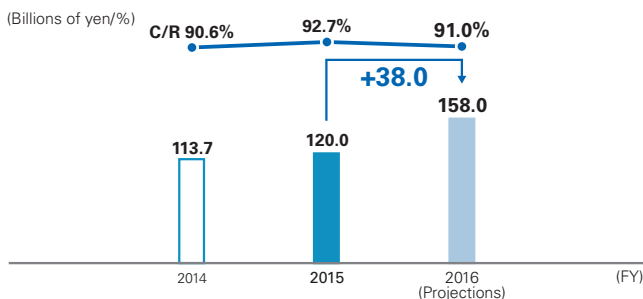
Net Premiums Written

(Billions of yen)



Business Unit Profits, Combined Ratio (Private Insurance, E/I Basis)*

(Billions of yen/%)



* Loss Ratio (Private Insurance E/I Basis) + Expense Ratio (Private Insurance W/P Basis)
Note: E/I = Earned incurred basis, W/P = Written paid basis

Financial Highlights

	FY2014	FY2015	Year-on-Year Change	FY2016 (Projections)	Year-on-Year Change
Net premiums written (All Lines Total)	2,036.7	2,128.3	91.5	2,135.0	6.6
Underwriting profit	59.9	13.8	(46.0)	122.0	108.1
Net investment income	218.8	371.4	152.5	208.0	(163.3)
Ordinary profit	264.0	377.2	113.1	309.0	(68.2)
Net income	185.3	301.6	116.2	245.0	(56.6)
					(%)
Loss Ratio (Private Insurance E/I Basis)	58.5	60.1	+1.6	58.3	(1.8)
Expense Ratio (Private Insurance W/P Basis)	32.2	32.6	+0.4	32.7	+0.1
Combined Ratio (Private Insurance E/I Basis)	90.6	92.7	+2.0	91.0	(1.7)

“Enhancement” (Establish a Solid Business Platform)

“Enhancement” is a strategy to significantly enhance the value we deliver to customers through every opportunity, from proposals that integrate life and non-life insurance to claims service for accidents and other areas, to become “the best choice” for our customers.

Further Integration of the Business Model for Life and Non-Life



Super Insurance is our unique all-in-one life and non-life insurance product that we developed and launched in 2002 with the concept of providing customers and their families with lifelong security. Positioned as the core of our integrated life and non-life business model, *Super Insurance* has been gaining customers support to reach 1.92 million

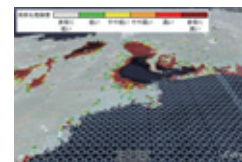
in-force policies as of March 31, 2016, more than doubling over the past five years. Data shows that the renewal ratio for auto insurance of *Super Insurance* is higher than for regular auto insurance. By expanding the Comprehensive Discount for *Super Insurance*, we will further enhance cross-selling and the renewal ratio.

Advancing Risk Consulting Services

- Strengthen disaster countermeasures and provide BCP planning services based on earthquake disaster prevention plans
- Identify risks and provide solutions for Japanese companies expanding businesses overseas

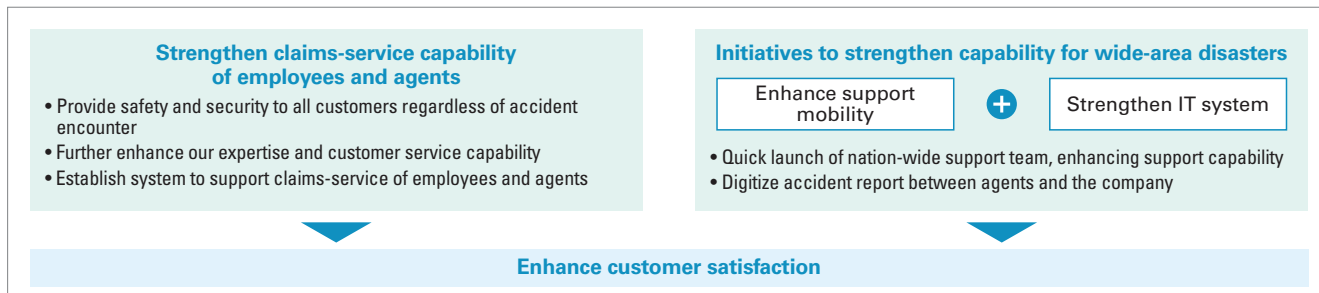
As an initiative for advancing our risk consulting services, we not only propose insurance but also provide consulting services, etc. that meet customer needs by leveraging the Group’s comprehensive ability. We are strengthening disaster countermeasures and providing BCP planning services based on earthquake disaster prevention plans. In addition, for Japanese companies expanding businesses overseas,

we identify risks and provide solutions. We are also strengthening cooperation with local governments to help improve the effectiveness of regional disaster countermeasures.



Liquefaction Susceptibility Map for Nankai-Tonankai-Tokai Earthquakes

More Edge to Our Claims-Services



To give more edge to our claims-services, we are raising their quality with the aim of being our customers’ choice for claims services. We are strengthening our customer support not only when an accident occurs but at all times. For example, we advise customers on the appropriate response at the time of an accident

using tablet PCs when selling insurance. In addition, to deal with wide-area disasters, which have been increasing over the past few years, we have been working to improve our response capability by enhancing support mobility and strengthening our IT system.

Innovation in Work Style

“Innovation in work style” means raising productivity through utilizing IT and business process reform to enhance our capability to respond to customers. We are working to reduce office work and allocate the newly created time to sales promotion by actively utilizing tablet PCs, the “next-generation business model,” and promoting business process reform.

Higher Productivity through Utilizing IT and Business Process Reform



“Proactive Measures” (Strengthen R&D to Meet Future Challenges)

For “proactive measures,” we are strengthening R&D to capitalize on changes in the business environment and offering products and services that address changing business environment and customer needs.

For auto insurance, to provide customers with new added value such as preventive safety and loss reduction measures, we have started offering “Drive Agent” and automatic accident report service. As a result of technological innovations such as autonomous vehicles, it is possible that various parties such as auto manufacturers, competent authorities for traffic control and telecommunications companies will assume liability for an accident, and new roles will also be expected for insurance companies. Since legal responsibilities at the time of an accident will be complex, we are moving ahead with research and studies

through participation in demonstration tests on public roads.

In addition to these technological innovations, responding to the growing number of foreign tourists visiting Japan, we started a multi-language service for new travel insurance that foreign tourists can apply for over the Internet after arriving in Japan.

Looking ahead to the 2020 Tokyo Olympic and Paralympic Games, globalization and technological innovation in Japan is expected to accelerate. We have established divisions responsible for initiatives related to the Olympic and Paralympic Games and for promotion of regional development, and will continue promoting initiatives that anticipate changes in the business environment and customer needs. We will continue to contribute to the Japanese economy and vitalization of local communities to achieve sustainable profit growth in the domestic non-life insurance business.

Auto

Providing new value such as preventive safety and loss reduction measures


Drive Agent (for corporate clients)

- Advanced accident response service
- Consultation on safe driving
- Accident prevention functions

Note: For details, please refer to “Creating Social Value through Business” on this page.

Automatic Accident Report Service
(for individual customers)

- Automatic accident reporting process using beacon technology



Responding to evolving risks

New Roles for Insurance Companies

- Study and research on legal responsibilities relating to accidents
- Participation in demonstration tests on public roads for autonomous vehicles and development of specialized insurance package

Increase in Inbound Tourists

Number of Foreign Tourists Visiting Japan*

(Millions of people)



Year	Number of Foreign Tourists (Millions)
2011	~4
2012	~6
2013	~8
2014	~11
2015	~16

* Source: Japan National Tourism Organization

Inbound Insurance & Services

- New travel insurance for foreign tourists after arriving in Japan, applicable through smart phones
- Multi-lingual interpretation services for business organizations



Creating Social Value through Business

Providing Safety and Security through the Development of “Drive Agent”

Tokio Marine & Nichido has capitalized on the recent remarkable technological innovations of telematics, the Internet of Things (IoT) and autonomous vehicles to proactively apply these new technologies. As part of these efforts, we developed and launched Drive Agent, an advanced telematics service, in February 2016. We collaborated with an electronics company on this new technology to provide greater safety and security to customers and society, contributing to raising awareness of traffic safety and reducing accidents. Drive Agent utilizes a rearview mirror telematics unit equipped with a communication module and driving recorder for capturing and recording front-view images to provide 1) advanced accident response services, 2) consultation on safe driving, and 3) accident prevention functions such as issuing lane departure warnings. In particular, our advanced accident response service makes full use of telematics

technology to issue an automatic accident report to an insurance company, which reduces customer concerns after an accident.

For many companies using cars in business, it is increasingly necessary to create a system for safe driving, operation management and accident prevention. We will continue to conduct studies and research in this field and will take on new challenges to realize our corporate philosophy of providing “safety and security”.



- Built-in 5-inch touch panel display
- User-friendly interface similar to that of smartphones for simple tapping



- Built-in wide-angle camera facing the windshield installed on the back
- Able to record video and detect departures from the traffic lane, etc.

Initiatives at Group Companies

Nisshin Fire

Masato Murashima
President
Nisshin Fire & Marine Insurance Co., Ltd.



Progress of the Mid-Term Business Plan

Nisshin Fire is a non-life insurance company established in 1908. Nisshin Fire provides simple, easily comprehensible insurance products to customers through 13,870 agents (as of March 31, 2016) with the aim of becoming the most familiar and trusted retail non-life insurance company.

Under the mid-term business plan, we are accelerating selection and concentration of business by focusing on the personal and small-sized corporate market while maximizing group synergies, and enhancing competitiveness (profit growth potential) through unique products and channel strategies in the retail market.

In particular, we are working on the “Nisshin Model”, a business model to provide simple, easy-to-understand products and high-quality claims services together with our agents, who are deeply rooted in their communities and trusted by their customers.

In fiscal 2015, net premiums written increased by 1.5% year on year to 138.6 billion yen. Net income was 6.1 billion yen.

For fiscal 2016, we project that net premiums written will increase by 1.6% year on year to 140.8 billion yen and net income will be 4.3 billion yen.

Financial Highlights

(Billions of yen)

	FY2014	FY2015	Year-on-Year Change	FY2016 (Projections)	Year-on-Year Change
Net premiums written (All Lines Total)	136.6	138.6	2.0	140.8	2.1
Underwriting profit	14.7	7.8	(6.8)	5.2	(2.6)
Net investment income	3.1	2.1	(0.9)	1.9	(0.2)
Ordinary profit	17.6	9.7	(7.9)	6.4	(3.3)
Net income	12.5	6.1	(6.4)	4.3	(1.8)

E. design Insurance

Tsukasa Inadera
President
E. design Insurance Co., Ltd.



Progress of the Mid-Term Business Plan

E. design Insurance is a direct non-life insurance company jointly established by Tokio Marine Group and the NTT Group in June 2009. E. design Insurance provides auto insurance via the Internet to customers who use the Internet to find the insurance best suited to their needs.

Under the mid-term business plan, we are working to further enhance quality in areas such as accident response services and our call center while making our website even

more convenient with the aim of “being the number one direct insurer in terms of customers’ choice”.

In fiscal 2015, net premiums written increased by a substantial 24.2% year on year to 21.0 billion yen.

We will work to further increase premiums written while improving our loss ratio and administrative efficiency to achieve profitability.

Financial Highlights

(Billions of yen)

	FY2014	FY2015	Year-on-Year Change
Net premiums written (All Lines Total)	16.9	21.0	4.0
Underwriting profit	(4.2)	(3.2)	0.9
Net investment income	0.0	(0.0)	(0.0)
Ordinary profit	(8.0)	(7.1)	0.9
Net income	(8.0)	(7.1)	0.9

Domestic Life Insurance Business

Market Environment (Opportunities and Risks)

Japan's life insurance market is one of the largest in the world and the environment in which the life insurance business operates is expected to change significantly due to factors such as aging societies and advances in medical technology. As a result of these changes, a potential market is coming to light in the field of living protection, such as nursing care, inability to work, home care and outpatient treatment, which are not fully covered by conventional medical insurance or death insurance. We believe that we can achieve further growth by developing this market. Moreover, future revisions to the social security system are under discussion in Japan, and private-sector life insurance is likely to assume a greater role in Japan as a provider of personal coverage that complements the social security system.

Due to the introduction of a negative interest rate policy, etc., interest rates have declined precipitously in Japan, causing a decline in investment yield, etc. This low interest rate environment is expected to continue for the time being. Under such conditions, we are appropriately controlling interest risk through ALM (asset and liability management) and taking flexible measures including global investment diversification.

As for living protection, which is mainly covered by the third-sector lines, other life insurance companies are also developing new products and strengthening sales to take advantage of the growth potential in this market. We will continue working to develop attractive, highly unique products with added value with the aim of further growth while maintaining profitability.

Business Overview and Strengths

Tokio Marine Group entered the domestic life insurance business by establishing Tokio Marine & Nichido Life in 1996 to promote a "customer-oriented" and "innovative and efficient" life insurance business. This fiscal year marks the milestone of its 20th anniversary. The company has grown steadily in scale with the trust of its many customers and has consistently achieved high growth significantly exceeding the market.

Aiming to be "the leading life insurance company in Japan", Tokio Marine & Nichido Life offers a sense of security to as many customers as possible through life insurance. The company continues to provide unique and high-value-added

products and services that accurately meet customer needs through diverse sales channels including a nationwide network of agents and sales staff called Life Partners.

Growth Rate of Number of In-Force Policies at TMNL

CAGR of in-force policies from FY2000 to FY2015¹

TMNL ²	+12.7%
Average of Japanese life insurance market ³	+3.0%

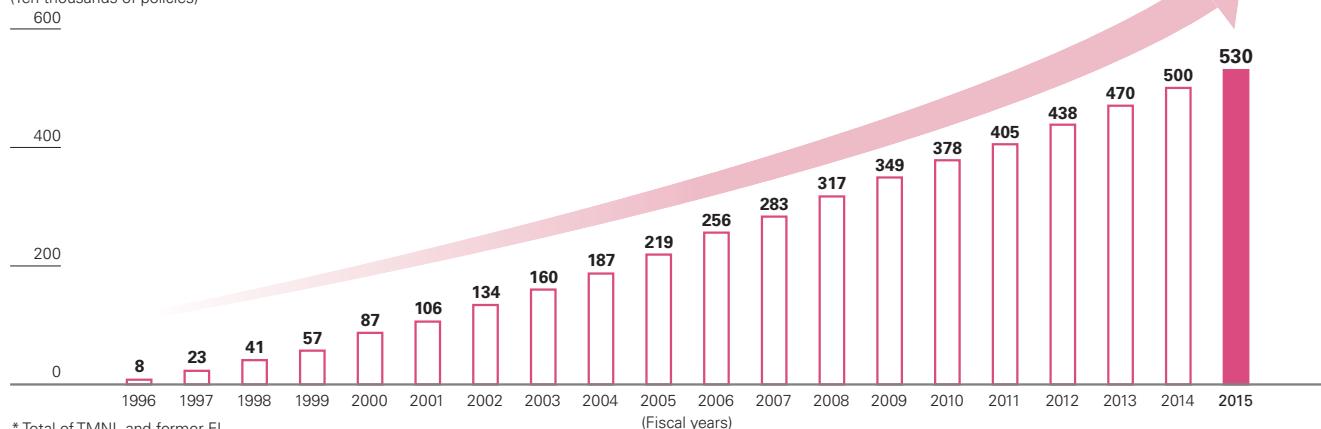
1. Total of individual insurance and individual annuities

2. After merger basis

3. Source: Insurance Statistics (*Seiho Toukeigo*)

Number of In-Force Policies* at TMNL (Total of Individual Insurance and Individual Annuities)

(Ten thousands of policies)



* Total of TMNL and former FL

Initiatives at Group Companies

Tokio Marine & Nichido Life

Shinichi Hirose

President
Tokio Marine & Nichido Life Insurance Co., Ltd.



Progress of the Mid-Term Business Plan

Tokio Marine & Nichido Life is aiming for growth based on financial soundness and profitability by promoting a sales shift from saving-type products to protection-type products under the mid-term business plan.

Regarding new policies, we expanded sales of protection-type products while limiting sales of long-term saving-type products such as individual annuities and “*whole life with long-term discount*”. As a result, annualized premiums for new policies (excluding long-term savings-type products) in fiscal 2015 increased by a substantial 18.3% year on year to 100.4 billion yen. For fiscal 2016, we project 107.1 billion yen in annualized premiums for new policies, with a compound annual growth rate of 12% over the two years from fiscal 2014.

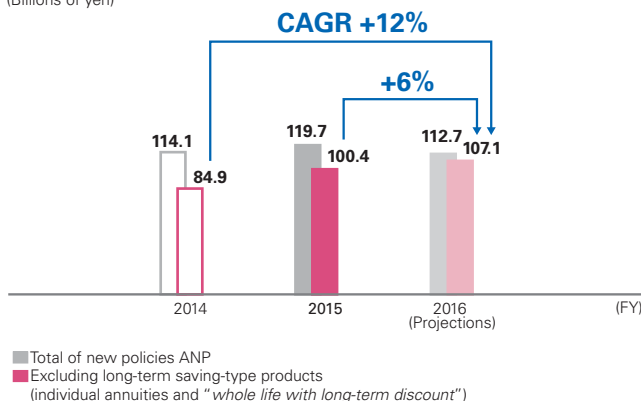
The increase in MCEV*, which we use as business unit profits, was negative 187.4 billion yen in fiscal 2015. Although

the value of new business steadily increased, MCEV decreased due to changes in the economic environment such as a decline in interest rates resulting from the introduction of the negative interest rate policy. Excluding these effects, however, MCEV increased by 115.6 billion yen. For fiscal 2016, MCEV is projected to increase by 39.0 billion yen due to initiatives to increase the value of new business despite the effects of low interest rates. Through measures including continuing to promote the sales of highly original, value-added protection-type products and product revisions based on interest rate fluctuations, we will achieve steady growth while maintaining profitability.

* MCEV (Market Consistent Embedded Value): An index used to assess the value of life insurance business consistent with the market value of financial instruments. Future economic condition is based on assumptions that the market conditions at the end of March 2016 will continue.

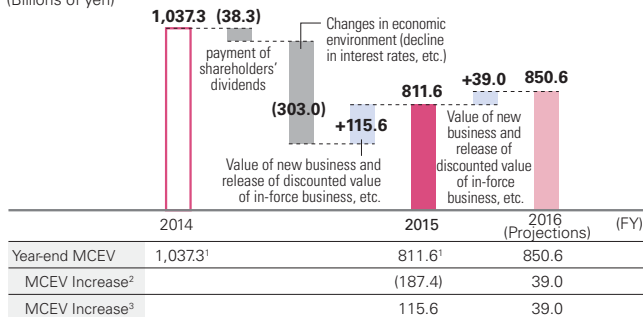
New Policies Annualized Premiums (ANP)

(Billions of yen)



Business Unit Profits (Increase in MCEV)

(Billions of yen)



- Figures for FY2014 and FY 2015 are after payment of shareholders' dividends of the prior fiscal year
- Excluding the effects of payment of shareholders' dividends
- Excluding the effects of payment of shareholders' dividends and changes in economic environment

Outline of Strategy

Promote “Life Insurance Revolution to Protect One’s Living”	<ul style="list-style-type: none"> Expand our unique product line-up (“<i>Premium Series</i>”) which is a source of stable profit, mainly focusing on the increasing demand in the living-protection market Develop highly competitive products that accurately meet the customer needs and thus contribute to the increase in the number of customers Promote sales shift from saving-type products to protection-type products in low interest rate environment
Strengthen growth potential	<ul style="list-style-type: none"> Promote multi-channel strategies with the main focus of unlocking the potential of the integrated business model for life and non-life Strengthen sales channel support by substantially enhancing our sales force
Establish infrastructure for future growth	<ul style="list-style-type: none"> Renovate our new-policy management IT-system which will enable flexible product development as well as establish infrastructure to support the advancement of our insurance business

Promotion of “Life Insurance Revolution to Protect One’s Living”

Tokio Marine & Nichido Life will extend its unique, high-value-added product lineup to continue the “Life Insurance Revolution to Protect One’s Living”*, which it has been promoting since the previous mid-term business plan. We launched three new products: *Cancer Insurance R* and *Cancer Treatment Support Insurance NEO* in July 2015 and *Medical Kit NEO* in November 2015.

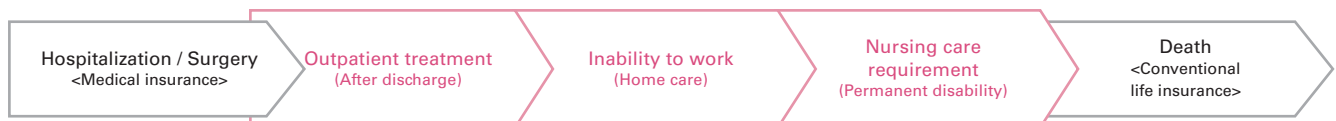
Cancer Insurance R is a product with a similar function to *Medical Kit R*, in which there is a return of premiums and a reserve function that allows lifelong coverage at the same premium as at the time of enrollment. *Cancer Treatment Support Insurance NEO* is a product that enhances the

coverage of the previous version of our cancer support insurance in line with the latest cancer treatments. *Medical Kit NEO* is a product that has basic benefits for hospitalization and surgery at lower premiums, while at the same time offering new, extended benefits including coverage for lifestyle-related diseases. In conjunction with *Medical Kit NEO*, we have also extended the coverage of the existing product *Medical Kit R*.

We will continue to strive to develop and provide attractive products that accurately meet customer needs.

* An initiative to cultivate a potential market for living protection, where needs are expanding due to a society with longer lifespans, by developing and introducing unique, high-value-added products.

Expand and Strengthen Our Unique Product Line-up That Meets the Diverse Customer Needs and Serve as a Source of Stable Profit



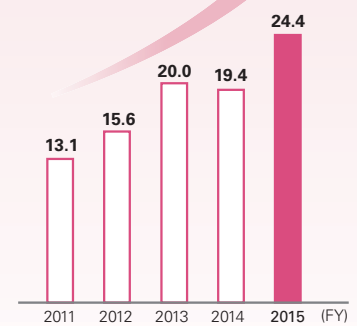
Coverage for Conventionally Untapped Area

- Extend coverage in response to the latest medical treatment
- Proper pricing based on the latest medical data and the streamlining of business operations

FY2015 New Products	<p>がん診断保険R 使わなかった保険料が戻ってくる “新しいカタチのがん保険”</p>	Introduced unique R (return) function	No. of new policies of cancer insurance since its launch in Jul. 2015: 110K (+205% YoY)
	<p>がん治療支援保険NEO 「初めてのがん」にも「長引く通院治療」にもあんしながん保険</p>	In response to the latest medical treatment including chemotherapy	
FY2015 Product Revision	<p>メディカルKit NEO 「短期の入院」も「長期の入院」も「働けなくなったとき」も保障するあなたに合った医療保険</p>	Competitive pricing and flexibility in coverage	No. of new policies of medical insurance since its launch and revision in Nov. 2015: 140K (+142% YoY)
	<p>メディカルKit R 使わなかった保険料が戻ってくる “新しいカタチの医療保険”</p>	Extended coverage in response to the latest medical treatment	

Third-Sector (Medical/Cancer) New Policies ANP

(Billions of yen)



Continue to launch unique products with coverage for untapped area

Strengthening Growth Potential

Tokio Marine & Nichido Life has diverse sales channels consisting of non-life agents, Life Professionals, Life Partners (sales staff) and bancassurance. Under the mid-term business plan, we will achieve growth in each channel by promoting

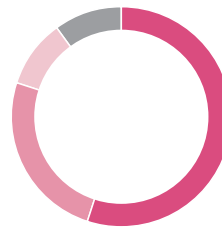
multi-channel strategies with the main focus of unlocking the potential of the integrated business model for life and non-life to deliver attractive products to customers. In addition, we intend to further advance the insurance business by utilizing

the latest devices such as smartphones and tablets, which have rapidly become widespread in recent years. These devices help strengthen our channel support capabilities, making it easier to grasp potential customer needs and make proposals for life insurance and to train sales agents.

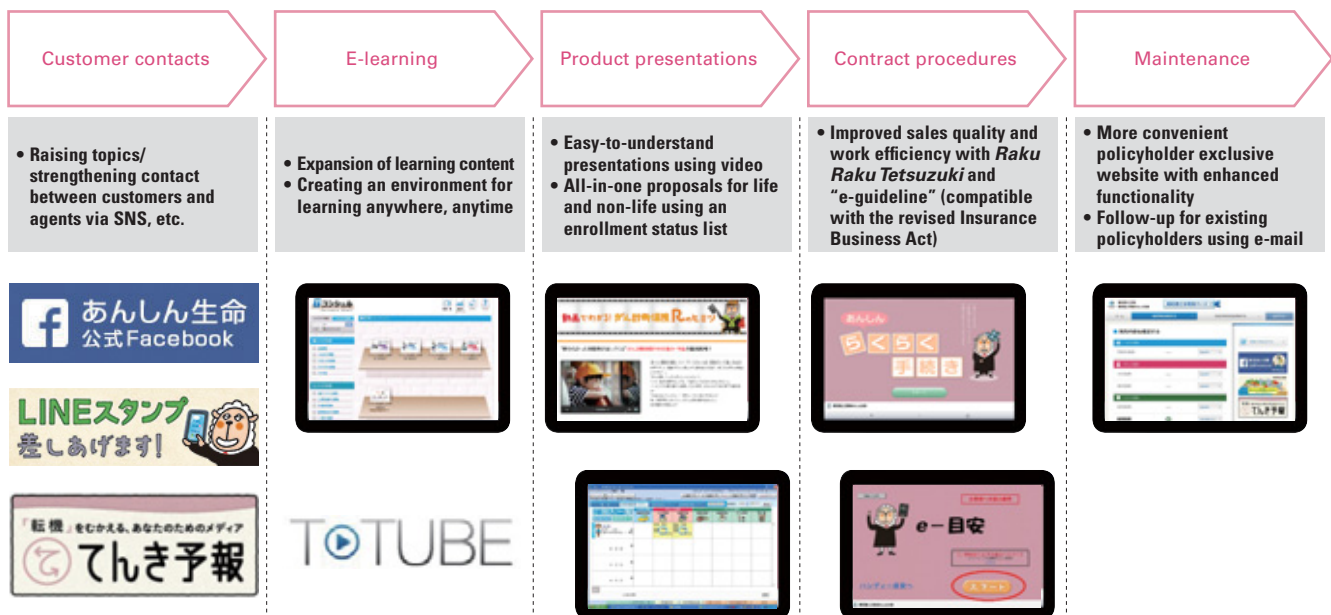
The number of Tokio Marine & Nichido Life's in-force policies exceeds 5.3 million. With the aim of becoming a company with the prospect of eight million, or even ten million in-force policies, we will work on various innovations in product development, sales, business process reform and other areas as "an industry challenger".

Channel Composition

(FY2015 life insurance premiums on managerial accounting basis)



Customer Contact and Sales Capability + Easy-to-Understand Products and Easy-to-Follow Procedures



Creating Social Value through Business

Developing and Providing Living Protection Products and Promoting "Activities to Protect Customers from Cancer"

Due to factors including increased longevity, advances in medical technology and shorter hospital stays, outpatient treatment and nursing care are necessary in more cases after leaving the hospital, and more patients cannot maintain their income level due to aftereffects that prevent them from working as they used to. To protect customers from new risks not covered by conventional medical insurance or death benefits, Tokio Marine & Nichido Life develops and provides products that promote the "Life Insurance Revolution to Protect One's Living".

In addition to developing and providing living protection products, we conduct "Activities to Protect Customers from

Cancer". Employees and agents work together to conduct a variety of initiatives including the "Pink Ribbon Movement" to raise awareness of early detection of breast cancer and support for cancer patients undergoing chemotherapy by making and donating terry cloth caps.

On the occasion of its 20th anniversary, Tokio Marine & Nichido Life will conduct new social contribution activities including educational support for orphaned children through scholarships to students at universities and other schools and by donating educational materials for preschool children. Through these initiatives to support the generation that will bear the future, we will contribute more broadly to local communities and society.



International Insurance Business

Market Environment (Opportunities and Risks)

The global insurance market is currently impacted by the slowdown of the global economy, the decline in interest rates and the decrease in premium rates mainly in the reinsurance market. However, the market is expected to expand over the medium to long term, backed by stable growth in the United States and other developed markets as well as economic development and growth of the middle class in emerging markets, mainly in Asia. Such an external environment represents business opportunities for maintaining and expanding growth for Tokio Marine Group, which has an extensive business network in both developed and emerging markets. On the other hand, the international insurance business could be affected by risks such as the following

associated with its global business development. We are strengthening our market intelligence so that we can take proactive and appropriate measures to respond in the event these risks are generated.

