Tokio Marine Holdings, Inc.

2017

INTEGRATED ANNUAL REPORT

TOKIO MARINE

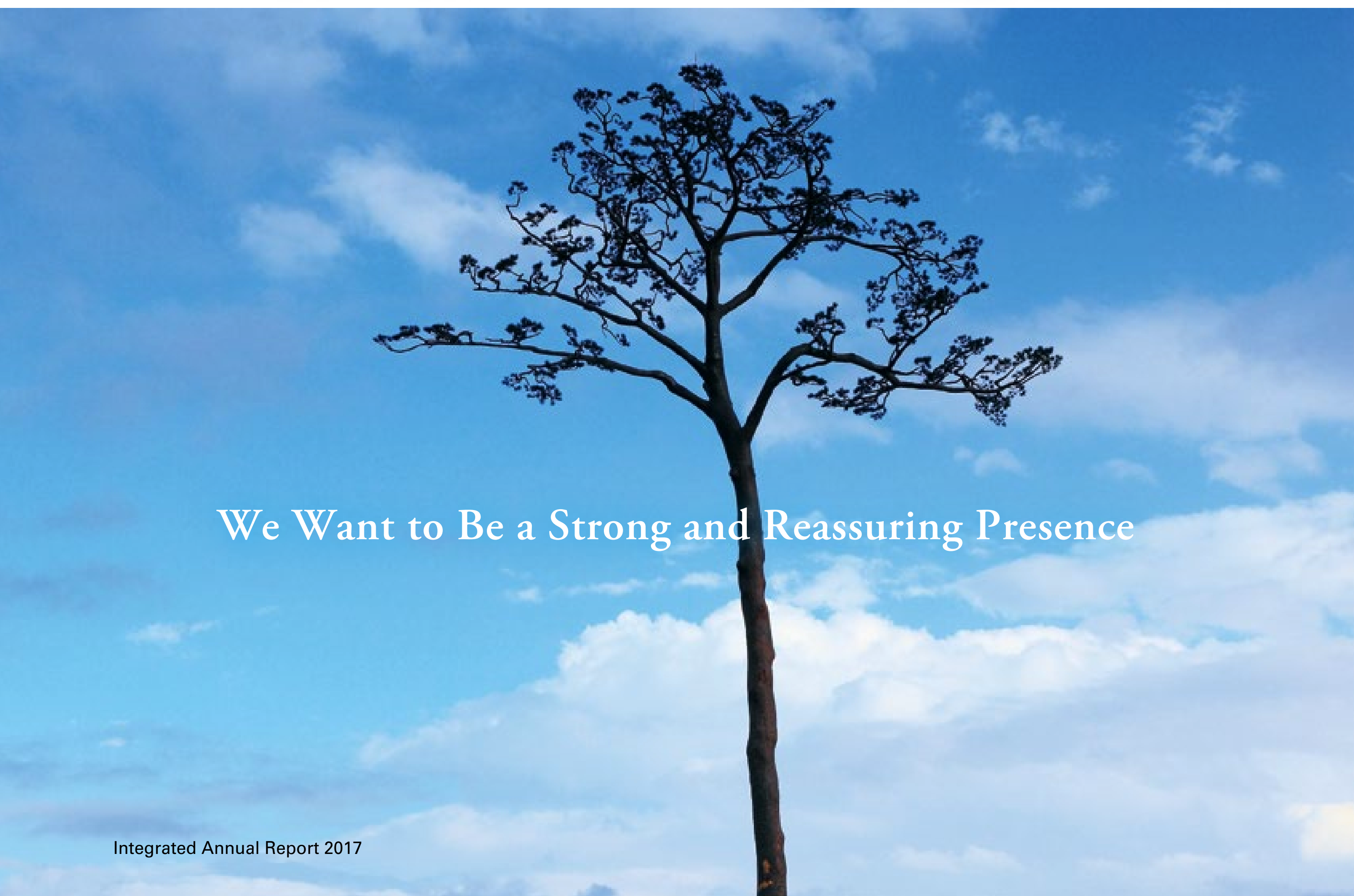
To Be a ***Good Company***

To Be a **Good Company**

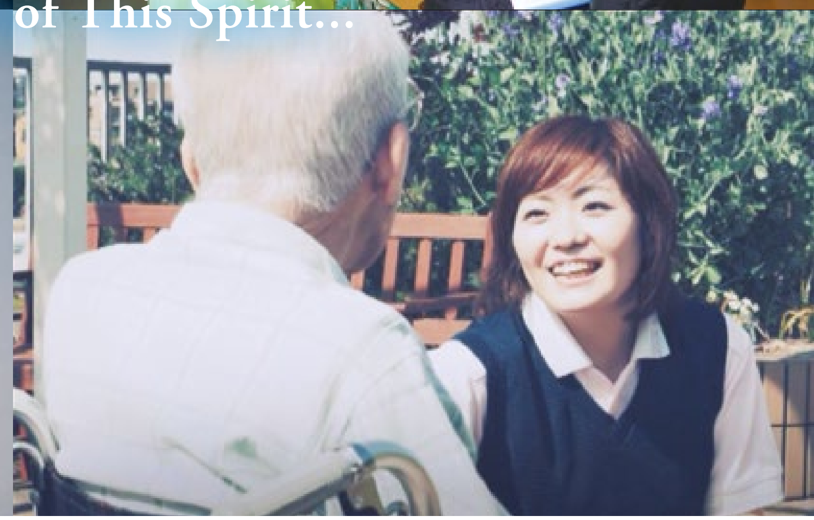
We will be there for our customers,
playing our part in society in times of need.

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.




Always Mindful of This Spirit…

Tokio Marine Group Will Continue Taking on Challenges

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.

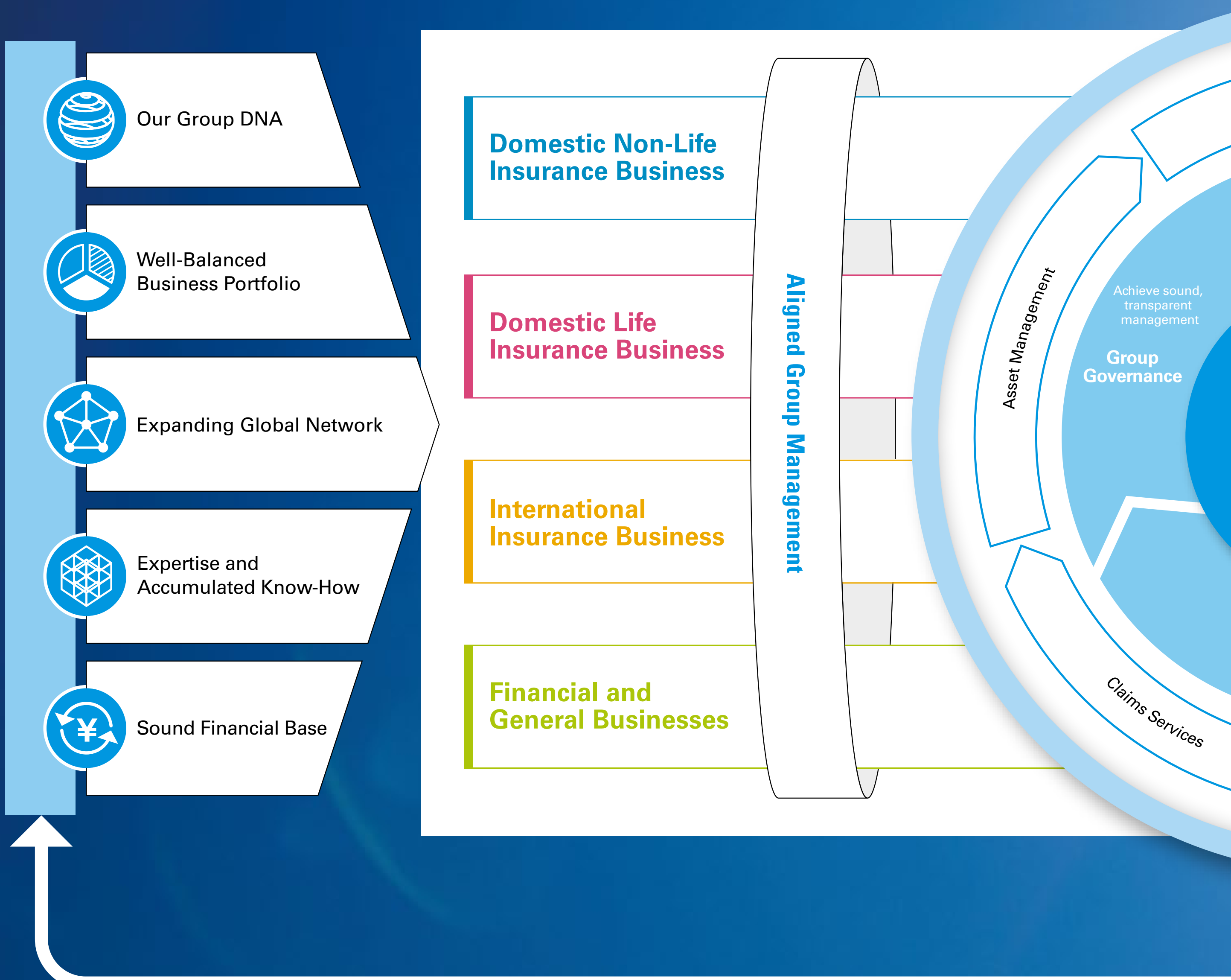
Acting as a good corporate citizen through fair and responsible management, Tokio Marine Group will broadly contribute to the development of society.

Contents

Tokio Marine Group's Value Creation Model

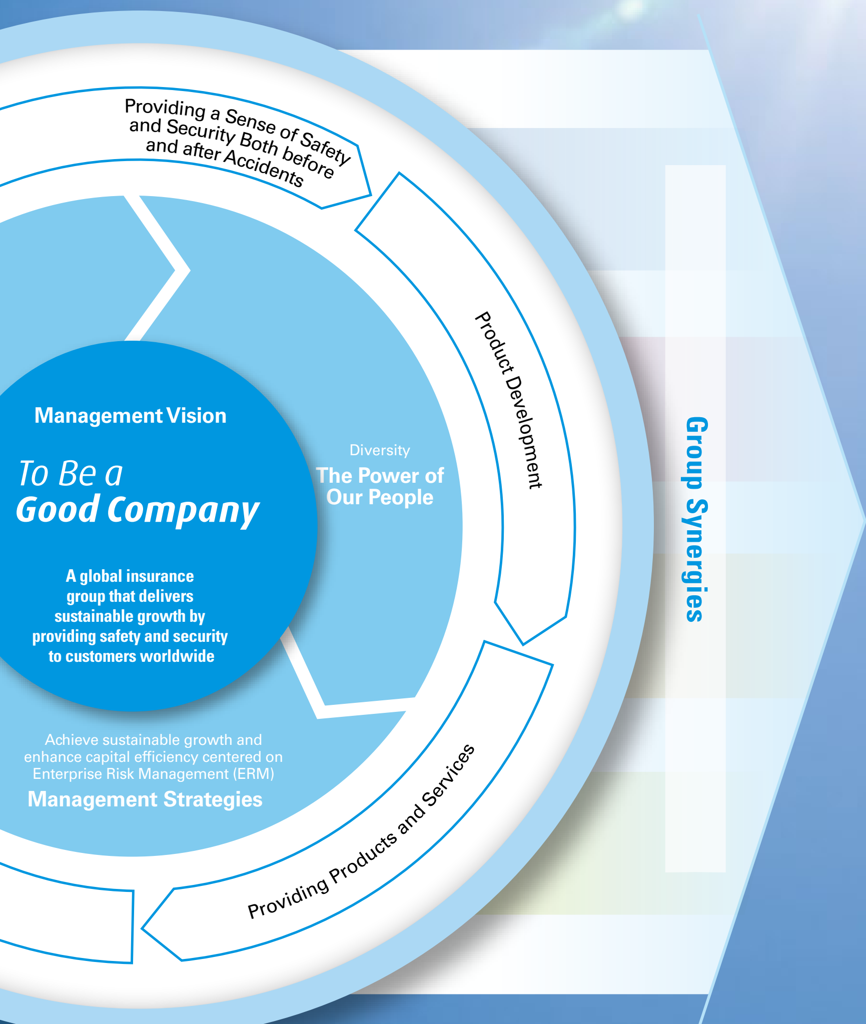
Tokio Marine Group's long-term vision is to be a global insurance group that delivers sustainable growth while providing safety and security to customers worldwide—to be a "Good Company" now and for the next 100 years—and we are pursuing initiatives to enable us to be a "Good Company". Our Value Creation Model is a long-term PDCA cycle, which generates various kinds of value, and is based on our management vision and corporate philosophy. For more information about the overall concept and details of the Value Creation Model, please refer to the Message from the President and Group CEO.

Tokio Marine Group Strengths | **Value Creation Process**

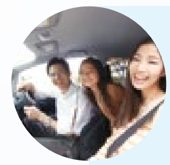


We will link value creation and our Group strengths to continuously

Value Creation



Resolving Social Issues/Enhancing Corporate Value



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

enhance corporate value.

Message from the President and Group CEO

We aim to be a company that plays an important role in society, a "Good Company". Through continuous group effort, we will strive to be recognized as such by all of our stakeholders now and for the next 100 years. Our group vision is "To Be a Good Company". Within this vision the phrase "to be" carries a significant meaning—it indicates our ongoing determination and our commitment to our timeless endeavor "To Be a Good Company".

T. Nagano

Tsuyoshi Nagano
President and Group CEO

Tokio Marine Group has a Corporate Philosophy of continually striving to earn customer trust and consistently raising our corporate value. Guided by this philosophy we have been implementing many key initiatives to realize our long-term vision: "to be a global insurance group that delivers sustainable growth by providing safety and security to customers worldwide – our timeless endeavor to be a Good Company now and for the next 100 years".

When we use the phrase "Good Company" it means that we will provide value to our customers and society by being there for them in their times of need. By executing on this commitment we will earn customer trust and this will enable us to improve our corporate value over many years and be regarded as a Good Company.

In other words, the purpose of what we do every day is to help our clients and society, not simply to pursue profits in the short-term. Profits are the result of doing business in the right way, they are an indicator of the trust that we earn from our clients and society through our activities. With this purpose in mind, our principal focus is on meeting the expectation of customers and society, therefore success is a result that follows. We consider this cycle based on building customer trust first to be of critical importance.

A Good Company is driven by the power of its people and their teamwork. Insurance is called a people's business because insurance is essentially a promise that is based on trust. Trust is earned by our people and the quality of what they do. In this sense, our people are our product. Therefore, the most important step in building a Good Company is to ensure our people are motivated and passionate and our team is driven by a sense of purpose, which is to help our customers and society.

For our Good Company vision, there is no goal or finish line. Once we think our goal is met, we will no longer evolve. We use the phrase "To Be a Good Company", as it represents our ongoing commitment to always striving to do something more.

Overview of the Value Creation Model

Our value creation model is a long-term cyclical process that generates values to our stakeholders based on our Corporate Philosophy and Management Vision.

First, I would like to explain a little about the basic components that constitute our value creation process that is shown on pages 4 and 5.

Based on a corporate culture that has been passed down since our foundation in 1879, we have worked to leverage our specialty, our service network and our people to build up a diversified and global business across the four main business domains of Domestic Non-Life, Domestic Life, International Business and Financial & General Businesses.

In each of the four domains, our diverse talent base has been a key to enhance our product and service offering, and the Enterprise Risk Management (ERM*) has been utilized to sophisticate our corporate strategy and management system.

Through these and other initiatives our ability to deliver stable and profitable growth has been enhanced. However, we have to be aware that we are entering a phase of unprecedented change and volatility unlike anything we have experienced before. In order to deal with these challenges and to continue to build on our corporate value over the long-term, we realized we would need to create an organizational structure that will utilize the knowledge and specialty of all our employees on a global basis. With this in mind, we created a management structure that would further drive synergy and group alignment as of April 1, 2016.

Taking advantage of the new management structure, we will continue to improve our ability to deliver safety and security to our customers around the world while building a sustainable future and working to contribute to solving a range of the problems that society is facing.

As mentioned above, we are always aiming for and working towards being an organization that is capable of earning trust and delivering results for all stakeholders. We will in turn utilize the capital generated in the next round of value creation for our customers and society. We will continue executing on this cycle with our Management Vision in mind to be a Good Company.

*ERM is a business management framework that aims to achieve optimal balance among measured risks, returns and capital.

The Five Strengths That Support Our Value Creation Model

We will continue to develop our strengths which drive our value creation.

Now, let me take this opportunity to highlight some of the strengths we have been developing over the years.

The first is our Group DNA and our ability to share it across generations of employees. Since the foundation of our Group, we have always worked with people and society to help them face their challenges. From the first car insurance in Japan, to modern liability insurance there are many examples. Through the generations, each employee's commitment to delivering superior service to our clients and the community was the enabler of these innovations. In recent years, our business has globalized rapidly and we have welcomed a diverse range of employees from different backgrounds. One strategy for sharing our DNA is our use of "*MajiKira*". "*MajiKira*" comes from a Japanese phrase that means to have a discussion on a serious topic, but in a casual manner. By hosting many of these townhall "*Majikira*" events across the world I encourage open discussion with our employees and encourage them to speak freely about our values and the DNA we are trying to build our company upon.

The second strength is the balance that we have achieved within our portfolio. For many years our business was focused on the domestic non-life market but since 1996 we have actively pursued the domestic life business within Japan and since 2000 we have actively pursued the growth of our international business. In FY2017, as a result of these efforts, 13% of our insurance premiums will come from the domestic life business, 34% will come from our international business and 53% will come from the domestic non-life business. The diversification has enabled us to improve our performance year on year, which in turn improved our ability to serve our customers and society more sustainably.

Our third key strength is our network both inside and outside of Japan. Within Japan we have a wide network of both retail distribution and claim services that enable us to be responsive in addressing customer needs and in supporting claims. Outside Japan, our network spans both developed and emerging countries. Since 2008, it has grown substantially through our acquisitions including Kiln, Philadelphia, Delphi and HCC. Through our expansive network we are able to support customers in their local markets, as well as supporting our clients as they expand their businesses globally.

The fourth strength is our high level of specialty and accumulated know-how. The insurance business demands a high level of specialty within all major elements of the business from product development, risk management, claim service to investment. We have been able to utilize our expertise developed over the years to create innovative products and services that continue to meet the evolving needs of our customers. One example is "Super Insurance" which Tokio Marine & Nichido developed for the Japanese market to provide a market-first comprehensive solution that included both life and non-life coverage protecting an entire family in one policy but could also be tailored to customer needs. Another is innovative products in the life market where premiums paid on cancer and medical coverage could be returned to the customer according to how much claim was made on the policy. This product itself was developed thanks to the knowledge and experience gained through the non-life business.

The fifth strength is our sound financial base. Insurance is a business rooted in the community and the need to provide safety and security to customers. This requires stability, and that stability comes from a sound financial base. While we have grown and will continue to grow, we continue to develop our stable business portfolio through the risk diversification around the world. As evidence of that, we receive the same rating or higher than the Japanese sovereign rating from the major rating agencies.

We will realize more synergy by taking advantage of our Aligned Group Management.

In order to sustainably continue our value creation cycle, one of the most important challenges is how we can fully realize our aligned power as a group. Moving toward this goal, we revised our management structure accordingly in April 2016. We created the Group Chief Officer positions on a group-wide basis to globalize and strengthen corporate functions and to ensure effective decision making from the group viewpoint. We also created global committees in key areas to ensure a diverse range of participation in the decision-making process from inside and outside of Japan.

Only a year has passed since we implemented these changes and already we have seen many benefits. As an example, the negative interest rate policy that was introduced in Japan had a significant impact on our domestic life business. To cope with this unprecedented interest rate environment, we upgraded our Enterprise Risk Management (ERM) framework by calling upon our group-wide expertise and identified what the best approach to this issue would be. As another example, we have been actively promoting R&D, including how we take advantage of new technologies, on a global basis.

We have also newly created the Strategy and Synergy Department, which is responsible for accelerating synergy by leveraging our global network and our high level of specialization. As one step, we have been able to take the specialty insurance products from TMHCC and Philadelphia and sell them across our global network. Synergies and the increased alignment of the group will continue to act as an internal driver of growth.

We will enhance the power of our diverse people, our main asset and driver of growth.

I really believe that we cannot develop people if they themselves are not motivated to develop and grow. Leveraging this motivation and ensuring that each and every person feels that they are developing through their work, this is the fastest and most effective way to ensure their development. We must make sure that each of them takes ownership in what they do and through this as the employees grow it will ensure the sustainable growth of our group. In order for us to fully realize globally aligned group management, it is essential that we develop leadership talent that has a global viewpoint and is capable of engaging with a diverse workforce. We are working to better identify key talent through the Group and putting individualized development plans in place. The goal of this exercise is to have this global talent at all layers of the organization. We are also putting a renewed focus on the promotion of women in the workforce and revisiting every aspect of our way of work while allowing greater flexibility in Japan. Through these initiatives we hope to maximize the contribution of all employees throughout the Group.

We aim to be an indispensable company that provides safety and security to our clients and the community and help to create a sustainable future

With environmental changes such as an increase in natural catastrophes, demographic changes, and technological advances, the world is facing many problems and the insurance industry has a crucial role in helping to provide the solution to these challenges.

Since the foundation of our company we have been working with our customers to solve the problems that society faces and we stand with our customers in their time of need. From now on too, as the environment continues to change we will be there to help solve these problems and to provide safety and security to people throughout the world. We also aim to contribute to building a sustainable global environment through initiatives such as our support of research into natural disasters and our planting of mangroves.

Progress on the Mid-Term Business Plan

We are executing the mid-term business plan to enhance our ability to deliver sustainable growth and increase ROE.

In the mid-term business plan that started in FY2015 we laid out the three-year period, to the end of FY2017, as the "Sustainable Profit Growth Stage" and we have been working to enhance our ability to deliver sustainable growth and increase ROE.

From now I would like to talk about the four main pillars of this strategy;

"Enhancement (Unlocking Potential)"

"Evolution (Addressing Changing Needs)"

"Expansion (Growth and Diversity)" and

"Excellence (Enhancing our Business Foundation)"

"Enhancement (Unlocking Potential)" — Until now we have been promoting collaboration between non-life and life to provide our customers in Japan with a combined product known as "Super Insurance" and we will continue to utilize tablets to reinforce our consulting capabilities, whilst always working to improve the desirability of our products and the combined approach of non-life and life protections.

"Evolution (Addressing Changing Needs)" —The rate of change in the world is beyond everybody's initial expectations be it AI or autonomous cars. We are focusing on delivering products and services that address these changes in the environment. For example, in April 2017, to address this need and ensure a society in which customers can use cars with a sense of safety and security we introduced the first additional coverage in Japan for accidents while using autonomous driving systems.

"Expansion (Growth and Diversity)" —We have continued disciplined investment in opportunities for growth around the world whilst always ensuring the diversity of our portfolio. In the past few years the biggest move was in October 2015 when we acquired HCC, which is a specialty insurer with over 100 product lines that has been able to deliver stable and sustained growth. This acquisition not only supports the growth of our group but has also helped to reinforce the business foundation of the Group.

"Excellence (Enhancing our Business Foundation)" —We have also worked to enhance our capital efficiency through our utilization of the Enterprise Risk Management (ERM) framework. It has helped improve and diversify our risk portfolio. We have put further controls over our exposure to the effects of natural catastrophes and worked to limit the effects of the market value fluctuation of the business-related equities. Further, through the aligned group management model, we have managed to strengthen our group governance and group management, and deepened our sharing of corporate values. This is in addition to the strengthening of the business foundation and our strategic approach to global talent and diversity.

We hit record profits for FY2016 and achieved the numerical targets of the mid-term business plan a year ahead of schedule.

The targets in the mid-term business plan were adjusted ROE in the upper 9% range and adjusted net income of approximately 400 billion yen, yet we achieved FY2016 results of 11.0% and 406.7 billion yen, surpassing the mid-term business plan targets.

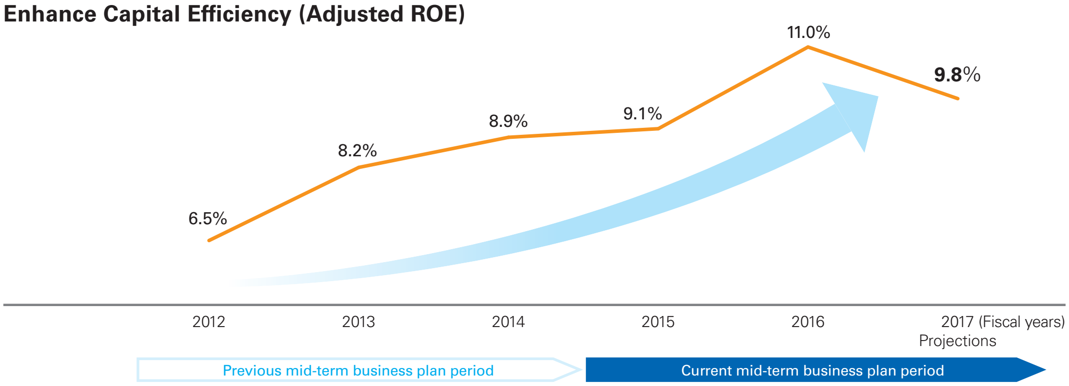
Although there were factors such as FX effects, we believe that achieving the mid-term business plan a year ahead of schedule is a result of favorable progress in achieving the plan's growth strategies and initiatives to enhance capital efficiency. In FY2017, the final year of the mid-term business plan, we project adjusted ROE of 9.8% and adjusted net income

Progress of the Mid-Term Business Plan

	FY2017 Outlook of the Mid-Term Business Plan[1]	FY2017 Projections[2]
Enhance capital efficiency	Adjusted ROE: **Upper 9% range**	Adjusted ROE: **9.8%**
Sustainable profit growth	Adjusted net income: **Approx. ¥400 billion** Applied FX rate (USD/JPY): JPY **120.17** (end of March 2015)	Adjusted net income: **¥382 billion** Applied FX rate (USD/JPY): JPY **112.19** (end of March 2017)
Enhance shareholder returns	**Steady growth of dividends in line with profit growth**	Annual dividend per share FY2014 **¥95** → **¥160**

1. Outlook was released in the first year of the mid-term business plan, based on the market environment as of the end of March 2015
2. If FX rate as of the end of March 2015 (USD/JPY JPY120.17) were applied, adjusted net income would be approximately ¥395 billion

Enhance Capital Efficiency (Adjusted ROE)

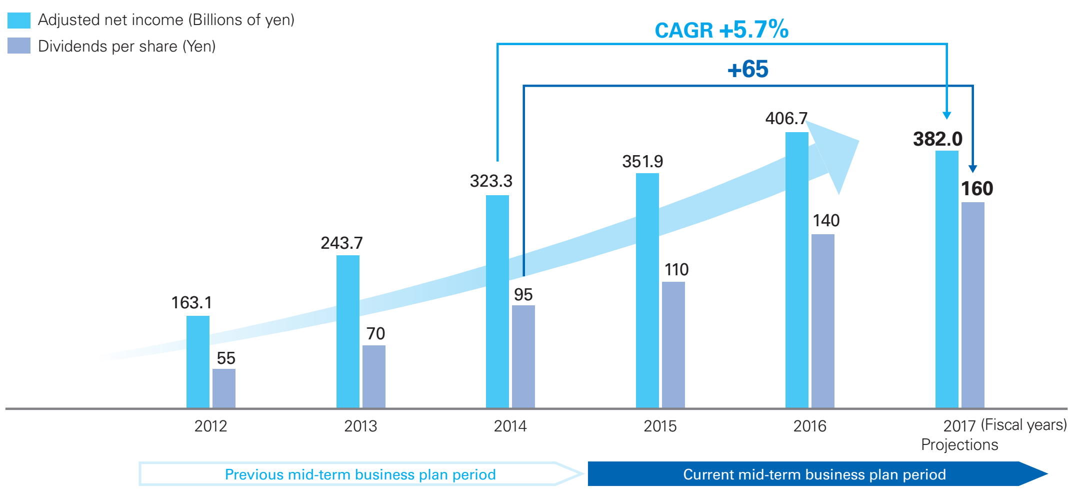


	2012	2013	2014	2015	2016	2017
ROE (Financial accounting)	6.2%	7.3%	7.9%	7.2%	7.8%	7.8%

of 382 billion yen. If the FX rate at the time we generated the mid-term business plan is applied, adjusted net income would be approximately 395 billion yen, which is close to the FY2017 targets we set when we generated the plan.

Our primary means of shareholder return is dividends, which we plan to increase in line with profit growth. We believe it is most essential for us to realize sustainable and stable profit growth. The annual dividend per share in FY2016 was 140 yen, which exceeded our initial projections. In FY2017, we project the annual dividend per share to be 160 yen, which would be the sixth consecutive year of increases. We would like to continue to sustainably grow our profit and provide returns to our shareholders in the form of dividends. In terms of share repurchase, we will maintain our current policy. Appropriateness and size will be determined and executed with flexibility based on a comprehensive assessment of relevant factors (market conditions, capital level, business opportunities, etc.). We completed a share repurchase of 25 billion yen in the second half of FY2016, and up to 25 billion yen is scheduled in the first half of FY2017.

Sustainable Profit Growth and Enhanced Shareholder Return



Net income* (Financial accounting) (Billions of yen)	129.5	184.1	247.4	254.5	273.8	280.0

* Since FY2015, net income attributable to owners of the parent

Final Note

FY2017 will be the final year of the current mid-term business plan and we will continue to work together as a unified insurance group that will be there to support our customers in their time of need and deliver on the commitment within our plans.

I ask for the continued support of our shareholders, together with all of our stakeholders as we work to further raise our corporate value and continue on with our vision "To Be a Good Company".

About Tokio Marine Group

Tokio Marine Group was founded in 1879 as Japan's first insurance company. Since then, the Group has built its business with a global view and developed numerous insurance products after quickly perceiving changes in the market environment. We aim to become a global insurance group that supports our customers in times of need and lives up to the trust placed in us by people and society.

1887

1918

Present

History of Tokio Marine Group – 138-Year History in Line with Changing Times –

Since its founding, Tokio Marine Group has relied on its comprehensive strengths to weather a myriad of challenges, including the Great Kanto Earthquake and Japan's defeat in World War II. Throughout our history, all of our activities have been based on earning customer trust. We have continued to take on the challenge of stepping forward to support customers and society in any circumstance. This has been the driving force behind our ability to realize sustainable growth.

1879

Advent of the Modern Insurance System in Japan

In the Meiji Era, many new industries emerged due to the government's policy of promoting industrial development in line with its objective of achieving modernization. Under these circumstances, a modern insurance system was introduced from overseas, and a movement began toward establishing marine insurance companies to support the growing marine shipping and trading businesses.

1879 Overseas Expansion from the Start

Within the same year of its establishment, Tokio Marine Insurance established agencies in Shanghai, Hong Kong and Busan, etc. In 1880, the following year, it began direct underwriting operations in London, Paris and New York.

Tokio Marine Insurance Company, London Branch

Since its founding, Tokio Marine Group has developed operations with a global perspective.
The company's name was written as "Tokio Marine Insurance" because the British English spelling of "Tokyo" was "Tokio" at that time, and to this day, we are known abroad as "Tokio Marine".

1894 Young Employees' Efforts to Improve Business Results

In 1890, contracts increased significantly due to outsourcing of operations to local agents in the United Kingdom, the home of marine insurance. In 1891, premiums income from overseas hull insurance grew rapidly to account for more than 50% of total premiums income.

Members of Tokio Marine Insurance Company, London Branch

However, the company fell into a financial crisis in 1894 due to underwriting a large volume of high-risk properties. It was Kenkichi Kagami, a junior employee who joined the company four years previously, and Hachisaburo Hirao, a newcomer to the company, who were entrusted with resolving this management crisis. Led by these two employees, the company thoroughly re-examined its policies in the U.K., and was able to bring about a financial recovery within a few years. Soon after, Mr. Kagami became highly respected in Japan and internationally, even becoming the first Japanese businessman to be featured on the cover of Time Magazine. Mr. Hirao, meanwhile, held a passion for education and later became Japan's Minister of Education. Both Mr. Hirao and Mr. Kagami remained active in the insurance industry and in other fields.

The open and dynamic corporate culture that provides opportunities and positive challenges to young employees is still one of the strengths of Tokio Marine Group today.

1914 Launched Japan's First Auto Insurance

Tokio Marine Insurance developed Japan's first automobile insurance product at a time when there were only about 1,000 vehicles in Japan. The number of domestic auto insurance policies issued by the Group has grown to more than 15 million, the outcome of our continuous efforts to address motorization since 1914.

Auto insurance badge (circa 1926)

Our spirit of responding to changes in society and facing new risks in order to deliver safety and security to customers has continued to this day.

For example, in April 2017, Tokio Marine & Nichido developed a new product in response to the advance in autonomous driving systems, illustrating the enduring Group spirit of meeting the changing needs of society and "Taking on Challenges" to deliver safety and security to our customers.

1920

Earthquake, Defeat in War and Recovery

The Great Kanto Earthquake of 1923 dealt a major blow to the Japanese economy. Then in the aftermath of the defeat in World War II, many Japanese companies faced management crises. After that, the economy started to recover and Japan began to move forward again as it worked to rebuild itself.

1923 Response to the Great Kanto Earthquake

Many lives and assets were lost in the Great Kanto Earthquake. In the fire insurance back then, there was no coverage for damage caused by earthquakes, but each non-life insurance company offered payouts as a form of consolation. While other companies received subsidies from the government for the consolation payments, Tokio Marine Insurance made use of its sound financial base, becoming the sole insurer in the industry to fund the payments on its own.

Aftermath of Great Kanto Earthquake

1950 Resumption of International Transactions after the War

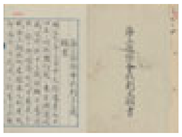
Although Tokio Marine Group had been aggressively pursuing expansion of its business internationally since its founding, all overseas assets were lost due to Japan's defeat in World War II and we were unable to conduct international transactions for a long period afterward. However, we steadily resumed international operations from 1950, starting with the signing of an agency contract for marine insurance with the Indian insurer New India Assurance.

We began with reinsurance transactions. From April 1950, we resumed transactions in the London marketplace through Willis. In the following year, we also participated in a reciprocal reinsurance (multiple insurance organizations mutually underwrite each other's reinsurance contracts).
In 1956, we became a member of a reinsurance pool led by U.S. insurance company Appleton & Cox. After that, we began operations in the U.K., the Netherlands, Singapore, the Malaya Federation (now Malaysia) and Canada, expanding our international sales network for the underwriting business.

By making full use of the strong international reputation built up during the prewar years, Tokio Marine Group quickly resumed operations in overseas markets and increased international insurance premiums in a few years.

1879 Establishment of Japan's First Insurance Company

In 1879, Tokio Marine Insurance was established as the first non-life insurance company in Japan due to the commitment of its founders, including Eiichi Shibusawa, who is referred to as the father of modern capitalism. We began as a marine insurance company that provided coverage for cargo damage caused by marine accidents in Japan's marine shipping and trading businesses, which became indispensable for Japan as the country set its sight on modernization.


Company registration application form


Eiichi Shibusawa
Courtesy of Shibusawa Memorial Museum

1960 | 2002 | 2016

Popularization of Insurance and the Arrival of Deregulation

Motorization progressed rapidly in Japan, fueled by high economic growth. As automobiles increasingly became an integral part of people's lifestyles, the mass-market era for insurance also arrived. In 1996, the revised Insurance Business Act went into effect in Japan, paving the way for deregulation of insurance rates and for life and non-life insurers to enter each other's business domains.

1970 Establishment of Auto Claims Service Centers

In 1970, Tokio Marine & Fire Insurance opened auto claims service centers to strengthen points of contact with customers, in order to respond effectively to the sudden increase in accidents that accompanied the growth in the volume of automobile insurance policies. These service centers, which were established from the desire to "offer peace of mind from a position within easy reach of customers", now cover all of Japan.


Auto claims service center (circa 1970)

Tokio Marine Group's accident response service, with the strengths of its expertise and this broad network, remains highly valued by customers. Moreover, making the most of the trust that we have built up, we support regional revitalization in Japan through our insurance products and services.

1996 Entry into the Life Insurance Business

Japan's Insurance Business Act was amended in 1996 to allow non-life insurance companies and life insurance companies to enter each other's business domains. As a result of this revision to the Insurance Business Act, Tokio Marine Group entered the life insurance business by publicizing the message, "It is not right that customers need to adjust to fit their life insurance".

Tokio Marine & Nichido Life provides products and services based on the idea of customer orientation, and this has made it one of the fastest growing companies in the industry since its founding.

Tokio Marine & NIchido Life newspaper advertisement at the time of its establishment (1996)

2002 Launched an Integrated Life and Non-Life Insurance Product

We developed an integrated life and non-life insurance product called *Super Insurance* based on the concept of providing customers security through our consulting services.

This product was developed from the customer-oriented concept of "bundling together various difficult-to-understand insurance products into a comprehensive package". It has helped us earn stronger customer support through improvement of the sales system and an increase in the attractiveness of our products.

This all-in-one insurance product that provides customers with comprehensive life and non-life protection is the only insurance of its kind, and demonstrates the Group spirit of "Taking on Challenges" and the profound conceptualization capabilities that are the strengths of Tokio Marine Group.

Industrial Reforms and Globalization of the Japanese Economy

Deregulation of the insurance industry brought many foreign companies into Japan's market, and competition for all insurers intensified. As a result, industrial reform progressed and three mega insurance groups came to dominate the non-life insurance market. In addition, Japanese companies began accelerating their expansion overseas due to the prolonged domestic economic downturn following the collapse of the bubble economy.

2002 Birth of Japan's First Listed Insurance Holding Company

In 2002, we established the insurance holding company Millea Holdings (now Tokio Marine Holdings) with the aim of becoming one of the world's leading insurance groups.
In 2004, Tokio Marine & Fire Insurance and Nichido Fire & Marine Insurance were merged to create Tokio Marine & Nichido Fire Insurance Co., Ltd.

2008-2016 Expansion of the International Insurance Business

Tokio Marine Group acquired both Kiln (U.K.) and Philadelphia Consolidated Holding (U.S.) in 2008, and started full-scale expansion of operations in the European and U.S. markets.
In our search for additional growth opportunities abroad, we acquired Delphi Financial Group (U.S.) in 2012 and HCC Insurance Holdings (U.S.) in 2015.

These companies have strong growth potential and high profitability. They also have few overlapping risks with existing businesses, and are contributing to enhancing capital efficiency, increasing profits and stabilizing the management foundation of Tokio Marine Group.

Tokio Marine Group Now (As of March 31, 2017)

Tokio Marine Group utilizes its strengths that include a well-balanced business portfolio, a wide network and a sound financial base to enable it to operate across four business domains — domestic non-life insurance, domestic life insurance, international insurance, and financial and general businesses. We also leverage our diverse human resources and work to enhance our business platform to further demonstrate our strengths in each of these business fields. Through these initiatives, we are striving to contribute to resolving social issues and enhance corporate value.

Characteristics of Each Business Domain (major subsidiaries are presented below)

Domestic Non-Life Insurance Business

- Group companies have developed rich product lineups and diverse services, allowing them to offer optimal products and services that meet the needs of customers through a wide range of sales channels.
- Tokio Marine & Nichido achieved the largest expansion in market share in the industry for the third consecutive year (fiscal 2014 to fiscal 2016).[1]

1. Ranking among nine major domestic insurance companies on managerial accounting basis

Tokio Marine & Nichido Fire Insurance Co.,Ltd.

Nisshin Fire & Marine Insurance Co., Ltd.

E.design Insurance Co.,Ltd.

Domestic Life Insurance Business

- Tokio Marine & Nichido Life commenced operations in 1996 with the aim of promoting a "customer-oriented" and "innovative and efficient" life insurance business.
- Since its inception, the company has been achieving growth that far exceeds that of the market by focusing on offering highly unique products and services in the field of living protection, which are not fully covered by conventional medical insurance or death insurance.

Tokio Marine & Nichido Life Insurance Co.,Ltd.

International Insurance Business

- We started expanding our business overseas from the time of our establishment in 1879, and overseas operations have grown to account for about 40% of the Group's total income.
- We provide highly competitive products and services in Europe and the United States, which represent the core of the global insurance market, and we are building a broad network in emerging countries with strong growth potential, such as countries in Asia and South and Central America.

Philadelphia Insurance Companies

DELPHI

Tokio Marine HCC

Tokio Marine Kiln

Tokio Millennium Re AG

Tokio Marine Seguradora S.A.

Tokio Marine Asia Pte.Ltd.

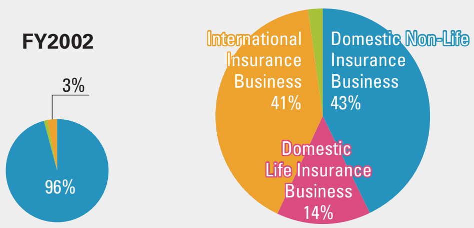
Financial and General Businesses

- In the financial business, we are developing operations with high capital efficiency centered on the fee-based asset management business.
- In the general business, we focus on businesses that have a strong affinity with the insurance business and offer products and services related to "safety and security" to our customers.

Market Capitalization/Total Assets

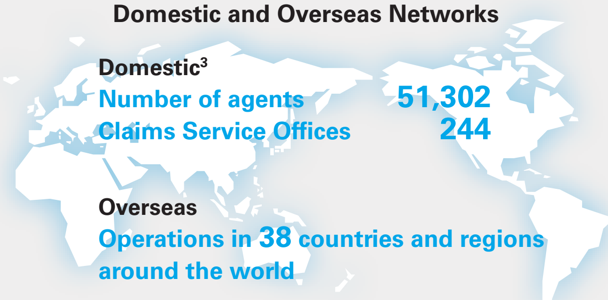
¥3.5 trillion/
¥22.6 trillion

Composition of Business Unit Profits[2]



2. For the Domestic Life Insurance Business, TEV is used in FY2002, and MCEV is used in FY2017 (Projection)

Domestic and Overseas Networks



3. Network of Tokio Marine & Nichido

Financial Strength (Rating[4])

S&P	Moody's	A.M Best
A+	Aa3	A++

4. Financial strength rating of Tokio Marine & Nichido. For the latest rating information, please visit our website. (http://www.tokiomarinehd.com/en/ir/stock/rating.html)

ESG Index

FTSE4Good

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MS-SRI

A Global Leader in Terms of Market Capitalization

The Group's market capitalization, which is an evaluation from capital markets, greatly exceeds that of other domestic insurance groups, and is one of the highest among global insurance companies.

Well-Balanced Business Portfolio

Tokio Marine Group has been working to build a business portfolio with diversified risk in terms of geography and business domains, to stabilize profits in the insurance business and enhance capital efficiency of the Group. As a result, the business composition centered on the domestic non-life insurance business has changed significantly and the Group's business portfolio has become more balanced.

