[*English Translation*]

TOKIO MARINE HOLDINGS, INC.

Attachment to the "Notice of Convocation of the 9th Ordinary General Meeting of Shareholders"

Business Report for the Fiscal Year Ended March 31, 2011

(From April 1, 2010 to March 31, 2011)

1. Matters Concerning the Insurance Holding Company

(1) Business Developments and Results for the Tokio Marine Group

During the fiscal year ended March 31, 2011, the global economy continued to gradually expand. Concerns about public sector debt in Europe and spikes in crude oil prices, owing to growing tensions in the Middle East, contrasted with signs of improvement in the U.S. economy owing to a second round of quantitative easing by the Federal Reserve and fiscal stimulus measures, and continued high growth in emerging countries.

The Japanese economy, despite the appreciation of the yen against other currencies and low share prices, moved onto a recovery track owing to government stimulus efforts and other factors promoting growth. In the insurance industry, Japan’s demographics – a declining birthrate and an aging population – and other factors means the market is unlikely to grow and competition has intensified. In the property and casualty insurance sector, loss ratio of auto insurance increased, contributing to the continuation of a challenging business environment.

Against this backdrop, the Tokio Marine Group (the “Group”) is vigorously pursuing its business activities. Our overriding objective is to fully realize our “Innovation and Execution 2011” medium-term corporate strategy of achieving sustainable earnings growth based on quality improvements in our products, services and business processes. During the fiscal year ended March 31, 2011, the Group strove to improve its growth potential and the profitability of its domestic property and casualty insurance business, and to expand its domestic life insurance business and overseas insurance business. In order to further develop a management and administration system that maximizes the Group's global competitiveness, the Group moved forward with initiatives aimed at enhancing its risk-based management (or “ERM”, Enterprise Risk Management) to better balance its levels of capital and risk and to improve capital efficiency while maintaining fiscal soundness.

The Great East Japan Earthquake caused immense damage to this country, greatly affecting its economic activities. Immediately after the incident, the Group began using all its available resources to respond to inquiries and insurance claims by quake-affected customers.

The Great East Japan Earthquake, the Christchurch Earthquake in New Zealand and other severe natural disasters that occurred around the globe in the fiscal year ended March 31, 2011 cause us to expect that Tokio Marine and Nichido Fire Insurance Co., Ltd. ("Tokio Marine & Nichido") and other Group insurance companies will have to make large claim payments. Meanwhile, we have been implementing a global diversification strategy in relation to our risk exposures and sources of income, characterized by reinsurance arrangements to reduce our risk exposures and provision of underwriting reserves, as well as active expansion of our overseas operations. As a result, Tokio Marine Holdings reported consolidated business results as described below.

Ordinary income	3,288.6 billion yen (92.1% of the previous fiscal year)
Underwriting income	2,874.0 billion yen (96.8% of the previous fiscal year)
Investment income	347.7 billion yen (64.8% of the previous fiscal year)
Ordinary profit	126.5 billion yen (62.2% of the previous fiscal year)
Net income	71.9 billion yen (56.0% of the previous fiscal year)

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

Business segment	Ordinary income	Ordinary profit
Domestic property and casualty insurance	2,425.7 billion yen	104.5 billion yen
Domestic life insurance	442.2 billion yen	7.1 billion yen
Overseas insurance	539.9 billion yen	14.4 billion yen
Financial and other	70.8 billion yen	2.0 billion yen

Response to the Great East Japan Earthquake

The Group has set as its highest priority the timely payments of earthquake insurance claims in order to help restore the livelihoods of customers affected by the disaster. After the disaster, Tokio Marine & Nichido immediately established a Special Task Force and special call centers dedicated to handling earthquake insurance claims and a large number of staff throughout Japan have been assigned to claim services so as to make timely and appropriate claim payments. Many of our agents in the affected areas who liaise with customers were also affected, and we have been actively assisting in the restoration of their businesses. And we have been striving to ensure customer convenience by establishing consultation systems, providing assistance with policy renewals and other efforts.

Domestic Property and Casualty Insurance Business

The following is a discussion of the operating results for the fiscal year ended March 31, 2011 of Tokio Marine & Nichido, the core firm of the Group. Net premiums written were 1,742.7 billion yen, a year-on-year increase of 0.4 percent. Although the Great East Japan Earthquake resulted in insurance claims in the fiscal year ended March 31, 2011, there was no effect on Tokio Marine & Nichido's profits because the Japanese government is also responsible for earthquake insurance through reinsurance contracts and Tokio Marine & Nichido already had built up underwriting reserves. While we expect to make claim payments in relation to commercial property, we mitigate the effect on our profit through reinsurance arrangements and other measures. In order to improve ROE, Tokio Marine & Nichido continued its sales of equities held for business-related reasons, which produced gains on sales of securities. Ordinary profit was 145.7 billion yen, a decrease of 1.6 billion yen, and net income was 100.7 billion yen, an increase of 6.2 billion yen, in each case as compared to the previous fiscal year.

Tokio Marine & Nichido focused on offering products and services which customers select for their quality and strove for growth by improving its sales base and cultivating markets.

As of October 2010, Tokio Marine & Nichido overhauled its all-in-one life and property and casualty "Super Insurance" product, which offers a total coverage package appropriate to a customer's life plans, family composition and other factors. The revisions brought the basic product architecture in line with that of other individual products for personal lines while retaining features customers liked, and the consultation system was also improved to make product proposals easier for customers to understand. As a result, the number of agents selling "Super Insurance" increased, leading to approximately four times as many new "Super Insurance" policyholders as compared to the six months ended September 2010.

