

[English Translation]

**TOKIO MARINE HOLDINGS, INC.**  
**2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan**

June 1, 2017

**Notice of Convocation of**  
**the 15th Ordinary General Meeting of Shareholders**

To our shareholders:

You are cordially invited to attend the 15th Ordinary General Meeting of Shareholders of Tokio Marine Holdings, Inc. (“Tokio Marine Holdings” or the “Company”), which will be held on Monday, June 26, 2017 at 10:00 a.m. (reception opens at 8:45 a.m.) at the banquet room AOI, second floor, Palace Hotel Tokyo located at 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, for the purpose of considering and voting upon the following items:

Items to be 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 fiscal year 2016 (April 1, 2016 to March 31, 2017).
2. Non-consolidated financial statements for fiscal year 2016 (April 1, 2016 to March 31, 2017).

Proposals to be acted upon:

Item 1. Appropriation of Surplus

Item 2. Election of Thirteen (13) Directors

For the items to be reported, please refer to the Attachment to this document.

If you do not expect to be present at the meeting, please vote either by completing and returning the enclosed voting card or via the Internet.

Sincerely,

Tsuyoshi Nagano  
President & Chief Executive Officer

If any of the Reference Materials regarding the General Meeting of Shareholders, Business Report or consolidated and non-consolidated financial statements need to be revised, the revisions shall be posted on our website (<http://www.tokiomarinehd.com/>).

(This is an English translation of the notice given by the Company prepared pursuant to Section 5.6 of the Deposit Agreement, amended as of July 30, 2007, by and among the Company, JPMorgan Chase Bank, N.A., as Depositary, and the Holders and Beneficial Owners of American Depositary Shares evidenced by American Depositary Receipts issued thereunder.)

## Information on Exercising Voting Rights

**Notice to holders of American Depositary Receipts:** Please note that the following instructions are intended for registered holders of ordinary shares. Holders of American Depositary Receipts should follow the instructions given by JPMorgan Chase Bank, N.A., Depository, which are set forth in the ADR Voting Instructions Card enclosed herewith.

Attending the Ordinary General Meeting of Shareholders	By Mail	Via Internet
Please bring the enclosed voting card to the reception desk of the meeting.	Please return the enclosed voting card indicating your approval or disapproval so that it is received by <b>5:00 PM on Friday June 23, 2017.</b>	Please access website that has been designated by the Company as the website for exercising voting rights ( <a href="http://www.evotep.jp/">http://www.evotep.jp/</a> ) and indicate your approval or disapproval by <b>5:00 PM on Friday June 23, 2017.</b>
Date and Time of the meeting: <b>Monday, June 26, 2017 at 10:00 a.m.</b>		

If you choose to exercise your voting rights via the Internet, please note the following:

- You will be required to bear all charges including but not limited to connection fees to providers, communication fees to telecommunication carriers and any other fees arising from accessing the website for exercising voting rights.
- Please note that you may not be able to access the website for exercising voting rights from a computer, smartphone or mobile device depending on your Internet usage environment, the service you subscribe to and the type of device you are using. For more information, please contact:

- (1) For inquiries concerning website access

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division  
Telephone: 0120-173-027 (toll free)  
Hours: 9:00 - 21:00

- (2) For inquiries other than the above

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division  
Telephone: 0120-232-711 (toll free)  
Hours: 9:00 - 17:00, except Saturdays, Sundays and holidays

To Institutional Investors:

“Electronic Proxy Voting Platform” managed by ICJ, Inc., a method for exercising the voting rights, will be available for institutional investors.

## Reference Materials regarding the General Meeting of Shareholders

### Proposals to be acted upon and matters for reference:

#### Item 1. Appropriation of Surplus

With respect to the appropriation of surplus, the Company seeks to improve shareholder returns on a cash dividend basis, after providing sufficient capital to meet the business needs of Tokio Marine Group (the “Group”) and taking into consideration the business results and the expected future business environment of the Company.

In accordance with the above policy, and considering various factors, the Company proposes to pay 72.50 yen per share of the Company as a year-end cash dividend. As 67.50 yen per share was paid as an interim cash dividend, the total amount of annual cash dividends will be 140 yen per share for fiscal year 2016. This is an increase of total annual cash dividends of 30 yen per share from 110 yen per share paid for the previous fiscal year.

1. Matters regarding distribution of dividends and its aggregate amount  
Amount of cash dividend per common share of the Company: 72.50 yen  
Aggregate amount of cash dividends: 54,383,117,898 yen
2. Effective date of the distribution of dividends  
June 27, 2017

#### Item 2. Election of Thirteen (13) Directors

The term of office of all twelve (12) directors will expire at the close of this Meeting. For the next term, the Company proposes to increase the number of directors by one (1) in order to strengthen the functions of the Board, and elects the following thirteen (13) directors.

The candidates for directors are as follows:

No.	Name	Present position and responsibilities
<b>1</b>	Shuzo Sumi <u>Renomination</u>	Chairman of the Board
<b>2</b>	Tsuyoshi Nagano <u>Renomination</u>	President & Chief Executive Officer Group CEO (Group Chief Executive Officer)
<b>3</b>	Kunihiko Fujii <u>Renomination</u>	Executive Vice President Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept. and International Business Development Dept. (international business strategies (ERM) etc.)

<b>4</b>	Ichiro Ishii <u>Renomination</u>	Executive Vice President Head of international insurance business In charge of International Business Development Dept. (management of North America (HCC) and reinsurance operations)
<b>5</b>	Hirokazu Fujita <u>Renomination</u>	Senior Managing Director Group CIO (Group Chief Investment Officer) In charge of Financial Planning Dept., Corporate Accounting Dept. and Internal Audit Dept.
<b>6</b>	Takayuki Yuasa <u>Renomination</u>	Managing Director Group CFO (Group Chief Financial Officer) In charge of Corporate Planning Dept., Legal Dept. and Internal Control Dept.
<b>7</b>	Toshifumi Kitazawa <u>Renomination</u>	Director
<b>8</b>	Akio Mimura <u>Renomination</u> <u>Independent</u>	Outside Director
<b>9</b>	Mikio Sasaki <u>Renomination</u> <u>Independent</u>	Outside Director
<b>10</b>	Masako Egawa <u>Renomination</u> <u>Independent</u>	Outside Director
<b>11</b>	Kenji Iwasaki <u>New nomination</u>	Vice President Executive Officer Group CSSO (Group Chief Strategy and Synergy Officer) In charge of Strategy and Synergy Dept.
<b>12</b>	Takashi Mitachi <u>New nomination</u> <u>Independent</u>	-
<b>13</b>	Katsumi Nakazato <u>New nomination</u>	-

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
1.	Shuzo Sumi (July 11, 1947) <u>Renomination</u>	April 1970 Joined The Tokio Marine and Fire Insurance Company, Limited ("Tokio Marine") June 2000 Director and Chief Representative in London, Overseas Division of Tokio Marine June 2002 Managing Director of Tokio Marine Oct. 2004 Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. ("Tokio Marine & Nichido") June 2005 Senior Managing Director of Tokio Marine & Nichido June 2007 President & Chief Executive Officer of Tokio Marine & Nichido June 2007 President & Chief Executive Officer of Tokio Marine Holdings June 2013 Chairman of the Board of Tokio Marine & Nichido June 2013 Chairman of the Board of Tokio Marine Holdings (to present) April 2016 Counsellor of Tokio Marine & Nichido (to present) (Other major occupations) Counsellor of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Toyota Industries Corporation (outside director) Vice Chairman of Japan Association of Corporate Executives	62,905 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Shuzo Sumi as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in product planning and domestic insurance underwriting, his terms in office as Director and Chief Representative in London of Tokio Marine, and President & Chief Executive Officer and Chairman of the Board of Tokio Marine & Nichido and the Company.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Shuzo Sumi.

2. He is expected to assume his position as outside director of Sony Corporation at the close of the ordinary general meeting of shareholders of Sony Corporation scheduled for June 2017.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
2.	Tsuyoshi Nagano (November 9, 1952) <u>Renomination</u>	<p>April 1975 Joined Tokio Marine</p> <p>June 2003 Executive Officer and General Manager of Nagoya Production Dept. III, Tokai Division of Tokio Marine</p> <p>Oct. 2004 Executive Officer and General Manager of Nagoya Production Dept. III of Tokio Marine &amp; Nichido</p> <p>June 2006 Managing Executive Officer of Tokio Marine &amp; Nichido</p> <p>June 2008 Managing Director and General Manager of Corporate Planning Dept. of Tokio Marine &amp; Nichido</p> <p>June 2008 Director of Tokio Marine Holdings</p> <p>June 2009 Resigned from position as Director of Tokio Marine Holdings</p> <p>June 2010 Senior Managing Director of Tokio Marine &amp; Nichido</p> <p>June 2011 Senior Managing Director of Tokio Marine Holdings</p> <p>Feb. 2012 Senior Managing Director and General Manager of International Business Development Dept. of Tokio Marine Holdings</p> <p>June 2012 Executive Vice President of Tokio Marine &amp; Nichido</p> <p>June 2012 Executive Vice President and General Manager of International Business Development Dept. of Tokio Marine Holdings</p> <p>June 2013 President &amp; Chief Executive Officer of Tokio Marine &amp; Nichido</p> <p>June 2013 President &amp; Chief Executive Officer of Tokio Marine Holdings (to present)</p> <p>April 2016 Chairman of the Board of Tokio Marine &amp; Nichido (to present)</p> <p>(Responsibilities) Group CEO (Group Chief Executive Officer)</p> <p>(Other major occupations) Chairman of the Board of Tokio Marine &amp; Nichido</p>	21,000 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Tsuyoshi Nagano as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the

execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in domestic and overseas insurance underwriting, his work in corporate planning and product planning, his terms in office as President & Chief Executive Officer of Tokio Marine & Nichido, and his current leadership role in the management of the Group as Group CEO.

Note: There are no special conflicts of interest between the Company and Mr. Tsuyoshi Nagano.



No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
3.	Kunihiko Fujii (June 18, 1955) <u>Renomination</u>	<p>April 1978 Joined Tokio Marine</p> <p>June 2009 Executive Officer and General Manager, International Business Development Dept. of Tokio Marine Holdings</p> <p>June 2012 Managing Executive Officer of Tokio Marine Holdings</p> <p>June 2014 Managing Director of Tokio Marine &amp; Nichido</p> <p>June 2014 Managing Director of Tokio Marine Holdings</p> <p>April 2015 Senior Managing Director of Tokio Marine Holdings</p> <p>April 2015 Senior Managing Director of Tokio Marine &amp; Nichido</p> <p>June 2015 Resigned from position as Senior Managing Director of Tokio Marine &amp; Nichido</p> <p>June 2015 Senior Managing Executive Officer of Tokio Marine Holdings</p> <p>June 2016 Senior Managing Director of Tokio Marine &amp; Nichido</p> <p>June 2016 Senior Managing Director of Tokio Marine Holdings</p> <p>April 2017 Executive Vice President of Tokio Marine Holdings (to present)</p> <p>April 2017 Executive Vice President of Tokio Marine &amp; Nichido (to present)</p> <p>(Responsibilities) Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept. and International Business Development Dept. (international business strategies (ERM) etc.)</p> <p>(Other major occupations) Executive Vice President of Tokio Marine &amp; Nichido</p>	11,300 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Kunihiko Fujii as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in financial planning and overseas insurance business, his terms in office as Executive Officer of Tokio Marine & Nichido and the Company in charge of international business strategies with a focus on M&A and international ERM and his current role of being responsible for risk management of the Group as Executive

Vice President of the Company.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Kunihiko Fujii.

2. ERM is used in our business management framework as a key risk management method. In order to achieve growth in corporate value, the Company utilizes ERM in making appropriate management decisions regarding capital adequacy and profitability while considering the related risks.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
4.	Ichiro Ishii (June 15, 1955) <u>Renomination</u>	April 1978 Joined Tokio Marine June 2010 Executive Officer and General Manager of International Business Development Dept. of Tokio Marine Holdings June 2013 Managing Executive Officer of Tokio Marine & Nichido June 2013 Managing Executive Officer of Tokio Marine Holdings Dec. 2013 Resigned from position as Managing Executive Officer of Tokio Marine & Nichido April 2015 Senior Managing Executive Officer of Tokio Marine Holdings June 2015 Senior Managing Director of Tokio Marine & Nichido June 2015 Senior Managing Director of Tokio Marine Holdings April 2017 Executive Vice President of Tokio Marine Holdings (to present) April 2017 Executive Vice President of Tokio Marine & Nichido (to present) (Responsibilities) Head of international insurance business In charge of International Business Development Dept. (management of North America (HCC) and reinsurance operations) (Other major occupations) Executive Vice President of Tokio Marine & Nichido	8,600 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Ichiro Ishii as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of global experience and results he has achieved since joining Tokio Marine. These include his involvement in product planning and overseas insurance businesses in the U.S., Asia and elsewhere and his current role of being responsible for international insurance business as Executive Vice President of the Company.

- Notes: 1. There are no special conflicts of interest between the Company and Mr. Ichiro Ishii.  
 2. HCC means the corporate group comprised of HCC Insurance Holdings, Inc. of which head office is in the U.S., which is the Company's subsidiary, and its subsidiaries.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
5.	Hirokazu Fujita (May 12, 1956) <u>Renomination</u>	<p>April 1980 Joined Tokio Marine</p> <p>June 2011 Executive Officer and General Manager of Corporate Accounting Dept. of Tokio Marine &amp; Nichido</p> <p>June 2011 Executive Officer and General Manager of Corporate Accounting Dept. of Tokio Marine Holdings</p> <p>June 2012 Managing Director and General Manager of Corporate Accounting Dept. of Tokio Marine &amp; Nichido</p> <p>June 2012 Managing Director and General Manager of Corporate Accounting Dept. of Tokio Marine Holdings</p> <p>July 2013 Managing Director of Tokio Marine &amp; Nichido</p> <p>July 2013 Managing Director of Tokio Marine Holdings</p> <p>April 2017 Senior Managing Director of Tokio Marine Holdings (to present)</p> <p>April 2017 Senior Managing Director of Tokio Marine &amp; Nichido (to present)</p> <p>(Responsibilities) Group CIO (Group Chief Investment Officer) In charge of Financial Planning Dept., Corporate Accounting Dept. and Internal Audit Dept.</p> <p>(Other major occupations) Senior Managing Director of Tokio Marine &amp; Nichido</p>	12,650 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Hirokazu Fujita as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in accounting, his terms in office as Executive Officer of Tokio Marine & Nichido and the Company in charge of accounting and financial planning and his current role of being responsible for investment management of the Group as Senior Managing Director of the Company.

Note: There are no special conflicts of interest between the Company and Mr. Hirokazu Fujita.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
6.	Takayuki Yuasa (May 5, 1958) <u>Renomination</u>	<p>April 1981 Joined Tokio Marine</p> <p>June 2012 President &amp; Chief Executive Officer of Tokio Marine &amp; Nichido Financial Life Insurance Co., Ltd.</p> <p>Sep. 2014 Resigned from position as President &amp; Chief Executive Officer of Tokio Marine &amp; Nichido Financial Life Insurance Co., Ltd.</p> <p>Oct. 2014 Managing Executive Officer of Tokio Marine Holdings</p> <p>June 2015 Managing Director of Tokio Marine &amp; Nichido (to present)</p> <p>June 2015 Managing Director of Tokio Marine Holdings (to present)</p> <p>(Responsibilities) Group CFO (Group Chief Financial Officer) In charge of Corporate Planning Dept., Legal Dept. and Internal Control Dept.</p> <p>(Other major occupations) Managing Director of Tokio Marine &amp; Nichido</p>	10,100 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Takayuki Yuasa as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his involvement in corporate planning, finance, accounting, and the domestic life insurance and property and casualty insurance businesses, his terms in office as Executive Officer of Tokio Marine & Nichido and the Company being responsible for risk management and his current role of being responsible for capital strategy of the Group as Managing Director of the Company.