Domestic and Overseas Networks Support Our Customers

Tokio Marine Group is expanding its business not only through service networks in Japan, but in overseas markets, mainly in the United States, Europe and Asia. Through this expansive network, we deliver products that meet the needs of customers and offer quick accident response services worldwide.

Sound Financial Base and Strong Enterprise Risk Management (ERM)

Tokio Marine Group has been working to enhance ROE and achieve sustainable profit growth while ensuring financial soundness based on Enterprise Risk Management (ERM). These efforts have been evaluated highly by rating organizations, helping us to earn world-class ratings.

Contributing to Creating a Safe, Secure and Sustainable Future

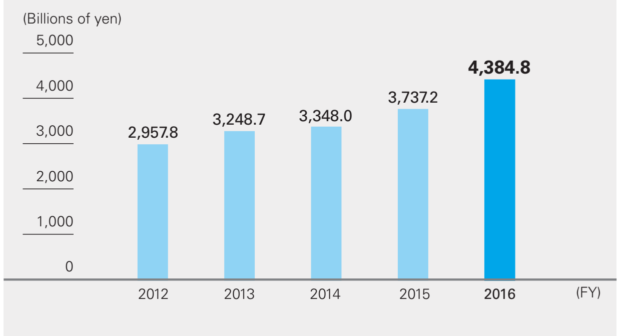
Environmental, social and governance (ESG) investment is not only based on financial data, but is an investment method that also considers a company's ESG elements. As a company actively pursuing ESG initiatives, we have been selected for inclusion in the global ESG index.

Financial Highlights

Top Line Expanding Steadily

The top line grew steadily due to strengthening customer contacts and progress of growth measures in the international insurance business. Consolidated insurance premiums (total of net premiums written and life insurance premiums) in fiscal 2016 increased to 4.3 trillion yen.

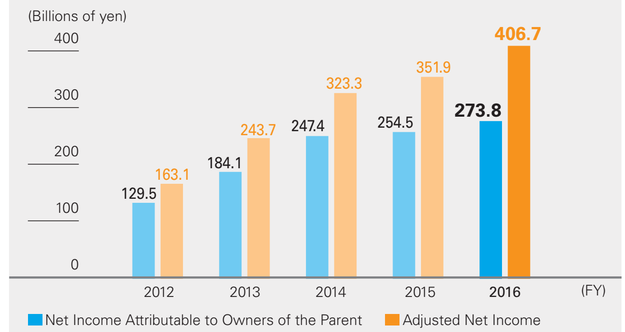
Net Premiums Written + Life Insurance Premiums



Record-High Income

We posted record-high income for the fifth consecutive year (financial accounting basis) thanks to steady income growth, fueled by improved profitability in the domestic insurance business, mainly in automobile insurance, expansion of disciplined underwriting in the international insurance business and other factors. Adjusted net income, excluding the effect of provisions for catastrophe loss reserves and amortization of goodwill, etc., was 406.7 billion yen in fiscal 2016.

Net Income Attributable to Owners of the Parent/ Adjusted Net Income[1]

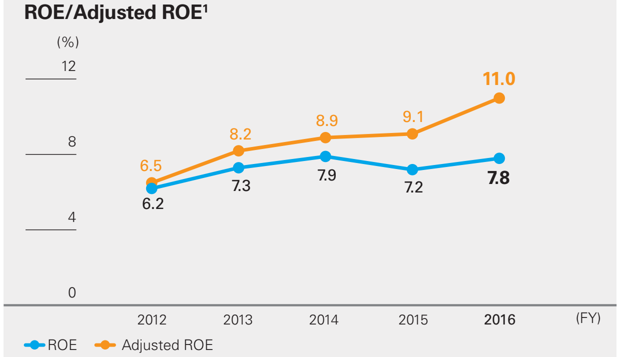


1. KPI used for business plan and shareholder return. Please see page 86 for details.

Enhancement in Capital Efficiency

In order to enhance capital efficiency, we are continuing with measures to sustain profit growth, strengthen control of natural catastrophe risks, sell business-related equities and repurchase shares in a flexible manner, etc. Due to these initiatives, adjusted ROE, which is an index of capital efficiency, increased to 11.0%.

ROE/Adjusted ROE[1]

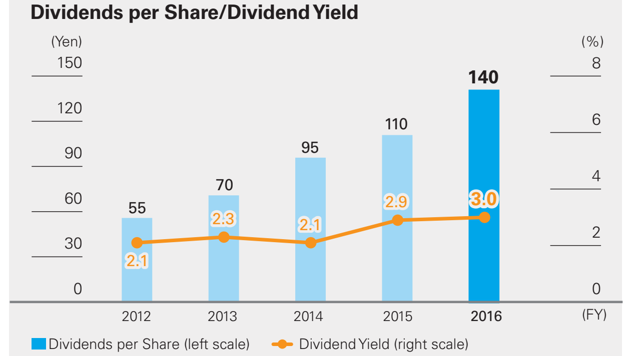


1. KPI used for business plan and shareholder return. Please see page 86 for details.

Dividend Increased for the Fifth Consecutive Year

Tokio Marine Group sees dividends as the basis for shareholder return, and aims to pursue steady growth of dividends in line with profit growth. Dividends per share for fiscal 2016 increased by 30 yen year on year to 140 yen, an increase for the fifth consecutive year, due to steady profit growth.

Dividends per Share/Dividend Yield

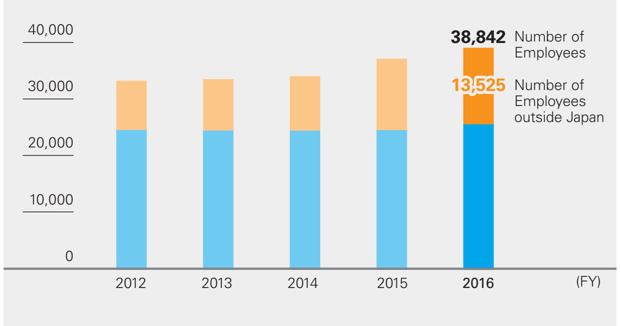


Non-Financial Highlights

Achieved Diversity on a Global Scale

As our operations have become more global in nature, the number of overseas employees has increased to account for more than 30% of total Group employees (as of March 31, 2017). We are enhancing our ability to create value by turning the uniquely rich corporate culture and diverse human resources of each Group company into the comprehensive strength of the Group.

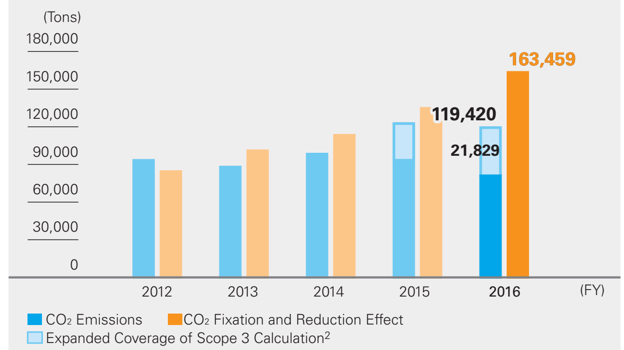
Number of Employees/Number of Employees outside Japan



Achieved Carbon Neutral Status for the Fourth Consecutive Year

In order to achieve carbon neutral status, we are continuing with our efforts to reduce CO_2 emissions. We are also offsetting CO_2 emissions through the planting of mangroves, which are efficient in absorbing CO_2. By promoting these initiatives, we have achieved carbon neutral status for the fourth consecutive year (fiscal 2013 to fiscal 2016).

CO_2 Emissions / CO_2 Fixation and Reduction Effect

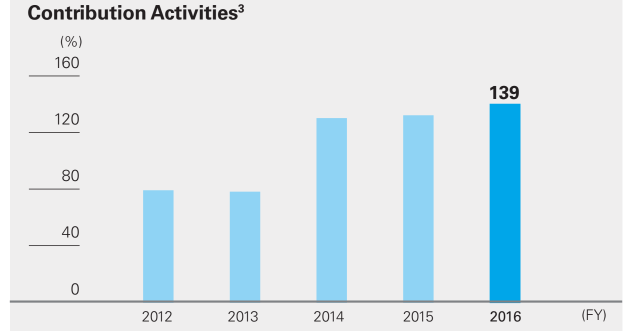


2. The main reason for the increase in CO_2 emissions from FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emission).

Initiatives to Generate Social Value

Tokio Marine Group has set "Providing Safety and Security," "Protecting the Earth" and "Supporting People" as the three core CSR themes, and is promoting CSR with the participation of all employees as a goal. In addition to environmental protection activities to achieve carbon neutral status, we are also engaged in disaster prevention awareness activities, disaster recovery assistance and support for people with disabilities. The proportion of Group employees that participate in social contribution activities has been increasing yearly.

Percentage of Group Employees Participating in Social Contribution Activities[3]

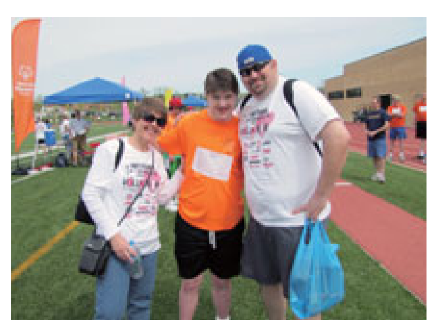


3. Total for the Company and domestic consolidated subsidiaries. The number of participants is calculated based on the total number of employees.

Social Contribution Activities

Tohoku Coastal Forest Restoration Project

Mangrove planting



Support for Special Olympic Games in the U.S.

Tokio Marine Group: The Year in Review

Tokio Marine Group endeavors to create a safe, secure and sustainable future by becoming an indispensable provider of support for our customers and society in times of need. In this section, we review the main topics in fiscal 2016.

Management Topics

Strengthening Aligned Group Management

April 2016-

Established the Group Chief Officer position, strengthened and formed committees, and promoted a stronger and more globalized Group management structure.

Promoting Initiatives to Enhance Group Synergies

April 2016-

Promoting initiatives to enhance Group synergies on a global basis by leveraging the expertise of TMHCC, which joined our Group in October 2015.

Establishment of Digital Strategy Division

July 2016

This division was established to clarify the responsibility for formulating policies for digital technology use throughout the Group from a medium-to-long-term perspective as well as implement those policies.

Establishment of Regional Revitalization Division

July 2016

Tokio Marine & Nichido

This division was established to further advance our initiatives toward "regional revitalization" through company-wide efforts such as sharing examples of collaboration with local governments, financial institutions and other organizations.

Tokio Marine & Nichido Life Celebrated 20th Anniversary

August 2016

Tokio Marine & Nichido Life

Celebrated 20th anniversary and commenced the 20th anniversary commemoration project.

2016

April | May | June | July | August | September

Product-Related Topics

Announcement of New Products and Services for Visiting Foreigners and Inbound Business Operators

May 2016

Tokio Marine & Nichido

Announced plan to provide overseas travel insurance for foreigners visiting Japan and support services for inbound business operators* from July 2016, in an effort to promote revitalization of regional economies by making the most of the expanding inbound market, which is being fueled by the increase in foreign visitors.

* This service and others that support domestic operators of inbound businesses received ministerial commendation in January 2017 as model examples of initiatives being promoted by financial institutions and others to revitalize regional economies; the recognition is organized by the Headquarters for Towns, People and Jobs Revitalization, Cabinet Office and the Office for Promotion of Regional Revitalization, Cabinet Office.

Announcement of LGBT Policy

August 2016

Tokio Marine & Nichido

With product revisions to go into effect from January 2017, steps will be taken to include same-sex partners in the definition of "spouse" when the persons are in a relationship that is the same as a marital relationship. This will allow for those partners to be included in the coverage.

Received "IR Grand Prix Award" from JIRA at 21st Awards

November 2016

The Japan Investor Relations Association (JIRA) selects corporations for IR Awards in recognition of their outstanding IR performance, including demonstration of a thorough understanding of IR, active promotion of IR, and success in earning respect from the investment community.

Establishment of Health and Productivity Management Task Force

January 2017

Tokio Marine & Nichido
This task force was established to strengthen support for health and productivity management of client companies.

Selected as a Health & Productivity Stock

February 2017

Received recognition as one of the corporations practicing excellent health management under the "2017 Health & Productivity Stock Selection" program, which is jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition, Tokio Marine Holdings, Tokio Marine & Nichido, and Tokio Marine & Nichido Life received recognition under the 2017 Certified Health and Productivity Management Organization Recognition Program, in the large enterprise category.

Sustainability Report Recognized with Excellence Award at 20th Environmental Communication Awards

February 2017

Tokio Marine Group's "Sustainability Report 2016" received the Excellent Sustainability Report Award in the Environmental Reporting section of the 20th Environmental Communication Awards.

Received "Japan Resilience Award 2017"

March 2017

Tokio Marine Group's Disaster Risk Reduction Initiatives recognized with the following awards: "Best Resilience Award" given for "Disaster Prevention Lessons," and the "Excellent Resilience Award" given for "Business Continuity Plan (BCP) Workshop" held in collaboration with local governments and chambers of commerce, "Rethink Now! Earthquake in the Foreseeable Future and Preparation for it" and for "Easy, Understandable BCP Planning Sheet".

2017

October | November | December | January | February | March

Product Revision of *Super Insurance*, Which Provides Customers with Integrated Life and Non-Life Coverage

October 2016

Tokio Marine & Nichido and Tokio Marine & Nichido Life
We introduced a framework allowing for consulting sales to a wider range of customers, and implemented revisions to strengthen the attractiveness of products, such as by offering the industry's first "comprehensive discount for integrated life and non-life insurance".

Auto Insurance

November 2016
"Rider for Expenses for Saving Victims"

Tokio Marine & Nichido
As a forerunner in the non-life insurance industry, the company developed "Rider for Expenses for Saving Victims". This provides coverage for compensating victims promptly, amid the increasing prevalence of autonomous driving systems.
(Offered to policies commencing on and after April 1, 2017)

November 2016
Drive Agent Personal

Tokio Marine & Nichido
We developed a new service for individual customers called *Drive Agent Personal* that utilizes our customized driving recorder with a communication function to provide "sense of security in the event of an accident" and "support for safe driving".
(Offered to policies commencing on and after April 1, 2017)

Launched *Household Income Term Insurance NEO (Disability Plan)*

November 2016

Tokio Marine & Nichido Life
Began offering a new product, *Household Income Term Insurance NEO (Disability Plan)*, which repackages coverage related to the inability to work by offering protection from the risk that a person may not be able to work after being discharged from the hospital.

Main Financial and Non-Financial Data

Mid-Term Business Plan Intiatives

Stage Expansion 2008

- We established a material presence in the U.S. and European markets. (Acquired Kiln, a U.K.-listed Lloyd's insurance group, and Philadelphia Consolidated Holding, a P&C insurance group in the U.S.).
- In addition, in response to the identification of problems such as the incidental non-payment of coverage, we launched initiatives to improve quality (strengthening insurance payment controls, etc.) to restore customer trust.

Innovation and Execu

- We made steady progress in integr quality of products and services. M to the Business Renovation Project
- In 2011, the Great East Japan Earth across Japan were dispatched to t and provide recovery support as top providing support).

	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 (Ratio)	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 (Ratio)	—	—	—	—
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 from FY2015.
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.

tion 2011

ating Kiln and Philadelphia and worked to improve the
oreover, we achieved enhancement of productivity thanks
and other measures.

quake hit Japan. Immediately after the quake, employees
he affected region to help ensure prompt claims payments
priorities. (About 9,000 of our people were involved in

Innovation and Execution 2014

- This mid-term business plan prioritized improvement of profitability of the domestic non-life insurance business and as a result of placing importance on this, profitability improved significantly.
- We acquired Delphi Financial Group, a life and P&C insurance group in the U.S. Steady growth of the domestic life insurance and international insurance businesses contributed to risk diversification in terms of business domain and geography.

To Be a ***Good Company 2017***

Evolve business structure to realize sustainable profit growth and higher ROE

(Yen in millions unless otherwise indicated)

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
3,288,605	3,415,984	3,857,769	4,166,130	4,327,982	4,579,076	**5,232,602**
2,272,117	2,324,492	2,558,010	2,870,714	3,127,638	3,265,578	**3,480,478**
126,587	160,324	207,457	274,386	358,182	385,825	**387,659**
71,924	6,001	129,578	184,114	247,438	254,540	**273,856**
1,904,477	1,857,465	2,363,183	2,739,114	3,609,655	3,512,656	**3,569,760**
16,528,644	16,338,460	18,029,442	18,948,000	20,889,670	21,855,328	**22,607,603**
11.41	11.26	12.98	14.32	17.13	15.94	**15.67**
3.55	0.32	6.20	7.29	7.87	7.21	**7.79**
—	717.8	737.0	728.4	781.3	791.4	**897.3**
2,460	2,399	3,052	3,536	4,742	4,617	**4,722**
92	7	168	239	323	337	**363**
50	50	55	70	95	110	**140**
38,597	38,346	42,187	53,705	72,197	83,015	**105,342**
804,524	804,524	769,524	769,524	757,524	757,524	**753,024**
2,224	2,271	2,650	3,098	4,538.5	3,800	**4,696**
24.05	290.41	15.69	12.91	14.01	11.27	**12.92**
0.90	0.95	0.87	0.88	0.96	0.82	**0.99**
—	30,798	163,137	243,756	323,318	351,906	**406,743**
—	2,301,621	2,746,566	3,172,530	4,103,470	3,599,396	**3,812,417**
—	1.3	6.5	8.2	8.9	9.1	**11.0**
—	3,001	3,580	4,135	5,437	4,769	**5,082**
—	40	212	317	423	466	**539**
—	0.76	0.74	0.75	0.83	0.80	**0.92**
29,758	30,831	33,006	33,310	33,829	36,902	**38,842**
5,565	6,207	8,687	9,102	9,640	12,612	**13,525**
73,692	75,277	93,311	87,971	98,317	122,280	**119,420**
58,000	75,925	84,360	100,951	113,310	133,447	**163,459**

5. Consolidated solvency margin ratio, Number of employees outside Japan, CO_2 emissions and CO_2 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 86 for details on the definitions.
7. The main reason for the increase in CO_2 emissions from FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emission).

Tokio Marine Group's Growth Strategies

In Mid-Term Business Plan "To Be a Good Company 2017", which started in fiscal 2015, Enterprise Risk Management (ERM) is positioned at the center of Group management, and we are working to realize sustainable earnings growth and higher capital efficiency while maintaining financial soundness.

Overview of the Management Strategies

Long-Term Vision and 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".

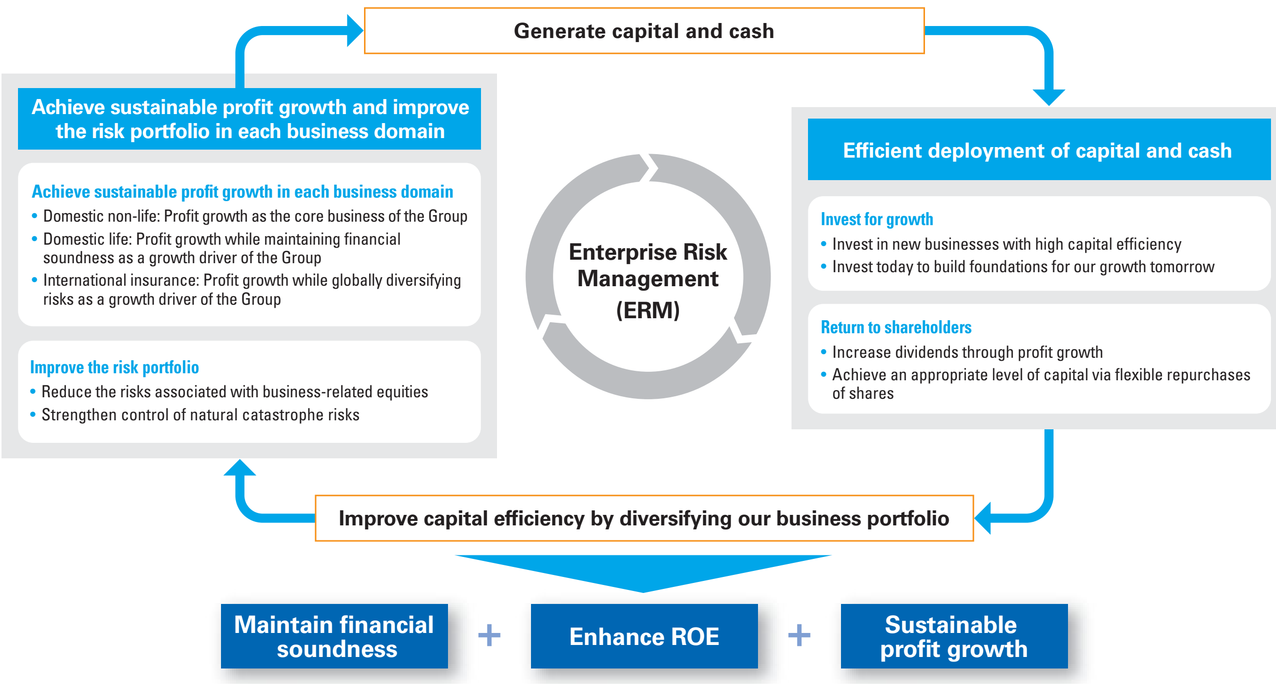
The previous mid-term business plan, until the close of fiscal 2014, was launched in a globally unstable financial market environment after the European financial crisis and in a difficult business environment where the automobile insurance combined ratio exceeded 100% in Japan. Under the plan, we executed 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.

We have positioned the term of the current mid-term business plan, launched in fiscal 2015, as a "sustainable profit growth stage". We are evolving our business structure to realize sustainable profit growth and higher ROE to achieve the long-term vision. Going forward, we will aim to become a company with the ability to generate double-digit ROE at a globally competitive level.

Also we will continue to 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. By placing ERM at the core of the group management framework and further refining it, we aim to enhance ROE and achieve sustainable profit growth while maintaining financial soundness.

Long-Term Vision and Mid-Term Business Plan "To Be a Good Company 2017"

Framework of the Mid-Term Business Plan and Group Management



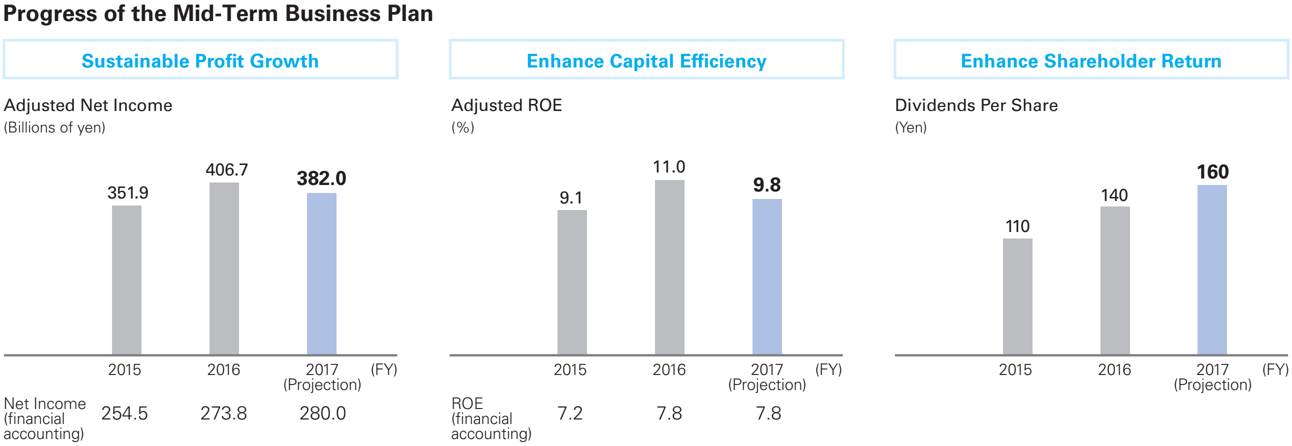
Progress of the Mid-Term Business Plan

We set the objectives of enhancing capital efficiency, maintaining sustainable profit growth, and enhancing shareholder return in the current mid-term business plan and have been implementing initiatives to achieve these objectives.

We project adjusted ROE of 9.8% and adjusted net income of 382.0 billion yen in fiscal 2017 and believe that we will achieve the targets in line with the fiscal 2017 outlook indicated at the time the mid-term business plan was formulated. If there is no change in the exchange rates applied at the time the plan was formulated, we project adjusted net profit of approximately 395.0 billion yen in fiscal 2017.

As for shareholder return, the annual dividend is projected to be 160 yen per share in fiscal 2017, an increase for the sixth consecutive year. We will continue to aim for steady growth of dividends in line with profit growth.

Progress of the Mid-Term Business Plan



Group CFO on Tokio Marine Group's Capital Strategy

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

Achieving Sustained Growth and Enhanced Capital Efficiency through the Enterprise Risk Management (ERM) Cycle

Tokio Marine Group allocates capital effectively and efficiently with the objective of maintaining financial soundness together with sustained expansion of profits and enhancement of capital efficiency through Enterprise Risk Management (ERM).

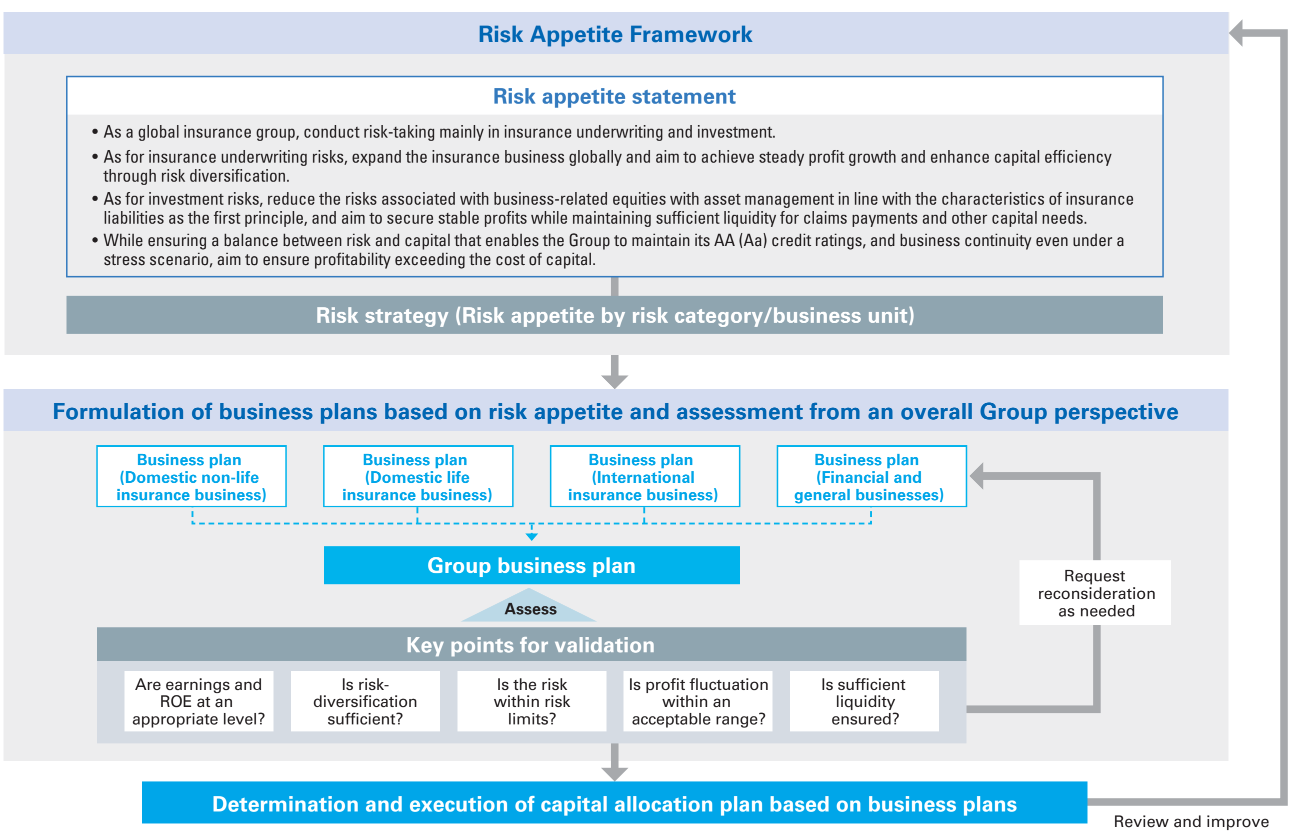
The operating environment in the insurance business continues to change at a rapid pace, and fiscal 2016 was another eventful year. Japan experienced the Kumamoto earthquakes and other natural catastrophes, while long-term interest rates fell suddenly under the Bank of Japan's negative interest rate policy. In Europe, the UK decided to withdraw from the European Union, while major developed countries experienced the election of new administrations.

The ERM Cycle has become extremely important for securing financial soundness and further pursuing global business expansion in this fast-changing environment.

For Tokio Marine Group, the ERM Cycle means a cycle of formulating business plans in accordance with risk appetite, deciding capital allocation, reviewing, and evaluating results.

First, Tokio Marine Holdings establishes a Risk Appetite Framework that articulates a basic policy for relevant risk taking

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



and management to ensure expected returns. Following this, each Group company formulates business plans based on this Risk Appetite Framework.

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.

The results of Group companies based on the allocated capital are reviewed annually and improvements are made if necessary.

Initiatives to Enhance Profitability

Under the current mid-term business plan, Tokio Marine Group is substantially enhancing profitability by improving the combined ratio in the Group's core domestic non-life insurance business while concurrently pursuing 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 TMHCC's high profitability, its specialization in specialty insurance complements the Group's business portfolio, and through its acquisition we are further enhancing capital efficiency and profit stability.

We will continue our initiatives to support further enhancement 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 required capital level for maintaining 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)

Maintain financial soundness

Balance capital and risk to maintain AA credit ratings
- Advance natural catastrophe risk management
- Ensure our financial base can withstand catastrophic risks

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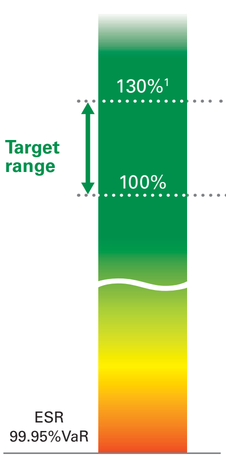
Enhance profitability

Sustainable profit growth and enhance capital efficiency
- Invest in businesses that enhance capital efficiency
- Improve the profitability of existing businesses
- Continue to sell business-related equities



Utilize capital buffer
- Invest in businesses for growth and take additional risks
- Repurchase shares
- Prepare for regulation changes and significant changes in business environment

Confirm the necessity of action

Consider to recover capital level

Consider the below with consideration of the outlook of future profit accumulation and restricted capital
- Refrain from investment in businesses and additional risk-taking
- Consider risk reduction measures

1. 130% is the capital level which can maintain AA credit ratings withstanding once-in-a-decade risks

ESR (As of March 31, 2017)

139% (Net asset value of 3.5 trillion yen, risk capital of 2.5 trillion yen)

(Reference)
At 99.5%VaR, with UFR[2]: 160%

2. With reference to international capital regulations, Ultimate Forward Rate (UFR) is set at the level of 3.5% in year 60 and forward rates beyond the 30th year are extrapolated accordingly

Group CRO on Tokio Marine Group's Risk Management

Kunihiko Fujii
Executive Vice President
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, 2017, Tokio Marine Group's risk capital, calculated at the 99.95% confidence level, which corresponds to an AA (Aa) credit rating, was 2.5 trillion yen and net asset value was 3.5 trillion yen. The economic solvency ratio (ESR), which shows the ratio of net asset value to risk capital, was 139%, 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 incorporates 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. In fiscal 2016, the Committee discussed important issues such as the identification of material risks for the Group and formulation of countermeasures to respond to those risks, as well as the ALM policies and product strategies of the Japanese life insurance subsidiary affected by the introduction of the Bank of Japan's negative interest rate policy. As a result, appropriate measures were implemented.

For material risk identification, we comprehensively assess every kind of risk, including emerging risks that result from environmental changes. We comprehensively assess not only quantitative elements such as economic loss and frequency, but also qualitative elements such as business continuity and reputation.

In addition, in order to achieve a timely and appropriate monitoring by the management, the status of ESR and other key management indicators, the consistency between business plans and risk appetite, risk profiles etc., are reported biannually to the Board of Directors.

Material Risks for Tokio Marine Group (FY2017)

Global Financial Crisis	Large Natural Catastrophe (International)	Conduct Risks*
Japanese Government Bonds Risk	Cyber Risks	Disruptive New Technologies
Japan Wind and Flood	Pandemic	Terrorism/Riot
Japan Earthquake	Breaches to Overseas Regulations	

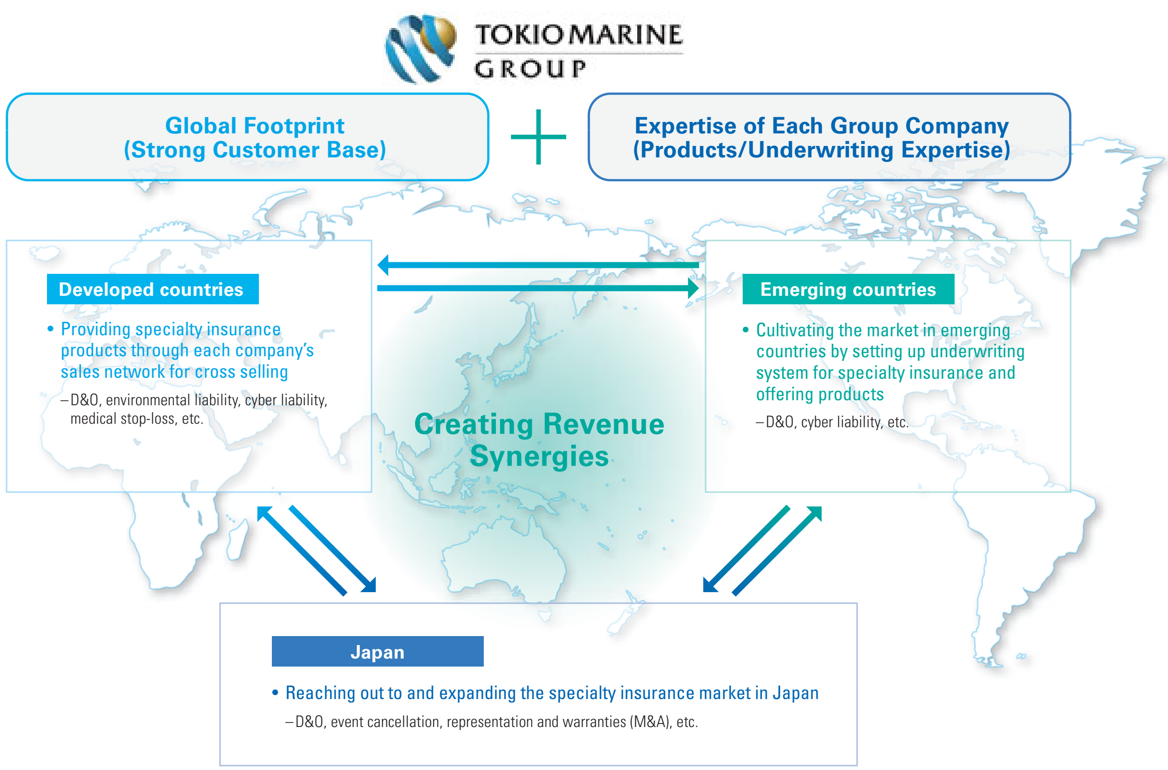
* Risk of damage to corporate value as a result of misconduct, inappropriate response or gap between industry/company practice and common sense, which negatively impact the protection of customer rights, market integrity, effective competition, the public interest etc.

Group Synergies

Meeting the needs of various customers around the world requires leveraging the comprehensive strengths of the Group. Tokio Marine Group is utilizing global networks built through business development to date and the advanced expertise of Group companies to create synergies in the areas of revenue, investment, capital and cost.

Expansion of Group Synergies

Revenue



Investment	Enhancing investment return through Delphi's superior investment expertise	• Entrust the asset management of a portion of assets held by the group companies* to Delphi with high investment expertise *Philadelphia, Tokio Millennium Re, TMNF, TMHCC, TMNL
Capital	Optimizing retention strategy and outward reinsurance on a group basis	• Expand underwriting capacity of each group company leveraging the Group's risk diversification effect • Reduce cost of outward reinsurance through intra-group reinsurance, etc., leveraging the Group's financial strengths
Cost	Cost reduction through effective use of the group resources and scale merit	• Cost reduction by joint purchase of IT systems, etc. • Optimize resources due to delisting of company purchased and utilizing shared services

Group CSSO on Mid-to-Long-Term Strategies and Creating Group Synergies

Kenji Iwasaki
Executive Vice President
Group CSSO (Group Chief Strategy and Synergy Officer)

Group-wide Mid-to-Long-Term Strategy Initiatives

The environment in which Tokio Marine Group operates will change substantially in the future due to factors including rapid advances in technology, more frequent natural catastrophes and demographic shifts centered on Japan's declining population, aging society and low birthrate. To deal with these changes while maintaining a mid-to-long-term perspective, in April 2016 Tokio Marine Holdings established the Strategy and Synergy Department to plan and formulate appropriate strategies. After preparing forecasts for environmental changes and drawing up a detailed vision for the Group in 2030, we will identify business challenges to address in order to achieve our vision and discuss measures that will tackle these challenges.

Technological advances, in particular, are giving rise to changes in the business environment at an unprecedented pace. To turn these changes into Group strengths, we have set up the Digital Strategy Division within the Strategy and Synergy Department with the aim of centralizing the Group's knowledge and proactively and quickly utilizing new technologies.

Specifically, Tokio Marine & Nichido provides policyholders with peace of mind before and after accidents in accordance with customers' driving characteristics by offering the *Drive Agent Personal* service for individual customers. In addition, we are looking into how to simplify and streamline claims payment operations and to digitize and share marine cargo insurance policies using blockchain, a technology that offers improved information security. We continuously conduct demonstration tests of these applications. We will continue to pursue a Group-wide digital response, including development of an enquiry response system that utilizes AI and development of products and marketing methods that employ wearable devices and big data.

Specific Initiatives to Create Synergies

The scope of Tokio Marine Group's businesses, which previously centered on the domestic non-life insurance business, has expanded greatly. For instance, the international insurance business is expanding its scale of operations and continues to grow steadily through acquisitions and other means, mainly in the commercial market and reinsurance business in North America and Europe, and in the retail market in Asia and South America.

In light of this business portfolio transformation, to enable continuous profit growth into the future, we will share and utilize within the Group the strengths we possess at each company and in each area, and pursue synergy that leverages economies of scale in Japan, North America and other regions where we have multiple large operating companies.

Specifically, as revenue generating synergy initiatives, we are providing the specialty products of TMHCC, Philadelphia and other Group companies to a wide range of customers, notably Japanese corporate customers, and transferring the life and non-life retail business expertise that we have accumulated in Japan to Asian markets. These initiatives are producing results. In addition, we are leveraging our high credit ratings to strengthen our investment capabilities and are optimizing our retention strategy and outward reinsurance on a Group basis. We will continue to utilize various global committees within the Group to plan, design and execute initiatives to maximize synergies.

Continuously Enhancing Corporate Value

Our business environment is changing dramatically, with the occurrence of numerous major natural disasters, demographic shifts and changes in the environment brought on by technological innovations. By helping to resolve social issues through its insurance business and other activities, the Tokio Marine Group is working to create a safe, secure and sustainable future.

Environment/Society

- Contributing to the Creation of a Sustainable World through International Initiatives
- Protecting the Earth: Continue Creating the Future of the Earth and a Society of Safe Living
- Providing Safety and Security: Support for People's Lives and Ambitions
- Supporting People: Ensuring a Diverse Group of People Can Thrive in Diverse Ways

Group Governance

- Strengthening Group Governance through Aligned Group Management
- Sound and Transparent Corporate Governance

The Power of Our People

- Group Synergies and Human Resource Exchange in Japan and Overseas
- Promotion of Diversity and "Innovation in Work Style"

Initiatives to Enhance Corporate Value: Environment/Society

In September 2015, the United Nations adopted Sustainable Development Goals (SDGs) for 2030, and with these new goals there are rising expectations for companies' commitment to solving a variety of issues. Tokio Marine Group recognizes the importance of using its expertise in insurance and risk management to deal with climate change, natural disasters, demographic change and technological innovation. Together with our stakeholders, we are implementing environmental, social and governance (ESG) initiatives to help resolve these and other social issues.

A dedicated department (CSR Division, Strategy and Synergy Department, Tokio Marine Holdings) identifies major CSR issues for the Group, and the Board of Directors evaluates and determines CSR strategies, including climate-related issues. The CSR Board, comprising the Group CEO and presidents of Group companies, convenes regularly, and CSR Dialogues are also regularly held for top management to discuss CSR issues with prominent external experts. The results of these meetings are reflected in CSR strategies.

Under our mid-term business plan "To Be a Good Company 2017", we are focusing on "Providing Safety and Security", "Protecting the Earth", and "Supporting People" as our three core CSR themes. In every area of our business activities, from the provision of products and services to donations and volunteer efforts, we are striving to be a "Good Company" in support of our customers, the Earth and local communities.

Contributing to the Creation of a Sustainable World through International Initiatives

Tokio Marine Group is contributing to the creation of a sustainable world through its participation in international initiatives related to its business activities. We joined the United Nations Global Compact (UNGC) in 2005 in view of the similarities between the UNGC's 10 Principles and the Group's CSR approach as well as its CSR Charter. As a signatory to both the United Nations-supported Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI) created through the United Nations Environment Programme-Finance Initiative (UNEP FI), we are also contributing to the creation of a sustainable society through investments and our insurance business. From 2014, we also began participating in the United Nations Office for Disaster Risk Reduction's (UNISDR) Private Sector Alliance for Disaster Resilient Societies (known as "ARISE") as a way of using our insurance expertise to promote societal resilience to natural disasters.

Tokio Marine Group's Main CSR Themes and SDGs

The SDGs are 17 goals that were included in the 2030 Agenda for Sustainable Development, which was adopted by world leaders at the UN Summit in September 2015.

Tokio Marine Group will keep the SDGs in mind as it promotes CSR through its overall business activities to create value that leads to solutions to social issues.

Protecting the Earth: Continue Creating the Future of the Earth and a Society of Safe Living

Achieving Reduced Environmental Footprint and Carbon Neutral Status

Tokio Marine Group is working to reduce the environmental footprint of its business activities. From fiscal 2013 to 2016, we achieved carbon neutral status for four consecutive years by offsetting the CO_2 emissions from our business activities with CO_2 fixation and reduction initiatives, including planting mangroves and using renewable energy.

Tokio Marine Insurance (Thailand): Preserve Water, Preserve Forests and Love Our Homeland

Protecting communities from flooding is a major issue for people in Thailand. Tokio Marine Insurance (Thailand) works to preserve water and forest resources through activities such as maintaining dams and tree-planting campaigns in northern Thailand in collaborative efforts among employees, agents and local citizens. The company also helps promote eco-tourism for local citizens and students. These efforts are helping to preserve water resources and mitigate natural disaster losses, while also deepening environmental understanding among participants, which leads to the rise of environmental awareness for employees and younger generations.