To strengthen its sales base, Tokio Marine & Nichido entered into an agency service agreement with Meiji Yasuda Life Insurance Company ("Meiji Yasuda") in October 2010 and plans to start selling its auto and other insurances through Meiji Yasuda in the fiscal year ending March 31, 2012.

As for market development, Tokio Marine & Nichido strove to cultivate the small and medium-sized enterprise market by increasing sales volume of personal injury insurance for industrial accidents and pursued increased sales volume of commercial auto insurance through safety programs.

In relation to asset management, Tokio Marine & Nichido aimed to ensure stable earnings and asset liquidity as part of its efforts to maintain a sound financial base through risk management.

With respect to the operating results of Nisshin Fire & Marine Insurance Co., Ltd. for the fiscal year ended March 31, 2011, net premiums written were 134.0 billion yen, representing an increase of 1.7 percent from the previous fiscal year. Ordinary profit was 2.5 billion yen, a decrease of 3.9 billion yen, and net income was 1.5 billion yen, a decrease of 2.7 billion yen, in each case as compared to the previous fiscal year.

Domestic Life Insurance Business

As of March 31, 2011, Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life"), the core company in the Group's domestic life insurance business, recorded 21,587.3 billion yen in the amount of life insurance-in-force, an increase of 1,117.4 billion yen from March 31, 2010, while the amount of newly signed life insurance was 2,781.7 billion yen, a year-on-year decrease of 4.1 percent. Ordinary profit was 19.4 billion yen, a year-on-year increase of 12.5 billion yen. For the fiscal year ended March 31, 2011, Tokio Marine & Nichido Life achieved a reserve rate of 100% for insurance contracts subject to such standards under the Insurance Business Law of Japan, and net income amounted to 5.2 billion yen.

Tokio Marine & Nichido Life developed life insurance products meeting customer needs and pursued growth through an integrated approach to life and non-life insurance.

Since its inception in 1996, Tokio Marine & Nichido Life has consistently pursued customer-oriented life insurance operations. As a result, it has achieved some of the fastest growth ever seen in Japan's life insurance industry, and in April 2010, achieved the 3 million mark for individual insurance and annuity policies in force. To meet the needs of an aging-society, Tokio Marine & Nichido Life in November 2010 began offering "long-life supporting whole life" insurance, a new product featuring nursing care coverage as well as severe-disability and death benefits, which demonstrated strong sales. On another front, Tokio Marine & Nichido Life also strengthened its integrated life and non-life approach, for example, by making it possible to incorporate its medical and cancer coverage in "Super Insurance. "

Tokio Marine & Nichido Financial Life Insurance Co., Ltd. ("Tokio Marine & Nichido Financial Life") endeavored to strengthen its relationships with financial institution sales channels, while maintaining a conservative sales strategy focused on risk control given the situation in financial markets. As of March 31, 2011, Tokio Marine & Nichido Financial Life had 2,774.6 billion yen in life insurance-in-force and 104.7 billion yen in newly signed life insurance. Ordinary loss was 2.3 billion yen, and net loss was 2.5 billion yen.

Overseas Insurance Business

The Group actively developed its international insurance business with the aim of pursuing global growth opportunities.

Philadelphia Consolidated Holding Corporation ("PHLY"), a U.S. property and casualty insurance group, through strategies focused on specific industry sectors and customer segments and robust marketing capabilities was able to maintain a strong performance even though the overall U.S. non-life insurance market was characterized by slow growth. As a result, PHLY continued to demonstrate sound business performance with net premiums written of 1.97 billion U.S. dollars (160.8 billion yen), an increase of 5.2 percent compared to the previous fiscal year.

Kiln Group Limited ("Kiln"), a U.K. insurance group, continued its disciplined underwriting amid a downward trend in insurance premium rates. As a result, Kiln's net premiums written during the fiscal year 2010 remained almost unchanged from the previous fiscal year at 430 million British pounds (55.3 billion yen). Kiln also contributed to expansion of the Group's overseas insurance business by using the Group's wholly owned Lloyd's Syndicate.

The Company's reinsurance business, although having decreased profit owing to the Christchurch Earthquake in New Zealand and other natural disasters, yielded increased income as Tokio Millennium Re Limited, by virtue of increased underwriting in the United States, recorded a year-on-year increase of 16.0 percent in net premiums written to 410 million U.S. dollars (34.0 billion yen) for the fiscal year 2010.

The Company formulated new growth strategies for its reinsurance business and its large commercial property insurance business in the U.S. and Europe. In January 2011, the Company began implementing strategies for reinsurance underwriting in continental Europe and Oceania, and pursuing growth in large commercial property insurance underwriting in the U.S. and Europe.

In emerging markets, the Company has advanced initiatives for medium-to-long term growth. In April 2010, it entered into an agreement with Alinma Bank, a leading Saudi Arabian financial institution, to establish a joint-venture which will sell Islamic insurance (Takaful). Tokio Marine Life Insurance Malaysia Bhd. in July 2010 entered into a tie-up with RHB Bank Bhd., a prominent local commercial bank, in relation to life insurance sales.

Financial and Other Business

The Group developed its financial services business, with a focus on fee-based asset management business offering a stable base of revenue. Fee-based business includes management of public and corporate pension funds and the establishment and management of investment trusts by Tokio Marine Asset Management Co., Ltd. As to its general business, the Group continued to engage in temporary staffing services, property management services and other business.