Note: There are no special conflicts of interest between the Company and Mr. Takayuki Yuasa.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
7.	Toshifumi Kitazawa (November 18, 1953) <u>Renomination</u>	April 1977 Joined Tokio Marine June 2008 Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life") June 2009 Senior Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life July 2009 Senior Managing Director of Tokio Marine & Nichido Life June 2010 President & Chief Executive Officer of Tokio Marine & Nichido Life June 2010 Director of Tokio Marine Holdings March 2014 Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Life April 2014 Executive Vice President of Tokio Marine & Nichido June 2014 Vice President Executive Officer of Tokio Marine Holdings March 2016 Resigned from position as Vice President Executive Officer of Tokio Marine Holdings April 2016 President & Chief Executive Officer of Tokio Marine & Nichido (to present) June 2016 Director of Tokio Marine Holdings (to present) (Other major occupations) President & Chief Executive Officer of Tokio Marine & Nichido	36,350 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Toshifumi Kitazawa as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in product planning, domestic insurance underwriting and management of group companies, and his terms in office as President & Chief Executive Officer of Tokio Marine & Nichido Life, and his current leadership role in the management of Tokio Marine & Nichido as President & Chief Executive Officer.

Note: There are no special conflicts of interest between the Company and Mr. Toshifumi Kitazawa.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
8.	Akio Mimura (November 2, 1940) <u>Renomination</u> <u>Independent</u>	<p>April 1963 Joined Fuji Iron &amp; Steel Co., Ltd.</p> <p>June 1993 Director of Nippon Steel Corporation</p> <p>April 1997 Managing Director of Nippon Steel Corporation</p> <p>April 2000 Representative Director and Executive Vice President of Nippon Steel Corporation</p> <p>April 2003 Representative Director and President of Nippon Steel Corporation</p> <p>April 2008 Representative Director and Chairman of Nippon Steel Corporation</p> <p>June 2010 Director of Tokio Marine Holdings (outside director, to present)</p> <p>Oct. 2012 Director, Member of the Board and Senior Advisor of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>June 2013 Senior Advisor of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>Nov. 2013 Senior Advisor, Honorary Chairman of Nippon Steel &amp; Sumitomo Metal Corporation (to present)</p> <p>(Other major occupations)</p> <p>Senior Advisor, Honorary Chairman of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>Director of Japan Post Holdings Co., Ltd. (outside director)</p> <p>Director of Development Bank of Japan Inc. (outside director)</p> <p>Director of Innovation Network Corporation of Japan (outside director)</p> <p>Director of Nisshin Seifun Group Inc. (outside director)</p> <p>Chairman of The Japan Chamber of Commerce and Industry</p> <p>Chairman of The Tokyo Chamber of Commerce and Industry</p>	5,400 shares

(Reason for proposing him/her as a candidate for outside director)

Mr. Akio Mimura is a candidate for outside director. The reason for proposing him as a candidate for outside director is that he would be expected to fulfill his supervisory functions and provide valuable advice based on his insight as a company manager, acquired through many years of experience in a management role.

(His/Her independence)

1. Mr. Akio Mimura is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 24 of this reference material.
3. He concurrently serves as Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation, which has no business transaction with the Company. Insurance subsidiaries of the Company conduct insurance-related transactions with Nippon Steel & Sumitomo Metal Corporation;

however, these transactions constitute less than 1 percent of the Company's consolidated ordinary income.

(Major activities)

1. Mr. Akio Mimura attended all 12 board of directors' meetings held during fiscal year 2016.
2. He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis at the board of directors' meetings, based on his insight as a company manager which has been acquired through many years of experience in a management role.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Akio Mimura.

2. He will have served as an outside director for 7 years at the close of this Meeting.

3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with him to limit his liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if he is elected as proposed.



No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
9.	Mikio Sasaki (October 8, 1937) <u>Renomination</u> <u>Independent</u>	<p>April 1960 Joined Mitsubishi Corporation</p> <p>June 1992 Director of Mitsubishi Corporation</p> <p>June 1994 Managing Director of Mitsubishi Corporation</p> <p>April 1998 President of Mitsubishi Corporation</p> <p>April 2004 Chairman of the Board of Mitsubishi Corporation</p> <p>June 2010 Director and Senior Corporate Advisor (<i>Soudanyaku</i>) of Mitsubishi Corporation</p> <p>June 2011 Senior Corporate Advisor (<i>Soudanyaku</i>) of Mitsubishi Corporation</p> <p>June 2011 Director of Tokio Marine Holdings (outside director, to present)</p> <p>April 2016 Senior Corporate Advisor (<i>Tokubetsukomon</i>) of Mitsubishi Corporation (to present)</p> <p>(Other major occupations)</p> <p>Senior Corporate Advisor (<i>Tokubetsukomon</i>) of Mitsubishi Corporation</p> <p>Director of Mitsubishi Research Institute, Inc. (non-executive director)</p>	2,200 shares

(Reason for proposing him/her as a candidate for outside director)

Mr. Mikio Sasaki is a candidate for outside director. The reason for proposing him as a candidate for outside director is that he would be expected to fulfill his supervisory functions and provide valuable advice based on his insight as a company manager, acquired through many years of experience in a management role.

(His/Her independence)

1. Mr. Mikio Sasaki is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 24 of this reference material.
3. He concurrently serves as Senior Corporate Advisor (*Tokubetsukomon*) of Mitsubishi Corporation, which has no business transaction with the Company. Insurance subsidiaries of the Company conduct insurance-related transactions with Mitsubishi Corporation; however, these transactions constitute less than 1 percent of the Company's consolidated ordinary income.

(Major activities)

1. Mr. Mikio Sasaki attended all 12 board of directors' meetings held during fiscal year 2016.
2. He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis at the board of directors' meetings, based on his insight as a company manager which has been acquired through many years of experience in a management role.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Mikio Sasaki.

2. He will have served as an outside director for 6 years at the close of this Meeting.

3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with him to limit his liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the

agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if he is elected as proposed.

4. He served as an outside director of Mitsubishi Motors Corporation (“Mitsubishi Motors”). In April 2016, during his term as an outside director, wrongful acts conducted by Mitsubishi Motors were found in connection with its fuel-economy tests. In September 2016, after the revelation, Ministry of Land, Infrastructure, Transport and Tourism also pointed out that Mitsubishi Motors’ actions had undermined the purpose of the inspection method in the fuel-economy retesting. In January 2017, Mitsubishi Motors also received an administrative order and a surcharge payment order from the Consumer Affairs Agency for violation of the Premiums and Representations Act with regard to representations in its catalog of vehicles in which Mitsubishi Motors used false figures from April 2016 or prior to that date. Although he was unaware of both problems until they were discovered, prior to the incidents he had consistently pushed for enhancement of compliance measures and called for further attention to the importance of compliance in the board meetings. After the discovery, he led a thorough investigation of the facts which had been discovered during his term, which ended in June 2016, and suggested the implementation of measures to prevent recurrences of such incidents.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
10.	Masako Egawa (September 7, 1956) <u>Renomination</u> <u>Independent</u>	<p>April 1980 Joined Citibank, N.A., Tokyo Branch</p> <p>Sep. 1986 Joined Salomon Brothers Inc, New York Head Office</p> <p>June 1988 Joined Salomon Brothers Asia Limited, Tokyo Branch</p> <p>Dec. 1993 Joined S.G. Warburg Securities, Tokyo Branch</p> <p>Nov. 2001 Executive Director, Japan Research Center, Harvard Business School</p> <p>April 2009 Executive Vice President, The University of Tokyo</p> <p>March 2015 Resigned from position as Executive Vice President, The University of Tokyo</p> <p>June 2015 Director of Tokio Marine Holdings (outside director, to present)</p> <p>Sep. 2015 Professor, Graduate School of Commerce and Management, Hitotsubashi University (to present)</p> <p>(Other major occupations)</p> <p>Professor, Graduate School of Commerce and Management, Hitotsubashi University</p> <p>Director of Mitsui Fudosan Co., Ltd. (outside director)</p> <p>Director of Asahi Glass Company, Limited (outside director)</p>	800 shares

(Reason for proposing him/her as a candidate for outside director)

Ms. Masako Egawa is a candidate for outside director. The reason for proposing her as a candidate for outside director is that she would be expected to fulfill her supervisory functions and provide valuable advice based on her insight as a specialist in business management, acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President. While she has not been involved in business management other than as an outside director or an outside audit & supervisory board member, we believe that she would effectively perform her duty as an outside director for the reasons set forth above.

(His/Her independence)

1. Ms. Masako Egawa is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. She fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 24 of this reference material.

(Major activities)

1. Ms. Masako Egawa attended all 12 board of directors' meetings held during fiscal year 2016.
2. She has fulfilled her supervisory functions by asking for detailed explanations and making remarks on a timely basis at the board of directors' meetings, based on her insight as a specialist in business management, acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President.

- Notes:
1. There are no special conflicts of interest between the Company and Ms. Masako Egawa.
  2. She will have served as an outside director for 2 years at the close of this Meeting.
  3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with her to limit her liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if she is elected as proposed.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
11.	Kenji Iwasaki (January 3, 1955) <u>New nomination</u>	<p>April 1978 Joined Tokio Marine</p> <p>June 2009 Executive Officer and General Manager of Financial Institutions Dept. of Tokio Marine &amp; Nichido</p> <p>June 2010 Managing Director of Tokio Marine &amp; Nichido</p> <p>April 2014 Senior Managing Director of Tokio Marine &amp; Nichido</p> <p>April 2016 Senior Managing Executive Officer of Tokio Marine Holdings</p> <p>April 2017 Vice President Executive Officer of Tokio Marine Holdings (to present)</p> <p>April 2017 Executive Vice President of Tokio Marine &amp; Nichido (to present)</p> <p>(Responsibilities) Group CSSO (Group Chief Strategy and Synergy Officer) In charge of Strategy and Synergy Dept.</p> <p>(Other major occupations) Executive Vice President of Tokio Marine &amp; Nichido</p>	15,100 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Kenji Iwasaki as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in domestic insurance underwriting and corporate planning, his terms in office as Executive Officer of Tokio Marine & Nichido in charge of personnel affairs, corporate planning and corporate communications, and his current role of being responsible for business strategy and synergy of the Group as Vice President Executive Officer of the Company.

Note: There are no special conflicts of interest between the Company and Mr. Kenji Iwasaki.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
12.	Takashi Mitachi (January 21, 1957) <u>New nomination</u> <u>Independent</u>	<p>April 1979 Joined Japan Airlines Co., Ltd.</p> <p>Oct. 1993 Joined The Boston Consulting Group</p> <p>Jan. 1999 Vice president of The Boston Consulting Group</p> <p>Jan. 2005 Japan Co-Chairman and Senior Partner &amp; Managing Director of The Boston Consulting Group</p> <p>Jan. 2016 Senior Partner &amp; Managing Director of The Boston Consulting Group (to present)</p> <p>(Other major occupations)</p> <p>Senior Partner &amp; Managing Director of The Boston Consulting Group</p> <p>Director of Rakuten, Inc. (outside director)</p> <p>Director of DMG Mori Co., Ltd. (outside director)</p> <p>Director of Unicharm Corporation (outside director)</p>	-

(Reason for proposing him/her as a candidate for outside director)

Mr. Takashi Mitachi is a candidate for outside director. The reason for proposing him as a candidate for outside director is that he would be expected to fulfill his supervisory functions and provide valuable advice based on his insight as a company manager, acquired through many years of experience in a consulting firm and a management role.

(His/Her independence)

1. Mr. Takashi Mitachi is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 24 of this reference material.
3. He concurrently serves as Senior Partner & Managing Director of The Boston Consulting Group, which conducts consulting-related transactions with the Company and insurance subsidiaries of the Company; however, these transactions constitute less than 1 percent of its consolidated net sales.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Takashi Mitachi.

2. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company intends to enter into an agreement with him to limit his liability provided for in Article 423, paragraph 1 of the Companies Act of Japan, if he is elected as proposed. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
13.	Katsumi Nakazato (February 7, 1963) <u>New nomination</u>	April 1985 Joined Tokio Marine April 2016 Managing Director and General Manager of Corporate Marketing and Planning Dept. of Tokio Marine & Nichido Life April 2017 President & Chief Executive Officer of Tokio Marine & Nichido Life (to present) (Other major occupations) President & Chief Executive Officer of Tokio Marine & Nichido Life	4,300 shares

(Reason for proposing him/her as a candidate for director)

The reason for proposing Mr. Katsumi Nakazato as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in domestic insurance underwriting and sales promotion, and his current leadership role in the management of Tokio Marine & Nichido Life as President & Chief Executive Officer.

Note: There are no special conflicts of interest between the Company and Mr. Katsumi Nakazato.

## Reference

### Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members

#### Exhibit

#### (Article 16 of Tokio Marine Holdings Fundamental Corporate Governance Policy)

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

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



[English Translation]

**TOKIO MARINE HOLDINGS, INC.**

**Attachment to the “Notice of Convocation of  
the 15th Ordinary General Meeting of Shareholders”**

**Business Report for Fiscal Year 2016**

(From April 1, 2016 to March 31, 2017)

1. Matters Concerning the Insurance Holding Company

(1) Business Developments and Results for Tokio Marine Group

During fiscal year 2016, despite increased uncertainty due to the decision of the United Kingdom to exit the European Union and other factors, the steady progress of the U.S. economy and expectations for fiscal expansion of the U.S. resulted in improved global business confidence, and the world economy as a whole generally recovered gradually.

In Japan, despite weakness in consumer spending, the economy gradually recovered due to a recovery in production and exports.

In the insurance industry, the Insurance Business Act was enforced in May 2016, which was revised in response to a changing environment with regard to insurance solicitation etc. Each insurance company promoted activities to increase the quality of insurance solicitation, such as measures to fulfill the obligations newly provided for in Insurance Business Act to ascertain customers' intention and provide customers with necessary information.

Against this backdrop, the Group changed its management structure to strengthen the aligned group management of the Group. Under the new management structure, headed by Group CEO, the Group Chief Officers are responsible for each function for the Group. Under this structure, the Group actively promoted its business in this fiscal year toward the achievement of our medium-term business plan “To Be a Good Company 2017.”

Positive factors such as the expansion of our domestic and international insurance business and other factors contributed to the result that the net income attributable to owners of the parent was 273.8 billion yen and record-high profits for five consecutive years .

(Yen in billions, except for %)

	Fiscal year 2015	Fiscal year 2016 (this fiscal year)	Rate of change (%)
Ordinary income	4,579.0	5,232.6	14.3
Net premiums written	3,265.5	3,480.4	6.6
Life insurance premiums	471.6	904.4	91.7
Life insurance premiums (excluding variable annuities)	860.9	1,002.5	16.4
Ordinary profit	385.8	387.6	0.5
Net income attributable to owners of the parent	254.5	273.8	7.6

Ordinary income and ordinary profit for each business segment are as follows:

(Yen in billions)

Business segment	Ordinary income		Ordinary profit	
	Fiscal year 2015	Fiscal year 2016 (this fiscal year)	Fiscal year 2015	Fiscal year 2016 (this fiscal year)
Domestic property and casualty insurance	2,739.1	2,636.1	239.3	254.4
Domestic life insurance	484.2	722.0	28.3	13.2
Overseas insurance	1,428.4	1,835.7	112.2	114.0
Financial and other	76.2	82.8	5.8	5.8

Note: Figures in this table are shown after adjustments necessary to accurately reflect the actual situation, such as the exclusion of dividend income from group companies, which is recorded in the non-consolidated financial results of each subsidiary.