Safety National Casualty Corporation in the U.S.: Reducing Carbon Footprint

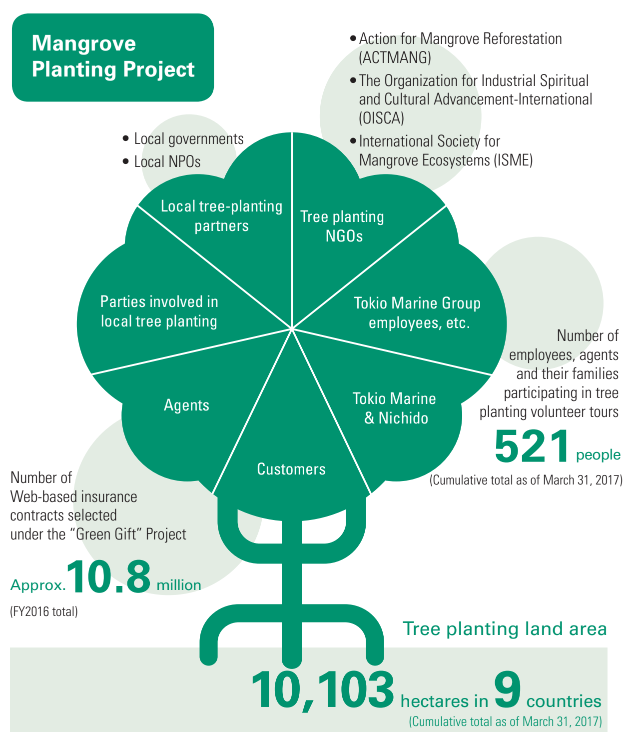
In the United States, Safety National Casualty Corporation is striving to reduce society's carbon footprint through a broad range of initiatives, from environmental activities at the office to volunteer activities outside the office. The company has reduced its dependence on fossil fuels by installing solar panels on its office building, while also installing water coolers on each floor to reduce plastic bottle usage. During annual Earth Week, employees are involved in a variety of ecological campaigns inside and outside the office to raise environmental awareness.

Web-based Insurance Contracts

Tokio Marine & Nichido reduces the amount of paper used in its business activities by allowing customers to choose web-based insurance contracts (clauses) on its website rather than a paper-based contract. We donate funds corresponding to a portion of the value of reduced paper to support environmental protection activities in and outside Japan.

Mangrove Planting throughout the Asia-Pacific Region

In 1999, Tokio Marine & Nichido commemorated its 120th anniversary with a mangrove planting project. Since the launch, we have planted 10,103 hectares (cumulative as of March 31, 2017) in nine Asia-Pacific countries. Mangrove forests play an important role in preventing global warming, conserving



biodiversity, reducing disaster damage from tsunamis and storm surges, and generating new employment. We are planning to continue this project for 100 years. Since its launch, the project has brought various benefits to areas where the planting takes place, and the economic value generated has reached more than 35 billion yen.

"Green Gift" Planet GENKI Program in Japan for Revitalization of the Earth

Tokio Marine & Nichido collaborates with environmental NPOs around Japan to promote the "Green Gift" Planet GENKI Program as a grassroots activity involving community children and their families. The program encourages communities throughout Japan to take care of the environment.

Tokio Marine Kiln's Initiatives – Insuring Unmanned Aerial Systems for a Greener Society

Tokio Marine Kiln became the first insurer to offer products on Lloyd's market covering risks associated with unmanned aerial systems (UAS), mainly drones. Drones are powered by batteries or solar cells, making them more environmentally friendly than conventional aircraft powered by fossil fuels. Providing this newly developed product will help promote the wider adoption of drones and reduce CO_2 emissions. This is another way that we are helping to resolve social issues through our business.

Supporting the Adoption of Clean Energies

Geothermal power is a renewable energy that does not emit CO_2, a cause of global warming, and provides a stable supply of clean energy unaffected by changes in natural conditions. From 2016, Tokio Marine & Nichido has offered a geothermal package plan to geothermal power generation companies. The insurance provides coverage to areas developing geothermal power against the liability risk of a decline in the volume of hot spring water or changes in water quality in surrounding areas during the development or operation of a geothermal power generation facility. For solar power developers, we offer a mega-solar package program that combines insurance and services into risk solutions designed to support the broader adoption of clean energy.

Climate-related Disclosures

Climate-related Strategies

Tokio Marine Group recognizes climate change and natural disasters as the CSR materiality (material issues). The Tokio Marine Research Institute and other organizations assess and estimate potential insurance losses under future climatic conditions and provide the assessments to management as reference. Based on these scenario analyses, Tokio Marine Group engages in industry-academia collaboration to provide climate change risk research and natural disaster-related products and services, promote environmental protection activities such as mangrove planting, and implement environmental and disaster-prevention awareness programs. In this way, we are promoting climate change-related initiatives throughout our business activities.

Climate-related Risk Management

Tokio Marine Group recognizes the growing severity of natural disasters caused by climate change as an insurance underwriting risk. We are taking measures to manage this risk throughout the Group based on enterprise risk management (ERM).

Indicators and Targets

Tokio Marine Group uses CO_2 emissions from business activities and CO_2 fixation and reduction effect from mangrove planting and other activities as key indicators of environmental performance. As a Group, we aim to achieve carbon neutral status by balancing these indicators. We aim to continue to achieve carbon neutral status in fiscal 2017 and onwards.

Provision of Natural Disaster-related Products and Services

The threat of meteorological disaster continues to increase due to climate change. We strive to make a faster, smoother response to losses incurred from typhoons and other wide-area disasters by strengthening our support structure in Japan, digitalizing accident reports between agents and the Company, and taking other measures to enhance the competitiveness of claims service. Additionally, we will continue to stably provide natural disaster risk-related products and services.

Support for the Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) is tasked by the Financial Stability Board (FSB) with developing guidelines for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear and efficient, and that provide useful information for making investments. Tokio Marine Group supports the TCFD's activities and engages in discussions with government and business leaders in Japan and overseas to develop methodologies for promoting disclosures useful for investment decision-making.

Providing Safety and Security: Support for People's Lives and Ambitions

Disaster-prevention through Industry-academia Collaboration with Tohoku University

In July 2011, Tokio Marine Group formed an industry-academia collaborative agreement with Tohoku University with the aim of supporting the regions impacted by the Great East Japan Earthquake and building communities resilient to natural disasters. Under this agreement, we are working with Tohoku University on earthquake and tsunami risk research and human resource development.

From fiscal 2012, Tokio Marine & Nichido established the Endowed Research Division for earthquake and tsunami risk assessment at Tohoku University's International Research Institute of Disaster Science (IRIDeS) to conduct earthquake-induced tsunami risk research, tsunami evacuation research and disaster-prevention awareness activities. The results of these research activities have been widely promoted in Japan and overseas at disaster-prevention conferences and at scientific society meetings. In 2017, the Endowed Research Division's research on using coastal forests to mitigate the impact of tsunami won an outstanding achievement award in the first Green Resilience Award.

Support Earthquake Reconstruction: Tohoku Coastal Forest Restoration Project and Menus from Disaster-affected Regions at Employee Cafeterias

Many employees and agents of Tokio Marine Group and their families have volunteered for activities to support the recovery of areas impacted by the Great East Japan Earthquake. One example is our participation in OISCA International's coastal forest restoration project, which aims to restore coastal forests and agricultural land while also generating employment in the disaster areas. Many Tokio Marine Group employees and agents are also supporting the disaster areas as relief volunteers. For example, in 2012, the employee cafeteria in the head office building of Tokio Marine & Nichido started to offer menus to support disaster-affected regions. Each month, the cafeteria offers meals with items from the disaster area and a portion of the sales of the meals are donated to relief organizations. In fiscal 2016, employees purchased approximately 1,700 meals from the special menu and the funds were donated to an Iwate scholarship fund. We will continue this relief initiative in fiscal 2017.

Donation ceremony for Iwate scholarship fund

Morioka cold noodles offered on the disaster relief menu

Response to the 2016 Kumamoto Earthquake

In April 2016, the Kumamoto Earthquake struck Kumamoto Prefecture, Oita Prefecture and nearby areas. Tokio Marine & Nichido immediately established a disaster management task force to ensure the earliest possible claims payments. In addition to the existing toll-free claim line, we established a backup office that integrates initial response and various business administrative functions, and quickly set up a claims settlement service structure that enabled us to handle the sudden increase in claims. Besides the local response headquarters, we established satellite offices, mainly in Kumamoto Prefecture, and dispatched employees, claims adjustors and appraisers from various nationwide offices in a Company-wide response effort. The upgrade of the claims service system enabled communicating and sharing information in a paperless, real-time environment across Japan. This enabled us to support claims payment and other procedures from remote locations, and eventually accelerated our response to disaster-related losses. We also solicited donations from employees and agents of Group companies in and outside Japan. We added an amount matching their donation under our matching gift system and provided a total donation of 93 million yen to Kumamoto Prefecture and other local organizations.

Disaster Prevention Lessons and BCP Formulation Support Drawing on Risk Consulting Know-How

After analyzing the lessons drawn from the Great East Japan Earthquake, in 2012 Tokio Marine Group began providing Disaster Prevention Lessons to elementary school students and other children in Japan. We collaborated with Tohoku University to develop lesson materials leveraging the Group's insurance and risk management expertise. These easy-to-understand materials aid children in understanding how best to protect themselves in case of an earthquake or tsunami. By the end of March 2017, we had provided lessons at approximately 280 schools and special schools, reaching some 22,900 children. In 2016, The Tokio Marine & Nichido Fire Insurance Company (China) also began disaster prevention lessons in China as we expanded the initiative globally.

For companies, business continuity plans (BCP) are critical for minimizing damage and restoring operations at an early stage in the event of a natural disaster or other major incident impacting business activities. Tokio Marine & Nichido provides tools and seminars on BCP formulation, mainly to small and medium-sized companies, as a way to support their BCP activities.

The Tokio Marine Group has received accolades for its initiatives to lend its know-how for disaster prevention and mitigation, including the "Best Resilience Award" and the "Excellent Resilience Award" at the Japan Resilience Award 2017.

Safety and Security amid Technological Innovation

Autonomous driving systems, which have rapidly become widespread in recent years, have social significance in reducing car accidents and traffic jams, and so on. On the other hand, it is likely that some accidents will occur due to causes such as defective driving systems or hacking. It has been suggested that responsibility for such accidents may lie with various parties, including the automobile manufacturer, the manufacturers of related equipment, and software companies, in addition to drivers. To respond to these changing conditions, Tokio Marine & Nichido developed "Rider for Expenses for Saving Victims", a new rider that is the first of its kind in the industry. With this rider, the insurance company may pay claims temporarily even when it has not been determined who should be held liable for the accident, enabling prompt relief for victims.

In addition, we launched a new telematics service (our original drive recorder device is necessary to use the service) called "*Drive Agent Personal*" to deliver further safety and security. When the device detects a serious collision, it automatically sends an accident information report, and can dispatch an ambulance if the driver is seriously injured or not responding through the communication function, etc. We also provide services such as driving diagnosis reports and support for accident prevention.

Drive recorder device

In recent years, companies and other organizations have faced ever-increasing cyber threats, raising the issue of cyber risk defenses to the level of a social issue in Japan. In Japan, Tokio Marine & Nichido offers cyber risk insurance with comprehensive coverage against a wide range of cyber risks. In response to customer needs, we are offering customers more detailed information on these risks through the introduction of security specialists and other measures.

Outside of Japan, Tokio Marine Kiln (in the U.K.) also offers cyber risk insurance as part of the Group's global response efforts.

Supporting People: Ensuring a Diverse Group of People Can Thrive in Diverse Ways

Development of Products to Support a Healthy and Secure Society

Tokio Marine & Nichido Life takes a variety of initiatives to support the improvement of customers' health and quality of life. We developed *Aruku Hoken* with the concept of preemptively protecting customers from illness. First of its kind in the industry, the insurance policy provides policyholders with a wearable device and returns a portion of insurance premiums as a reward to policyholders who walk an average of 8,000 steps a day. Also, amid heightened social interest in the risk of inability to work, we offer *Household Income Term Insurance NEO (Disability Plan)* to protect against the risk of being unable to work due to illness or other unexpected incidents. It provides monthly benefits not only in the event of death or severe disability, but also when policyholders are unable to work due to prescribed serious illness including cancer. This product is fairly innovative since it covers the risk of inability to work, which was not fully covered by conventional medical and life insurance policies.

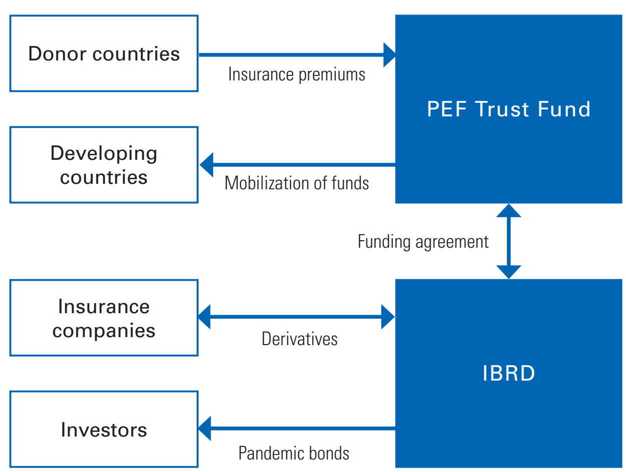
Promotion of Microinsurance in India

In 2001, Tokio Marine Group established IFFCO-TOKIO, a joint venture with Indian Farmers Fertiliser Cooperative Limited (IFFCO), which has 38,000 agricultural 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). In the country's farming communities, the joint venture sells fertilizers attached with casualty insurance and medical insurance with subsidies from the local state governments, etc. These and other products contribute to the development of Indian agriculture and solving poverty.

Participation in the World's First "Pandemic Emergency Financing Facility" Set Up by the World Bank

In July 2017, Tokio Marine & Nichido joined the "Pandemic Emergency Financing Facility (PEF)" launched by the World Bank as an international initiative to manage crises caused by infectious diseases. The PEF is the world's first financing mechanism for swiftly and smoothly providing financial assistance in the event that a pandemic occurs or expands in developing countries, and is funded by the International Bank for Reconstruction and Development (IBRD) of the World Bank Group through derivatives transactions between IBRD and insurance companies and the issuance of pandemic bonds to investors. In the case where data released by the World Health Organization (WHO), such as the number of deaths, rate of increase in the number of deaths, and the number of affected countries, reach predetermined levels that have been established as criteria for funding assistance, a preset amount is paid to IBRD.

Through the underwriting of pandemic derivatives, we will support efforts by public-private partnerships to contain internationally threatening infectious diseases and contribute to the creation of a safe, secure and sustainable future.



"Group Work on Managing Risks and Opportunities": Career Development Program for Junior High and High School Students

Career education has never been more important. Tokio Marine Group has collaborated with universities, NPOs and educators to develop its own career education program using card games and teamwork activities. In the program, "Group Work on Managing Risks and Opportunities", students become owners of a bakery and have to think about ways to operate the bakery successfully over a long period, including how to use insurance. The lesson simulates responses to various risks associated with owning a business, enabling the students to discover issues for themselves and solve them collaboratively. From fiscal 2017, the program is being expanded throughout Japan.

Educational Opportunities for Children in Developing Countries

Since fiscal 2010, Tokio Marine & Nichido has been providing support for the education of children in developing countries with "Room to Read", an international non-governmental organization. The NGO has provided educational support to more than 1,600 children and opened 16 libraries in India, Bangladesh and Vietnam.

Our goal in these countries is to nurture nature and people through the provision of educational opportunities as well as mangrove planting and other programs. Going forward, we will continue these global initiatives.

Realization of an Inclusive Society: Support for Persons with Disabilities

Tokio Marine Group is striving to support the realization of a harmonious society in which each and every person plays an important role and is respected for his or her unique qualities. We provide support for the Special Olympics and the Japan Deafblind Association as well as support for athletes who overcome their disabilities to take on great challenges. From 2016, we have been supporting the Japanese Para-Sports Association, which represents 57 sports event organizations and more than 55,000 members with disabilities, and the Japan Inclusive Football Federation. We are proud to support the efforts of a diverse group of people through inclusive activities where they can learn, watch and experience sports.

Olympic and Paralympic Games Tokyo 2020

Tokio Marine & Nichido was appointed as a Gold Partner of the Olympic and Paralympic Games Tokyo 2020. We support the Japan Olympic and Paralympic teams and the Tokyo 2020 Games as a non-life insurance company. 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. In 2013, Tokio Marine & Nichido signed a contract to become a JOC Gold Partner, followed by the official sponsorship of the Japan Swimming Federation and support for the Special Olympics Nippon Foundation. We will support the efforts 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 the Games a glorious cornerstone for Japan's future 100 years from now.

Tokyo 2020 Gold Partner (non-life insurance)

Group Governance: The Initiatives That Underpin Our Endeavors to Enhance Corporate Value

Directors

① **Shuzo Sumi**
Representative Director and Chairman of the Board

② **Tsuyoshi Nagano**
Representative Director and President & Group CEO

③ **Kenji Iwasaki**
Executive Vice President

④ **Kunihiko Fujii**
Executive Vice President

⑤ **Ichiro Ishii**
Representative Director and Executive Vice President

⑥ **Hirokazu Fujita**
Senior Managing Director

⑦ **Takayuki Yuasa**
Representative Director and Managing Director

⑧ **Toshifumi Kitazawa**
Director

⑨ **Katsumi Nakazato**
Director

⑩ **Akio Mimura**
Outside Director

⑪ **Mikio Sasaki**
Outside Director

⑫ **Masako Egawa**
Outside Director

⑬ **Takashi Mitachi**
Outside Director

Audit & Supervisory Board Members

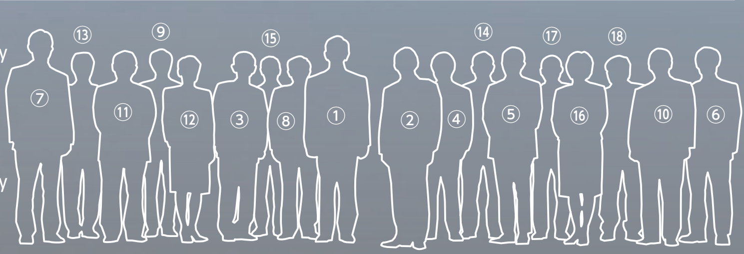
⑭ **Takaaki Tamai**
Audit & Supervisory Board Member (Full-Time)

⑮ **Takashi Ito**
Audit & Supervisory Board Member (Full-Time)

⑯ **Yuko Kawamoto**
Outside Audit & Supervisory Board Member

⑰ **Akinari Horii**
Outside Audit & Supervisory Board Member

⑱ **Akihiro Wani**
Outside Audit & Supervisory Board Member



Directors and Audit & Supervisory Board Members (As of June 30, 2017)

Directors

Shuzo Sumi

Representative Director and Chairman of the Board

Mr. Sumi joined Tokio Marine in April 1970 and was engaged mainly in product planning and domestic insurance underwriting before becoming Director and Chief Representative in London. He then served as President & CEO as well as Chairman of the Board of both Tokio Marine & Nichido and Tokio Marine Holdings. He assumed his current position in June 2013.

Tsuyoshi Nagano

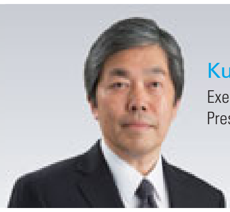
Representative Director and President & Group CEO

Mr. Nagano joined Tokio Marine in April 1975. He was engaged mainly in insurance underwriting in and outside Japan, corporate planning and product planning before his appointment as President & CEO of Tokio Marine & Nichido. He currently oversees the Tokio Marine Group's management as Group CEO. He assumed his current position in June 2013.

Kenji Iwasaki

Executive Vice President

Mr. Iwasaki joined Tokio Marine in April 1978. He was engaged mainly in domestic insurance underwriting and corporate planning before his appointment as Executive Officer overseeing human resources, corporate planning and public relations. As Executive Vice President, he is responsible for Group business strategy and synergy. He assumed his current position in June 2017.



Kunihiko Fujii

Executive Vice President

Mr. Fujii joined Tokio Marine in April 1978 and was engaged mainly in financial planning and international insurance business before his appointment as Executive Officer of Tokio Marine & Nichido and Tokio Marine Holdings, focusing on international insurance business strategies, mainly M&A, and international ERM. As Executive Vice President, he is responsible for Group risk management. He assumed his current position in April 2017.

Ichiro Ishii

Representative Director and Executive Vice President

Mr. Ishii joined Tokio Marine in April 1978 and was engaged mainly in product planning and international insurance business in the United States and Asia before his appointment as Executive Vice President responsible for international insurance business. He assumed his current position in April 2017.

Hirokazu Fujita

Senior Managing Director

Mr. Fujita joined Tokio Marine in April 1980 and was engaged mainly in accounting before his appointment as Executive Officer responsible for accounting and financial planning of Tokio Marine & Nichido and Tokio Marine Holdings. As Senior Managing Director, he is responsible for investment management of the Group. He assumed his current position in April 2017.

Takayuki Yuasa

Representative Director and Managing Director

Mr. Yuasa joined Tokio Marine in April 1981 and was engaged mainly in corporate planning, finance, accounting and domestic life and non-life insurance business before his appointment as Executive Officer of Tokio Marine & Nichido and Tokio Marine Holdings responsible for risk management, followed by his appointment as Managing Director of Tokio Marine Holdings responsible for Group capital strategies. He assumed his current position in June 2015.

Toshifumi Kitazawa

Director

Mr. Kitazawa joined Tokio Marine in April 1977 and was engaged mainly in product planning, domestic insurance business and management of Group companies before his appointment as President & CEO of Tokio Marine & Nichido Life and then President & CEO of Tokio Marine & Nichido. He assumed his current position in June 2016.

Katsumi Nakazato

Director

Mr. Nakazato joined Tokio Marine in April 1985 and was engaged mainly in domestic insurance business and sales promotion before his appointment as President & CEO of Tokio Marine & Nichido Life. He assumed his current position in June 2017.

Directors

Akio Mimura
Outside Director

Reason for appointment

Mr. Mimura is a recognized management expert with a long and distinguished career in corporate management. We expect him to make valuable suggestions to our Board of Directors based on his expertise, while also fulfilling an appropriate supervisory function. Mr. Mimura was appointed as Outside Director in June 2010.

Main concurrent positions held:

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

Mikio Sasaki
Outside Director

Reason for appointment

Mr. Sasaki is a recognized management expert with a long and distinguished career in corporate management. We expect him to make valuable suggestions to our Board of Directors based on his expertise, while also fulfilling an appropriate supervisory function. Mr. Sasaki was appointed as Outside Director in June 2011.

Main concurrent positions held:

Senior Corporate Advisor of Mitsubishi Corporation
Director of Mitsubishi Research Institute, Inc. (non-executive director)

Masako Egawa
Outside Director

Reason for appointment

Ms. Egawa has had a long and distinguished career in finance, as well as experience in corporate governance research and as an executive of The University of Tokyo. We expect her to make valuable suggestions to our Board of Directors based on her expertise in corporate management, while also fulfilling an appropriate supervisory function. Ms. Egawa was appointed as Outside Director in June 2015.

Main concurrent positions held:

Professor, Graduate School of Commerce and Management, Hitotsubashi University
Director of Mitsui Fudosan Co., Ltd. (outside director)
Director of Asahi Glass Co., Ltd. (outside director)

Takashi Mitachi
Outside Director

Reason for appointment

Mr. Mitachi is a recognized management expert with a long and distinguished career in a consulting firm and corporate management. We expect him to make valuable suggestions to our Board of Directors based on his expertise, while also fulfilling an appropriate supervisory function. Mr. Mitachi was appointed as Outside Director in June 2017.

Main concurrent positions held

Senior Partner & Managing Director of The Boston Consulting Group
Director of Rakuten, Inc. (outside director)
Director of DMG Mori Co., Ltd. (outside director)
Director of Unicharm Corporation (outside director)

Audit & Supervisory Board Members

Takaaki Tamai
Audit & Supervisory Board Member (Full-Time)

Reason for appointment

After joining Tokio Marine, Mr. Tamai was engaged mainly in finance planning, product planning and the international insurance business. After his appointment as Director of Tokio Marine Holdings, he oversaw corporate planning, accounting, risk management and the international insurance business. We expect him to use this extensive experience to fulfill an appropriate supervisory function. Mr. Tamai was appointed as Audit & Supervisory Board Member in June 2014.

Takashi Ito
Audit & Supervisory Board Member (Full-Time)

Reason for appointment

After joining Tokio Marine, Mr. Ito was engaged mainly in product planning, corporate planning and legal affairs. After his appointment as Director of Tokio Marine Holdings, he oversaw risk management, legal affairs and auditing. We expect him to use this extensive experience to fulfill an appropriate supervisory function. Mr. Ito was appointed as Audit & Supervisory Board Member in June 2015.

Yuko Kawamoto
Outside Audit & Supervisory Board Member

Reason for appointment

Ms. Kawamoto has developed expert insight into corporate management through her long and distinguished career in a consulting firm and involvement in research activities. We expect her to use this experience to fulfill an appropriate supervisory function. Ms. Kawamoto was appointed as Outside Audit & Supervisory Board Member in June 2006.

Main concurrent positions held

Professor, Graduate School of Business and Finance, Waseda University
Director of Mitsubishi UFJ Financial Group, Inc. (outside director)

Akinari Horii
Outside Audit & Supervisory Board Member

Reason for appointment

Mr. Horii has a long and distinguished career at the Bank of Japan culminating in executive positions. We expect him to use this experience to fulfill an appropriate supervisory function. Mr. Horii was appointed as Outside Audit & Supervisory Board Member in June 2011.

Main concurrent positions held

Director and Special Advisor of The Canon Institute for Global Studies

Akihiro Wani
Outside Audit & Supervisory Board Member

Reason for appointment

Mr. Wani has a long and distinguished career as an attorney at law. We expect him to use his experience in corporate legal affairs to fulfill an appropriate supervisory function. Mr. Wani was appointed as Outside Audit & Supervisory Board Member in June 2014.

Main concurrent positions held

Attorney-at-law

Aligned Group Management

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.

To enhance our ability to create value over the long term, it will be important 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. We have introduced Group Chief Officer positions and strengthened the functions of our committees in order to utilize the expertise and strengths of Group companies worldwide into a unified whole and ensure that we achieve aligned Group management.

The Group Chief Officer system was introduced to align the Group's strategies and policies in specific areas worldwide under the leadership of a Group Chief Officer. This structure will enable us to deploy functions laterally across the Group. Following reorganization in April 2016, reforms were instituted to globalize the system further by appointing the Delphi COO as Group Co-CIO and the TMHCC CEO as Group Co-CRSO. Additionally, two new Group Chief Officer positions were created to bolster the structure: a Group CISO to oversee cyber security management, and a Group CCO to promote and spread common values across the Group.

Various committees are in place to discuss management challenges laterally across the Group and organically utilize the expertise and know-how of Group companies worldwide. Regarding risk management, asset management strategy and other issues commonly managed Group-wide, the committees facilitate discussions among Group Chief Officers and executive management of Group companies worldwide to ensure that optimal decisions are made.

We continue to promote a Group human resources development strategy to maximize the talents of our diverse human resources. Regarding specialized areas such as actuarial sciences and digital strategies, we actively utilize the expertise of non-Japanese talent within the Group and specialized talent outside the Group.

Through these and other initiatives, we are globalizing and strengthening our corporate functions and unleashing the Group's comprehensive capabilities such as synergy.

Charles Franks
Executive Officer,
Tokio Marine Kiln Group CEO

Robert D. O'Leary
Executive Officer,
Philadelphia President & CEO

Donald A. Sherman
Executive Officer,
Group Co-CIO,
Delphi President & COO

Ian Brimecome
Senior Managing
Executive Officer

Arthur Lee
Executive Officer,
Tokio Marine Asia Chief Executive

Christopher J.B. Williams
Executive Officer, Group Co-CRSO,
TMHCC CEO

Globalization and Strengthening

TOKIO MARINE GROUP

Group Chief Officer

Chief Officer	Area of Oversight	Name
CEO	Group Chief Executive Officer	Tsuyoshi Nagano President
CCO	Group Chief Culture Officer	
CSSO	Group Chief Strategy and Synergy Officer	Kenji Iwasaki Executive Vice President
CRO	Group Chief Risk Officer	Kunihiko Fujii Executive Vice President
CIO	Group Chief Investment Officer	Hirokazu Fujita Senior Managing Director
Co-CIO	Group Co Chief Investment Officer	Donald A. Sherman Executive Officer
CRSO	Group Chief Retention Strategy Officer	Shozo Mori Senior Managing Executive Officer
Co-CRSO	Group Co Chief Retention Strategy Officer	Christopher J.B Williams Executive Officer
CFO	Group Chief Financial Officer	Takayuki Yuasa Managing Director
CITO	Group Chief Information Technology Officer	Shigeru Inaba Managing Executive Officer
CISO	Group Chief Information Security Officer	
CHRO	Group Chief Human Resources Officer	Kazuhiko Nakamura Managing Executive Officer

Committees

Top management both in Japan and overseas discuss various Group management issues

Major Management Issues

Risk management
International insurance business
Asset management
Retention strategy
Information technology, etc.

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

Committee Structure

Committee	Main discussion topics
ERM Committee	Strategies, policies and operational structure related to Group ERM, etc.
IEC (International Executive Committee)	Strategies and policies related to international insurance business and M&A outside Japan, etc.
GISC (Global Investment Strategy Committee)	Group asset management strategies and policies, financial business strategies, etc.
GRSC (Global Retention Strategy Committee)	Strategies and policies related to Group insurance underwriting and retention reinsurance, etc.
GITC (Global Information Technology Committee)	Group IT strategies and policies, information security, etc.

Major initiatives to globalize and strengthen integration and alignment in Group decision making

April 2016:
- Introduction of Group Chief Officer system
- Strengthening of existing committees (ERM Committee, IEC, GISC) through participation of top management of Group companies outside Japan, etc.
- Establishment of new committees (GRSC, GITC)

June 2016:
- Appointment of Donald A. Sherman, COO of North American company Delphi, to Group Co-CIO and Co-Chairman of GISC

April 2017:
- Establishment of Group CISO to oversee Group cyber security management

June 2017:
- Appointment of Christopher J.B. Williams, CEO of TMHCC, to Group Co-CRSO and Co-Chairman of GRSC
- Establishment of Group CCO to promote and spread common Group values

Dialogue with Shareholders and Investors

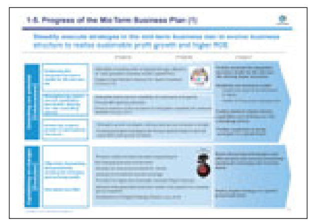
Tokio Marine Holdings strives to provide clear, easy-to-understand information disclosures and explanations of its business to ensure that shareholders and investors can fully understand the initiatives to enhance corporate value. Top management also believes that it is important to actively engage in dialogue with institutional and individual investors. The views and opinions derived from the dialogues are shared widely among Tokio Marine Group's management and employees as a way to enhance management.

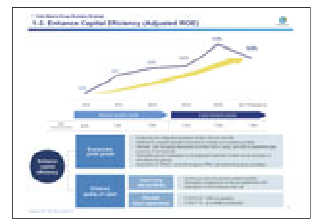
Information Disclosure

Our core information disclosure polices are to provide information with a storyline, ensure a balance between qualitative and quantitative information, and to continuously make accurate and fair information disclosures.

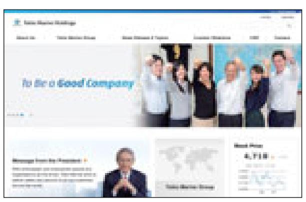
We offer English interpretation for financial results conference calls and investor relations (IR) conferences, while simultaneously disclosing various IR materials in both Japanese and English.

Explanations with storylines





Clear, easy-to-understand website



Our corporate website is a public portal available to all Tokio Marine Group's stakeholders. Here, we offer various kinds of information in a clear, easy-to-understand manner, including information on our corporate philosophy, vision, brand, governance and business strategies.
http://www.tokiomarinehd.com/en/

Dialogue

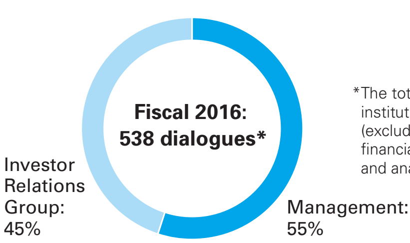
General Meeting of Shareholders

To provide shareholders with a deeper understanding of our business as it expands both in and outside Japan, Tokio Marine Group's top management of major subsidiaries outside Japan and non-Japanese Executive Officers have started to participate in the meeting from the 14th Ordinary General Meeting of Shareholders (held on June 27, 2016).

Dialogue with Institutional Investors

We hold individual meetings and small theme-based group meetings in Japan in addition to financial results conference calls and IR conferences. Outside Japan, we conduct road shows. These initiatives facilitate ongoing dialogue with a wide range of shareholders and investors.

Constructive Dialogue Led by Management



*The total number of dialogues with institutional investors and analysts (excluding IR conferences and financial results conference calls, and analyst recepetion)

Small theme-based meetings

IR conferences provide investors and shareholders with a broad view of our business. Small theme-based meetings, meanwhile, offer more detailed information on our business. Furthermore, as part of our aligned Group management, the top management of subsidiaries outside Japan also participates in meetings regarding our international insurance business.

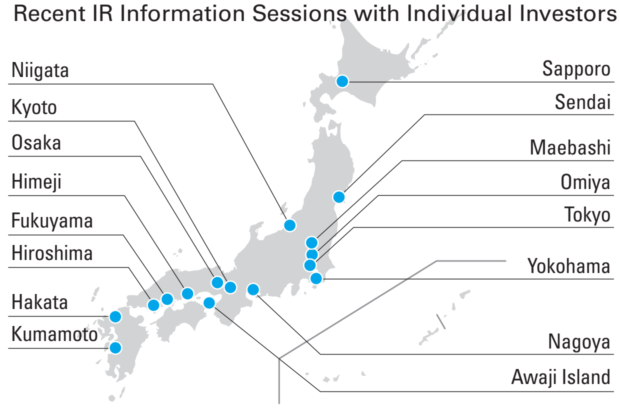
Small meeting regarding the international insurance business

Dialogue with Individual Investors

In fiscal 2016, a total of 18 information sessions were held with individual investors, which included sessions attended by the Group CEO, the Group CFO, and those held by the IR department. At these information sessions, we strove to provide clear explanations on topics of interest among individual investors, namely shareholder return, social contributions and human resources development.

Tsuyoshi Nagano, Group CEO, leads an individual investor information session

Recent IR Information Sessions with Individual Investors



Internal Feedback

Tokio Marine Holdings shares the views and opinions of shareholders and investors received during dialogue among Tokio Marine Group's management and employees as a way of enhancing management.

Presentation about the evaluation of the company from the capital market given by the Group CFO and the IR Department

Role playing event with members of the IR Group recreating a meeting with investors

Main Recognition

Japan Investor Relations Association's IR Grand Prix at 21st IR Awards

The Japan Investor Relations Association's IR Award is designed to recognize companies that have been highly accredited in the investment community for their understanding and promotion of IR activities. In 2016, Tokio Marine Holdings, Inc. was recognized with the association's highest honor, the IR Grand Prix Award. This is the fourth time we have been recognized by the association and the first time we have been honored with the IR Grand Prix Award. The previous awards were the IR Special Award in 2008 and the Best IR Award in 2010 and 2014.

2016 IR Prime Business Award 優良企業大賞 member of Japan Investor Relations Association

Main reasons for receiving the award:

- The top management has taken the initiative to lead IR activities and enhance IR communication ability.
- The management strategy as a global company is well-defined, and the international insurance business strategy, roadmap for enhancing capital efficiency, and business strategy meeting contents are clear and easy to understand.
- The IR department creates detailed IR presentation materials and focuses on providing dialogue between management and investors, while also sharing feedback of the investment community to management
- The company is also focusing on IR activities for individual investors such as information sessions held throughout Japan and also held by top management. Information presented through the website is being enhanced.

Named "2017 Most Honored Company" by *Institutional Investor*

U.S. magazine *Institutional Investor* included Tokio Marine Holdings, Inc. in its "2017 Most Honored Company", naming us No. 1 among the "Best CEO" and "Best IR Program", etc. in the insurance and other non-bank financial industry.

We continue to be highly ranked by external organizations for our efforts to provide timely and clear corporate information through our IR website.

No. 1 in Insurance Sector, FY2016 All Japanese Listed Companies' Website Ranking, Nikko Investor Relations Co., Ltd.

企業ホームページ 最優秀サイト 2016 日興アイ・アール 総合ランキング

2016 Internet IR Award, Daiwa Investor Relations Co., Ltd.

Internet IR 優秀賞 2016 Daiwa Investor Relations

Corporate Governance to Support Sustainable Enhancement of Corporate Value: Outside Officers on Corporate Governance

Akio Mimura

Outside Director

Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (formerly Representative Director and President and Representative Director and Chairman, etc. of the former Nippon Steel Corporation). Concurrent positions held include Chairman of The Japan Chamber of Commerce and Industry and Outside Director of Japan Post Holdings Co., Ltd. Appointed Outside Director in June 2010.

What does corporate governance mean to you?

Mimura: Companies provide customers with value-added products and services, and return the profits to various stakeholders through salaries, taxes, dividends and so on. Through their business activities, it is important for companies to make a broad and sustainable contribution to society. The term governance is usually not translated into Japanese, and is used as is in English, but I believe that corporate governance is the organizational structure and mechanisms that help deepen a company's coexistence with society.

Kawamoto: I think that the word governance is used as is because there is a spirit of incorporating something new in order to further enhance corporate value. It may also be because in the nuance of the Japanese term for corporate governance, *kigyo tochi*, the *tochi* part that means "governance" suggests "governance from above". I think that governance demonstrates its strengths not only with management but also with employees at all levels proactively taking the initiative.

Mimura: This may be backtracking a bit, but I'd like to talk about Mr. Eiichi Shibusawa, who was instrumental in establishing the former Tokio Marine Insurance. Eiichi Shibusawa, also known as the father of Japanese capitalism, said in his book, *The Analects and the Abacus*, "It is natural for companies to pursue profits, but at the same time, they must coexist in harmony with society". I believe this is in agreement with my concept of governance, and it seems that this idea has been handed down to the current Tokio Marine Group as well.

Yuko Kawamoto

Outside Audit & Supervisory Board Member

Professor at the Graduate School of Business and Finance, Waseda University. Formerly employed by The Bank of Tokyo Ltd. and McKinsey & Company, Tokyo Office. Concurrently serves as an Outside Director of Mitsubishi UFJ Financial Group, Inc. Appointed Audit & Supervisory Board Member in June 2006.

What do you think is the role of an Outside Officer?

Mimura: Matters proposed by the Board of Directors have been thoroughly discussed within the Company beforehand. However, the viewpoints and rationale behind those issues, which might be considered self-explanatory by those inside the Company, may not necessarily be consistent with conventional wisdom.

Therefore, the role of an Outside Officer is to ask questions that are simple and focused on the essence of a matter, about the points that are often overlooked by internal discussions alone. By drawing on diverse backgrounds and experience to address matters from a different perspective, Outside Officers help further heighten awareness among management.

Kawamoto: When people belong to the same organization, their way of thinking tends to become homogenous, and this is especially true in Japanese companies where many of the employees are hired immediately upon graduation from university and remain with the company until retirement. So I think it is very important that questions are posed from an external point of view. The premise that Outside Officers will ask questions puts moderate pressure on management, and that leads to healthy governance and enhancement of corporate value.

Mimura: I have had the opportunity to serve as a facilitator of a joint research project comprised of technical experts from several different companies. After the discussions ended, I asked participants, "What was the most difficult part"? The most common response was that they could not understand what members from other companies were talking about. This left a strong impression on me. Even though people may have similar educational backgrounds, they often become strongly influenced by the corporate culture of a company if they continue working there for 10 years or so. I think this is a good example of how "employees in the same organization become homogeneous", as Ms. Kawamoto just noted.

Kawamoto: Holding discussions within a company does not always result in wider awareness of an idea, so I think

By sharing the corporate vision of becoming a "Good Company" throughout the Group, I want to see the Company coexist with society while continually strengthening its competitiveness.

that incorporating the viewpoints of people with different perspectives, experience and positions helps to avoid risks and leads to success. I believe Tokio Marine Holdings has been making use of Outside Officers in this way from early on, effectively drawing on the strengths of individuals with diverse backgrounds.

How do you view Tokio Marine Group's corporate governance structure and its efforts to strengthen it?

Mimura: As to what kind of corporate governance is ideal, there is no right answer. Each company selects a system that it believes will be effective in consideration of the characteristics of its business and operating environment. A company's corporate governance must operate efficiently in order for the company to function. Therefore, it is important to enhance the effectiveness of corporate governance. To accomplish this, top management must reach out to employees by closing the gap between themselves and frontlines. Top management must share the corporate vision and their own philosophy with employees.

Tokio Marine Group CEO Tsuyoshi Nagano is working on initiatives to spread the corporate vision of "To Be a Good Company" throughout the Group. In June 2017, the Group established a new position called Group Chief Culture Officer and Mr. Nagano was given the job. Going forward, I hope to see more sharing of values across the Group.

Kawamoto: The corporate governance system of Tokio Marine Holdings 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. It is always important to review what structure is most fit to strengthen corporate governance for the Company. But I think the Company has advanced significantly since last year by separating the CEO position of the holding company from the CEO position of a subsidiary and by establishing a C-Suite system such as CFO and CRO positions.

A good aspect about the Board of Directors of Tokio Marine Holdings, which I feel strongly every day, is the open atmosphere that allows members to freely express their opinions, the fact that the opinions of Outside Officers are taken seriously, and that those opinions are incorporated into Group measures. For example, Tokio Marine Holdings has been pursuing globalization over the past several years, however, shareholders and Outside Officers have had limited opportunities to learn about the Company's situation overseas. In light of this, from fiscal 2016, we started having the top management of overseas subsidiaries participate in the ordinary general meeting of shareholders to describe the situation at each company. Also, Outside Officers now have more opportunities to exchange opinions with them.

Mimura: I also appreciate the fact that the cordial atmosphere at the meetings of the Board of Directors allows us to comment freely and our opinions are fully addressed.

Kawamoto: Because Tokio Marine Holdings is an insurance group, I feel it responds to risks quickly. I have the impression that it is the kind of company where the central nerves reach every corner of its operations.

Mimura: Recently, an increasing number of Japanese companies have been acquiring entities overseas. I myself have observed various acquisitions, but I think Tokio Marine Holdings is doing extremely well in this regard. Ms. Kawamoto, what do you think makes an acquisition successful?

Kawamoto: I think the factor behind a successful acquisition is a company's efforts to conduct a thorough review of prospective companies, with an emphasis on whether they possess a corporate vision and values that contribute to society through the insurance business, and whether synergies can be generated. I believe Tokio Marine Holdings does not push through an acquisition forcefully if the terms do not meet these conditions, that is to say, the decision-making criteria is strictly observed and implemented. This is characteristic of the Company, and I applaud it for its strong foundation and honest conduct.