- A drop in demand for insurance associated with the slowdown and weakening of the global economy
- A worsening environment for premium rates associated with softening of the market
- An increase in net incurred losses from natural catastrophes exceeding assumptions in the business plan
- Declining growth or worsening profitability due to the generation of social, political or economic risks in a region where the Group conducts business, etc.

Business Overview and Strengths

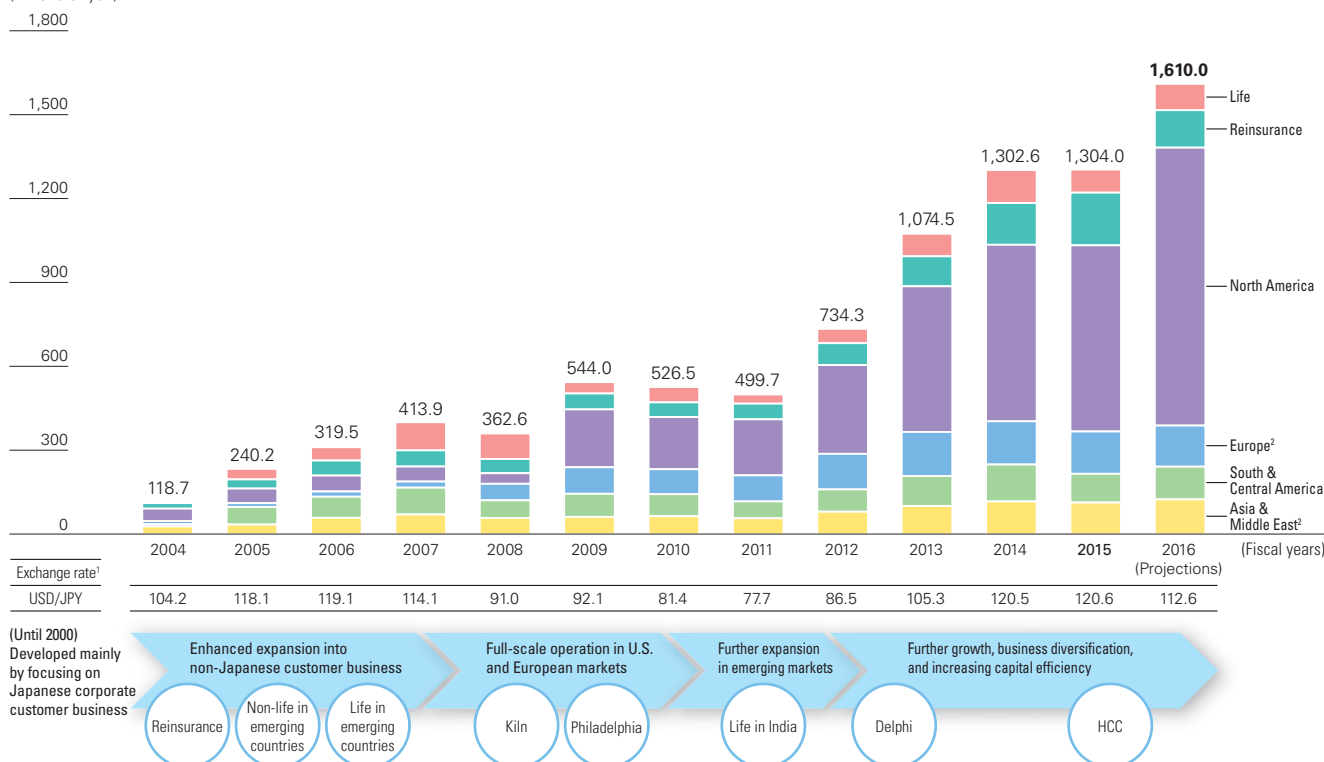
Tokio Marine Holdings conducts business globally from a perspective of both continuing to expand profits and strengthening its business platform through risk diversification in the developed markets of Europe and the United States, which account for approximately 80% of the global non-life

insurance market, and in emerging markets where growth is expected. Tokio Marine Group currently serves 38 countries and regions through offices in 483 cities, achieving a broad network to provide safety and security to customers.

(As of March 31, 2016)

Net Premiums Written in the International Insurance Business

(Billions of yen)

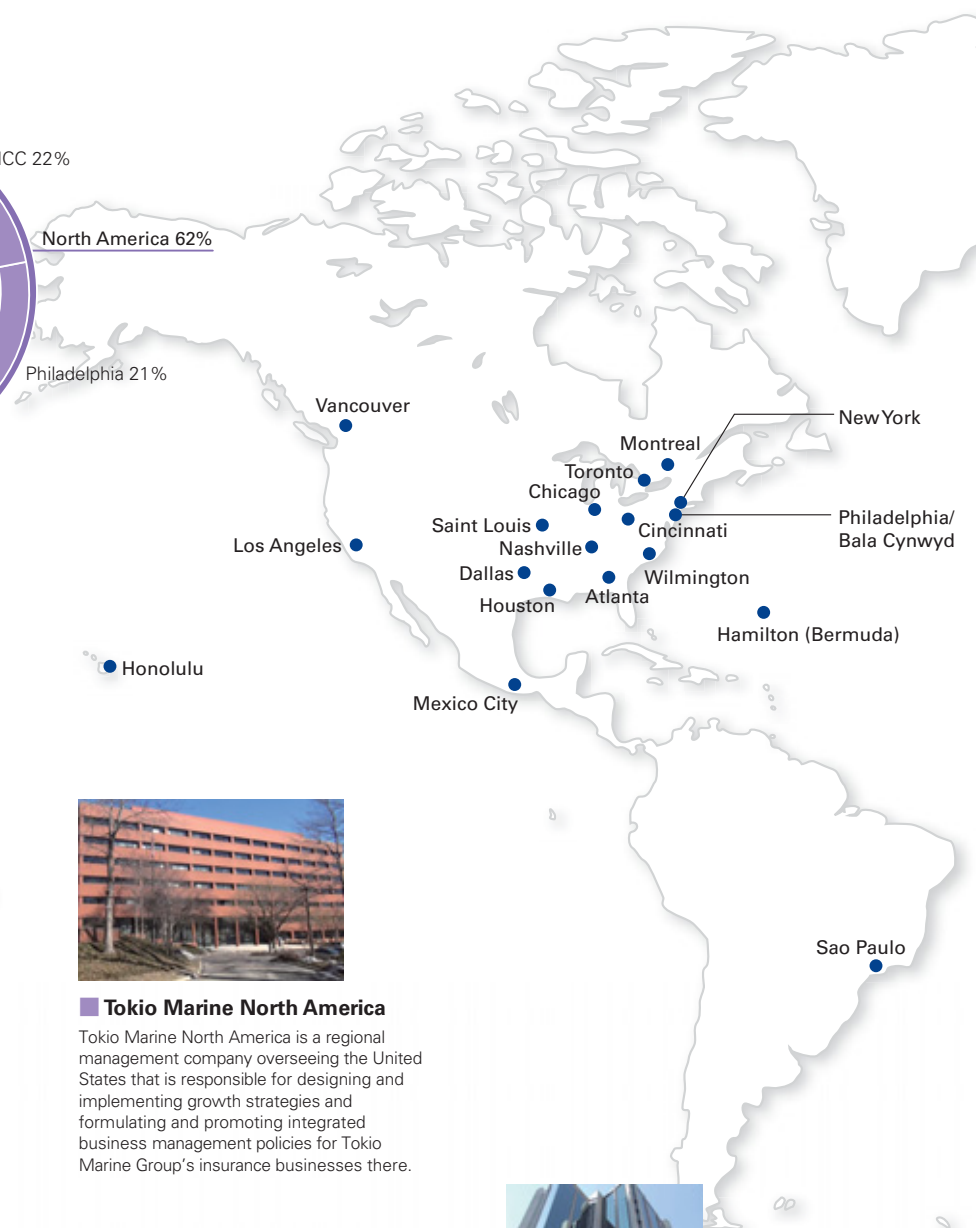
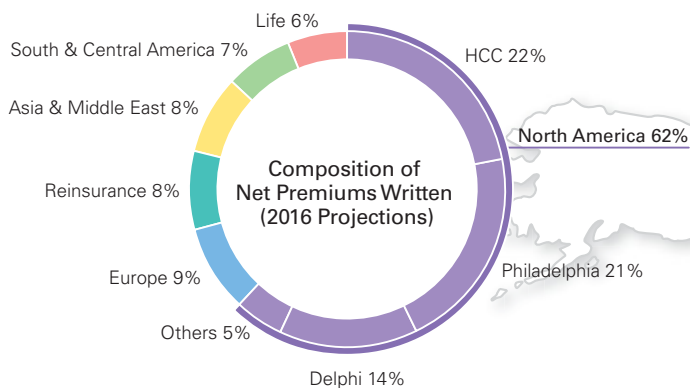


1. FX rates are as of Dec. 31 of each year (FX rate for FY2016 Projections is as of Mar. 31, 2016)

2. Up to FY2015, Middle East is included in Europe. From FY2016, Middle East will be included in Asia

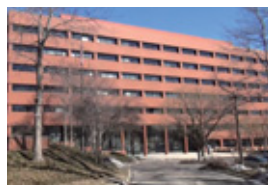
Worldwide Operations

Business Portfolio



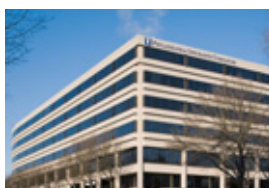
Delphi

Delphi Financial is a P&C and life insurance group focusing on employee benefit products in the United States. With strengths including experienced underwriting, strong relationships with distribution channels and expertise in investing, Delphi consistently achieves high growth and profitability that outperforms its peers.



Tokio Marine North America

Tokio Marine North America is a regional management company overseeing the United States that is responsible for designing and implementing growth strategies and formulating and promoting integrated business management policies for Tokio Marine Group's insurance businesses there.



Philadelphia

Philadelphia is a U.S. P&C insurance group that has achieved high growth and profitability since its establishment in 1962. Its strengths include outstanding product development capability, disciplined operation and strong marketing capability utilizing its multiple sales channels.



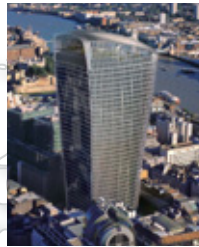
HCC

HCC is a world-leading specialty insurance group with high-level underwriting expertise. It has a highly profitable and diversified business portfolio and maintains high profitability, growth, stability and soundness that consistently outperform its peers.



Tokio Marine Seguradora

Tokio Marine Seguradora is a top-class insurance company in Brazil in the retail and corporate fields. It is gaining customer loyalty and achieving a growth rate higher than the market by maintaining high-quality operations, and providing products and services that meet customer needs.



Tokio Marine Kiln

Tokio Marine Kiln is a regional management company that has achieved steady growth in profits. Its subsidiaries include Tokio Marine Kiln Insurance, which has strength in the corporate field, and Tokio Marine Kiln Syndicates, which offers one of the largest underwriting capacities in the Lloyd's of London market and outstanding expertise.



Tokio Millennium Re

Tokio Millennium Re is the core driver of the Group's reinsurance business and it is steadily expanding its business through global development. It has established a profitable reinsurance portfolio through advanced risk management with sophisticated natural catastrophe models and is making a stable profit contribution to the Group.



Tokio Marine Asia

Tokio Marine Asia is a regional management company overseeing Asia and the Pacific region (excluding Japan, China and Korea) with the responsibility of providing technical support including business and risk management to local group companies operating in 11 countries. The company also plans and proposes new businesses to contribute to life and non-life business expansion and profit growth in the region.



Global strategy meeting

Initiatives at Group Companies

Overseas Group Companies

Ichiro Ishii
Senior Managing Director
Head of International Insurance Business



Progress of the Mid-Term Business Plan

Under the mid-term business plan, we are pursuing balanced growth in both developed and emerging countries through “organic growth” and “M&A” as we aim for sustainable profit growth. In October 2015, we completed the acquisition of HCC Insurance Holdings, Inc., a prominent global specialty insurance group with high-level underwriting expertise, further increasing our profit scale and business stability. We will work on creating group synergies with HCC at the core, as well as our corporate functions and global HR strategy to strengthen our business platform for sustainable growth.

Net premiums written in fiscal 2015 were 1,304.0 billion yen, remaining flat compared with fiscal 2014 due to the depreciation of emerging market currencies, among other factors. Excluding the effect of exchange rates, net premiums written increased 6% year on year due to factors including the progress of growth measures in each business. Business unit profits decreased 13.7 billion yen year on year to 131.8 billion yen. On a normalized basis where the effect of

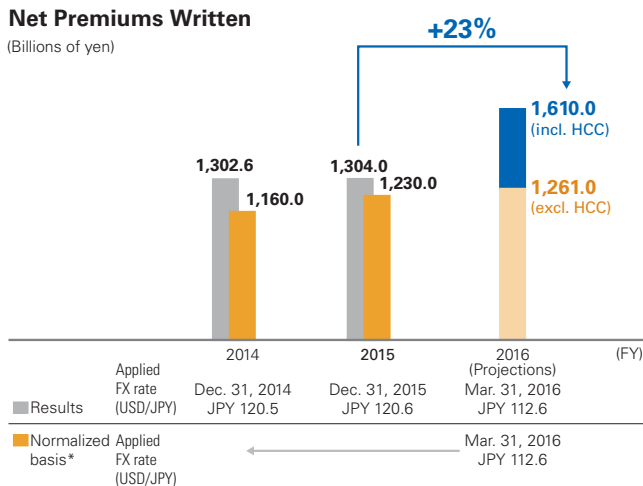
exchange rates is excluded and natural catastrophe losses is normalized to an average level, business unit profits decreased due to factors including the effect of large losses and foreign exchange losses on a local accounting basis.

Profits from HCC will contribute to our results from fiscal 2016. The addition of HCC's highly profitable and stable portfolio will further expand the scale of premiums written and profits in the international insurance business and build a more stable and highly profitable business portfolio that is diversified by region, business and product line.

In fiscal 2016, though affected by exchange rates, we project an increase of 23% in net premiums written compared with fiscal 2015 and an increase of 21% in business unit profits, mainly due to the contribution of HCC. For existing businesses other than HCC, both net premiums written and business unit profits are projected to grow steadily in the overall trend on a normalized basis where the effect of exchange rates and natural catastrophes are excluded.

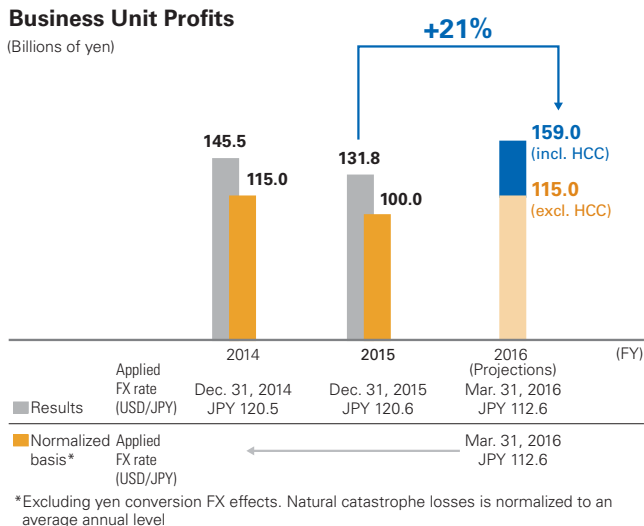
Net Premiums Written

(Billions of yen)



Business Unit Profits

(Billions of yen)



North America



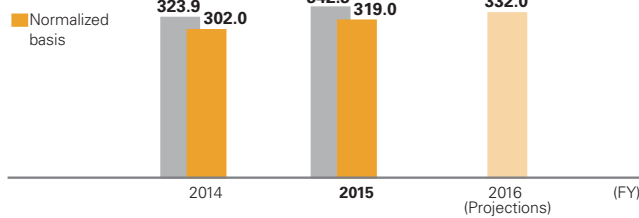
Maintaining profit growth outperforming the market through underwriting discipline and action

- Highly competitive business model focusing on niche markets
- Maintaining C/R lower than market average through underwriting discipline

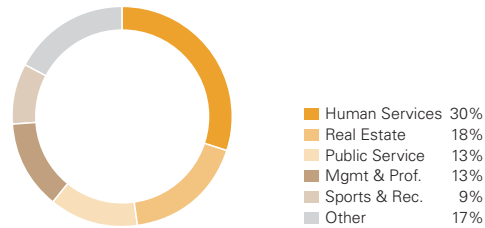
- Maintaining high renewal ratio of in-force policies and continuing rate increases through strong franchise network

Net Premiums Written

(Billions of yen)

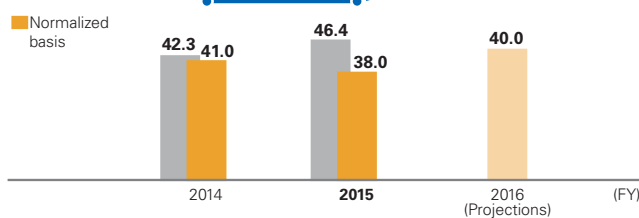


Composition of Premiums Income (2015)

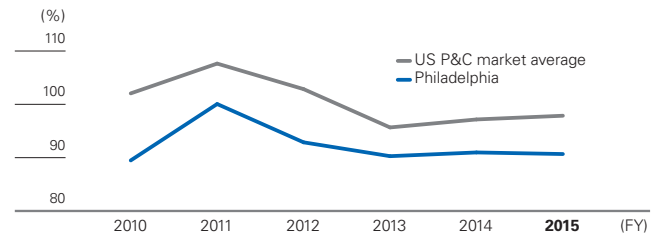


Business Unit Profits

(Billions of yen)



Combined Ratio



Projecting steady profit growth in fiscal 2016 even under the softening market



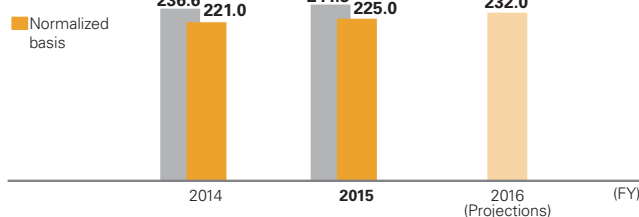
Maintaining profit growth through profound investment expertise as well as further developing specific products and specific markets

- Highly competitive business model focusing on market for employee benefits and excess workers compensation

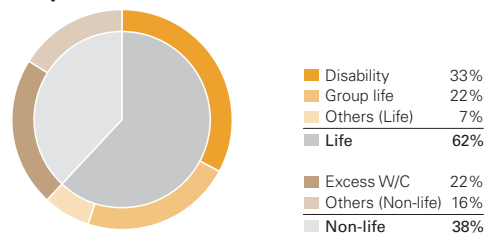
- Utilization of profound investment expertise
- Maintaining high retention ratio and continuing rate increases in main products

Net Premiums Written

(Billions of yen)

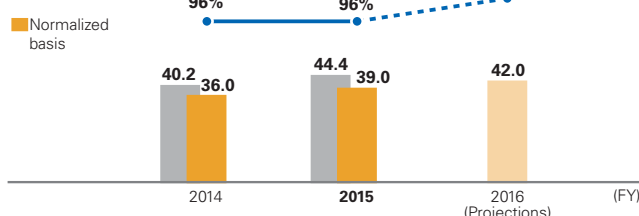


Composition of Premiums Income (2015)

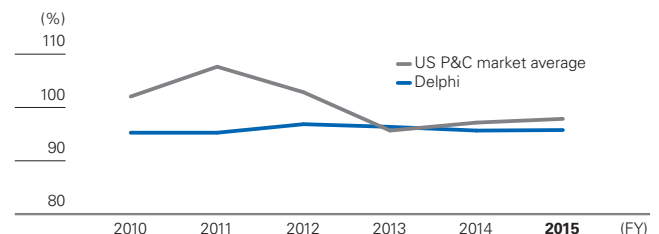


Business Unit Profits

(Billions of yen)



Combined Ratio



Projecting profit growth in fiscal 2016 mainly due to an increase in investment income

North America



A world-leading specialty insurer
Aiming for further profit growth through synergy creation while maintaining high profitability

- Diverse and highly profitable portfolio
- Disciplined growth and best-in-class underwriting profitability

- New business development and further profit expansion through synergy creation

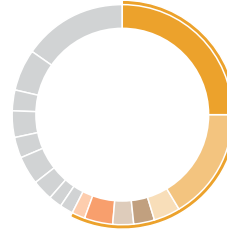
Net Premiums Written

(Billions of yen)



(FY)

Composition of Premiums Income (2015)



LOBs that are less dependent on the P&C market cycles (approx. 58%)

Medical Stop-loss	25%
Agriculture	16%
US Surety	4%
Sports & Entertainment	3%
International Surety & Credit	3%
Other A&H	4%
US Credit	2%
Total	58%

Business Unit Profits

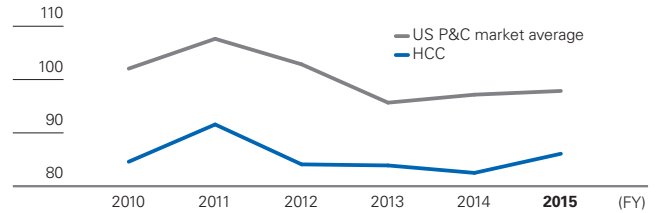
(Billions of yen)



(FY)

Combined Ratio

(%)



Acquisition completed in October 2015. Further strengthen business platform of North America due to profit contribution from fiscal 2016.

Europe



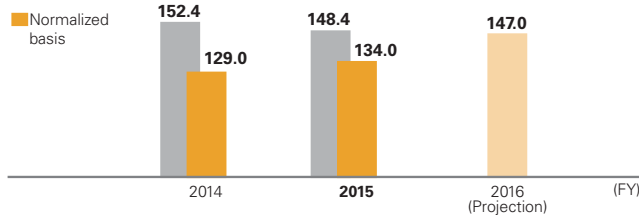
Establish a position as a major player in the Lloyd's market and in continental Europe

- Expanding profit mainly in specialty business in the Lloyd's market

- Maintaining underwriting discipline as continuous softening of the European market is expected

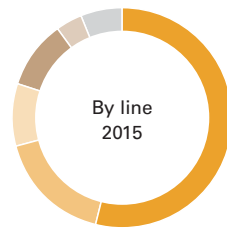
Net Premiums Written (Europe)

(Billions of yen)



(FY)

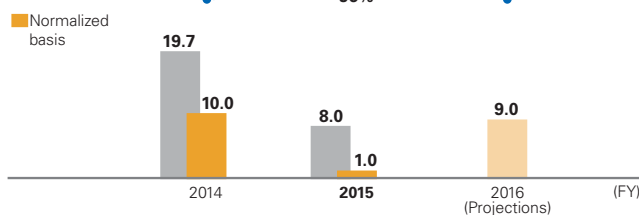
Tokio Marine Kiln (Premium composition of Lloyd's business)



Property & Liability	54%
Marine	17%
Reinsurance	9%
A&H	10%
Aviation	4%
Others	6%

Business Unit Profits (Europe)

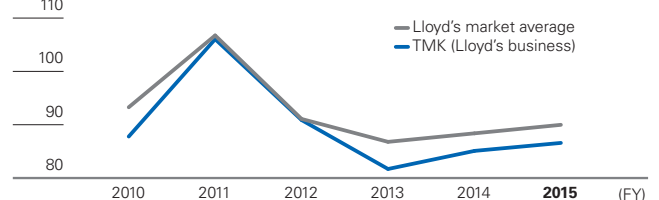
(Billions of yen)



(FY)

Combined Ratio

(%)



Projected to increase in fiscal 2016 mainly due to the reversal effect of large losses such as the Tianjin port explosion and foreign exchange losses in fiscal 2015

Reinsurance



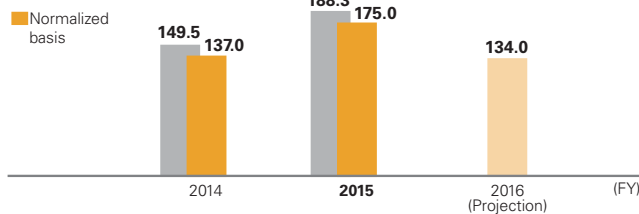
Tokio Millennium Re AG

Maintaining profitability in the softening market with profound expertise in each region and line, and proper response to customer needs

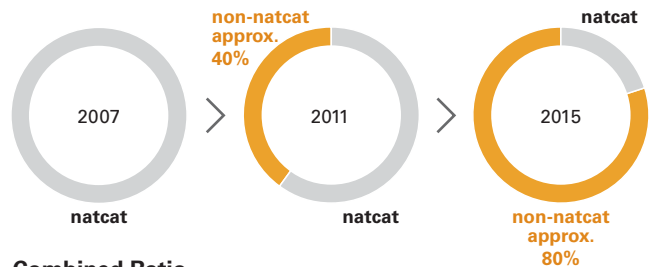
- Under the softening market, continue maintaining stable profit by promoting geographical and product line diversification
- Expanding source of profit through solution offering to meet customer needs

Net Premiums Written (Reinsurance)

(Billions of yen)

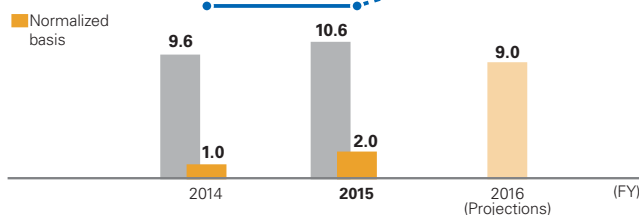


Change in Portfolio (Earned premiums basis)

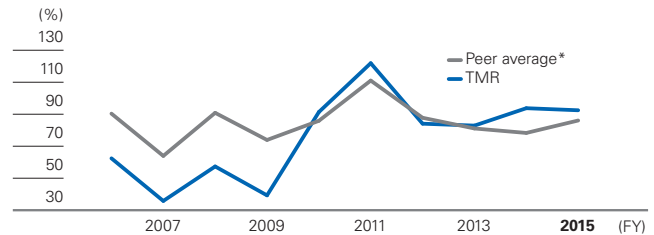


Business Unit Profits (Reinsurance)

(Billions of yen)



Combined Ratio



Projected to increase in fiscal 2016 mainly due to the reversal effect of large losses in fiscal 2015

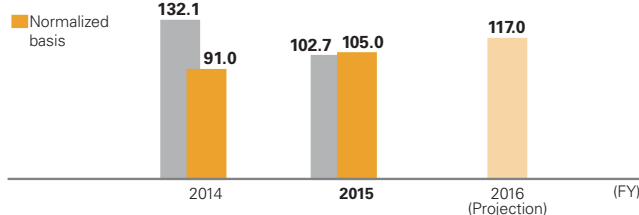
* Average of 12 peer companies as below: (Renaissance Re, Validus, Ace (R/I only), Axis (R/I only), Montpelier Re, Markel, AWAC, Arch, Endurance, Aspen, Everest Re, Partner Re)

South & Central America

Continue profit growth by providing products and services that meet the needs of customers through high-quality operation

Net Premiums Written

(Billions of yen)

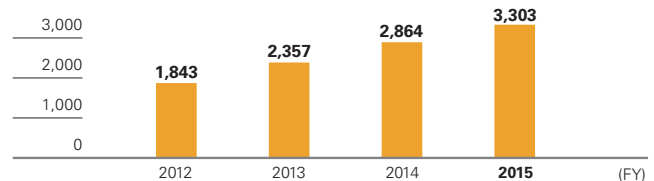


Brazil (Local currency basis premium)

BRL (Millions)

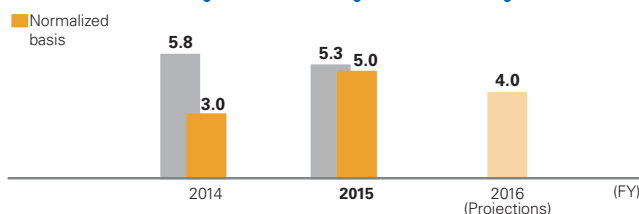
Market CAGR +10%

Tokio Marine CAGR +21%



Business Unit Profits

(Billions of yen)



Continue to aim for solid profit growth in fiscal 2016, although projected to decrease mainly due to the effect of change in tax law in Brazil
Maintaining high growth outperforming the market and profitability in auto insurance as the main business

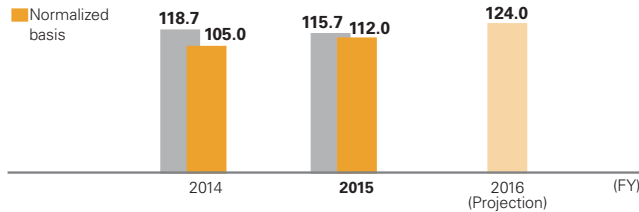
Asia & Middle East (Non-Life, Life)

Achieve growth in the retail market by expanding distribution channels and rolling-out the best-practice within the Group

Non-Life

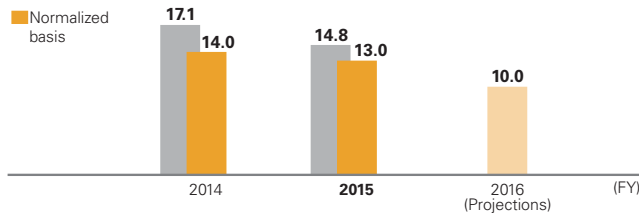
Net Premiums Written

(Billions of yen)



Business Unit Profits

(Billions of yen)

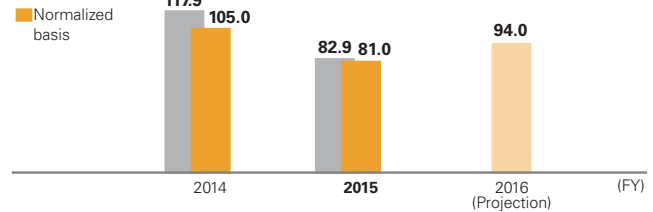


Projected to decrease in fiscal 2016 due to the reversal effect of temporary increase factors in fiscal 2015

Life

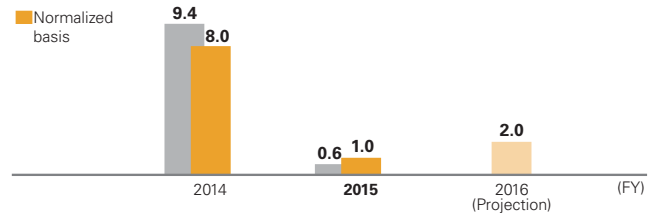
Net Premiums Written

(Billions of yen)



Business Unit Profits

(Billions of yen)



Projected to increase in fiscal 2016 due to the reversal effect of a decrease in unrealized gains associated with the decline in stock prices in fiscal 2015, etc.