### *Domestic Property and Casualty Insurance Business*

The following is a discussion of Tokio Marine & Nichido's operating results for fiscal year 2016. Net premiums were 2,116.1 billion yen, a decrease of 0.6 percent compared to the previous fiscal year, due mainly to the effect of shortening the duration of long-term fire insurance in the second half of the previous fiscal year. The combined ratio, a profitability index for the property and casualty insurance business, remained stable at 91.5%. Underwriting profit was 116.1 billion yen, an increase of 102.2 billion yen compared to the previous fiscal year.

Investment income was 197.4 billion yen, a decrease of 164.6 billion yen compared to the previous fiscal year, due mainly to a return to a normal level of investment income after the previous fiscal year's large investment income that resulted from an increase in dividend income from subsidiaries for the purpose of raising funds for the purchase of overseas insurance companies in the previous fiscal year.

As a result, ordinary profit was 312.4 billion yen, a decrease of 64.8 billion yen compared to the previous fiscal year. Net income was 248.6 billion yen, a decrease of 52.9 billion yen compared to the previous fiscal year.

The Kumamoto Earthquakes that occurred in April 2016 caused immense damage, particularly to Kumamoto and Oita prefectures. Tokio Marine & Nichido immediately set up a disaster management task force led by its President and provided support by sending its employees to the affected areas from throughout Japan. Tokio Marine & Nichido responded to the disaster by using system infrastructure developed for emergencies and allocating the processing of insurance claims reports and facilitating claim payments to its offices nationwide.

Tokio Marine & Nichido has been making efforts to further develop a business model that integrates life insurance and property and casualty insurance by strengthening consulting sales through the promotion of Super Insurance to meet customer needs. Additionally, Tokio Marine & Nichido is responding to environmental changes by engaging in initiatives such as technological advancement and is working to construct a new business model that supports regional development in Japan and health and productivity management.

In response to changes in the business environment to address the increasing prevalence of autonomous driving systems, Tokio Marine & Nichido developed a new automobile insurance product of insurance policy- “coverage riders for expenses for saving victims”. In case of an accident caused by a vehicle equipped with autonomous driving systems, it will likely become complicated to determine who should be responsible among not only the parties to the accident, but also manufacturers, software companies and others. The coverage aims to help victims promptly in such cases. For individual customers, Tokio Marine & Nichido developed “Drive Agent Personal”, a new service that uses a driving recorder with a communication function that provides an automatic accident-reporting function and an accident-prevention support function.

We collaborate with local governments, financial institutions, chambers of commerce and industry, and other organizations to promote regional development initiatives in Japan under the slogan “revitalization of regions helps our growth.” Specifically, we are working to revitalize local regions and strengthen support to small and medium sized companies through inbound business support and other measures. To support health and productivity management, we developed a new service which analyzes information such as health check-ups, and allow us to support the effective planning and implementation of health care services for health insurance associations and the planning of health enhancement measures for the employees of companies. In addition, in response to changes in the occupational health and safety environment faced by business corporations, we launched a new product for workers’ accident comprehensive insurance that provides indemnity for mental health disease.

Regarding asset management, Tokio Marine & Nichido aims to assess liquidity and ensure stable earnings as part of its efforts to maintain a sound financial base through risk management. To improve capital efficiency, Tokio Marine & Nichido continues its sale of equities held for business relationship-related reasons.

With respect to the operating results of Nisshin Fire & Marine Insurance Co., Ltd. (“Nisshin Fire”) for fiscal year 2016, net premiums were 140.1 billion yen, an increase of 1.0 percent from the previous fiscal year, due to its active business operation. Ordinary profit was 9.0 billion yen, a decrease of 0.6 billion yen from the previous fiscal year. Net income was 6.5 billion yen, an increase of 0.4 billion yen from the previous fiscal year. During fiscal year 2016, Nisshin Fire has worked to provide products that are simple and easy to understand with an aim to become the most familiar

and trusted retail property and casualty insurance company.

### *Domestic Life Insurance Business*

Tokio Marine & Nichido Life had 120.7 billion yen in annualized premiums of newly signed life insurance, an increase of 0.9 percent compared to the previous fiscal year, due to the expansion of insurance business and other factors. Annualized premiums of life insurance-in-force were 831.3 billion yen, an increase of 4.4 percent compared to the previous fiscal year, with the effect of strengthened sales of protection-type products outweighing the impact from the expiration and cancellation of variable annuities insurance. Ordinary profit was 13.2 billion yen, a decrease of 15.7 billion yen compared to the previous fiscal year, and net income was 8.7 billion yen, a decrease of 5.9 billion yen compared to the previous fiscal year, due to a decrease in profit from valuation in derivatives and other factors stemming from changes in the market environment.

Tokio Marine & Nichido Life is promoting “Life Insurance Revolution to Protect One’s Living,” which focuses on risks such as the inability to work. In November of last year, Tokio Marine & Nichido Life launched a product with a newly established rider that provides for a lump-sum payment for hospitalization due to any of five diseases including cancer, in addition to a household indemnity for the inability to work. Tokio Marine & Nichido Life has been making efforts to further develop a business model that integrates life insurance and property and casualty insurance with Tokio Marine & Nichido. In October of last year, Tokio Marine & Nichido Life introduced a “comprehensive discount for life insurance” in Super Insurance, which is an original product of the Group. We hope that an increasing number of customers take advantage of the opportunity to use this product.

### *Overseas Insurance Business*

The Group has actively developed its overseas insurance business with the aim to achieve global growth and risk diversification, and, through excellent know-how held by group companies, has implemented a wide range of efforts toward the realization of synergies such as increasing premium income, advancing investment management,

raising business efficiency and other measures. Due to the steady revenue growth of many of our major subsidiaries and to the contribution of HCC, which we acquired in 2015, combined premium income for life insurance and property and casualty insurance was 1,518.1 billion yen, an increase of 27.4 percent compared to the previous fiscal year. Ordinary profit was 114.0 billion yen, an increase of 1.8 billion yen compared to the previous fiscal year.

PHLY, a U.S. property and casualty insurance group, achieved an increase of premium income by promoting a strategy aimed at specific types of business and customer segments. HCC also achieved an increase of premium income by promoting sales of specialty insurance by taking advantage of its highly professional underwriting ability.

Delphi, a U.S. insurance group, increased its premium income by promoting sales of employee benefit-related insurance and contributed to investment return of the entire Group by managing assets entrusted by other group companies with its high investment expertise.

Tokio Marine Kiln Group Limited, a U.K.-based insurance group, steadily expanded its underwriting of risks amid a downward trend in premium rates.

With regard to the property and casualty insurance business in emerging markets, the Group achieved an increase of premium income due to the measures such as expanding sales of auto insurance in Brasil and Malaysia. With regard to the life insurance business, the Group achieved a steady increase of premium income in Asia.

#### *Financial and Other Business*

The Group developed its financial services business steadily with a focus on its fee-based asset management business, which offers a stable revenue base. Such fee-based business includes the management of pension funds and the management of investment trusts by Tokio Marine Asset Management Co., Ltd.

With respect to other general businesses, the Group continued to engage in temporary staffing services, property management services and other businesses.

## CSR

Tokio Marine & Nichido has been working on an industry-academia collaborative study on climate change and natural disaster risks. At the “First National Meeting for Promotion of Disaster Prevention” held in August of last year, Tokio Marine & Nichido and International Research Institute of Disaster Science, Tohoku University jointly hosted a forum entitled, “For safety and security for the future —Are we appropriately utilizing the lessons learned from natural disasters such as the Great East Japan Earthquake?” Tokio Marine & Nichido has continued its initiatives to protect the global environment through mangrove planting activities abroad and environmental protection activities in Japan.

### *Issues Facing the Group*

In fiscal year 2017, we expect that the gradual improvement of the world economy centered on the U.S. will continue. Meanwhile, in addition to political risks such as the new administration in the U.S. and negotiations by the United Kingdom to exit the European Union, geopolitical risks are also matters of concern.

The Japanese economy is expected to continue its gradual recovery through a recovery in personal consumption and public investments aimed at boosting the economy.

Under these circumstances, the Group aims to further enhance “Enterprise Risk Management” by promoting investment in businesses with high capital efficiency and risk diversification on a global scale. Through these efforts, we intend to maintain financial soundness, a key strength of the Group, while aiming to achieve a balance in sustainable profit growth and capital efficiency in the final year of our medium-term business plan “To Be a Good Company 2017.” We will also continue to further strengthen the aligned management of the Group, a key platform for our entire operations.

In our domestic property and casualty insurance business, we will further refine our business model that integrates life insurance and property and casualty insurance from the customer's viewpoint and actively support regional development and health

and productivity management. We will also develop product and service strategies that appropriately take into account the environmental changes such as technological advancements while improving our ability to respond to risks in relation to new fields such as cybersecurity, agriculture, and sharing economies by strengthening our research and development efforts.

In the domestic life insurance business, we will conduct asset management based on Asset Liability Management (ALM) under the assumption that low interest rates will persist over the long-term. We will also reinforce sales of our protection-type products by promoting our “Life Insurance Revolution to Protect One’s Living,” which provides coverage for the inability to work, medical treatment, nursing care, among others. In addition, we will launch a medical insurance in August of this year, that supports customers’ activity toward improved health for the first time in the industry. We will continue to strive for innovation.

In the overseas insurance business, the Group aims to improve capital efficiency and expand profit by strengthening organic growth and promoting strategic and disciplined M&A. To strengthen organic growth, we will realize synergies within the Group through promoting sales of HCC’s highly specialized insurance products using the Group’s global network, enhancing investment return through Delphi, which has sophisticated know-how in that area, among other measures. With respect to strategic M&A, we will continue to seek global growth opportunities and regional diversification.

What underpins each of these businesses is human resources. The Group endeavors to have all employees contribute to the growth of the Group by maintaining their good health and maximizing their abilities. This year, the Group was selected as a “Health & Productivity Stock” for the second consecutive year. As in previous years, the Group will continue its efforts to encourage the success of women in the workplace, develop global human resources, employ handicapped persons, among other measures with the aim of helping employees attain satisfaction in the workplace.

The Group sets a basic policy of paying dividends for shareholder returns and will seek to increase dividends by improving profitability.

Under our management philosophy to place “customer trust at the base of all its



activities”, the entire Group will endeavor to achieve further growth as a corporate group, seeking growth characterized by high profitability, sustainability and soundness.

We plan on building up a “Good Company” that is trusted widely by customers and the society. The management would like to express its sincere appreciation to all shareholders of Tokio Marine Holdings for their continued guidance and support.

Note 1: Throughout this Business Report, all amounts (including numbers of shares) are truncated and all ratios are rounded to one decimal place (hereinafter the same shall apply in the financial statement below).

Note 2: Numbers that appear as ordinary income and ordinary profit for each business segment are before adjustments made to record ordinary income and ordinary profit in the consolidated statement of income.

Note 3: The combined ratio is a measure of profitability for a property and casualty insurance company. Specifically, it is the ratio of claims and operating expenses (numerator) to premiums (denominator). The ratio is 100 percent when the balance of payments is in equilibrium.

Note 4: The yen-denominated amounts of premium income and ordinary profit in overseas insurance business are calculated at exchange rates in effect as of the end of December 2016.

**(2) Four Year Summary of Assets and Earnings of the Group and the Insurance Holding Company**

a. The Group's summary of assets and earnings

(Yen in millions)  
(Fiscal year)

	2013	2014	2015	2016
Ordinary income	4,166,130	4,327,982	4,579,076	5,232,602
Ordinary profit	274,386	358,182	385,825	387,659
Net income attributable to owners of the parent	184,114	247,438	254,540	273,856
Comprehensive income	442,277	997,024	(14,543)	169,603
Net assets	2,739,114	3,609,655	3,512,656	3,569,760
Total assets	18,948,000	20,889,670	21,855,328	22,607,603

b. The Insurance Holding Company's summary of assets and earnings

(Yen in millions, except per share amounts)  
(Fiscal year)

	2013	2014	2015	2016
Operating income	19,442	149,751	96,736	84,702
Dividends received	13,106	143,701	89,455	74,160
Insurance subsidiaries	11,600	142,215	82,782	68,994
Other subsidiaries	1,506	1,486	6,673	5,166
Net income	12,384	141,734	57,402	68,666
Net income per share of common share	16.14 yen	185.57 yen	76.06 yen	91.15 yen
Total assets	2,478,082	2,509,565	2,486,765	2,436,616
Share of insurance subsidiaries	2,374,845	2,383,545	2,333,913	2,329,195
Share of other subsidiaries	81,718	80,857	80,627	74,202

**(3) The Group's Principal Offices (As of March 31, 2017)**

a. The Company

	Location	Established as of
Head Office	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	April 2, 2002

Note: The date shown above is the date of incorporation.

b. Subsidiaries and affiliates

Business segment	Company name	Office name	Location	Established as of	
Domestic property and casualty insurance	Tokio Marine & Nichido	Head Office	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	March 20, 1944	
		Hokkaido			Hokkaido Branch and 6 other branches
		Tohoku			Sendai Branch and 9 other branches
		Kanto			Tokyo Central Branch and 31 other branches
		Tokai and Hokuriku			Aichi South Branch and 25 other branches

		Kansai	Osaka South Branch and 24 other branches	
		Chugoku and Shikoku	Hiroshima Branch and 14 other branches	
		Kyushu	Fukuoka Central Branch and 13 other branches	
	Nisshin Fire	Head Office (Tokyo Head Office), Saitama Head Office		3, Kandasurugadai 2-chome, Chiyoda-ku, Tokyo, Japan June 10, 1908
Domestic life insurance	Tokio Marine & Nichido Life	Head Office		2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan August 6, 1996
Overseas insurance	Philadelphia Consolidated Holding Corp.	Head Office		Bala Cynwyd, Pennsylvania, U.S.A. July 6, 1981
	Delphi Financial Group, Inc.	Head Office		Wilmington, Delaware, U.S.A. May 27, 1987
	HCC Insurance Holdings, Inc.	Head Office		Dover, Delaware, U.S.A. March 27, 1991
	Tokio Marine Kiln Group Limited	Head Office		London, U.K. July 11, 1994
Financial and other	Tokio Marine Asset Management Co., Ltd.	Head Office		8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan December 9, 1985

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.

2. "Office name" is the name of the principal office.

3. "Location" is the location of the head office.

4. The dates shown above are the date of incorporation.

#### (4) The Group's Employees

Business segment	As of March 31, 2016	As of March 31, 2017	Increase (decrease)
Domestic property and casualty insurance	20,221	20,538	317
Domestic life insurance	2,301	2,249	(52)
Overseas insurance	12,707	13,637	930
Financial and other	1,673	2,418	745

Total	36,902	38,842	1,940
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**(5) The Group's Principal Lenders (As of March 31, 2017)**

Business segment	Company name	Lender	Balance of loan
Domestic property and casualty insurance	Tokio Marine & Nichido	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	145,847 million yen
		Syndicated loan	269,256 million yen

Note: The arranger of the syndicated loan is The Bank of Tokyo-Mitsubishi UFJ, Ltd.

**(6) The Group's Financing Activities**

None.

**(7) The Group's Capital Investment Activities**

a. Total investment in facilities

Business segment	Amount
Domestic property and casualty insurance	24,226 million yen
Domestic life insurance	562 million yen
Overseas insurance	9,404 million yen
Financial and other	732 million yen
Total	34,926 million yen

Notes: 1. "Amount" is the aggregate amount of investment in facilities for fiscal year 2016.

2. Yen amounts include certain capital expenditures in other currencies which were converted into yen based on exchange rates as of the end of December 2016.

b. New construction of major facilities and other

None.