I positively evaluate the Company's efforts to strictly maintain its decision-making criteria with a solid approach and its efforts to implement those criteria. I hope the Company will continue to achieve the kind of corporate governance that serves as a model for global standards.

What do you expect of the Company as it works toward achieving sustainable enhancement of corporate value?

Mimura: I think a good company is one where its employees are proud of their work and believe that they contribute to society through their daily operations. I hope that Tokio Marine Group will continue to work to boost employee motivation and aim to become a "Good Company". Furthermore, the domestic labor force is expected to decrease over the medium to long term, and in order to continuously strengthen competitiveness in this environment, I hope the Company will make even more effective use of diverse human resources.

Kawamoto: I've been looking at the corporate governance of Tokio Marine Holdings from the position of an Outside Audit & Supervisory Board Member for many years, and I believe that it is one of the companies in Japan employing best practices. I hope the Company will continue to further pursue enhancement and serve as a model for global standards.

Measures to Strengthen Corporate Governance

1. Structural Measures

(1) Enhancing our corporate governance structure by strengthening governance from an early stage

- The Corporate Governance Code stipulates that listed companies must have at least two independent outside directors on their boards. Since our establishment in 2002, we have maintained at least three Outside Directors, striving from the start to bolster our corporate governance function.
- As we expand our international insurance business, we have appointed top management from outside Japan to Executive Officer positions at Tokio Marine Holdings to ensure that we share and solve issues on a global basis.

(2) Appointing experts from various fields as Outside Officers

- Our business covers a wide range of fields, and we continue to expand our business globally. In this environment, in order to enhance management transparency and soundness while improving auditing effectiveness, we have appointed as Outside Officers a diverse group of people with expertise and a wealth of experience in the areas such as global corporate management, finance, accounting and law. These Outside Officers are strengthening the effectiveness of our governance.

(3) Implementing officer training

- We provide opportunities for our Directors, Audit & Supervisory Board Members, and Executive Officers to acquire and enhance their expertise to allow them to appropriately fulfill duties required in each respective area.

Measures to strengthen corporate governance (As of June 30, 2017)

April 2002	Millea Holdings established (currently Tokio Marine Holdings) 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
July 2005	Nomination Committee and Compensation Committee established
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
June 2017	Two non-Japanese Executive Officers added for a total of six

Officer training

Training for newly appointed Outside Directors and Outside Audit & Supervisory Board Members	Prior to appointment	Training is provided covering Tokio Marine Group's mid-term business plan, Enterprise Risk Management, international insurance business strategy, settlement of accounts and insurance accounting, and an overview of the non-life insurance industry, etc.
	After appointment	Individual meetings are held for six months, prior to Board of Directors meetings, to explain the agenda of the Board of Directors meetings.

Note: For newly appointed Outside Directors and Outside Audit & Supervisory Board Members, an attorney-at-law leads training sessions about duties and responsibilities.

Newly appointed Executive Officers	Prior to appointment	Training is provided covering Enterprise Risk Management for the Group and settlement of accounts and insurance accounting, etc.
	After appointment	Multiple training sessions conducted by outside instructors covering individual case studies are held to build management insight.

2. Operational Measures Utilizing Evaluations on Effectiveness of the Board of Directors

(1) Conducting effectiveness evaluations

- The Corporate Governance Code requires listed companies to evaluate the effectiveness of the Board of Directors. We have been evaluating our Board of Directors' effectiveness since fiscal 2011, before the code's introduction. We continue evaluations to ensure the Board of Directors can perform its functions optimally.
- Specifically, we conduct surveys of all members of the Board of Directors and the Audit & Supervisory Board regarding the status of the operation of the Board of Directors and the performance of its functions to represent all members' views in our evaluation. The results of these surveys are then provided to the Board of Directors.

(2) Effectiveness evaluation results

- Regarding the operation of the Board of Directors, we have generally received positive feedback. Members have said that the meeting materials and presentations are easy to understand and are improving; that the discussions are frank and constructive; and that the Board of Directors makes a sincere effort to respond to the concerns of Outside Officers. Based on these results, we can conclude that the Board of Directs is functioning effectively.
- However, further improvement is required in some areas. Specifically, in some agendas, members have commented that materials should use commonly understood expressions and should be concise, while presentations and explanations should also be more concise. We will continue to strive to improve these areas.

Initiative example 1

Providing Board of Directors meeting materials on tablets

- We provide Board of Directors meeting materials on tablets. The materials size is standardized to A4 with horizontal orientation. We work to present information clearly and concisely.
- By using tablets, we can generally provide all the Board of Directors meeting materials before the day of the meeting. By providing access to materials beforehand, members of the Board of Directors and Audit & Supervisory Board can consider the contents ahead of time to facilitate effective discussions at the meetings.

Initiative example 2

Holding discussions on corporate strategy to ensure sustainable growth and enhanced corporate value

- We are striving to build a management strategy that utilizes the expertise of Outside Directors and Outside Audit & Supervisory Board Members to ensure sustainable growth and enhanced corporate value over the medium and long term. As one specific initiative, we have begun to hold discussions on corporate strategy during Board of Directors meetings. During these discussions, members exchange views on issues concerning the management environment and business.
- To select themes for these discussions, we carry out a survey of all members of the Board of Directors and Audit & Supervisory Board. In fiscal 2016, we discussed the following themes. Discussions on these themes are continuing in fiscal 2017.

◆ Fiscal 2016 corporate strategy discussion themes
- Exchange of opinions with executives of subsidiaries outside Japan
- Asset management strategy and product strategy in the Japan life insurance business amid the low interest rate environment
- Medium- and long-term management issues for Tokio Marine Group amid changes in the business environment

Fundamental Corporate Governance Policy

Tokio Marine Holdings (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 the Board of Directors meeting 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 deciding on important matters relating to the execution of the Company's business such as determining the Group's business plan and various basic business policies, supervising the performance of individual Directors and establishing an effective internal control system.

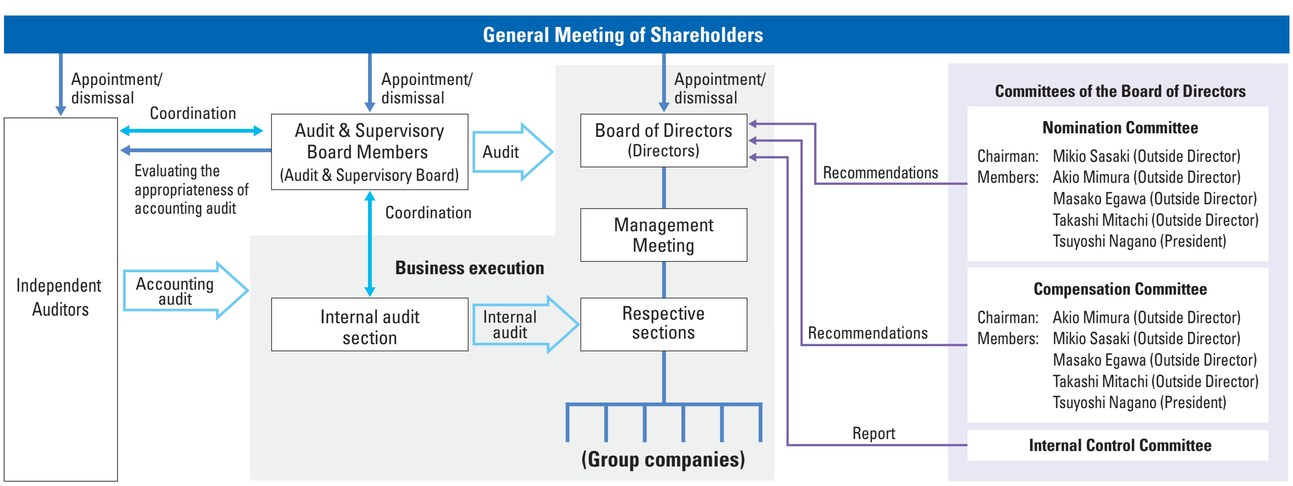
The Company shall have approximately 10 Directors, with a maximum of 15 set by the Articles of Incorporation. As a general rule, the Company shall have at least three Outside Directors. In addition, Directors are appointed for a term of office of one year and may be re-appointed. To ensure the effectiveness of the Board of Directors, when selecting Directors, a balanced composition shall be established, with viewpoints and specializations from diverse fields. As of the end of June 2017, the Company had 13 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.

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 the end of June 2017, the Company had five Audit & Supervisory Board Members, of whom three were Outside Audit & Supervisory Board Members.

Overview of the Corporate Governance System of Tokio Marine Holdings



(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 deliberates on the following matters and reports to the Board of Directors: the appointment and dismissal of and the criteria for the appointment of Directors, Audit & Supervisory Board Members and Executive Officers of the Company and principal business subsidiaries.

The Compensation Committee deliberates on the following matters and reports to the Board of Directors: the compensation system for Directors, Audit & Supervisory Board Members and Executive Officers of the Company and principal business subsidiaries, the level of compensation and the evaluation of 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 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. Moreover, 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.

As of the end of June 2017, 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. Accordingly, the Company has registered all seven Outside Officers as independent directors/auditors as prescribed by the Tokyo Stock Exchange.

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

The Company provides opportunities for training, as necessary, to Directors, Audit & Supervisory Board Members and Executive Officers to allow them to appropriately fulfill duties required in each respective area.

(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 enhancing 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 performance 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 recommendations from the Compensation Committee.

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 and dividend payments in a fair manner, based on the type and number of shares held.

(2) Dialogue with Shareholders

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

The Company, pursuant to its "Insider Trading Prevention Regulations", shall exercise the utmost care with regard to unpublicized information, and shall communicate 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 with the intent of strengthening business relationships to enhance 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 enhancing 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 enhance its corporate value.

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.

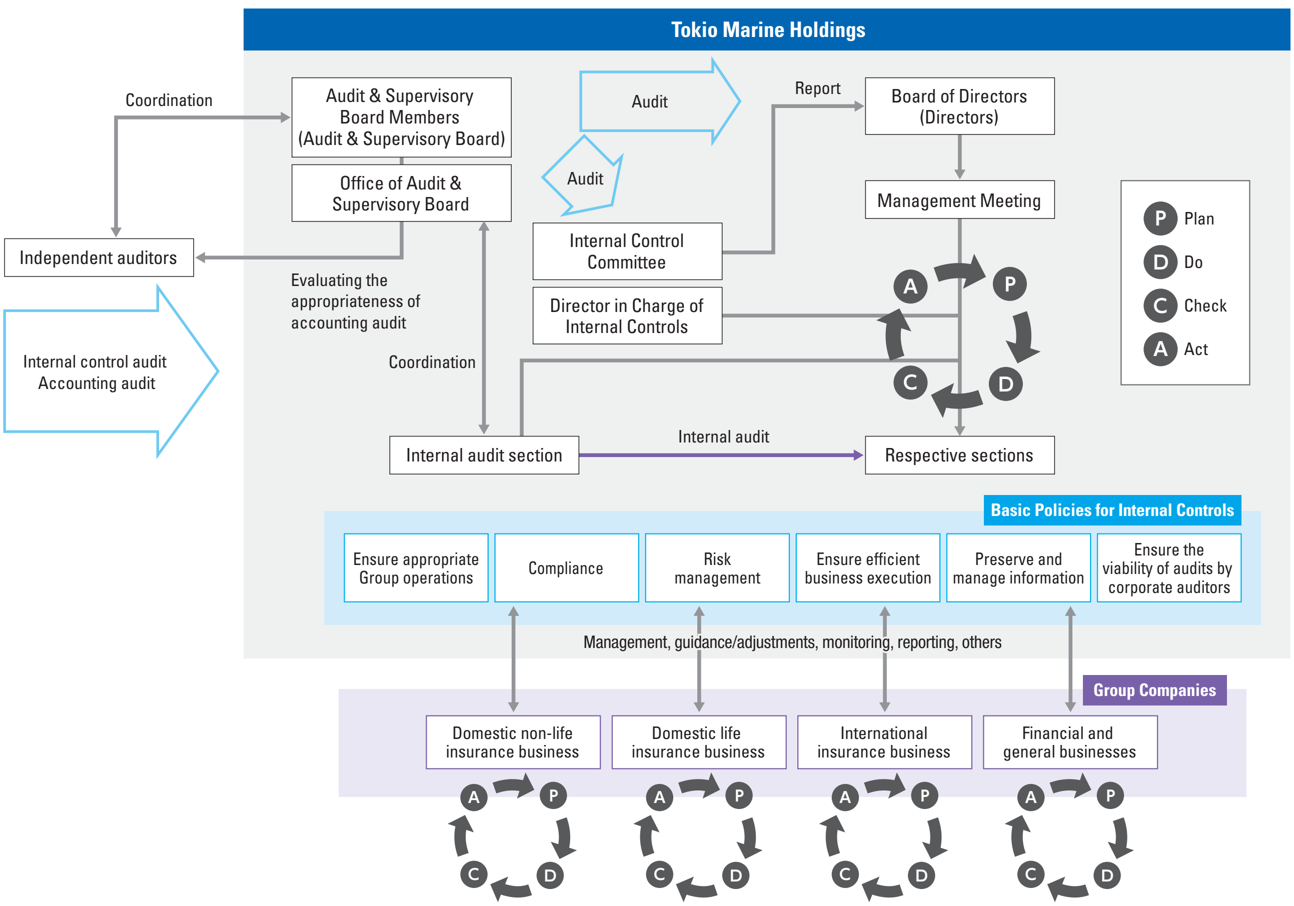
Total Compensation for Directors and Audit & Supervisory Board Members for Fiscal 2016

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)	450	369	80	9
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	72	72	—	2
Outside Officers	82	75	6	7

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 enhancing corporate value. In addition, the Company monitors the status and practical application of its internal control system. 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. Moreover, 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 inside and outside Japan 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.

In fiscal 2016, the Company worked on maintenance of its management system on a Group-wide basis in response to growing risk overseas related to economic sanctions and corruption, etc.

Organizational Framework

Tokio Marine Group has set up specialized departments for controlling 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 in accordance with 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.

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 firms, etc., 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 internal and external contact points are informed through manuals, training, infrastructure and other methods.

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.

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".

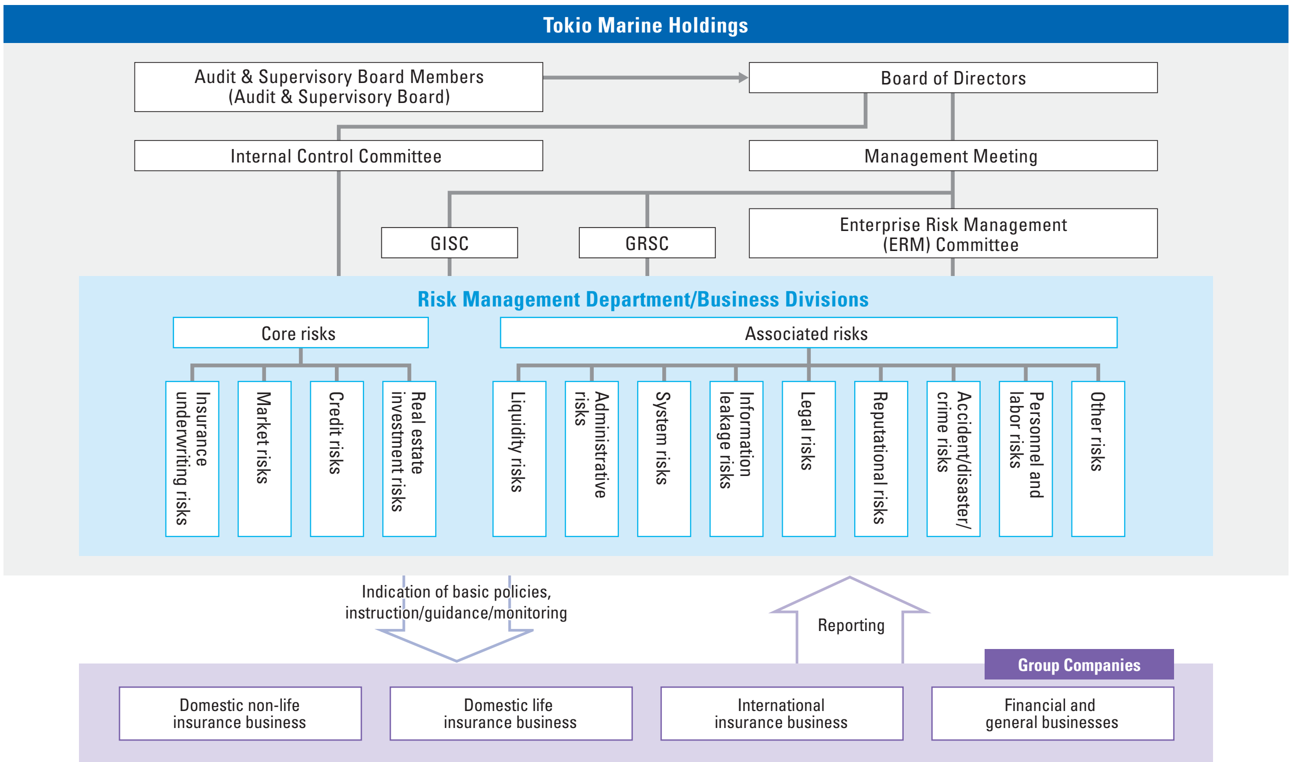
Among various risks, the Company recognizes that insurance underwriting risks and investment risks (core risks) must be managed as sources of earnings. The Company therefore controls these risks considering the balance between risk and return.

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 executes proper risk management and ensures 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.

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.

External/Internal Audits

Regarding internal audits, there is 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.

Regarding external audits, there is 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 conducted by PricewaterhouseCoopers Aarata.

Additionally, Tokio Marine Holdings is subject to inspections conducted by the Financial Services Agency of Japan pursuant to the Insurance Business Law.

The Power of Our People: The Initiatives That Underpin Our Endeavors to Enhance Corporate Value

Tokio Marine Group believes the power of its people is the driving force for realizing its vision of becoming a “Good Company”. For the insurance business, which is said to be a "people's business", the people involved and the trust created by those people are the source of our competitive advantage. We will promote diversity on a global basis to facilitate the active participation of some 40,000 employees worldwide and strengthen our competitive advantage.

An Explanation of Our Human Resource Strategy by the Group CHRO

A Human Resource Strategy That Supports Aligned Group Management

Tokio Marine Group’s long-term vision is to be a global insurance group that delivers sustainable growth by providing safety and security to customers worldwide now and 100 years into the future. We are promoting a Group management system that leverages the Group’s comprehensive strengths. To that end, in April 2016, we established the “Group Chief Officer” position with the responsibility of overseeing important management functions, and strengthened aligned Group management. At the same time, through the establishment of functional committees, we have devised a framework for the discussion of management issues throughout the Group while harnessing the expertise of top management within our global network. This enables the right person to make the right decisions as well as implement initiatives effectively. In addition, we aim to share and develop specialized knowledge across the Group by having personnel with expertise in operating international Group companies contribute to the operations of Tokio Marine Holdings. We are also tackling Group management tasks more effectively by enhancing the specialty of each corporate function and by securing human resources with high level of expertise, such as specialists in advanced technologies.

Human Resource Development

We believe human resource development is vital in Tokio Marine Group continuing to produce talented people who support aligned Group management. Since its establishment in 1879, the Group has cultivated the “Tokio Marine Group Spirit” by overcoming many obstacles and by continuing to take on challenges. This spirit is embodied by the following five concepts: “social contribution”, “customer orientation”, “taking on challenges”, “diverse global perspective”, and “openness and dynamism”. These concepts have been handed down from generation to generation and continue to serve as the foundation of our human resources development. In addition, each Group company has established a personnel system and skill development program tailored to the individual characteristics of each business. Furthermore, through personnel exchanges among Group companies, we can learn about the wide variety of businesses that exist within the Group. By connecting the strengths and functions of Group companies, beginning with human resources, we look for synergistic effects and organizational revitalization. Group companies serve as places for the development of valuable human resources that can contribute new knowledge and networks to the Group. The power of human resources developed in this way has been and will continue to serve as the cornerstone that supports our growth.

In addition, as the importance of overseas businesses increases, it is essential to capitalize on and develop diverse human resources at Group companies in Japan and around the world to build a talent base that supports the realization of our long-term vision of being a global insurance group. To that end, we formulated our “Global Human Resource Strategy” and are continuously executing various measures under the following four pillars: (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 vision.




Promotion of Diversity and "Innovation in Work Style"

In order to improve the quality of the products and services we provide to customers worldwide, it is important to leverage people with diverse values, motivations and capabilities, regardless of gender, age, nationality, or disability, and encourage everyone to maximize their potential. We advocate diversity, support advancement of women in the workplace and the employment of persons with disabilities. This has had a major positive impact.

In addition, we are also implementing work-style reform. We see this as indispensable for promoting diversity. With the objective of achieving "the growth of all employees" and "the growth of the Company", the Group pursues a high productivity work style by allowing for variations in working hours, workplaces, style of working and other factors that recognize diverse ways of working. We call this "innovation in work style".

In order to maximize results, we have prepared the infrastructure and developed rules and systems that will enable employees to select the optimal way of working, which may involve child-rearing responsibilities and nursing care for parents. Work-style reform tends to focus on the "growth of the Company" that is achieved by outperforming competitors in terms of productivity and efficiency, but there is another important part of our "innovation in work style". And that is for all employees to realize growth through their work by enhancing the quality of their lives with greater incentives and improved health for themselves and family members. We believe the synergistic effect of the "growth of the Company" and "growth of all employees" is necessary for achieving our goal of becoming a "Good Company".

Kazuhiko Nakamura
Managing Executive Officer
Group CHRO (Chief Human Resources Officer)

Spreading the Company's Corporate Vision

The foundation that underpins these endeavors is the wide permeation of our corporate vision. Each Group company draws on its respective strengths to develop its business. That is why it is important to work with all organizations at home or abroad, sharing the corporate vision so that it permeates the entire Group. The Group's vision "To Be a Good Company" originated from this idea. We highlight the importance of all employees thoroughly understanding and practicing this vision. Going forward, we will continue our endeavors in line with our vision "To Be a Good Company".

Group Synergies and Human Resource Exchange in Japan and Overseas

Tokio Marine Group consists of Tokio Marine Holdings and 240 subsidiaries and 32 affiliated companies located throughout the world (as of March 2017). The Group is engaged in the domestic non-life insurance business, domestic life insurance business, international insurance business, and a wide range of financial and general businesses. We aim to connect Group companies' respective strengths and functions through lateral cross-linking of human resources to lead the Group to demonstrate its comprehensive strength.

Realization of Aligned Group Management through Mobility of Talent

We are proactively supporting personnel exchanges among Group companies because we believe the growth of each employee and the strengthening of cooperation among Group companies are the starting points for realizing aligned Group management.

For example, in the domestic non-life insurance business, Nisshin Fire has dispatched 21 employees to Tokio Marine & Nichido since fiscal 2014. Even though the two companies belong to the same industry, their business models and corporate cultures are different, so we sometimes encounter difficulties initially when dispatching personnel. However, our efforts to persevere in an unfamiliar environment have led to employee growth. In addition, we have been able to strengthen cooperation that is indispensable to aligned Group management by promoting synergies from increased understanding personnel exchanges. Nisshin Fire hopes that the dispatched employees will thrive and return to the company in a stronger capacity. We intend to continue this practice in the future.

Yuta Fujimaki
Sales Planning Department
Nisshin Fire

I was inspired by the culture of "learning", "speaking out", and "being dedicated" while I was seconded to another Group company. I had the opportunity to work in a stimulating environment. Every day, I will work to achieve our vision of becoming a "Good Company" by taking the fundamentals of what I learned there and adding that to the corporate culture and atmosphere that the company has developed.

Sharing the Group Vision

In fiscal 2016, Tokio Marine Group established a system to recognize efforts toward achieving the vision of becoming a "Good Company" called The Good Company Global Awards. At the awards ceremony, winners from overseas interact with each other and with Japanese employees to share their experiences. This fosters a sense of unity within the Group and deepens the shared understanding of our Group vision.

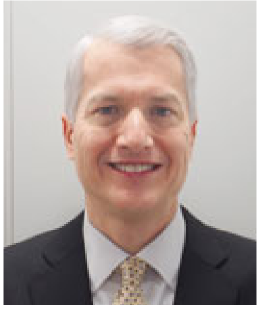
Exchange among Group Companies through Training

Tokio Marine North America Services (TMNAS), a member of Tokio Marine Group, carries out training called the Emerging Leaders Program, which draws human resources from various Group companies in the U.S., Brazil, Mexico and Japan.

This practical training program is designed to have teams select a theme that contributes to improving business processes and to implement it into actual business. In addition to learning through team activities, the program provides employees with an opportunity to deepen mutual understanding through exposure to diverse ideas and values in active discussions that cross company and national borders.

Making the Most of Our People to Strengthen Expertise

Dan Thomas, who is based in the United States and serves as Chief International Actuary of Tokio Marine Holdings, has outstanding expertise as an actuary, has global experience and contributes to the advancement of reserving methodologies. For example, as chairman of the International P&C Reserving Actuary Committee (IRAC), the membership of which is made up of actuaries from domestic and overseas Group companies, he shares his experience and knowledge across the Group and promotes the advancement of best practices. In this way, Tokio Marine Group actively draws on and incorporates the expertise of diverse professionals, such as Mr. Thomas, throughout the Group.



Dan Thomas
Chief International Actuary
New York, U.S.A.

Promotion of Diversity and "Innovation in Work Style"

Tokio Marine Group employs people with diverse backgrounds; including gender, age, and nationality, based on the Group's management philosophy of "building an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential". By accepting diverse perspectives as elements of individuality and making them a combined strength, we have been able to generate ever increasing results.

Health Management

Based on a philosophy that health management is the starting point for creating the "Good Company" that Tokio Marine Group aims to be, we conduct key measures for issues such as health promotion, lifestyle improvement, prevention of the progression of diseases, and mental health, and deal with these issues through a plan-do-check-act (PDCA) cycle.

At Tokio Marine & Nichido, the leaders at each operational site and occupational health personnel (occupational health physicians, public health nurses and general nurses) positioned throughout the country collaborate to steadily implement the PDCA cycle for promoting employee health and improving lifestyles. As a result, Tokio Marine Holdings was recognized as a "corporation practicing excellent health management" under the "2017 Health & Productivity Stock Selection" program, which is jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition, the companies Tokio Marine & Nichido, and Tokio Marine & Nichido Life have also received recognition under the Certified Health and Productivity Management Organization Recognition Program, in the large enterprise category.

2017
健康経営銘柄
Health and Productivity

"High-Productivity Work Styles" and "Diverse Working Styles"

Tokio Marine Group is moving forward with efforts to pursue "high-productivity work styles" in order to provide customers with even higher added value.

For example, Tokio Marine & Nichido and Tokio Marine & Nichido Life have introduced work schedule measures to encourage employees to adopt the habit of individually managing their work hours. Those measures include "Go Go Challenge Day", when work is finished at 17:30 one day a week, and "Season Challenge", when lights are turned off and all employees are sent home by 20:00 daily for a period of one month, four times a year. Also, we have made use of specialized application software so that employees can check, send and receive company emails from mobile terminals while in transit or when away from the office. We have also distributed tablets, primarily to sales personnel, so that employees can also carry out work off site that previously could only be done in the office. In addition, we have created frameworks that offer flexibility in terms of workplace and working hours to employees, especially management staff and those included under the discretionary working system for professional (planning-type) work, mainly in the form of telecommuting and mobile work utilizing thin client systems. We aspire to achieve the sustainable growth of the Company and our employees by effectively utilizing the time created through these initiatives to provide high added value and individual growth, and work-life balance.

Moreover, as an initiative to support "diverse working styles", Group companies are introducing systems that allow for flexible revision of working hours, and already have various other systems in place, such as for childcare and nursing care leave, as well as voluntary services leave and special paid leave. By fully utilizing these systems, each employee can select the optimal way of working that suits their individual situation. The framework we have established allows employees who are responsible for childcare and nursing care to remain active in the workplace.

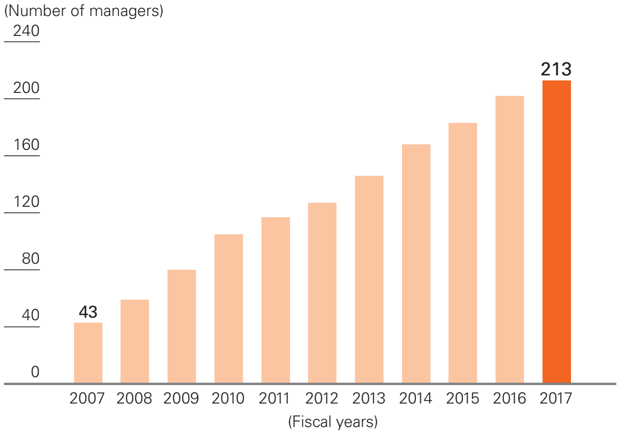
Promoting Active and Equal Participation

We provide various opportunities and chances for female employees to build their careers independently and to become active in a wide range of fields. At domestic Group companies, for instance, we hold a training program to promote the success of women for different job types and working environments. As the training program provides participants with the opportunity to encounter diverse perspectives, it gives them a chance to contemplate their own careers and goals. At Tokio Marine & Nichido, in order to continuously develop female managerial positions and candidates for those positions, we have formulated a three-pronged approach of setting expectations, training, and providing opportunities and flexible work environments. We have created an environment that allows women to take on challenges that are in keeping with their own motivations and aspirations. Measures include assigning responsibilities based on individual career aspirations, carrying out on-the-job training throughout the year, interdepartmental personnel reassignments and elective training. As a result, the number of women in managerial positions has increased by around five times, from only 43 in 2007 to 213 in 2017, and many women are now also active in key positions in sales and claims services.

Going forward, we will reinforce our efforts to support managers and develop management candidates so that more women can contribute at the management level.

Tokio Marine Group's "Women's Promotion Training Course"

Number of Female Managers at Tokio Marine & Nichido



(As of April 1, 2017)

Promote Employment of Persons with Disabilities

Tokio Marine Group works to promote the employment of persons with disabilities. Our goal is to become a Group that welcome those with different abilities and to become a place where all people can work together effectively. Tokio Marine Business Support (TMBS), a special subsidiary established in accordance with the Act on the Promotion of the Employment of Disabled Persons, supports the development of the Group by providing administrative support, printing, logistics, merchandising and other services.

Diversity Seminar

We are also working to foster a corporate culture that recognizes the diverse values of our employees. In fiscal 2016, we invited Caryn Angelson, who is Chief HR Officer & Chief Legal Officer of Tokio Marine North America Services (TMNAS), to be a lecturer at our Diversity Seminar. About 200 employees from Tokio Marine & Nichido attended the event. Ms. Angelson, who is a working mother with two children, talked about the challenges of building her own career, the "innovation in work style" that she has championed, and why diversity is important. She also touched on the historical background of women in the workforce in the United States, so it was an opportunity for participants to hear a view from a different perspective.

Operations Section

Domestic Non-Life Insurance Business

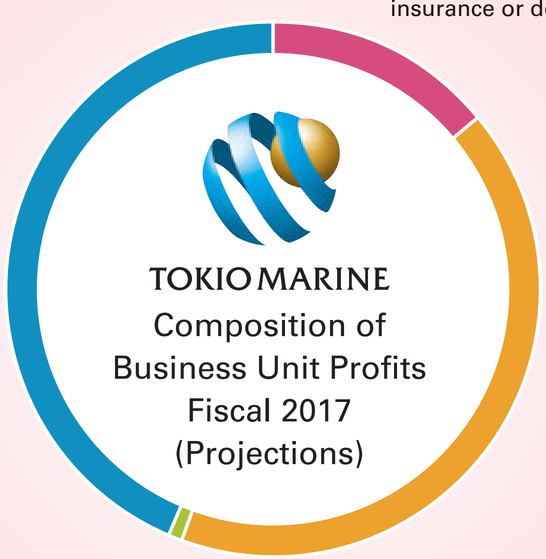
With an extensive product lineup and a diverse array of services, Group companies provide optimal products and services that fit customer needs through a wide range of sales channels.

43%
¥160.0 billion

Domestic Life Insurance Business

Tokio Marine & Nichido Life provides highly unique, value-added products and services, focusing on the field of living protection, which are not fully covered by conventional medical insurance or death insurance.

14%
¥53.0 billion



1%
¥5.0 billion

41%
¥153.0 billion

Financial and General Businesses

The financial business develops businesses with high capital efficiency, primarily in the asset management business. In general businesses, Group companies provide products and services related to “safety and security” to customers, primarily in businesses that are highly compatible with the insurance business.

International Insurance Business

Tokio Marine Group provides a broad range of products and services that have a strong competitive position in developed countries, which are the core of the global insurance market. The Group is also building an extensive network in emerging countries with high growth potential, particularly in Asia and South & Central America.

Domestic Non-Life Insurance Business

Market Environment (Opportunities and Risks)

Amid continuing global economic uncertainty, Japan's economy is expected to recover moderately mainly due to an upturn in production and exports, despite weakness in personal consumption. 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, more frequent natural catastrophes caused by climate change, and trends in international supervisory regulations. In addition, customer needs and the expected role 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 and Tokio Marine West SAST Insurance. Tokio Marine & Nichido handles a wide lineup of products that meet various customer needs and is gaining trust from customers for its 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 operations including rolling out high-quality services and consulting sales utilizing TNet, etc. with a lineup of diverse products that meet the various needs of customers. Full-time agents, corporations, auto dealerships and non-dedicated agents are its main sales channels.
Agent Sales	**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
Agent Sales	**Tokio Marine Millea SAST Insurance/ Tokio Marine West SAST Insurance**	As a small-amount and short-term insurer specializing in real estate leasing market, provide insurance products for rental housing and tenants, mainly through real estate agents
Direct Sales	**E. design Insurance**	As a direct non-life insurer that meets customer needs for online insurance, provides auto insurance via the Internet

Financial Highlights

Business Unit Profits

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017 (Projections)
Domestic Non-Life Insurance Business Total	122.5	126.0	167.6	160.0
Tokio Marine & Nichido	113.7	120.0	160.3	153.0
Nisshin Fire	12.2	8.8	10.6	8.0
Others	(3.4)	(2.7)	(3.3)	(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 mainly working on "enhancement", "innovation in work style", and "proactive measures", to achieve compound annual growth rate (CAGR*) of approximately 2% in net premiums written and approximately 3% in business unit profits.

In fiscal 2016, as a result of the steady implementation of the strategies set in the plan and other factors, net premiums written increased to 2,116.1 billion yen, and business unit profits increased to 160.3 billion yen.

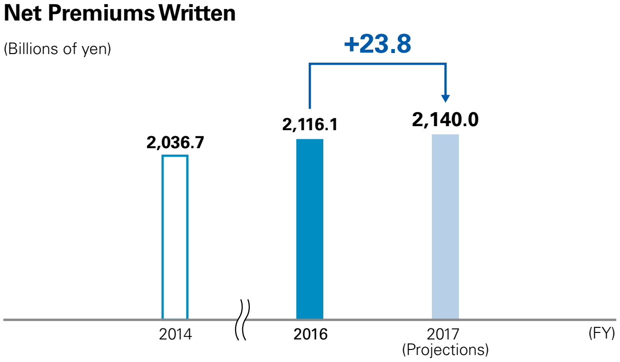
In fiscal 2017, we project that net premiums written will increase by 1.1% year-on-year to 2,140.0 billion yen due to growth in auto and specialty insurance, among other factors.

As for business unit profits, although we expect a year-on-year decrease of 7.3 billion yen to 153.0 billion yen because of factors including a decrease in domestic income return in asset management, CAGR* from fiscal 2014 is projected to be 8.4%, significantly exceeding the mid-term target of approximately +3%.

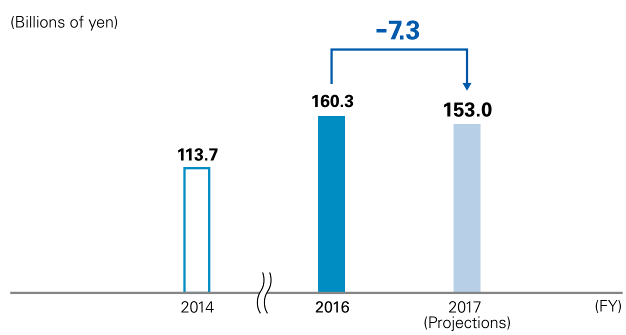
We will continue to increase sustainable growth potential by establishing a solid business platform with the promotion of "enhancement" of our customer base and the "innovation in work style" that will support it, as well as by working to strengthen R&D for future growth as our "proactive measures".

*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



Business Unit Profits



Financial Highlights

(Billions of yen)

	FY2015	FY2016	Year-on-Year Change	FY2017 (Projections)	Year-on-Year Change
Net premiums written (All Lines Total)	2,128.3	2,116.1	(12.1)	2,140.0	23.8
Underwriting profit	13.8	116.1	102.2	130.0	13.8
Net investment income	371.4	217.6	(153.8)[1]	237.1	19.4
Ordinary profit	377.2	312.4	(64.8)	339.0	26.5
Net income	301.6	248.6	(52.9)	270.0	21.3

(%)

	FY2015	FY2016	Year-on-Year Change	FY2017 (Projections)	Year-on-Year Change
Loss Ratio (Private Insurance E/I Basis)	60.1	57.7	(2.4)	57.8	+0.0
Expense Ratio (Private Insurance W/P Basis)	32.6	32.7	+0.1	32.6	(0.1)
Combined Ratio (Private Insurance E/I Basis)[2]	92.7	90.4	(2.2)	90.4	(0.0)

Notes: 1. The primary cause of the decrease was a reversal effect from an increase in dividend income from overseas Group companies connected to financing for the acquisition of TMHCC in the previous fiscal year. However, as dividends from overseas Group companies are eliminated from consolidated financial statements, this did not have any effect on our consolidated financial results.
2. Loss Ratio (Private Insurance E/I Basis) + Expense Ratio (Private Insurance W/P Basis)
Reference: E/I = Earned incurred basis, W/P = Written paid basis

"Enhancement" (Establish a Solid Business Platform)

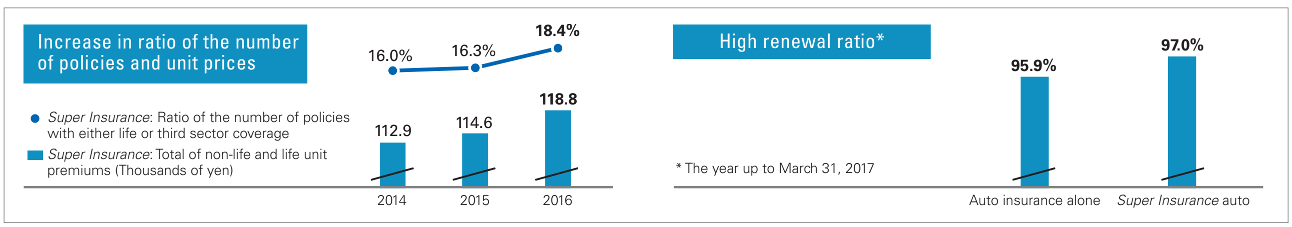
"Enhancement" is a strategy to enhance the value we deliver to customers at every opportunity, from proposals that integrate life and non-life insurance, to risk consulting including accident prevention measures and claims service for accidents and other areas, to become "the best choice" for our customers.

In this section we introduce the integration of our life and non-life business model centered on our unique product *Super Insurance*, and a new business model focusing on regional revitalization and health & productivity management as gateways.

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.

Since its launch, *Super Insurance* has undergone many improvements in line with customer needs to enhance its appeal, and the ratio of the number of policies with either life or third sector coverage and unit premiums are rising. Furthermore, we have improved our insurance proposal and consulting capabilities through refinement of the utilization of tablet PCs, the "next-generation business model", leading to enhancement of customer satisfaction. The renewal ratio for auto insurance of *Super Insurance* is higher than that for regular auto insurance, and *Super Insurance* has been gaining customer support. (1.95 million in-force policies as of March 31, 2017)

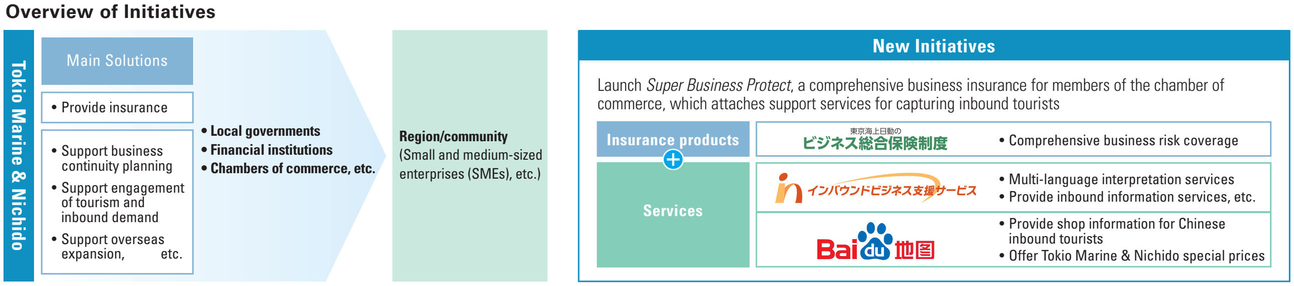


Creating New Business Models

Regional Revitalization

As the population ages and decreases, regional revitalization has become an important economic issue for Japan. In each region, Tokio Marine & Nichido works with local governments, financial institutions, chambers of commerce and others to provide products and services that support local business development. Through these activities, we are contributing to the vitalization of local economies as well as expanding our own business.

Overview of Initiatives

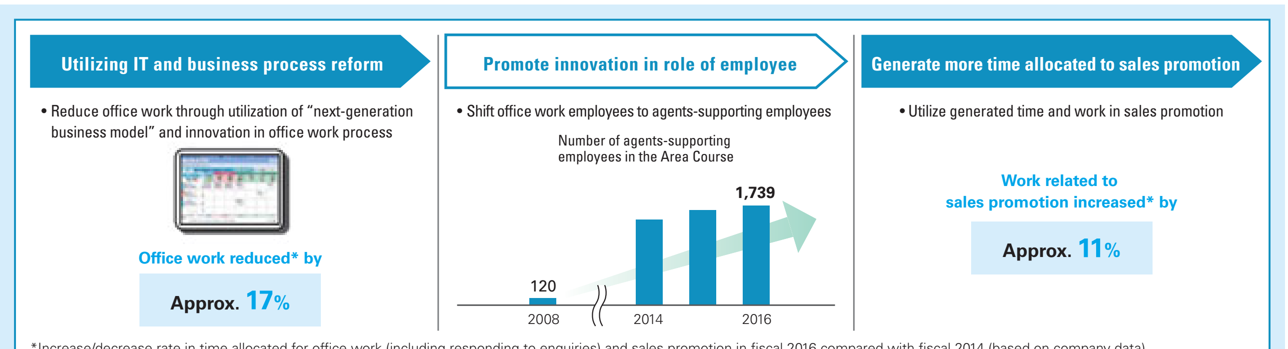


Health & Productivity Management

As Japan's labor force shrinks, managing employee health and creating a good working environment have become important management issues. Tokio Marine & Nichido is leveraging the Group's expertise as a "2017 Health & Productivity Stock" to support corporate health & productivity management initiatives through a range of services, and to provide group insurance, etc. that support companies' employee benefit programs.