CSR

Tokio Marine & Nichido aims to preserve the environment through a “Green Gift” project whereby paper consumption is reduced by allowing auto insurance, fire insurance and Super Insurance customers to choose to receive insurance terms and conditions on the company website. Through the project, Tokio Marine & Nichido also promotes the planting of mangroves. As a result of this project and other environmental protection initiatives throughout its property and casualty insurance business, Tokio Marine & Nichido’s auto insurance in December 2010 was awarded the Eco Mark certification for financial products from the Japan Environment Association.

Issues Facing the Group

In the fiscal year ending March 31, 2012, we expect emerging countries to maintain high rates of economic growth and the U.S. economy to continue to improve, but concerns about the fiscal strength of Europe will continue to weigh down the global economy.

The Japanese economic outlook is expected to remain uncertain owing to the Great East

Japan Earthquake’s impact on business activities and consumer spending. Given the effects of the declining birthrate and aging population, as well as low levels of new car sales, we continue to believe that the domestic insurance market will not grow.

In this challenging environment, the Tokio Marine Group expects to focus on the issues as described below.

In its domestic property and casualty insurance and domestic life insurance businesses, the Group will continue to set as its highest priority the timely payments of insurance claims related to the Great East Japan Earthquake and strive to fulfill its social responsibility as an insurance business group. To promote growth, at the same time we will vigorously pursue quality improvements in our products and services and fully implement our integrated approach to life and non-life insurance. We will also seek to increase profitability by improving our loss ratio, which has been rising in auto insurance, and reducing our operating costs.

In the overseas insurance business, the Group will implement a growth strategy balancing developed and emerging countries, while steadily expanding the scale and earnings of its subsidiaries and affiliates with the goal of becoming a more global insurance business group.

As accounting standards for the insurance business and risk management standards move toward global standards, the Group will strive to further enhance its risk-based management (through an ERM system).

Under our management philosophy to place “customer trust at the base of all its activities,” the entire Tokio Marine Group will endeavor to achieve further growth as a corporate group, seeking growth characterized by high profitability, sustainability and soundness. 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.

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. Comparison against prior fiscal years is not available because the results for each business segment in this Business Report were determined in accordance with an accounting standard newly applied as of the fiscal year ended March 31, 2011, which had not previously been applied.

Note 3: "PHLY" means the corporate group comprised of Philadelphia Consolidated Holding Corporation and its subsidiaries. "Kiln" means the corporate group comprised of Kiln Group Limited and its subsidiaries.

Note 4: The yen-denominated amounts of net premiums written of Kiln, PHLY and Tokio Millennium Re Limited are calculated at exchange rates in effect as of the end of December 2010.

(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 years ended March 31)

	2008	2009	2010	2011
Ordinary income	3,710,066	3,503,102	3,570,803	3,288,605
Ordinary profit	179,071	-15,128	203,413	126,587
Net income	108,766	23,141	128,418	71,924
Net assets	2,579,339	1,639,514	2,184,795	1,904,477
Total assets	17,283,242	15,247,223	17,265,868	16,528,644

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

(Yen in millions, except per share amounts)
(Fiscal years ended March 31)

	2008	2009	2010	2011
Operating income	74,702	136,570	32,324	127,806
Dividends received	69,400	130,053	25,617	120,892
Insurance subsidiaries	69,202	129,134	25,082	120,156
Other subsidiaries	197	919	535	735
Net income	70,385	117,197	44	80,226
Net income per share of common share	86.41 yen	147.53 yen	0.05 yen	103.16 yen
Total assets	2,505,334	2,530,333	2,492,379	2,482,926
Share of insurance subsidiaries	2,426,412	2,427,769	2,416,206	2,380,355
Share of other subsidiaries	53,178	68,246	61,436	62,457

(3) The Group's Principal Offices (As of March 31, 2011)

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 32 other branches		
		Tokai and Hokuriku	Aichi South Branch and 24 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	June 10, 1908
Domestic life insurance	Tokio Marine & Nichido Life	Head Office		3-16, Ginza 5-chome, Chuo-ku, Tokyo	August 6, 1996
	Tokio Marine & Nichido Financial Life	Head Office		1-1, Osaki 2-chome, Shinagawa-ku, Tokyo	August 13, 1996
Overseas insurance	Philadelphia Consolidated Holding Corp.	Head Office		Bala Cynwyd, Pennsylvania, U.S.A.	July 6, 1981
	Kiln Group Limited	Head Office		London, U.K.	July 11, 1994
Financial and other	Tokio Marine Financial Solutions Ltd.	Head Office		George Town, Cayman Islands	December 4, 1997

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, 2010	As of March 31, 2011	Increase (decrease)
Domestic property and casualty insurance	19,671	19,900	229
Domestic life insurance	2,387	2,409	22
Overseas insurance	5,800	5,902	102
Financial and other	1,720	1,547	（173）
Total	29,578	29,758	180

Note: Numbers of employees as of March 31, 2010 were calculated in accordance with business segments as determined under an accounting standard that was applied for the year ended March 31, 2011.