**(8) Parent Company and Major Subsidiaries (As of March 31, 2017)**

a. Parent company

None.

b. Major subsidiaries and affiliates accounted for by the equity method

Company name	Location	Major business	Date of incorporation	Paid-in capital (Yen in millions)	Ratio of Tokio Marine Holdings's voting rights	Notes
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Mar. 20, 1944	101,994	100.0%	-
Nisshin Fire & Marine Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	June 10, 1908	20,389	100.0%	-
E.design Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Jan. 26, 2009	25,903	91.6%	-

Tokio Marine & Nichido Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 6, 1996	55,000	100.0%	-
Tokio Marine Millea SAST Insurance Co., Ltd.	Kanagawa, Japan	Small-amount short-term insurance	Sep. 1, 2003	895	100.0%	-
Tokio Marine Asset Management Co., Ltd.	Tokyo, Japan	Investment management and Investment trusts	Dec. 9, 1985	2,000	100.0%	-
Tokio Marine North America, Inc.	Wilmington, Delaware, U.S.A	Holding company	June 29, 2011	0	100.0% (100.0)	-
Philadelphia Consolidated Holding Corp.	Bala Cynwyd, Pennsylvania, U.S.A.	Holding company	July 6, 1981	0	100.0% (100.0)	-
Philadelphia Indemnity Insurance Company	Bala Cynwyd, Pennsylvania, U.S.A.	Property and casualty insurance	Feb. 4, 1927	504	100.0% (100.0)	-
First Insurance Company of Hawaii, Ltd.	Honolulu, Hawaii, U.S.A.	Property and casualty insurance	Aug. 6, 1982	479	100.0% (100.0)	-
Tokio Marine America Insurance Company	New York, New York, U.S.A.	Property and casualty insurance	Aug. 13, 1998	560	100.0% (100.0)	-
Delphi Financial Group, Inc.	Wilmington, Delaware, U.S.A.	Holding company	May 27, 1987	0	100.0% (100.0)	-
Safety National Casualty Corporation	St. Louis, Missouri, U.S.A.	Property and casualty insurance	Nov. 28, 1942	3,365	100.0% (100.0)	-
Reliance Standard Life Insurance Company	Schaumburg, Illinois, U.S.A.	Life insurance	Apr. 2, 1907	6,282	100.0% (100.0)	-
Reliance Standard Life Insurance Company of Texas	Houston, Texas, U.S.A.	Life insurance	Aug. 16, 1983	78	100.0% (100.0)	-
HCC Insurance Holdings, Inc.	Dover, Delaware, U.S.A.	Holding company	Mar. 27, 1991	0	100.0% (100.0)	-

Houston Casualty Company	Dallas, Texas, U.S.A.	Property and casualty insurance	May 27, 1981	560	100.0% (100.0)	-
U.S. Specialty Insurance Company	Dallas, Texas, U.S.A.	Property and casualty insurance	Oct. 28, 1986	471	100.0% (100.0)	-
HCC Life Insurance Company	Indianapolis, Indiana, U.S.A.	Life insurance	Dec. 3, 1980	280	100.0% (100.0)	-
Tokio Marine Kiln Group Limited	London, U.K.	Holding company	July 11, 1994	141	100.0% (100.0)	-
Tokio Marine Underwriting Limited	London, U.K.	Property and casualty insurance	Oct. 27, 2008	0	100.0% (100.0)	-
HCC International Insurance Company PLC	London, U.K.	Property and casualty insurance	July 22, 1981	21,329	100.0% (100.0)	-
Tokio Millennium Re AG	Zurich, Switzerland	Property and casualty insurance	Mar. 15, 2000	25,515	100.0% (100.0)	-
Tokio Marine Asia Pte. Ltd.	Singapore, Singapore	Holding company	Mar. 12, 1992	48,883	100.0%	-
Tokio Marine Insurance Singapore Ltd.	Singapore, Singapore	Property and casualty insurance	July 11, 1923	8,027	100.0% (100.0)	-
Tokio Marine Life Insurance Singapore Ltd.	Singapore, Singapore	Life insurance	May 21, 1948	2,889	85.7% (85.7)	-
Tokio Marine Insurans (Malaysia) Berhad	Kuala Lumpur, Malaysia	Property and casualty insurance	Apr. 28, 1999	10,228	100.0% (100.0)	-
Tokio Marine Life Insurance Malaysia Bhd.	Kuala Lumpur, Malaysia	Life insurance	Feb. 11, 1998	5,729	100.0% (100.0)	-
Edelweiss Tokio Life Insurance Company Limited	Mumbai, India	Life insurance	Nov. 25, 2009	4,527	49.0% (49.0)	-
Tokio Marine Seguradora S.A.	Sao Paulo, Brazil	Property and casualty insurance	June 23, 1937	21,553	97.8% (97.8)	-

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.

2. With regard to the amounts of capital of the company that holds capital in foreign currency,

the amounts of capital shown above have been converted to yen based on the currency exchange rate on the closing date of the fiscal year of the Company.

3. Figures in brackets shown under Tokio Marine Holdings's voting rights reflect Tokio Marine Holdings's indirectly held ownership ratio in the respective subsidiary.

## (9) The Group's acquisition and transfer of business

None.

## (10) Other Important Matters Concerning the Current State of the Group

None.

## 2. Matters Concerning Directors and Audit & Supervisory Board Members

### (1) Directors and Audit & Supervisory Board Members (As of March 31, 2017)

Name	Position and responsibilities	Other major occupations
Shuzo Sumi	Representative Director and Chairman of the Board	Counsellor of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Toyota Industries Corporation (outside director) Vice Chairman of Japan Association of Corporate Executives
Tsuyoshi Nagano	Representative Director and President & Chief Executive Officer  Group CEO (Group Chief Executive Officer)	Chairman of the Board of Tokio Marine & Nichido
Kunihiko Fujii	Senior Managing Director  Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept. and International Business Development Dept. (international business strategies (ERM) etc.)	Senior Managing Director of Tokio Marine & Nichido
Ichiro Ishii	Representative Director and Senior Managing Director  Head of international insurance business In charge of International Business Development Dept. (management of North America (HCC))	Senior Managing Director of Tokio Marine & Nichido

Hirokazu Fujita	Managing Director  Group CIO (Group Chief Investment Officer) In charge of Financial Planning Dept., Corporate Accounting Dept. and Internal Audit Dept.	Managing Director of Tokio Marine & Nichido
Takayuki Yuasa	Representative Director and Managing Director  Group CFO (Group Chief Financial Officer) In charge of Corporate Planning Dept., Legal Dept. and Internal Control Dept.	Managing Director of Tokio Marine & Nichido
Toshifumi Kitazawa	Director	President & Chief Executive Officer of Tokio Marine & Nichido Chairman of The General Insurance Association of Japan
Shinichi Hirose	Director	President & Chief Executive Officer of Tokio Marine & Nichido Life
Akio Mimura	Director (outside director)	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	Director (outside director)	Senior Corporate Advisor ( <i>Tokubetsukomon</i> ) of Mitsubishi Corporation Director of Mitsubishi Research Institute, Inc. (non-executive director )
Masako Egawa	Director (outside director)	Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Mitsui Fudosan Co., Ltd. (outside director) Director of Asahi Glass Company, Limited (outside director)
Yasuyuki Higuchi	Director (outside director)	Chairman of Microsoft Japan Co., Ltd. Corporate Vice President of Microsoft Corporation Director of ASKUL Corporation (outside director) Director of Faith, Inc. (outside director)



Takaaki Tamai	Audit & Supervisory Board Member (full-time)	-
Takashi Ito	Audit & Supervisory Board Member (full-time)	-
Yuko Kawamoto	Audit & Supervisory Board Member (outside audit & supervisory board member)	Professor, Graduate School of Business and Finance, Waseda University Director of Mitsubishi UFJ Financial Group, Inc. (outside director)
Akinari Horii	Audit & Supervisory Board Member (outside audit & supervisory board member)	Director and Special Advisor of The Canon Institute for Global Studies
Akihiro Wani	Audit & Supervisory Board Member (outside audit & supervisory board member)	Attorney-at-law

- Notes: 1. Outside directors and outside audit & supervisory board members qualify as outside directors and outside company auditors defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan (hereinafter the same shall apply in this Business Report).
2. Mr. Akio Mimura, Mr. Mikio Sasaki, Ms. Masako Egawa, Mr. Yasuyuki Higuchi, Ms. Yuko Kawamoto, Mr. Akinari Horii and Mr. Akihiro Wani are “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
3. Mr. Kunihiko Fujii assumed his position as Executive Vice President of Tokio Marine Holdings and Tokio Marine & Nichido effective as of April 1, 2017.
4. Mr. Ichiro Ishii assumed his position as Executive Vice President of Tokio Marine Holdings and Tokio Marine & Nichido effective as of April 1, 2017.
5. Mr. Hirokazu Fujita assumed his position as Senior Managing Director of Tokio Marine Holdings and Tokio Marine & Nichido effective as of April 1, 2017.
6. Mr. Shinichi Hirose resigned from his position as President & Chief Executive Officer of Tokio Marine & Nichido Life effective as of March 31, 2017. He assumed his position as Managing Director of Tokio Marine Holdings effective as of April 1, 2017.
7. Mr. Yasuyuki Higuchi resigned from his position as Chairman of Microsoft Japan Co., Ltd. and Corporate Vice President of Microsoft Corporation effective as of March 31, 2017. He assumed his position as Senior Managing Executive Officer of Panasonic Corporation effective as of April 1, 2017.
8. Mr. Takaaki Tamai, as a director of Tokio Marine Holdings and Tokio Marine & Nichido, was in charge of accounting department and has extensive insight regarding finance and accounting matters.
9. Mr. Takashi Ito was General Manager of Corporate Planning Dept. of Tokio Marine Holdings and has extensive insight regarding finance and accounting matters.
10. Ms. Yuko Kawamoto has many years of experience in research and other activities with respect to financial institutions and has extensive insight regarding finance and accounting matters.
11. Mr. Akinari Horii, as an executive or a regular employee of Bank of Japan through many years, has extensive insight regarding finance and accounting matters.
12. Mr. Akihiro Wani has many years of experience in his role as a corporate lawyer acting for financial institutions on legal matters and has extensive insight regarding finance and accounting matters.

## (2) Remuneration and Other Compensation to Directors and Audit & Supervisory Board Members

	Number of persons to receive remuneration and other compensation	Remuneration and other compensation
Directors	13 persons	493million yen
Audit & Supervisory Board Members	5 persons	111 million yen
<b>Total</b>	<b>18 persons</b>	<b>604 million yen</b>

- Notes: 1. “Number of persons to receive remuneration and other compensation” includes one director who resigned from office at the close of the 14th ordinary general meeting of shareholders held on June 27, 2016.
2. “Remuneration and other compensation” includes the amounts paid to the director referred to in Note 1 above.
3. Remuneration in connection with share acquisition rights granted to directors is 87 million yen.
4. Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders is described below.

	Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders
Directors	Monthly remuneration: 50 million yen per month Remuneration in connection with share acquisition rights: 140 million yen per year
Audit & Supervisory Board Members	Monthly remuneration: 12 million yen per month
<b>Total</b>	Monthly remuneration: 62 million yen per month Remuneration in connection with share acquisition rights: 140 million yen per year

## (3) Limitation of Liability

Name	Outline of the contract to limit liability
Akio Mimura (outside director) Mikio Sasaki (outside director) Masako Egawa (outside director) Yasuyuki Higuchi (outside director) Yuko Kawamoto (outside audit & supervisory board member) Akinari Horii (outside audit & supervisory board member) Akihiro Wani (outside audit & supervisory board member)	In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with the persons listed in this table to limit their liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement is the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan.

### 3. Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

#### (1) Other Assignments (As of March 31, 2017)

Other occupations of outside directors and outside audit & supervisory board members are as described above in “2. Matters Concerning Directors and Audit & Supervisory Board Members (1) Directors and Audit & Supervisory Board Members (As of March 31, 2017)”. From among the entities where outside directors and outside audit & supervisory board members have other occupations, while insurance subsidiaries of the Company conduct considerable amounts of insurance-related transactions with Nippon Steel & Sumitomo Metal Corporation, Nisshin Seifun Group Inc., Mitsubishi Corporation, Asahi Glass Company, Limited and Mitsubishi UFJ Financial Group, Inc., each outside director and outside audit & supervisory board member fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company.

#### (2) Principal Activities

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Akio Mimura (outside director)	6 years and 9 months	Attended all 12 board of directors' meetings held during fiscal year 2016.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Mikio Sasaki (outside director)	5 years and 9 months	Attended all 12 board of directors' meetings held during fiscal year 2016.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Masako Egawa (outside director)	1 year and 9 months	Attended all 12 board of directors' meetings held during fiscal year 2016.	She has fulfilled her supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on her insight as a specialist in business management, acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President.
Yasuyuki Higuchi (outside director)	9 months	After assuming the position, attended 9 of the 10 board of directors' meetings (All 9 ordinary board of directors' meetings) held during fiscal	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of

		year 2016.	experience in a management role.
Yuko Kawamoto (outside audit & supervisory board member)	10 years and 9 months	Attended 11 of the 12 board of directors' meetings (All 11 ordinary board of directors' meetings) and all 11 audit & supervisory board meetings held during fiscal year 2016.	She has fulfilled her audit functions by asking for detailed explanations and making remarks on a timely basis, based on her insight on business management which has been acquired through many years of experience as a consultant and involvement in academic activities.
Akinari Horii (outside audit & supervisory board member)	5 years and 9 months	Attended all 12 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2016.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience in his role as an executive or a regular employee of Bank of Japan.
Akihiro Wani (outside audit & supervisory board member)	2 years and 9 months	Attended all 12 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2016.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience in his role as an attorney-at-law.

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- Notes: 1. Current term in office is the length of the term held as of March 31, 2017.  
2. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." includes matters in connection with the audit & supervisory board meetings as well as the board of directors' meetings.  
3. Of the 12 board of directors' meetings held during fiscal year 2016, 11 were ordinary meetings, 1 was an extraordinary meeting. All of the 11 audit & supervisory board meetings held during fiscal year 2016 were ordinary meetings.

### (3) Remuneration and Other Compensation

	Number of persons to receive remuneration and other compensation	Remuneration received from the insurance holding company	Remuneration received from the parent company, etc. of the insurance holding company
Total amount of remuneration and other compensation	7 persons	82 million yen	-

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- Notes: 1. Of the "Remuneration received from the insurance holding company", remuneration in connection with share acquisition rights was 6 million yen.  
2. The breakdown of the remuneration is as follows.  
- Outside directors: 4 persons, 43 million yen  
- Outside audit & supervisory board members: 3 persons, 39 million yen

### (4) Comments of Outside Directors and Outside Audit & Supervisory Board Members

No comments with regard to (1) to (3) above.

## 4. Matters Concerning Common Share

### (1) Number of Shares (As of March 31, 2017)

Total number of shares authorized to be issued: 3,300,000 thousand shares

Total number of the issued shares: 753,024 thousand shares (including 2,912 thousand treasury shares)

**(2) Total Number of Shareholders (As of March 31, 2017)**

79,673

**(3) Major shareholders (As of March 31, 2017)**

Shareholders	Capital contribution to the Company	
	Number of shares held	Ratio of shares held
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,731	6.1
Japan Trustee Services Bank, Ltd. (Trust Account)	40,754	5.4
State Street Bank and Trust Company 505001	24,802	3.3
Meiji Yasuda Life Insurance Company	15,779	2.1
JP Morgan Chase Bank 385632	14,825	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 5)	14,690	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 1)	10,905	1.5
The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation	10,832	1.4
Japan Trustee Services Bank, Ltd. (Trust Account 2)	10,770	1.4
Japan Trustee Services Bank, Ltd. (Trust Account 7)	10,457	1.4

Notes: 1. The 10,832 thousand shares held by The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation are assets entrusted by Mitsubishi Corporation for its retirement benefits trust.