2013-2015 Major Asian Countries (Non-life gross premium CAGR)

	Tokio Marine	Market
Malaysia	+5%	+5%
Thailand	+2%	+5%
Taiwan	+6%	+4%
India	+13%	+12%
Singapore	+3%	+3%

Creating Social Value through Business

Sale of Weather Insurance and Microinsurance in India

In India, about 20% of households are low-income, many of which are small farmers who use rainwater for irrigation and can suffer severe economic damage due to fluctuations in the amount of rainwater. Moreover, poverty is a serious issue for the nation, with approximately one-third of the population living on less than \$1.25 a day. In 2001, Tokio Marine Group established IFFCO-TOKIO, a joint venture with Indian Farmers Fertiliser Co-operative Limited (IFFCO), which has 38 thousand member cooperatives, and started providing auto, fire and other types of insurance. To help resolve farmers' concerns through insurance, we developed weather insurance and microinsurance (insurance that can be purchased at an affordable price). This has become an essential arrangement for farmers, with 4.24 million policies and 1.86 billion rupees

(approximately 3.66 billion yen) in premiums written in fiscal 2015. By providing weather insurance and microinsurance, Tokio Marine Group is using the know-how it has gained in the insurance business and contributing to the development of Indian agriculture and the resolution of the issue of poverty.



Financial and General Businesses

Business Overview and Strengths

Tokio Marine Group has developed financial and general businesses aiming to deliver a new level of “safety and security” to customers that goes beyond conventional insurance products. We aim to use the know-how we have accumulated in the Group as an advantage to display the comprehensive power of the Group.

In the financial business, Tokio Marine Asset Management and other companies are developing fee-based asset management businesses with high capital efficiency to

improve the Group’s business portfolio and contribute to profit growth.

In the general business, Tokio Marine & Nichido Risk Consulting, Tokio Marine Nichido Better Life Service and other companies provide products and services related to “safety and security” to support the insurance business from the cost side and the value-added side.

Progress of the Mid-Term Business Plan

Under the mid-term business plan, we are further developing the expertise of each business company and enhancing functional cooperation among Group companies to further increase the Group’s strengths and synergies.

Through these efforts, business unit profits in the financial and general businesses were 7.3 billion yen in fiscal 2015 and are projected to be 4.0 billion yen in fiscal 2016.

Financial Highlights

Business Unit Profits

(Billions of yen)

	FY2014	FY2015	FY2016 (Projection)
Financial and General Businesses	4.0	7.3	4.0

Financial Business

Tokio Marine Asset Management

Tokio Marine Asset Management works continually to enhance its asset management capabilities and product appeal by handling alternative investments such as hedge funds and infrastructure funds in addition to traditional investment in stocks and bonds, with the investment philosophy “based on proprietary and thorough research and analysis”.

In October 2016, the company is scheduled to merge with Tokio Marine Property Investment Management, which

provides domestic private REIT and overseas real estate fund of funds, leveraging its sophisticated know-how in real estate investment. As one of the few domestic asset management companies that manage property investments as well, the new asset management company will provide higher-quality asset management services and will aim for the sustainable growth of Tokio Marine Group’s asset management business.

Morningstar Award Fund of the Year 2015

Balanced Fund Division, Best Fund of the Year

Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)

Bond Fund Division, Fund of the Year

Tokio Marine Nippon World Bond Fund (with FX hedging)

Lipper Fund Awards Japan 2016

Best Group, Overall (for 3 consecutive years)



Morningstar Award Fund of the Year 2015

The awards are given by Morningstar, an investment fund evaluation organization. The company selects domestic open-ended stock investment trusts that meet quantitative criteria for risk and return as well as qualitative criteria such as management style and research with a proven record of investment performance under superior management. Please refer to the URL below for details (Japanese only).

<http://www.morningstar.co.jp/event/foy2015/>

Lipper Fund Awards Japan 2016

Lipper Fund Awards Japan 2016 is part of the Lipper Fund Awards Program held in various cities around the world. The awards select and honor superior funds and management companies from among the domestic and international funds registered for sale in Japan. Selection and evaluation are made using Consistent Return under Lipper’s own investment trust evaluation system, Lipper Leader Rating System (Lipper Leaders). Please refer to the URL below for details about Lipper and Lipper Leaders.

<http://lipperfundawards.com>

Tokio Marine Capital

Tokio Marine Capital manages private equity funds that meet the investment management needs of institutional investors by working to improve corporate value together with its investee companies. The company conducts management buyouts for corporate restructuring and buyouts with business succession by the owner company, etc.

Tokio Marine Mezzanine

Tokio Marine Mezzanine was established in November 2013 to manage mezzanine (a financing method between bank loans and equity financing) funds. It meets companies' diversifying needs for finance while providing new investment products to institutional investors using the mezzanine fund know-how accumulated by Tokio Marine & Nichido.

General Business

Tokio Marine & Nichido Risk Consulting

The environment in which companies operate has been rapidly changing, with the frequent occurrence of large-scale natural catastrophes worldwide including Japan, increasing geopolitical risks, and the increasing complexity of supply chains on a global basis, among other factors. Formulating risk countermeasures adapted to the times, or more specifically incorporating risk management into corporate management, is indispensable for ongoing corporate expansion, and needs in this area are rising.

Tokio Marine & Nichido Risk Consulting provides sophisticated risk consulting for various risks faced by companies, ranging from *business continuity management to rapid disaster recovery* (by BELFOR), *strategic risk management, overseas crisis management, infectious disease countermeasures, product safety management, auto accident reduction, data health support and cyber risk countermeasures*.

One example is the risk posed to corporate management by the frequent occurrence of natural catastrophes. We support corporate management by visualizing and quantitatively evaluating risks through the development of simulation models for tsunamis and floods. By making proposals to prevent or mitigate the risks based on the results, the company helps to improve the corporate value of customers.

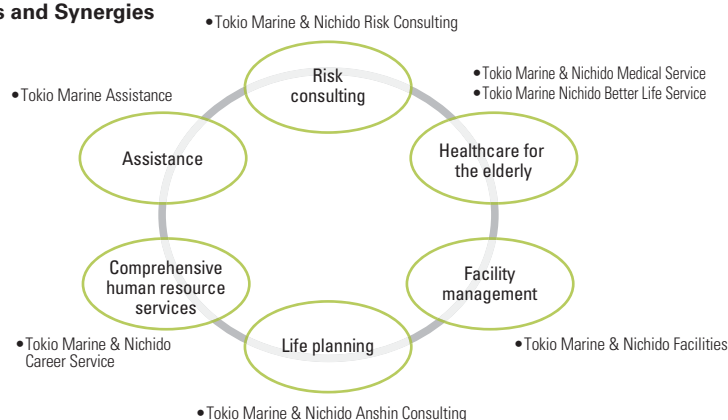
Tokio Marine Nichido Better Life Service

As the rate of aging (percentage of the population aged 65 or older) in Japan is rising every year, the country is about to face an unprecedented super-aged society. In fiscal 2014, long-term care benefit expenses reached approximately 9 trillion yen. Nursing care costs as well as the number of users and providers of nursing care services are increasing along with the growing demand.

Tokio Marine Group entered the nursing care business ahead of other domestic insurance companies by establishing Tokio Marine Better Life Service in 1996. The company has been engaged in a "home-visit care business", "assistance in receiving home-based care business", "senior housing with services" and "solution services business" (seminars on nursing care, etc.). Since 2006, Tokio Marine Nichido Samuel has been engaged in operation of private nursing care homes for the elderly.

In July 2016, the two companies merged to become Tokio Marine Nichido Better Life Service. By leveraging the accumulated expertise of the two companies, the Group will strive for sustainable growth in the nursing care business by providing high-quality nursing services.

Maximize the Group's Strengths and Synergies



Financial Data

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Change in Key Business Indicators (Consolidated Basis)

(Yen in millions if not indicated specifically)

	FY2015 (April 1, 2015– March 31, 2016)	FY2014 (April 1, 2014– March 31, 2015)	FY2013 (April 1, 2013– March 31, 2014)	FY2012 (April 1, 2012– March 31, 2013)	FY2011 (April 1, 2011– March 31, 2012)
Ordinary income	4,579,076	4,327,982	4,166,130	3,857,769	3,415,984
Net premiums written	3,265,578	3,127,638	2,870,714	2,558,010	2,324,492
Ordinary profit.....	385,825	358,182	274,386	207,457	160,324
Net income attributable to owners of the parent	254,540	247,438	184,114	129,578	6,001
Comprehensive income	(14,543)	997,024	442,277	548,251	(10,558)
Net assets.....	3,512,656	3,609,655	2,739,114	2,363,183	1,857,465
Total assets	21,855,328	20,889,670	18,948,000	18,029,442	16,338,460
Consolidate solvency margin ratio (%)	791.4	781.3	728.4	737.0	717.8
Net assets per share (Yen)	4,617.45	4,742.52	3,535.84	3,051.58	2,398.66
Net income per share–basic (Yen).....	337.27	323.97	239.98	168.93	7.82
Net income per share–diluted (Yen).....	336.92	323.66	239.75	168.77	7.81
Capital ratio (%)	15.94	17.13	14.32	12.98	11.26
Return on equity: ROE (%).....	7.21	7.87	7.29	6.20	0.32
Price-to-earnings ratio: PER (Ratio)	11.27	14.01	12.91	15.69	290.41
Net cash provided by (used in) operating activities.....	874,241	684,693	424,729	138,724	72,429
Net cash provided by (used in) investing activities	(895,437)	249,155	(168,214)	(761,058)	(200,542)
Net cash provided by (used in) financing activities	(115,933)	(440,243)	(346,478)	485,443	101,089
Cash and cash equivalents at end of year	1,284,459	1,430,514	924,499	979,389	1,092,680
Number of employees.....	36,902	33,786	33,310	33,006	30,831

Notes: 1. Number of employees is headcount of staff currently at work.

2. The Company has applied "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No. 21, September 13, 2013) etc. since the beginning of the fiscal year 2015, and changed "Net income" to "Net income attributable to owners of the parent".

Financial Information

1. Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Concerning Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, 1976, hereinafter called "Consolidated Statements Regulations"). 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 called "Insurance Act Enforcement Regulations"), as stipulated under Articles 46 and 68 of the Consolidated Statements Regulations.

The Company and its domestic consolidated

subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Corporation Law 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 less than 1 million yen have been omitted in the consolidated financial statements. As a result, the totals provided do not necessarily agree with the sum of the individual account balances.

2. Auditor's Certification

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, Tokio Marine Holdings' consolidated financial statements for the fiscal

year ended March 31, 2016 have been audited and certified by PricewaterhouseCoopers Aarata LLC.

3. Conscious Steps to Achieve Appropriateness of the Consolidated Financial Statements

The Company takes conscious steps to achieve appropriateness of the consolidated financial statements. For example, the Company is a member of the Financial Accounting Standards Foundation, management and employees participate in associated seminars held by the leading accounting firms and the Company subscribes to

specialized accounting books. Each of those steps are taken to enable the management and employees to appropriately understand the accounting standards and to coordinate with any required changes in accounting procedures.

Financial Statements of Tokio Marine Holdings and its Consolidated Subsidiaries

1 Consolidated Financial Statements (1) Consolidated Balance Sheet

(Yen in millions, except for %)

	Notes No.	As of March 31, 2016		As of March 31, 2015		Increase (Decrease)
		Amount	Composition ratio (%)	Amount	Composition ratio (%)	
Assets						
Cash and bank deposits	*4	1,031,610	4.72	536,657	2.57	494,953
Call loans		21,000	0.10	402,586	1.93	(381,586)
Receivables under resale agreements		4,999	0.02	64,979	0.31	(59,979)
Receivables under securities borrowing transactions		21,597	0.10	24,841	0.12	(3,244)
Monetary receivables bought.....	*4	1,345,859	6.16	1,372,372	6.57	(26,513)
Money trusts		63,049	0.29	2,433	0.01	60,615
Securities	*2*4*5*7	15,457,012	70.72	15,511,017	74.25	(54,004)
Loans.....	*3*8	878,951	4.02	695,028	3.33	183,923
Tangible fixed assets	*1	277,413	1.27	282,766	1.35	(5,353)
Land	*4	129,017		131,704		(2,686)
Buildings	*4	120,194		124,450		(4,255)
Construction in progress.....		56		720		(664)
Other tangible fixed assets.....		28,145		25,892		2,252
Intangible fixed assets		1,022,112	4.68	408,915	1.96	613,196
Software		37,817		21,805		16,012
Goodwill.....		534,593		225,894		308,699
Other intangible fixed assets.....		449,700		161,215		288,485
Other assets.....	*11	1,692,808	7.75	1,529,803	7.32	163,004
Net defined benefit assets		12,440	0.06	408	0.00	12,031
Deferred tax assets		33,558	0.15	56,568	0.27	(23,010)
Customers' liabilities under acceptances and guarantees		9,026	0.04	28,295	0.14	(19,268)
Allowance for doubtful accounts.....		(16,111)	(0.07)	(27,005)	(0.13)	10,893
Total assets		21,855,328	100.00	20,889,670	100.00	965,658
Liabilities						
Insurance liabilities		15,144,114	69.29	14,328,660	68.59	815,454
Outstanding claims.....	*4	2,663,123		2,204,030		459,092
Underwriting reserves.....	*4	12,480,991		12,124,629		356,361
Corporate bonds.....	*4*5	77,677	0.36	107,077	0.51	(29,399)
Other liabilities		2,291,591	10.49	1,969,679	9.43	321,911
Payables under securities lending transactions		704,077		825,845		(121,768)
Other liabilities	*4	1,587,513		1,143,833		443,680
Net defined benefit liabilities.....		242,952	1.11	239,838	1.15	3,114
Provision for retirement benefits for directors.....		21	0.00	18	0.00	3
Provision for employees' bonus		57,355	0.26	51,615	0.25	5,740
Reserves under special laws.....		88,144	0.40	82,945	0.40	5,199
Price fluctuation reserve		88,144		82,945		5,199
Deferred tax liabilities		361,960	1.66	391,828	1.88	(29,868)
Negative goodwill.....		69,827	0.32	80,056	0.38	(10,229)
Acceptances and guarantees		9,026	0.04	28,295	0.14	(19,268)
Total liabilities		18,342,671	83.93	17,280,014	82.72	1,062,657
Net assets						
Shareholders' equity						
Share capital		150,000		150,000		—
Retained earnings.....		1,531,072		1,357,846		173,225
Treasury shares.....		(10,742)		(11,038)		295
Total shareholders' equity		1,670,329	7.64	1,496,808	7.17	173,521
Accumulated other comprehensive income						
Unrealized gains (losses) on available-for-sale securities		1,601,187		1,846,908		(245,720)
Deferred gains (losses) on hedge transactions.....		19,870		19,183		687
Foreign currency translation adjustments.....		210,134		237,201		(27,066)
Remeasurements of defined benefit plans.....		(16,796)		(21,397)		4,600
Total accumulated other comprehensive income		1,814,395	8.30	2,081,895	9.97	(267,499)
Share acquisition rights.....		2,485	0.01	2,037	0.01	448
Non-controlling interests.....		25,445	0.12	28,915	0.14	(3,469)
Total net assets		3,512,656	16.07	3,609,655	17.28	(96,998)
Total liabilities and net assets		21,855,328	100.00	20,889,670	100.00	965,658

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

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

(Yen in millions, except for %)

	Notes No.	FY2015 (April 1, 2015– March 31, 2016)		FY2014 (April 1, 2014– March 31, 2015)		Increase (Decrease)
		Amount	Ratio (%)	Amount	Ratio (%)	
Ordinary income		4,579,076	100.00	4,327,982	100.00	251,093
Underwriting income		3,921,369	85.64	3,522,420	81.39	398,948
Net premiums written.....		3,265,578		3,127,638		137,940
Deposit premiums from policyholders.....		125,092		113,965		11,126
Investment income on deposit premiums.....		51,814		52,438		(624)
Life insurance premiums.....		471,666		220,436		251,230
Other underwriting income.....		7,217		7,940		(723)
Investment income		555,912	12.14	717,527	16.58	(161,614)
Interest and dividends.....		386,507		364,627		21,880
Gains on money trusts.....		345		48		297
Gains on trading securities.....		4,552		8,392		(3,840)
Gains on sales of securities.....		163,043		114,727		48,315
Gains on redemption of securities.....		488		1,756		(1,268)
Gains on derivatives.....		43,520		—		43,520
Investment gains on separate accounts.....		—		265,636		(265,636)
Other investment income.....		9,269		14,777		(5,507)
Transfer of investment income on deposit premiums.....		(51,814)		(52,438)		624
Other ordinary income		101,793	2.22	88,034	2.03	13,759
Amortization of negative goodwill.....		10,229		10,229		0
Equity in earnings of affiliates.....		—		304		(304)
Other ordinary income.....		91,564		77,500		14,063
Ordinary expenses		4,193,251	91.57	3,969,800	91.72	223,450
Underwriting expenses		3,370,943	73.62	3,231,056	74.66	139,886
Net claims paid.....		1,662,021		1,648,435		13,586
Loss adjustment expenses.....	*1	127,732		122,863		4,868
Agency commissions and brokerage.....	*1	663,787		644,620		19,166
Maturity refunds to policyholders.....		222,046		221,990		56
Dividends to policyholders.....		155		289		(134)
Life insurance claims.....		410,957		320,175		90,781
Provision for outstanding claims.....		164,785		85,043		79,741
Provision for underwriting reserves.....		108,482		182,990		(74,507)
Other underwriting expenses.....		10,974		4,647		6,327
Investment expenses		107,878	2.36	55,590	1.28	52,287
Losses on money trusts.....		—		2,506		(2,506)
Losses on sales of securities.....		20,465		11,788		8,676
Impairment losses on securities.....		16,555		4,564		11,990
Losses on redemption of securities.....		933		812		121
Losses on derivatives.....		—		28,532		(28,532)
Investment losses on separate accounts.....		35,387		—		35,387
Other investment expenses.....		34,536		7,385		27,150
Operating and general administrative expenses	*1	697,309	15.23	668,023	15.43	29,286
Other ordinary expenses		17,120	0.37	15,129	0.35	1,990
Interest expenses.....		7,465		6,601		864
Increase in allowance for doubtful accounts.....		—		1,607		(1,607)
Losses on bad debts.....		97		712		(614)
Equity in losses of affiliates.....	*3	2,421		—		2,421
Amortization of deferred assets under Article 113 of the Insurance Business Act.....		3,826		3,826		—
Other ordinary expenses.....		3,308		2,381		926
Ordinary profit		385,825	8.43	358,182	8.28	27,643

(Continued on following page)

(Yen in millions, except for %)

	Notes No.	FY2015 (April 1, 2015– March 31, 2016)		FY2014 (April 1, 2014– March 31, 2015)		Increase (Decrease)
		Amount	Ratio (%)	Amount	Ratio (%)	
Extraordinary gains		687	0.02	1,817	0.04	(1,129)
Gains on disposal of fixed assets		348		1,782		(1,433)
Gains on changes in equity of subsidiaries and affiliates ...		—		0		(0)
Other extraordinary gains	*2	339		34		304
Extraordinary losses		13,668	0.30	22,008	0.51	(8,340)
Losses on disposal of fixed assets		1,042		1,500		(458)
Impairment losses on fixed assets	*3	2,215		14,147		(11,931)
Provision for reserves under special laws		5,199		4,181		1,018
Provision for price fluctuation reserve		5,199		4,181		1,018
Other extraordinary losses	*4	5,210		2,178		3,031
Income before income taxes and non-controlling interests		372,845	8.14	337,991	7.81	34,854
Income taxes—current		107,596	2.35	65,229	1.51	42,367
Income taxes—deferred		9,268	0.20	23,414	0.54	(14,145)
Total income taxes		116,865	2.55	88,643	2.05	28,221
Net income		255,980	5.59	249,347	5.76	6,632
Net income attributable to non-controlling interests		1,439	0.03	1,909	0.04	(470)
Net income attributable to owners of the parent		254,540	5.56	247,438	5.72	7,102

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

Consolidated Statement of Comprehensive Income

(Yen in millions, except for %)

	Notes No.	FY2015 (April 1, 2015– March 31, 2016)		FY2014 (April 1, 2014– March 31, 2015)		Increase (Decrease)
		Amount	Ratio (%)	Amount	Ratio (%)	
Net income		255,980	5.59	249,347	5.76	6,632
Other comprehensive income						
Unrealized gains (losses) on available-for-sale securities..		(246,043)		607,578		(853,622)
Deferred gains (losses) on hedge transactions		687		961		(274)
Foreign currency translation adjustments		(28,975)		133,452		(162,428)
Remeasurements of defined benefit plans		4,592		4,567		25
Share of other comprehensive income of affiliates accounted for by the equity method		(783)		1,117		(1,900)
Total other comprehensive income	*	(270,523)	(5.91)	747,677	17.28	(1,018,200)
Total comprehensive income		(14,543)	(0.32)	997,024	23.04	(1,011,567)
Comprehensive income attributable to:						
Owners of the parent.....		(12,958)		992,980		(1,005,938)
Non-controlling interests		(1,584)		4,044		(5,629)

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

(3) Consolidated Statement of Changes in Shareholders' Equity

FY2015 (April 1, 2015–March 31, 2016)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	150,000	1,357,846	(11,038)	1,496,808
Cumulative effects of changes in accounting policies.....				—
Restated balance.....	150,000	1,357,846	(11,038)	1,496,808
Changes during the year				
Dividends		(81,124)		(81,124)
Net income attributable to owners of the parent.....		254,540		254,540
Purchases of treasury shares			(129)	(129)
Disposal of treasury shares		(133)	425	291
Cancellation of treasury shares				—
Changes in the scope of consolidation		(130)		(130)
Others.....		73		73
Net changes in items other than shareholders' equity.....				
Total changes during the year.....	—	173,225	295	173,521
Ending balance	150,000	1,531,072	(10,742)	1,670,329

	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	Share acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,846,908	19,183	237,201	(21,397)	2,037	28,915	3,609,655
Cumulative effects of changes in accounting policies.....							—
Restated balance.....	1,846,908	19,183	237,201	(21,397)	2,037	28,915	3,609,655
Changes during the year							
Dividends							(81,124)
Net income attributable to owners of the parent.....							254,540
Purchases of treasury shares							(129)
Disposal of treasury shares							291
Cancellation of treasury shares							—
Changes in the scope of consolidation							(130)
Others.....							73
Net changes in items other than shareholders' equity.....	(245,720)	687	(27,066)	4,600	448	(3,469)	(270,520)
Total changes during the year.....	(245,720)	687	(27,066)	4,600	448	(3,469)	(96,998)
Ending balance	1,601,187	19,870	210,134	(16,796)	2,485	25,445	3,512,656

FY2014 (April 1, 2014–March 31, 2015)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	150,000	1,231,034	(6,716)	1,374,318
Cumulative effects of changes in .. accounting policies		(12,268)		(12,268)
Restated balance.....	150,000	1,218,765	(6,716)	1,362,049
Changes during the year				
Dividends		(61,383)		(61,383)
Net income attributable to owners of the parent.....		247,438		247,438
Purchases of treasury shares			(50,113)	(50,113)
Disposal of treasury shares		(56)	515	458
Cancellation of treasury shares		(45,276)	45,276	—
Changes in the scope of consolidation		(916)		(916)
Others.....		(724)		(724)
Net changes in items other than shareholders' equity.....				
Total changes during the year.....	—	139,080	(4,321)	134,759
Ending balance	150,000	1,357,846	(11,038)	1,496,808

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans				
Beginning balance	1,239,658	18,222	106,510	(25,946)	1,891	24,459	2,739,114	
Cumulative effects of changes in accounting policies.....						(5)	(12,274)	
Restated balance.....	1,239,658	18,222	106,510	(25,946)	1,891	24,453	2,726,839	
Changes during the year								
Dividends							(61,383)	
Net income attributable to owners of the parent.....							247,438	
Purchases of treasury shares							(50,113)	
Disposal of treasury shares							458	
Cancellation of treasury shares							—	
Changes in the scope of consolidation							(916)	
Others.....							(724)	
Net changes in items other than shareholders' equity.....	607,249	961	130,690	4,548	145	4,461	748,057	
Total changes during the year.....	607,249	961	130,690	4,548	145	4,461	882,816	
Ending balance	1,846,908	19,183	237,201	(21,397)	2,037	28,915	3,609,655	

Note: "Others" consists mainly of reclassification adjustments of deferred tax in accordance with accounting standards adopted by foreign consolidated subsidiaries, etc.