(5) The Group's Principal Lenders (As of March 31, 2011)

Business segment	Company name	Lender	Balance of loan
Domestic property and casualty insurance	Tokio Marine & Nichido	Syndicated loan	88,500 million yen

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

(6) The Group's Financing Activities

In order to partially refinance loans in its domestic property and casualty insurance business, Tokio Marine & Nichido received 50,000 million yen through a syndicated loan arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(7) The Group's Capital Investment Activities

a. Total investment in facilities

Business segment	Amount
Domestic property and casualty insurance	14,361 million yen
Domestic life insurance	552 million yen
Overseas insurance	3,998 million yen
Financial and other	204 million yen
Total	19,117 million yen

Notes 1. "Amount" is the aggregate amount of investment in facilities for the year ended March 31, 2011.

2. Yen amounts include certain capital expenditures in other currencies which were converted into yen based on exchange rates as of the closing date of the fiscal year of the Company.

b. New construction of major facilities and other

Business segment	Company name	Description	Amount
Overseas insurance	Tokio Marine Insurance Singapore Ltd.	Repair of Tokio Marine Centre	5,931 million yen

Note: The amount shown above is the aggregate amount of investment relating to the repair. The yen amount has been translated at the currency exchange rate as of the closing date of the fiscal year of the Company.

(8) Parent Company and Major Subsidiaries (As of March 31, 2011)

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' 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%	-
Tokio Marine & Nichido Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 6, 1996	55,000	100.0%	-
Tokio Marine & Nichido Financial Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 13, 1996	48,000	100.0%	-
Tokio Marine Millea SAST Insurance Co., Ltd.	Kanagawa, Japan	Small-amount short-term insurance	Sept. 1, 2003	1,595	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	299	100.0% (100.0)	-
First Insurance Company of Hawaii Ltd.	Honolulu, Hawaii, U.S.A.	Property and casualty insurance	Aug. 6, 1982	355	50.0% (50.0)	-
Tokio Millennium Re (UK) Limited	London, U.K.	Property and casualty insurance	Oct. 30, 1990	16,736	100.0% (100.0)	-
Kiln Group Limited	London, U.K.	Holding company	July 11, 1994	133	100.0% (100.0)	-
Kiln Underwriting Limited	London, U.K.	Property and casualty insurance	June 13, 1994	0	100.0% (100.0)	-
Tokio Marine Underwriting Limited	London, U.K.	Property and casualty insurance	Oct. 27, 2008	0	100.0% (100.0)	-
Tokio Marine Bluebell Re Limited	Douglas, Isle of Man	Life insurance	Mar. 8, 2007	14,000	100.0%	-

Tokio Marine Asia Pte. Ltd.	Singapore, Singapore	Holding company	Mar. 12, 1992	38,513	100.0%	-
Asia General Holdings Limited	Singapore, Singapore	Holding company	Feb. 24, 1971	4,943	92.4% (92.4)	-
Tokio Marine Insurance Singapore Ltd.	Singapore, Singapore	Property and casualty insurance	July 11, 1923	6,591	100.0% (100.0)	-
Tokio Marine Life Insurance Singapore Ltd.	Singapore, Singapore	Life insurance	May 21, 1948	2,372	85.4% (85.4)	-
Tokio Marine Life Insurance Malaysia Bhd.	Kuala Lumpur, Malaysia	Life insurance	Feb. 11, 1998	2,748	100.0% (100.0)	-
Tokio Marine Seguradora S.A.	Sao Paulo, Brazil	Property and casualty insurance	June 23, 1937	13,878	100.0%	-
Tokio Millennium Re Ltd.	Hamilton, Bermuda	Property and casualty insurance	Mar. 15, 2000	20,787	100.0% (100.0)	-
Tokio Marine Financial Solutions Ltd.	George Town, Cayman Islands	Derivatives business	Dec. 4, 1997	1,178	100.0% (100.0)	-

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

2. Millea Nihon Kosei SS Insurance Co., Ltd. was renamed Tokio Marine Millea SAST Insurance Co., Ltd. as of July 1, 2010.

3. First Insurance Company of Hawaii Ltd. is included in the table due to an increase in importance.

4. Tokio Marine Global Ltd. was renamed Tokio Millennium Re (UK) Limited as of January 1, 2011.

5. Tokio Marine Underwriting Limited is included in the table due to an increase in importance.

6. TM Asia Life Singapore Ltd. was renamed Tokio Marine Life Insurance Singapore Ltd. as of August 31, 2010.

7. TM Asia Life Malaysia Bhd. was renamed Tokio Marine Life Insurance Malaysia Bhd. as of June 22, 2010.

8. Sino Life Insurance Co., Ltd. was excluded from the table because it is no longer a consolidated affiliate of the Company.

9. The yen amounts of paid-in capital of subsidiaries and affiliates located outside Japan have been translated at the currency exchange rate as of the closing date of the fiscal year of the Company.