2. The ratio of shares held is calculated after deducting 2,912 thousand treasury shares held by the Company.

(Composition ratio by type of shareholders)

Financial institutions:	35.5%
Financial instruments firms:	2.4%
Other domestic companies:	7.4%
Foreign companies:	42.9%
Individuals and others:	11.9%

(The number of outstanding shares as of March 31, 2017: 753,024 thousand shares)

**5. Matters Concerning Share Acquisition Rights**

The following table sets forth the status and outlines of the share acquisition rights issued by the Company to directors, audit & supervisory board members, and executive officers of Tokio Marine Holdings and its major subsidiaries as remuneration for the performance of their respective duties as of March 31, 2017:

	Number of share acquisition rights (as of March 31, 2017)	Class and number of shares underlying share acquisition rights (as of March 31, 2017)	Amount payable at issuance	Amount to be paid upon exercise of share acquisition rights	Exercise period
July 2005 Share Acquisition Rights	5	2,500 common shares	-	1 yen per share	30 years from the allotment of the share acquisition rights
July 2006 Share Acquisition Rights	4	2,000 common shares	2,013,506 yen		
July 2007 Share Acquisition Rights	38	3,800 common shares	491,700 yen		
August 2008 Share Acquisition Rights	66	6,600 common shares	353,300 yen		
July 2009 Share Acquisition Rights	247	24,700 common shares	237,600 yen		
July 2010 Share Acquisition Rights	382	38,200 common shares	234,400 yen		
July 2011 Share Acquisition Rights	584	58,400 common shares	219,500 yen		
July 2012 Share Acquisition Rights	927	92,700 common shares	181,900 yen		
July 2013 Share Acquisition Rights	998	99,800 common shares	332,600 yen		
July 2014 Share Acquisition Rights	1,193	119,300 common shares	310,800 yen		
July 2015 Share Acquisition Rights	1,240	124,000 common shares	500,800 yen		
July 2016 Share Acquisition Rights	1,726	172,600 common shares	337,700 yen		

Notes: 1. All share acquisition rights are issued by the Company pursuant to a stock-linked compensation plan.

2. The July 2005 Share Acquisition Rights were issued with especially favorable terms to

directors, audit & supervisory board members, and executive officers, pursuant to Articles 280-20 and 280-21 of the former Commercial Code.

3. Share acquisition rights issued from July 2006 through July 2016 were allotted to directors, audit & supervisory board members, and executive officers to settle their cash remuneration claims against their respective companies, pursuant to Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act of Japan.
4. Share acquisition rights held by any of directors, audit & supervisory board members, and executive officers that he/she received in his/her capacity as a director, audit & supervisory board member, or executive officer of the relevant entity may only be exercised after he/she has resigned from any position as a director, audit & supervisory board member, or executive officer of such entity.

**(1) Share Acquisition Rights held by Directors and Audit & Supervisory Board Members of the Insurance Holding Company as of the End of the Fiscal Year**

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Directors (except outside directors)		Outside Directors		Audit & Supervisory Board Members	
			Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights
July 2007 Share Acquisition Rights	19	1,900 common shares	1 person	16	-	-	1 person	3
August 2008 Share Acquisition Rights	22	2,200 common shares	1 person	19	-	-	1 person	3
July 2009 Share Acquisition Rights	39	3,900 common shares	1 person	33	-	-	1 person	6
July 2010 Share Acquisition Rights	48	4,800 common shares	1 person	34	1 person	7	1 person	7
July 2011 Share Acquisition Rights	113	11,300 common shares	2 persons	73	2 persons	14	1 person	26
July 2012 Share Acquisition Rights	192	19,200 common shares	3 persons	113	2 persons	18	1 person	61
July 2013 Share Acquisition Rights	153	15,300 common shares	3 persons	84	2 persons	14	2 persons	55
July 2014 Share Acquisition Rights	124	12,400 common shares	5 persons	104	2 persons	12	1 person	8
July 2015 Share Acquisition Rights	174	17,400 common shares	6 persons	162	3 persons	12	-	-
July 2016 Share Acquisition Rights	252	25,200 common shares	8 persons	234	3 persons	18	-	-

Note: As of March 31, 2017, the directors and audit & supervisory board members of the Company have been allotted the number of share acquisition rights to settle their monetary remuneration claims accrued as consideration for their service in the respective companies set forth in this table. The directors and audit & supervisory board members of the Company who were also executive officers of the Company or

directors or executive officers of the Company's major subsidiaries at the time of the issuance of the share acquisition rights have been allotted the number of share acquisition rights set forth below in their capacity as directors or executive officers of these companies.

The July 2005 Share Acquisition Rights: 5  
 The July 2006 Share Acquisition Rights: 4  
 The July 2007 Share Acquisition Rights: 16  
 The August 2008 Share Acquisition Rights: 16  
 The July 2009 Share Acquisition Rights: 59  
 The July 2010 Share Acquisition Rights: 99  
 The July 2011 Share Acquisition Rights: 124  
 The July 2012 Share Acquisition Rights: 111  
 The July 2013 Share Acquisition Rights: 124  
 The July 2014 Share Acquisition Rights: 126  
 The July 2015 Share Acquisition Rights: 125  
 The July 2016 Share Acquisition Rights: 95

## (2) Share Acquisition Rights Allotted to Employees, etc. during the Fiscal Year

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Employees		Directors and employees of subsidiaries	
			Number of persons allotted share acquisition rights	Number of share acquisition rights	Number of persons allotted share acquisition rights	Number of share acquisition rights
July 2016 Share Acquisition Rights	1,433	143,300 common shares	8 persons	177	65 persons	1,256

Note: The number of employees' share acquisition rights described in the above table includes the number of share acquisition rights allotted to the employees of the Company who were also directors or executive officers of the Company's major subsidiaries at the time of the issuance of such share acquisition rights to settle their monetary remuneration claims accrued as consideration for their service in the respective companies. "Employees" in the above table are executive officers who are not directors of the Company.

## 6. Matters Concerning the Independent Auditor

### (1) Independent Auditor (PricewaterhouseCoopers Aarata LLC)

Name	Remuneration for fiscal year 2016	Other matters
Designated Limited Liability Partners:  Susumu Arakawa Takashi Idesawa Yuko Harada	125 million yen	Non-audit services (i.e., services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Law) provided to the Company by the independent auditor for a fee: accounting advisory service related to International Financial Reporting Standards (IFRS), etc.

Notes: 1. The Audit & Supervisory Board of the Company has conducted necessary verification on the properness of the auditor's audit plan, the performance of the audit and the grounds for the auditor's estimate of compensation, and has consented to the amount of the auditor's compensation as set forth in paragraph 1, Article 399 of Companies Act of Japan.  
 2. The audit engagement letter entered into between the Company and the independent auditor does not clearly distinguish between the remuneration for audit services required by the Companies Act of Japan and the remuneration for a part of audit services required by the



Financial Instruments and Exchange Act of Japan for these services are practically inseparable.

3. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 1,135 million yen.

## **(2) Limitation of Liability**

None.

## **(3) Other matters Concerning the Independent Auditor**

- a. Policy regarding dismissals or decisions not to reappoint an independent auditor

The Company has adopted a policy regarding decisions on dismissing or not reappointing an independent auditor as described below.

The Audit & Supervisory Board shall dismiss an independent auditor if the independent auditor is deemed to fall under any of the items of Article 340, paragraph 1 of the Companies Act of Japan, based on the consent of all of the Audit & Supervisory Board members. The Audit & Supervisory Board comprehensively evaluates the professional knowledge, audit ability, audit quality, independency from the Company, and other qualifications of an independent auditor according to the evaluation criteria established by the Audit & Supervisory Board. If the Audit & Supervisory Board finds any problems in the qualification of an independent auditor or otherwise considers it appropriate to dismiss or not reappoint an independent auditor, the Audit & Supervisory Board shall, by resolution, submit to the general meeting of shareholders a proposal for the dismissal or non-reappointment of the independent auditor.

- b. Audit of financial statements of major subsidiaries of the insurance holding company conducted by audit firms other than the independent auditor of the insurance holding company

The financial statements of overseas subsidiaries and affiliates are audited by audit firms overseas, including the member firms of PricewaterhouseCoopers which is affiliated with PricewaterhouseCoopers Aarata LLC.

## **7. Basic Policy Regarding Persons Who Control the Company's Decisions on Financial Matters and Business Policies**

None.

## **8. System to assure appropriate business operations**

### **(1) Overview of the Resolution on Establishment of a System to Assure Appropriate Business Operations**

The Company has formulated its "Basic Policies for Internal Controls" below pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act.

1. System for ensuring proper operations within the Tokio Marine Group (the "Group")
  - (1) Based upon the "Tokio Marine Group Corporate Philosophy", the Company, as the holding company presiding over the businesses of the Group, by establishing both the Group's basic policies for the administration of Group companies and a system of reporting to the Board of Directors, shall implement the Company's management system

for all the Group companies.

- a. The Company shall administer the business of Group companies under its direct management ("Subsidiaries and Others") by concluding business management agreements with them and through other means.
    - (a) The Company shall provide Subsidiaries and Others with the Group's basic policies that form the fundamentals of the Group's management strategies and the Company's management.
    - (b) Business strategies, business projects and other important plans by Subsidiaries and Others shall be subject to the Company's prior approval.
    - (c) Subsidiaries and Others shall report to the Company their initiatives based on the Group's basic policies and the progress of their business plans.
  - b. The business management of Group companies other than Subsidiaries and Others shall, in principle, be made through Subsidiaries and Others.
- (2) The Company shall establish the Group's basic policies for accounting, grasp its consolidated financial position and the Group companies' financial positions, and implement systems for obtaining approval from, and submitting reports to, shareholders and supervisory organizations and submitting tax returns to authorities in a proper manner.
  - (3) The Company shall establish the Group's basic policies for internal controls over financial reporting and implement systems for ensuring the appropriateness and reliability of financial reporting.
  - (4) The Company shall establish the Group's basic policies for disclosure, and implement systems for disclosing information on corporate activities in a timely and proper manner.
  - (5) The Company shall establish the Group's basic policies for management of intragroup transactions and implement systems for such transactions.
2. System for ensuring the execution of professional duties in accordance with applicable laws, regulations and the Articles of Incorporation
    - (1) The Company shall establish the Group's basic policies for compliance and implement compliance systems.
      - a. The Company shall establish a department supervising compliance.
      - b. The Company shall formulate the "Group Code of Conduct" and ensure that all directors and employees of the Group respect such code of conduct and give top priority to compliance in all phases of the Group's business activities.
      - c. The Company shall have Subsidiaries and Others prepare compliance manuals and widely promote compliance within the Group by means of training on laws, regulations, internal rules and other matters which all directors and employees of the Group must respect.
      - d. The Company shall establish reporting rules in the event of a violation of laws, regulations or internal rules within any of the Subsidiaries and Others and, in addition to usual reporting routes, set up hotlines (an internal whistle-blower system) to an internal and external organization and while keeping all directors and employees of the Group well informed as to the use of the system.
    - (2) The Company shall establish the Group's basic policies for the protection of customers' interests and maintain a customer-oriented policy in all phases of business in order to implement a system for the protection of customers' interests.
    - (3) The Company shall establish the Group's basic policies for information security

management and implement such systems.

- (4) The Company shall establish the Group's basic policies against antisocial factions and groups, and in association with lawyers, police and other professionals, implement its systems against such antisocial factions and groups, and respond to them in an organized and uncompromising manner by severing relationships with them and refusing unfair demands.
- (5) The Company shall establish an internal audit department separate and independent of other departments, establish the Group's basic policies for internal audits of the Group and implement systems for efficient and effective internal audits within the Company and Group companies.

### 3. System for risk management

- (1) The Company shall establish the Group's basic policies for risk management and implement risk management systems.
  - a. The Company shall establish a department supervising risk management.
  - b. The Company shall perform risk management by following the basic processes of risk identification, evaluation and control, contingency planning and assessment of outcomes through risk monitoring and reporting.
  - c. The Company shall have each of the Subsidiaries and Others perform risk management appropriate to its types of business and its risk characteristics.
- (2) The Company shall establish the Group's basic policies for integrated risk management and perform quantitative risk management across the entire Group to maintain credit ratings and prevent bankruptcies.
- (3) The Company shall establish the Group's basic policies for crisis management and implement systems for crisis management.

### 4. System for ensuring efficient execution of professional duties

- (1) The Company shall formulate a medium-term management plan and an annual plan (including numerical targets, etc.) for the Group.
- (2) The Company shall establish rules regarding the exercise of authority and construct an appropriate organizational structure for achieving its business purposes in order to realize efficient execution of operations through a proper division of responsibilities and a chain of command.
- (3) The Company shall formulate rules for and establish a "Management Meeting", composed of directors, executive officers and other relevant persons, that shall discuss and report on important management issues.
- (4) The Company shall establish an Internal Control Committee that shall formulate various basic policies and other measures concerning the Group's internal control systems, evaluate their progress, discuss how to improve them, and promote their implementation.
- (5) The Company shall establish the Group's basic policies for IT governance, and implement systems for achieving IT governance.
- (6) The Company shall establish the Group's basic policies for personnel matters with a view to enhancing productivity and corporate value through comprehensive efforts to enhance employees' satisfaction and pride in their work and promoting fair and transparent personnel management linked with proper performance evaluation.
- (7) The Company shall establish system for ensuring efficient execution of professional duties

at the Group companies as well as the Company in addition to the above (1) to (6).

5. System for preserving and managing information concerning the execution of directors' duties

The Company shall establish rules for the preservation of documents and other materials. The minutes of important meetings and documents containing material information regarding the execution of duties by the directors and the executive officers shall be preserved and managed appropriately in accordance with such rules.

6. Matters concerning support personnel to the Audit & Supervisory Board Members

- (1) The Company shall establish the Office of Audit & Supervisory Board under the direct control of the Audit & Supervisory Board Members for the purpose of supporting them in the performance of their duties. Upon request of the Audit & Supervisory Board Members, the Company shall assign full-time employees having sufficient knowledge and ability to support the Members in the performance of their duties.
- (2) Employees assigned to the Office of Audit & Supervisory Board shall perform duties ordered by the Audit & Supervisory Board Members and other work necessary for proceeding with audits, and such employees shall have the right to collect information necessary for audit purposes.
- (3) Performance evaluations, personnel transfers and disciplinary action concerning such employees shall be made with the approval of the Audit & Supervisory Board Members (full-time).

7. System of reporting to the Audit & Supervisory Board Members

- (1) Directors and employees shall regularly report to the Audit & Supervisory Board Members on management, financial condition, compliance, risk management, internal audits and other matters, and in the event that they detect a material violation of laws, regulations or internal rules, concerning the execution of operations of the Company or the Group companies or a fact likely to cause considerable damage to the Company or the Group companies, they shall immediately report thereof to the Audit & Supervisory Board Members.
- (2) The Company shall establish system to ensure that the Audit & Supervisory Board Members shall be reported by directors and employees or the ones having received the report from them, in the event that they detect a material violation of laws, regulations or internal rules concerning the execution of operations of the Company or the Group companies, or a fact likely to cause considerable damage to the Company or the Group companies.
- (3) The Company shall establish system necessary as to that directors and employees , who reported the matters as per above mentioned to the Audit & Supervisory Board Members, shall not be given any disadvantageous treatment because of the concerned report in the Company or the Group companies.
- (4) Directors and employees shall regularly report to the Audit & Supervisory Board Members on matters such as how the hot lines (the internal whistle-blower system) are used and reports and consultations made.

8. Other systems for ensuring effective audits by the Audit & Supervisory Board Members

- (1) The Audit & Supervisory Board Members shall attend meetings of the Board of Directors, have the right to attend "Management Meetings" and other important meetings and committees, and express their opinions.
- (2) The Audit & Supervisory Board Members shall have the right to inspect at any time the minutes of important meetings and other important documents relating to decisions approved by directors and executive officers.
- (3) Directors and employees shall, at any time upon the request of the Audit & Supervisory Board Members, explain matters concerning the execution of their duties.
- (4) The Internal Audit Department shall strengthen its coordination with the Audit & Supervisory Board Members by assisting in the audit process and through other means.
- (5) The company shall pay all the expense and fees incurred regarding the execution of duties by the Audit & Supervisory Board Members, unless the company proves that they aren't necessary for the execution.