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

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Notes No.	FY2015 (April 1, 2015– March 31, 2016)	FY2014 (April 1, 2014– March 31, 2015)	Increase (Decrease)
Cash flows from operating activities				
Income before income taxes and non-controlling interests.....		372,845	337,991	34,854
Depreciation.....		41,372	42,611	(1,239)
Impairment losses on fixed assets.....		2,215	14,144	(11,929)
Amortization of goodwill.....		29,866	30,140	(274)
Amortization of negative goodwill.....		(10,229)	(10,229)	0
Increase (decrease) in outstanding claims.....		167,119	81,094	86,025
Increase (decrease) in underwriting reserves.....		342,894	380,961	(38,066)
Increase (decrease) in allowance for doubtful accounts.....		(10,177)	1,341	(11,518)
Increase (decrease) in net defined benefit liabilities.....		7,776	7,199	577
Increase (decrease) in provision for retirement benefits for directors.....		3	(19)	22
Increase (decrease) in provision for employees' bonus.....		(2,073)	9,133	(11,206)
Increase (decrease) in price fluctuation reserve.....		5,199	4,181	1,018
Interest and dividends.....		(386,507)	(364,627)	(21,880)
Losses (gains) on securities.....		(125,485)	(106,015)	(19,469)
Interest expenses.....		7,465	6,601	864
Foreign exchange losses (gains).....		14,449	(1,570)	16,019
Losses (gains) on tangible fixed assets.....		677	(281)	958
Equity in losses (earnings) of affiliates.....		2,421	(304)	2,725
Investment losses (gains) on separate accounts.....		35,387	(265,636)	301,023
Decrease (increase) in other assets (other than investing and financing activities).....		(85,972)	(195,284)	109,312
Increase (decrease) in other liabilities (other than investing and financing activities).....		1,418	191,157	(189,738)
Others.....		(1,503)	(2,222)	719
Subtotal.....		409,164	160,366	248,798
Interest and dividends received.....		386,572	360,469	26,102
Interest paid.....		(8,367)	(7,609)	(758)
Income taxes paid.....		(69,232)	(53,374)	(15,857)
Others.....		156,104	224,842	(68,737)
Net cash provided by (used in) operating activities (a).....		874,241	684,693	189,547
Cash flows from investing activities				
Net decrease (increase) in deposits.....		28,110	74,758	(46,648)
Purchases of monetary receivables bought.....		(655,561)	(603,232)	(52,329)
Proceeds from sales and redemption of monetary receivables bought.....		619,872	426,632	193,239
Purchases of money trusts.....		(62,000)	(2,100)	(59,900)
Proceeds from sales of money trusts.....		1,729	105	1,623
Purchases of securities.....		(2,838,078)	(3,358,594)	520,516
Proceeds from sales and redemption of securities.....		2,860,322	3,877,623	(1,017,300)
New loans.....		(667,922)	(481,420)	(186,502)
Proceeds from collection of loans.....		480,359	166,464	313,895
Change in cash collateral under securities borrowing and lending transactions.....		179,387	164,725	14,662
Others.....		(11,542)	(6,603)	(4,939)
Subtotal (b).....		(65,322)	258,358	(323,681)
(a) + (b).....		808,918	943,052	(134,133)
Purchases of tangible fixed assets.....		(13,623)	(14,441)	817
Proceeds from sales of tangible fixed assets.....		1,223	5,238	(4,014)
Purchases of shares of subsidiaries resulting in change in the scope of consolidation.....	*3	(817,713)	—	(817,713)
Net cash provided by (used in) investing activities.....		(895,437)	249,155	(1,144,592)

(Continued on following page)

(Yen in millions)

	Notes No.	FY2015 (April 1, 2015– March 31, 2016)	FY2014 (April 1, 2014– March 31, 2015)	Increase (Decrease)
Cash flows from financing activities				
Proceeds from borrowings		588,330	3,616	584,713
Repayments of borrowings.....		(293,977)	(106,001)	(187,976)
Proceeds from issuance of short-term corporate bonds		—	4,999	(4,999)
Redemption of short-term corporate bonds		—	(5,000)	5,000
Proceeds from issuance of corporate bonds		—	2,975	(2,975)
Redemption of corporate bonds		(28,750)	(26,580)	(2,170)
Change in cash collateral under securities lending transactions.....		(297,911)	(201,587)	(96,324)
Purchases of treasury shares		(129)	(50,113)	49,983
Dividends paid		(81,042)	(61,333)	(19,708)
Dividends paid to non-controlling shareholders		(1,135)	(374)	(760)
Repayments to non-controlling shareholders		(644)	—	(644)
Others.....		(672)	(845)	172
Net cash provided by (used in) financing activities		(115,933)	(440,243)	324,310
Effect of exchange rate changes on cash and cash equivalents		(8,990)	14,422	(23,413)
Net increase (decrease) in cash and cash equivalents.....		(146,119)	508,027	(654,147)
Cash and cash equivalents at beginning of year		1,430,514	924,499	506,014
Increase in cash and cash equivalents due to newly consolidated subsidiaries		64	—	64
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries		—	(2,012)	2,012
Cash and cash equivalents at end of year.....	*1	1,284,459	1,430,514	(146,054)

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

Significant Accounting Policies

1. Scope of consolidation

- (1) Number of consolidated companies: 155 companies

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

HCC Insurance Holdings, Inc., Houston Casualty Company, U.S. Specialty Insurance Company, HCC Life Insurance Company, HCC International Insurance Company PLC and 65 other companies are included as consolidated subsidiaries from the fiscal year 2015 due to the acquisition of the shares of HCC Insurance Holdings, Inc. and other events.

- (2) Names of major non-consolidated subsidiaries

(Names of major companies)

- Tokio Marine & Nichido Adjusting Service Co., Ltd.
- Tokio Marine Capital Co., Ltd.

(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 for the period 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 affiliates accounted for by the equity method: 13 companies

(Names of major affiliates accounted for by the equity method)

Edelweiss Tokio Life Insurance Company Limited

Indemco, LP and one other company are included as affiliates accounted for by the equity method from the fiscal year 2015 as a result of the acquisition of the shares of HCC Insurance Holdings, Inc.

- (2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (IFFCO-TOKIO General Insurance Company Ltd., etc.) are not accounted for by the equity method because these companies have had a minor effect on the Company's consolidated net income or loss for the current period 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 believes that it cannot exert a significant influence on any policy making decisions of Japan Earthquake Reinsurance's operations given the highly public nature of the construction of business.
- (4) Where a company has a different closing date from that of Tokio Marine Holdings, and is accounted for by the equity method, the financial statements of that company for its fiscal year are used for presentation in the consolidated financial results.

3. Balance sheet date of consolidated subsidiaries

There are one domestic subsidiary and 145 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. Appropriate adjustments for the consolidation are made for material transactions that occur during the three month lag to the consolidated balance sheet date.

4. Accounting policies

- (1) Valuation of securities

- Trading securities are valued at fair value, with the costs of their sales being calculated based on the moving-average method.
- Bonds held to maturity are recorded at amortized cost based on the moving-average method (straight-line depreciation method).
- 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 the following underwriting reserve subgroups: "the dollar-denominated underwriting reserve for insurance policies during the period of deferment regarding individual annuity insurance denominated in U.S. dollars with a policy cancellation refund based on market interest rates", "accumulated fund of underwriting reserve for insurance policies during the period of deferment regarding individual annuity insurance with floating interest rates", "accumulated fund of underwriting reserve for insurance policies of single payment whole-life insurance with floating interest rates denominated in U.S. dollars", "accumulated fund of underwriting reserve for insurance policies of single payment whole-life insurance with floating interest rates" and "accumulated fund of underwriting reserve for insurance policies of single payment individual annuity insurance". Tokio Marine & Nichido Life's policy is to match the duration of the underwriting reserve in each subgroup with bonds of the same or similar duration that are earmarked for underwriting reserves.

- d. Available-for-sale securities with fair value are measured at fair value mainly based upon the market price on the closing date.
Unrealized gains/losses on available-for-sale securities are included in net assets and costs of sales are calculated using the moving-average method.
 - e. Available-for-sale securities whose fair value cannot be measured reliably are stated at original cost by the moving-average method.
 - f. Investments in non-consolidated subsidiaries and affiliates that are not subject to the equity method are stated at original cost by the moving-average method.
 - g. Securities held in individually managed money trusts that are mainly invested in securities for trading are measured at fair value.
- (2) Valuation of derivative transactions
Derivative financial instruments are measured at fair value.
- (3) Depreciation methods for material depreciable assets
- a. Tangible fixed assets
Depreciation of tangible fixed assets owned by the Company and its domestic consolidated subsidiaries is calculated using the declining balance method. Only buildings that were acquired on or after April 1, 1998 excluding fixtures attached to buildings are depreciated 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.
- (4) Accounting policies for significant reserves and allowances
- a. Allowance for doubtful accounts
In order to prepare for 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 less 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 overall solvency assessment of the relevant debtor. The net amount of such receivables considered to be collectible through the disposal of collateral or execution of guarantees is deducted from such receivables.
For receivables other than those described above, allowances are the amount of receivables multiplied by the default rate, which is computed based on historical loan loss 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 for self-assessment of asset quality. 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 retirement benefits for directors

Some domestic consolidated subsidiaries set aside a provision for retirement benefits for their directors as of the end of the fiscal year in accordance with the bylaw.
- c. Provision for employees' bonus

To provide for payment of bonuses to employees, the Company and its major consolidated domestic subsidiaries maintain provision for employees' bonuses based on the expected amount to be paid.
- d. Price fluctuation reserve

Domestic consolidated insurance subsidiaries maintain reserves under Article 115 of the Insurance Business Act in order to provide for possible losses or damages arising from fluctuation of share prices, etc.
- (5) Accounting methods for employees' severance and 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 mainly based on the benefit formula basis.
 - b. The method of amortization of actuarial gains and losses and past service costs

Actuarial difference for each fiscal year is 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.
- (6) Consumption taxes

For the Company and its domestic consolidated subsidiaries, consumption tax is accounted for by the tax-excluded method except for underwriting and general administrative costs 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.
- (7) Leases

Non-transferable finance leases, commencing prior to April 1, 2008 are accounted for as operating lease transactions.
- (8) Hedge accounting
 - a. Interest rate

To mitigate interest rate fluctuation risk associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct asset liability management to control such risk by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swap transactions that are used to manage such risk, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swap transactions based upon the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, September 3, 2002—hereinafter called "Report No. 26").

Assessment of hedge effectiveness is omitted since the hedge is highly effective because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments.

Tokio Marine & Nichido accounts for any deferred gains on hedge transactions as of the end of March 2003 that were calculated based on the Industry Audit Committee's Report No.16, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, March 31, 2000), which was applicable prior to the application of Report No. 26, using the straight-line method over the remaining hedging period (1-17 years). The accounting treatment for such deferred gains is based on the transitional measures in Report No. 26. Deferred gains under this treatment as of March 31, 2016 were 7,739 million yen (11,203 million yen as of March 31, 2015) and the amount accounted for in the consolidated financial statements for the fiscal year 2015 was 3,463 million yen (3,653 million yen for the fiscal year 2014).
 - b. Foreign exchange

In Tokio Marine & Nichido, fair value hedge accounting and assignment accounting are applied to certain currency swaps and foreign exchange forward contracts utilized to reduce currency risk in assets denominated in foreign currency. Assessment of hedge effectiveness is omitted since the hedge is highly effective because the principal

term of the hedging instruments and the hedged items are identical. Deferred hedge accounting is applied to borrowings denominated in foreign currency utilized to reduce currency risk in interest in overseas subsidiaries. Hedge effectiveness is determined based on the change in value of hedging instruments and hedged items during the period from the inception of the hedge to the time of assessment comparing these cumulative changes of market value.

(9) Methods of amortization of goodwill and amortization periods

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. and Tokio Marine Kiln Group Limited is amortized over 10 years using the straight-line method. Goodwill in connection with Delphi Financial Group, Inc. is amortized over 5 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 included in the consolidated statement of cash flows

Cash and cash equivalents for the consolidated statement of cash flows consist of cash on-hand, demand deposits and short-term investments with original maturities or redemption of 3 months or less at the date of acquisition.

(11) Accounting for deferred assets under Article 113 of the Insurance Business Act

The Company evaluated the amortization of deferred assets under Article 113 of the Insurance Business Act for E. design Insurance Co., Ltd.

Change in Accounting Policies

The Company has applied "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan, hereinafter ASBJ, Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. since the beginning of the fiscal year 2015. As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after April 1, 2015, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the consolidated financial statements for the fiscal year in which the business combination occurs. In addition, the presentation method of net income was amended. To reflect the change in presentation, the comparative amount representing the previous fiscal year has been reclassified in the consolidated financial statements.

The application of these accounting standards, which is subject to the transitional accounting treatment set forth in Clause 58-2 (4) of the Accounting Standard for Business Combinations, Clause 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Clause 57-4 (4) of the Accounting Standard for Business Divestitures, commenced since the beginning of the fiscal year 2015 and will continue going forward.

As a result, ordinary profit and income before income taxes and non-controlling interests for the fiscal year 2015 both decreased by 3,571 million yen.

In the consolidated statement of cash flows for the fiscal year 2015, cash flows related to expenses incurred in the acquisition of shares in a subsidiary that involves changes in the scope of consolidation are listed under "cash flows from operating activities".

The effect of this change on per-share figures is described on the relevant section.

Accounting Standards Issued but Not Yet Adopted

“Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016)

1. Outline of changes

The ASBJ assumed responsibility for the practical guidance associated with the accounting and auditing treatment for tax-effect accounting (the section relating to accounting treatment) from the JICPA, and then compiled the “Implementation Guidance on Recoverability of Deferred Tax Assets” after a required review into certain of the classification requirements and treatments of the recorded amounts of deferred tax assets. The review focused mainly on the practical guidance for determining the recoverability of deferred tax assets prescribed in the “Audit Treatment of Judgments with Regard to Recoverability of Deferred Tax Assets” (Auditing Committee of the JICPA, Report No. 66). The review basically followed a framework of treatment under which companies are classified into five categories and deferred tax assets are estimated in accordance with the appropriate classification. This guidance is intended for use when applying the “Accounting Standards for Tax Effect Accounting” (Business Accounting Council) in assessing the recoverability of deferred tax assets.

2. Date of application

The Company and its domestic consolidated subsidiaries plan to adopt the implementation guidance from beginning of the fiscal year 2016.

3. Effect

The Company forecasts no impact of adopting the implementation guidance on its consolidated financial statements.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation of tangible fixed assets and deferred capital gains for tax purposes, deducted from acquisition costs are as follows:

	As of March 31, 2016	As of March 31, 2015
Accumulated depreciation	346,874	351,466
Deferred capital gains for tax purposes	19,012	19,383

(Yen in millions)

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

	As of March 31, 2016	As of March 31, 2015
Securities (equity)	92,208	87,720
Securities (partnership)	8,318	14,189

(Yen in millions)

*3. Amounts of loans to borrowers in bankruptcy are as follows:

	As of March 31, 2016	As of March 31, 2015
Loans to borrowers in bankruptcy	—	393
Loans past due	583	3,179
Loans past due for three months or more	4	—
Restructured loans	7,960	8,751
Total	8,549	12,324

(Yen in millions)

Note: Loans are generally placed on non-accrual status when there is no expectation of the collection of the loans when loans are past due for a certain period or for other reasons (“Non-accrual status loans”; any part of bad debt written-off is excluded). Loans to borrowers in bankruptcy represent non-accrual loans after a partial charge-off of claims deemed uncollectible, which are defined in Article 96, paragraph 1, subparagraph 3 (a) to (e) (maximum amount transferable to allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

Loans past due are non-accrual status loans, other than loans to borrowers in bankruptcy and loans on which interest payments are deferred in order to assist business restructuring or financial recovery of the borrowers.

Loans past due for three months or more are defined as loans on which any principal or interests payments are delayed for three months or more from the date following the due date. Loans classified as loans to borrowers in bankruptcy and loans past due 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 loans to borrowers in bankruptcy, loans past due 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:

	(Yen in millions)	
	As of March 31, 2016	As of March 31, 2015
Assets pledged as collateral		
Bank deposits	47,340	41,321
Monetary receivables bought	33,583	46,004
Securities	449,133	392,637
Land	21	21
Buildings	455	455
Collateralized corresponding debt obligations		
Outstanding claims	135,665	117,444
Underwriting reserves	126,605	126,524
Corporate bonds	3,015	3,013
Other liabilities (foreign reinsurance accounts payable, etc.)	78,894	88,920

*5. Non-recourse debt of consolidated special purpose companies is as follows:

	(Yen in millions)	
	As of March 31, 2016	As of March 31, 2015
Non-recourse debt		
Corporate bonds	3,015	3,013
Assets corresponding to non-recourse debt		
Securities	3,015	3,013

6. The fair value of securities and other instruments received from securities borrowing transactions with cash collateral which the Company has right to dispose of by sale and rehypothecation is as follows:
They are wholly held by the Company.

	(Yen in millions)	
	As of March 31, 2016	As of March 31, 2015
	42,059	111,467

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

	(Yen in millions)	
	As of March 31, 2016	As of March 31, 2015
	874,638	1,085,083

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

	(Yen in millions)	
	As of March 31, 2016	As of March 31, 2015
Total loan commitments	195,161	138,486
Balance of drawn loan commitments	76,792	57,222
Undrawn loan commitments	118,368	81,263

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

(Yen in millions)	
As of March 31, 2016	As of March 31, 2015
1,003,158	1,570,790

10. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantees to its subsidiaries is as follows:

(Yen in millions)		
	As of March 31, 2016	As of March 31, 2015
Tokio Marine Compania de Seguros, S.A. de C.V.	4,324	4,508
Tokio Marine Pacific Insurance Limited	3,670	3,496
Tokio Marine Global Re Limited.....	9	314
Total.....	8,004	8,319

*11. Deferred expenses under Article 113 of the Insurance Business Act, which are included in "Other assets", are as follows:

(Yen in millions)	
As of March 31, 2016	As of March 31, 2015
11,480	15,307

Notes to Consolidated Statement of Income

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

(Yen in millions)		
	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Agency commissions, etc.	551,377	524,003
Salaries	280,762	270,895

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 2015 was gains on liquidation of subsidiaries and affiliates of 339 million yen.

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

■ FY2015 (April 1, 2015–March 31, 2016)

			(Yen in millions)			
Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (nursing care business)	Buildings	4 properties, including fixtures attached to buildings in Yokohama, Kanagawa Pref.	—	48	239	287
Properties for rent	Land and buildings	Building in Aizuwakamatsu, Fukushima Pref.	164	88	—	252
Idle or potential disposal properties	Land and buildings	3 properties, including a training facility in Shijonawate, Osaka Pref.	1,377	297	—	1,675
Total.....			1,542	433	239	2,215

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

The total amount of projected future cash flows generated from the 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 of the relevant property is calculated by discounting future cash flows at a rate of 6.0%.

Due mainly to a decline in the real estate price, the Company wrote off the excess of the book values over the recoverable amount of some properties for rent and idle or potential disposal properties and recognized any such write-off as impairment losses in extraordinary losses. Recoverable amount is the higher of either the net sales price or the utility value of each property. Net sales price is the market value assessed by real estate appraisers less anticipated expenses for disposal of the relevant properties. The utility value is calculated by discounting future cash flows at a rate of 7.5%.

Based on the current operating environment, an impairment loss of 2,929 million yen, equivalent to the entire goodwill related to Edelweiss Tokio Life Insurance Company Limited, was recognized and recorded as "equity in losses of affiliates" under other ordinary expenses.

■ FY2014 (April 1, 2014–March 31, 2015)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			Total
			Land	Building	Others	
Properties for business use (nursing care business)	Buildings	3 properties, including fixtures attached to buildings in Yokohama, Kanagawa Pref.	—	0	5	5
Idle or potential disposal properties	Land and buildings	12 properties, including a training facility in Shijonawate, Osaka Pref.	10,373	3,768	—	14,141
Total.....			10,373	3,768	5	14,147

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

The total amount of projected future cash flows generated from the 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 of the relevant property is calculated by discounting future cash flows at a rate of 6.0%.

Due mainly to a decline in the real estate price, the Company wrote off the excess of the book values over the recoverable amount of some idle or potential disposal properties and recognized any such write-off as impairment losses in extraordinary losses. Recoverable amount is the net sales price of each property. Net sales price is the market value assessed by real estate appraisers less anticipated expenses for disposal of the relevant properties.

*4. The main component of other extraordinary losses for the fiscal year 2015 was 5,196 million yen of impairment losses on investment in subsidiaries and affiliates.

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustment and tax effect relating to other comprehensive income

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Unrealized gains (losses) on available-for-sale securities		
Amount arising during the fiscal year	(246,131)	908,948
Reclassification adjustment	(123,304)	(102,417)
Before tax effect adjustment	(369,436)	806,531
Tax effect	123,393	(198,953)
Unrealized gains (losses) on available-for-sale securities	(246,043)	607,578
Deferred gains (losses) on hedge transactions		
Amount arising during the fiscal year	(1,573)	5,278
Reclassification adjustment	(5,401)	(4,707)
Adjustments of asset acquisition cost	7,660	—
Before tax effect adjustment	686	570
Tax effect	0	390
Deferred gains (losses) on hedge transactions	687	961
Foreign currency translation adjustments		
Amount arising during the fiscal year	(28,975)	133,002
Reclassification adjustment	—	450
Foreign currency translation adjustments	(28,975)	133,452
Remeasurements of defined benefit plans		
Amount arising during the fiscal year	(355)	(4,279)
Reclassification adjustment	7,053	11,722
Before tax effect adjustment	6,698	7,443
Tax effect	(2,106)	(2,876)
Remeasurements of defined benefit plans	4,592	4,567
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the fiscal year	(676)	1,451
Reclassification adjustment	(106)	(334)
Share of other comprehensive income of affiliates accounted for by the equity method	(783)	1,117
Total other comprehensive income	(270,523)	747,677

Notes to Consolidated Statement of Changes in Shareholders' Equity

■ FY2015 (April 1, 2015–March 31, 2016)

1. Class and number of issued shares and treasury shares

(Unit: thousand shares)

	Number of shares as of April 1, 2015	Increase during the year ended March 31, 2016	Decrease during the year ended March 31, 2016	Number of shares as of March 31, 2016
Issued shares				
Common shares	757,524	—	—	757,524
Total	757,524	—	—	757,524
Treasury shares				
Common shares	2,925	27	112	2,839
Total	2,925	27	112	2,839

Notes: 1. The increase of 27 thousand common shares under treasury shares is entirely attributable to acquisition of shares less than one unit of common shares.
2. The decrease of 112 thousand common shares under treasury shares is primarily attributable to the distribution of 112 thousand shares upon exercise of share acquisition rights.

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

Category	Nature of share acquisition rights	Amount as of March 31, 2016 (Yen in millions)
The Company (parent company)	Share acquisition rights as share options	2,485

3. Dividends

(1) Amount of dividends

Resolution	Class of shares	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2015	Common shares	41,502 million yen	55.00 yen	March 31, 2015	June 30, 2015
Meeting of the board of directors held on November 18, 2015	Common shares	39,621 million yen	52.50 yen	September 30, 2015	December 2, 2015

(2) Dividends of which the record date falls within the year ended March 31, 2016, and the effective date falls after March 31, 2016

Resolution	Class of shares	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2016	Common shares	43,394 million yen	Retained earnings	57.50 yen	March 31, 2016	June 28, 2016

■ FY2014 (April 1, 2014–March 31, 2015)

1. Class and number of issued shares and treasury shares

(Unit: thousand shares)

	Number of shares as of April 1, 2014	Increase during the year ended March 31, 2015	Decrease during the year ended March 31, 2015	Number of shares as of March 31, 2015
Issued shares				
Common shares	769,524	—	12,000	757,524
Total	769,524	—	12,000	757,524
Treasury shares				
Common shares	2,306	12,795	12,176	2,925
Total	2,306	12,795	12,176	2,925

Notes: 1. The decrease of 12,000 thousand common shares under issued shares is entirely attributable to cancellation of treasury shares.
2. The increase of 12,795 thousand common shares under treasury shares is primarily attributable to acquisition of 12,764 thousand shares as a result of the execution of capital policies.
3. The decrease of 12,176 thousand common shares under treasury shares is primarily attributable to cancellation of 12,000 thousand treasury shares.

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

Category	Nature of share acquisition rights	Amount as of March 31, 2015 (Yen in millions)
The Company (parent company)	Share acquisition rights as share options	2,037

3. Dividends

(1) Amount of dividends

Resolution	Class of shares	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 23, 2014	Common shares	30,688 million yen	40.00 yen	March 31, 2014	June 24, 2014
Meeting of the board of directors held on November 19, 2014	Common shares	30,694 million yen	40.00 yen	September 30, 2014	December 10, 2014

(2) Dividends of which the record date falls within the year ended March 31, 2015, and the effective date falls after March 31, 2015

Resolution	Class of shares	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2015	Common shares	41,502 million yen	Retained earnings	55.00 yen	March 31, 2015	June 30, 2015

Notes to Consolidated Statement of Cash Flows

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

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Cash and bank deposits.....	1,031,610	536,657
Call loans	21,000	402,586
Monetary receivables bought	1,345,859	1,372,372
Securities.....	15,457,012	15,511,017
Time deposits with initial term over three months to maturity	(138,205)	(108,731)
Monetary receivables bought not included in cash equivalents.....	(1,114,589)	(904,662)
Securities not included in cash equivalents.....	(15,318,227)	(15,378,725)
Cash and cash equivalents	1,284,459	1,430,514

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

*3. Assets and liabilities of a newly consolidated subsidiary through the acquisition of shares

FY2015 (April 1, 2015 – March 31, 2016)

The following shows the main components of assets and liabilities assumed as a result of the acquisition of HCC Insurance Holdings, Inc. (hereafter referred to as HCC) as well as the relationship between the acquisition cost of HCC shares and cash paid to obtain control net of cash assumed.

	(Yen in millions)
Total assets.....	1,282,938
Securities included in total assets	612,993
Goodwill.....	339,086
Total liabilities.....	(735,567)
Policy reserves included in total liabilities.....	(429,626)
Other	11,556
Acquisition cost of HCC shares	898,012
Cash and cash equivalents that HCC held at the date of acquisition	(83,538)
Cash paid to obtain control net of cash assumed.....	814,474

Leases

1. Finance leases

Non-transferable finance leases which are accounted for as operating lease transactions.

As lessee:

- (1) Acquisition cost, accumulated depreciation, accumulated impairment losses and net book value of leased assets on an "as if capitalized" basis

■ As of March 31, 2016

(Yen in millions)

	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Net book value
Tangible fixed assets	1,099	389	227	482

Acquisition cost includes interest payable thereon because the balance of future lease payment accounts for a small portion of the balance of tangible fixed assets.

■ As of March 31, 2015

(Yen in millions)

	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Net book value
Tangible fixed assets	1,099	347	—	752

Acquisition cost includes interest payable thereon because the balance of future lease payment accounts for a small portion of the balance of tangible fixed assets.

- (2) Future lease payments on an "as if incurred" basis

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Due within one year	49	49
Due after one year	598	647
Total	647	696
Balance of impairment losses on leased assets	227	—

Future lease payment includes interest payable thereon because the balance of future lease payment accounts for a small portion of the balance of tangible fixed assets.

- (3) Lease payment, reversal of impairment loss on leased assets, depreciation equivalent and impairment losses

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Lease payment	49	49
Reversal of impairment losses on lease assets	—	—
Depreciation equivalent	42	42
Impairment losses	227	—

- (4) Computation of depreciation equivalent

Depreciation equivalent is determined on the straight-line method over the lease period, with no residual value.

2. Operating leases

Future lease payments related to non-cancelable operating leases

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
As lessee:		
Due within one year	9,417	7,008
Due after one year	50,335	43,395
Total	59,752	50,404
As lessor:		
Due within one year	1,345	1,771
Due after one year	9,614	10,211
Total	10,959	11,982

Information on Financial Instruments

1. Qualitative information on financial instruments

(1) Investment policies

The core operation of the Group is insurance business and it conducts investments based on cash inflows mainly arising from insurance premiums.

Investment assets are managed in two categories, which are "Assets backing insurance liabilities" corresponding to long-term insurance contracts such as deposit type insurance and annuity, and "Others".

With regard to "Assets backing insurance liabilities", Asset Liability Management ("ALM") is applied in order to ensure future payments for claims and maturity refunds. Through ALM, the Group aims to maximize the value of surplus ("Investment assets" less "Insurance liabilities") by controlling the interest rate risk with derivatives such as interest rate swaps to which insurance liabilities are exposed and by investing in bonds with high credit ratings. The Group also utilizes financial options as one of the ways to control risk related to variable annuities which guarantee minimum amounts of benefits which are not subject to the result of investment.

With regard to "Others", the Group works toward diversification of investments and improvement of investment efficiency in order to generate sustainable investment income, while maintaining liquidity for future claims payments. On investment, considering the risk-and-return profile for each investment item, diversified investment is carried out in a variety of investment items such as bonds, equity securities and loans. In addition, foreign exchange forwards and other derivative transactions are utilized to mitigate risk related to assets held.

Through these approaches, the Group aims to minimize fluctuations in short-term gains and losses, increase investment income in order to maximize net asset value in the mid-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 risk

The Group holds financial instruments including equity securities, bonds and other securities; loans; and derivatives. These instruments are exposed to market risk, which refers to the risk of losses arising from fluctuations in share 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 disordered 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 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 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

(i) 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, credit risk and liquidity risk at the risk management department, which is independent of trading departments.

In accordance with the policy, "Investment guidelines" are established under which investable instruments, risk limits and actions to take when limits are exceeded are prescribed 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 monthly basis to directors.

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

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

Risk monitoring operations are regularly reported to the Board of Directors.

Other consolidated subsidiaries maintain risk management structures similar to those described above.

(ii) 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 calculated in commonly used and recognized methodologies when market prices are not available. On determination of such fair value, certain assumptions are set, and the fair value may be determined differently on other assumptions.