10. Figures in brackets shown under Tokio Marine Holdings's voting rights reflect Tokio Marine Holdings' 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 Corporate Auditors

(1) Directors and corporate auditors (As of March 31, 2011)

Name	Position and assigned duties	Other major occupations and other matters
Kunio Ishihara	Director and Chairman of the Board	Chairman of the Board of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Daiichi Sankyo Company, Limited (outside director) Vice Chairman of Japan Association of Corporate Executives
Shuzo Sumi	Representative Director and President	Representative Director and President of Tokio Marine & Nichido
Daisaku Honda	Representative Director and Executive Vice President In charge of Corporate Accounting Dept., Personnel Planning Dept., Internal Control Dept., Risk Management Dept. and Internal Audit Dept.	Director of Matsuya Co., Ltd. (outside director)
Hiroshi Amemiya	Representative Director and Executive Vice President In charge of Domestic Business Development Dept., Corporate Planning Dept. and Legal Dept.	
Shin-Ichiro Okada	Senior Managing Director Overall supervision of overseas insurance business; in charge of International Business Development Dept. (management of North America, European and Middle Eastern regions and reinsurance	Senior Managing Director of Tokio Marine & Nichido

	operations)	
Masashi Oba	Managing Director In charge of Financial Planning Dept.	Managing Director of Tokio Marine & Nichido
Minoru Makihara	Director (outside director)	Special Advisor of Mitsubishi Corporation Director of Mitsubishi Logistics Corporation (outside director) Director of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (outside director)
Hiroshi Miyajima	Director	Representative Director and President of Nisshin Fire
Kunio Ito	Director (outside director)	Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Sharp Corporation (outside director) Director of Mitsubishi Corporation (outside director) Director of Nitto Denko Corporation (outside director) Director of Akebono Brake Industry Co., Ltd. (outside director)
Akio Mimura	Director (outside director)	Representative Director and Chairman of Nippon Steel Corporation Director of Development Bank of Japan Inc. (outside director) Director of the Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director)
Toshifumi Kitazawa	Director	Representative Director and President of Tokio Marine & Nichido Life
Toshiro Yagi	Standing Corporate Auditor	
Tetsuo Kamioka	Standing Corporate Auditor	Mr. Kamioka, as a director of Tokio Marine & Nichido Life, was in charge of accounting department and has expertise in finance and accounting.
Shigemitsu Miki	Corporate Auditor (outside corporate auditor)	Senior Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Director of Mitsubishi Electric Corporation (outside director) Director of Kirin Holdings Company, Limited (outside director) Director of Mitsubishi Logistics Corporation (outside director) Corporate Auditor of Mitsubishi Motors Corporation (outside corporate auditor) Corporate Auditor of Nippon Steel Corporation (outside corporate auditor)

Hiroshi Fukuda	Corporate Auditor (outside corporate auditor)	Attorney-at-law
Yuko Kawamoto	Corporate Auditor (outside corporate auditor)	Professor, Waseda Graduate School of Finance, Accounting and Law Director of Resona Holdings, Inc. (outside director) Director of Yamaha Motor Co., Ltd. (outside director) Director of Monex Group, Inc. (outside director) Director of Osaka Securities Exchange Co., Ltd. (outside director)
Yasuo Yaoita	Standing Corporate Auditor	Resigned effective as of June 28, 2010

Notes:1. Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Mr. Minoru Makihara, Dr. Kunio Ito, Mr. Akio Mimura, Mr. Shigemitsu Miki, Mr. Hiroshi Fukuda and Ms. Yuko Kawamoto are “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan.

(2) Remuneration and Other Compensation to Directors and Corporate Auditors

	Number of persons to receive remuneration and other compensation	Remuneration and other compensation
Directors	14 persons	325 million yen
Corporate Auditors	6 persons	99 million yen
Total	20 persons	424 million yen

Notes 1: “Number of persons to receive remuneration and other compensation” includes three directors and one corporate auditor who retired from office at the close of the 8th ordinary general meeting of shareholders held on June 28, 2010.

2: “Remuneration and other compensation” includes the amounts paid to the three directors and one corporate auditor referred to in “Note 1” above.

3: Remuneration in connection with share acquisition rights is described below.
Directors: 52 million yen
Corporate Auditors: 17 million yen
Total: 70 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: 25 million yen per month Remuneration in connection with share acquisition rights: 70 million yen per year
Corporate Auditors	Monthly remuneration: 10 million yen per month Remuneration in connection with share acquisition rights: 30 million yen per year

Total	Monthly remuneration: 35 million yen per month Remuneration in connection with share acquisition rights: 100 million yen per year

3. Matters Concerning Outside Directors and Outside Corporate Auditors

(1) Other Assignments (As of March 31, 2011)

Name	Other assignments
Minoru Makihara (outside director)	Director of Mitsubishi Logistics Corporation (outside director) Director of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (outside director)
Kunio Ito (outside director)	Director of Sharp Corporation (outside director) Director of Mitsubishi Corporation (outside director) Director of Nitto Denko Corporation(outside director) Director of Akebono Brake Industry Co., Ltd. (outside director)
Akio Mimura (outside director)	Representative Director and Chairman of Nippon Steel Corporation Director of Development Bank of Japan Inc. (outside director) Director of the Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director)
Shigemitsu Miki (outside corporate auditor)	Director of Mitsubishi Electric Corporation (outside director) Director of Kirin Holdings Company, Limited (outside director) Director of Mitsubishi Logistics Corporation (outside director) Corporate Auditor of Mitsubishi Motors Corporation (outside corporate auditor) Corporate Auditor of Nippon Steel Corporation (outside corporate auditor)
Yuko Kawamoto (outside corporate auditor)	Director of Resona Holdings, Inc. (outside director) Director of Yamaha Motor Co., Ltd. (outside director) Director of Monex Group, Inc. (outside director) Director of Osaka Securities Exchange Co., Ltd. (outside director)

Notes: 1. Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Mitsubishi Electric Corporation has business transactions related to OA equipment with the Company. The Company has listed its shares on Osaka Securities Exchange Co., Ltd.