Amended April 1, 2015

## **(2) Overview of Implementation of Internal Control System**

### **a. Internal Control System in General**

The Company has formulated its "Basic Policies for Internal Controls" and, in accordance with these Policies, the Company has established an internal control system for the entire Group, through which it endeavors to ensure proper operations while raising corporate value. The Company monitors the status and practical application of the Internal Control System twice a year, and the Board of Directors confirms the details of the monitoring based on deliberations at the Internal Control Committee. In this fiscal year, it has been confirmed that there are no significant deficiency in internal control as a whole Group.

### **b. Efforts related to Management Control of Group Companies**

The Company has formulated various basic policies that the Group is required to comply with in order to ensure proper Group operations and to ensure compliance with laws, regulations and the Articles of Incorporation of the Company. The Company also reviews the policies each year to determine whether any new policies or revisions to existing policies are necessary and the Company has revised a part of such basic policies this fiscal year. In the Group's basic policies about management of group companies, certain material items relating to the businesses of the Company's major group companies for which prior approval from or report to the Company is required are identified. In accordance with these policies, the Company gives prior approval to business and other plans of major group companies.

### **c. Efforts related to Compliance**

The Group conducts training each year to inform directors and officers of laws, regulations and internal rules that directors and officers are required to comply with. The Group has also installed hotlines for directors and officers to report internally regarding potential compliance issues, as well as informing them about use of the hotlines through training and other methods and responding to reports. In addition, the Group has decided to implement an external compliance hotline from April of this year that is multilingual to improve the convenience for directors and employees abroad. The Group will work on maintenance and improvement of its management system by reference to the progress achieved by its overseas group companies in areas of regulation with extraterritorial application such as economic sanctions and anti-corruption compliance.

### **d. Efforts related to Risk Management**

The Company identifies risks that may have material effect on the financial soundness and continuity of operations of the Company, establishes countermeasures against such risks, deliberates on the implementation of such countermeasures at the Internal Control Committee and confirms their effectiveness at board of directors' meetings. In this fiscal year, the Company utilized an external audit to reinforce its cybersecurity management system, established the position of Group CISO (Group Chief Information Security Officer), and decided to increase the number of the personnel engaged in the field of cybersecurity etc. In order to maintain credit ratings and forestall bankruptcy, the Board of Directors conducts a multi-faceted investigation to confirm that the Group's real net assets are at a sufficient level compared to the risks the Group faces and confirms that financial soundness is maintained.

**e. Efforts to Ensure Efficient Audits by Audit & Supervisory Board Members**

The Company provides information to Audit & Supervisory Board Members sufficient to ensure effective audit by the Audit & Supervisory Board Members such as by having them attend meetings of the Board of Directors and other important meetings, as well as providing them access to important financial reports, which allows them to evaluate directors' execution of their duties.

The Company's Internal Audit Department also reports to the Audit & Supervisory Board Members on the internal audit plan, the outcome of the internal audit and the review of internal audit plan.

In addition, the Company reports to Audit & Supervisory Board Members four times a year on the implementation of the internal reporting hotline.

**9. Items related to Specified Wholly-owned Subsidiary**

**(1) Name and Address of the Specified Wholly-owned Subsidiary**

Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

**(2) The Total Book Value of Shares of Specified Wholly-owned Subsidiary Owned by the Company and its Wholly-owned Subsidiaries and Other Related Companies as of the End of the Fiscal Year**

2,095,774 million yen

**(3) Total Amount Recorded in the Assets Section of the Balance Sheet pertaining to the Company's Current Fiscal Year**

2,436,616 million yen

**10. Matters Concerning Transactions with the Parent Company**

None.

**11. Matters Concerning Accounting Advisers (*Kaikei Sanyo*)**

None.

**12. Other Matters**

None.

**Consolidated Balance Sheet as of March 31, 2017**

(Yen in millions)

	As of March 31, 2017
<b>Assets</b>	
Cash and bank deposits	710,666
Call loans	220,805
Receivables under resale agreements	34,999
Receivables under securities borrowing transactions	21,809
Monetary receivables bought	1,265,837
Money trusts	101,650
Securities	16,098,063
Loans	1,253,094
Tangible fixed assets	289,398
Land	133,191
Buildings	119,234
Construction in progress	690
Other tangible fixed assets	36,282
Intangible fixed assets	880,080
Software	40,887
Goodwill	466,793
Other intangible fixed assets	372,399
Other assets	1,706,741
Net defined benefit assets	3,386
Deferred tax assets	31,032
Customers' liabilities under acceptances and guarantees	2,465
Allowance for doubtful accounts	(12,429)
<b>Total assets</b>	<b>22,607,603</b>
<b>Liabilities</b>	
Insurance liabilities	15,544,525
Outstanding claims	2,753,498
Underwriting reserves	12,791,026
Corporate bonds	69,097
Other liabilities	2,629,093
Payables under securities lending transactions	951,334
Other liabilities	1,677,758
Net defined benefit liabilities	244,253
Provision for retirement benefits for directors	24
Provision for employees' bonus	65,612
Reserves under special laws	93,645
Price fluctuation reserve	93,645
Deferred tax liabilities	329,527
Negative goodwill	59,598
Acceptances and guarantees	2,465
<b>Total liabilities</b>	<b>19,037,843</b>
<b>Net assets</b>	
Shareholders' equity	
Share capital	150,000
Retained earnings	1,699,030
Treasury shares	(13,658)



<b>Total shareholders' equity</b>	1,835,371
<b>Accumulated other comprehensive income</b>	
Unrealized gains (losses) on available-for-sale securities	1,600,740
Deferred gains (losses) on hedge transactions	11,098
Foreign currency translation adjustments	112,869
Remeasurements of defined benefit plans	(17,933)
<b>Total accumulated other comprehensive income</b>	1,706,774
<b>Share acquisition rights</b>	2,292
<b>Non-controlling interests</b>	25,321
<b>Total net assets</b>	3,569,760
<b>Total liabilities and net assets</b>	22,607,603

## Consolidated Statement of Income for fiscal year 2016

(Yen in millions)

	Fiscal year 2016 (April 1, 2016 to March 31, 2017)
<b>Ordinary income</b>	5,232,602
<b>Underwriting income</b>	4,558,623
Net premiums written	3,480,478
Deposit premiums from policyholders	114,477
Investment income on deposit premiums	47,171
Life insurance premiums	904,418
Other underwriting income	12,077
<b>Investment income</b>	565,006
Interest and dividends	424,366
Gains on money trusts	957
Gains on trading securities	26,455
Gains on sales of securities	120,927
Gains on redemption of securities	844
Investment gains on separate accounts	27,200
Other investment income	11,426
Transfer of investment income on deposit premiums	(47,171)
<b>Other ordinary income</b>	108,972
Amortization of negative goodwill	10,229
Other ordinary income	98,743
<b>Ordinary expenses</b>	4,844,943
<b>Underwriting expenses</b>	3,880,059
Net claims paid	1,814,853
Loss adjustment expenses	136,008
Agency commissions and brokerage	685,493
Maturity refunds to policyholders	201,568
Dividends to policyholders	82
Life insurance claims	640,412
Provision for outstanding claims	164,810
Provision for underwriting reserves	231,077
Other underwriting expenses	5,751
<b>Investment expenses</b>	76,804
Losses on money trusts	2,654
Losses on sales of securities	36,488
Impairment losses on securities	7,292
Losses on redemption of securities	2,548
Losses on derivatives	10,897
Other investment expenses	16,922
<b>Operating and general administrative expenses</b>	868,195
<b>Other ordinary expenses</b>	19,883
Interest expenses	12,208
Losses on bad debts	596
Equity in losses of affiliates	789
Amortization of deferred assets under Article 113 of the Insurance Business Act	3,826
Other ordinary expenses	2,461
<b>Ordinary profit</b>	<b>387,659</b>

(Yen in millions)

	Fiscal year 2016 (April 1, 2016 to March 31, 2017)
<b>Extraordinary gains</b>	8,252
Gains on disposal of fixed assets	5,662
Other extraordinary gains	2,589
<b>Extraordinary losses</b>	8,949
Losses on disposal of fixed assets	2,213
Impairment losses on fixed assets	935
Provision for reserves under special laws	5,500
Provision for price fluctuation reserve	5,500
Other extraordinary losses	299
<b>Income before income taxes and non-controlling interests</b>	386,962
<b>Income taxes - current</b>	128,946
<b>Income taxes - deferred</b>	(17,562)
<b>Total income taxes</b>	111,383
<b>Net income</b>	275,578
<b>Net income attributable to non-controlling interests</b>	1,721
<b>Net income attributable to owners of the parent</b>	273,856

## Consolidated Statement of Changes in Shareholders' Equity

Fiscal year 2016 (April 1, 2016 to March 31, 2017)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	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 shares			(25,081)	(25,081)
Disposal of treasury shares		(252)	1,061	808
Cancellation of treasury shares		(21,104)	21,104	-
Changes in the scope of consolidation		5,019		5,019
Increase by merger		3,822		3,822
Capital increase of consolidated subsidiaries		(21)		(21)
Changes based on generally accepted accounting standards adopted by overseas subsidiaries		993		993
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				Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance	1,601,187	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 shares							(25,081)
Disposal of treasury shares							808
Cancellation of treasury shares							-
Changes in the scope of consolidation							5,019
Increase by merger							3,822
Capital increase of consolidated subsidiaries							(21)
Changes based on generally accepted accounting standards adopted by overseas subsidiaries							993
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

## Notes to Consolidated Financial Statements

### Significant matters related to consolidated financial statements

#### 1. Scope of consolidation

##### (1) Number of consolidated subsidiaries: 153 companies

Names of major consolidated subsidiaries:

Tokio Marine & Nichido Fire Insurance Co., Ltd.  
Nisshin Fire & Marine Insurance Co., Ltd.  
E.design Insurance Co., Ltd.  
Tokio Marine & Nichido Life Insurance Co., Ltd.  
Tokio Marine Millea SAST Insurance Co., Ltd.  
Tokio Marine Asset Management Co., Ltd.  
Tokio Marine North America, Inc.  
Philadelphia Consolidated Holding Corp.  
Philadelphia Indemnity Insurance Company  
First Insurance Company of Hawaii, Ltd.  
Tokio Marine America Insurance Company  
Delphi Financial Group, Inc.  
Safety National Casualty Corporation  
Reliance Standard Life Insurance Company  
Reliance Standard Life Insurance Company of Texas  
HCC Insurance Holdings, Inc.  
Houston Casualty Company  
U.S. Specialty Insurance Company  
HCC Life Insurance Company  
Tokio Marine Kiln Group Limited  
Tokio Marine Underwriting Limited  
HCC International Insurance Company PLC  
Tokio Millennium Re AG  
Tokio Marine Asia Pte. Ltd.  
Tokio Marine Insurance Singapore Ltd.  
Tokio Marine Life Insurance Singapore Ltd.  
Tokio Marine Insurans (Malaysia) Berhad  
Tokio Marine Life Insurance Malaysia Bhd.  
Tokio Marine Seguradora S.A.

Beginning with fiscal year 2016, Tokio Marine Management, Inc. and other 5 companies are included as consolidated subsidiaries in this fiscal year due to increase in materiality. HCC Specialty Holdings (No. 1) Limited and other 5 companies are excluded from the scope of consolidation due to liquidation. In addition, Tokio Marine Bluebell Re Limited and other 1 company are 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

Major subsidiaries:

Tokio Marine & Nichido Adjusting Service Co., Ltd.

Tokio Marine Capital Co., Ltd.

Reason the subsidiaries were excluded from the consolidation:

Each of these non-consolidated subsidiaries 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 and are excluded from the consolidation.

## 2. Application of the equity method

(1) Number of affiliates accounted for by the equity method: 13 companies

Name of a major affiliate 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 Co., Ltd., etc.) have not been accounted for by the equity method because these companies have had a minor effect on the Company's consolidated net income or loss for the period and retained earnings and are not considered material as a whole.

(3) The Company owns 30.1% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. through Tokio Marine & Nichido and Nisshin Fire. The Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it believes that it can not exert a significant influence on any policy making decisions of Japan Earthquake Reinsurance Co., Ltd.'s operations given the highly public nature of the company.

(4) With regard to any company accounted for by the equity method that has a different closing date from that of the consolidated financial statements, the financial statements of that company for its fiscal year are used for presentation in the consolidated financial results.

## 3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for three of the domestic consolidated subsidiaries and 141 overseas consolidated subsidiaries is December 31. Since the differences in the closing dates do not exceed three months, the financial statements of the consolidated subsidiaries as of December 31 are used for presentation in the accompanying consolidated financial statements. As for any significant transactions taking place during the period between the subsidiaries' closing dates and the consolidated closing date, necessary adjustments are made for consolidation purposes.

## 4. Accounting policies

(1) Valuation of securities

a. Trading securities are valued by the mark-to-market method, with the costs of their sales being calculated on the moving-average method.

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

c. Bonds earmarked for underwriting reserves are recorded by using amortized cost method (straight-line method) based on the moving-average 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.

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

In order to control interest rate fluctuation risks relating to assets and liabilities, Tokio Marine & Nichido Life divides their underwriting reserves into following subgroups: "dollar-denominated underwriting reserve for deferment period of individual annuity insurance (denominated in U.S. dollars) with floating cancellation refund linked with market interest rates", "underwriting reserve for deferment period of individual annuity insurance with floating interest rates", "underwriting reserve for lump sum deposit-type whole-life insurance denominated in U.S. dollars with floating interest rates" and "underwriting reserve for lump sum deposit-type whole-life insurance with floating interest rates". Tokio Marine & Nichido Life maintains the policy to match the duration of underwriting reserves of each subgroup and bonds earmarked for the underwriting reserve within certain time range.

At the end of fiscal year 2016, we abolished the subgroups within single payment individual annuities, and transferred bonds held for underwriting reserves in those subgroups to available-for-sale securities. We did this is because a decrease in the balance of underwriting reserves for those subgroups caused it to be less significant to reflect in our financial statements interest rate risk management that utilizes matching between assets and liabilities. This change has an immaterial impact on our consolidated financial statements.

- d. Other securities with fair value are recorded by the mark-to-market method based upon the market price on the closing date. The total amount of unrealized gains/losses on such securities is directly added to net assets with costs of sales being calculated on the moving-average method.
- e. Other securities for which the fair value cannot be measured reliably are recorded at cost determined by the moving-average method.
- f. Equity shares in non-consolidated subsidiaries and affiliates that are not subject to the equity method are recorded at cost determined by the moving-average method.
- g. Securities held in individually managed money trusts that are invested as trusted assets are recorded by the mark-to-market method.

(2) Valuation of derivative transactions

Derivative financial instruments are accounted for by the mark-to-market method.

(3) Depreciation method for tangible fixed assets

The depreciation method for tangible fixed assets is accounted by 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 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 stably over their useful lives.

Herewith, the accounting policy of depreciation method for tangible fixed assets applied by the Company and its domestic consolidated subsidiaries is unified to that applied by its overseas consolidated subsidiaries.

As a result of this change, both ordinary profit and income before income taxes and non-controlling interests for fiscal year 2016 increased by 2,930 million yen, compared with the previous accounting method.

#### (4) Depreciation method for intangible fixed assets

Depreciation of intangible fixed assets procured through acquisitions of overseas subsidiaries is recorded over the period of time for which the Company expects such subsidiaries contribute to the Company, and in accordance with the form of such contribution.