"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.



*Increase/decrease rate in time allocated for office work (including responding to enquiries) and sales promotion in fiscal 2016 compared with fiscal 2014 (based on company data)

"Proactive Measures" (Strengthen R&D to Meet Future Changes)

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

In the automotive field, we expect the development of various autonomous driving systems to produce significant added value for society through reductions in traffic accidents and easing of traffic congestion. On the other hand, when accidents involving autonomous vehicles occur, it is possible the situation regarding legal responsibility will be complex, producing cases where the parties may include, in addition to the driver (perpetrator) and victim as is currently the case, others such as manufacturers and software companies. Even in an environment where various autonomous driving systems continue to develop, to save victims promptly from automobile accidents and contribute to a safe and secure driving society, Tokio Marine & Nichido developed a new rider called "Rider for Expenses for Saving Victims". We also provide products and services in response to changes in society, such as the diversification of agriculture and the sharing economy, and we will continue to advance initiatives that anticipate customer needs.

Application of Technology

Innovative technologies, such as AI, big data and IoT, are being developed faster than anticipated, and Tokio Marine & Nichido is proactively adopting these technologies to enhance customer satisfaction and productivity. We are already enhancing customer satisfaction through initiatives such as the development of Drive Agent, which uses advanced telematics, and the introduction of CTI* technology to improve claims services. The introduction of an enquiry response system that uses AI is also increasing productivity.

*Computer Telephony Integration: A system that integrates computer and telephone functions

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, easy-to-understand products to customers through 13,715 agents (as of March 31, 2017) 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 2016, net premiums written increased by 1.0% year on year to 140.1 billion yen. Net income was 6.5 billion yen.

For fiscal 2017, we project that net premiums written will increase by 1.0% year on year to 141.5 billion yen and net income will be 4.5 billion yen.

Financial Highlights

(Billions of yen)

	FY2015	FY2016	Year-on-Year Change	FY2017 (Projections)	Year-on-Year Change
Net premiums written (All Lines Total)	138.6	140.1	1.4	141.5	1.3
Underwriting profit	7.8	8.1	0.2	5.4	(2.6)
Net investment income	2.1	2.0	(0.1)	1.8	(0.1)
Ordinary profit	9.7	9.0	(0.6)	6.5	(2.5)
Net income	6.1	6.5	0.4	4.5	(2.0)

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 2016, net premiums written increased by a substantial 22.3% year on year to 25.7 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)

	FY2015	FY2016	Year-on-Year Change
Net premiums written (All Lines Total)	21.0	25.7	4.6
Underwriting profit	(3.2)	(3.7)	(0.4)
Net investment income	(0.0)	(0.0)	(0.0)
Ordinary profit	(7.1)	(7.5)	(0.4)
Net income	(7.1)	(7.5)	(0.4)

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 has changed significantly due to factors such as aging societies and advances in medical technology, etc. 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. Future revisions to the social security system are under discussion in Japan, and private-sector life insurance is likely to assume a greater role as a provider of personal coverage that complements the social security system. Furthermore, it is possible that the evolution of technologies such as AI and big data will significantly change the life insurance industry, and new products and services that utilize state-of-the-art technologies are attracting attention.

Due to monetary policies such as the introduction of the negative interest rate policy, etc., interest rates have remained low in Japan, and the savings capabilities of financial products such as savings-type life insurance and savings and deposits are decreasing. Although this low interest rate environment could last for a long time, we are working to ensure financial soundness and enhance profitability by appropriately controlling interest rate risk based on ALM (asset and liability management) as well as by diversifying asset management methods using the Group's comprehensive strengths.

As for living protection, other life insurance companies are also developing new products and strengthening sales due to the growth potential in this market. We will continue working to develop highly unique, value-added, and attractive products and aim for steady 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 under the slogan of promoting a "customer-oriented" and "innovative and efficient" life insurance business. Last year marked 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.

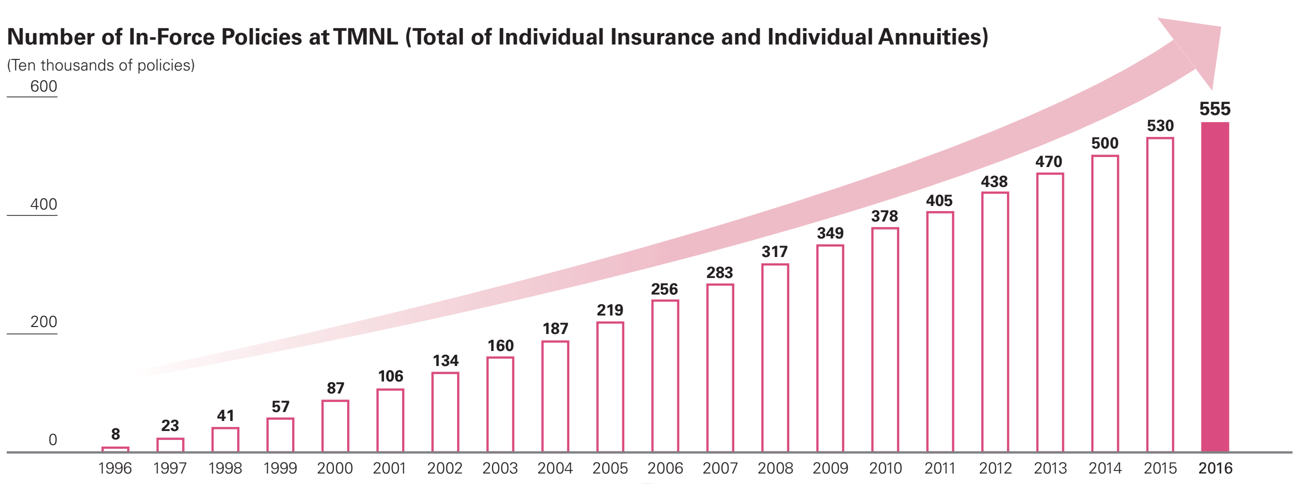
Growth Rate of Number of In-Force Policies at TMNL

CAGR of in-force policies from FY2000 to FY2016[1]

TMNL	**+12.2%**
Average of Japanese life insurance market[2]	+2.9%

1. Total of individual insurance and individual annuities
2. Source: The Life Insurance Association of Japan

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



Initiatives at Group Companies

Tokio Marine & Nichido Life

Katsumi Nakazato
President & Chief Executive Officer
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.

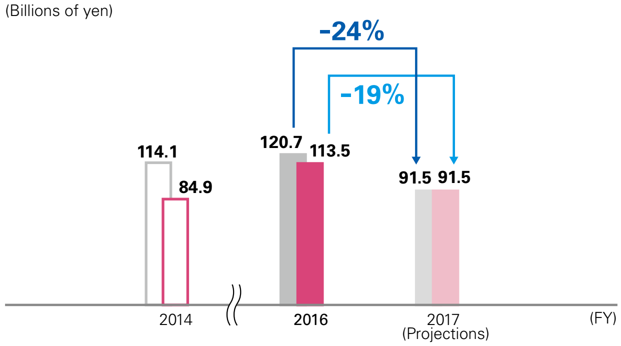
Regarding new policies, we have expanded sales of protection-type products while suspending sales of saving-type products such as individual annuities and "*whole life with long-term discount*". As a result, annualized premiums for new policies (excluding long-term saving-type products) in fiscal 2016 increased by 13.0% year on year to 113.5 billion yen. For fiscal 2017, we project a year-on-year decrease of 19.0% to 91.5 billion yen, but we will steadily expand our range of highly unique, value-added protection-type products.

The increase in MCEV*, which represents business unit profits, was 373.5 billion yen in fiscal 2016, mainly due to changes in definitions in the measurement method and changes in the economic environment (rise in interest rates, etc.). In fiscal 2017, the increase in MCEV is projected to be 54.0 billion yen due to an increase in new business value, and even in this low interest rate environment we will maintain profitability and achieve steady growth.

* 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 2017 will continue.

New Policies Annualized Premiums (ANP)

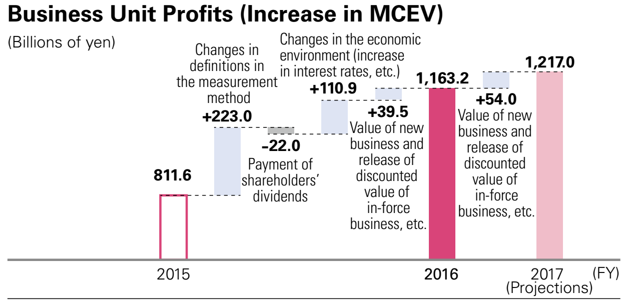
(Billions of yen)



Total of new policies ANP
Excluding long-term saving-type products
(individual annuities and "*whole life with long-term discount*")

Business Unit Profits (Increase in MCEV)

(Billions of yen)



	2015	2016	2017 (Projections)
Year-end MCEV[1]	811.6	1,163.2	1,217.0
MCEV Increase[2]		373.5	54.0
MCEV Increase[3]		39.5	54.0

1. Figures for FY2015 and FY2016 are after payment of shareholders' dividends for the prior fiscal year
2. Excluding the effects of payment of shareholders' dividends
3. Excluding the effects of payment of shareholders' dividends, changes in the economic environment, and changes in definitions in the measurement method

Promotion and Advancement of "Life Insurance Revolution to Protect One's Living"

Tokio Marine & Nichido Life is extending its highly unique 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. In 2015, we launched three new products – *Cancer Insurance R, Cancer Treatment Support Insurance NEO*, and *Medical Kit NEO*. In November 2016, we launched *Household Income Term Insurance NEO (Disability Plan)* as a new product designed to protect against the risk of being unable to work. These living protection products, with the addition of *Long-life Support Whole Life Insurance*, have been well received by customers.

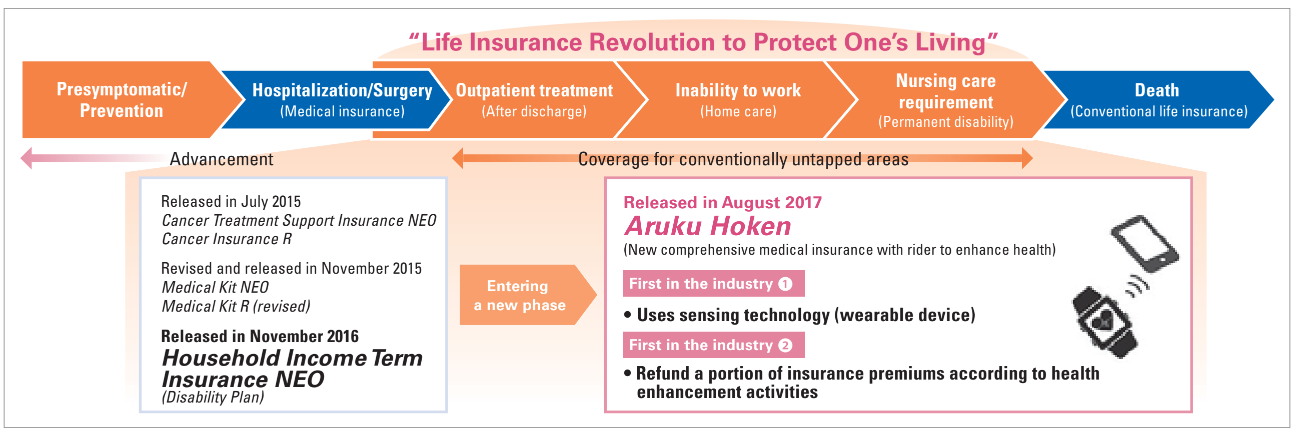
Furthermore, in August 2017 we advanced our "Life Insurance Revolution to Protect One's Living" by launching *Aruku Hoken*, a new phase of medical insurance. As life spans become longer due to advances in medical technology, needs of people looking to stay healthy and youthful for a longer period of time will increase. *Aruku Hoken* focuses on "presymptomatic and prevention" and has a new concept based on protecting customers from serious illnesses such as lifestyle-related diseases. This product, a first of its kind in the industry, records health enhancement activities through a wearable device used by customers. We refund a portion of insurance premiums according to customers' health enhancement activities.

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

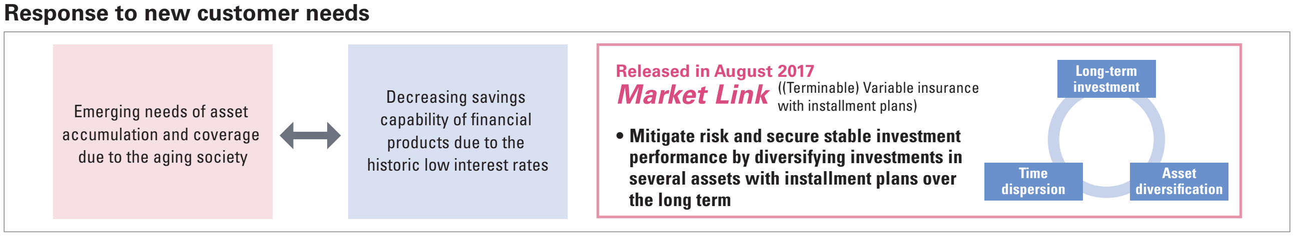
Meeting New Needs

While the planned asset accumulation and coverage needs of the elderly continue to rise due to the aging society, historic low interest rates have reduced the savings capabilities of financial products. In response to this environment, in August 2017 we launched a variable insurance *Market Link*, a new product line-up that meets customers' needs for both coverage against unfortunate events and for planned asset accumulation. Coverage is set for a lengthy insurance period with installment plans (monthly or annually). This point supports customer's long-term asset accumulation by aiming for stable investment performance through time-dispersed investment and investment diversification in several assets.

Promotion and advancement of "Life Insurance Revolution to Protect One's Living"



Response to new customer needs



Strengthening Growth Potential

Tokio Marine & Nichido Life has diverse sales channels including 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 on 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 tablets PCs. These devices help enhance our channel support capabilities, making it easier to grasp potential customer needs, to make proposals for life insurance, to train sales agents, and to process applications, etc. As of March 31, 2017, the number of Tokio Marine & Nichido Life's in-force policies exceeds 5.55 million. We will work on various innovations in product development, sales, business process reform and other areas as "an industry challenger" with the aim of enhancing growth potential and achieving steady profit growth.

International Insurance Business

Market Environment (Opportunities and Risks)

The continuation of both a low interest rate environment in the global financial markets and the softening of the insurance market that is driving down premium rates have become major factors in slowing the growth in the global insurance market. However, the global insurance market is expected to continue 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 countries. 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 due to the slowdown and recession of the global economy
- A worsening environment for premium rates and asset management
- Large-scale natural catastrophes occurring overseas
- Geopolitical risk, terrorism and insurgency
- System failure caused by cyber-attacks, disasters, etc.

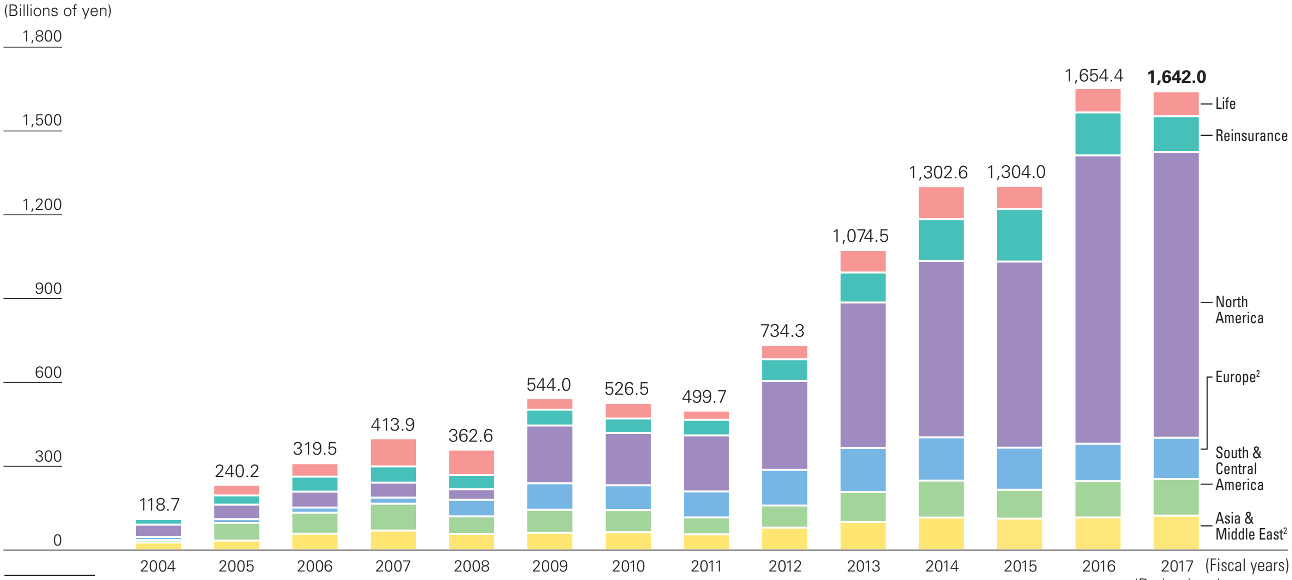
Business Overview and Strengths

Tokio Marine Holdings conducts business globally, aiming to continue to expand profits and strengthen its business platform through risk diversification in developed markets, which account for approximately 75% of the global non-life insurance market, and in emerging markets where high growth is expected. We currently have business locations in 38 countries and regions, achieving a broad network that provides safety and security to customers.

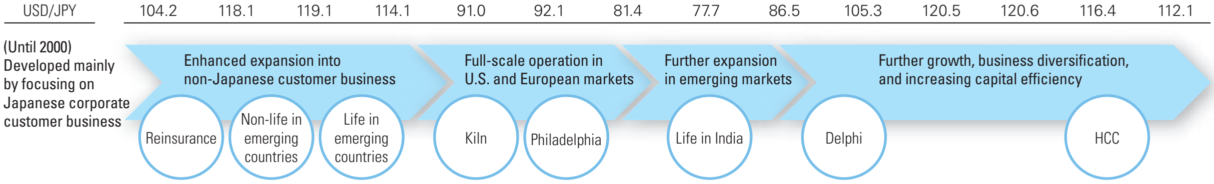
(As of March 31, 2017)

Net Premiums Written in the International Insurance Business

(Billions of yen)

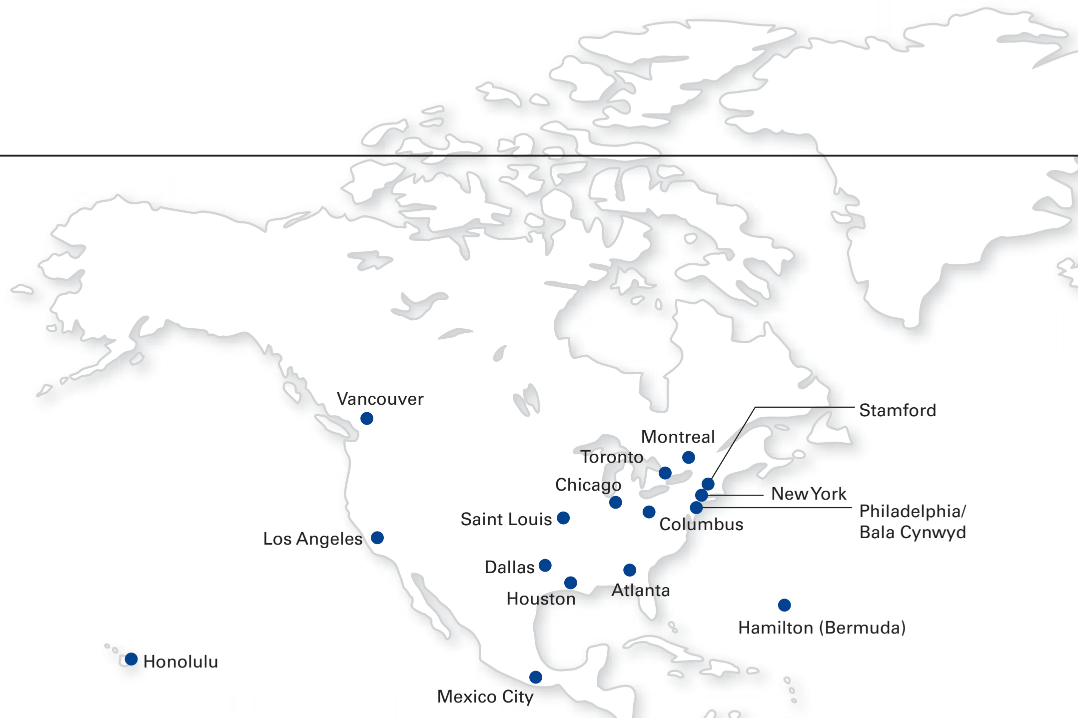


Exchange rate[1]	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
USD/JPY	104.2	118.1	119.1	114.1	91.0	92.1	81.4	77.7	86.5	105.3	120.5	120.6	116.4	112.1



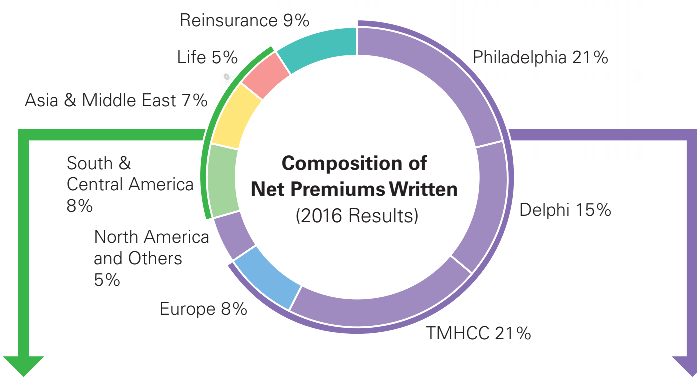
1. FX rates are as of Dec. 31 of each year (FX rate for FY2017 projections is as of Mar. 31, 2017)
2. Up to FY2015, Middle East is included in Europe. From FY2016, Middle East is included in Asia.

Worldwide Operations



Business Portfolio

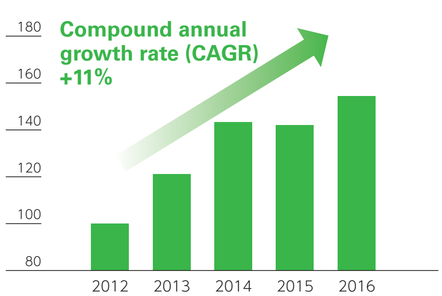
Build a well-balanced business portfolio that delivers growth potential and stable profit growth



Capturing Market Growth in Emerging Countries

- Extensive network across Asia, the Middle East, and South and Central America

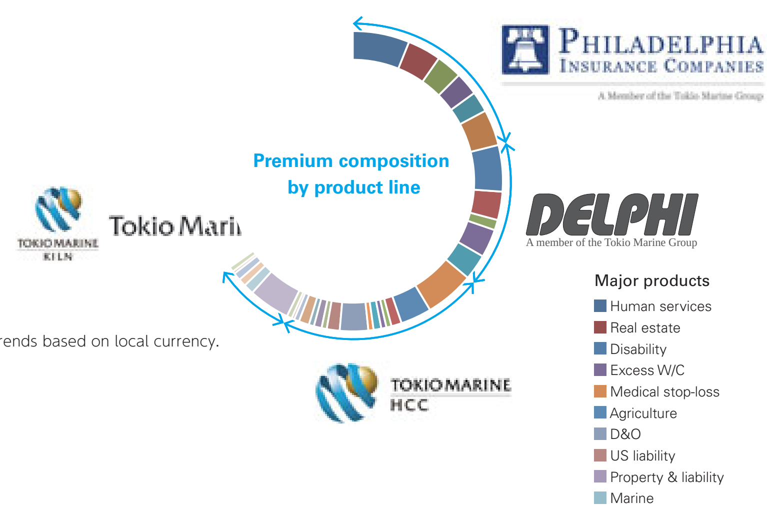
Growth of life and non-life in emerging countries*
(Net premiums written CAGR for 2012-2016)

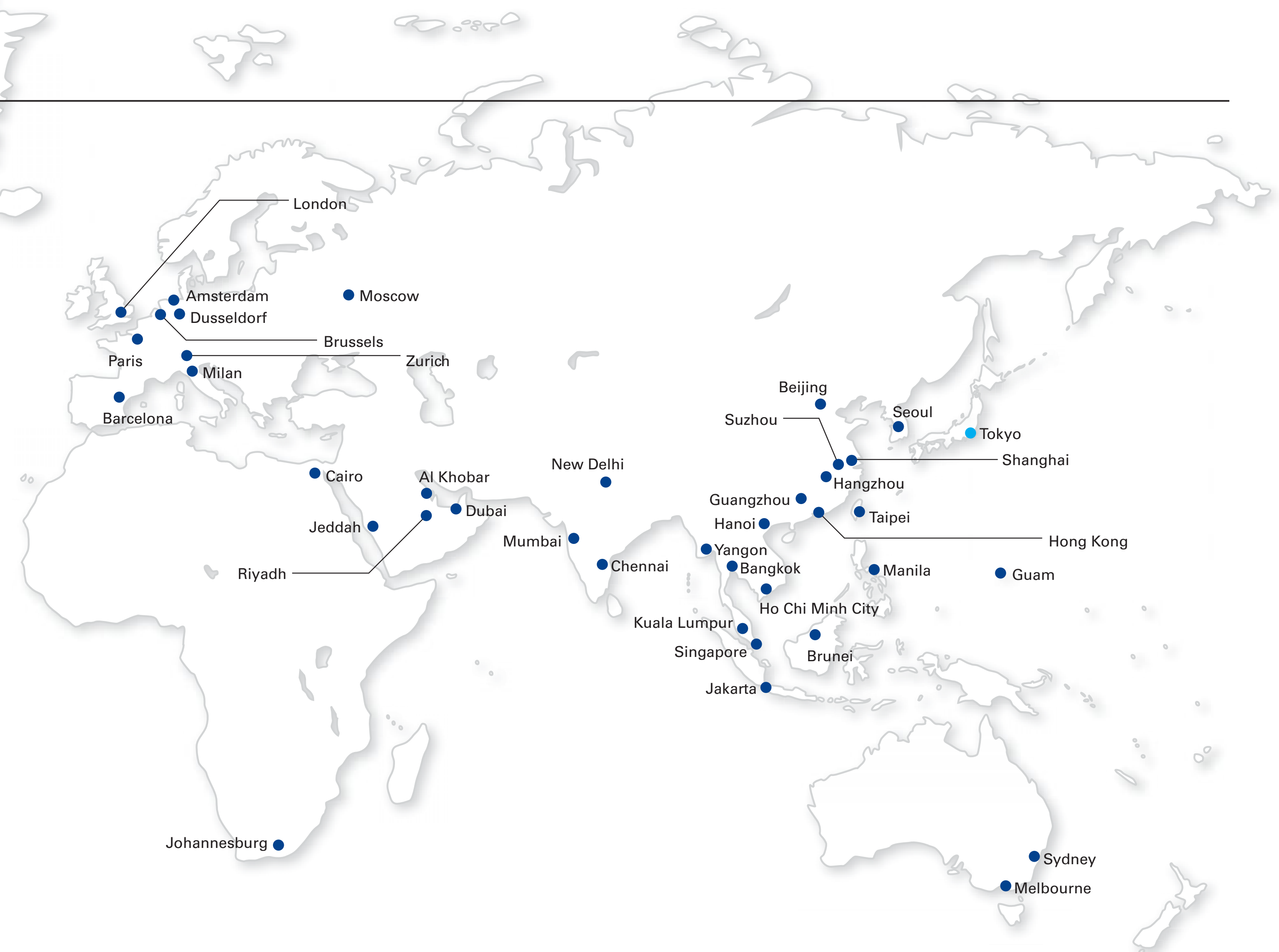


*2012 has been set at index value of 100. Net premiums written trends based on local currency.

Specialty Insurance Franchises in Developed Countries

- Pursue sustainable profit growth through highly competitive products and services
- Build a diversified portfolio through a broad line-up of specialty products





CEO meeting

Operations Section

Overseas Group Companies

Ichiro Ishii
Executive Vice President
Head of International Insurance Business

Progress of the Mid-Term Business Plan

In our mid-term business plan, we are pursuing global growth opportunities through the combination of organic growth that leverages the Group's strengths and strategic M&A. We are also aiming to enhance the stability of profits through risk diversification. The introduction of TMHCC into the Group has enabled us to build a well-balanced, stable business platform that facilitates sustainable profit growth.

In developed countries, we are building stable franchises that have promising earning power and offer a range of highly competitive specialty products*. In emerging countries, we are extending our life and non-life insurance network across Asia, the Middle East, and South and Central America to tap into the growth potential of markets in each region. As a result, along with synergies created by leveraging the strengths of each company, we have achieved significant growth and profitability as a global insurance company.

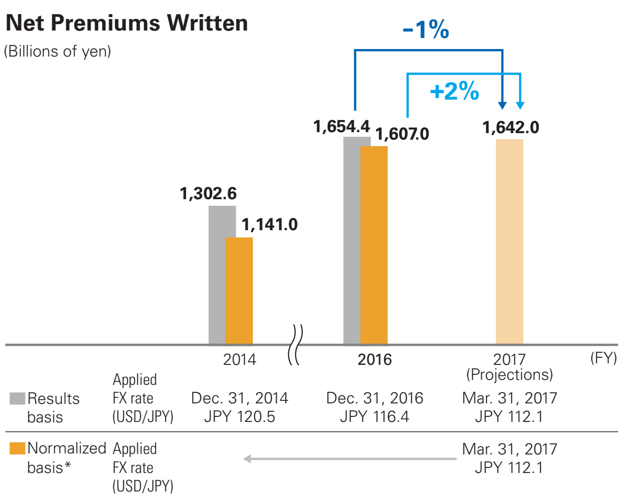
In fiscal 2016, net premiums written by the international insurance business grew by 27% year-on-year (350.4 billion yen) to 1,654.4 billion yen, and business unit profits grew by 29% year-on-year (37.6 billion yen) to 169.5 billion yen both due to contribution from TMHCC, the implementation of growth measures at each business location and other factors, despite the impact of a strong yen, etc.

In fiscal 2017, despite an anticipated 1% decrease from the impact of further yen appreciation, we project that net premiums written, on a normalized basis excluding the effects of exchange rates, will grow 2% year-on-year due to the implementation of growth measures in each business and other factors. Furthermore, we expect a 4% increase in our primary non-life business, our core international insurance business. Business unit profits are projected to decrease by 16.5 billion yen to 153.0 billion yen due to assuming an average level of natural catastrophes and the effect of exchange rates. However, when these elements are normalized, we project a year-on-year increase of 4% (6.0 billion yen), suggesting a continuing growth trend.

* Specialty insurance is a type of insurance product that often covers risks that are not covered by standard insurance policies and requires specific underwriting capability and technical expertise.

Net Premiums Written

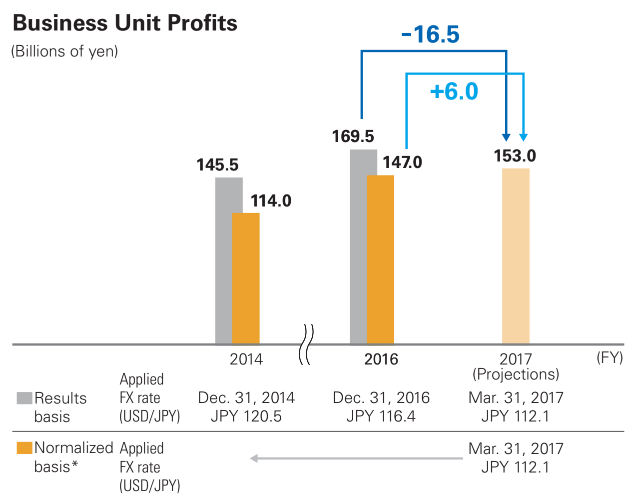
(Billions of yen)



* Excluding FX effects when converting to yen

Business Unit Profits

(Billions of yen)



* Excluding FX effects (when converting to yen and FX gains/losses at major overseas subsidiaries). Natural catastrophe losses are normalized to an average annual level.

North America

Our net premiums written for North America exceeded the trillion-yen level, and we are now positioned as one of the top ten companies in the commercial lines business in the United States, the world's biggest P&C insurance market. We plan to continue growing by implementing measures that leverage the strengths of each company, including expanding new business centered on specialty insurance, increasing rates in renewal book and pursuing synergies through collaboration with other Group companies.

Philadelphia

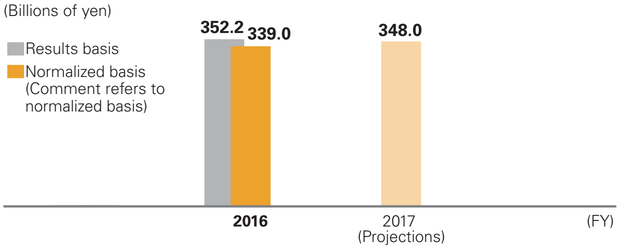
PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

Maintain growth and profitability outperforming the market through underwriting discipline and action

Philadelphia is a U.S. P&C insurance group that has achieved high growth and profitability since its establishment in 1962. Specializing in specific industries and customer segments, such as non-profit organizations, community groups, real estate, churches, schools, and sports and recreation facilities, its strengths include outstanding product development capability, disciplined business operation and excellent marketing skills utilizing its diverse sales networks. With 50 strategically positioned offices across the United States, it provides a broad range of non-life insurance products. By focusing on the specific needs of certain customer segments, it has built a strong business model that is resilient to economic fluctuations and competition with commodity products. Supported by these strengths, it has achieved exceptional business results, including a combined ratio that consistently falls below the U.S. P&C market average.

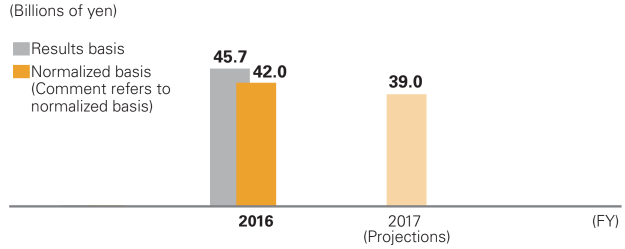
Philadelphia also contributes to the creation of Group synergies by leveraging the Group's network to expand cross-selling within the United States and applying its expertise and know-how in areas such as products and business models to business locations outside the United States.

Net Premiums Written



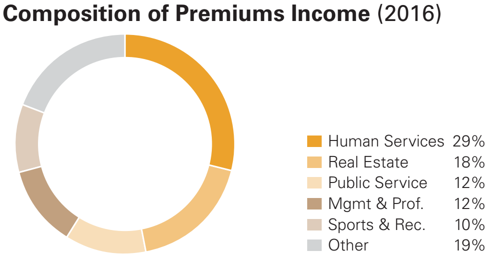
Projected to increase 3% year on year in fiscal 2017, mainly due to rate increases in renewal book and an increase in new business book

Business Unit Profits

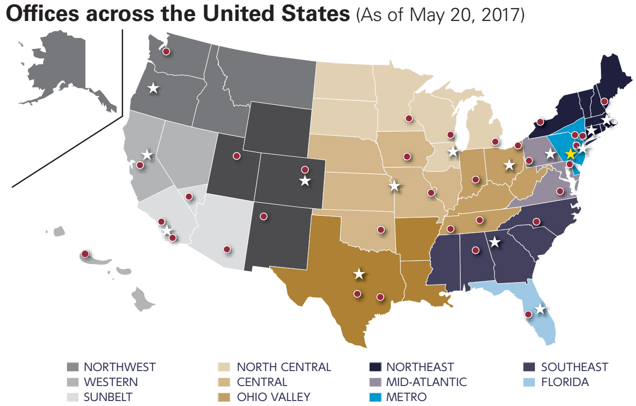


Projected to decrease in fiscal 2017 due to the reversal effect of reserve takedown in fiscal 2016. Excluding this factor, profit is in an upward trend.

Composition of Premiums Income (2016)



Network of 50 Strategically Positioned Offices across the United States (As of May 20, 2017)



Operations Section

Delphi

A member of the Tokio Marine Group

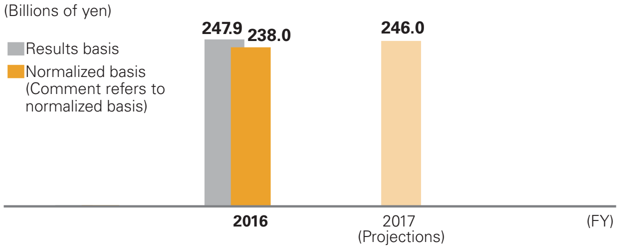
Maintain profit growth through profound investment expertise as well as strength in employee benefits insurance and services

Delphi Financial is a P&C and life insurance group founded in 1987. It focuses on employee benefits insurance and services in the United States. The group contains companies with a long history and wealth of business experience including Reliance Standard, a life insurance company founded in 1907, and Safety National, a non-life insurance company founded in 1942.

Delphi has leveraged its strengths, including robust underwriting capabilities based on many years of experience, strong relationships with distribution channels, and expertise in investment, to become a market leader and realize high growth and profitability that outperforms its peers. It has established a stable and sustainable source of revenue through its main products, which have the advantages of both limited exposure to natural catastrophe risks and less dependence on premium rate cycles.

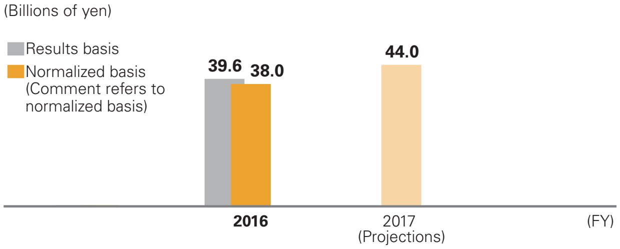
Delphi also contributes to the creation of various Tokio Marine Group synergies by leveraging its strengths to cross-sell products to customers of other North American subsidiaries, and creates asset management synergies by managing part of the investment portfolio of Group companies including Philadelphia, Tokio Marine Nichido and Tokio Marine Nichido Life.

Net Premiums Written



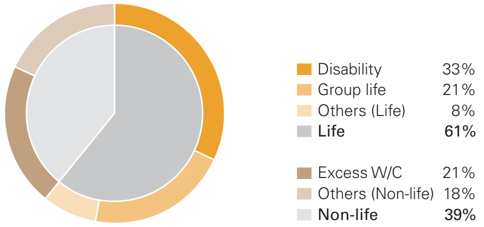
Projected to increase 3% year on year in fiscal 2017 due to rate increases in both non-life and life business and an increase in new business book

Business Unit Profits



Projected to increase in fiscal 2017 due to an increase in investment income associated with an increase in assets under management and improvement in underwriting profit

Composition of Premiums Income (2016)



Effective Use of Profound Investment Expertise

By entrusting the management of a portion of assets held by Group companies to Delphi, a company with profound investment expertise, we are able to enhance the Group's investment capability and raise investment yield.

Total amount entrusted as of March 31, 2017, is approx. USD 4,900 million

Group company	Start of entrustment
Philadelphia	July 2014
Tokio Millennium Re	July 2015
TMNF	January 2016
TMHCC	March 2016
TMNL	January 2017

Tokio Marine HCC

Operate in North America and Europe. Maintain stable high profitability and pursue synergy on a global basis

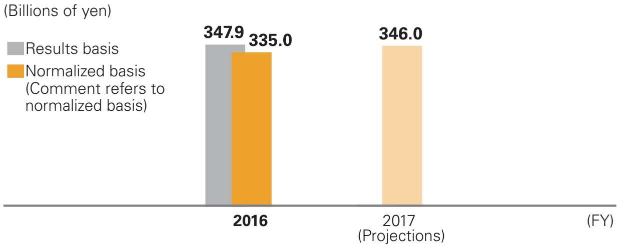
Tokio Marine HCC is a world-leading specialty insurance group operating in the United States and Europe (the UK, Spain, etc.). Since its establishment in 1974, it has consistently achieved high profitability, growth, stability and soundness under its experienced management team.

TMHCC demonstrates its strengths, such as high-level underwriting expertise, by providing over 100 different types of specialty insurance products, including A&H, agriculture, and D&O insurance, and it has maintained a leading position in many of the markets it serves. These insurance products are largely non-correlated, the vast majority of them are less dependent on traditional P&C market premium rate cycles, and they have limited exposure to natural catastrophe risks. This results in a diverse and highly profitable business portfolio, which has enabled TMHCC to consistently realize stable, high profitability that outperform competitors and the market.

TMHCC has been making significant contributions to the business activity of the Group by leveraging its high-level underwriting expertise to create and realize synergies not only in North America and Europe, but worldwide, including emerging countries and Japan.

Net Premiums Written

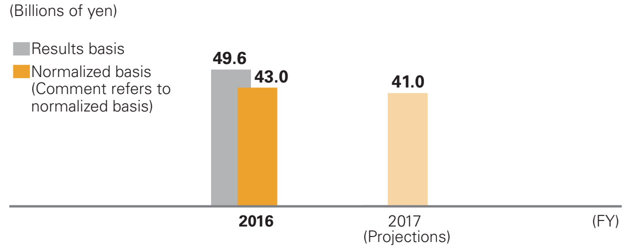
(Billions of yen)



Project to increase 3% year on year in fiscal 2017 due to expansion of underwriting in specialty products, etc.

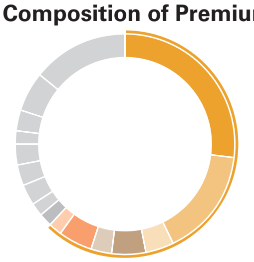
Business Unit Profits

(Billions of yen)



Projected to decrease in fiscal 2017 due to the reversal effect of reserve takedown in fiscal 2016, etc. Excluding this, profit is in an upward trend.