3. Insurance subsidiaries of the Company has considerable amounts of insurance transactions with Mitsubishi Logistics Corporation, Sharp Corporation, Mitsubishi Corporation, Nitto Denko Corporation, Nippon Steel Corporation, Nisshin Seifun Group Inc., Mitsubishi Electric Corporation, Kirin Holdings Company, Limited, Mitsubishi Motors Corporation and Yamaha Motor Co., Ltd. and their subsidiaries, etc.

(2) Principal Activities

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Minoru Makihara (outside director)	9 years	Attended 8 of the 10 board of directors' meetings held during the fiscal year ended March 31, 2011.	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.

Kunio Ito (outside director)	1year and 9 months	Attended 9 of the 10 board of directors' meetings held during the fiscal year ended March 31, 2011.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a specialist in business administration which has been acquired through many years of involvement in academic activities.
Akio Mimura (outside director)	9 months	After assuming the position, attended all 8 board of directors' meetings held in the fiscal year ended March 31, 2011.	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.
Shigemitsu Miki (outside corporate auditor)	9 years	Attended 9 of the 10 board of directors' meetings, and 9 of the 10 board of corporate auditors' meetings held during the fiscal year ended March 31, 2011.	He has fulfilled his audit 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.
Hiroshi Fukuda (outside corporate auditor)	4 year and 9 months	Attended all 10 board of directors' meetings, and all 10 board of corporate auditors' meetings held during the fiscal year ended March 31, 2011.	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 as a diplomat and as a Justice of the Supreme Court of Japan.
Yuko Kawamoto (outside corporate auditor)	4 year and 9 months	Attended all 10 board of directors' meetings, and all 10 board of corporate auditors' meetings held during the fiscal year ended March 31, 2011.	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.

Notes: 1. Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Current term in office is the length of the term held as of March 31, 2011.

3. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." columns includes matters in connection with the board of corporate auditors' meetings as well as the board of directors' meetings.

4. All of the 10 board of directors' meetings held during the fiscal year ended March 31, 2011, were ordinary meetings. All of the 10 board of corporate auditors' meetings held during the fiscal year ended March 31, 2011 were ordinary meetings.

(3) Limitation of Liability

Name	Outline of the contract to limit liability
Minoru Makihara (outside director) Kunio Ito (outside director) Akio Mimura (outside director) Shigemitsu Miki (outside corporate auditor) Hiroshi Fukuda (outside corporate auditor) Yuko Kawamoto (outside corporate auditor)	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.

Note: Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

(4) 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	53 million yen	-

Notes: 1. "Number of persons to receive remuneration and other compensation" includes one outside director who retired from office at the closing of the 8th ordinary general meeting of shareholders held on June 28, 2010.

2. "Remuneration received from the insurance holding company" includes the amount paid to one outside director referred to in "Note 1" above.

3. Of the "Remuneration received from the insurance holding company", remuneration in connection with share acquisition rights was 9 million yen.

4. The breakdown of the remuneration is as follows.
   - Outside directors: 4 persons, 26 million yen
   - Outside corporate auditors: 3 persons, 27 million yen

(5) Comments of Outside Directors and Outside Corporate Auditors

None.

4. Matters Concerning Common Share

(1) Number of Shares (As of March 31, 2011)

Total number of shares authorized to be issued: 3,300,000 thousand shares
Total number of the issued shares: 804,524 thousand shares (including 37,704 thousand treasury shares)

(2) Total Number of Shareholders (As of March 31, 2011)

95,509

(3) Major shareholders (As of March 31, 2011)

Shareholders	Capital contribution to the Company	
	Number of shares held	Ratio of shares held
	thousand shares	%
Japan Trustee Services Bank, Ltd. (Trust Account)	44,741	5.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,145	5.8
Meiji Yasuda Life Insurance Company	19,179	2.5
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	15,877	2.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,695	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 9)	14,391	1.9
Trust & Custody Services Bank, Ltd. as a trustee for Mizuho Trust Retirement Benefits Trust Account for Mitsubishi Heavy Industries, Ltd.	14,074	1.8
Moxley & Co.	14,012	1.8
Tokai Nichido Employee Stock Ownership Plan	11,041	1.4
The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation	10,832	1.4

Notes: 1. The 14,074 thousand shares held by Trust & Custody Services Bank, Ltd. as a trustee for Mizuho Trust Retirement Benefits Trust Account for Mitsubishi Heavy Industries Ltd. are an asset entrusted by Mitsubishi Heavy Industries, Ltd. for its retirement benefits trust.

2. Moxley & Co. is the corporate nominee holder of common share deposited for the issuance of ADRs.

3. The 10,832 thousand shares held by The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation are an asset entrusted by Mitsubishi Corporation for its retirement benefits trust.

4. The Company holds 37,704 thousand treasury shares but is not included in "Shareholders" column in the table. During the fiscal year ended March 31, 2011, the Company repurchased 20,629 thousand shares of its own common share from the market (aggregate purchase price: 49,999 million yen) pursuant to the resolutions of its board meetings.

5. The ratio of shares held is calculated after deducting 37,704 thousand treasury shares held by the Company.

(Composition ratio by type of shareholders)

Financial institutions:	39.5%
Financial instruments firms:	1.4%
Other domestic companies:	7.9%
Foreign companies:	33.0%
Individuals and others:	18.2%

(The number of outstanding shares as of March 31, 2011: 804,524 thousand shares)

5. Matters Concerning Share Acquisition Rights

(1) Share Acquisition Rights held by Directors and Corporate Auditors of the Insurance Holding Company as of the End of the Fiscal Year

<table>
<tr><th></th><th>Outline of the share acquisition rights</th><th>Number of persons holding the share acquisition rights</th></tr>
<tr><td>Directors (except outside directors)</td><td rowspan="3">The July 2005 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 7
Outside directors: 1
Corporate Auditors: 6
- Class and number of shares to be issued upon exercise of the share acquisition rights: 7,000 common shares (500 shares shall be issued upon exercise of each share acquisition right.)