#### (5) Accounting policies for significant reserves and allowances

##### a. Allowance for doubtful accounts

In order to provide for losses from defaults, domestic consolidated subsidiaries of the Company establish allowance for doubtful accounts in accordance with internal asset self-assessment and asset write-off rules as detailed below.

For claims against any debtor who has legally, technically, or substantially become insolvent (due to bankruptcy, special liquidation or suspension of transactions at draft clearinghouses, etc.), allowance is calculated based on the amount of any such claim minus the amount expected to be collectible from disposal of collateral or performance of applicable guarantees.

For claims against any debtor who is likely to become insolvent in the foreseeable future, allowance is calculated based on the amount of any such claim minus the amount expected to be collectible from disposal of collateral, performance of applicable guarantees or the relevant debtor himself, taking into consideration the overall solvency assessment of the relevant debtor.

For claims other than those described above, allowance is provided based on the amount of claims multiplied by the expected default rate, which is computed based on historical loan loss experience in certain previous periods.

In addition, all claims are assessed by the asset accounting department and the asset management department in accordance with the internal rules of asset self-assessment. Subsequently, the asset auditing department, which is independent from other asset-related departments, audits the results of assessment by the other asset-related departments. Allowance for doubtful accounts is recorded based on such assessment results and audits stated above.



b. Retirement benefit obligations for directors

Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors in the amount considered to be accrued as of the end of fiscal year 2016, which is calculated in accordance with their internal remuneration regulations.

c. Provision for employees' bonus

To provide for payment of bonuses to employees, the Company and its major consolidated domestic subsidiaries maintain reserves for employees' bonuses based on the expected amount to be paid.

d. Price fluctuation reserve

Domestic consolidated insurance subsidiaries maintain reserves under Article 115 of the Insurance Business Act in order to provide for possible losses or damages arising from fluctuation of share prices.

(6) Accounting for retirement benefit

a. Attribution method for projected retirement benefit obligations

In calculating retirement benefit obligations, attribution to the period ended March 31, 2017 is based mainly on benefit formula criteria.

b. Method to charge actuarial differences and prior service costs

Actuarial differences are charged to expenses in the subsequent fiscal year in amounts obtained by proportional calculation using the straight-line method over a certain term (5-13 years) within the average remaining years of service of the employees at the time when the differences were incurred for each fiscal year.

Prior service costs are charged to expenses in each subsequent fiscal year using the straight-line method over a certain term (7-13 years) within the average remaining years of service of the employees at the time when such costs were incurred.

(7) Accounting for consumption tax, etc.

The Company and its domestic consolidated subsidiaries account for consumption tax, etc. by the tax-excluded method. However, domestic consolidated insurance subsidiaries account for expenses such as operating and general administrative expenses by the tax-included method.

In addition, any non-deductible consumption tax incurred in connection with assets is included in other assets and is amortized over 5 years using the straight-line method.

(8) Accounting for significant lease transactions

Non-transferrable finance leases of the Company's domestic consolidated subsidiaries commencing prior to April 1, 2008 are accounted for as operating lease transaction.

(9) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct Asset Liability Management ("ALM") to control

such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swap transactions that are used to manage such risks, 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 Adoption of Accounting for Financial Instruments in the Insurance Industry” (issued by the JICPA, September 3, 2002 - hereinafter called “Report No. 26”).

Effectiveness is not evaluated for hedge treatments that are believed to have high hedge effectiveness, because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments.

Tokio Marine & Nichido accounts for any deferred gains 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 Adoption 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 treatments for such deferred gains are based on the transitional measures in Report No. 26. Deferred gains (before tax deductions) under this treatment as of March 31, 2017 were 4,498 million yen and the amount accounted for in the consolidated financial statements for fiscal year 2016 was 3,241 million yen.

#### b. Foreign exchange

With regard to some of major domestic consolidated insurance subsidiaries’ currency swap transactions and currency forward transactions, which have been entered into for the purpose of hedging foreign exchange risk associated with assets denominated in foreign currencies, (a) fair value hedge accounting or (b) matching treatment are applied. The hedge effectiveness is not evaluated for hedging treatments that are believed to have high hedge effectiveness, such as in cases where hedging tools and hedged instruments share the same important characteristics.

Tokio Marine & Nichido applies deferred hedge accounting to foreign currency loans which hedge foreign exchange risk associated with equity in overseas subsidiaries. Hedge effectiveness is evaluated based on a comparison of the aggregate market fluctuation of the hedged instruments and hedging tools during the period from when the hedge was entered and ending at the time of the evaluation.

#### (10) Amortization method and amortization period for goodwill

Goodwill recognized as an asset on the consolidated balance sheet is amortized in the following manner. The goodwill in connection with Philadelphia Consolidated Holding Corp., HCC Insurance Holdings, Inc. and Tokio Marine Kiln Group Limited, and Delphi Financial Group, Inc. is amortized over 20 years, 10 years, and 5 years, respectively, using the straight-line method. Other goodwill is amortized over 5 to 15 years using the straight-line method, however when the amount is small it is amortized at one time.

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

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

The Company evaluated the amount of amortization of deferred assets under Article 113 of the

Insurance Business Act for E.design Insurance Co., Ltd. in accordance with applicable laws and regulations and the Articles of Incorporation of 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, Guidance No. 26, March 28, 2016), since fiscal year 2016.

### **Notes to consolidated balance sheet**

1. Accumulated depreciation of tangible fixed assets is 350,261 million yen, and deferred capital gain for tax purpose is 18,793 million yen.
2. Shares and investment in non-consolidated subsidiaries and affiliates are 127,451 million yen and 11,299 million yen, respectively.
3. Of all loans, the total amount of loans to borrowers in bankruptcy, past due loans, loans past due for three months or more, and restructured loans is 7,867 million yen. The breakdown is set forth below.

(1) The amount of loans to borrowers in bankruptcy is 0 million yen.

Loans that are past due for a certain period, or for other reasons, are generally placed on non-accrual status when substantial doubt is considered to exist as to the ultimate collectibility either of principal or interest ("Non-accrual status loans"; however, any part of bad debt written-off is excluded.).

Loans to borrowers in bankruptcy represent non-accrual status loans that fall within the definitions provided 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).

(2) The amount of past due loans is 347 million yen.

Past due loans are non-accrual status loans, other than those to borrowers in bankruptcy, and those on which interest payments are deferred in order to assist business restructuring of the borrowers.

(3) The amount of loans past due for three months or more is 0 million yen.

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 past due loans are excluded from this category.

(4) The amount of restructured loans is 7,519 million yen.

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 by improving their ability to repay creditors. Restructured loans do not include loans classified as loans to borrowers in bankruptcy, past due loans or loans past due for three months or more.

4. The value of assets pledged as collateral totals 53,362 million yen in savings deposits, 30,198 million yen in monetary receivables bought and 323,397 million yen in securities.

Collateralized debt obligations are held to the value of 148,164 million yen in outstanding claims, 120,963 million yen in underwriting reserve, 2,912 million yen in corporate bonds and 70,517 million yen in other debts (including foreign reinsurance related debts, etc.).

5. The amount of non-recourse debt of the consolidated special-purpose company is 2,912 million yen in corporate bonds. The assets corresponding to the non-recourse debt are 2,914 million yen in securities.

6. Of the commercial paper, etc. received in connection with repurchase agreements and others, those with the right to dispose by sale or rehypothecation have a fair value of 59,872 million yen and are wholly held by the Company.

7. Securities include securities lent under loan agreements of 1,130,081 million yen.

8. The outstanding balance of undrawn committed loans is as follows.

	(Yen in millions)
Total loan commitments	531,990
<u>Balance of drawn committed loans</u>	<u>283,407</u>
Undrawn loan commitments	248,583

9. The amount of both assets and liabilities for special account as prescribed in Article 118 of the Insurance Business Act totals 483,153 million yen.

10. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2017 is as follows:

	(Yen in millions)
Tokio Marine Compañía de Seguros, S.A. de C.V.	3,407
<u>Tokio Marine Pacific Insurance Limited</u>	<u>3,537</u>
Total	6,944

11. Other assets include 7,653 million yen of deferred assets under Article 113 of the Insurance Business Act.

12. Subordinated borrowings with the rider providing that they are repayable only after other debts, 100,000 million yen, are included in other liabilities.

#### **Notes to consolidated statement of income**

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	568,689
Salaries	304,286

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. The amount of other extraordinary gains is 1,496 million yen in gains on liquidation of subsidiaries and affiliates and 1,093 million yen in gains on transfer of business in subsidiaries and affiliates.
3. The Group recognized impairment losses on the following properties.

Purpose of use	Category	Location	Impairment loss (Yen in millions)			
			Land	Building	Others	Total
Properties for business use (nursing care services)	Buildings and others	3 properties including equipment attached to buildings in Setagaya-ku, Tokyo	-	1	8	9
Idle or potential disposal properties	Land and buildings	3 properties including welfare facilities in Nerima-ku, Tokyo	0	624	-	625
Idle assets	Software	-	-	-	300	300
Total			0	625	309	935

Classification of properties: (a) properties used for the insurance business and other businesses are grouped by each company in consolidation; and (b) other properties including properties for rent and idle or potential disposal properties and properties used for nursing care services are grouped based on their primary uses on an individual basis.

The total amount of projected future cash flows from properties for business use in the nursing care services fell below the book values of these properties. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized any such write off as impairment losses in extraordinary losses. The Company calculates the recoverable value of the relevant properties by discounting projected future cash flows at a rate of 6.0 percent.

Due mainly to a decision of policy of demolition of buildings for sale in the future, book values of idle or potential disposal properties fell below the recoverable values. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized such write offs as impairment losses in extraordinary losses. Recoverable values are the net sales price. Net sales price is the sales scheduled amounts minus anticipated expenses for disposal of the relevant properties.

In addition, the Company recognized all of the book values of idle assets as impairment losses in extraordinary losses because it will be unlikely used in the future.

## Notes to consolidated statement of changes in shareholders' equity

### 1. Class and number of issued shares and treasury share

	Number of shares as of April 1, 2016	Increase during fiscal year 2016	Decrease during fiscal year 2016	(Thousand shares) Number of shares as of March 31, 2017
Issued shares				
Common share	757,524	-	4,500	753,024
Total	757,524	-	4,500	753,024
Treasury share				
Common share	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 issued shares is attributable to cancellation of treasury shares.

2. The increase of 4,853 thousand treasury shares of common share is primarily attributable to a purchase of 4,834 thousand treasury shares.

3. The decrease of 4,780 thousand treasury shares of common share is primarily attributable to a cancellation of treasury shares that decreased treasury shares by 4,500 thousand.

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

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

### 3. Dividends

#### (1) Amount of dividends

Resolution	Class of share	Total amount of dividends paid (Yen in millions)	Amount of dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2016	Common share	43,394	57.50	March 31, 2016	June 28, 2016
Meeting of the board of directors held on November 18, 2016	Common share	50,959	67.50	September 30, 2016	December 2, 2016

(2) Dividends of which the record date falls within fiscal year 2016, and of which the effective date falls on or after April 1, 2017.

The Company intends to obtain approval for the following dividend payment at the 15th Ordinary

General Meeting of Shareholders to be held on June 26, 2017.

Resolution	Class of share	Total amount of dividends paid (Yen in millions)	Source of dividends	Amount of dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders to be held on June 26, 2017	Common share	54,383	Retained earnings	72.50	March 31, 2017	June 27, 2017

## Information on financial instruments

### 1. Qualitative information on financial instruments

The Group's core operation is its insurance business and it generally makes 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 "Other".

With regard to "Assets backing insurance liabilities", ALM is applied in order to ensure future payments for maturity-refunds and claims. Through ALM, the Group aims to steadily maximize the value of surplus ("Investment assets" minus "Insurance liabilities") by controlling the interest rate risks to which insurance liabilities are exposed and by investing in instruments with some credit risks, mostly bonds with high credit ratings.

With regard to "Other", 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.

In major consolidated subsidiaries, the risk management department, which is independent of trading departments, quantitatively and qualitatively controls risks in order to deal with such investment risks (market risk, credit risk, market liquidity risk, etc.) pertaining to financial instruments.

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.

### 2. Fair value of financial instruments

The table below shows the fair value of financial instruments excluding equity shares in non-consolidated subsidiaries and others without reasonably measured fair value 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 security 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
(9) Corporate bonds (*2)	69,097	67,919	(1,177)
(10) Payables under security lending transactions (*2)	951,334	951,334	-
(11) Derivative assets and liabilities (*3)	30,915	30,915	-

(\*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amount.

(\*2) Items in liabilities are shown.

(\*3) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted.

#### Notes: 1. Valuation method for financial instruments

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 security borrowing transactions, the book value is deemed as the fair value in principle since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Regarding (5) Monetary receivables bought, (6) Money trusts and (7) Securities (including those in (1) Cash and bank deposits that are defined to be securities in "Accounting Standard for Financial Instruments") with quoted market price, the quoted closing price is used for listed shares and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (8) Loans, the book value is deemed as the fair value unless the borrower's credit standing has materially changed since the execution of the loan because interest rate changes will be timely reflected in the future cash flows and the book value approximates the fair value. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans where borrowers are insolvent or in



bankruptcy proceedings, the estimated uncollectible debts are deducted from the carrying amount to get the fair value.

With regard to (9) Corporate bonds, the price of the over-the-counter transactions is the fair value.

With regard to (10) Payables under security 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.

With regard to (11) Derivative assets and liabilities with quoted market price, the quoted closing price is used as the fair value. For derivative assets and liabilities with no quoted market price, the net present value of the estimated future cash flows or the calculated price based on an option pricing model is applied as the fair value.

2. Equity shares in non-consolidated subsidiaries, unlisted shares and partnership investments etc. (Carrying amount on the consolidated balance sheet: 235,795 million yen) are not included in (7) Securities because the fair value cannot be determined as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans (Carrying amount on the consolidated balance sheet: 112,419 million yen) are not included in (8) Loans because future cash flows cannot be estimated since it is arranged under insurance policy and the amount is limited within repayment fund for cancellation with no contractual maturity.

### Information on investment property

1. Some of the consolidated subsidiaries hold office buildings and land mainly in Tokyo, Osaka and Nagoya, some of which are leased out.
2. Fair value of investment property

(Yen in millions)

Carrying amount shown on balance sheet as of March 31, 2017	Fair value as of March 31, 2017
60,692	128,856

Notes: 1. Carrying amount is the amount that the accumulated depreciation and the accumulated impairment losses are deducted from the acquisition cost.