2. Fair value of financial instruments

The table below shows consolidated balance sheet carrying amounts, fair value and differences of financial instruments, excluding unlisted shares and other instruments for which fair value cannot be measured reliably. (Refer to Note 2.)

■ As of March 31, 2016

(Yen in millions)

	Carrying amount shown on balance sheet	Fair value	Difference
(1) Cash and bank deposits.....	1,031,610	1,031,842	231
(2) Call loans	21,000	21,000	—
(3) Receivables under resale agreements.....	4,999	4,999	—
(4) Receivables under securities borrowing transactions	21,597	21,597	—
(5) Monetary receivables bought.....	1,345,563	1,345,563	—
(6) Money trusts	63,049	63,049	—
(7) Securities			
Trading securities.....	1,210,270	1,210,270	—
Bonds held to maturity	3,538,490	4,477,954	939,463
Bonds earmarked for underwriting reserves.....	77,076	81,315	4,239
Available-for-sale securities.....	10,408,446	10,408,446	—
(8) Loans	769,318		
Allowance for doubtful accounts ^(*1)	(4,201)		
	765,117	770,920	5,803
Total financial assets	18,487,222	19,436,960	949,737
(1) Corporate bonds	77,677	80,302	2,624
(2) Payables under securities lending transactions	704,077	704,077	—
Total financial liabilities	781,754	784,379	2,624
Derivative assets and liabilities ^(*2)			
Hedge accounting not applied	35,323	35,323	—
Hedge accounting applied	29,194	29,194	—
Total derivative assets and liabilities.....	64,518	64,518	—

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amounts.

(*2) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted.

	Carrying amount shown on balance sheet	Fair value	Difference
(1) Cash and bank deposits.....	536,657	536,738	81
(2) Call loans	402,586	402,586	—
(3) Receivables under resale agreements.....	64,979	64,979	—
(4) Receivables under securities borrowing transactions	24,841	24,841	—
(5) Monetary receivables bought.....	1,372,209	1,372,209	—
(6) Money trusts	2,433	2,433	—
(7) Securities			
Trading securities.....	1,788,158	1,788,158	—
Bonds held to maturity	3,285,559	3,728,421	442,862
Bonds earmarked for underwriting reserves.....	119,056	124,522	5,465
Available-for-sale securities.....	10,059,553	10,059,553	—
(8) Loans	583,761		
Allowance for doubtful accounts (*1)	(5,353)		
	578,407	584,911	6,504
Total financial assets	18,234,442	18,689,355	454,913
(1) Corporate bonds	107,077	110,746	3,669
(2) Payables under securities lending transactions.....	825,845	825,845	—
Total financial liabilities	932,923	936,592	3,669
Derivative assets and liabilities (*2)			
Hedge accounting not applied.....	(2,047)	(2,047)	—
Hedge accounting applied	3,914	3,914	—
Total derivative assets and liabilities.....	1,867	1,867	—

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amounts.

(*2) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted. Net debits are shown in parentheses.

(Note 1) Valuation method for financial instruments

Assets

With regard to (1) Cash and bank deposits (excluding those defined as securities in “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, March 10, 2008)), (2) Call loans, (3) Receivables under resale agreements, and (4) Receivables under securities borrowing transactions, the book value is generally deemed as the fair value since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Regarding (5) Monetary receivables bought, (6) Money trusts and (7) Securities (including those in (1) Cash and bank deposits that are defined to be securities in “Accounting Standard for Financial Instruments”) with quoted market prices, the quoted closing price is used for listed shares and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (8) Loans, the book value is deemed as the fair value because interest rate changes will be reflected in a timely manner in the future cash flows and the book value approximates the fair value

as long as there are no significant changes in credit status of the borrowers since the inception of the loans. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans where borrowers are insolvent or in bankruptcy proceedings, the estimated uncollectible debts are deducted from the carrying amount to get the fair value.

Liabilities

With regard to (1) Corporate bonds, the price of the over-the-counter transactions is the fair value.

With regard to (2) Payables under securities lending transactions, the book value is deemed as the fair value because it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Derivatives

Please refer to “Derivative Transactions”.

(Note 2) Carrying amount shown on balance sheet of financial instruments for which fair value cannot be measured reliably

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Unlisted shares and partnership investments comprised of unlisted shares	219,413	257,622
Policy loans	109,632	111,267
Total	329,045	368,889

Unlisted shares and partnership investments comprised of unlisted shares are not included in (7) Securities because the fair value cannot be measured reliably as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans are not included in (8) Loans because the future cash flows cannot be estimated since policy loans are arranged under an insurance policy and the amount is limited to the repayment fund for cancellation with no contractual maturity.

(Note 3) Maturity analysis of financial assets

■ As of March 31, 2016

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	228,324	6,362	1,879	—
Monetary receivables bought	293,556	34,939	175,731	959,955
Securities				
Bonds held to maturity				
Domestic government bonds	36,248	214,111	173,000	2,990,229
Domestic corporate bonds	—	—	—	25,800
Foreign securities	1,544	2,808	1,544	20,924
Bonds earmarked for underwriting reserves				
Domestic government bonds	5,215	38,879	4,246	3,997
Foreign securities	6,867	14,788	5,701	2,696
Available-for-sale securities with maturity				
Domestic government bonds	103,672	391,613	482,460	1,732,784
Domestic municipal bonds	11,276	30,941	58,697	1,500
Domestic corporate bonds	73,236	322,508	191,680	44,198
Foreign securities	136,007	673,968	1,005,374	1,399,991
Others	625	15	3	—
Loans (*)	408,168	312,413	28,636	15,724
Total	1,304,743	2,043,351	2,128,958	7,197,800

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (323 million yen), and loans with no repayment schedule (3,904 million yen) are not included above.

■ As of March 31, 2015

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits.....	205,502	11,760	93	—
Monetary receivables bought.....	541,015	53,686	94,881	797,012
Securities				
Bonds held to maturity				
Domestic government bonds.....	8,700	232,559	85,300	2,830,029
Domestic corporate bonds.....	—	—	—	25,800
Foreign securities.....	930	4,998	1,723	19,475
Bonds earmarked for underwriting reserves				
Domestic government bonds.....	18,642	44,518	11,828	4,624
Foreign securities.....	9,344	23,415	11,646	3,193
Available-for-sale securities with maturity				
Domestic government bonds.....	355,662	418,924	531,097	1,629,085
Domestic municipal bonds.....	35,078	33,702	32,892	1,500
Domestic corporate bonds.....	123,290	342,848	76,187	42,579
Foreign securities.....	122,700	560,317	706,528	1,056,260
Others.....	166	556	4	53
Loans (*).....	349,669	185,013	21,401	18,364
Total.....	1,770,703	1,912,300	1,573,586	6,427,977

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (5,091 million yen), and loans with no repayment schedule (4,265 million yen) are not included above.

(Note 4) Maturity schedules for bonds, long-term borrowings and obligations under lease transactions

■ As of March 31, 2016

(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.....	600	3,855	—	—	40,152	30,426
Long-term borrowings.....	1	146,485	33,772	1	391,687	1
Obligations under lease transactions.....	674	490	353	256	0	—
Total.....	1,275	150,830	34,125	257	431,840	30,428

■ As of March 31, 2015

(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.....	1,130	500	4,953	—	—	97,173
Long-term borrowings.....	3,617	1	156,222	33,755	1	6,674
Obligations under lease transactions.....	390	340	155	18	1	—
Total.....	5,138	841	161,331	33,774	2	103,847

Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Unrealized gains (losses) included in income	230,451	421,688

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2016			As of March 31, 2015		
		Carrying amount shown on balance sheet	Fair value	Difference	Carrying amount shown on balance sheet	Fair value	Difference
Those with fair value exceeding the carrying amount	Domestic debt securities.....	3,411,751	4,351,913	940,161	3,256,138	3,698,936	442,797
	Foreign securities	8,762	8,922	160	15,970	16,300	329
	Subtotal	3,420,514	4,360,836	940,322	3,272,109	3,715,236	443,127
Those with fair value not exceeding the carrying amount	Domestic debt securities.....	99,723	99,240	(483)	2,048	2,029	(19)
	Foreign securities	18,253	17,878	(375)	11,400	11,155	(245)
	Subtotal	117,976	117,118	(858)	13,449	13,184	(265)
Total		3,538,490	4,477,954	939,463	3,285,559	3,728,421	442,862

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2016			As of March 31, 2015		
		Carrying amount shown on balance sheet	Fair value	Difference	Carrying amount shown on balance sheet	Fair value	Difference
Those with fair value exceeding the carrying amount	Domestic debt securities.....	50,128	52,996	2,868	76,476	79,774	3,297
	Foreign securities	26,948	28,318	1,370	40,543	42,728	2,184
	Subtotal	77,076	81,315	4,239	117,019	122,502	5,482
Those with fair value not exceeding the carrying amount	Foreign securities	—	—	—	2,037	2,020	(16)
	Subtotal	—	—	—	2,037	2,020	(16)
Total		77,076	81,315	4,239	119,056	124,522	5,465

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2016			As of March 31, 2015		
		Fair value shown on balance sheet	Cost	Difference	Fair value shown on balance sheet	Cost	Difference
Those with fair value exceeding the cost	Domestic debt securities.....	3,966,064	3,445,481	520,583	3,666,969	3,384,924	282,044
	Domestic equity securities.....	2,232,470	641,674	1,590,795	2,812,843	700,963	2,111,880
	Foreign securities	2,224,553	2,050,491	174,061	2,518,871	2,291,458	227,412
	Others (Note 2)	342,795	311,606	31,188	549,097	506,942	42,155
	Subtotal	8,765,883	6,449,254	2,316,628	9,547,781	6,884,288	2,663,493
Those with fair value not exceeding the cost	Domestic debt securities.....	89,017	90,981	(1,964)	319,857	321,536	(1,679)
	Domestic equity securities.....	38,289	43,563	(5,274)	11,381	12,221	(840)
	Foreign securities	1,835,749	1,900,677	(64,927)	711,722	740,860	(29,137)
	Others (Note 3)	1,087,045	1,117,385	(30,340)	849,532	855,405	(5,872)
	Subtotal	3,050,101	3,152,608	(102,506)	1,892,494	1,930,024	(37,529)
Total	11,815,984	9,601,863	2,214,121	11,440,275	8,814,312	2,625,963	

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

2. As of March 31, 2016, "Others" includes negotiable certificates of deposit (fair value: 95 million yen; cost: 93 million yen; difference: 2 million yen) which are presented as "Cash and bank deposits" on the consolidated balance sheet, and foreign mortgage securities, etc. (fair value: 329,675 million yen; cost: 300,918 million yen; difference: 28,756 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheet.

As of March 31, 2015, "Others" includes negotiable certificates of deposit (fair value: 188 million yen; cost: 186 million yen; difference: 2 million yen) which are presented as "Cash and bank deposits" on the consolidated balance sheet, and foreign mortgage securities, etc. (fair value: 531,002 million yen; cost: 491,841 million yen; difference: 39,161 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheet.

3. As of March 31, 2016, "Others" includes negotiable certificates of deposit (fair value: 64,226 million yen; cost: 64,226 million yen) which are presented as "Cash and bank deposits" on the consolidated balance sheet, and foreign mortgage securities, etc. (fair value: 1,013,541 million yen; cost: 1,043,362 million yen; difference: (29,821) million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheet.

As of March 31, 2015, "Others" includes negotiable certificates of deposit (fair value: 21,811 million yen; cost: 21,811 million yen) which are presented as "Cash and bank deposits" on the consolidated balance sheet, and commercial paper, etc. (fair value: 827,719 million yen; cost: 833,591 million yen; difference: (5,871) million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheet.

5. Bonds held to maturity that were sold
Not applicable.

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)			FY2014 (April 1, 2014–March 31, 2015)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities.....	8,777	466	—	5,907	301	0
Foreign securities	6,605	1,639	—	12,935	2,259	8
Total	15,382	2,105	—	18,842	2,560	8

7. Available-for-sale securities that were sold

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)			FY2014 (April 1, 2014–March 31, 2015)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities.....	363,156	13,982	1,449	631,974	15,772	1,494
Domestic equity securities.....	117,120	88,506	278	112,413	76,559	707
Foreign securities	956,697	58,060	16,232	782,787	19,834	9,577
Others.....	203,574	6,318	4,161	253,210	7,285	685
Total.....	1,640,549	166,866	22,122	1,780,387	119,452	12,466

Note: For the fiscal year 2015, "Others" includes negotiable certificates of deposit (proceeds: 16,693 million yen; gains: 4 million yen), which are presented as "Cash and bank deposits" on the consolidated balance sheet, and foreign mortgage securities (proceeds: 159,374 million yen; gains: 5,924 million yen; losses: 1,656 million yen), which are presented as "Monetary receivables bought" on the consolidated balance sheet.

For the fiscal year 2014, "Others" includes negotiable certificates of deposit (proceeds: 63,622 million yen; gains: 0 million yen; losses: 0 million yen), which are presented as "Cash and bank deposits" on the consolidated balance sheet, and foreign mortgage securities (proceeds: 189,588 million yen; gains: 7,284 million yen; losses: 685 million yen), which are presented as "Monetary receivables bought" on the consolidated balance sheet.

8. Securities impaired

For the fiscal year 2015, impairment losses of 19,238 million yen (domestic equity securities: 1,136 million yen; foreign securities: 14,960 million yen; others: 3,141 million yen) were recognized for "Available-for-sale securities" with fair value. Impairment losses of 458 million yen (domestic equity securities: 59 million yen; foreign securities: 398 million yen) were also recognized for those whose fair value cannot be measured reliably.

For the fiscal year 2014, impairment losses of 4,416 million yen (domestic equity securities: 10 million yen; foreign securities: 3,210 million yen; others: 1,195 million yen) were recognized for "Available-for-sale securities" with fair value. Impairment losses of 1,391 million yen (domestic equity securities: 828 million yen; foreign securities: 515 million yen; others: 47 million yen) were also recognized for those whose fair value cannot be measured reliably.

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

Money Trusts

1. Money trusts held for trading purposes

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Unrealized gains included in income	(570)	133

2. Money trusts held to maturity
Not applicable.

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

(Yen in millions)

	As of March 31, 2016			As of March 31, 2015		
	Carrying amount shown on balance sheet	Cost	Difference	Carrying amount shown on balance sheet	Cost	Difference
Money trusts	100	100	—	100	100	—

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, 2016				As of March 31, 2015			
		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.....	11,315	—	(0)	(0)	8,826	—	—	—
	Long.....	488	—	9	9	—	—	—	—
Over-the-counter transactions	Foreign exchange forwards								
	Short.....	551,317	7,379	913	913	352,119	2,481	(1,747)	(1,747)
	Long.....	57,266	2,107	(256)	(256)	36,643	492	(279)	(279)
	Currency swaps								
	Pay Foreign/Rec. Yen.....	68,770	48,526	(612)	(612)	131,872	81,901	(4,104)	(4,104)
	Pay Yen/Rec. Foreign.....	34,597	30,251	(652)	(652)	79,193	45,413	3,642	3,642
	Currency options								
	Short.....	60,583	32,992			62,884	56,094		
	Long.....	[5,406]	[3,796]	6,073	(667)	[7,296]	[6,592]	11,493	(4,196)
		[2,424]	[1,593]	4,272	1,848	[4,177]	[3,571]	8,527	4,350
Total	—	—	9,746	582	—	—	17,532	(2,335)	

Notes: 1. The fair value of currency futures is based on the closing price in principal markets.

2. The fair value of foreign exchange forwards and currency swaps is measured by discounting estimated future cash flows to present value.

3. The fair value of currency options is measured using option-pricing model.

4. For option contracts, the figures below the principal amount denoted with [] are option premiums.

(2) Interest rate-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		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.....	71,312	—	—	—	115,637	—	—	—
	Long.....	801	—	—	—	7,764	—	—	—
Over-the-counter transactions	Interest rate options								
	Short.....	7,159	5,000			29,407	16,247		
		[213]	[210]	—	213	[314]	[213]	0	313
	Interest rate swaps								
	Rec. fix/Pay float	1,474,336	1,283,565	152,724	152,724	1,715,205	1,427,490	126,507	126,507
	Rec. float/Pay fix	1,133,199	998,591	(113,849)	(113,849)	1,631,401	1,311,886	(119,441)	(119,441)
	Rec. float/Pay float....	471,150	459,041	147	147	377,224	268,945	(361)	(361)
	Rec. fix/Pay fix	663	663	(526)	(526)	1,300	1,300	(212)	(212)
Total	—	—	38,495	38,709	—	—	6,491	6,805	

Notes: 1. The fair value of interest rate futures is based on the closing prices in principal markets.

2. The fair value of interest rate options is measured using option-pricing model.

3. The fair value of interest rate swaps is measured by discounting estimated future cash flows to present value based on the interest rates at the end of period or based on the indications obtained from the counterparty financial institution.

4. For option contracts, the figures below the principal amount denoted with [] are option premiums.

(3) Equity-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount	Fair value	Unrealized gains (losses)	
		Over 1 year							
Market transactions	Equity index futures								
	Short.....	12,654	—	45	45	25,175	—	(66)	(66)
	Long.....	4,700	—	83	83	—	—	—	—
	Equity index options								
	Short.....	1,711	—			—	—		
		[21]	[—]	49	(27)	[—]	[—]	—	—
	Long.....	1,542	—			950	—		
		[38]	[—]	3	(34)	[12]	[—]	10	(2)
Over-the-counter transactions	Equity index options								
	Short.....	76,279	—			58,306	—		
		[2,595]	[—]	1,477	1,117	[1,667]	[—]	3,378	(1,710)
	Long.....	90,279	11,000			77,535	14,000		
		[9,073]	[3,881]	4,562	(4,510)	[9,058]	[4,764]	6,806	(2,252)
Total		—	—	6,223	(3,325)	—	—	10,129	(4,031)

Notes: 1. The fair value of equity index futures and market equity index options is based on the closing prices in principal markets.

2. The fair value of over-the-counter equity index options is based on indications obtained from counterparties.

3. For option contracts, the figures below the principal amount denoted with [] are option premiums.

(4) Bond-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount	Fair value	Unrealized gains (losses)	
		Over 1 year							
Market transactions	Bond futures								
	Short.....	167,555	—	41	41	141,894	—	(1,060)	(1,060)
	Bond futures options								
	Short.....	—	—			14,600	—		
		[—]	[—]	—	—	[12]	[—]	21	(9)
	Long.....	—	—			14,700	—		
		[—]	[—]	—	—	[24]	[—]	44	19
Over-the-counter transactions	Bond options								
	Short.....	56,920	—			34,775	—		
		[793]	[—]	687	106	[214]	[—]	108	105
	Long.....	46,740	—			34,775	—		
		[285]	[—]	266	(19)	[261]	[—]	431	170
Total		—	—	994	128	—	—	(455)	(773)

Notes: 1. The fair value of bond futures and bond futures options is based on the closing prices in principal markets.

2. The fair value of bond options is based on the price obtained from counterparties.

3. For option contracts, the figures below the principal amount denoted with [] are option premiums.

(5) Credit-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount	Fair value	Unrealized gains (losses)	
		Over 1 year							
Over-the-counter transactions	Credit derivatives								
	Sell protection.....	17,250	17,250	(318)	(318)	18,412	18,412	(807)	(807)
Total		—	—	(318)	(318)	—	—	(807)	(807)

Note: The fair value of credit derivatives is measured using an internal valuation model.

(6) Commodity-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter transactions	Commodity swaps								
	Rec. fixed price/Pay commodity indices	2,082	2,082	(136)	(136)	2,888	2,888	(1,684)	(1,684)
	Rec. commodity indices/Pay fixed price	2,177	2,177	(8)	(8)	3,033	3,033	1,459	1,459
Total		—	—	(145)	(145)	—	—	(224)	(224)

Note: The fair value of commodity swaps is measured using an internal valuation model.

(7) Others

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter transactions	Index basket options								
	Long	128,476	29,223			174,952	174,952		
		[48,542]	[26,956]	(2,642)	(51,184)	[43,913]	[43,913]	(3,802)	(47,715)
	Natural disaster derivatives								
	Short	32,882	12,568			37,598	4,568		
		[2,490]	[982]	1,189	1,301	[2,651]	[294]	1,067	1,583
	Long	19,623	12,005	512	(543)	20,219	4,000	163	(604)
		[1,055]	[486]			[767]	[—]		
	Weather derivatives								
	Short	13	—			13	—		
	[1]	[—]	0	0	[1]	[—]	0	0	
Others									
Long	3,305	3,305	223	223	—	—	—	—	
Total		—	—	(716)	(50,203)	—	—	(2,570)	(46,736)

Notes: 1. The fair value of index basket options is based on indications obtained from counterparties.

2. The fair value of natural disaster derivatives is measured using an internal valuation models or based on option premiums.

3. The fair value of weather derivatives is measured considering weather conditions, terms of contracts and other components.

4. The fair value of others is measured using an internal valuation model.

5. For option contracts, the figures below the principal amount denoted with [] are option premiums.

(8) Derivative transactions in money trusts

Tokio Marine & Nichido uses derivative transactions in money trusts for trading purposes. Details of these transactions are as follows:

(a) Foreign currency-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter transactions	Foreign exchange forwards								
	Short	59,940	—	73	73	—	—	—	—
Total		—	—	73	73	—	—	—	—

Note: The fair value of foreign exchange forwards is measured by discounting estimated future cash flows to present value.

(b) Bond-related instruments

(Yen in millions)

		As of March 31, 2016				As of March 31, 2015			
		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.....	7,865	—	38	38	—	—	—	—
Total.....		—	—	38	38	—	—	—	—

Note: The fair value of bond futures is based on the closing prices in principal markets.

2. Derivative transactions to which hedge accounting is applied

(1) Foreign currency-related instruments

(Yen in millions)

			As of March 31, 2016			As of March 31, 2015		
			Principal amount		Fair value	Principal amount		Fair value
			Over 1 year			Over 1 year		
Fair value hedges	Foreign exchange forwards Short.....	Available-for-sale securities	375,129	13,262	16,411	303,442	125,823	(12,577)
	Currency swaps Pay Foreign/Rec. Yen.....	Available-for-sale securities	8,105	4,610	(455)	10,790	5,750	(2,689)
Assignment accounting	Foreign exchange forwards Short.....	Bank deposits	7,000	—	(Note 2)	7,001	—	(Note 2)
	Currency swaps Pay Foreign/Rec. Yen.....	Foreign-currency-denominated loans	454	454	(Note 3)	—	—	—
Total.....			—	—	15,955	—	—	(15,266)

Notes: 1. The fair value of foreign exchange forwards and currency swaps is measured by discounting estimated future cash flows to present value.

2. The fair value of foreign exchange forwards is included in the fair value of bank deposits as they are accounted for with hedged items.

3. The fair value of currency swaps is included in the fair value of foreign-currency-denominated loans as they are accounted for with hedged items.

(2) Interest rate-related instruments

(Yen in millions)

			As of March 31, 2016			As of March 31, 2015		
			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	70,600	70,600	13,239	231,600	231,600	19,181
Total.....			—	—	13,239	—	—	19,181

Note: The fair value of interest rate swaps is measured by discounting estimated future cash flows to present value based on the interest rates at the end of period.

Retirement Benefits

1. Outline of the retirement and severance benefit plans

The Company and its major domestic consolidated subsidiaries have an unfunded lump-sum payment retirement plan covering substantially all employees.

Tokio Marine & Nichido has 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 and some overseas consolidated subsidiaries have a defined benefit plan and defined contribution plan.

2. Defined benefit plan

(1) Changes in retirement benefit obligations

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Beginning balance	491,261	443,965
Cumulative effects of changes in accounting policies	—	17,715
Restated balance	491,261	461,681
Service costs	16,764	16,314
Interest costs	6,372	7,366
Actuarial (gains) losses arising in current year	42,769	26,513
Benefit payments	(23,608)	(22,641)
Past service costs (credits) arising in current year	14	(1,128)
Others	(611)	3,157
Ending balance	532,962	491,261

Note: Some companies use the simplified method in calculation of retirement benefit obligations.

(2) Changes in plan assets

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Beginning balance	251,831	223,639
Expected return on plan assets	4,027	4,394
Actuarial gains (losses) arising in current year	42,428	21,115
Employer contribution	14,298	8,845
Benefit payments	(9,650)	(8,888)
Others	(486)	2,726
Ending balance	302,450	251,831

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

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Funded retirement benefit obligations	295,347	272,199
Plan assets	(302,450)	(251,831)
	(7,102)	20,368
Unfunded retirement benefit obligations	237,614	219,061
Net liabilities recognized in the balance sheets	230,511	239,429
Net defined benefit liabilities	242,952	239,838
Net defined benefit assets	(12,440)	(408)
Net liabilities recognized in the balance sheets	230,511	239,429

(4) Severance and retirement benefit expenses

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Service costs	16,764	16,314
Interest costs	6,372	7,366
Expected return on plan assets	(4,027)	(4,394)
Amortization of actuarial losses (gains)	10,307	14,384
Amortization of past service costs (credits)	(3,253)	(2,661)
Others	16	33
Severance and retirement benefit expenses	26,179	31,042

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

Remeasurements of defined benefit plans (before income tax effect) consisted of the followings:

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Past service costs.....	(3,267)	(1,533)
Actuarial differences.....	9,966	8,986
Others.....	(0)	(10)
Total.....	6,698	7,443

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

Remeasurements of defined benefit plans (before income tax effect) consisted of the followings:

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Unrecognized past service costs (credits).....	(3,270)	(6,538)
Unrecognized net actuarial losses (gains).....	26,599	36,565
Total.....	23,328	30,027

(7) Plan assets

a. Components of plan assets

Percentage by major category of plan assets is as follows:

	As of March 31, 2016	As of March 31, 2015
Debt securities	87%	86%
Equity securities	3%	4%
Cash and bank deposits.....	0%	0%
Life insurance company general accounts.....	6%	7%
Others.....	4%	4%
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, 2016 and 3% of total plan assets as of March 31, 2015.

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 current and future allocation of and returns on the various types of plan assets.

(8) Actuarial assumptions

Principal actuarial assumptions are as follows:

	As of March 31, 2016	As of March 31, 2015
Discount rate	0% - 1.1%	0.5% - 1.4%
Long-term expected rate of return on plan assets	1.2% - 1.7%	1.6% - 1.7%

3. Defined contribution pension plans

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

FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
6,308	5,540

Share Options

1. Expenses related to share options on consolidated statement of income

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Loss adjustment expenses.....	155	129
Operating and general administrative expenses.....	581	471

2. Details of share options

(1) Details of share options

	Share options (July 2015)	Share options (July 2014)	Share options (July 2013)
Title and number of grantees (Note 1)	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	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
Number of share options (Note 2)	Common share: 160,000 shares	Common share: 193,800 shares	Common share: 202,100 shares
Grant date	July 14, 2015	July 8, 2014	July 9, 2013
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 15, 2015 to June 30, 2016	From July 9, 2014 to June 30, 2015	From July 10, 2013 to June 30, 2014
Exercise period (Note 5)	From July 15, 2015 to July 14, 2045	From July 9, 2014 to July 8, 2044	From July 10, 2013 to July 9, 2043

	Share options (July 2012)	Share options (July 2011)	Share options (July 2010)
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: 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	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 22 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 32
Number of share options (Note 2)	Common share: 262,500 shares	Common share: 222,100 shares	Common share: 238,600 shares
Grant date	July 10, 2012	July 12, 2011	July 13, 2010
Vesting conditions	(Note 4)	(Note 4)	(Note 3)
Requisite service period	From July 11, 2012 to June 30, 2013	From July 13, 2011 to June 30, 2012	From July 14, 2010 to June 30, 2011
Exercise period (Note 5)	From July 11, 2012 to July 10, 2042	From July 13, 2011 to July 12, 2041	From July 14, 2010 to July 13, 2040

	Share options (July 2009)	Share options (August 2008)	Share options (July 2007)
Title and number of grantees (Note 1)	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Executive officers of the Company: 5 Directors of the Company's consolidated subsidiaries: 23 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 32	Directors of the Company: 13 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 26 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 27	Directors of the Company: 12 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 19 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 8 Executive officers of the Company's consolidated subsidiaries: 21
Number of share options (Note 2)	Common share: 213,300 shares	Common share: 122,100 shares	Common share: 86,700 shares
Grant date	July 14, 2009	August 26, 2008	July 23, 2007
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 15, 2009 to June 30, 2010	From August 27, 2008 to June 30, 2009	From July 24, 2007 to June 30, 2008
Exercise period (Note 5)	From July 15, 2009 to July 14, 2039	From August 27, 2008 to August 26, 2038	From July 24, 2007 to July 23, 2037

	Share options (July 2006)	Share options (July 2005)
Title and number of grantees (Note 1)	Directors of the Company: 7 Audit & Supervisory Board Members of the Company: 2 Directors of the Company's consolidated subsidiaries: 17 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 3 Executive officers of the Company's consolidated subsidiaries: 27	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 15 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 5 Executive officers of the Company's consolidated subsidiaries: 27
Number of share options (Note 2)	Common share: 97,000 shares	Common share: 155,000 shares
Grant date	July 18, 2006	July 14, 2005
Vesting conditions	(Note 3)	(Note 3)
Requisite service period	From July 19, 2006 to June 30, 2007	From July 15, 2005 to June 30, 2006
Exercise period (Note 5)	From July 19, 2006 to July 18, 2036	From July 15, 2005 to June 30, 2035

- Notes: 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 number of share options is converted into the number of equivalent shares.
3. Share options are vested on the date of grant. If directors, executive officers or Audit & Supervisory Board Member of the Company or the Company's subsidiaries retire their position before the end of service period, the number of exercisable share options is calculated by the following formula:

$$\text{Exercisable share options} = \text{Share options allotted} \times \text{Months of service from July in the fiscal year of grant to the month of retirement} / 12$$
 Remaining share options cannot be exercised after the retirement date and then are expired.
4. Share options are vested on the date of grant. If directors or executive officers of the Company or the Company's subsidiaries retire their position before the end of service period, the number of exercisable share options is calculated by the following formula:

$$\text{Exercisable share options} = \text{Share options allotted} \times \text{Months of service from July in the fiscal year of grant to the month of retirement} / 12$$
 Remaining share options cannot be exercised after the retirement date and then are expired.
5. Share options can be exercised within only ten days from the next day of the retirement date from directors, executive officers or Audit & Supervisory Board Members.