Composition of Premiums Income (2016)

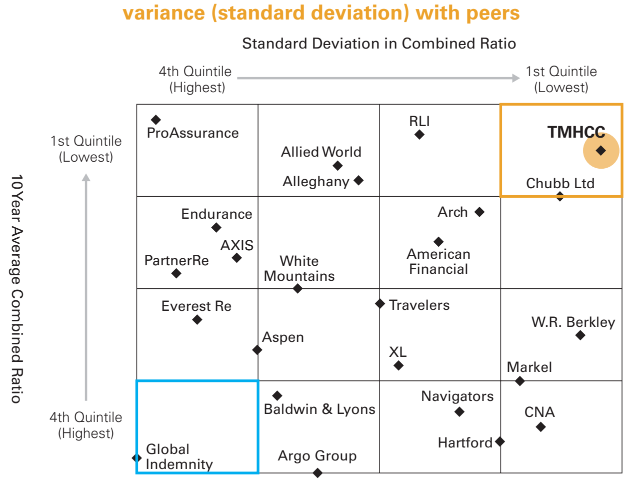


LOBs that are less dependent on the P&C market cycles (approx. 62%)

Medical stop-loss	26%
Agriculture	16%
U.S. surety	4%
Sports & entertainment, etc.	5%
International surety & credit	3%
Other A&H	5%
U.S. credit	2%
Total	62%

Stable and Excellent Underwriting Profits

Comparison of 10-Year average combined ratio and its variance (standard deviation) with peers



Source: Company Reports, Dowling & Partners Analysis; data through Dec. 31, 2016

Europe

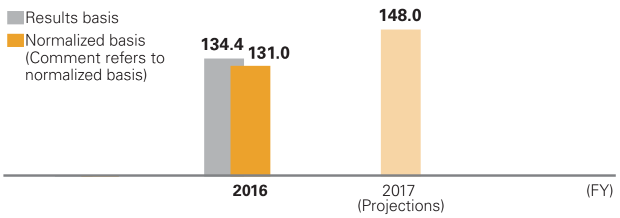
Tokio Marine Kiln

Promote empowerment, fairness, excellence, innovation and teamwork to achieve sustainable growth despite the softening market for both Lloyd's and company platform businesses

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

Net Premiums Written (Europe)

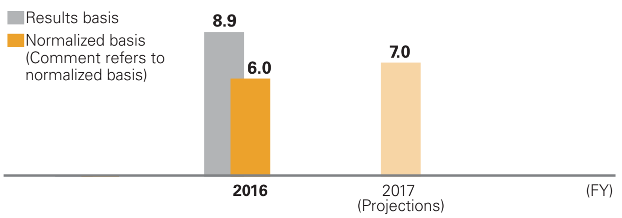
(Billions of yen)



Projected to increase 13% year on year in fiscal 2017, mainly due to business expansion in the U.S., Europe, Asia, etc.

Business Unit Profits (Europe)

(Billions of yen)



Projected to increase in fiscal 2017 mainly due to business expansion

Reinsurance

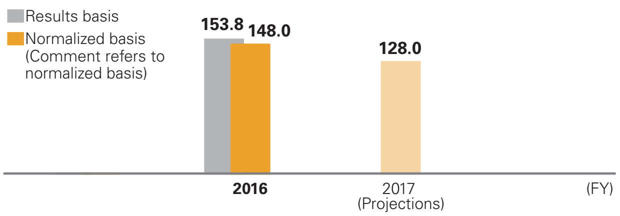
Tokio Millennium Re AG

Under the softening market, continue to maintain stable profit by promoting geographical and product line diversification at 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. With a bottom-line oriented underwriting policy, 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.

Net Premiums Written (Reinsurance)

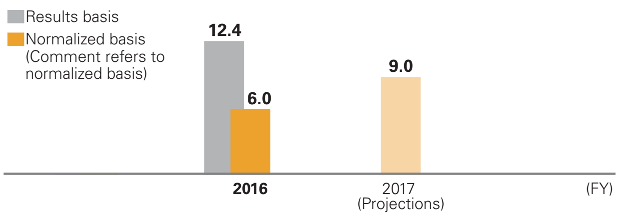
(Billions of yen)



Projected to decrease 14% year on year in fiscal 2017, mainly due to the reversal effect of an increase in multi-year policies in fiscal 2016

Business Unit Profits (Reinsurance)

(Billions of yen)



Projected to increase in fiscal 2017, mainly due to the reversal effect of temporary decrease factors in fiscal 2016

South & Central America

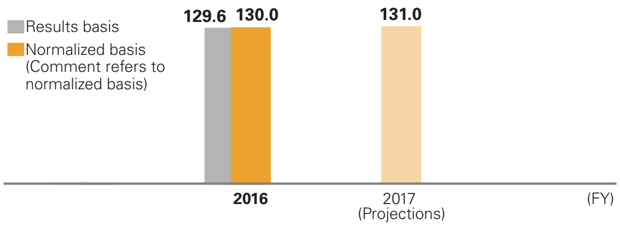
Tokio Marine Seguradora S.A.

Continue profit growth by providing products and services that meet customers' expectations through operational excellence

Tokio Marine Seguradora is a top-class insurance company in Brazil in the retail and corporate fields. It is gaining customer loyalty and achieving sustainable growth by maintaining high-quality operations, and providing products and services that meet customers' expectations.

Net Premiums Written (South & Central America)

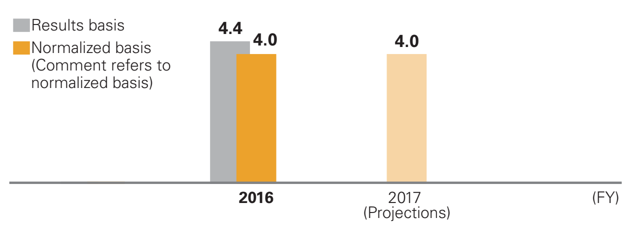
(Billions of yen)



Projected to increase slightly in fiscal 2017 reflecting the economic slowdown of Brazil

Business Unit Profits (South & Central America)

(Billions of yen)



Promote measures to improve profitability in fiscal 2017 even under the economic slowdown in Brazil

Asia & Middle East

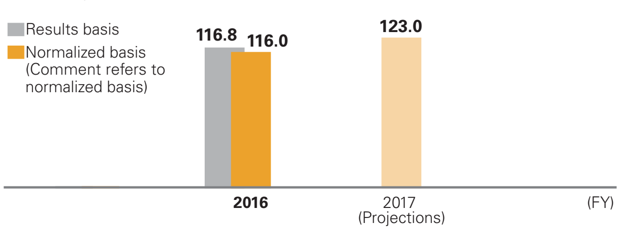
Tokio Marine Asia Pte. Ltd.

Achieve growth in the retail market by expanding distribution channels and creating a business model with Group synergy at the core

Tokio Marine Asia is a regional management company overseeing the Asia and Oceania region 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.

Net Premiums Written (Asia & Middle East/Non-life)

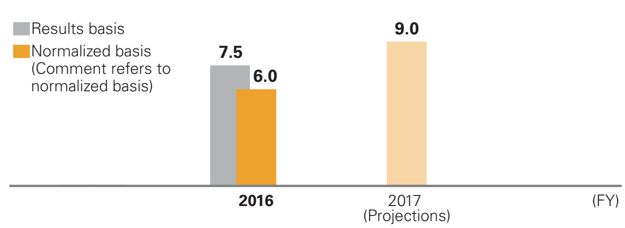
(Billions of yen)



Projected to increase 6% year on year in fiscal 2017 due to auto insurance, etc., sales growth mainly in India, Malaysia and Thailand

Business Unit Profits (Asia & Middle East/Non-life)

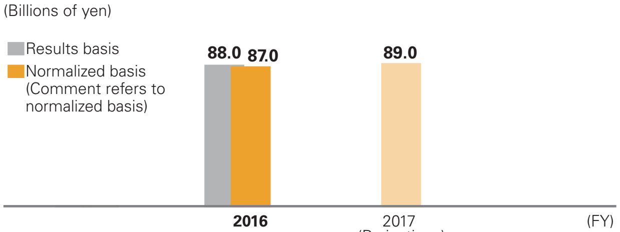
(Billions of yen)



Projected to increase in fiscal 2017 due to the reversal effect of large losses in fiscal 2016 and business expansion, etc.

Net Premiums Written (Asia/Life)

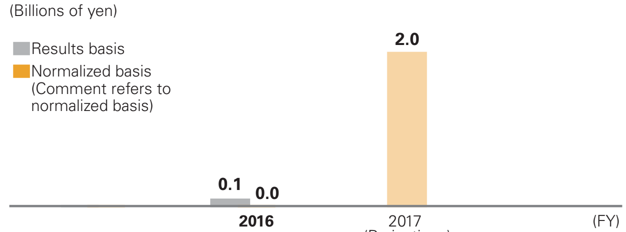
(Billions of yen)



Projected to increase 2% year on year in fiscal 2017, mainly due to sales growth mainly in Thailand, India and Indonesia

Business Unit Profits (Asia/Life)

(Billions of yen)



Projected to increase in fiscal 2017, mainly due to the reversal effect of interest rate fluctuation in fiscal 2016

Operations Section

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 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 high-quality services and products related to "safety and security" to support the insurance business.

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 maximize the Group's strengths and synergies. Through these efforts, business unit profits in the financial and general businesses were 6.6 billion yen in fiscal 2016 and are projected to be 5.0 billion yen in fiscal 2017.

Financial Highlights

Business Unit Profits

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017 (Projection)
Financial and General Businesses	4.0	7.3	6.6	5.0

Financial Business

Tokio Marine Asset Management

Tokio Marine Asset Management works continually to enhance its asset management capabilities and product appeal by focusing on 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 merged with Tokio Marine Property Investment Management. 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 2016

Asset Allocation – Low Risk Fund Division, Best Fund of the Year

TMA Japan Balance Fund (YENSOKAI)

Domestic Mid- and Small-cap Stock Fund Division, Fund of the Year

TMA Japan Owners Equity Fund

Morningstar Award Fund of the Year 2016

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/foy2016/

Tokio Marine Capital

Tokio Marine Capital manages private equity funds. The company aims to meet the investment management needs of investors by conducting corporate restructuring and buyout investments with business succession by the owner company, and by enhancing corporate value through support for investee companies. It also contributes to regional revitalization through investment in business succession projects involving medium-sized companies with strong regional presences. It established its fifth buyout fund in 2016 and total assets under management currently amount to 75.0 billion yen.

Tokio Marine Mezzanine

Tokio Marine Mezzanine manages 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.

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, etc. 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*, *health & productivity management* and *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.

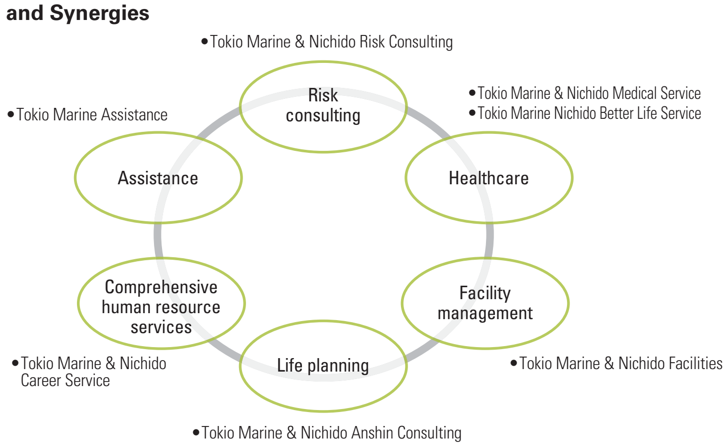
Tokio Marine Nichido Better Life Service

As the rate of aging in Japan is rising every year, the country is about to face an unprecedented super-aged society. 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 to engage in the "Home-Visit Long-Term Care Business", the "In-Home Long-Term Care Support Business", the "Operation of Housing with the Services for the Elderly Business" and the "Solution Services Business" (seminars on nursing care, etc.). Tokio Marine Nichido Samuel was established in 2006 and has been engaged in the operation of the "Fee-Based Nursing Care Home for the Elderly Business".

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 company will strive for sustainable growth in the nursing care business by providing higher-quality nursing services.

Maximize the Group's Strengths and Synergies



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, excluding the effect of various reserves exclusive to the Japanese insurance business as well as deducting special factors of the period under review such as gains or losses on sales or valuation of assets, etc. (Below are figures for FY2016).

Adjusted Net Income[1]

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
¥406.7 billion	=	¥273.8 billion	+	¥35.1 billion	+	¥1.7 billion	+	¥3.9 billion	−	¥(0.6) billion
					−	Gains or losses on sales or valuation of fixed assets and business investment equities	+	Amortization of goodwill and other intangible fixed assets	−	Other extraordinary gains/losses, valuation allowances, etc.
						¥3.5 billion		¥96.9 billion		¥1.9 billion

Adjusted Net Assets[1]

Adjusted net assets		Net assets (consolidated)		Catastrophe loss reserves		Contingency reserves		Price fluctuation reserves		Goodwill and other intangible fixed assets
¥3,812.4 billion	=	¥3,542.1 billion	+	¥810.9 billion	+	¥36.2 billion	+	¥67.3 billion	−	¥644.2 billion

Adjusted ROE

Adjusted ROE		Adjusted net income		Adjusted net assets[5]
11.0%	=	¥406.7 billion	÷	¥3,705.9 billion

Notes: 1. Each adjustment is on an after-tax basis
2. Net income attributable to owners of the parent
3. In case of reversal, it is subtracted from the equation
4. ALM: Asset Liability Management. Excluded since it is counter balance of ALM-related liabilities
5. Average balance basis

Business Unit Profits

From the perspective of accurately assessing corporate value including economic value, etc., for the purpose of long-term expansion, business unit profits are defined as below.

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		Other extraordinary gains/losses, valuation allowances, etc.
	=		+		+		−		−		−	

Life Insurance Business[4]

Business unit profits[1]		Increase in EV[5] during the current fiscal year		Capital transactions such as capital increase
	=		+	

Other Businesses

Net income determined in accordance with financial accounting principles

Notes: 1. Each adjustment is on an after-tax basis
2. In case of reversal, it is subtracted from the equation
3. ALM: Asset Liability Management. Excluded since it is counter balance of ALM-related liabilities
4. For some of the life insurance companies, Business Unit Profit is calculated by using the definition in other businesses (head office expenses, etc., are deducted from profits)
5. EV: Embedded Value. An index that shows the sum of the net present value of profits to be gained from policies in-force and the net asset value.

Financial Data

Change in Key Business Indicators (Consolidated Basis)

(Yen in millions if not indicated specifically)

	FY2016 **(April 1, 2016– March 31, 2017)**	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)
Ordinary income	**5,232,602**	4,579,076	4,327,982	4,166,130	3,857,769
Net premiums written	**3,480,478**	3,265,578	3,127,638	2,870,714	2,558,010
Ordinary profit	**387,659**	385,825	358,182	274,386	207,457
Net income attributable to owners of the parent	**273,856**	254,540	247,438	184,114	129,578
Comprehensive income	**169,603**	(14,543)	997,024	442,277	548,251
Net assets	**3,569,760**	3,512,656	3,609,655	2,739,114	2,363,183
Total assets	**22,607,603**	21,855,328	20,889,670	18,948,000	18,029,442
Consolidated solvency margin ratio (%)	**897.3**	791.4	781.3	728.4	737.0
Net assets per share (Yen)	**4,722.15**	4,617.45	4,742.52	3,535.84	3,051.58
Net income per share–Basic (Yen)	**363.52**	337.27	323.97	239.98	168.93
Net income per share–Diluted (Yen)	**363.19**	336.92	323.66	239.75	168.77
Ratio of equity capital to total assets (%)	**15.67**	15.94	17.13	14.32	12.98
Return on equity: ROE (%)	**7.79**	7.21	7.87	7.29	6.20
Price-to-earnings ratio: PER (Ratio)	**12.92**	11.27	14.01	12.91	15.69
Net cash provided by (used in) operating activities	**941,621**	874,241	684,693	424,729	138,724
Net cash provided by (used in) investing activities	**(1,455,621)**	(895,437)	249,155	(168,214)	(761,058)
Net cash provided by (used in) financing activities	**365,396**	(115,933)	(440,243)	(346,478)	485,443
Cash and cash equivalents at end of year	**1,108,907**	1,284,459	1,430,514	924,499	979,389
Number of employees	**38,842**	36,902	33,829	33,310	33,006

Note: Number of employees is headcount of staff currently at work.

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 referred to as "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 referred to as "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 Companies Act of Japan and the Financial Instruments and Exchange Act of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

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

2. Auditor's Certification

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the Company's consolidated financial statements for the fiscal year ended March 31, 2017 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, the management and employees participate in associated seminars held by accounting firms and the Company subscribes to specialized accounting books. Each of those steps are taken to enable the management and employees to understand the accounting standards and to comply with any required changes.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions, except for %)

	Notes No.	As of March 31, 2017		As of March 31, 2016		Increase (Decrease)
		Amount	**Composition ratio (%)**	Amount	Composition ratio (%)	
Assets						
Cash and bank deposits	*4	**710,666**	**3.14**	1,031,610	4.72	(320,944)
Call loans		**220,805**	**0.98**	21,000	0.10	199,805
Receivables under resale agreements		**34,999**	**0.15**	4,999	0.02	30,000
Receivables under securities borrowing transactions		**21,809**	**0.10**	21,597	0.10	211
Monetary receivables bought	*4	**1,265,837**	**5.60**	1,345,859	6.16	(80,021)
Money trusts		**101,650**	**0.45**	63,049	0.29	38,601
Securities	*2*4*5*7	**16,098,063**	**71.21**	15,457,012	70.72	641,050
Loans	*3*8	**1,253,094**	**5.54**	878,951	4.02	374,143
Tangible fixed assets	*1	**289,398**	**1.28**	277,413	1.27	11,985
Land	*4	**133,191**		129,017		4,173
Buildings	*4	**119,234**		120,194		(960)
Construction in progress		**690**		56		634
Other tangible fixed assets		**36,282**		28,145		8,137
Intangible fixed assets		**880,080**	**3.89**	1,022,112	4.68	(142,031)
Software		**40,887**		37,817		3,069
Goodwill		**466,793**		534,593		(67,800)
Other intangible fixed assets		**372,399**		449,700		(77,301)
Other assets	*11	**1,706,741**	**7.55**	1,692,808	7.75	13,933
Net defined benefit assets		**3,386**	**0.01**	12,440	0.06	(9,054)
Deferred tax assets		**31,032**	**0.14**	33,558	0.15	(2,525)
Customers' liabilities under acceptances and guarantees		**2,465**	**0.01**	9,026	0.04	(6,560)
Allowance for doubtful accounts		**(12,429)**	**(0.05)**	(16,111)	(0.07)	3,681
Total assets		**22,607,603**	**100.00**	21,855,328	100.00	752,274
Liabilities						
Insurance liabilities		**15,544,525**	**68.76**	15,144,114	69.29	400,410
Outstanding claims	*4	**2,753,498**		2,663,123		90,375
Underwriting reserves	*4	**12,791,026**		12,480,991		310,035
Corporate bonds	*4*5	**69,097**	**0.31**	77,677	0.36	(8,580)
Other liabilities		**2,629,093**	**11.63**	2,291,591	10.49	337,501
Payables under securities lending transactions		**951,334**		704,077		247,256
Other liabilities	*4*12	**1,677,758**		1,587,513		90,244
Net defined benefit liabilities		**244,253**	**1.08**	242,952	1.11	1,301
Provision for retirement benefits for directors		**24**	**0.00**	21	0.00	2
Provision for employees' bonus		**65,612**	**0.29**	57,355	0.26	8,256
Reserves under special laws		**93,645**	**0.41**	88,144	0.40	5,500
Price fluctuation reserve		**93,645**		88,144		5,500
Deferred tax liabilities		**329,527**	**1.46**	361,960	1.66	(32,433)
Negative goodwill		**59,598**	**0.26**	69,827	0.32	(10,229)
Acceptances and guarantees		**2,465**	**0.01**	9,026	0.04	(6,560)
Total liabilities		**19,037,843**	**84.21**	18,342,671	83.93	695,171
Net assets						
Shareholders' equity						
Share capital		**150,000**		150,000		—
Retained earnings		**1,699,030**		1,531,072		167,958
Treasury stock		**(13,658)**		(10,742)		(2,916)
Total shareholders' equity		**1,835,371**	**8.12**	1,670,329	7.64	165,042
Accumulated other comprehensive income						
Unrealized gains (losses) on available-for-sale securities		**1,600,740**		1,601,187		(447)
Deferred gains (losses) on hedge transactions		**11,098**		19,870		(8,771)
Foreign currency translation adjustments		**112,869**		210,134		(97,264)
Remeasurements of defined benefit plans		**(17,933)**		(16,796)		(1,137)
Total accumulated other comprehensive income		**1,706,774**	**7.55**	1,814,395	8.30	(107,621)
Stock acquisition rights		**2,292**	**0.01**	2,485	0.01	(192)
Non-controlling interests		**25,321**	**0.11**	25,445	0.12	(124)
Total net assets		**3,569,760**	**15.79**	3,512,656	16.07	57,103
Total liabilities and net assets		**22,607,603**	**100.00**	21,855,328	100.00	752,274

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.	FY2016 (April 1, 2016– March 31, 2017)		FY2015 (April 1, 2015– March 31, 2016)		Increase (Decrease)
		Amount	Ratio (%)	Amount	Ratio (%)	
Ordinary income		**5,232,602**	**100.00**	4,579,076	100.00	653,526
Underwriting income		**4,558,623**	**87.12**	3,921,369	85.64	637,254
Net premiums written		**3,480,478**		3,265,578		214,899
Deposit premiums from policyholders		**114,477**		125,092		(10,614)
Investment income on deposit premiums		**47,171**		51,814		(4,642)
Life insurance premiums		**904,418**		471,666		432,751
Other underwriting income		**12,077**		7,217		4,859
Investment income		**565,006**	**10.80**	555,912	12.14	9,093
Interest and dividends		**424,366**		386,507		37,858
Gains on money trusts		**957**		345		612
Gains on trading securities		**26,455**		4,552		21,903
Gains on sales of securities		**120,927**		163,043		(42,116)
Gains on redemption of securities		**844**		488		356
Gains on derivatives		**—**		43,520		(43,520)
Investment gains on separate accounts		**27,200**		—		27,200
Other investment income		**11,426**		9,269		2,156
Transfer of investment income on deposit premiums		**(47,171)**		(51,814)		4,642
Other ordinary income		**108,972**	**2.08**	101,793	2.22	7,178
Amortization of negative goodwill		**10,229**		10,229		(0)
Other ordinary income		**98,743**		91,564		7,178
Ordinary expenses		**4,844,943**	**92.59**	4,193,251	91.57	651,692
Underwriting expenses		**3,880,059**	**74.15**	3,370,943	73.62	509,116
Net claims paid		**1,814,853**		1,662,021		152,832
Loss adjustment expenses	*1	**136,008**		127,732		8,275
Agency commissions and brokerage	*1	**685,493**		663,787		21,706
Maturity refunds to policyholders		**201,568**		222,046		(20,478)
Dividends to policyholders		**82**		155		(72)
Life insurance claims		**640,412**		410,957		229,454
Provision for outstanding claims		**164,810**		164,785		25
Provision for underwriting reserves		**231,077**		108,482		122,594
Other underwriting expenses		**5,751**		10,974		(5,223)
Investment expenses		**76,804**	**1.47**	107,878	2.36	(31,073)
Losses on money trusts		**2,654**		—		2,654
Losses on sales of securities		**36,488**		20,465		16,022
Impairment losses on securities		**7,292**		16,555		(9,262)
Losses on redemption of securities		**2,548**		933		1,615
Losses on derivatives		**10,897**		—		10,897
Investment losses on separate accounts		**—**		35,387		(35,387)
Other investment expenses		**16,922**		34,536		(17,613)
Operating and general administrative expenses	*1	**868,195**	**16.59**	697,309	15.23	170,886
Other ordinary expenses		**19,883**	**0.38**	17,120	0.37	2,763
Interest expenses		**12,208**		7,465		4,743
Losses on bad debts		**596**		97		498
Equity in losses of affiliates	*3	**789**		2,421		(1,631)
Amortization of deferred assets under Article 113 of the Insurance Business Act		**3,826**		3,826		—
Other ordinary expenses		**2,461**		3,308		(846)
Ordinary profit		**387,659**	**7.41**	385,825	8.43	1,833

(Continued on following page)

Financial Data

(Yen in millions, except for %)

	Notes No.	FY2016 (April 1, 2016– March 31, 2017)		FY2015 (April 1, 2015– March 31, 2016)		Increase (Decrease)
		Amount	**Ratio (%)**	Amount	Ratio (%)	
Extraordinary gains		**8,252**	**0.16**	687	0.02	7,564
Gains on disposal of fixed assets		**5,662**		348		5,313
Other extraordinary gains	*2	**2,589**		339		2,250
Extraordinary losses		**8,949**	**0.17**	13,668	0.30	(4,719)
Losses on disposal of fixed assets		**2,213**		1,042		1,171
Impairment losses on fixed assets	*3	**935**		2,215		(1,280)
Provision for reserves under special laws		**5,500**		5,199		301
Provision for price fluctuation reserve		**5,500**		5,199		301
Other extraordinary losses	*4	**299**		5,210		(4,911)
Income before income taxes and non-controlling interests		**386,962**	**7.40**	372,845	8.14	14,116
Income taxes–current		**128,946**	**2.46**	107,596	2.35	21,349
Income taxes–deferred		**(17,562)**	**(0.34)**	9,268	0.20	(26,831)
Total income taxes		**111,383**	**2.13**	116,865	2.55	(5,481)
Net income		**275,578**	**5.27**	255,980	5.59	19,598
Net income attributable to non-controlling interests		**1,721**	**0.03**	1,439	0.03	282
Net income attributable to owners of the parent		**273,856**	**5.23**	254,540	5.56	19,315

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

Consolidated Statement of Comprehensive Income

(Yen in millions, except for %)

	Notes No.	FY2016 (April 1, 2016– March 31, 2017)		FY2015 (April 1, 2015– March 31, 2016)		Increase (Decrease)
		Amount	Ratio (%)	Amount	Ratio (%)	
Net income		**275,578**	**5.27**	255,980	5.59	19,598
Other comprehensive income						
Unrealized gains (losses) on available-for-sale securities		**(373)**		(246,043)		245,670
Deferred gains (losses) on hedge transactions		**(8,771)**		687		(9,459)
Foreign currency translation adjustments		**(94,833)**		(28,975)		(65,858)
Remeasurements of defined benefit plans		**(1,123)**		4,592		(5,715)
Share of other comprehensive income of affiliates accounted for by the equity method		**(872)**		(783)		(88)
Total other comprehensive income	*	**(105,974)**	**(2.03)**	(270,523)	(5.91)	164,548
Total comprehensive income		**169,603**	**3.24**	(14,543)	(0.32)	184,147
Comprehensive income attributable to:						
Owners of the parent		**168,845**		(12,958)		181,804
Non-controlling interests		**758**		(1,584)		2,342

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

Financial Data

(3) Consolidated Statement of Changes in Shareholders' Equity

FY2016 (April 1, 2016–March 31, 2017)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,531,072	(10,742)	1,670,329
Changes during the year				
Dividends		(94,354)		(94,354)
Net income attributable to owners of the parent		273,856		273,856
Purchases of treasury stock			(25,081)	(25,081)
Disposal of treasury stock		(252)	1,061	808
Cancellation of treasury stock		(21,104)	21,104	—
Changes in the scope of consolidation		5,019		5,019
Increase due to merger		3,822		3,822
Changes in equity due to capital increase of consolidated subsidiaries		(21)		(21)
Changes based on generally accepted accounting standards adopted by overseas subsidiaries		993		993
Others				—
Net changes in items other than shareholders' equity				
Total changes during the year	—	167,958	(2,916)	165,042
Ending balance	150,000	1,699,030	(13,658)	1,835,371

	Accumulated other comprehensive income						
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,601,187	19,870	210,134	(16,796)	2,485	25,445	3,512,656
Changes during the year							
Dividends							(94,354)
Net income attributable to owners of the parent							273,856
Purchases of treasury stock							(25,081)
Disposal of treasury stock							808
Cancellation of treasury stock							—
Changes in the scope of consolidation							5,019
Increase due to merger							3,822
Changes in equity due to capital increase of consolidated subsidiaries							(21)
Changes based on generally accepted accounting standards adopted by overseas subsidiaries							993
Others							—
Net changes in items other than shareholders' equity	(447)	(8,771)	(97,264)	(1,137)	(192)	(124)	(107,938)
Total changes during the year	(447)	(8,771)	(97,264)	(1,137)	(192)	(124)	57,103
Ending balance	1,600,740	11,098	112,869	(17,933)	2,292	25,321	3,569,760

FY2015 (April 1, 2015–March 31, 2016)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning 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 stock			(129)	(129)
Disposal of treasury stock		(133)	425	291
Cancellation of treasury stock				—
Changes in the scope of consolidation		(130)		(130)
Increase due to merger				—
Changes in equity due to capital increase of consolidated subsidiaries				—
Changes based on generally accepted accounting standards adopted by overseas subsidiaries				—
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				Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance	1,846,908	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 stock							(129)
Disposal of treasury stock							291
Cancellation of treasury stock							—
Changes in the scope of consolidation							(130)
Increase due to merger							—
Changes in equity due to capital increase of consolidated subsidiaries							—
Changes based on generally accepted accounting standards adopted by overseas subsidiaries							—
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

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

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Notes No.	**FY2016 (April 1, 2016– March 31, 2017)**	FY2015 (April 1, 2015– March 31, 2016)	Increase (Decrease)
Cash flows from operating activities				
Income before income taxes and non-controlling interests		**386,962**	372,845	14,116
Depreciation		**94,010**	41,372	52,638
Impairment losses on fixed assets		**935**	2,215	(1,280)
Amortization of goodwill		**63,085**	29,866	33,219
Amortization of negative goodwill		**(10,229)**	(10,229)	0
Increase (decrease) in outstanding claims		**171,602**	167,119	4,483
Increase (decrease) in underwriting reserves		**396,102**	342,894	53,207
Increase (decrease) in allowance for doubtful accounts		**(3,307)**	(10,177)	6,869
Increase (decrease) in net defined benefit liabilities		**661**	7,776	(7,115)
Increase (decrease) in provision for retirement benefits for directors		**2**	3	(0)
Increase (decrease) in provision for employees' bonus		**9,315**	(2,073)	11,389
Increase (decrease) in price fluctuation reserve		**5,500**	5,199	301
Interest and dividends		**(424,366)**	(386,507)	(37,858)
Losses (gains) on securities		**(103,447)**	(125,485)	22,037
Interest expenses		**12,208**	7,465	4,743
Foreign exchange losses (gains)		**(10,661)**	14,449	(25,111)
Losses (gains) on tangible fixed assets		**(3,597)**	677	(4,274)
Equity in losses (earnings) of affiliates		**789**	2,421	(1,631)
Investment losses (gains) on separate accounts		**(27,200)**	35,387	(62,588)
Decrease (increase) in other assets (other than investing and financing activities)		**(75,174)**	(85,972)	10,797
Increase (decrease) in other liabilities (other than investing and financing activities)		**25,433**	1,418	24,014
Others		**6,437**	(1,503)	7,941
Subtotal		**515,064**	409,164	105,900
Interest and dividends received		**429,473**	386,572	42,900
Interest paid		**(12,884)**	(8,367)	(4,516)
Income taxes paid		**(119,662)**	(69,232)	(50,430)
Others		**129,629**	156,104	(26,474)
Net cash provided by (used in) operating activities (a)		**941,621**	874,241	67,379
Cash flows from investing activities				
Net decrease (increase) in deposits		**(28,867)**	28,110	(56,977)
Purchases of monetary receivables bought		**(523,599)**	(655,561)	131,961
Proceeds from sales and redemption of monetary receivables bought		**503,651**	619,872	(116,220)
Purchases of money trusts		**(41,700)**	(62,000)	20,299
Proceeds from sales of money trusts		**—**	1,729	(1,729)
Purchases of securities		**(3,453,514)**	(2,838,078)	(615,436)
Proceeds from sales and redemption of securities		**2,657,620**	2,860,322	(202,702)
New loans		**(1,458,756)**	(667,922)	(790,833)
Proceeds from collection of loans		**1,079,842**	480,359	599,482
Change in cash collateral under securities borrowing and lending transactions		**(140,443)**	179,387	(319,831)
Others		**(18,874)**	(11,542)	(7,332)
Subtotal (b)		**(1,424,642)**	(65,322)	(1,359,319)
(a) + (b)		**(483,021)**	808,918	(1,291,940)
Purchases of tangible fixed assets		**(25,371)**	(13,623)	(11,748)
Proceeds from sales of tangible fixed assets		**10**	1,223	(1,212)
Purchases of stock of subsidiaries resulting in change in the scope of consolidation	*3	**(5,618)**	(817,713)	812,095
Net cash provided by (used in) investing activities		**(1,455,621)**	(895,437)	(560,184)

(Continued on following page)

(Yen in millions)

	Notes No.	**FY2016 (April 1, 2016– March 31, 2017)**	FY2015 (April 1, 2015– March 31, 2016)	Increase (Decrease)
Cash flows from financing activities				
Proceeds from borrowings		**124,285**	588,330	(464,045)
Repayments of borrowings		**(17,152)**	(293,977)	276,825
Redemption of corporate bonds		**(5,570)**	(28,750)	23,180
Change in cash collateral under securities lending transactions		**387,489**	(297,911)	685,401
Purchases of treasury stock		**(25,081)**	(129)	(24,952)
Dividends paid		**(94,244)**	(81,042)	(13,202)
Dividends paid to non-controlling shareholders		**(563)**	(1,135)	571
Repayments to non-controlling shareholders		**(303)**	(644)	340
Others		**(3,461)**	(672)	(2,789)
Net cash provided by (used in) financing activities		**365,396**	(115,933)	481,330
Effect of exchange rate changes on cash and cash equivalents		**(18,163)**	(8,990)	(9,173)
Net increase (decrease) in cash and cash equivalents		**(166,767)**	(146,119)	(20,648)
Cash and cash equivalents at beginning of year		**1,284,459**	1,430,514	(146,054)
Increase in cash and cash equivalents due to newly consolidated subsidiaries		**4,698**	64	4,634
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries		**(16,625)**	—	(16,625)
Increase in cash and cash equivalents due to merger with non-consolidated subsidiaries		**3,142**	—	3,142
Cash and cash equivalents at end of year	*1	**1,108,907**	1,284,459	(175,552)

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

Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated companies: 153 companies

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

Tokio Marine Management, Inc. and five other companies are included as consolidated subsidiaries from the fiscal year 2016 because of their increased materiality and other events.

HCC Specialty Holdings (No. 1) Limited and five other companies have been excluded from the scope of consolidation due to liquidation. In addition, Tokio Marine Bluebell Re Limited and one other company have been excluded from the scope of consolidation because they are in the process of liquidation and are no longer material.

(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

(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 an immaterial 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 cannot exert a significant influence on any decision making of Japan Earthquake Reinsurance's policies given the highly public nature of their business.

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

3. Balance sheet date of consolidated subsidiaries

There are three domestic subsidiaries and 141 overseas subsidiaries whose balance sheet dates are December 31. The consolidated financial statements incorporate the results of these subsidiaries for the period ended December 31. Necessary adjustments for the consolidation are made for material transactions that occur during the three month lag to the consolidated balance sheet date.

4. Accounting policies

(1) Valuation of securities

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

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

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

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

In order to adequately manage interest rate risk related to assets and liabilities, Tokio Marine & Nichido Life has established 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" and "accumulated fund of underwriting reserve for insurance policies of single payment whole-life insurance with floating interest rates". 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.

The single payment individual annuity insurance subgroup was eliminated as of March 31, 2017, and the bonds earmarked for underwriting reserves in that subgroup were reclassified to Available-for-sale securities. The main reason for this change was that asset and liability matching for this subgroup to manage interest rate risk had become less material to the financial statements because the underwriting reserve associated with this subgroup had decreased. The effect of this change on the consolidated financial statements is immaterial.

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 is calculated using the straight-line method.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

The Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method since the beginning of the fiscal year 2016. Previously, the Company and its domestic consolidated subsidiaries applied the declining balance method for depreciation of tangible fixed assets except for buildings (excluding fixtures attached to buildings) acquired on or after April 1, 1998, to which the straight-line method was applied.

The proportion of companies adopting the straight-line method has increased due to the recent expansion in our overseas insurance business. For this reason, the Company and its domestic consolidated subsidiaries reviewed its depreciation methods and determined that allocating depreciation expenses equally over useful lives will represent the actual situation more accurately since it is expected that tangible fixed assets owned by the Company and its domestic consolidated subsidiaries will be used evenly over their useful lives. The accounting policy for depreciation of tangible fixed assets is now unified for the Group.

As a result of this change, both ordinary profit and income before income taxes and non-controlling interests for the fiscal year 2016 increased by 2,930 million yen, compared with the previous depreciation 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 amount of any such receivables less the amount expected to be collectible through the disposal of collateral or execution of guarantees and the overall solvency assessment of the relevant debtor.

For receivables other than those described above, allowances are the amount of receivables multiplied by the default rate, which is calculated based on historical 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 recognize 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 recognize provision for employees' bonuses based on the expected amount to be paid.

d. Price fluctuation reserve

Domestic consolidated insurance subsidiaries recognize 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 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 differences for each fiscal year are amortized proportionally from the following fiscal year using the straight-line method over a certain number of years (5 to 13 years) within the average remaining work period of employees at the time of occurrence.

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

(6) Consumption taxes

For the Company and its domestic consolidated subsidiaries, consumption taxes are 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 referred to as "Report No. 26").

Assessment of hedge effectiveness is omitted 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, and the hedge is highly effective.

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, 2017 were 4,498 million yen (7,739 million yen as of March 31, 2016) and the amount accounted for in the consolidated financial statements for the fiscal year 2016 was 3,241 million yen (3,463 million yen for the fiscal year 2015).

b. Foreign exchange

Major domestic consolidated insurance subsidiaries apply fair value hedge accounting or assignment accounting for certain currency swaps and foreign exchange forward contracts utilized to reduce future currency risk in assets denominated in foreign currency. Assessment of hedge effectiveness is omitted because the principal term of the hedging instruments and the hedged items are identical and the hedge is highly effective. In addition, Tokio Marine & Nichido applies deferred hedge accounting to borrowings denominated in foreign currency utilized to reduce currency risk 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 the cumulative changes of their market values.

(9) Methods of amortization for 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 on the consolidated statement of cash flows consist of cash on-hand, demand deposits and short-term investments with original maturities or redemption of three 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.

Additional Information

(Application of the "Implementation Guidance on Recoverability of Deferred Tax Assets")

The Company and its domestic consolidated subsidiaries have applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan (hereinafter referred to as "ASBJ"), Guidance No. 26, March 28, 2016), since the beginning of the fiscal year 2016.

Notes to Consolidated Balance Sheet

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Accumulated depreciation	**350,261**	346,874
Advanced depreciation of tangible fixed assets	**18,793**	19,012

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Securities (equity)	**127,451**	92,208
Securities (partnership)	**11,299**	8,318

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Loans to borrowers in bankruptcy	**0**	—
Loans past due	**347**	583
Loans past due for three months or more	**0**	4
Restructured loans	**7,519**	7,960
Total	**7,867**	8,549

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 (hereinafter referred to as "Non-accrual status loans"; any part of bad debt written-off is excluded). Loans to borrowers in bankruptcy represent non-accrual status 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, 2017	As of March 31, 2016
Assets pledged as collateral		
Bank deposits	**53,362**	47,340
Monetary receivables bought	**30,198**	33,583
Securities	**323,397**	449,133
Land	**—**	21
Buildings	**—**	455
Collateralized corresponding debt obligations		
Outstanding claims	**148,164**	135,665
Underwriting reserves	**120,963**	126,605
Corporate bonds	**2,912**	3,015
Other liabilities (foreign reinsurance accounts payable, etc.)	**70,517**	78,894

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Non-recourse debt		
Corporate bonds	**2,912**	3,015
Assets corresponding to non-recourse debt		
Securities	**2,914**	3,015

6. The fair value of commercial paper and other instruments received under resale agreements, 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, 2017	As of March 31, 2016
59,872	42,059

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

(Yen in millions)

As of March 31, 2017	As of March 31, 2016
1,130,081	874,638

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Total loan commitments	**531,990**	195,161
Balance of drawn loan commitments	**283,407**	76,792
Undrawn loan commitments	**248,583**	118,368

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, 2017	As of March 31, 2016
483,153	1,003,158

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, 2017	As of March 31, 2016
Tokio Marine Compania de Seguros, S.A. de C.V.	**3,407**	4,324
Tokio Marine Pacific Insurance Limited	**3,537**	3,670
Tokio Marine Global Limited	**—**	9
Total	**6,944**	8,004

*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, 2017	As of March 31, 2016
7,653	11,480

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

(Yen in millions)

As of March 31, 2017	As of March 31, 2016
100,000	—

Notes to Consolidated Statement of Income

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

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Agency commissions, etc.	**568,689**	551,377
Salaries	**304,286**	280,762

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 2016 was gains on liquidation of subsidiaries and affiliates of 1,496 million yen and gains on business transfer recognized by subsidiaries and affiliates of 1,093 million yen. 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:

■ FY2016 (April 1, 2016–March 31, 2017)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (nursing care business)	Buildings	3 properties, including fixtures attached to buildings in Setagaya-ku, Tokyo	**—**	**1**	**8**	**9**
Idle properties or properties planned for sale	Land and buildings	3 properties, including a recreation facility in Nerima-ku, Tokyo	**0**	**624**	**—**	**625**
Idle assets	Software	—	**—**	**—**	**300**	**300**
Total			**0**	**625**	**309**	**935**

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 properties or properties planned for sale 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%.

Regarding Idle properties or properties planned for sale, due mainly to the decision to demolish buildings in preparation for future sale of the real estate, the Company wrote off the excess of the book values over the recoverable amount of some of these 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 expected sale price less anticipated expenses for disposal of the relevant property.

In addition, the Company wrote off the entire book value of Idle assets that are not expected to be used in the future and recognized these write-offs as impairment losses in Extraordinary losses.

■ 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 properties or properties planned for sale	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 properties or properties planned for sale 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%.

Regarding Properties for rent and Idle properties or properties planned for sale, 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 these 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, 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.

*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)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Unrealized gains (losses) on available-for-sale securities		
Amount arising during the year	**70,518**	(246,131)
Reclassification adjustment	**(71,034)**	(123,304)
Before tax effect adjustment	**(516)**	(369,436)
Tax effect	**142**	123,393
Unrealized gains (losses) on available-for-sale securities	**(373)**	(246,043)
Deferred gains (losses) on hedge transactions		
Amount arising during the year	**(7,301)**	(1,573)
Reclassification adjustment	**(4,880)**	(5,401)
Adjustments of asset acquisition cost	**—**	7,660
Before tax effect adjustment	**(12,182)**	686
Tax effect	**3,410**	0
Deferred gains (losses) on hedge transactions	**(8,771)**	687
Foreign currency translation adjustments		
Amount arising during the year	**(94,833)**	(28,975)
Remeasurements of defined benefit plans		
Amount arising during the year	**(10,342)**	(355)
Reclassification adjustment	**8,787**	7,053
Before tax effect adjustment	**(1,554)**	6,698
Tax effect	**431**	(2,106)
Remeasurements of defined benefit plans	**(1,123)**	4,592
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	**(438)**	(676)
Reclassification adjustment	**(433)**	(106)
Share of other comprehensive income of affiliates accounted for by the equity method	**(872)**	(783)
Total other comprehensive income	**(105,974)**	(270,523)

Notes to Consolidated Statement of Changes in Shareholders' Equity

■ **FY2016 (April 1, 2016–March 31, 2017)**

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2016	Increase during the fiscal year 2016	Decrease during the fiscal year 2016	Number of shares as of March 31, 2017
Issued stock				
Common stock	**757,524**	**—**	**4,500**	**753,024**
Total	**757,524**	**—**	**4,500**	**753,024**
Treasury stock				
Common stock	**2,839**	**4,853**	**4,780**	**2,912**
Total	**2,839**	**4,853**	**4,780**	**2,912**

Notes: 1. The decrease of 4,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
2. The increase of 4,853 thousand shares of common stock is primarily attributable to the acquisition of 4,834 thousand shares of treasury stock.
3. The decrease of 4,780 thousand shares of common stock is primarily attributable to the cancellation of 4,500 thousand shares of treasury stock.