2. Fair value as of March 31, 2017 is primarily based on appraisals by qualified external valuers.

### Per share information

Net assets per share	4,722.15 yen
Net income per share	363.52 yen

**Non-consolidated Balance Sheet as of March 31, 2017**

(Yen in millions)

	As of March 31, 2017
<b>Assets</b>	
<b>Current assets:</b>	
Cash and bank deposits	12,266
Prepaid expenses	13
Accounts receivable	20,130
Others	2
<b>Total current assets</b>	<b>32,413</b>
<b>Fixed assets:</b>	
<b>Tangible fixed assets</b>	
Buildings	145
Motor vehicles and transport equipment	29
Office equipment	49
<b>Total tangible fixed assets</b>	<b>224</b>
<b>Intangible fixed assets</b>	
Telephone right	0
<b>Total intangible fixed assets</b>	<b>0</b>
<b>Investments and other assets</b>	
Investments in subsidiaries and affiliates	2,403,398
Others	579
<b>Total investments and other assets</b>	<b>2,403,978</b>
<b>Total fixed assets</b>	<b>2,404,203</b>
<b>Total assets</b>	<b>2,436,616</b>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable	574
Accrued expenses	374
Accrued income taxes	88
Accrued business office taxes	12
Accrued consumption taxes	295
Deposits received	5
Provision for employees' bonus	616
Others	324
<b>Total current liabilities</b>	<b>2,292</b>
<b>Fixed liabilities:</b>	
Reserve for retirement benefit	246
<b>Total fixed liabilities</b>	<b>246</b>
<b>Total liabilities</b>	<b>2,539</b>
<b>Net assets</b>	
<b>Shareholders' equity:</b>	
<b>Share capital</b>	<b>150,000</b>
<b>Capital surplus</b>	
Additional paid-in capital	1,511,485
<b>Total capital surplus</b>	<b>1,511,485</b>
<b>Retained earnings</b>	
Other retained earnings	783,957
General reserve	332,275
Retained earnings carried forward	451,682
<b>Total retained earnings</b>	<b>783,957</b>
<b>Treasury shares</b>	<b>(13,658)</b>
<b>Total shareholders' equity</b>	<b>2,431,784</b>
<b>Share acquisition rights</b>	<b>2,292</b>
<b>Total net assets</b>	<b>2,434,077</b>
<b>Total liabilities and net assets</b>	<b>2,436,616</b>

**Non-consolidated Statement of Income for fiscal year 2016**

(Yen in millions)

	Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
<b>Operating income:</b>	
Dividends received from subsidiaries and affiliates	74,160
Fees received from subsidiaries and affiliates	10,541
<b>Total operating income</b>	84,702
<b>Operating expenses:</b>	
Operating and general administrative expenses	10,229
<b>Total operating expenses</b>	10,229
<b>Operating profit</b>	74,473
<b>Non-operating income:</b>	
Interest income	0
Gains on forfeiture of unclaimed dividends	42
Office work fee	16
Other non-operating income	42
<b>Total non-operating income</b>	101
<b>Non-operating expenses:</b>	
Miscellaneous expenses	72
<b>Total non-operating expenses</b>	72
<b>Ordinary profit</b>	74,502
<b>Extraordinary losses:</b>	
Impairment losses on investment of subsidiaries and affiliates	5,801
Losses on disposal of fixed assets	0
<b>Total extraordinary losses</b>	5,802
<b>Income before income taxes</b>	68,700
Income taxes-current	33
<b>Total income taxes</b>	33
<b>Net income</b>	68,666

**Non-consolidated Statement of Changes in Shareholders' Equity**

Fiscal year 2016 (April 1, 2016 to March 31, 2017)

(Yen in millions)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Additional paid-in capital	Others	Other retained earnings			
				General reserve	Retained earnings carried forward		
Beginning balance	150,000	1,511,485	-	332,275	498,726	(10,742)	2,481,745
Changes during the year							
Dividends					(94,354)		(94,354)
Net income					68,666		68,666
Purchase of treasury shares						(25,081)	(25,081)
Disposal of treasury shares			(252)			1,061	808
Retirement of treasury shares			(21,104)			21,104	-
Transfer from retained earnings to capital surplus			21,357		(21,357)		-
Net changes in items other than shareholders' equity							
Total changes during the year	-	-	-	-	(47,044)	(2,916)	(49,960)
Ending balance	150,000	1,511,485	-	332,275	451,682	(13,658)	2,431,784

	Share acquisition rights	Total net assets
Beginning balance	2,485	2,484,231
Changes during the year		
Dividends		(94,354)
Net income		68,666
Purchase of treasury shares		(25,081)
Disposal of treasury shares		808
Retirement of treasury shares		-
Transfer from retained earnings to capital surplus		-
Net changes in items other than shareholders' equity	(192)	(192)
Total changes during the year	(192)	(50,153)
Ending balance	2,292	2,434,077

## Notes to Non-consolidated Financial Statements

### Significant accounting policies

#### 1. Valuation of securities

Investments in subsidiaries and affiliates are stated at cost determined by the moving-average method.

#### 2. Depreciation for fixed assets

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

Fixtures attached to buildings	8 to 18 years
Equipment and furniture	5 to 15 years

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

The Company has changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method since the beginning of fiscal year 2016. Previously, the Company 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 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 will be used stably over their useful lives.

Herewith, the accounting policy of depreciation method for tangible fixed assets applied by the Group is unified.

The change had an immaterial impact on financial statements.

#### 3. Reserve

(1) To provide for payment of bonus to employees, the Company maintains a reserve for employees' bonus based on the expected amount to be paid.

(2) To provide for employees' retirement benefit payment, the Company maintains a reserve for employee's retirement benefits equal to the amount deemed to have incurred as of the end of fiscal year 2016.

#### 4. Consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax-excluded method.

<Additional information>

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

Assets")

The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan, Guidance No. 26, March 28, 2016), since the beginning of fiscal year 2016.

#### Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets:	297 million yen
2. Monetary claims against and debts owed to affiliates:	
Monetary claims receivables	5,329 million yen
Debts payable	310 million yen

#### Notes to the non-consolidated statement of income

Transactions with affiliates:	
Operating transactions	
Operating income	84,702 million yen
Operating expenses	1,575 million yen
Transactions other than operating transactions	94 million yen

#### Notes to the statement of changes in shareholders' equity

Class and number of treasury share held by the Company as of March 31, 2017:

Common share	2,912,404 shares
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#### Deferred tax accounting

Major components of deferred tax assets:

Deferred tax assets	
Impairment losses on investment in subsidiaries and affiliates	39,063 million yen
Others	593 million yen
Subtotal	39,656 million yen
Valuation allowance	(39,656) million yen
Total deferred tax assets	- million yen
Net deferred tax assets	- million yen

**Notes on transactions with related parties**

(Yen in millions)

Category	Company name	Percentage of voting rights held	Relationship	Transaction description	Transaction amount	Item	Balance at end of fiscal year
Subsidiary	Tokio Marine & Nichido	100% held directly	Overlapping management and Business administration	Receipt of business administration fee	8,724	-	-

Terms and conditions and corresponding decision-making policies for these transactions:

Note: The Company shall determine the amount of management fees that it receives based on management contracts between the Company, subsidiaries and affiliates, and discussion with the relevant entity.

**Per share information**

Net assets per share	3,241.89 yen
Net income per share	91.15 yen

**Notes on subsequent events**

The Company resolved at the Board of Directors' Meeting held on April 28, 2017 to transfer all of the Company's shares of Tokio Marine Asia Pte. Ltd. ("TMAsia"), a subsidiary of the Company, to Tokio Marine & Nichido, another subsidiary of the Company, as contributions in kind.

## (1) Objectives:

Currently, the basic policy of the Group is that subsidiaries regarding with overseas insurance business shall be invested by Tokio Marine & Nichido from the viewpoint of finance and accounting etc. Following this policy, it is to bring TMAsia and its subsidiaries under the control of Tokio Marine & Nichido. As a result, all subsidiaries and affiliates regarding with overseas insurance business will have been under the control of Tokio Marine & Nichido.

## (2) Overview of the subsidiary:

Name of the company: Tokio Marine Asia Pte. Ltd.  
 Location: Singapore  
 Business: Holding company of insurance related companies

## (3) Book value of the shares of the subsidiary:

49,690 million yen

## (4) Shareholding ratio after contributions in kind:

None

## (5) Date for contributions in kind:

July 1st, 2017 (Scheduled)



## **Copy of Independent Auditor's Report on Consolidated Financial Statements**

*[English Translation]*

### Independent Auditor's Report

May 17, 2017

To the Board of Directors  
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata LLC

Susumu Arakawa, CPA  
Designated Limited Liability Partner  
and Engagement Partner  
Takashi Idesawa, CPA  
Designated Limited Liability Partner  
and Engagement Partner  
Yuko Harada, CPA  
Designated Limited Liability Partner  
and Engagement Partner

We have audited, in accordance with Article 444, paragraph 4 of the Companies Act of Japan, the consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for the fiscal year that began on April 1, 2016 and ended on March 31, 2017. These financial statements consist of a consolidated balance sheet, a consolidated statement of income, a consolidated statement of changes in shareholders' equity and notes to consolidated financial statements.

#### Management's responsibility for the financial statements:

It is the Management's responsibility to prepare consolidated financial statements based on accounting principles generally accepted in Japan and to present these statements appropriately. This includes establishing and implementing internal control systems that Management deems necessary to prepare and present the consolidated financial statements without material misstatement resulting from fraud or error.

#### Auditor's responsibility:

It is our responsibility to express an opinion on the consolidated financial statements based on our audit as an independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that, in order to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, we formulate an audit plan and conduct an audit in accordance therewith.

An audit includes procedures to obtain audit evidence in relation to the amounts and disclosures in the consolidated financial statements. We select and apply audit procedures based on our judgment and in accordance with a risk evaluation for material misstatement in the consolidated financial statements resulting from fraud or error. Although the purpose of our audit is not to express an opinion on the effectiveness of internal control systems, when conducting the risk evaluation to determine the proper audit procedures we do review the internal control systems for the preparation and appropriate presentation of the consolidated financial statements. An audit includes assessing the accounting principles used by management, including how they are applied, and the estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a sufficient and appropriate basis for our opinion.

Audit opinion:

In our opinion, the foregoing consolidated financial statements present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period covered by the aforementioned financial statements in conformity with accounting principles generally accepted in Japan.

Conflict of interest:

Our firm and engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

# **Copy of Independent Auditor's Report on Non-consolidated Financial Statements**

*[English Translation]*

## Independent Auditor's Report

May 17, 2017

To the Board of Directors  
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata LLC

Susumu Arakawa, CPA  
Designated Limited Liability Partner  
and Engagement Partner  
Takashi Idesawa, CPA  
Designated Limited Liability Partner  
and Engagement Partner  
Yuko Harada, CPA  
Designated Limited Liability Partner  
and Engagement Partner

We have audited, in accordance with Article 436, paragraph 2, item 1 of the Companies Act of Japan, the non-consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for its 15th fiscal year that began on April 1, 2016 and ended on March 31, 2017. These financial statements consist of a non-consolidated balance sheet, a non-consolidated statement of income, a non-consolidated statement of changes in shareholders' equity, notes to non-consolidated financial statements, and supplementary schedules.

### Management's responsibility for the financial statements:

It is the Management's responsibility to prepare non-consolidated financial statements and supplementary schedules based on accounting principles generally accepted in Japan and to present these statements and supplemental schedules appropriately. This includes establishing and implementing internal control systems that Management deems necessary to prepare and present the non-consolidated financial statements and supplementary schedules without material misstatement resulting from fraud or error.

### Auditor's responsibility:

It is our responsibility to express an opinion on the non-consolidated financial statements and supplementary schedules based on our audit as an independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that, in order to obtain reasonable assurance about whether the non-consolidated financial statements and supplementary schedules are free of material misstatement, we formulate an audit plan and conduct an audit in accordance therewith.

An audit includes procedures to obtain audit evidence in relation to the amounts and disclosures in the non-consolidated financial statements and supplementary schedules. We select and apply audit procedures based on our judgment and in accordance with a risk evaluation for material misstatement in the non-consolidated financial statements and supplementary schedules resulting from fraud or error. Although the purpose of our audit is not to express an opinion on the effectiveness of internal control systems, when conducting the risk evaluation to determine the proper audit procedures we do review the internal control systems for the preparation and appropriate presentation of the non-consolidated financial statements and supplementary schedules. An audit includes assessing the accounting principles used by management, including

how they are applied, and the estimates made by management, as well as examining the overall presentation of the non-consolidated financial statements and supplementary schedules. We believe that our audit provides a sufficient and appropriate basis for our opinion.

Audit opinion:

In our opinion, the foregoing non-consolidated financial statements and supplementary schedules present fairly, in all material respects, the financial position and the results of operations of the Company for the period covered by the aforementioned financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan.

Conflict of interest:

Our firm and engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

## **Copy of the Audit Report of the Audit & Supervisory Board**

### Audit Report

Based on the audit reports received from each audit & supervisory board member relating to the performance by the Company's directors of their duties during the fiscal year that began on April 1, 2016 and ended on March 31, 2017 and after consultations amongst our members, we, the undersigned Audit & Supervisory Board, report as follows:

#### 1. Details of the Methodology of the Audit Performed by Audit & Supervisory Board Members

- (1) The Audit & Supervisory Board, which has set the auditing policies, the auditing schedules and related matters, received from each audit & supervisory board member audit reports detailing the performance of each audit & supervisory board member in audits and the results thereof. The Audit & Supervisory Board also received from each of the Company's directors and the Company's independent auditor reports detailing the performance of their duties and asked for further explanation whenever necessary.
- (2) Each audit & supervisory board member, pursuant to the auditing standards, the auditing policies and the auditing schedules set by the Audit & Supervisory Board, maintained good communications with directors, the internal audit department and other employees; committed himself or herself to gathering information and improving the circumstances of the audit; and conducted the audits based on the methods described below.
  - (a) Each audit & supervisory board member attended meetings of the Board of Directors and other important meetings; received reports detailing the performance of their duties from directors and other employees; asked for further explanations whenever necessary and inspected important decision-making documents and thereby investigated the Company's business activities and financial position. As for subsidiaries of the Company, each audit & supervisory board member maintained good communications and facilitated information sharing with directors, audit & supervisory board members, the internal audit department and other employees of the subsidiaries and received reports regarding the business activities of the subsidiaries whenever necessary.
  - (b) Pursuant to the auditing standards set by the Audit & Supervisory Board for an audit of the internal control system, each audit & supervisory board member examined the details of the resolution of the meeting of the Board of Directors concerning (i) a governance framework to ensure that the directors' performance of their duties are carried out in conformity with the laws and the Articles of Incorporation; and (ii) any other governance framework to ensure appropriate business operations of the company group comprised of a joint stock company and its subsidiaries, as set forth in Article 100, paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act of Japan. Each audit & supervisory board member also monitored and examined the governance framework (internal control system) which was implemented by the Board of Directors based on the aforementioned resolution.
  - (c) Concerning the internal control over financial reporting, each audit & supervisory board member received from directors and PricewaterhouseCoopers Aarata LLC reports

regarding the results of the assessment and audit of the internal control over financial reporting and asked for further explanations whenever necessary.

- (d) Each audit & supervisory board member received a notice from the Company's independent auditor stating that "a framework to ensure that independent auditors' performance of duties are carried out properly" (consisting of matters enumerated in the items of Article 131 of the Regulations for Financial Statements of Corporations) is established pursuant to "Quality Management Standards Regarding Audits" (Corporate Accounting Council, October 28, 2005) and addressing other standards concerned, and asked for further explanations whenever necessary.

Based on the methodology of the audit described above, we examined the business report and the supplementary schedules, the non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) and the supplementary schedules thereto, and the consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) for fiscal year 2016.

## 2. Results of Audit

### (1) Results of the audit of the business report and others

- (a) We found the business report and the supplementary schedules to present fairly the state of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.
- (b) In connection with the performance by directors of their duties, we found no dishonest act or violation of applicable laws, regulations or the Articles of Incorporation of the Company.
- (c) We found the resolution of the meeting of the Board of Directors with respect to the internal control system to be appropriate. In addition, we have nothing to report on the directors' performance of their duties in connection with the internal control system, including the internal control over the financial reporting.

### (2) Results of the audit of the non-consolidated financial statements and the supplementary schedules thereto

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata LLC, to be appropriate.

### (3) Results of the audit of the consolidated financial statement

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata LLC, to be appropriate.

May 18, 2017

Audit & Supervisory Board,  
Tokio Marine Holdings, Inc.

Takaaki Tamai, Audit & Supervisory Board Member (full-time)  
Takashi Ito, Audit & Supervisory Board Member (full-time)  
Yuko Kawamoto, Audit & Supervisory Board Member  
Akinari Horii, Audit & Supervisory Board Member  
Akihiro Wani, Audit & Supervisory Board Member

Note: Ms. Yuko Kawamoto, Mr. Akinari Horii and Mr. Akihiro Wani are the outside audit & supervisory board members, fulfilling the position prescribed by Article 2, item 16 of the Companies Act of Japan.