(2) Figures relating to the share options

The number of share options existing in the fiscal year ended March 31, 2016 is converted into the number of equivalent shares and listed.

(a) Number of the share options

	Share options (July 2015)	Share options (July 2014)	Share options (July 2013)	Share options (July 2012)	Share options (July 2011)	Share options (July 2010)	Share options (July 2009)	Share options (August 2008)	Share options (July 2007)	Share options (July 2006)	Share options (July 2005)
Share options before vesting (converted into the number of equivalent shares)											
Outstanding at the beginning of the fiscal year.....	—	42,500	—	—	—	—	—	—	—	—	—
Granted.....	160,000	—	—	—	—	—	—	—	—	—	—
Forfeited.....	7,100	6,200	—	—	—	—	—	—	—	—	—
Vested.....	124,700	36,300	—	—	—	—	—	—	—	—	—
Outstanding at the end of the fiscal year.....	28,200	—	—	—	—	—	—	—	—	—	—
Exercisable share options (converted into the number of equivalent shares)											
Outstanding at the beginning of the fiscal year.....	—	151,300	172,700	164,400	114,700	83,800	52,000	16,600	8,300	5,500	6,000
Vested.....	124,700	36,300	—	—	—	—	—	—	—	—	—
Exercised.....	—	20,300	26,300	26,100	19,500	12,900	6,400	300	300	—	—
Forfeited.....	—	—	—	—	—	—	—	—	—	—	—
Outstanding at the end of the fiscal year.....	124,700	167,300	146,400	138,300	95,200	70,900	45,600	16,300	8,000	5,500	6,000

Note: On September 30, 2006, the Company conducted a share split in the ratio of 500:1. The above numbers are presented on an after share split basis.

(b) Price information

(Yen)

	Share options (July 2015)	Share options (July 2014)	Share options (July 2013)	Share options (July 2012)	Share options (July 2011)	Share options (July 2010)	Share options (July 2009)	Share options (August 2008)	Share options (July 2007)	Share options (July 2006)	Share options (July 2005)
Exercise price (Note)	100	100	100	100	100	100	100	100	100	500	500
Average share price at exercise	—	4,605	4,591	4,553	4,554	4,716	4,866	5,094	5,094	—	—
Fair value on the grant date ..	500,800	310,800	332,600	181,900	219,500	234,400	237,600	353,300	491,700	2,013,506	—

Note: Exercise price per one share option.

3. Valuation technique used for the estimated fair value of share options

Valuation technique used for the estimated fair value of share options granted in July 2015 in the fiscal year ended March 31, 2016 is as follows:

(1) Valuation technique: Black-Scholes Model

(2) Assumptions

	Share options (July 2015)
Expected volatility (Note 1).....	26.78%
Expected lives (Note 2).....	2 years
Expected dividends (Note 3).....	82.50 yen per share
Risk-free interest rate (Note 4).....	0.01%

Notes: 1. Computed based on the share prices from July 16, 2013 to July 14, 2015.

2. Computed based on the average period of service of directors and Audit & Supervisory Board Members.

3. Computed based on the average amount of annual dividends paid in the fiscal year ended March 31, 2014 and the fiscal year ended March 31, 2015.

4. Based on yields of Japanese government bonds for a term corresponding to the expected lives.

4. Estimate of vested number of share options

Only the actual number of forfeited share options is considered because it is difficult to rationally estimate the number of share options that will be forfeited in the future.

Deferred Tax Accounting

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

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Deferred tax assets		
Underwriting reserves.....	350,851	337,700
Net defined benefit liabilities.....	68,877	72,633
Outstanding claims.....	63,446	63,441
Net operating loss carry forward.....	31,179	26,068
Impairment losses on securities.....	25,727	21,080
Price fluctuation reserve.....	24,599	23,813
Others.....	111,222	115,326
Subtotal.....	675,904	660,064
Valuation allowance.....	(39,923)	(29,503)
Total deferred tax assets.....	635,981	630,560
Deferred tax liabilities		
Unrealized gains on available-for-sale securities.....	(618,438)	(752,289)
Unrealized gains on consolidated subsidiaries.....	(229,953)	(73,505)
Others.....	(115,991)	(140,025)
Total deferred tax liabilities.....	(964,383)	(965,820)
Net deferred tax assets (liabilities).....	(328,401)	(335,259)

2. Reconciliation of the significant difference between the statutory income tax rate and the effective tax rate after the application of tax effect accounting

(%)

	As of March 31, 2016	As of March 31, 2015
Japanese statutory tax rate.....	33.1	35.6
(Adjustments)		
Permanent differences such as dividends received.....	(4.2)	(6.5)
Permanent differences such as entertainment expenses.....	0.5	0.6
Tax rate applied to consolidated subsidiaries.....	(3.3)	(2.7)
Amortization of goodwill and negative goodwill.....	1.7	2.0
Valuation allowance.....	0.4	(10.5)
Revision of deferred tax assets at year end due to the change in income tax rate.....	3.3	9.6
Others.....	(0.1)	(1.8)
Effective tax rate.....	31.3	26.2

3. Adjustment of deferred tax assets and liabilities due to changes in the corporate income tax rate

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 15, 2016) by the National Diet on March 29, 2016, reduction in the rate of Japanese Corporation Tax is effective for the fiscal years beginning on and after April 1, 2016.

As a result of this change, deferred tax liabilities (net of deferred tax assets) decreased by 4,947 million yen, and unrealized gains (losses) on available-for-sale securities increased by 17,442 million yen. Also, income before income taxes and non-controlling interests increased by 474 million yen and net income attributable to owners of the parent decreased by 11,867 million yen.

The Company and Tokio Marine & Nichido Fire Insurance Co., Ltd. applied following statutory effective tax rates for the calculation of deferred tax assets and liabilities related to the temporary differences which will be resolved in the fiscal years beginning on and after April 1, 2016:

a. The Company

- Before the change: 33.1%
- Fiscal years beginning on April 1, 2016 and April 1, 2017: 30.9%
- Fiscal years beginning on and after April 1, 2018: 30.6%

- b. Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Before the change: 28.7%
 - Fiscal years beginning on April 1, 2016 and April 1, 2017: 28.1%
 - Fiscal years beginning on and after April 1, 2018: 27.9%

Business Combinations and Other Matters

Business combination by acquisition

The Company acquired 100% of the outstanding shares of HCC Insurance Holdings, Inc. ("HCC"), a U.S. insurance holding company comprising property & casualty, accident & health and other specialty insurance business (hereinafter: "the Acquisition") through the Company's wholly owned subsidiary, Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF").

1. Outline of the business combination

- (1) Name of the acquiree
HCC Insurance Holdings, Inc.
- (2) Business
Insurance group holding company
- (3) Objective of the business combination
The objective of the Acquisition is to establish a more solid Group business foundation. HCC has a highly profitable and diversified business portfolio that complements the Company's existing business without significant overlap. The Acquisition will therefore further diversify the Company's business portfolio, improve the Group's capital efficiency, and enable sustainable profit growth.
- (4) Date of the business combination
October 27, 2015
- (5) Form of the business combination
Reverse triangular merger under laws concerning business combination in the U.S.
- (6) Company name after the business combination
HCC Insurance Holdings, Inc.
- (7) Voting rights acquired through the business combination
100%
- (8) Primary reasons for determination of controlling company
TMNF is the controlling company, as TMNF acquired 100% of voting rights of HCC.

2. Period for which the acquiree's operating results are included in the consolidated statement of income of the Company
The fiscal year end of the acquiree is December 31, which is different from that of the Company. The Company uses the financial statements as of the acquiree's latest fiscal year end for consolidation purposes since the intervening period does not exceed three months from the Company's fiscal year end. As the acquisition date is deemed to be December 31, 2015, solely the acquiree's balance sheet is consolidated, and the acquiree's operating results are not included in the consolidated statement of income for the fiscal year 2015.

3. Acquisition cost and breakdown by class of consideration

Consideration for HCC's shares acquired	Cash	898,012 million yen
Acquisition costs		898,012 million yen

4. Description and amount of major acquisition-related cost

Advisory fee and others	3,571 million yen
-------------------------	-------------------

5. Amount, reason for recognition, period and method of amortization of goodwill

- (1) Amount of goodwill
339,086 million yen
- (2) Reason for recognition of goodwill
The acquisition cost of the acquiree, which was calculated by taking into account projections of the acquiree's future revenue as of the valuation date, exceeded the net amount of assets acquired and liabilities assumed, and the difference is recognized as goodwill.
- (3) Period and method of amortization of goodwill
10 years using the straight line method

6. Amount of assets acquired and liabilities assumed on the date of the business combination and its main components
- | | |
|-----------------------|-----------------------|
| Total assets: | 1,282,938 million yen |
| Investment securities | 612,993 million yen |
| Total liabilities: | 735,567 million yen |
| Insurance liabilities | 429,626 million yen |
7. Approximate impact on the consolidated statement of income and its calculation methods, assuming that the business combination took place on the first day of the fiscal year 2015
- | | |
|--|---------------------|
| Ordinary income | 406,929 million yen |
| Ordinary profit | (6,385) million yen |
| Net income attributable to owners of the parent (11,445) million yen | |

(Calculation methods for approximate impact)

These amounts of approximate impact represent the difference between the hypothetical amounts of ordinary income, ordinary profit and net income attributable to owners of the parent calculated assuming that the business combination was completed at the beginning of the fiscal year 2015, and their corresponding amounts on consolidated statement of income of the Company for the fiscal year 2015. The amortized amount of goodwill is calculated assuming that the entire goodwill arising from the business combination was recognized at the beginning of the fiscal year 2015.

These amounts of the approximate impact and its calculation methods have been unaudited.

Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheet

- Outline of the asset retirement obligations
Asset retirement obligations were recognized in connection with the restoration of certain leased sites to their original condition at the end of lease term. In addition, asset retirement obligations were recognized in connection with the removal of hazardous substances from certain Company-owned properties.
- Measurement of asset retirement obligations
In estimating asset retirement obligations, estimated useful life of 7 to 50 years and discount rate of 0.1% to 2.3% are used.

3. Changes in balance

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Beginning balance	4,637	3,498
Addition by acquisitions	28	1,224
Unwinding of discount	45	44
Decrease by fulfillment of obligations	(85)	(133)
Other increases (decreases)	3	3
Ending balance	4,629	4,637

Investment Property

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

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Carrying amount shown on balance sheet		
Beginning balance	69,115	77,269
Change during the year	(2,643)	(8,154)
Ending balance	66,472	69,115
Fair value at end of fiscal year	136,666	137,776

- Notes: 1. Carrying amount is the amount after the accumulated depreciation and the accumulated impairment losses are deducted from the acquisition cost.
 2. In the fiscal year 2015, the principal increases include 1,176 million yen which is due to a change in the intended use of real estate property from business-use to rental. The principal decreases include 2,293 million yen of depreciation and 1,450 million yen of impairment losses. In the fiscal year 2014, the principal decreases include 3,416 million yen of disposals and 2,814 million yen which is due to a change in the intended use of real estate property from rental to business-use.
 3. Fair value as of March 31, 2016 is primarily based on appraisals by qualified independent valuers.

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

(Yen in millions)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Rental income.....	8,369	8,693
Direct operating expenses	6,278	6,666
Net amount.....	2,090	2,026
Others (Gains and losses on disposal by sales, etc.).....	(1,394)	454

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".

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 property and casualty insurance", "Domestic life insurance", "Overseas insurance" and "Finance and others".

"Domestic property and casualty insurance" primarily comprises underwriting property and casualty insurance in Japan and related investments. "Domestic life insurance" primarily comprises underwriting of life insurance in Japan and related investments. "Overseas insurance" primarily comprises underwriting of insurance overseas and related investments. In "Finance and others", the main businesses are investment advisory, investment trusts services, staffing business, facility management business and nursing care services.

(2) Measurement 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.

As described in "Changes in Accounting Policies", the Company has applied Accounting Standard for Business Combinations, etc. since the beginning of the fiscal year 2015. As a result, segment profit for the Overseas insurance segment decreased by 3,571 million yen.

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

■ FY2015 (April 1, 2015–March 31, 2016)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total		
Ordinary income							
Ordinary income from external customers.....	2,730,484	484,180	1,427,901	52,605	4,695,171	(116,094)	4,579,076
Ordinary income from transactions with other operating segments	8,623	24	568	23,640	32,857	(32,857)	—
Total	2,739,107	484,205	1,428,470	76,245	4,728,029	(148,952)	4,579,076
Segment profit.....	239,390	28,375	112,212	5,843	385,822	3	385,825
Segment assets.....	7,826,385	6,960,762	7,050,807	47,639	21,885,595	(30,266)	21,855,328
Other items							
Depreciation	12,752	354	27,756	508	41,372	—	41,372
Amortization of goodwill.....	283	—	29,582	—	29,866	—	29,866
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	127,429	87,067	172,780	327	387,604	(1,097)	386,507
Interest expenses.....	2,755	543	4,192	—	7,491	(25)	7,465
Equity in earnings (losses) of affiliates	—	—	(2,421)	—	(2,421)	—	(2,421)
Investments in affiliates accounted for by the equity method	—	—	29,601	—	29,601	—	29,601
Increase in tangible and intangible fixed assets	10,670	321	19,604	287	30,884	(0)	30,884

Notes: 1. Descriptions of "Adjustments" are as follows:

- (1) The major component of "Adjustments" for "Ordinary income from external customers" amounted to (116,094) million yen is the transfer of "Reversal of underwriting reserves" of 109,411 million yen. This item is included in "Ordinary income" within "Domestic life insurance" segment, while this amount is included in "Provision for underwriting reserves" within "Ordinary expenses" in the consolidated statement of income.
- (2) "Adjustments" for "Segment profit" of 3 million yen is the elimination of inter-segment transactions.
- (3) "Adjustments" for "Segment assets" of (30,266) million yen is the elimination of inter-segment transactions.
- (4) "Adjustments" for "Other items" is the elimination of inter-segment transactions.

2. "Segment profit" is reconciled to "Ordinary profit" in the consolidated statement of income.

■ FY2014 (April 1, 2014–March 31, 2015)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total		
Ordinary income							
Ordinary income from external customers.....	2,564,357	327,348	1,423,249	51,026	4,365,982	(37,999)	4,327,982
Ordinary income from transactions with other operating segments.....	8,411	53	349	23,802	32,617	(32,617)	—
Total.....	2,572,769	327,402	1,423,598	74,829	4,398,599	(70,616)	4,327,982
Segment profit.....	203,952	19,130	128,770	6,342	358,197	(15)	358,182
Segment assets.....	8,550,204	7,029,630	5,277,596	53,269	20,910,700	(21,030)	20,889,670
Other items							
Depreciation	13,424	378	28,300	507	42,611	—	42,611
Amortization of goodwill.....	369	—	29,771	—	30,140	—	30,140
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	131,542	81,552	152,302	272	365,670	(1,043)	364,627
Interest expenses.....	1,758	713	4,118	35	6,625	(24)	6,601
Equity in earnings of affiliates.....	—	—	304	—	304	—	304
Investments in affiliates accounted for by the equity method	—	—	23,240	—	23,240	—	23,240
Increase in tangible and intangible fixed assets	7,735	332	14,606	185	22,859	(44)	22,814

Notes: 1. Descriptions of "Adjustments" are as follows:

- (1) The major component of "Adjustments" for "Ordinary income from external customers" amounted to (37,999) million yen is the transfer of "Reversal of outstanding claims" of 25,200 million yen. This item is included in "Ordinary income" of "Domestic property and casualty insurance" segment, while this amount is included in "Provision for outstanding claims" within "Ordinary expenses" in the consolidated statement of income.
 - (2) "Adjustments" for "Segment profit" of (15) million yen is the elimination of inter-segment transactions.
 - (3) "Adjustments" for "Segment assets" of (21,030) million yen is the elimination of inter-segment transactions.
 - (4) "Adjustments" for "Other items" is the elimination of inter-segment transactions.
2. "Segment profit" is reconciled to "Ordinary profit" in the consolidated statement of income.

2. Related information

■ FY2015 (April 1, 2015–March 31, 2016)

(1) Information about products and services

(Yen in millions)

	Property and casualty insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers.....	3,832,729	770,690	52,605	4,656,025	(76,948)	4,579,076

Note: The major component of "Adjustments" is the transfer of provision for/reversal of underwriting reserves in the consolidated statement of income.

(2) Information about geographical areas

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,067,994	969,456	562,022	4,599,473	(20,396)	4,579,076

Notes: 1. Classified by country and region based on customer location.

2. The major component of "Adjustments" is the transfer of provision for/reversal of underwriting reserves in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	Overseas	Total
236,130	41,282	277,413

(3) Information about major customers
Not applicable.

■ FY2014 (April 1, 2014–March 31, 2015)

(1) Information about products and services

(Yen in millions)

	Property and casualty insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers.....	3,588,106	689,783	51,026	4,328,917	(934)	4,327,982

Note: The major component of "Adjustments" is the transfer of equity in earnings (losses) of affiliates in the consolidated statement of income.

(2) Information about geographical areas

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
2,837,030	868,338	644,115	4,349,484	(21,502)	4,327,982

Notes: 1. Classified by country and region based on customer location.

2. The major component of "Adjustments" is the transfer of provision for/reversal of outstanding claims in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	Overseas	Total
242,205	40,561	282,766

(3) Information about major customers
Not applicable.

3. Impairment losses of fixed assets by reportable segments

■ FY2015 (April 1, 2015–March 31, 2016)

(Yen in millions)

	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total
Impairment losses.....	1,928	—	—	287	2,215

■ FY2014 (April 1, 2014–March 31, 2015)

(Yen in millions)

	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total
Impairment losses.....	14,141	—	—	5	14,147

4. Amortization and remaining balance of goodwill by reportable segments

■ FY2015 (April 1, 2015–March 31, 2016)

(1) Goodwill

(Yen in millions)

	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total
Amortization	283	—	29,582	—	29,866
Remaining balance as of March 31, 2016	1,057	—	533,536	—	534,593

(2) Negative goodwill

(Yen in millions)

	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2016	56,857	1,493	10,090	1,386	69,827

■ FY2014 (April 1, 2014–March 31, 2015)

(1) Goodwill

(Yen in millions)

	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total
Amortization	369	—	29,771	—	30,140
Remaining balance as of March 31, 2015	1,341	—	224,552	—	225,894

(2) Negative goodwill

(Yen in millions)

	Domestic property and casualty insurance	Domestic life insurance	Overseas insurance	Finance and others	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2015	65,774	1,742	11,008	1,531	80,056

5. Gains on negative goodwill by reportable segments

Not applicable.

Related-party Transactions

There is no significant transaction to be disclosed.

Per Share Information

(Yen)

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Net assets per share	4,617.45	4,742.52
Net income per share–Basic	337.27	323.97
Net income per share–Diluted	336.92	323.66

Notes: 1. As described in the section of “Changes in Accounting Policies” in “Significant Accounting Policies”, the Company has applied the Accounting Standard for Business Combinations, etc.

As a result, “Net assets per share” for the fiscal year 2015 decreased by 4.74 yen, “Net income per share–Basic” decreased by 4.74 yen, and “Net income per share–Diluted” decreased by 4.73 yen.

2. Calculation of “Net income per share–Basic” and “Net income per share–Diluted” is based on the following figures.

	FY2015 (April 1, 2015–March 31, 2016)	FY2014 (April 1, 2014–March 31, 2015)
Net income per share–Basic		
Net income attributable to owners of the parent (Yen in millions).....	254,540	247,438
Net income not attributable to common shareholders (Yen in millions)	—	—
Net income attributable to owners of the parent related to common shares (Yen in millions).....	254,540	247,438
Average number of shares outstanding (In thousand shares)	754,692	763,755
Net income per share–Diluted		
Adjustment of net income attributable to owners of the parent (Yen in millions).....	—	—
Increased number of common shares (In thousand shares)	778	739
Increased number of share acquisition rights (In thousand shares)	778	739

Significant Subsequent Events

Not applicable.

Supplementary Schedule

(Schedule of corporate bonds)

Issuer	Series	Issue date	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Coupon (%)	Collateral	Maturity date
	4th Unsecured Bond	Sep. 20, 2000	10,000	10,000	2.78	None	Sep. 18, 2020
	Power Reverse Dual Currency Bond	Sep. 28, 2006 to Nov. 15, 2007	3,650	—	4.06-12.41	None	Apr. 27, 2015 to Nov. 16, 2015
	Nikkei Average Linked Bond	Feb. 6, 2006 to Nov. 19, 2007	2,800	—	2.90-7.86	None	Apr. 24, 2015 to Aug. 6, 2015
Tokio Marine & Nichido Fire Insurance Co., Ltd.	CMS Floater Bond	Apr. 26, 2005	240	240	0.77	None	Apr. 26, 2017
	FX Linked Digital Coupon Bond	May 8, 2006	100	—	5.60	None	May 8, 2015
	Snow Ball Bond	Aug. 15, 2005 to Jan. 30, 2006	2,250	1,200 [500]	0.00-0.89	None	Sep. 30, 2015 to Sep. 16, 2025
	FX Linked Coupon Bond	Jul. 10, 2006 to Oct. 20, 2008	30,470	9,320 [100]	0.00-21.63	None	Apr. 7, 2015 to Oct. 21, 2038
	Subordinated Bond in USD	May 23, 2007	20,931 (USD 173,629 thousand)	20,948 (USD 173,690 thousand)	7.38	None	May 1, 2067
Delphi Financial Group, Inc.	Straight Bond in USD	Jan. 20, 2010	33,622 (USD 278,907 thousand)	32,953 (USD 273,221 thousand)	7.88	None	Jan. 31, 2020
Segregated Account Omamori	Cat Bond in USD (Note 3)	Jan. 17, 2014	3,013 (USD 25,000 thousand)	3,015 (USD 25,000 thousand)	5.00	Yes	Jan. 24, 2017
Total		—	107,077	77,677 [600]	—	—	—

Notes: 1. The figures denoted with () in the columns for the beginning balance and the ending balance are the foreign-currency-denominated amounts.

2. The figures denoted with [] in the column for the ending balance are the amounts of corporate bonds to be redeemed within 1 year.

3. Cat Bond in USD is issued by a special purpose company and corresponds to non-recourse debt.

4. Principal amounts to be redeemed within 5 years after the closing date are as follows:

	(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
Corporate bonds	600	840	—	—	40,152
Non-recourse corporate bonds.....	—	3,015	—	—	—

(Schedule of borrowings)

	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Average interest rate (%)	Maturity date
Short-term borrowings	—	7,236	1.4	—
Long-term borrowings to be repaid within 1 year	3,617	1	3.4	—
Obligations under lease transactions to be repaid within 1 year	358	614	4.0	—
Long-term borrowings other than that to be repaid within 1 year	198,474	573,437	1.2	May 23, 2017 to Mar. 20, 2024
Obligations under lease transactions other than that to be repaid within 1 year	491	1,034	3.7	Apr. 5, 2017 to Oct. 31, 2020
Total	202,942	582,323	—	

Notes: 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:

	(Yen in millions)			
	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years
Long-term borrowings	146,485	33,772	1	391,687
Lease obligations	490	353	256	0

(Schedule of asset retirement obligations)

Detailed information is omitted due to its immateriality.

Quarterly Results

Quarterly results for the year ended March 31, 2016

Cumulative period	First quarter	Second quarter	Third quarter	For the year
Ordinary income (Yen in millions)	1,097,331	2,241,417	3,345,376	4,579,076
Quarterly net income before income taxes (Yen in millions) ..	123,650	112,487	244,203	372,845
Quarterly net income attributable to owners of the parent (Yen in millions)	89,435	85,605	180,914	254,540
Quarterly net income per share (Yen)	118.50	113.42	239.71	337.27
Accounting period	First quarter	Second quarter	Third quarter	Fourth quarter
Quarterly net income (loss) per share (Yen)	118.50	(5.07)	126.28	97.55

Independent Auditor's Report



Independent Auditor's Report

To the Board of Directors of Tokio Marine Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Tokio Marine Holdings, Inc. ("the Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as at March 31, 2016, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

PricewaterhouseCoopers Aarata LLC.

August 9, 2016

PricewaterhouseCoopers Aarata LLC

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Solvency Margin Ratio

Situation of the enhancement of the ability to pay for insurance claims, etc. of an insurance holding company and its subsidiary companies, etc.

Tokio Marine Holdings' solvency margin ratio (consolidated)

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A)	4,793,890	5,336,308
Shareholders' equity less adjusting items.....	710,374	1,135,707
Price fluctuation reserve	88,144	82,945
Contingency reserve	48,068	48,380
Catastrophe loss reserve	1,108,072	1,010,824
General allowance for doubtful accounts	1,876	2,867
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	2,004,174	2,360,278
Unrealized gains (losses) on land	193,708	177,023
Total amount of unrecognized actuarial difference and unrecognized prior service costs (prior to tax effect deductions).....	(24,411)	(31,142)
Excess of premium reserve, etc.	286,376	254,890
Subordinated debt, etc.	—	—
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin.....	—	—
Total margin of Small Amount and Short Term Insurer.....	71	82
Deductions.....	62,490	55,301
Others	439,924	349,751
Total amount of risks (B)		
$\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,211,446	1,365,965
General insurance risk on property and casualty insurance contracts (R1)	324,557	275,627
Life insurance risk (R2)	64,482	53,215
Third sector insurance risk (R3)	4,655	4,562
Insurance risk of Small Amount and Short Term Insurer (R4)	25	40
Assumed interest rate risk (R5)	30,547	31,892
Minimum guarantee risk on life insurance contracts (R6)	2,995	3,335
Asset management risk (R7)	727,747	938,638
Business administration risk (R8)	30,087	32,519
Catastrophe risk on property and casualty insurance contracts (R9).....	349,385	318,644
Solvency margin ratio [(A)/{(B) × 1/2}] × 100 (C).....	791.4%	781.3%

Note: "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 210 paragraph 11, section 3 and section 4 of the Enforcement Regulation of the Insurance Business Act and with Ordinance No. 23 issued by the Financial Services Agency in 2011. The ratio as of March 31, 2015 is calculated in accordance with the regulations prior to revision by Ordinance No. 16 issued by Cabinet Office in 2016 and Ordinance No. 10 issued by the Financial Services Agency in 2016. The figure of "Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)" as of March 31, 2015 is the figure calculated based on the regulations prior to the revision.