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

Category	Nature of stock acquisition rights	Amount as of March 31, 2017 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	**2,292**

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2016	**Common stock**	**43,394 million yen**	**57.50 yen**	**March 31, 2016**	**June 28, 2016**
Meeting of the Board of Directors held on November 18, 2016	**Common stock**	**50,959 million yen**	**67.50 yen**	**September 30, 2016**	**December 2, 2016**

(2) Dividends of which the record date falls within the fiscal year 2016, and the effective date falls after March 31, 2017

Resolution	Type of stock	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 26, 2017	**Common stock**	**54,383 million yen**	**Retained earnings**	**72.50 yen**	**March 31, 2017**	**June 27, 2017**

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

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

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

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

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

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

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2015	Common stock	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 stock	39,621 million yen	52.50 yen	September 30, 2015	December 2, 2015

(2) Dividends of which the record date falls within the fiscal year 2015, and the effective date falls after March 31, 2016

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

Notes to Consolidated Statement of Cash Flows

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

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Cash and bank deposits	**710,666**	1,031,610
Call loans	**220,805**	21,000
Monetary receivables bought	**1,265,837**	1,345,859
Securities	**16,098,063**	15,457,012
Time deposits with initial term over three months to maturity	**(136,742)**	(138,205)
Monetary receivables bought not included in cash equivalents	**(1,113,503)**	(1,114,589)
Securities not included in cash equivalents	**(15,936,219)**	(15,318,227)
Cash and cash equivalents	**1,108,907**	1,284,459

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. (hereinafter 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

Lease Transactions

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, 2017

(Yen in millions)

	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Net book value
Tangible fixed assets	**1,099**	**421**	**227**	**450**

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

■ 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 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, 2017	As of March 31, 2016
Due within one year	**39**	49
Due after one year	**558**	598
Total	**598**	647
Balance of impairment losses on leased assets	**216**	227

Future lease payment includes interest payable 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)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Lease payment	**49**	49
Reversal of impairment losses on lease assets	**10**	—
Depreciation equivalent	**31**	42
Impairment losses	**—**	227

(4) Calculation of amount equivalent to depreciation
Amount equivalent to depreciation is determined by 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, 2017	As of March 31, 2016
As lessee:		
Due within one year	**9,352**	9,417
Due after one year	**46,413**	50,335
Total	**55,766**	59,752
As lessor:		
Due within one year	**1,255**	1,345
Due after one year	**9,266**	9,614
Total	**10,522**	10,959

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. While considering the risk-and-return profile for each investment item, investment is diversified 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 which set the rules for which instruments to invest in, risk limits and actions to take when limits are exceeded for each segment set in the annual investment plan. Investment risk is quantitatively measured using VaR-like concepts. Compliance with the guidelines and investment risk and return are reported on a monthly basis to directors.

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

In order to 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. Such fair values are measured under certain assumptions, therefore they may differ under other assumptions.

2. Fair value of financial instruments
The table below shows carrying amounts shown on the consolidated balance sheet, fair value and differences of financial instruments, excluding investment in non-consolidated subsidiaries and other instruments for which fair value cannot be measured reliably. (Refer to Note 2.)

■ As of March 31, 2017

(Yen in millions)

	Carrying amount shown on balance sheet	Fair value	Difference
(1) Cash and bank deposits	710,666	710,756	89
(2) Call loans	220,805	220,805	—
(3) Receivables under resale agreements	34,999	34,999	—
(4) Receivables under securities borrowing transactions	21,809	21,809	—
(5) Monetary receivables bought	1,265,837	1,265,837	—
(6) Money trusts	101,650	101,650	—
(7) Securities			
Trading securities	691,576	691,576	—
Bonds held to maturity	4,512,582	5,120,043	607,460
Bonds earmarked for underwriting reserves	52,911	54,888	1,976
Available-for-sale securities	10,601,585	10,601,585	—
(8) Loans	1,140,675		
Allowance for doubtful accounts (*1)	(3,895)		
	1,136,780	1,140,923	4,143
Total financial assets	19,351,206	19,964,877	613,670
(1) Corporate bonds	69,097	67,919	(1,177)
(2) Payables under securities lending transactions	951,334	951,334	—
Total financial liabilities	1,020,431	1,019,253	(1,177)
Derivative assets and liabilities (*2)			
Hedge accounting not applied	(1,427)	(1,427)	—
Hedge accounting applied	32,343	32,343	—
Total derivative assets and liabilities	30,915	30,915	—

(*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.

■ 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.

(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 as securities in Accounting Standard for Financial Instruments) with quoted market prices, the quoted closing price is used for listed stock 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 the change in interest rate 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 of which borrowers are insolvent or in bankruptcy proceedings, the fair value is measured by deducting the estimated uncollectible debts from the carrying amount.

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, 2017	As of March 31, 2016
Investment in non-consolidated subsidiaries, unlisted stock and partnership investments	**235,795**	219,413
Policy loans	**112,419**	109,632
Total	**348,214**	329,045

Investment in non-consolidated subsidiaries, unlisted stock and partnership investments 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, 2017**

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	**185,116**	**7,425**	—	—
Monetary receivables bought	**202,145**	**43,982**	**251,189**	**933,314**
Securities				
Bonds held to maturity				
Domestic government bonds	**68,009**	**148,102**	**251,000**	**3,844,129**
Domestic municipal bonds	—	—	—	**3,000**
Domestic corporate bonds	—	—	—	**59,100**
Foreign securities	**1,168**	**1,947**	**1,921**	**31,141**
Bonds earmarked for underwriting reserves				
Domestic government bonds	**7,793**	**22,512**	**430**	**3,593**
Foreign securities	**4,386**	**12,252**	**3,349**	**2,360**
Available-for-sale securities with maturity				
Domestic government bonds	**51,437**	**414,850**	**509,347**	**1,663,546**
Domestic municipal bonds	**5,123**	**17,386**	**67,627**	**10,100**
Domestic corporate bonds	**121,814**	**288,782**	**258,169**	**70,412**
Foreign securities	**118,385**	**621,502**	**932,106**	**1,562,841**
Others	**35**	**20**	**6**	—
Loans (*)	**545,241**	**536,820**	**50,837**	**5,916**
Total	**1,310,657**	**2,115,585**	**2,325,985**	**8,189,457**

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (201 million yen), and loans with no repayment schedule (3,793 million yen) are not included above.

■ 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 municipal bonds	—	—	—	—
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.

(Note 4) Maturity schedules for bonds, long-term borrowings and obligations under lease transactions

■ As of March 31, 2017

(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	3,852	—	—	39,122	—	24,635
Long-term borrowings	145,847	—	—	390,445	34,947	100,000
Obligations under lease transactions	1,002	860	756	446	3	—
Total	150,701	860	756	430,014	34,950	124,635

■ 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

Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Unrealized gains (losses) included in income	**145,982**	230,451

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2017			As of March 31, 2016		
		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	**3,238,387**	**3,977,807**	**739,420**	3,411,751	4,351,913	940,161
	Foreign securities	**6,788**	**6,935**	**146**	8,762	8,922	160
	Subtotal	**3,245,175**	**3,984,742**	**739,566**	3,420,514	4,360,836	940,322
Those with fair value not exceeding the carrying amount	Domestic debt securities	**1,237,858**	**1,108,883**	**(128,974)**	99,723	99,240	(483)
	Foreign securities	**29,548**	**26,417**	**(3,131)**	18,253	17,878	(375)
	Subtotal	**1,267,407**	**1,135,301**	**(132,105)**	117,976	117,118	(858)
Total		**4,512,582**	**5,120,043**	**607,460**	3,538,490	4,477,954	939,463

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2017			As of March 31, 2016		
		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	**32,789**	**34,309**	**1,520**	50,128	52,996	2,868
	Foreign securities	**16,145**	**16,666**	**521**	26,948	28,318	1,370
	Subtotal	**48,934**	**50,976**	**2,042**	77,076	81,315	4,239
Those with fair value not exceeding the carrying amount	Domestic debt securities	**—**	**—**	**—**	—	—	—
	Foreign securities	**3,977**	**3,911**	**(65)**	—	—	—
	Subtotal	**3,977**	**3,911**	**(65)**	—	—	—
Total		**52,911**	**54,888**	**1,976**	77,076	81,315	4,239

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2017			As of March 31, 2016		
		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	**3,541,971**	**3,138,846**	**403,125**	3,966,064	3,445,481	520,583
	Domestic equity securities	**2,397,778**	**631,003**	**1,766,775**	2,232,470	641,674	1,590,795
	Foreign securities	**2,324,974**	**2,172,351**	**152,623**	2,224,553	2,050,491	174,061
	Others (Note 2)	**531,576**	**500,651**	**30,924**	342,795	311,606	31,188
	Subtotal	**8,796,300**	**6,442,851**	**2,353,448**	8,765,883	6,449,254	2,316,628
Those with fair value not exceeding the cost	Domestic debt securities	**406,604**	**424,177**	**(17,573)**	89,017	90,981	(1,964)
	Domestic equity securities	**20,501**	**22,681**	**(2,179)**	38,289	43,563	(5,274)
	Foreign securities	**1,891,403**	**1,983,080**	**(91,676)**	1,835,749	1,900,677	(64,927)
	Others (Note 3)	**812,131**	**834,218**	**(22,086)**	1,087,045	1,117,385	(30,340)
	Subtotal	**3,130,640**	**3,264,157**	**(133,517)**	3,050,101	3,152,608	(102,506)
Total		**11,926,940**	**9,707,009**	**2,219,931**	11,815,984	9,601,863	2,214,121

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, 2017, "Others" includes negotiable certificates of deposit (fair value 91 million yen, cost 90 million yen, difference 0 million yen) which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities, etc. (fair value 520,692 million yen, cost 492,852 million yen, difference 27,839 million yen) which are presented as Monetary receivables bought on the consolidated balance sheet.
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.

3. As of March 31, 2017, "Others" includes negotiable certificates of deposit (fair value 64,317 million yen, cost 64,317 million yen) which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities, etc. (fair value 740,254 million yen, cost 761,252 million yen, difference (20,998) million yen) which are presented as Monetary receivables bought on the consolidated balance sheet.
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.

5. Bonds held to maturity that were sold

None

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)			FY2015 (April 1, 2015–March 31, 2016)		
	Sale proceeds	**Gains on sale**	**Losses on sale**	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	**4,727**	**173**	—	8,777	466	—
Foreign securities	**2,988**	**451**	—	6,605	1,639	—
Total	**7,715**	**624**	—	15,382	2,105	—

7. Available-for-sale securities that were sold

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)			FY2015 (April 1, 2015–March 31, 2016)		
	Sale proceeds	**Gains on sale**	**Losses on sale**	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	**277,766**	**11,565**	**2,082**	363,156	13,982	1,449
Domestic equity securities	**119,670**	**84,315**	**177**	117,120	88,506	278
Foreign securities	**1,026,929**	**24,248**	**34,127**	956,697	58,060	16,232
Others	**216,800**	**5,212**	**3,771**	203,574	6,318	4,161
Total	**1,641,167**	**125,341**	**40,159**	1,640,549	166,866	22,122

Note: For the fiscal year 2016, "Others" includes negotiable certificates of deposit (proceeds 48,460 million yen, gains 31 million yen, losses 0 million yen), which are presented as Cash and bank deposits on the consolidated balance sheet, and foreign mortgage securities (proceeds 162,895 million yen, gains 5,007 million yen, losses 3,671 million yen), which are presented as Monetary receivables bought on the consolidated balance sheet.
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.

8. Securities on which impairment losses were recognized

For the fiscal year 2016, impairment losses of 8,653 million yen (Domestic equity securities 68 million yen, Foreign securities 6,099 million yen, Others 2,485 million yen) were recognized for Available-for-sale securities with fair value. Impairment losses of 1,124 million yen (Domestic equity securities 776 million yen, Foreign securities 347 million yen, Others 0 million yen) were also recognized for those whose fair value cannot be measured reliably.

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.

In principle, 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, 2017	As of March 31, 2016
Unrealized gains included in income	**4,216**	(570)

2. Money trusts held to maturity

None

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

(Yen in millions)

	As of March 31, 2017			As of March 31, 2016		
	Carrying amount shown on balance sheet	**Cost**	**Difference**	Carrying amount shown on balance sheet	Cost	Difference
Money trusts	**100**	**100**	—	100	100	—

Financial Data

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, 2017				As of March 31, 2016			
		Principal amount	**Over 1 year**	**Fair value**	**Unrealized gains (losses)**	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Currency futures								
	Short	**3,964**	**—**	**—**	**—**	11,315	—	(0)	(0)
	Long	**132**	**—**	**—**	**—**	488	—	9	9
Over-the-counter transactions	Foreign exchange forwards								
	Short	**737,369**	**—**	**(1,767)**	**(1,767)**	551,317	7,379	913	913
	Long	**20,422**	**—**	**(34)**	**(34)**	57,266	2,107	(256)	(256)
	Currency swaps								
	Pay Foreign/Rec. Yen	**25,554**	**11,168**	**(244)**	**(244)**	68,770	48,526	(612)	(612)
	Pay Yen/Rec. Foreign	**1,902**	**877**	**244**	**244**	34,597	30,251	(652)	(652)
	Currency options								
	Short	**—**	**—**			60,583	32,992		
		[—]	**[—]**	**—**	**—**	[5,406]	[3,796]	6,073	(667)
	Long	**—**	**—**			36,019	15,898		
		[—]	**[—]**	**—**	**—**	[2,424]	[1,593]	4,272	1,848
Total		**—**	**—**	**(1,801)**	**(1,801)**	—	—	9,746	582

Notes: 1. The fair value of currency futures is based on the closing prices in principal markets.
2. The fair value of foreign exchange forwards is based on the prices calculated from forward markets or obtained from counterparties.
3. The fair value of currency swaps is measured by discounting estimated future cash flows to present value.
4. The fair value of currency options is measured using option-pricing model.
5. 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, 2017				As of March 31, 2016			
		Principal amount	**Over 1 year**	**Fair value**	**Unrealized gains (losses)**	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Interest rate futures								
	Short	**5,260**	**—**	**—**	**—**	71,312	—	—	—
	Long	**1,459**	**—**	**—**	**—**	801	—	—	—
Over-the-counter transactions	Interest rate options								
	Short	**—**	**—**			7,159	5,000		
		[—]	**[—]**	**—**	**—**	[213]	[210]	—	213
	Interest rate swaps								
	Rec. fix/Pay float	**1,069,433**	**909,933**	**83,216**	**83,216**	1,474,336	1,283,565	152,724	152,724
	Rec. float/Pay fix	**1,134,076**	**1,007,876**	**(83,620)**	**(83,620)**	1,133,199	998,591	(113,849)	(113,849)
	Rec. float/Pay float	**441,647**	**288,120**	**(286)**	**(286)**	471,150	459,041	147	147
	Rec. fix/Pay fix	**647**	**647**	**(225)**	**(225)**	663	663	(526)	(526)
Total		**—**	**—**	**(914)**	**(914)**	—	—	38,495	38,709

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 prices obtained from counterparties.
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, 2017				As of March 31, 2016			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
			Over 1 year				Over 1 year		
Market transactions	Equity index futures								
	Short	9,248	—	(44)	(44)	12,654	—	45	45
	Long	5,245	—	(18)	(18)	4,700	—	83	83
	Equity index options								
	Short	—	—			1,711	—		
		[—]	[—]	—	—	[21]	[—]	49	(27)
	Long	—	—			1,542	—		
		[—]	[—]	—	—	[38]	[—]	3	(34)
Over-the-counter transactions	Equity index options								
	Short	94,227	—			76,279	—		
		[3,204]	[—]	5,484	(2,279)	[2,595]	[—]	1,477	1,117
	Long	109,077	8,500			90,279	11,000		
		[9,472]	[3,092]	9,387	(85)	[9,073]	[3,881]	4,562	(4,510)
Total		—	—	14,808	(2,427)	—	—	6,223	(3,325)

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 the prices 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, 2017				As of March 31, 2016			
		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	125,915	—	(251)	(251)	167,555	—	41	41
	Long	14,708	—	33	33	—	—	—	—
	Bond futures options								
	Short	28,453	—			—	—		
		[64]	[—]	24	39	[—]	[—]	—	—
Over-the-counter transactions	Bond over-the -counter options								
	Short	43,671	—			56,920	—		
		[141]	[—]	117	23	[793]	[—]	687	106
	Long	43,671	—			46,740	—		
		[209]	[—]	165	(44)	[285]	[—]	266	(19)
Total		—	—	90	(198)	—	—	994	128

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 over-the-counter options is based on the prices 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, 2017				As of March 31, 2016			
		Principal amount		Fair value	Unrealized gains (losses)	Principal amount		Fair value	Unrealized gains (losses)
			Over 1 year				Over 1 year		
Over-the-counter transactions	Credit derivatives								
	Sell protection	17,168	—	(125)	(125)	17,250	17,250	(318)	(318)
Total		—	—	(125)	(125)	—	—	(318)	(318)

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, 2017				As of March 31, 2016			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Over-the-counter transactions	Commodity swaps								
	Rec. fixed price/Pay commodity indices	1,276	1,276	(369)	(369)	2,082	2,082	(136)	(136)
	Rec. commodity indices/ Pay fixed price	1,320	1,320	226	226	2,177	2,177	(8)	(8)
Total		—	—	(142)	(142)	—	—	(145)	(145)

Note: The fair value of commodity swaps is based on the prices measured using an internal valuation model or obtained from counterparties.

(7) Others

(Yen in millions)

		As of March 31, 2017				As of March 31, 2016			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Over-the-counter transactions	Index basket options								
	Long...............................	—	—			128,476	29,223		
		[—]	[—]	—	—	[48,542]	[26,956]	(2,642)	(51,184)
	Natural catastrophe derivatives								
	Short	33,769	4,568			32,882	12,568		
		(2,698)	(294)	1,318	1,380	[2,490]	[982]	1,189	1,301
	Long...............................	20,607	4,000			19,623	12,005		
		(1,425)	[—]	461	(964)	[1,055]	[486]	512	(543)
	Weather derivatives								
	Short	13	—			13	—		
		[1]	[—]	0	0	[1]	[—]	0	0
	Others								
	Short	23,298	23,298			—	—		
		[2,679]	[2,679]	2,679	—	[—]	[—]	—	—
	Long...............................	12,645	12,645			3,305	3,305		
		[1,205]	[1,205]	1,448	242	[—]	[—]	223	223
Total..		—	—	5,907	658	—	—	(716)	(50,203)

Notes: 1. The fair value of index basket options is based on the prices obtained from counterparties.
2. The fair value of natural catastrophe 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 or based on option premiums.
5. For option contracts, the figures below the principal amount denoted with [ ] are option premiums.

(8) Derivative transactions in money trusts

Derivative transactions are used 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, 2017				As of March 31, 2016			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Over-the-counter transactions	Foreign exchange forwards								
	Short	131,390	—	1,771	1,771	59,940	—	73	73
Total..		—	—	1,771	1,771	—	—	73	73

Note: The fair value of foreign exchange forwards is based on the prices obtained from counterparties.

(b) Equity-related instruments

(Yen in millions)

		As of March 31, 2017				As of March 31, 2016			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Over-the-counter transactions	Equity options								
	Short	648	—			—	—		
		[30]	[—]	198	(167)	[—]	[—]	—	—
	long	648	—			—	—		
		[30]	[—]	0	(30)	[—]	[—]	—	—
Total		—	—	198	(198)	—	—	—	—

Notes: 1. The fair value of equity options is based on the prices obtained from counterparties.
2. For option contracts, the figures below the principal amount denoted with [ ] are option premiums.

(c) Bond-related instruments

(Yen in millions)

		As of March 31, 2017				As of March 31, 2016			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Bond futures								
	Short	45,521	—	(84)	(84)	7,865	—	38	38
Total		—	—	(84)	(84)	—	—	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)

		Hedged items	As of March 31, 2017			As of March 31, 2016		
			Principal amount	Over 1 year	Fair value	Principal amount	Over 1 year	Fair value
Fair value hedges	Foreign exchange forwards Short	Available-for-sale securities	357,326	17,602	175	375,129	13,262	16,411
	Currency swaps Pay Foreign/Rec. Yen	Available-for-sale securities	7,822	7,822	(326)	8,105	4,610	(455)
Assignment accounting	Foreign exchange forwards Short	Bank deposits	7,000	—	(Note 3)	7,000	—	(Note 3)
	Currency swaps Pay Foreign/Rec. Yen	Foreign-currency-denominated loans	12,770	12,770	(Note 4)	454	454	(Note 4)
Total			—	—	(150)	—	—	15,955

Notes: 1. The fair value of foreign exchange forwards is based on the prices in forward market.
2. The fair value of currency swaps is measured by discounting estimated future cash flows to present value.
3. The fair value of foreign exchange forwards is included in the fair value of bank deposits as they are accounted for with hedged items.
4. The fair value of currency swaps is included in the fair value of bonds held to maturity and foreign-currency-denominated loans as they are accounted for with hedged items.

(2) Interest rate-related instruments

(Yen in millions)

		Hedged items	As of March 31, 2017			As of March 31, 2016		
			Principal amount	Over 1 year	Fair value	Principal amount	Over 1 year	Fair value
Deferred hedges	Interest rate swaps Rec. fix/Pay float	Insurance liabilities	290,700	290,700	32,493	70,600	70,600	13,239
Total			—	—	32,493	—	—	13,239

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 benefit plans

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

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

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

For the fiscal year 2016, one overseas consolidated subsidiary terminated its defined-benefit pension plan.

2. Defined benefit plan

(1) Changes in retirement benefit obligations

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Beginning balance	**532,962**	491,261
Service costs	**18,892**	16,764
Interest costs	**4,281**	6,372
Actuarial (gains) losses arising in current year	**(5,996)**	42,769
Benefit payments	**(22,715)**	(23,608)
Past service costs (credits) arising in current year	**(68)**	14
Decrease due to partial termination of retirement benefit plans	**(8,627)**	—
Others	**689**	(611)
Ending balance	**519,418**	532,962

Note: Some companies use the simplified method in calculation of retirement benefit obligations.

(2) Changes in plan assets

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Beginning balance	**302,450**	251,831
Expected return on plan assets	**2,297**	4,027
Actuarial gains (losses) arising in current year	**(16,423)**	42,428
Employer contribution	**10,187**	14,298
Benefit payments	**(9,313)**	(9,650)
Decrease due to partial termination of retirement benefit plans	**(8,627)**	—
Others	**(2,020)**	(486)
Ending balance	**278,550**	302,450

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Funded retirement benefit obligations	**278,758**	295,347
Plan assets	**(278,550)**	(302,450)
	207	(7,102)
Unfunded retirement benefit obligations	**240,660**	237,614
Net liabilities recognized in the balance sheets	**240,867**	230,511
Net defined benefit liabilities	**244,253**	242,952
Net defined benefit assets	**(3,386)**	(12,440)
Net liabilities recognized in the balance sheets	**240,867**	230,511

(4) Retirement benefit expenses

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Service costs	**18,892**	16,764
Interest costs	**4,281**	6,372
Expected return on plan assets	**(2,297)**	(4,027)
Amortization of actuarial losses (gains)	**10,585**	10,307
Amortization of past service costs (credits)	**(1,780)**	(3,253)
Others	**(119)**	16
Retirement benefit expenses	**29,562**	26,179

(5) Remeasurements of defined benefit plans included in other comprehensive income
Remeasurements of defined benefit plans (before tax effect) consisted of the following:

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Past service costs	**(1,712)**	(3,267)
Actuarial differences	**158**	9,966
Others	**(0)**	(0)
Total	**(1,554)**	6,698

(6) Remeasurements of defined benefit plans included in accumulated other comprehensive income
Remeasurements of defined benefit plans (before tax effect) consisted of the following:

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Unrecognized past service costs (credits)	**(1,558)**	(3,270)
Unrecognized net actuarial losses (gains)	**26,441**	26,599
Total	**24,883**	23,328

(7) Plan assets
a. Components of plan assets
Percentage by major category of plan assets is as follows:

	As of March 31, 2017	As of March 31, 2016
Debt securities	**85%**	87%
Equity securities	**4%**	3%
Cash and bank deposits	**0%**	0%
Life insurance company general accounts	**7%**	6%
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, 2017.

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, 2017	As of March 31, 2016
Discount rate	**0.1% - 1.0%**	0% - 1.1%
Long-term expected rate of return on plan assets	**0.4% - 1.8%**	1.2% - 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:

(Yen in millions)

FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
7,759	6,308

Stock Options

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

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Loss adjustment expenses	**130**	155
Operating and general administrative expenses	**482**	581

2. Details of stock options

(1) Details of stock options

	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)
Title and number of grantees (Note 1)	Directors of the Company: 11 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 51	Directors of the Company: 10 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 46	Directors of the Company: 10 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 34
Number of stock options (Note 2)	Common stock: 178,400 shares	Common stock: 160,000 shares	Common stock: 193,800 shares
Grant date	July 12, 2016	July 14, 2015	July 8, 2014
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 13, 2016 to June 30, 2017	From July 15, 2015 to June 30, 2016	From July 9, 2014 to June 30, 2015
Exercise period (Note 5)	From July 13, 2016 to July 12, 2046	From July 15, 2015 to July 14, 2045	From July 9, 2014 to July 8, 2044

	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Title and number of grantees (Note 1)	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 24 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 11 Executive officers of the Company: 7 Directors of the Company's consolidated subsidiaries: 22 Executive officers of the Company's consolidated subsidiaries: 31
Number of stock options (Note 2)	Common stock: 202,100 shares	Common stock: 262,500 shares	Common stock: 222,100 shares
Grant date	July 9, 2013	July 10, 2012	July 12, 2011
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 10, 2013 to June 30, 2014	From July 11, 2012 to June 30, 2013	From July 13, 2011 to June 30, 2012
Exercise period (Note 5)	From July 10, 2013 to July 9, 2043	From July 11, 2012 to July 10, 2042	From July 13, 2011 to July 12, 2041

	Stock options (July 2010)	Stock options (July 2009)	Stock options (August 2008)
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: 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	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
Number of stock options (Note 2)	Common stock: 238,600 shares	Common stock: 213,300 shares	Common stock: 122,100 shares
Grant date	July 13, 2010	July 14, 2009	August 26, 2008
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 14, 2010 to June 30, 2011	From July 15, 2009 to June 30, 2010	From August 27, 2008 to June 30, 2009
Exercise period (Note 5)	From July 14, 2010 to July 13, 2040	From July 15, 2009 to July 14, 2039	From August 27, 2008 to August 26, 2038

	Stock options (July 2007)	Stock options (July 2006)	Stock options (July 2005)
Title and number of grantees (Note 1)	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	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 stock options (Note 2)	Common stock: 86,700 shares	Common stock: 97,000 shares	Common stock: 155,000 shares
Grant date	July 23, 2007	July 18, 2006	July 14, 2005
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 24, 2007 to June 30, 2008	From July 19, 2006 to June 30, 2007	From July 15, 2005 to June 30, 2006
Exercise period (Note 5)	From July 24, 2007 to July 23, 2037	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 stock options is converted into the number of equivalent shares.
3. Stock options are vested on the grant date. If directors, executive officers or Audit & Supervisory Board Member of the Company or the Company's subsidiaries retire or resign their position before the end of service period, the number of exercisable stock options is calculated by the following formula:
Exercisable stock options = Stock options allotted × Months of service from July in the fiscal year of grant to the month of retirement / 12
Remaining stock options cannot be exercised after the retirement date and then are expired.
4. Stock options are vested on the grant date. If directors or executive officers of the Company or the Company's subsidiaries retire or resign their position before the end of service period, the number of exercisable stock options is calculated by the following formula:
Exercisable stock options = Stock options allotted × Months of service from July in the fiscal year of grant to the month of retirement / 12
Remaining stock options cannot be exercised after the retirement date and then are expired.
5. Stock options can only be exercised within ten days from the day following the retirement or resignation from the position of directors, executive officers or Audit & Supervisory Board Members.

(2) Figures relating to stock options

The number of stock options that existed in the fiscal year 2016 is converted into the number of equivalent shares and listed.

(a) Number of stock options

	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)	Stock options (July 2010)	Stock options (July 2009)	Stock options (August 2008)	Stock options (July 2007)	Stock options (July 2006)	Stock options (July 2005)
Stock options before vesting (converted into the number of equivalent shares)												
Outstanding at the beginning of the year	—	28,200	—	—	—	—	—	—	—	—	—	—
Granted	178,400	—	—	—	—	—	—	—	—	—	—	—
Forfeited	5,800	400	—	—	—	—	—	—	—	—	—	—
Vested	140,300	27,800	—	—	—	—	—	—	—	—	—	—
Outstanding at the end of the year	32,300	—	—	—	—	—	—	—	—	—	—	—
Exercisable stock options (converted into the number of equivalent shares)												
Outstanding at the beginning of the year	—	124,700	167,300	146,400	138,300	95,200	70,900	45,600	16,300	8,000	5,500	6,000
Vested	140,300	27,800	—	—	—	—	—	—	—	—	—	—
Exercised	—	28,500	48,000	46,600	45,600	36,800	32,700	20,900	9,700	4,200	3,500	3,500
Forfeited	—	—	—	—	—	—	—	—	—	—	—	—
Outstanding at the end of the year	140,300	124,000	119,300	99,800	92,700	58,400	38,200	24,700	6,600	3,800	2,000	2,500

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)

	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)	Stock options (July 2010)	Stock options (July 2009)	Stock options (August 2008)	Stock options (July 2007)	Stock options (July 2006)	Stock options (July 2005)
Exercise price (Note)	100	100	100	100	100	100	100	100	100	100	500	500
Average share price at exercise	—	3,566	3,591	3,585	3,561	3,450	3,455	3,463	3,414	3,502	3,659	3,659
Fair value on the grant date	337,700	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 stock option.

3. Valuation technique used for the estimated fair value of stock options

Valuation technique used for the estimated fair value of stock options granted in July 2016 in the fiscal year 2016 is as follows:

(1) Valuation technique: Black-Scholes Model

(2) Assumptions

	Stock options (July 2016)
Expected volatility (Note 1)	34.82%
Expected lives (Note 2)	2 years
Expected dividends (Note 3)	102.50 yen per share
Risk-free interest rate (Note 4)	(0.35)%

Notes: 1. Calculated based on the share prices from July 13, 2014 to July 12, 2016.
2. Calculated based on the average period of service of directors and Audit & Supervisory Board Members.
3. Calculated based on the average amount of annual dividends paid in the fiscal year 2014 and the fiscal year 2015.
4. Based on yields of Japanese government bonds for a term corresponding to the expected lives.

4. Estimate of vested number of stock options

Only the actual number of forfeited stock options is considered because of the difficulty to rationally estimate the number of stock 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, 2017	As of March 31, 2016
Deferred tax assets		
Underwriting reserves	**353,343**	350,851
Net defined benefit liabilities	**72,715**	68,877
Outstanding claims	**63,177**	63,446
Net operating loss carry forward	**29,137**	31,179
Price fluctuation reserve	**26,134**	24,599
Impairment losses on securities	**24,250**	25,727
Others	**113,527**	111,222
Subtotal	**682,287**	675,904
Valuation allowance	**(42,814)**	(39,923)
Total deferred tax assets	**639,472**	635,981
Deferred tax liabilities		
Unrealized gains on available-for-sale securities	**(618,677)**	(618,438)
Unrealized gains on consolidated subsidiaries	**(196,681)**	(229,953)
Others	**(122,607)**	(115,991)
Total deferred tax liabilities	**(937,967)**	(964,383)
Net deferred tax assets (liabilities)	**(298,494)**	(328,401)

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

(%)

	As of March 31, 2017	As of March 31, 2016
Japanese statutory tax rate	**30.9**	33.1
(Adjustments)		
Permanent differences such as dividends received	**(5.2)**	(4.2)
Permanent differences such as entertainment expenses	**0.5**	0.5
Tax rate applied to consolidated subsidiaries	**(1.8)**	(3.3)
Amortization of goodwill and negative goodwill	**4.1**	1.7
Valuation allowance	**0.7**	0.4
Revision of deferred tax assets at year end due to the change in income tax rate	**—**	3.3
Others	**(0.4)**	(0.1)
Effective tax rate	**28.8**	31.3

Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheet

1. 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.

2. Measurement of asset retirement obligations
   In estimating asset retirement obligations, estimated useful life of 7 to 50 years and discount rate of 0.0% to 2.3% are used.

3. Changes in balance

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Beginning balance	**4,629**	4,637
Addition by acquisitions	**62**	28
Unwinding of discount	**45**	45
Decrease by fulfillment of obligations	**(83)**	(85)
Increase due to newly consolidated subsidiaries	**10**	—
Other increases (decreases)	**(209)**	3
Ending balance	**4,455**	4,629

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 the consolidated balance sheet, its change during the year, and the fair value at the end of the fiscal year of these investment properties are as follows:

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Carrying amount shown on balance sheet		
Beginning balance	**66,472**	69,115
Change during the year	**(5,779)**	(2,643)
Ending balance	**60,692**	66,472
Fair value at end of fiscal year	**128,856**	136,666

Notes: 1. Carrying amount is the acquisition cost after the deduction of accumulated depreciation and accumulated impairment losses.
2. In the fiscal year 2016, the principal decreases include 3,499 million yen of disposals and 2,048 million yen, which is due to the change in the intended use of real estate property from rental to business use. In the fiscal year 2015, the principal increases include 1,176 million yen, which is due to the 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.
3. Fair value at end of fiscal year is primarily based on appraisals by qualified independent valuers.

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

(Yen in millions)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Rental income	**8,018**	8,369
Direct operating expenses	**5,630**	6,278
Net amount	**2,388**	2,090
Others (Gains and losses on disposal by sales, etc.)	**5,451**	(1,394)

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 trust services, staffing business, facility management business and nursing care services.

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

The accounting treatment for reported operating segments is the same as described in "Significant accounting policies". Segment profit is based on ordinary profit. Ordinary income from transactions with other operating segments is based on prevailing market prices.

As described in "Changes in accounting policies that are difficult to distinguish from changes in accounting estimates" in "Significant accounting policies", the Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets from the beginning of the fiscal year 2016. As a result of this change, segment profit for the fiscal year 2016 increased 2,881 million yen in the Domestic property and casualty insurance segment and 48 million yen in the Domestic life insurance segment. The effect of this change on the other segments was not material.

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

■ **FY2016 (April 1, 2016–March 31, 2017)** (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	2,627,455	721,745	1,833,671	58,079	5,240,951	(8,348)	5,232,602
Ordinary income from transactions with other operating segments	8,655	273	2,102	24,742	35,773	(35,773)	—
Total	2,636,110	722,018	1,835,773	82,821	5,276,724	(44,122)	5,232,602
Segment profit	254,499	13,255	114,022	5,883	387,659	(0)	387,659
Segment assets	8,049,612	7,334,635	7,203,028	70,001	22,657,277	(49,674)	22,607,603
Other items							
Depreciation	9,798	294	83,425	491	94,010	—	94,010
Amortization of goodwill	470	—	62,614	—	63,085	—	63,085
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	117,487	94,586	213,504	138	425,717	(1,351)	424,366
Interest expenses	5,817	910	5,739	—	12,467	(258)	12,208
Equity in earnings (losses) of affiliates	—	—	(789)	—	(789)	—	(789)
Investments in affiliates accounted for by the equity method	—	—	26,919	—	26,919	—	26,919
Increase in tangible and intangible fixed assets	24,226	563	24,966	732	50,488	(0)	50,488

Notes: 1. "Adjustments" is comprised of the following:
(1) The main components of "Adjustments" for Ordinary income from external customers of (8,348) million yen are the transfer of Foreign exchange losses of 2,995 million yen and 2,213 million yen. These items are included in Ordinary expenses of the Domestic property and casualty insurance segment and the Overseas insurance segment, while in the consolidated statement of income these amounts are included in Other underwriting income and Other investment income within Ordinary income.
(2) "Adjustments" for Segment profit of (0) million yen is the elimination of inter-segment transactions.
(3) "Adjustments" for Segment assets of (49,674) million yen is the elimination of inter-segment transactions.
(4) "Adjustments" for Other items is the elimination of inter-segment transactions.
2. "Segment profit" corresponds to Ordinary profit in the consolidated statement of income.

■ 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. "Adjustments" is comprised of the following:
(1) The major component of "Adjustments" for Ordinary income from external customers of (116,094) million yen is the transfer of Reversal of underwriting reserves of 109,411 million yen. This item is included in Ordinary income of the Domestic life insurance segment, while in the consolidated statement of income this amount is included in Provision for underwriting reserves within Ordinary expenses.
(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" corresponds to Ordinary profit in the consolidated statement of income.

2. Related information

■ FY2016 (April 1, 2016–March 31, 2017)

(1) Information by product and service

(Yen in millions)

	Property and casualty insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	**4,014,047**	**1,165,083**	**58,079**	**5,237,210**	**(4,607)**	**5,232,602**

Note: The major component of "Adjustments" is the transfer of Other investment income/expenses in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,324,925	**1,244,237**	**680,055**	**5,249,218**	**(16,615)**	**5,232,602**

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
246,082	**43,316**	**289,398**

(3) Information about major customers

None

■ FY2015 (April 1, 2015–March 31, 2016)
(1) Information by product and service

(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 by region
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
None

3. Impairment losses of fixed assets by reportable segments

■ FY2016 (April 1, 2016–March 31, 2017)

(Yen in millions)

	Domestic property and casualty insurance	**Domestic life insurance**	**Overseas insurance**	**Finance and others**	**Total**
Impairment losses	**625**	**—**	**300**	**9**	**935**

■ 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

4. Amortization and remaining balance of goodwill by reportable segments

■ FY2016 (April 1, 2016–March 31, 2017)
(1) Goodwill

(Yen in millions)

	Domestic property and casualty insurance	**Domestic life insurance**	**Overseas insurance**	**Finance and others**	**Total**
Amortization	**470**	**—**	**62,614**	**—**	**63,085**
Remaining balance as of March 31, 2017	**586**	**—**	**462,570**	**3,636**	**466,793**

(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, 2017	**47,939**	**1,244**	**9,173**	**1,240**	**59,598**

■ 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

5. Gains on negative goodwill by reportable segments

None

Related-party Transactions

There is no significant transaction to be disclosed.

Per Share Information

(Yen)

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Net assets per share	**4,722.15**	4,617.45
Net income per share–Basic	**363.52**	337.27
Net income per share–Diluted	**363.19**	336.92

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

	FY2016 (April 1, 2016–March 31, 2017)	FY2015 (April 1, 2015–March 31, 2016)
Net income per share–Basic		
Net income attributable to owners of parent (Yen in millions)	**273,856**	254,540
Amount not attributable to common shareholders (Yen in millions)	**—**	—
Net income attributable to owners of parent related to common stock (Yen in millions)	**273,856**	254,540
Average number of shares outstanding (In thousand shares)	**753,333**	754,692
Net income per share–Diluted		
Adjustment of net income attributable to owners of parent (Yen in millions)	**—**	—
Increase of common stock (In thousand shares)	**684**	778
Increase of stock acquisition rights (In thousand shares)	**684**	778

Subsequent Events

The Company repurchased its own shares from June 1, 2017 through August 4, 2017 as resolved by its Board of Directors on May 19, 2017, pursuant to Article 156 of the Companies Act, which is applicable in accordance with Article 165, paragraph 3 of the Companies Act, as detailed below.

(a) Type of stock repurchased
Common stock of the Company

(b) Aggregate number of shares repurchased
4,497,700 shares

(c) Aggregate purchase price of shares
21,519,221,900 yen

(d) Method of repurchase
Purchased through the Tokyo Stock Exchange

(Reference)
Resolution of the Board of Directors on May 19, 2017

(a) Reason for the repurchase of shares
The Company intends to repurchase its own shares in order to implement flexible financial policies.

(b) Type of stock to be repurchased
Common stock of the Company

(c) Aggregate number of shares to be repurchased
Up to 6,500,000 shares

(d) Aggregate purchase price of shares
Up to 25 billion yen

(e) Period in which repurchases may be made
From June 1, 2017 through September 22, 2017

Supplementary Schedule

(Schedule of corporate bonds)

Issuer	Series	Issue date	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Coupon (%)	Collateral	Maturity date
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4th Unsecured Bond	Sep. 20, 2000	10,000	10,000	2.78	N/A	Sep. 18, 2020
	CMS Floater Bond	Apr. 26, 2005	240	240 [240]	0.77	N/A	Apr. 26, 2017
	Snow Ball Bond	Jan. 16, 2006 to Jan. 30, 2006	1,200	—	0.00-0.20	N/A	Jul. 30, 2016 to Aug. 4, 2016
	FX Linked Coupon Bond	Aug. 23, 2006 to Oct. 20, 2008	9,320	4,950 [700]	0.00-10.00	N/A	Apr. 4, 2016 to Feb. 22, 2038
Delphi Financial Group, Inc.	Subordinated Bond in USD	May 23, 2007	20,948 (USD 173,690 thousand)	19,918 (USD 170,986 thousand)	7.38	N/A	May 1, 2067
	Straight Bond in USD	Jan. 20, 2010	32,953 (USD 273,221 thousand)	31,076 (USD 266,775 thousand)	7.88	N/A	Jan. 31, 2020
Segregated Account Omamori	Cat Bond in USD (Note 3)	Jan. 17, 2014	3,015 (USD 25,000 thousand)	2,912 (USD 25,000 thousand) [2,912]	5.00	Secured	Jan. 24, 2017
Total		—	77,677	69,097 [3,852]	—	—	—

Notes: 1. The figures denoted with ( ) in the columns for beginning balance and ending balance are the amounts denominated in foreign currency.
2. The figures denoted with [ ] in the column for 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	940	—	—	39,122	—
Non-recourse corporate bonds	2,912	—	—	—	—

(Schedule of borrowings)

	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Average interest rate (%)	Maturity date
Short-term borrowings	7,236	8,154	1.8	—
Long-term borrowings to be repaid within 1 year	1	145,847	1.4	—
Obligations under lease transactions to be repaid within 1 year	614	887	4.1	—
Long-term borrowings other than that to be repaid within 1 year	573,437	526,428	1.6	Jun. 8, 2020 to Nov. 30, 2043
Obligations under lease transactions other than that to be repaid within 1 year	1,034	1,919	4.3	Jan. 4, 2018 to Jan. 31, 2022
Total	582,323	683,237	—	—

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	—	—	390,445	34,947
Lease obligations	860	756	446	3

(Schedule of asset retirement obligations)
Detailed information is omitted due to its immateriality.