The July 2006 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 4
Outside directors: 0
Corporate Auditors: 7
- Class and number of shares to be issued upon exercise of the share acquisition rights: 5,500 common shares (500 shares shall be issued upon exercise of each share acquisition right.)

The July 2007 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 54
Outside directors: 3
Corporate Auditors: 44
- Class and number of shares to be issued upon exercise of the share acquisition rights: 10,100 common shares (100 shares shall be issued upon exercise of each share acquisition right.)

The August 2008 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 71
Outside directors:3
Corporate Auditors: 51
- Class and number of shares to be issued upon exercise of the share acquisition rights: 12,500 common shares (100 shares shall be issued upon exercise of each share acquisition right.)

The July 2009 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 139
Outside directors:12
Corporate Auditors: 88
- Class and number of shares to be issued upon exercise of the share acquisition rights: 23,900 common shares (100 shares</td><td>8 persons</td></tr>
<tr><td>Outside Directors</td><td>3 persons</td></tr>
<tr><td>Corporate Auditors</td><td>5 persons</td></tr>
</table>

	shall be issued upon exercise of each share acquisition right.) The July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights held by: Directors (except outside directors): 205 Outside directors:21 Corporate Auditors: 77 - Class and number of shares to be issued upon exercise of the share acquisition rights: 30,300 common shares (100 shares shall be issued upon exercise of each share acquisition right.)	

Notes: 1. The July 2005 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) were issued with especially favorable terms to directors (including non-members of the board) and corporate auditors of Tokio Marine Holdings and its major subsidiaries (collectively referred to as the "Directors and Corporate Auditors"), pursuant to Articles 280-20 and 280-21 of the former Commercial Code. The status of the share acquisition rights as of March 31, 2011 and the outline of the share acquisition rights are as follows:

- Status as of March 31, 2011
  The number of the share acquisition rights: 58
  Class and number of shares to be issued upon exercise of the share acquisition rights: 29,000 common shares (500 shares shall be issued upon exercise of each share acquisition rights.)

- Outline of the share acquisition rights
  Issue price: Issued without receipt of monetary consideration
  Amount to be paid upon the exercise of the share acquisition rights: 1 yen per share
  Exercise period: 30 years from the allotment of the share acquisition rights
  Conditions for the exercise of the share acquisition rights: Share acquisition rights held by any of the "Directors and Corporate Auditors" that he/she received in his/her capacity as a director (including a non-member of the board) or a corporate auditor of the relevant entity may only be exercised after he/she has retired from any position as a director (including a non-member of the board) or corporate auditor of such entity.

2. The July 2006 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan), the July 2007 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) , the August 2008 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan), the July 2009 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) and the July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) were issued to the Directors and Corporate Auditors offsetting their monetary remuneration claims as a consideration for their service in the respective companies, pursuant to Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act of Japan. The status of the share acquisition rights as of March 31, 2011 and the outline of the share acquisition rights are set forth in the table below.

	The July 2006 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)	The July 2007 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)	The August 2008 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)	The July 2009 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)	The July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
Number of share acquisition rights (as of March 31, 2011)	51	371	803	1,809	2,386
Class and number of shares to be issued upon exercise of the share acquisition rights (as of March 31, 2011)	25,500 common shares (500 shares shall be issued upon exercise of each share acquisition rights.)	37,100 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	80,300 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	180,900 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	238,600 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)
Amount payable at issuance	2,013,506 yen	491,700 yen	353,300 yen	237,600 yen	234,400 yen
Amount to be paid upon the exercise of the share acquisition rights	1 yen per share				
Exercise period	30 years from the allotment of the share acquisition rights				
Conditions for the exercise of the share acquisition rights	Share acquisition rights held by any of the "Directors and Corporate Auditors" that he/she received in his/her capacity as a director (including a non-member of the board) or a corporate auditor of the relevant entity may only be exercised after he/she has retired from any position as a director (including a non-member of the board) or corporate auditor of such entity.				

3. Directors of the Company who were also directors (including non-members of the board) of the Company's major subsidiaries at the time of the issuance of the share acquisition rights have been allotted share acquisition rights in their capacity as directors (including non-members of the board) of these companies. The number of such share acquisition rights held by directors of the Company (excluding outside directors) as of March 31, 2011 is as follows.
The July 2005 Share Acquisition Rights: 23
The July 2006 Share Acquisition Rights: 14
The July 2007 Share Acquisition Rights: 59
The August 2008 Share Acquisition rights: 120
The July 2009 Share Acquisition rights: 204
The July 2010 Share Acquisition rights: 210

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

	Outline of the share acquisition rights	Number of persons who were allotted share acquisition rights
Employees	The July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights: 103 - Class and number of shares to be issued upon exercise of the share acquisition rights: 10,300 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	6
Directors, corporate auditors and employees of subsidiaries	The July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights: 1,682 - Class and number of shares to be issued upon exercise of the share acquisition rights: 168,200 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	66

Notes: 1. The above table shows July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) allotted to employees, directors, corporate auditors and employees of the Company's subsidiaries by offsetting their monetary remuneration claims accrued as a consideration for their service in the respective subsidiaries.
"Employees" in the above table are corporate officers (excluding who are also directors) of the Company.