Solvency margin ratio (consolidated)

1. Most subsidiaries in Tokio Marine Group engage in the property and casualty insurance business, life insurance business and Small Amount and Short Term insurance business. In addition to reserves to cover claim payments and payments for maturity-refunds of saving type insurance policies, etc., it is necessary for insurance groups to maintain sufficient solvency in order to cover against risks which may exceed their normal expectations, e.g., occurrences of major catastrophe, a significant decline in value of assets held, etc.
2. The consolidated solvency margin ratio (C), which is calculated in accordance with the Insurance Business Act, is the ratio of "solvency margin of insurance company groups by means of their capital, reserves, etc." (total amount of solvency margin: (A)) to "risks which exceed normal expectations" (total amount of risks: (B)).
3. "Risks which exceed normal expectations" (total amount of risks: (B)) is composed of risks described below.
 - (1) General insurance risk on property and casualty insurance contracts, life insurance risk, third sector insurance risk and insurance risk of Small Amount and Short Term Insurer: risks that insurance claims occur beyond normal expectations (excluding catastrophe risk on property and casualty insurance contracts).
 - (2) Assumed interest rate risk: risks that invested assets fail to yield assumed interest rates due to the aggravation of investment conditions.
 - (3) Minimum guarantee risk on life insurance contracts: risks that value of assets related to the minimum guarantee for benefits of insurance contracts which are managed as a separate account fluctuates beyond normal expectations and falls below the minimum guaranteed benefits when they are to be paid.
 - (4) Asset management risk: risks that retained securities and other assets fluctuate in prices beyond normal expectations.
 - (5) Business administration risk: risks that do not fall under other categories which are beyond normal expectations.
 - (6) Catastrophe risk on property and casualty insurance contracts: risks that losses relating to major catastrophe occur beyond normal expectations (equivalent to the Great Kanto Earthquake or Isewan Typhoon or overseas major catastrophe).
4. Subsidiaries that were excluded from the scope of consolidation in preparation of consolidated financial statements due to immateriality were taken into calculation of the consolidated solvency margin ratio.
5. "Solvency margin of insurance companies by means of their capital, reserves, etc." (Total amount of solvency margin: (A)) is total amount of the Company's and subsidiaries' net assets (excluding planned outflows), certain reserves (price fluctuation reserve, contingency reserve and catastrophe loss reserve, etc.) and parts of unrealized gains (losses) on land.
6. The consolidated solvency margin ratio is one of the indicators used for the regulatory authorities to supervise corporate groups headed by an insurance holdings company. A ratio exceeding 200% indicates adequate ability to meet payments of insurance claims.

Situation of the enhancement of the ability to pay for insurance claims, etc. of major domestic subsidiaries

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

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A).....	4,493,086	4,462,610
Shareholders' equity less adjusting items.....	1,139,177	883,688
Price fluctuation reserve	81,060	76,134
Contingency reserve	2,956	746
Catastrophe loss reserve	1,051,399	956,583
General allowance for doubtful accounts.....	321	640
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	1,715,688	2,148,148
Unrealized gains (losses) on land	181,477	165,624
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	10,089	10,092
Others	331,094	241,136
Total amount of risks (B)		
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	1,204,068	1,187,303
General insurance risk (R1).....	169,165	162,666
Third sector insurance risk (R2)	—	—
Assumed interest rate risk (R3)	24,447	25,588
Asset management risk (R4)	880,811	860,335
Business administration risk (R5)	26,618	26,179
Catastrophe risk (R6)	256,519	260,390
Solvency margin ratio (C) $[(A)/\{(B) \times 1/2\}] \times 100$	746.3%	751.7%

Note: "Solvency margin ratio on a non-consolidated basis" is calculated in accordance with Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996. The ratio as of March 31, 2015 is calculated in accordance with the regulations prior to revision by Ordinance No. 16 issued by Cabinet Office in 2016 and Ordinance No. 10 issued by the Financial Services Agency in 2016. However, there is no influence of the revision. The figure of "Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)" as of March 31, 2015 is the figure calculated based on the regulations prior to the revision.

Solvency margin ratio (non-consolidated)

- In addition to reserves to cover claim payments and payments for maturity-refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their normal expectations, e.g. occurrences of major catastrophe, a significant decline in value of assets held by insurance companies, etc.
- The solvency margin ratio (C), which is calculated in accordance with the Insurance Business Act, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total amount of solvency margin: (A)) to "risks which exceed normal expectations" (total amount of risks: (B)).
- "Risks which exceed normal expectations" (total amount of risks: (B)) is composed of risks described below.
 - (General) insurance risk, third sector insurance risk: risks that insurance claims occur beyond normal expectations (excluding catastrophe risk).

- (2) Assumed interest rate risk: risks that invested assets fail to yield assumed interest rates due to the aggravation of investment conditions.
- (3) Minimum guarantee risk: risks that value of assets related to the minimum guarantee for benefits of insurance contracts which are managed as a separate account fluctuates beyond normal expectations and falls below the minimum guaranteed benefits when they are to be paid.
- (4) Asset management risk: risks that retained securities and other assets fluctuate in prices beyond normal expectations.
- (5) Business administration risk: risks that do not fall under other categories which are beyond normal expectations.
- (6) Catastrophe risk: risks that losses relating to major catastrophe occur beyond normal expectations (equivalent to the Great Kanto Earthquake or Isewan typhoon).
4. "Solvency margin of insurance companies by means of their capital, reserves, etc." (Total amount of solvency margin: (A) is total amount of net assets (excluding planned outflows), certain reserves (price fluctuation reserve, contingency reserve and catastrophe loss reserve, etc.) and parts of unrealized gains (losses) on land.
5. The solvency margin ratio is one of indicators used for the regulatory authorities to supervise insurance companies. A ratio exceeding 200% indicates adequate ability to meet payments of insurance claims.

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

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A)	168,628	168,212
Shareholders' equity less adjusting items.....	61,405	63,469
Price fluctuation reserve	1,374	1,660
Contingency reserve	—	—
Catastrophe loss reserve	55,905	53,035
General allowance for doubtful accounts	5	11
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	43,625	43,204
Unrealized gains (losses) on land	(732)	(1,352)
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	7,045	8,184
Total amount of risks (B)		
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	29,904	31,604
General insurance risk (R1)	12,289	12,145
Third sector insurance risk (R2)	—	—
Assumed interest rate risk (R3)	1,110	1,180
Asset management risk (R4)	12,934	14,294
Business administration risk (R5)	736	775
Catastrophe risk (R6)	10,504	11,156
Solvency margin ratio (C)		
$[(A)/\{(B) \times 1/2\}] \times 100$	1,127.7%	1,064.5%

Note: "Solvency margin ratio on a non-consolidated basis" is calculated in accordance with Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996. The ratio as of March 31, 2015 is calculated in accordance with the regulations prior to revision by Ordinance No. 16 issued by Cabinet Office in 2016 and Ordinance No. 10 issued by the Financial Services Agency in 2016. However, there is no influence of the revision. The figures of "Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)" as of March 31, 2015 is the figure calculated based on the regulations prior to the revision.

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

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A).....	7,564	10,633
Shareholders' equity less adjusting items.....	6,795	10,096
Price fluctuation reserve	—	—
Contingency reserve	—	—
Catastrophe loss reserve	768	536
General allowance for doubtful accounts.....	—	—
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to 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	—	—
Total amount of risks (B)		
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	2,793	2,318
General insurance risk (R1).....	2,401	1,987
Third sector insurance risk (R2)	—	—
Assumed interest rate risk (R3)	—	—
Asset management risk (R4)	273	257
Business administration risk (R5)	88	74
Catastrophe risk (R6)	287	240
Solvency margin ratio (C)		
$[(A)/\{(B) \times 1/2\}] \times 100$	541.5%	917.2%

Note: "Solvency margin ratio on a non-consolidated basis" is calculated in accordance with Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996. The ratio as of March 31, 2015 is calculated in accordance with the regulations prior to revision by Ordinance No. 16 issued by Cabinet Office in 2016 and Ordinance No. 10 issued by the Financial Services Agency in 2016. However, there is no influence of the revision. The figures of "Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)" as of March 31, 2015 is the figure calculated based on the regulations prior to the revision.

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

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A)	858,471	675,058
Shareholders' equity less adjusting items	133,689	140,931
Price fluctuation reserve	5,709	5,149
Contingency reserve	45,094	47,606
General allowance for doubtful accounts	471	522
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions) × 90% (×100% in case of net unrealized losses)	290,612	125,528
Unrealized gains (losses) on land × 85% (×100% in case of net unrealized losses) ...	—	—
Excess of continued Zillmerized reserve	286,376	254,890
Subordinated debt, etc.	—	—
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	(5,266)	—
Deductions	—	—
Others	101,785	100,429
Total amount of risks (B)		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	50,825	43,241
Insurance risk (R ₁)	14,891	14,116
Third sector insurance risk (R ₈)	4,655	4,562
Assumed interest rate risk (R ₂)	4,988	5,124
Minimum guarantee risk (R ₇)	3,018	3,388
Asset management risk (R ₃)	37,496	29,231
Business administration risk (R ₄)	1,301	1,128
Solvency margin ratio (C)		
$[(A)/(B) \times 1/2] \times 100$	3,378.1%	3,122.2%

Note: "Solvency margin ratio on a non-consolidated basis" is calculated in accordance with Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996. The ratio as of March 31, 2015 is calculated in accordance with the regulations prior to revision by Ordinance No. 16 issued by Cabinet Office in 2016 and Ordinance No. 10 issued by the Financial Services Agency in 2016. However, there is no influence of the revision. The figures of "Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)" as of March 31, 2015 is the figure calculated based on the regulations prior to the revision.

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

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A)	1,400	1,446
Total net assets (excluding deferred assets etc.)	1,330	1,364
Price fluctuation reserve	—	—
Catastrophe loss reserve	1	1
General allowance for doubtful accounts	—	—
Unrealized gains (losses) on available-for-sale securities (prior to tax effect deductions) (99% or 100%)	—	—
Unrealized gains (losses) on land (85% or 100%)	—	—
Part of reserve for dividends to policyholders (excluding dividends for following period)	—	—
Future profit	—	—
Deferred tax	69	80
Subordinated debt, etc.	—	—
Deductions	—	—
Total amount of risks (B)		
$\sqrt{R_1^2 + R_2^2 + R_3 + R_4}$	89	90
Insurance risk	49	58
General insurance risk (R1)	24	40
Catastrophe risk (R4)	24	18
Asset management risk (R2)	57	57
Business administration risk (R3)	2	2
Solvency margin ratio (C)		
$[(A)/((B) \times 1/2)] \times 100$	3,125.7%	3,208.2%

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

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

(Yen in millions, except for %)

Item	As of March 31, 2016	As of March 31, 2015
Total amount of solvency margin (A)	242	273
Total net assets (excluding deferred assets etc.)	241	273
Price fluctuation reserve	—	—
Catastrophe loss reserve	0	0
General allowance for doubtful accounts	—	—
Unrealized gains (losses) on available-for-sale securities (prior to tax effect deductions) (99% or 100%)	—	—
Unrealized gains (losses) on land (85% or 100%)	—	—
Part of reserve for dividends to policyholders (excluding dividends for following period)	—	—
Future profit	—	—
Deferred tax	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Total amount of risks (B)		
$\sqrt{R_1^2 + R_2^2 + R_3 + R_4}$	29	13
Insurance risk	10	3
General insurance risk (R1)	1	0
Catastrophe risk (R4)	9	3
Asset management risk (R2)	19	9
Business administration risk (R3)	0	0
Solvency margin ratio (C)		
$[(A)/((B) \times 1/2)] \times 100$	1,617.8%	4,180.4%

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

Interest-Rate Sensitivity of ALM Surplus Value

The following tables show how the hypothetical changes in interest rates affect the present value of the surplus in Tokio Marine & Nichido's asset-liability portfolio as of March 31, 2016 and March 31, 2015. The asset-liability portfolio is composed of assets to meet future obligations and reserves for insurance policies including deposit-type insurance and long-term insurance policies, and the present value of the surplus in the portfolio is measured as the difference between the present value of assets and that of liabilities (before taxes and future policy dividends).

Tokio Marine & Nichido Fire Insurance Co., Ltd.

(Yen in billions)

	Yield curve shift (As of March 31, 2016)		
	-0.5%	±0%	+0.5%
General Policy Account	(15.0)	0.0	10.4
Deposit-Type Insurance Accounts	(3.0)	0.0	1.7
Asset-Liability Portfolio Total	(18.0)	0.0	12.2

(Yen in billions)

	Yield curve shift (As of March 31, 2015)		
	-0.5%	±0%	+0.5%
General Policy Account	(29.0)	0.0	24.7
Deposit-Type Insurance Accounts	(1.5)	0.0	0.8
Asset-Liability Portfolio Total	(30.5)	0.0	25.5

(1) Based on the prevailing yield curve for Japanese government bonds (JGBs) on the indicated dates

(2) The information presented above has been prepared solely for risk management purposes and is not indicative of the actual effect on the financial condition, results of operations or corporate value of Tokio Marine & Nichido caused by the changes in past or future interest rates.

Market Consistent Embedded Value (MCEV)

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

*Figures for fiscal 2013 are the simple arithmetic sum of the pre-merger results of Tokio Marine & Nichido Life and Tokio Marine & Nichido Financial Life.

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 acquisition of the business, leading to challenges in terms of the valuation and assessment of performance of life insurance business.

Embedded values (EV) are calculated as the total of the “corporate net asset value” and the “value of existing business”. 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 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, 2016

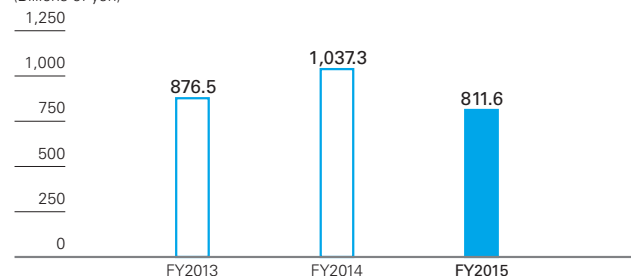
1. MCEV as of March 31, 2016

The MCEV of TMNL as of March 31, 2016, was 811.6 billion yen, as development of new business value was steady but interest rates decreased substantially. MCEV consisted of 1,162.2 billion yen of adjusted net worth and (350.5) billion yen of value of in-force.

	(Billions of yen)		
	FY2015	FY2014	FY2013
Adjusted net worth.....	1,162.2	693.7	466.8
Value of in-force.....	(350.5)	343.6	409.6
MCEV as of March 31, 2016.....	811.6	1,037.3	876.5
New business value.....	60.3	68.6	—

MCEV at Fiscal Year-End

(Billions of yen)



2. Change in MCEV

During fiscal 2015, change in MCEV before dividends paid during the fiscal year decreased 187.4 billion yen from the end of the previous fiscal year.

During fiscal 2015, change in MCEV (before dividends paid) decreased by 357.1 billion yen from the previous fiscal year (fiscal 2014). This was mainly because of "Economic Variances" of (303.0) billion yen due to sharply lower interest rates. (For details on changes, refer to "Reconciliation Analysis of MCEV from the End of Fiscal 2014" below)

	(Billions of yen)	
	FY2015	FY2014
Change in MCEV (before dividends paid)	(187.4)	169.7
(Reference)		
Change in MCEV (before dividends paid and excluding economic variances) ...	115.6	126.0

Reconciliation Analysis of MCEV from the End of Fiscal 2014

The table below shows the reconciliation analysis of MCEV as of March 31, 2016 with the MCEV as of March 31, 2015.

	(Billions of yen)
	MCEV
Opening MCEV (MCEV as at March 31, 2015)	1,037.3
(1) Dividends paid	(38.3)
Adjusted opening MCEV	999.0
(2) New business value.....	60.3
(3) Expected existing business contribution (risk-free rate)	19.0
(4) Expected existing business contribution (in excess of risk free rate)	—
(5) Actuarial experience variances.....	(14.1)
(6) Actuarial assumption changes	46.3
(7) Other operating variances.....	(1.6)
(8) Operating MCEV earnings (2-7)	110.0
(9) Economic variances	(303.0)
(10) Other non-operating variances.....	5.6
Total MCEV earnings (before dividends paid)	(187.4)
Closing MCEV (MCEV as of March 31, 2016)	811.6

Sensitivity Analysis

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

Sensitivity analysis of change in MCEV

(Billions of yen)

Assumption	Change in assumption	MCEV	Change in amount	Rate of change
Base case: MCEV at the end of March 2016	No change.....	811.6	—	—
(1) Interest rates	50bp decrease.....	450.4	(361.2)	(44.5%)
	50bp increase.....	1,036.5	224.9	27.7%
	Swap.....	681.4	(130.2)	(16.0%)
(2) Stock/real estate market values	10% decrease.....	807.8	(3.7)	(0.5%)
(3) Stock/real estate implied volatility	25% increase.....	810.2	(1.3)	(0.2%)
(4) Interest swaption implied volatility	25% increase.....	769.1	(42.4)	(5.2%)
(5) Maintenance expenses	10% decrease.....	847.1	35.5	4.4%
(6) Surrender and lapse rates	×0.9.....	745.3	(66.2)	(8.2%)
(7) Mortality rates	Death protection products: ×0.95.....	828.7	17.0	2.1%
	A&H products and annuity products:×0.95.....	799.4	(12.2)	(1.5%)
(8) Morbidity rates	×0.95.....	861.2	49.6	6.1%
(9) Required capital	Solvency margin ratio of 200%.....	819.8	8.2	1.0%
(10) Foreign exchange rates	10% appreciation of JPY.....	808.2	(3.3)	(0.4%)

Assumptions

1. Risk-Free Rates

We have used government bond yields as of the end of March 2016. It is assumed that forward rates in the 41st year and thereafter are equal to the 1-year forward rate in the 40th year. 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.

Term	JPY	
	End of March 2016	End of March 2015
1 year.....	(0.14%)	0.02%
5 years.....	(0.19%)	0.13%
10 years.....	(0.04%)	0.42%
20 years.....	0.50%	1.23%
30 years.....	0.59%	1.45%
40 years.....	0.71%	1.62%

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	<p>Generally based on past claim payments experience during the preceding one to three years by benefit type, policy year and attained age, etc.</p> <p>For policy years where no experience data was available, assumptions are based on industry statistics.</p> <p>We have reflected improvement trends for mortality rates and improvement trends or deteriorating trends for A&H morbidity rates of some benefits. The projection period for which these trends are reflected is limited to 5 years.</p>
Surrender & lapse rates	Surrender & lapse rates are developed based on 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. Here, policies for which renewals are projected are A&H products, of which impact is large due to a large number of limited term in-force policies. For the sake of simplicity, we have not reflected future renewals for some riders.
Operating expense rates	<p>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 of the existing policies separately for acquisition and maintenance expenses. Increase due to inflation is considered to future maintenance expenses.</p> <p>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.</p>
Effective tax rate	<p>It is set as follows:</p> <p>MCEV as of March 31, 2015: 28.8%</p> <p>MCEV as of March 31, 2016:</p> <p>Fiscal year 2015: 28.8%</p> <p>Fiscal year 2016 and 2017: 28.2%</p> <p>Fiscal year 2018 and thereafter: 28.0%</p> <p>New business value is calculated without reflecting the change in effective corporate tax rate reduction in April 2016 and thereafter. The impact on the value of new business issued in the fiscal year 2015 due to the corporate tax rate reduction is reflected to "Other non-operational variances".</p>
Consumption tax rate	<p>It is set as follows:</p> <p>April 2015-March 2017: 8%</p> <p>April 2017 and thereafter: 10%</p>
Inflation rate	<p>With reference to the inflation swap rate and the past Consumer Price Index (CPI), as well as the possible impact of the consumption tax increase, inflation rates are set as shown below.</p> <p>MCEV as of March 31, 2015: 0.5%</p> <p>MCEV as of March 31, 2016: 0.2%</p>
Policyholder dividend	For products with interest dividends paid in every 5 years, interest dividends 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 rates.

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.

Statutory Reserve

Non-life insurance

Tokio Marine & Nichido Fire Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Catastrophe loss reserve.....	1,024,037	930,431
Contingency reserve	2,956	746
Price fluctuation reserve.....	81,060	76,134

Nisshin Fire & Marine Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Catastrophe loss reserve.....	53,883	51,102
Price fluctuation reserve.....	1,374	1,660

E. design Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Catastrophe loss reserve.....	768	536

Life insurance

Tokio Marine & Nichido Life Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2016	As of March 31, 2015
Contingency reserve.....	45,094	47,606
Price fluctuation reserve.....	5,709	5,149

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Corporate Overview

Tokio Marine Holdings and Its Subsidiaries

(As of March 31, 2016)

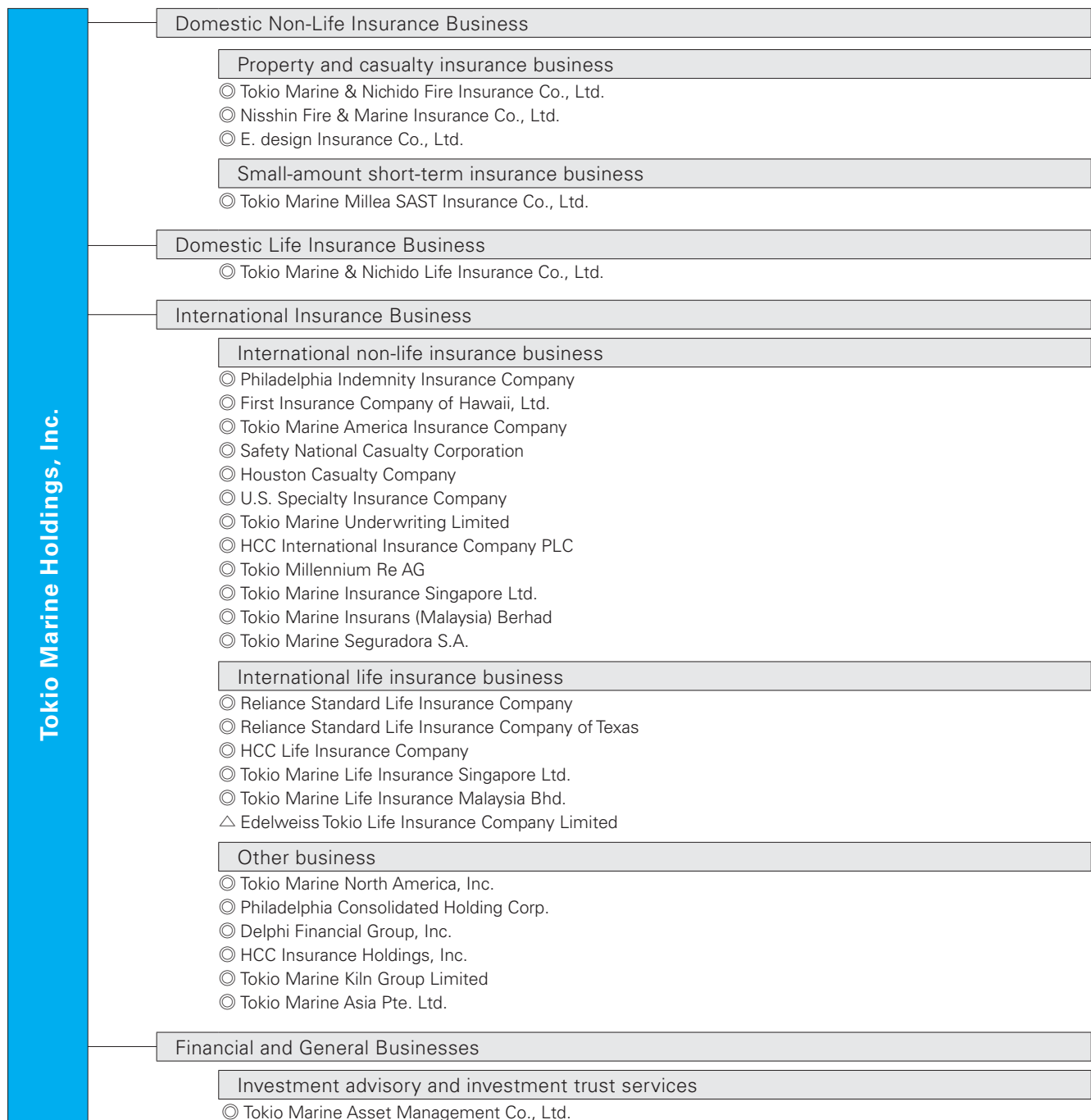
Description of Business

Tokio Marine Group consists of Tokio Marine Holdings, Inc., 245 subsidiaries and 32 affiliates, and is engaged in the domestic non-life insurance, domestic life insurance, international insurance, and financial and general 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, 2016.