Quarterly Results

Quarterly results for the fiscal year 2016

Cumulative period	First quarter	Second quarter	Third quarter	For the year
Ordinary income (Yen in millions)	**1,378,544**	**2,587,087**	**3,812,495**	**5,232,602**
Quarterly net income before income taxes (Yen in millions)	**131,025**	**215,768**	**316,993**	**386,962**
Quarterly net income attributable to owners of the parent (Yen in millions)	**97,234**	**155,297**	**228,134**	**273,856**
Quarterly net income per share (Yen)	**128.80**	**205.70**	**302.40**	**363.52**

Accounting period	First quarter	Second quarter	Third quarter	Fourth quarter
Quarterly net income (loss) per share (Yen)	**128.80**	**76.90**	**96.68**	**60.95**

Independent Auditor's Report

pwc

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, 2017, 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 statement 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, 2017, 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 8, 2017

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Solvency Margin Ratio

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

Tokio Marine Holdings' solvency margin ratio (consolidated)

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**5,304,574**	4,793,890
Shareholders' equity less adjusting items	**1,005,411**	710,374
Price fluctuation reserve	**93,645**	88,144
Contingency reserve	**50,529**	48,068
Catastrophe loss reserve	**1,146,033**	1,108,072
General allowance for doubtful accounts	**2,287**	1,876
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	**2,010,280**	2,004,174
Unrealized gains (losses) on land	**204,540**	193,708
Total amount of unrecognized actuarial difference and unrecognized prior service costs (before tax effect deductions)	**(24,832)**	(24,411)
Excess of premium reserve, etc.	**310,471**	286,376
Subordinated debt, etc.	**100,000**	—
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	**—**	—
Total margin of Small Amount and Short Term Insurer	**64**	71
Deductions	**99,919**	62,490
Others	**506,060**	439,924
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	**1,182,223**	1,211,446
General insurance risk on property and casualty insurance contracts (R_1)	**335,090**	324,557
Life insurance risk (R_2)	**30,463**	64,482
Third sector insurance risk (R_3)	**41,535**	4,655
Insurance risk of Small Amount and Short Term Insurer (R_4)	**13**	25
Assumed interest rate risk (R_5)	**29,035**	30,547
Minimum guarantee risk on life insurance contracts (R_6)	**3,008**	2,995
Asset management risk (R_7)	**756,231**	727,747
Business administration risk (R_8)	**29,477**	30,087
Catastrophe risk on property and casualty insurance contracts (R_9)	**278,515**	349,385
(C) Solvency margin ratio on a consolidated basis [(A)/{(B) × 1/2}] ×100	**897.3%**	791.4%

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.

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, payments for maturity-refunds of saving type insurance policies, etc., it is necessary for insurance groups to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g., occurrences of a major catastrophe, significant decline in value of their assets.

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

3. "Risks that exceed normal estimates" is composed of risks described below.
   (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 in excess of normal estimates (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 in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
   (4) Asset management risk: risks that prices of retained securities and other assets fluctuate in excess of normal estimates.
   (5) Business administration risk: risks that occur in excess of normal estimates and do not fall under other categories.
   (6) Catastrophe risk on property and casualty insurance contracts: risks that a major catastrophe in excess of normal estimates (equivalent to the Great Kanto Earthquake or Isewan Typhoon or overseas major catastrophe) occurs.

4. Subsidiaries that were excluded from the scope of consolidation in preparation of consolidated financial statements due to immateriality were taken into calculation of the consolidated solvency margin ratio.

5. Solvency of insurance company groups in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets (excluding planned outflows), certain reserves (e.g. price fluctuation reserve, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land.

6. Solvency margin ratio on a consolidated basis is one of the objective indicators used by the regulatory authority to supervise corporate groups headed by an insurance holdings company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

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

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**4,898,941**	4,493,086
Shareholders' equity less adjusting items	**1,331,170**	1,139,177
Price fluctuation reserve	**86,090**	81,060
Contingency reserve	**3,178**	2,956
Catastrophe loss reserve	**1,084,279**	1,051,399
General allowance for doubtful accounts	**263**	321
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	**1,811,890**	1,715,688
Unrealized gains (losses) on land	**190,461**	181,477
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	**10,014**	10,089
Others	**401,622**	331,094
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	**1,138,044**	1,204,068
General insurance risk (R_1)	**173,456**	169,165
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**23,020**	24,447
Asset management risk (R_4)	**915,169**	880,811
Business administration risk (R_5)	**25,403**	26,618
Catastrophe risk (R_6)	**158,550**	256,519
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**860.9%**	746.3%

Note: "Solvency margin ratio" 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.

Solvency margin ratio (non-consolidated)

1. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover risks that exceed their normal estimates, e.g. occurrences of a major catastrophe, significant decline in the value of assets held by insurance companies.

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

3. "Risks that exceed normal estimates" is composed of risks described below.
   (1) (General) insurance risk, third sector insurance risk: risks that insurance claims occur in excess of normal estimates (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 that are managed as a separate account fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
   (4) Asset management risk: risks that the prices of retained securities and other assets fluctuate in excess of normal estimates.

(5) Business administration risk: risks that occur in excess of normal estimates and do not fall under other categories.
(6) Catastrophe risk: risks that a major catastrophe in excess of normal estimates (equivalent to the Great Kanto Earthquake or Isewan typhoon) occurs.

4. Solvency of insurance companies in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets (excluding planned outflows), certain reserves (e.g. price fluctuation reserve, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land.

5. Solvency margin ratio is one of the objective indicators used by the regulatory authority to supervise insurance companies. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**168,146**	168,628
Shareholders' equity less adjusting items	**57,084**	61,405
Price fluctuation reserve	**1,104**	1,374
Contingency reserve	**—**	—
Catastrophe loss reserve	**60,938**	55,905
General allowance for doubtful accounts	**5**	5
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	**43,617**	43,625
Unrealized gains (losses) on land	**40**	(732)
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	**5,356**	7,045
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	**25,370**	29,904
General insurance risk (R_1)	**12,180**	12,289
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**1,045**	1,110
Asset management risk (R_4)	**13,476**	12,934
Business administration risk (R_5)	**649**	736
Catastrophe risk (R_6)	**5,766**	10,504
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,325.5%**	1,127.7%

Note: "Solvency margin ratio" 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.

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**6,070**	7,564
Shareholders' equity less adjusting items	**5,254**	6,795
Price fluctuation reserve	—	—
Contingency reserve	—	—
Catastrophe loss reserve	**816**	768
General allowance for doubtful accounts	—	—
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	—	—
Unrealized gains (losses) on land	—	—
Excess of policyholders' contract deposits	—	—
Subordinated debt, etc.	—	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin.	—	—
Deductions	—	—
Others	—	—
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	**3,512**	2,793
General insurance risk (R_1)	**3,021**	2,401
Third sector insurance risk (R_2)	—	—
Assumed interest rate risk (R_3)	—	—
Asset management risk (R_4)	**326**	273
Business administration risk (R_5)	**111**	88
Catastrophe risk (R_6)	**361**	287
(C) Solvency margin ratio[(A)/{(B) × 1/2}] × 100	**345.6%**	541.5%

Note: "Solvency margin ratio" 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.

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**747,165**	858,471
Shareholders' equity less adjusting items	**128,986**	133,689
Price fluctuation reserve	**6,451**	5,709
Contingency reserve	**47,350**	45,094
General allowance for doubtful accounts	**488**	471
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions) × 90%	**185,225**	290,612
Unrealized gains (losses) on land × 85%	**—**	—
Excess of continued Zillmerized reserve	**310,471**	286,376
Subordinated debt, etc.	**100,000**	—
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	**(130,891)**	(5,266)
Deductions	**—**	—
Others	**99,082**	101,785
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	**52,072**	50,825
Insurance risk (R_1)	**15,965**	14,891
Third sector insurance risk (R_8)	**5,284**	4,655
Assumed interest rate risk (R_2)	**4,969**	4,988
Minimum guarantee risk (R_7)	**3,008**	3,018
Asset management risk (R_3)	**38,082**	37,496
Business administration risk (R_4)	**1,346**	1,301
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**2,869.7%**	3,378.1%

Note: "Solvency margin ratio" 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.

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

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**1,370**	1,400
Total net assets (excluding deferred assets etc.)	**1,307**	1,330
Price fluctuation reserve	**—**	—
Catastrophe loss reserve	**2**	1
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities (before tax effect deductions)	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders (excluding dividends for following period)	**—**	—
Future profit	**—**	—
Tax effect	**60**	69
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2 + R_2^2} + R_3 + R_4$	**89**	89
Insurance risk	**34**	49
General insurance risk (R_1)	**10**	24
Catastrophe risk (R_4)	**23**	24
Asset management risk (R_2)	**62**	57
Business administration risk (R_3)	**1**	2
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**3,069.4%**	3,125.7%

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)

	As of March 31, 2017	As of March 31, 2016
(A) Total amount of solvency margin	**258**	242
Total net assets (excluding deferred assets etc.)	**257**	241
Price fluctuation reserve	**—**	—
Catastrophe loss reserve	**1**	0
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities (before tax effect deductions)	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders (excluding dividends for following period)	**—**	—
Future profit	**—**	—
Tax effect	**—**	—
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2 + R_2^2} + R_3 + R_4$	**42**	29
Insurance risk	**13**	10
General insurance risk (R_1)	**2**	1
Catastrophe risk (R_4)	**11**	9
Asset management risk (R_2)	**29**	19
Business administration risk (R_3)	**1**	0
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,228.5%**	1,617.8%

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, 2017 and March 31, 2016. 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, 2017)		
	–0.5%	**±0%**	**+0.5%**
General Policy Account	**(2.3)**	**0.0**	**1.9**
Deposit-Type Insurance Accounts	**(2.9)**	**0.0**	**1.7**
Asset-Liability Portfolio Total	**(5.3)**	**0.0**	**3.6**

(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

(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 impact 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)

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

MCEV as of March 31, 2017

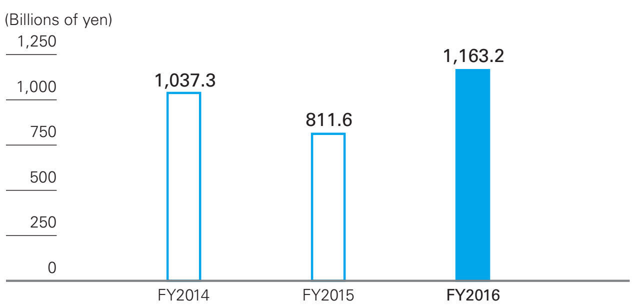
1. MCEV as of March 31, 2017

The MCEV of TMNL as of March 31, 2017 was 1,163.2 billion yen, an increase by 351.5 billion yen from the last fiscal year end (March 2016) mainly due to changes in definitions in the measurement method (note) of MCEV and impact of changes in economic environment (rise in interest rates, etc.). MCEV consisted of 826.3 billion yen of adjusted net worth and 336.8 billion yen of value of in-force.

(Billions of yen)

	FY2016	FY2015	FY2014
Adjusted net worth	**826.3**	1,162.2	693.7
Value of in-force	**336.8**	(350.5)	343.6
MCEV at fiscal year-end	**1,163.2**	811.6	1,037.3
New business value	**37.4**	60.3	68.6

MCEV at Fiscal Year-End



2. Change in MCEV

During fiscal 2016, change in MCEV (before dividends paid) was 373.5 billion yen, an increase by 560.9 billion yen from the previous fiscal year (fiscal 2015). This was mainly because of economic variances of 110.9 billion yen due to rise in interest rates, etc. and other operating variances of 226.6 billion yen due to changes in definitions in the measurement method, (note) etc. in fiscal 2016, despite economic variances of (303.0) billion yen due to decline in interest rates, etc. in fiscal 2015. (For details on changes, refer to "Reconciliation Analysis of MCEV from the End of Fiscal 2015" below.)

(Billions of yen)

	FY2016	FY2015
Change in MCEV (before dividends paid)	**373.5**	(187.4)
(Reference)		
Change in MCEV (Before dividends paid and excluding economic variances)	**262.5**	115.6

Note: We revised components of the MCEV calculation we considered overly conservative one year after the April 2015 introduction of MCEV. We did so using objective data and updated items including surrender and lapse risk, cancer benefit risk (third-sector risk) and operating expense risk.

Reconciliation Analysis of MCEV from the End of Fiscal 2015

The table below shows the reconciliation analysis of MCEV as of March 31, 2017 with the MCEV as of March 31, 2016.

(Billions of yen)

	MCEV
Opening MCEV (MCEV as of March 31, 2016)	811.6
(1) Dividends paid	(22.0)
Adjusted opening MCEV	789.6
(2) New business value	37.4
(3) Expected existing business contribution (risk-free rate)	19.3
(4) Expected existing business contribution (in excess of risk free rate)	—
(5) Actuarial experience variances	(17.3)
(6) Actuarial assumption changes	(4.9)
(7) Other operating variances	226.6
(8) Operating MCEV earnings (2-7)	261.2
(9) Economic variances	110.9
(10) Other non-operating variances	1.3
Total MCEV earnings (before dividends paid)	373.5
Closing MCEV (MCEV as of March 31, 2017)	1,163.2

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 2017	No change	1,163.2	—	—
(1) Interest rates	50bp decrease	998.7	(164.4)	(14.1%)
	50bp increase	1,233.5	70.3	6.0%
	Swap	1,079.8	(83.3)	(7.2%)
(2) Stock/real estate market values	10% decrease	1,161.4	(1.8)	(0.2%)
(3) Stock/real estate implied volatility	25% increase	1,160.6	(2.6)	(0.2%)
(4) Interest swaption implied volatility	25% increase	1,094.8	(68.4)	(5.9%)
(5) Maintenance expenses	10% decrease	1,194.5	31.2	2.7%
(6) Surrender and lapse rates	×0.9	1,140.1	(23.0)	(2.0%)
(7) Mortality rates	Death protection products:×0.95	1,181.4	18.2	1.6%
	A&H products and annuity products:×0.95	1,156.3	(6.8)	(0.6%)
(8) Morbidity rates	×0.95	1,206.5	43.3	3.7%
(9) Required capital	Solvency margin ratio of 200%	1,163.2	—	—
(10) Foreign exchange rates	10% appreciation of JPY	1,164.5	1.3	0.1 %

Assumptions

1. Risk-Free Rates

We have used government bond yields as of the end of March 2017. 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.

	JPY	
Term	**End of March 2017**	End of March 2016
1 year	**(0.25%)**	(0.14%)
5 years	**(0.12%)**	(0.19%)
10 years	**0.08%**	(0.04%)
20 years	**0.69%**	0.50%
30 years	**0.90%**	0.59%
40 years	**1.06%**	0.71%

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	They are developed based on claim experience of the latest 1-3 years, in principle by type of protection, policy year, attained age and other attributes. For policy years with no experience data, assumptions are developed with reference to industry data. 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.
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	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. Some of the operating expense rates were adjusted by removing one-off costs which are not ordinarily expected to be incurred in the future periods. The removed one-off cost is 3.5 billion yen which is primarily related to system development costs. Increase due to inflation is reflected in future maintenance expenses. Corporate administration costs paid to the parent company are reflected in unit costs. Other than this, there is no look-through effect with regards to other companies within the Tokio Marine Group that needs to be reflected.
Effective tax rate	It is set as follows: Fiscal year 2016 and 2017: 28.2% Fiscal year 2018 and thereafter: 28.0%
Consumption tax rate	It is set as follows: April 2016 - September 2019: 8% October 2019 and thereafter: 10% New business value is calculated without reflecting the delay, from April 2017 to October 2019, in the increase of the consumption tax rate to 10%. The impact on the value of new business issued in the fiscal year 2016 due to the delay in consumption tax rate increase timing is reflected in "Other non-operational variances".
Inflation rate	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. MCEV as of March 31, 2016: 0.2% MCEV as of March 31, 2017: 0.2%
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, 2017	As of March 31, 2016
Catastrophe loss reserve	**1,067,012**	1,024,037
Contingency reserve	**3,178**	2,956
Price fluctuation reserve	**86,090**	81,060

Nisshin Fire & Marine Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Catastrophe loss reserve	**59,730**	53,883
Price fluctuation reserve	**1,104**	1,374

E. design Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Catastrophe loss reserve	**816**	768

Life insurance

Tokio Marine & Nichido Life Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2017	As of March 31, 2016
Contingency reserve	**47,350**	45,094
Price fluctuation reserve	**6,451**	5,709

Corporate Data

Corporate Overview

Tokio Marine Holdings and Its Subsidiaries

(As of March 31, 2017)

Description of Business

Tokio Marine Group consists of Tokio Marine Holdings, Inc., 240 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 minimum criteria for a material fact in insider trading regulations is determined on a consolidated basis.

The following is a diagram of businesses as of March 31, 2017.

Business Diagram

Tokio Marine Holdings, Inc.

- Domestic Non-Life Insurance Business
  - Property and casualty insurance business
    - ◎ Tokio Marine & Nichido Fire Insurance Co., Ltd.
    - ◎ Nisshin Fire & Marine Insurance Co., Ltd.
    - ◎ E. design Insurance Co., Ltd.
  - Small-amount short-term insurance business
    - ◎ Tokio Marine Millea SAST Insurance Co., Ltd.
- Domestic Life Insurance Business
  - ◎ Tokio Marine & Nichido Life Insurance Co., Ltd.
- International Insurance Business
  - International non-life insurance business
    - ◎ Philadelphia Indemnity Insurance Company
    - ◎ First Insurance Company of Hawaii, Ltd.
    - ◎ Tokio Marine America Insurance Company
    - ◎ Safety National Casualty Corporation
    - ◎ Houston Casualty Company
    - ◎ U.S. Specialty Insurance Company
    - ◎ Tokio Marine Underwriting Limited
    - ◎ HCC International Insurance Company PLC
    - ◎ Tokio Millennium Re AG
    - ◎ Tokio Marine Insurance Singapore Ltd.
    - ◎ Tokio Marine Insurans (Malaysia) Berhad
    - ◎ Tokio Marine Seguradora S.A.
  - International life insurance business
    - ◎ Reliance Standard Life Insurance Company
    - ◎ Reliance Standard Life Insurance Company of Texas
    - ◎ HCC Life Insurance Company
    - ◎ Tokio Marine Life Insurance Singapore Ltd.
    - ◎ Tokio Marine Life Insurance Malaysia Bhd.
    - △ Edelweiss Tokio Life Insurance Company Limited
  - Other business
    - ◎ Tokio Marine North America, Inc.
    - ◎ Philadelphia Consolidated Holding Corp.
    - ◎ Delphi Financial Group, Inc.
    - ◎ HCC Insurance Holdings, Inc.
    - ◎ Tokio Marine Kiln Group Limited
    - ◎ Tokio Marine Asia Pte. Ltd.
- Financial and General Businesses
  - Investment advisory and investment trust services
    - ◎ Tokio Marine Asset Management Co., Ltd.

◎ Consolidated subsidiaries △ Equity-method affiliate

Major Subsidiaries

(As of March 31, 2017)

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	¥25,903 million	91.6%	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	100%	0%	Tekko Building 8-2, 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%	1100 E. Woodfield Road, Suite 437 Schaumburg, IL 60173 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 USA	International insurance
Tokio Marine Kiln Group Limited	July 11, 1994	£1,010 thousand	0%	100%	20 Fenchurch Street, London, EC3M 3BY, UK	International insurance
Tokio Marine Underwriting Limited	Oct. 27, 2008	£0 thousand	0%	100%	20 Fenchurch Street, London, EC3M 3BY, UK	International insurance
HCC International Insurance Company PLC	July 22, 1981	US$70,197 thousand £96,047 thousand	0%	100%	1 Aldgate, London, EC3N 1RE, 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	R599,780 thousand	0%	97.8%	R. Sampaio Viana, 44 CEP: 04004-902 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, 2017)

Tokio Marine Group operates a worldwide network that spans 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

United States	■	New York, Los Angeles, Chicago, Atlanta, Honolulu, Philadelphia, Bala Cynwyd, St. Louis, Houston, Stamford, Dallas, San Francisco and Ohio
	□	Tokio Marine North America, Inc. (New York and Bala Cynwyd)
	□	TMNA Services, LLC (New York and Bala Cynwyd)
	□	Tokio Marine America (New York, Los Angeles, Chicago, Atlanta, Houston, Nashville, Dallas, San Francisco and Ohio)
	□	TM Claims Service, Inc. (New York, Los Angeles, Honolulu and Dallas)
	□	First Insurance Company of Hawaii, Ltd. (Honolulu)
	□	Philadelphia Insurance Companies (Bala Cynwyd and others)
	□	Delphi Financial Group, Inc. (New York)
	□	Reliance Standard Life Insurance Company (Philadelphia)
	□	Safety National Casualty Corporation (St. Louis)
	□	Tokio Marine HCC (Houston and others)
	○	Tokio Millennium Re AG (Stamford)
Guam/ Commonwealth of the Northern Mariana Islands	■	Guam
	□	Tokio Marine Pacific Insurance Limited (Guam)
Canada	■	Toronto, Vancouver and Montreal
	●	Toronto, Vancouver and Montreal
Bermuda	■	Hamilton
	○	Tokio Millennium Re AG (Hamilton)
	□	Tokio Solution Management Ltd. (Hamilton)

South & Central America

Mexico	■	Mexico City
	□	Tokio Marine Compañía de Seguros, S.A. de C.V. (Mexico City, Tijuana, Monterrey and Bajio)
Brazil	■	São Paulo
	□	Tokio Marine Seguradora S.A. (São Paulo and others)
Paraguay	□	La Rural S.A. de Seguros (Asunción and others)

Europe, Africa & Middle East

United Kingdom	■	London
	□	Tokio Marine Kiln Group Limited (London and others)
	□	Tokio Marine HCC (London and others)
	□	TM Claims Service Europe Ltd. (London)
	○	Tokio Millenium Re AG (London)
France	■	Paris
	○	Tokio Marine Kiln Group Limited (Paris, Lyon, Bordeaux, Strasbourg and Nantes)
	○	Tokio Marine HCC (Strasbourg)
Germany	■	Dusseldorf
	○	Tokio Marine Kiln Group Limited (Dusseldorf)
	◇	Tokio Marine Kiln Group Limited c/o Burmester, Duncker & Joly (Hamburg)
	○	Tokio Marine HCC (Munich)
Netherlands	■	Amsterdam
	○	Tokio Marine Kiln Group Limited (Amsterdam)
	○	TM Claims Service Europe Ltd. (Amsterdam)
Belgium	■	Brussels
	○	Tokio Marine Kiln Group Limited (Brussels)
	○	Tokio Marine HCC (Liège)
	○	TM Claims Service Europe Ltd. (Brussels)
Italy	■	Milan
	○	Tokio Marine Kiln Group Limited (Milan)
	○	Tokio Marine HCC (Milan)
Spain	■	Barcelona
	○	Tokio Marine Kiln Group Limited (Barcelona)
	○	Tokio Marine HCC (Barcelona and Madrid)
Norway	◇	Tokio Marine Kiln Group Limited c/o RiskPoint Norway (Oslo)
	○	Tokio Marine HCC (Lysaker)
Denmark	◇	Tokio Marine Kiln Group Limited c/o RiskPoint A/S (Copenhagen)
Russia	■	Moscow
	□	Tokio Marine Risk Management Rus. LLC (Moscow)
Switzerland	■	Zurich
	□	Tokio Millennium Re AG (Zurich)
	○	Tokio Marine HCC (Zurich)
Ireland	○	Tokio Marine HCC (Kildare)

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	□	Allianz Sigorta A.S. (Istanbul)
	□	Allianz Hayat ve Emeklilik A.S. (Istanbul)
South Africa	■	Johannesburg

Asia & Oceania

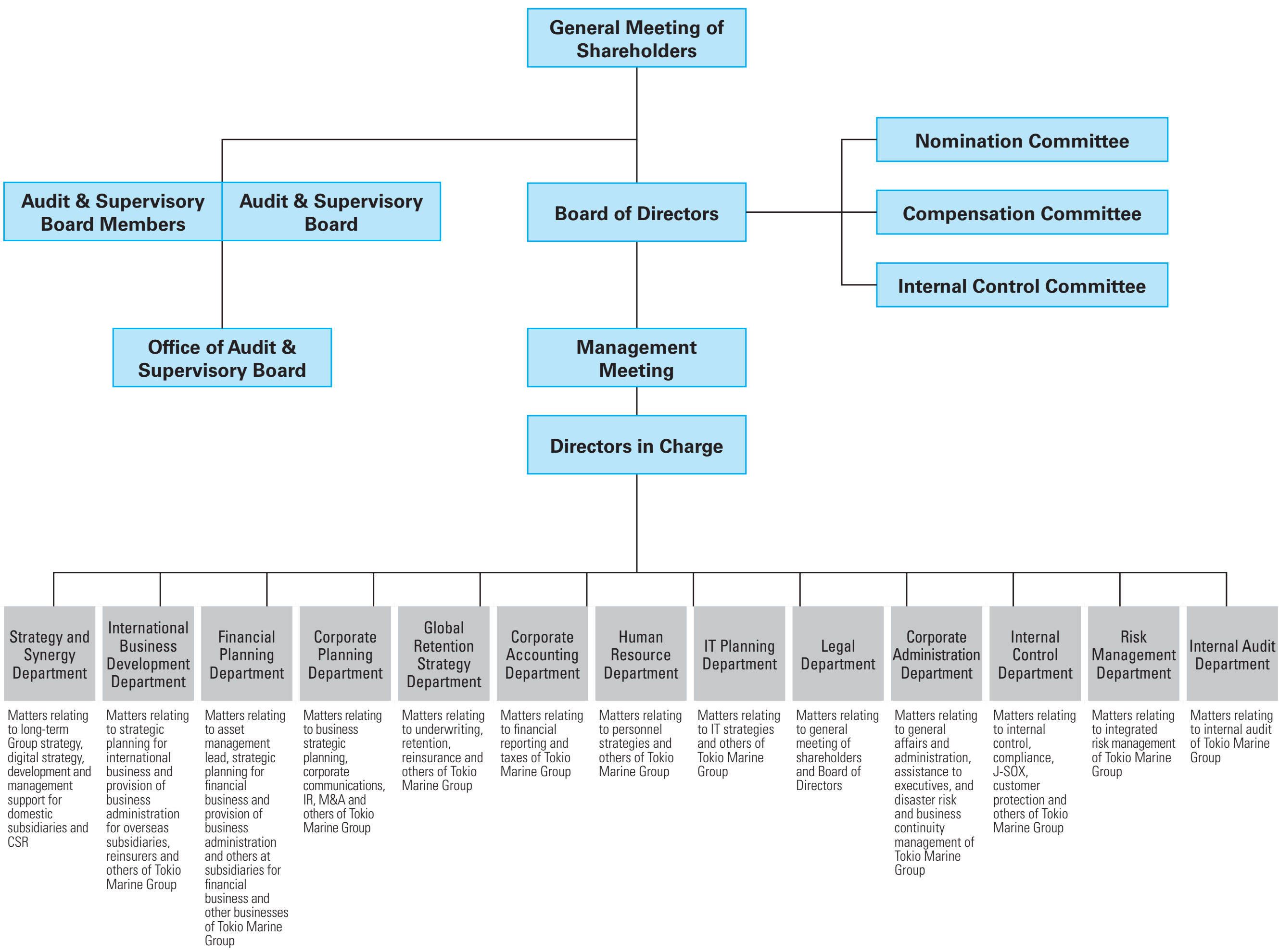
Korea	■	Seoul
	●	Seoul
People's Republic of China	■	Beijing, Shanghai, Guangzhou, Suzhou and Hangzhou
	□	The Tokio Marine & Nichido Fire Insurance Company (China) Limited (Beijing, Shanghai, Guangzhou, Suzhou and Hangzhou)
	□	Zhongsheng International Insurance Brokers Co., Ltd. (Beijing and others)
Hong Kong	■	Hong Kong
	□	The Tokio Marine and Fire Insurance Company (Hong Kong) Limited (Hong Kong)
Taiwan	■	Taipei
	□	Tokio Marine Newa 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)
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 and others)
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 (Australia) Pty. Ltd. (Sydney and Melbourne)
	○	Tokio Millennium Re Ltd. (Sydney)
New Zealand	●	Auckland

■ 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

Corporate Data

Organizational Chart

(As of April 1, 2017)



Employees

(As of March 31, 2017)

Number of employees:	587
Average age of employees:	43.7 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, 2017.

Business Segment	Amount (Yen in millions)
Domestic non-life insurance	24,226
Domestic life insurance	562
International insurance	9,404
Financial and general businesses	732
Total	34,926

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, 2017)

Company name	Office name (Location)	Number of offices and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m²)	Buildings	Movables		
Tokio Marine Holdings	**Headquarters** (Chiyoda-ku, Tokyo)	—	Holding company	—	145	78	587	—

Domestic subsidiaries

(As of March 31, 2017)

Company name	Office name (Location)	Number of offices and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m²)	Buildings	Movables		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo) including each Service Dept., Tokyo Corporate Division, Tokyo Automobile Division, Commercial Lines Claims Dept. 1, Claims Service Dept. 2, Tokyo Automobile Claims Service Dept., Marketing Promotion Dept. (Governmental), Government Sector Dept. 1&2, Health Care & Welfare Institution Sector Dept., Group Account Marketing Dept. Financial Institutions Dept. and overseas branches	48	Domestic non-life insurance	35,221 (79,359)	27,303	12,138	4,033	733
	Hokkaido Hokkaido Branch (Chuo-ku, Sapporo) and 6 other branches	14	Domestic non-life insurance	856 (6,239)	938	322	651	520
	Tohoku Sendai Branch (Aoba-ku, Sendai) and 9 other branches	28	Domestic non-life insurance	2,533 (10,236)	3,370	613	1,049	243
	Kanto Tokyo Chuo Branch (Minato-ku) and 31 other branches	56	Domestic non-life insurance	7,974 (13,188)	7,056	1,615	3,879	2,345
	Tokai/Hokuriku Aichi Minami Branch (Chuo-ku, Nagoya) and 25 other branches	32	Domestic non-life insurance	3,810 (12,302)	9,512	1,089	2,468	903
	Kansai Osaka Minami Branch (Chuo-ku, Osaka) and 24 other branches	24	Domestic non-life insurance	5,656 (9,983)	4,319	1,252	2,351	1,665
	Chugoku/Shikoku Hiroshima Branch (Naka-ku, Hiroshima) and 14 other branches	24	Domestic non-life insurance	2,478 (7,246)	2,069	619	1,343	793
	Kyushu Fukuoka Chuo Branch (Hakata-ku, Fukuoka) and 13 other branches	28	Domestic non-life insurance	5,598 (9,978)	4,413	695	1,594	299
Nisshin Fire & Marine Insurance Co., Ltd.	**Head Office (Tokyo Headquarters)** (Chiyoda-ku, Tokyo) **Saitama Headquarters** (Urawa-ku, Saitama)	93	Domestic non-life insurance	10,373 (23,741)	7,440	978	2,270	1,141

Domestic subsidiaries

(As of March 31, 2017)

Company name	Office name (Location)	Number of offices and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m²)	Buildings	Movables		
E. design Insurance Co., Ltd.	**Headquarters** (Shinjuku-ku, Tokyo)	3	Domestic non-life insurance	— (—)	74	64	236	143
Tokio Marine & Nichido Life Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	90	Domestic life insurance	— (—)	572	779	2,249	1,173
Tokio Marine Millea SAST Insurance Co., Ltd.	**Headquarters** (Nishi-ku, Yokohama)	4	Domestic non-life insurance	— (—)	18	16	118	82
Tokio Marine Asset Management Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	—	Financial and general businesses	— (—)	439	112	245	316

Overseas subsidiaries

(As of March 31, 2017)

Company name	Office name (Location)	Number of offices and local branches	Business segment	Carrying amount (Yen in millions)			Number of employees	Rent (Yen in millions)
				Land (m²)	Buildings	Movables		
Tokio Marine North America, Inc. and 1 other Group company	**Headquarters** (Wilmington, Delaware, U.S.A.)	2	International insurance	— (—)	203	1,149	388	576
Philadelphia Consolidated Holding Corp. and 10 other Group companies	**Headquarters** (Bala Cynwyd, Pennsylvania, U.S.A.)	56	International insurance	— (—)	253	697	1,902	1,312
First Insurance Company of Hawaii, Ltd. and 5 other Group companies	**Headquarters** (Honolulu, Hawaii, U.S.A.)	—	International insurance	— (—)	122	37	341	404
Tokio Marine America Insurance Company and 4 other Group companies	**Headquarters** (New York, New York, U.S.A.)	9	International insurance	— (—)	38	58	382	813
Delphi Financial Group, Inc. and 19 other Group companies	**Headquarters** (Wilmington, Delaware, U.S.A.)	46	International insurance	294 (64,390)	2,319	2,435	2,451	2,193
HCC Insurance Holdings, Inc. and 61 other Group companies	**Headquarters** (Dover, Delaware, U.S.A.)	65	International insurance	492 (58,889)	1,979	5,892	2,613	1,707
Tokio Marine Kiln Group Limited and 18 other Group companies	**Headquarters** (London, U.K.)	16	International insurance	— (—)	46	2,736	731	601
Tokio Marine Underwriting Limited	**Headquarters** (London, U.K.)	—	International insurance	— (—)	—	—	—	—
Tokio Millennium Re AG and 3 other Group companies	**Headquarters** (Zurich, Switzerland)	4	International insurance	— (—)	872	242	164	403
Tokio Marine Asia Pte. Ltd.	**Headquarters** (Singapore, Singapore)	—	International insurance	— (—)	—	37	76	—
Tokio Marine Insurance Singapore Ltd.	**Headquarters** (Singapore, Singapore)	1	International insurance	1,683 (296)	827	607	216	27
Tokio Marine Life Insurance Singapore Ltd.	**Headquarters** (Singapore, Singapore)	2	International insurance	1,674 (214)	904	139	254	10
Tokio Marine Insurans (Malaysia) Berhad	**Headquarters** (Kuala Lumpur, Malaysia)	19	International insurance	— (—)	10	475	979	188
Tokio Marine Life Insurance Malaysia Bhd.	**Headquarters** (Kuala Lumpur, Malaysia)	15	International insurance	590 (3,502)	1,799	278	476	10
Tokio Marine Seguradora S.A.	**Headquarters** (São Paulo, Brazil)	69	International insurance	334 (4,860)	102	432	1,709	368

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 (m²)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Osaka Tokyo Kaijo Nichido Building (Chuo-ku, Osaka)	3,964 (5,391)	2,757
	Tokyo Kaijo Nichido Building Shinkan (Chiyoda-ku, Tokyo)	— (2,585)	2,745
	SINO OMIYA South Wing (Omiya-ku, Saitama)	3,847 (2,683)	3,451
	OTEMACHI 1st SQUARE (Chiyoda-ku, Tokyo)	20 (1,354)	2,286
	Minatomirai Business Square (Nishi-ku, Yokohama)	2,588 (1,614)	1,770

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 (m²)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Shakujii Ground (Nerima-ku, Tokyo)	3,076 (14,860)	—
	Tama Sogo Ground (Hachioji-shi, Tokyo)	6,705 (53,000)	598
	Tateshina Sanso (Chino-shi, Nagano Pref.)	16 (6,700)	532
Nisshin Fire & Marine Insurance Co., Ltd.	Talk Heim Nisshin (Kita-ku, Saitama)	381 (3,536)	410

New Facility Construction and Elimination Schedule

None planned

Stock Information

Stock and Shareholder Information

Stock Information (As of July 1, 2017)

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 753,024,375 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. Share unit: 100
g. Stock listing: Tokyo Stock Exchange

Matters for the General Meeting of Shareholders

The 15th General Meeting of Shareholders was held on June 26, 2017. 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, 2017 (April 1, 2016 to March 31, 2017)
2. Non-consolidated financial statements for the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

Proposals acted upon

1. Appropriation of Surplus
2. Election of Thirteen (13) Directors

The proposals have been approved as proposed.

Dividend Policy

The Company seeks to improve shareholder return 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 72.50 yen per share for the fiscal year ended March 31, 2017.

The Company also paid an interim dividend of 67.50 yen per share, resulting in total dividends for the year of 140.00 yen per share. This was an increase of 30.00 yen per share compared with total annual dividends of 110.00 yen per share in the previous fiscal year.

Capital

Date	Equity capital
April 2, 2002	¥150 billion
March 31, 2017	¥150 billion

Stock Ownership Distribution

As of March 31, 2017, the number of shareholders was 79,673. The percentage of major stock ownership was 35.45% and 42.87% for financial institutions and foreign shareholders, respectively.

a. Types of shareholders (As of March 31, 2017)

	Number of shareholder(s)	Number of shares	Shareholding ratio (%)
Government/Local government	1	500	0.00
Financial institutions	248	266,955,613	35.45
Financial instruments firms	70	18,114,486	2.41
Other domestic companies	1,599	55,515,801	7.37
Foreign shareholders	861	322,821,806	42.87
Individuals and others	76,893	86,703,765	11.51
Treasury stocks	1	2,912,404	0.39
Total	79,673	753,024,375	100.00

b. Breakdown by region (As of March 31, 2017)

	Number of shareholders	Shareholders' ratio (%)	Number of shares	Shareholding ratio (%)
Hokkaido	1,078	1.35	2,383,396	0.32
Tohoku	1,871	2.35	4,093,046	0.54
Kanto	37,836	47.49	362,935,696	48.20
Chubu	12,065	15.14	23,995,683	3.19
Kinki	17,701	22.22	24,068,905	3.20
Chugoku	3,087	3.87	4,186,540	0.56
Shikoku	1,967	2.47	3,098,281	0.41
Kyushu	3,149	3.95	5,576,571	0.74
Overseas and others	919	1.15	322,686,257	42.85
Total	79,673	100.00	753,024,375	100.00

c. Breakdown by number of shares held (As of March 31, 2017)

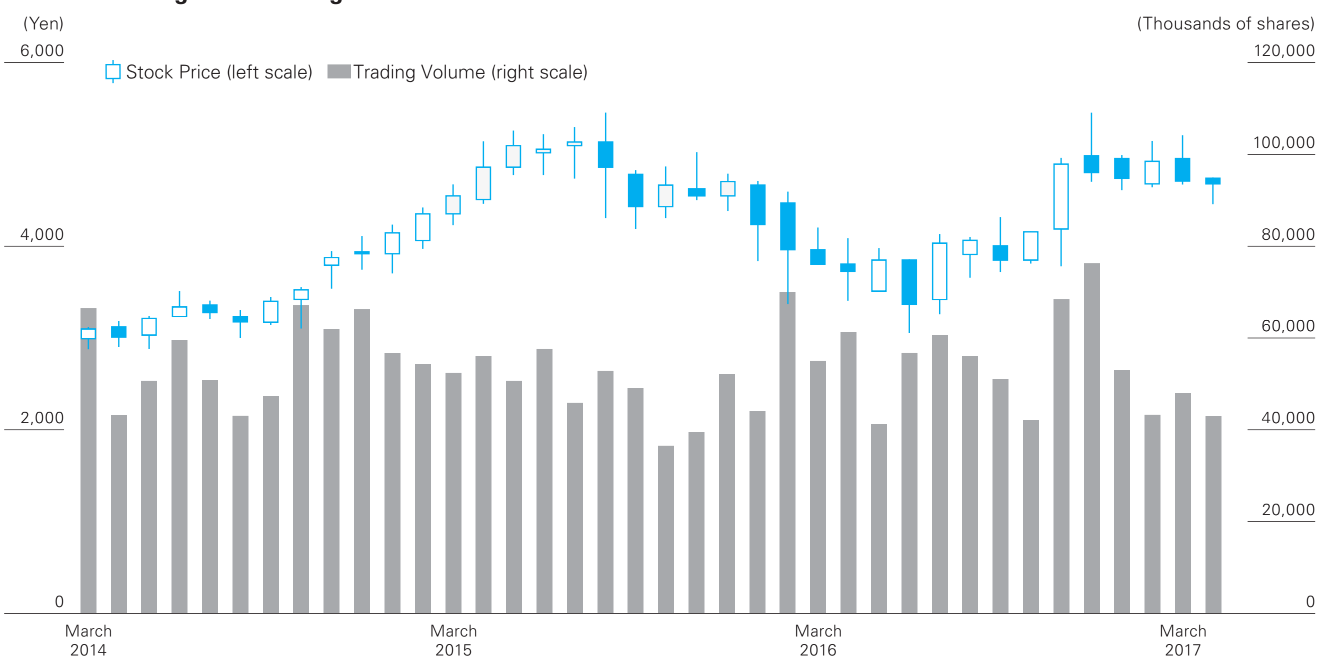
Category	5,000 units or more	1,000 units or more	500 units or more	100 units or more	50 units or more	10 units or more	5 units or more	1 unit or more	Less than 1 unit	Total
Number of shareholder(s)	190	289	185	1,284	2,298	19,111	15,979	25,995	14,342	79,673
Composition ratios to total number of shareholders (%)	0.24	0.36	0.23	1.61	2.88	23.99	20.06	32.63	18.00	100
Number of shares	585,549,020	66,002,281	13,159,013	23,363,444	14,896,853	35,755,162	8,976,803	4,779,598	542,201	753,024,375
Composition ratios to total number of shares (%)	77.76	8.76	1.75	3.10	1.98	4.75	1.19	0.63	0.07	100.00

Top 10 Shareholders

(As of March 31, 2017)

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	45,731	6.1
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	40,754	5.4
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. (Shinagawa Intercity A building, 15-1 Konan 2-chome, Minato-ku, Tokyo)	24,802	3.3
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
JP Morgan Chase Bank 385632 (Custodian: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (Shinagawa Intercity A building, 15-1 Konan 2-chome, Minato-ku, Tokyo)	14,825	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 5)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	14,690	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 1)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	10,905	1.4
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
Japan Trustee Services Bank, Ltd. (Trust Account 2)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	10,770	1.4
Japan Trustee Services Bank, Ltd. (Trust Account 7)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	10,457	1.4

Stock Price Range and Trading Volume



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”.

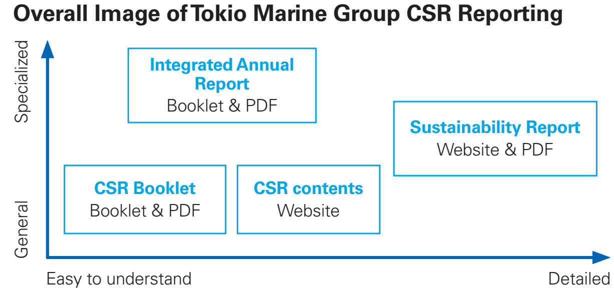
To present our ideas and measures for continuing to aim to be a “Good Company” in a format that is easy for our stakeholders to understand, we have published this Integrated Annual Report, which comprehensively compiles non-financial information such as the value creation processes and CSR activities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

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



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