Business Diagram



◎ Consolidated subsidiaries △ Equity-method affiliate

Major Subsidiaries

(As of March 31, 2016)

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	¥101,994 million	100%	0%	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Domestic non-life insurance
Nisshin Fire & Marine Insurance Co., Ltd.	June 10, 1908	¥20,389 million	100%	0%	3, Kanda-Surugadai 2-chome, Chiyoda-ku, Tokyo, Japan	Domestic non-life insurance
E. design Insurance Co., Ltd.	Jan. 26, 2009	¥24,803 million	90.5%	0%	20-2, Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo, Japan	Domestic non-life insurance
Tokio Marine & Nichido Life Insurance Co., Ltd.	Aug. 6, 1996	¥55,000 million	100%	0%	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Domestic life insurance
Tokio Marine Millea SAST Insurance Co., Ltd.	Sept. 1, 2003	¥895 million	100%	0%	2-1-1, Minatomirai 2-chome, Nishi-ku, Yokohama, Kanagawa Prefecture, Japan	Domestic non-life insurance
Tokio Marine Asset Management Co., Ltd.	Dec. 9, 1985	¥2,000 million	0%	100%	3-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Financial and general businesses
Tokio Marine North America, Inc.	June 29, 2011	US\$0 thousand	0%	100%	2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA	International insurance
Philadelphia Consolidated Holding Corp.	July 6, 1981	US\$1 thousand	0%	100%	One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004 USA	International insurance
Philadelphia Indemnity Insurance Company	Feb. 4, 1927	US\$4,500 thousand	0%	100%	One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004 USA	International insurance
First Insurance Company of Hawaii, Ltd.	Aug. 6, 1982	US\$4,272 thousand	0%	100%	1100 Ward Avenue, Honolulu, HI 96814 USA	International insurance
Tokio Marine America Insurance Company	Aug. 13, 1998	US\$5,000 thousand	0%	100%	230 Park Avenue, New York, NY 10169 USA	International insurance
Delphi Financial Group, Inc.	May 27, 1987	US\$1 thousand	0%	100%	1105 North Market Street, Suite 1230, Wilmington, DE 19801 USA	International insurance
Safety National Casualty Corporation	Nov. 28, 1942	US\$30,000 thousand	0%	100%	1832 Schuetz Road, St. Louis, MO 63146 USA	International insurance
Reliance Standard Life Insurance Company	April 2, 1907	US\$56,003 thousand	0%	100%	111 South Wacker Drive, Suite 4400 Chicago, IL 60606-4410 USA	International insurance
Reliance Standard Life Insurance Company of Texas	Aug. 16, 1983	US\$700 thousand	0%	100%	7600 West Tidwell Road, Suite 111 Houston, TX 77040 USA	International insurance
HCC Insurance Holdings, Inc.	Mar. 27, 1991	US\$1 thousand	0%	100%	160 Greentree Dr. Suite 101 Dover, DE 19904 USA	International insurance
Houston Casualty Company	May 27, 1981	US\$5,000 thousand	0%	100%	1999 Bryan St. Suite 900 Dallas, TX 75201-3136 USA	International insurance
U.S. Specialty Insurance Company	Oct. 28, 1986	US\$4,200 thousand	0%	100%	1999 Bryan St. Suite 900 Dallas, TX 75201-3136 USA	International insurance
HCC Life Insurance Company	Dec. 3, 1980	US\$2,500 thousand	0%	100%	150 West Market Street Suite 800 Indianapolis, IN 46204	International insurance
Tokio Marine Kiln Group Limited	July 11, 1994	£1,010 thousand	0%	100%	20 Fenchurch Street, London, EC3M 3BY, UK	International insurance
HCC International Insurance Company PLC	July 22, 1981	US\$70,197 thousand	0%	100%	1 Aldgate, London, EC3N 1RE, UK	International insurance
Tokio Marine Underwriting Limited	Oct. 27, 2008	£0 thousand	0%	100%	20 Fenchurch Street, London, EC3M 3BY, UK	International insurance
Tokio Millennium Re AG	Mar. 15, 2000	CHF227,675 thousand	0%	100%	Beethovenstrasse 33 8002 Zurich, Switzerland	International insurance
Tokio Marine Asia Pte. Ltd.	Mar. 12, 1992	S\$586,971 thousand THB542,000 thousand	100%	0%	20 McCallum Street, #13-01 Tokio Marine Centre, Singapore 069046	International insurance
Tokio Marine Insurance Singapore Ltd.	July 11, 1923	S\$100,000 thousand	0%	100%	20 McCallum Street, #09-01 Tokio Marine Centre, Singapore 069046	International insurance
Tokio Marine Life Insurance Singapore Ltd.	May 21, 1948	S\$36,000 thousand	0%	85.7%	20 McCallum Street, #07-01 Tokio Marine Centre, Singapore 069046	International insurance
Tokio Marine Insurans (Malaysia) Berhad	April 28, 1999	RM403,471 thousand	0%	100%	29th -31st Floor, Menara Dion, 27 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	International insurance
Tokio Marine Life Insurance Malaysia Bhd.	Feb. 11, 1998	RM226,000 thousand	0%	100%	Level 7, Menara Tokio Marine Life 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia	International insurance
Tokio Marine Seguradora S.A.	June 23, 1937	R\$547,768 thousand	0%	97.7%	R. Sampaio Viana, 44 CEP: 04004-000 São Paulo, SP, Brazil	International insurance
Affiliate accounted for by the equity method						
Edelweiss Tokio Life Insurance Company Limited	Nov. 25, 2009	RS2,615,921 thousand	0%	49%	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098 India	International insurance

Notes: 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

Worldwide Network of Tokio Marine Group

(As of March 31, 2016)

Tokio Marine Group operates a worldwide network that spans 483 cities in 38 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		Central & South America	
United States	<ul style="list-style-type: none"> ■ New York, Los Angeles, Chicago, Atlanta, Cincinnati, Honolulu, Philadelphia, Bala Cynwyd, St. Louis, Dallas, San Francisco (established April 2016) and Columbus (established April 2016) □ Tokio Marine North America, Inc. (New York and Bala Cynwyd) □ TMNA Services, LLC (New York and Bala Cynwyd) □ Tokio Marine Management, Inc. (New York, Los Angeles, Chicago, Atlanta, Houston, Nashville, Cincinnati, Dallas, San Francisco (established April 2016) and Columbus (established April 2016)) □ Tokio Marine America Insurance Company (New York) □ Trans Pacific Insurance Company (New York) □ TNUS Insurance Company (New York) □ TM Specialty Insurance Company (New York) □ TM Claims Service, Inc. (New York, Los Angeles, Honolulu and Dallas (established April 2016)) □ First Insurance Company of Hawaii, Ltd. (Honolulu) □ Philadelphia Consolidated Holding Corp. (Bala Cynwyd and others) □ Philadelphia Indemnity Insurance Company (Bala Cynwyd) □ Tokio Marine Specialty Insurance Company (Bala Cynwyd) □ Delphi Financial Group, Inc. (New York) □ Reliance Standard Life Insurance Company (Philadelphia) □ Safety National Casualty Corporation (St. Louis) □ HCC Insurance Holdings, Inc. (Houston and others, 7 countries and regions) ○ Tokio Millennium Re AG (Stamford) 	Mexico	<ul style="list-style-type: none"> ■ Mexico City □ Tokio Marine Compañía de Seguros, S.A. de C.V. (Mexico City, Tijuana, Monterrey and Bajío)
		Brazil	<ul style="list-style-type: none"> ■ São Paulo □ Tokio Marine Seguradora S.A. (São Paulo and others)
		Paraguay	<ul style="list-style-type: none"> □ La Rural S.A. de Seguros (Asunción and others)
Europe, Africa & Middle East			
		United Kingdom	<ul style="list-style-type: none"> ■ London □ Tokio Marine Kiln Group Limited (London and others and 10 countries and regions including the European bases below) □ TM Claims Service Europe Ltd. (London) ○ Tokio Millennium Re AG (London)
		France	<ul style="list-style-type: none"> ■ Paris ○ Tokio Marine Kiln Group Limited (Paris, Lyon, Bordeaux, Strasbourg and Nantes)
		Germany	<ul style="list-style-type: none"> ■ Duesseldorf ○ Tokio Marine Kiln Group Limited (Duesseldorf) ◇ Tokio Marine Kiln Group Limited c/o Burmester, Duncker & Joly (Hamburg)
		Netherlands	<ul style="list-style-type: none"> ■ Amsterdam ○ Tokio Marine Kiln Group Limited (Amsterdam) ○ TM Claims Service Europe Ltd. (Amsterdam)
		Belgium	<ul style="list-style-type: none"> ■ Brussels ○ Tokio Marine Kiln Group Limited (Brussels) ○ TM Claims Service Europe Ltd. (Brussels)
		Italy	<ul style="list-style-type: none"> ■ Milan ○ Tokio Marine Kiln Group Limited (Milan)
		Spain	<ul style="list-style-type: none"> ■ Barcelona ○ Tokio Marine Kiln Group Limited (Barcelona)
		Norway	<ul style="list-style-type: none"> ◇ Tokio Marine Kiln Group Limited c/o RiskPoint Norway (Oslo)
		Denmark	<ul style="list-style-type: none"> ◇ Tokio Marine Kiln Group Limited c/o RiskPoint A/S (Copenhagen)
		Russia	<ul style="list-style-type: none"> ■ Moscow □ Tokio Marine Risk Management Rus. LLC (Moscow)
		Switzerland	<ul style="list-style-type: none"> ■ Zurich □ Tokio Millennium Re AG (Zurich)
		Ireland	<ul style="list-style-type: none"> □ Tokio Marine Global Re Limited (Dublin)
Guam	<ul style="list-style-type: none"> ■ Guam □ Tokio Marine Pacific Insurance Limited (Guam) 		
Commonwealth of the Northern Mariana Islands	<ul style="list-style-type: none"> ◇ Tokio Marine Pacific Insurance Limited c/o Pacifica Insurance Underwriters, Inc. (Saipan) ◇ Tokio Marine Pacific Insurance Limited c/o Calvo's Insurance Underwriters (CNMI), Inc. (Saipan) 		
Canada	<ul style="list-style-type: none"> ■ Toronto, Vancouver and Montreal ● Toronto, Vancouver and Montreal 		
Bermuda	<ul style="list-style-type: none"> ■ Bermuda ○ Tokio Millennium Re AG (Hamilton) □ Tokio Solution Management Ltd. (Hamilton) 		

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

- U.A.E.**
- Dubai
 - Tokio Marine Middle East Limited (Dubai)
 - ◆ Al Futtaim Development Services Company (L.L.C.) (Dubai and Abu Dhabi)

- Saudi Arabia**
- Jeddah, Riyadh and Al Khobar
 - Alinma Tokio Marine Company (Riyadh, Jeddah and Al Khobar)

- Turkey**
- Istanbul
 - Allianz Sigorta A.S. (Istanbul)
 - Allianz Hayat ve Emeklilik A.S. (Istanbul)

- South Africa**
- Johannesburg

Asia & Oceania

- Korea**
- Seoul
 - Seoul

- People's Republic of China**
- Beijing, Shanghai, Guangzhou, Suzhou, Shenzhen and Hangzhou
 - The Tokio Marine & Nichido Fire Insurance Company (China) Limited (Beijing, Shanghai, Guangzhou, Suzhou and Hangzhou)
 - Zhongsheng International Insurance Brokers Co., Ltd. (Beijing and others)

- 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 Co., Inc. (Manila and others)

- Vietnam**
- Hanoi and Ho Chi Minh City
 - Bao Viet Tokio Marine Insurance Company Limited (Hanoi and others)

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

- Malaysia**
- Kuala Lumpur
 - Tokio Marine Insurans (Malaysia) Berhad (Kuala Lumpur and others)
 - Tokio Marine Life Insurance Malaysia Bhd. (Kuala Lumpur and others)
 - Tokio Marine Global Re Asia Ltd. (Labuan)

- 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
 - P.T. Asuransi Tokio Marine Indonesia (Jakarta and others)
 - PT Tokio Marine Life Insurance Indonesia (Jakarta)

- India**
- New Delhi, Mumbai and Chennai
 - IFFCO-TOKIO General Insurance Company Ltd. (New Delhi and others)
 - Edelweiss Tokio Life Insurance Company Limited (Mumbai and others)

- Myanmar**
- Yangon
 - Yangon

- Australia**
- Sydney and Melbourne
 - Tokio Marine Management (Australasia) Pty. Ltd. (Sydney and Melbourne)
 - Tokio Millennium Re Ltd. (Sydney)

- New Zealand**
- ◆ Tokio Marine Management (Australasia) Pty. Ltd.

- 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
- ◇ Underwriting Agents of Tokio Marine Group Companies

External/Internal Audits

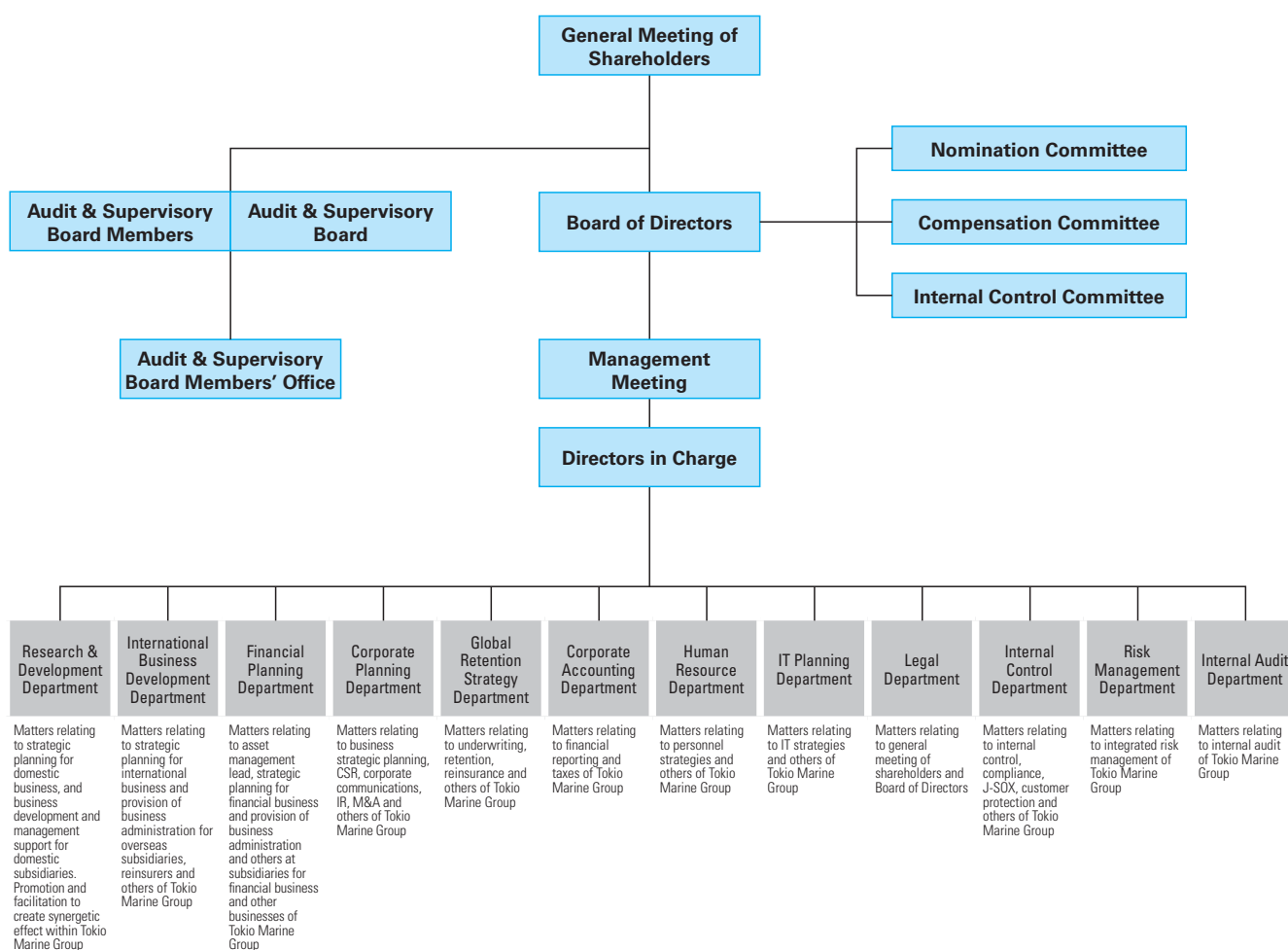
Tokio Marine Holdings is subject to inspections conducted by the Financial Services Agency of Japan pursuant to Article 271-28 of the Insurance Business Law.

The Company is also subject to an accounting audit based on the Companies Act and the Financial Instruments and Exchange Act and an internal control audit based on the Financial Instruments and Exchange Act as external audits conducted by PricewaterhouseCoopers Aarata, the Company's independent auditor.

Additionally, the Company is subject to a statutory audit conducted by Audit & Supervisory Board Members in accordance with the Companies Act and an internal audit performed by the Internal Audit Department. The internal audit is performed based on the "Internal Auditing Rules" that have been approved by the Board of Directors.

Organizational Chart

(As of April 1, 2016)



Employees

(As of March 31, 2016)

Number of employees: 474

Average age of employees: 43.2 years old

Average length of service of employees: 19.8 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

Overview of Capital Investment

Tokio Marine Group makes capital investments to improve customer services and streamline workflows. The following is a breakdown of capital investment in the fiscal year ended March 31, 2016.

Business Segment	Amount (Yen in millions)
Domestic non-life insurance	10,670
Domestic life insurance	321
International insurance	3,867
Financial and general businesses	287
Total	15,147

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, 2016)

Company name	Office name (Location)	Number of sections and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m ²)	Buildings	Movables		
Tokio Marine Holdings	Headquarters (Chiyoda-ku, Tokyo)	—	Holding company	—	160	67	474	—

Domestic subsidiaries

(As of March 31, 2016)

Company name	Office name (Location)	Number of sections and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m ²)	Buildings	Movables		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Headquarters including each Service Dept., Tokyo Corporate Division, Tokyo Automobile Division, Commercial Lines Claims Dept., Claims Service Dept., Tokyo Automobile Claims Service Dept., Marketing Promotion Dept. (Governmental), Government Sector Dept. 1&2, Health Care & Welfare Sector Dept., Group Account Marketing Dept. and Financial Institutions Dept. (Chiyoda-ku, Tokyo)	46	Domestic non-life insurance	30,444 (78,898)	26,427	8,380	4,017	751
	Hokkaido Hokkaido Branch (Chuo-ku, Sapporo) and 6 other branches	14	Domestic non-life insurance	856 (6,239)	896	285	641	524
	Tohoku Sendai Branch (Aoba-ku, Sendai) and 9 other branches	28	Domestic non-life insurance	2,532 (10,233)	3,404	512	1,020	245
	Kanto Tokyo Chuo Branch (Minato-ku) and 31 other branches	57	Domestic non-life insurance	8,059 (13,799)	7,189	1,442	3,842	2,409
	Tokai/Hokuriku Aichi Minami Branch (Chuo-ku, Nagoya) and 25 other branches	32	Domestic non-life insurance	3,815 (12,360)	9,753	976	2,429	917
	Kansai Osaka Minami Branch (Chuo-ku, Osaka) and 24 other branches	24	Domestic non-life insurance	5,676 (10,011)	4,532	1,127	2,316	1,653
	Chugoku/Shikoku Hiroshima Branch (Naka-ku, Hiroshima) and 14 other branches	24	Domestic non-life insurance	2,478 (7,247)	2,069	525	1,317	809
	Kyushu Fukuoka Chuo Branch (Hakata-ku, Fukuoka) and 13 other branches	28	Domestic non-life insurance	2,828 (8,826)	4,288	562	1,566	305
Nisshin Fire & Marine Insurance Co., Ltd.	Head Office (Tokyo Headquarters) (Chiyoda-ku, Tokyo) Saitama Headquarters (Urawa-ku, Saitama)	95	Domestic non-life insurance	10,574 (24,146)	7,477	738	2,319	1,088

Domestic subsidiaries

(As of March 31, 2016)

Company name	Office name (Location)	Number of sections and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m ²)	Buildings	Movables		
E. design Insurance Co., Ltd.	Headquarters (Shinjuku-ku, Tokyo)	3	Domestic non-life insurance	— (—)	58	56	200	129
Tokio Marine & Nichido Life Insurance Co., Ltd.	Headquarters (Chiyoda-ku, Tokyo)	90	Domestic life insurance	— (—)	564	565	2,301	1,105
Tokio Marine Millea SAST Insurance Co., Ltd.	Headquarters (Nishi-ku, Yokohama)	5	Domestic non-life insurance	— (—)	14	11	119	95
Tokio Marine Asset Management Co., Ltd.	Headquarters (Chiyoda-ku, Tokyo)	—	Financial and general businesses	— (—)	2	72	207	258

Overseas subsidiaries

(As of March 31, 2016)

Company name	Office name (Location)	Number of sections and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m ²)	Buildings	Movables		
Tokio Marine North America, Inc. and 1 other company	Headquarters (Wilmington, Delaware, U.S.A.)	2	International insurance	— (—)	227	1,152	373	402
Philadelphia Consolidated Holding Corp. and 10 other Group companies	Headquarters (Bala Cynwyd, Pennsylvania, U.S.A.)	49	International insurance	— (—)	203	604	1,849	1,198
First Insurance Company of Hawaii, Ltd. and 5 other Group companies	Headquarters (Honolulu, Hawaii, U.S.A.)	—	International insurance	— (—)	104	61	325	393
Tokio Marine America Insurance Company	Headquarters (New York, New York, U.S.A.)	—	International insurance	— (—)	—	—	—	—
Delphi Financial Group, Inc. and 20 other Group companies	Headquarters (Wilmington, Delaware, U.S.A.)	43	International insurance	305 (64,390)	2,513	2,490	2,301	2,223
HCC Insurance Holdings, Inc. and 65 other companies	Headquarters (Dover, Delaware, U.S.A.)	7	International insurance	510 (58,505)	1,994	1,697	2,408	1,899
Tokio Marine Kiln Group Limited and 18 other Group companies	Headquarters (London, U.K.)	17	International insurance	— (—)	46	3,607	691	769
Tokio Marine Underwriting Limited	Headquarters (London, U.K.)	—	International insurance	— (—)	—	—	—	—
Tokio Millennium Re AG and 3 other companies	Headquarters (Zurich, Switzerland)	4	International insurance	— (—)	1,038	389	147	549
Tokio Marine Asia Pte. Ltd.	Headquarters (Singapore, Singapore)	—	International insurance	— (—)	—	50	76	—
Tokio Marine Insurance Singapore Ltd.	Headquarters (Singapore, Singapore)	1	International insurance	1,783 (296)	896	849	201	29
Tokio Marine Life Insurance Singapore Ltd.	Headquarters (Singapore, Singapore)	2	International insurance	1,773 (214)	979	88	240	10
Tokio Marine Insurans (Malaysia) Berhad	Headquarters (Kuala Lumpur, Malaysia)	19	International insurance	— (—)	11	464	1,006	195
Tokio Marine Life Insurance Malaysia Bhd.	Headquarters (Kuala Lumpur, Malaysia)	15	International insurance	630 (3,835)	1,977	263	456	11
Tokio Marine Seguradora S.A.	Headquarters (São Paulo, Brazil)	68	International insurance	284 (4,660)	116	451	1,706	298

Notes: 1. The number of sections and local branches is the total of sections, local branches and overseas representative offices which belong to the office named in the second column. Overseas branches and overseas representative offices are included in the headquarters.

2. All of the above facilities are for business use.

3. Movables include leased assets.

4. Some buildings are being leased.

5. In addition to the preceding, main leased facilities are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m ²)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Osaka Tokyo Kaijo Nichido Building (Chuo-ku, Osaka)	3,944 (5,363)	2,957
	Tokyo Kaijo Nichido Building Shinkan (Chiyoda-ku, Tokyo)	— (2,544)	2,628
	SINO OMIYA South Wing (Omiya-ku, Saitama)	3,847 (2,683)	3,604
	OTEMACHI 1st SQUARE (Chiyoda-ku, Tokyo)	20 (1,354)	2,237
	Minatomirai Business Square (Nishi-ku, Yokohama)	2,588 (1,614)	1,848

6. In addition to the above, main company-owned housing and facilities for employees' fringe benefits are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m ²)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Shakujii Ground (Nerima-ku, Tokyo)	3,076 (14,860)	84
	Tama Sogo Ground (Hachioji-shi, Tokyo)	6,705 (53,000)	629
	Tateshina Sanso (Chino-shi, Nagano Pref.)	16 (6,700)	552
Nisshin Fire & Marine Insurance Co., Ltd.	Talk Heim Nisshin (Kita-ku, Saitama)	381 (3,536)	422

New Facility Construction and Elimination Schedule

None planned

Stock Information

Stock and Shareholder Information

Stock Information (As of July 1, 2016)

Stock issued by Tokio Marine Holdings is common stock and the total number of authorized shares is 3.3 billion shares with the total number of shares outstanding at 757,524,375 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 14th General Meeting of Shareholders was held on June 27, 2016. The items reported and the proposals acted upon were as follows:

Items reported

1. 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 ended March 31, 2016 (April 1, 2015 to March 31, 2016)
2. Non-consolidated financial statements for the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

Proposals acted upon

1. Appropriation of Surplus
2. Election of Twelve (12) Directors

The proposals have been approved as proposed.

Dividend Policy

With respect to the appropriation of surplus, the Company seeks to improve shareholder returns by distributing stable dividends on its common stock after taking into consideration the business results and expected future environment of the Company, subject to the Company having provided sufficient capital to meet the business needs of Tokio Marine Group.

Based on this policy, taking various circumstances into consideration, the Company paid a year-end dividend of 57.50 yen per share for the fiscal year ended March 31, 2016.

The Company also paid an interim dividend of 52.50 yen per share, resulting in total dividends for the year of 110.00 yen per share. This was an increase of 15.00 yen per share compared with total annual dividends of 95.00 yen per share in the previous fiscal year.

Capital

Date	Equity capital
April 2, 2002	¥150 billion
March 31, 2016	¥150 billion

Stock Ownership Distribution

As of March 31, 2016, the number of shareholders was 81,811. The percentage of major stock ownership was 35.42% and 42.90% for financial institutions and foreign shareholders, respectively.

a. Types of shareholders

(As of March 31, 2016)

	Number of shareholder(s)	Number of shares	Shareholding ratio (%)
Government/Local government	1	500	0.00
Financial institutions	249	268,325,888	35.42
Financial instruments firms	63	14,079,070	1.86
Other domestic companies	1,639	57,997,883	7.66
Foreign shareholders	795	324,965,133	42.90
Individuals and others	79,063	89,316,119	11.79
Treasury stocks	1	2,839,782	0.37
Total	81,811	757,524,375	100.00

b. Breakdown by region

(As of March 31, 2016)

	Number of shareholders	Shareholders' ratio (%)	Number of shares	Shareholding ratio (%)
Hokkaido	1,110	1.36	2,696,281	0.36
Tohoku	1,960	2.40	4,511,116	0.60
Kanto	38,776	47.40	361,548,675	47.73
Chubu	12,392	15.15	28,283,952	3.73
Kinki	18,187	22.23	23,170,756	3.06
Chugoku	3,216	3.93	4,722,769	0.62
Shikoku	2,063	2.52	3,261,416	0.43
Kyushu	3,261	3.99	5,659,041	0.75
Overseas and others	846	1.03	323,670,369	42.73
Total	81,811	100.00	757,524,375	100.00

c. Breakdown by number of shares held

(As of March 31, 2016)

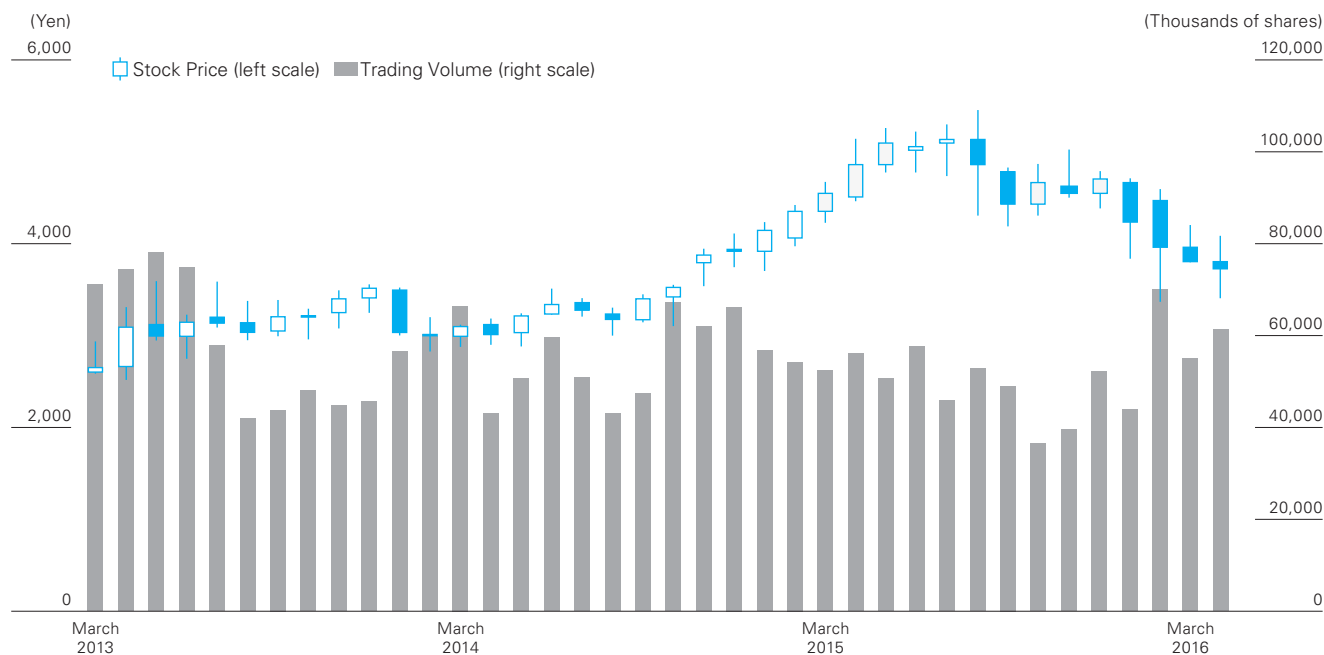
Category	5,000 units or more	1,000 units or more	500 units or more	100 units or more	50 units or more	10 units or more	5 units or more	1 unit or more	Less than 1 unit	Total
Number of shareholder(s)	196	266	180	1,264	2,375	19,843	16,767	26,365	14,555	81,811
Composition ratios to total number of shareholders (%)	0.24	0.33	0.22	1.55	2.90	24.25	20.49	32.23	17.79	100
Number of shares	595,224,561	59,935,316	12,628,107	22,335,590	15,371,486	37,190,887	9,412,526	4,874,082	551,820	757,524,375
Composition ratios to total number of shares (%)	78.57	7.91	1.67	2.95	2.03	4.91	1.24	0.64	0.07	100

Top 10 Shareholders

(As of March 31, 2016)

Shareholders	Address	Number of shares held (thousand shares)	Composition ratios to total number of shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	41,070	5.4
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	37,873	5.0
State Street Bank and Trust Company 505001 (Custodian: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	P.O. Box 351, Boston, Massachusetts 02101, U.S.A. (16-13, Tsukishima 4-chome, Chuo-ku, Tokyo)	26,776	3.5
Meiji Yasuda Life Insurance Company (Custodian: Trust & Custody Services Bank, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo)	15,779	2.1
The Bank of New York Mellon SA/NV 10 (Custodian: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	Rue Montoyerstraat 46, 1000 Brussels, Belgium (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	12,921	1.7
JP Morgan Chase Bank 385632 (Custodian: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	25 Bank Street, Canary Wharf, London, United Kingdom (16-13, Tsukishima 4-chome, Chuo-ku, Tokyo)	12,731	1.7
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	11,823	1.6
State Street Bank and Trust Company 505225 (Custodian: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	P.O. Box 351, Boston, Massachusetts 02101, U.S.A. (16-13, Tsukishima 4-chome, Chuo-ku, Tokyo)	11,147	1.5
The Master Trust Bank of Japan, Ltd. (Retirement Benefits Trust Account for Mitsubishi Corporation)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	10,832	1.4
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. (16-13, Tsukishima 4-chome, Chuo-ku, Tokyo)	10,301	1.4

Stock Price Range and Trading Volume





TOKIO MARINE

Tokio Marine Holdings, Inc.

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This integrated annual report has been printed with vegetable oil ink that is free of volatile organic compounds (VOCs).