2. The above table does not include 210 rights of the July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) allotted to the directors of the Company who were also directors (including non-members of the board) of the Company's major subsidiaries at the time of the issuance of the share acquisition rights, which were allotted in their capacity as directors (including non-members of the board) of these companies by offsetting their monetary remuneration claims accrued as a consideration for their service in the respective companies.

3. The above table does not include 88 rights of the July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) allotted to the corporate officers of the Company (excluding those who are also directors of the Company) at the time of the issuance of the share acquisition rights, which were allotted in their capacity as directors (including non-members of the board) of these companies by offsetting their monetary remuneration claims accrued as a consideration for their service in the respective companies.

6. Matters Concerning the Independent Auditor

(1) Independent Auditor (PricewaterhouseCoopers Aarata)

Name	Remuneration for the fiscal year ended March 31, 2011	Other matters
Designated Partners: Chikakuni Yoshida Takashi Idesawa Takaaki Ino	132 million yen	-

Notes: 1. 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.

2. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 793 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 Board of Corporate Auditors shall consider dismissing or not reappointing an independent auditor if the independent auditor falls under any of the items of Article 340, paragraph 1 of the Companies Act of Japan or if there are any issues that question the suitability of the independent auditor. If the Board of Corporate Auditors concludes that the independent auditor should be dismissed or not be reappointed, the Board shall either dismiss the independent auditor by itself, or shall request the Board of Directors to submit a proposal to the General Meeting of Shareholders to dismiss or not to reappoint 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.

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

The Company has not adopted such a policy at this time.

8. System to assure appropriate business operations

The Company shall establish basic policies for internal controls in accordance with the Companies Act of Japan and its Ordinance for Enforcement, as follows:

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 develop 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 develop 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 develop systems for ensuring the appropriateness and reliability of financial reporting.

(4) The Company shall establish the Group’s basic policies for disclosure, and develop 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 develop 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 develop compliance systems.

a. The Company shall establish a department supervising compliance.

b. The Company shall formulate "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 maintain a system for the protection of customers' interests.

(3) The Company shall establish the Group's basic policies for information security management and develop 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, maintain 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 maintain 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 maintain 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 maintain 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 development.

(5) The Company shall establish the Group’s basic policies for IT governance, and develop 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.

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 corporate auditors and their independence from the directors

(1) The Company shall establish the Corporate Auditor's Office under the direct control of the corporate auditors for the purpose of supporting them in the performance of their duties. Upon request of the corporate auditors, the Company shall assign full-time employees having sufficient knowledge and ability to support the corporate auditors.

(2) Employees assigned to the Corporate Auditor's Office shall perform duties ordered by the corporate auditors 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 standing corporate auditors.

7. System of reporting to the corporate auditors

(1) Directors and employees shall regularly report to the corporate auditors 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, or a fact likely to cause considerable damage to the Company, they shall immediately report thereof to the corporate auditors.

(2) Directors and employees shall regularly report to the corporate auditors on matters such as how the hot lines (the internal whistle-blower system) are used and important reports and consultations made.

8. Other systems for ensuring effective audits by the corporate auditors

(1) The corporate auditors 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 corporate auditors shall have the right to inspect at any time the minutes of important meetings and other important documents relating to decisions approved by the directors and the executive officers.

(3) Directors and employees shall, at any time upon the request of the corporate auditors,

explain matters concerning the execution of their duties.

(4) The Internal Audit Department shall strengthen its coordination with the corporate auditors by assisting in the audit process and through other means.

(Note) Board of directors' meetings held on December 22, 2010 and February 14, 2011 resolved to amend the Company's basic policies for internal controls effective on April 1, 2011, as stated above.

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

None.

10. Other Matters

None.

Consolidated Balance Sheet as of March 31, 2011

(Yen in millions)

	As of March 31, 2011
(Assets)	
Cash and bank deposits	398,488
Call loans	207,541
Receivables under resale agreement	121,967
Receivables under security borrowing transactions	30,725
Monetary receivables bought	1,080,670
Money trusts	14,056
Securities	12,173,088
Loans	482,899
Tangible fixed assets	313,760
Land	144,590
Buildings	139,144
Construction in progress	6,604
Other tangible fixed assets	23,421
Intangible fixed assets	344,479
Software	4,841
Goodwill	258,022
Other intangible fixed assets	81,616
Other assets	1,160,925
Deferred tax assets	149,030
Customers' liabilities under acceptances and guarantees	72,547
Reserve for bad debts	-21,536
Total assets	16,528,644
(Liabilities)	
Underwriting funds	11,868,495
Outstanding claims	1,363,211
Underwriting reserves	10,505,284
Corporate bonds	125,079
Other liabilities	2,144,469
Payables under security lending transactions	1,375,838
Other liabilities	768,631
Reserve for retirement benefits	166,199
Reserve for retirement benefits for directors and corporate auditors	18
Reserve for employees' bonuses	22,424
Reserve under the special law	65,855
Reserve for price fluctuation	65,855
Deferred tax liabilities	37,864
Negative goodwill	121,213
Acceptances and guarantees	72,547
Total liabilities	14,624,167
(Net assets)	
Share capital	150,000
Retained earnings	1,135,510
Treasury shares	-109,749
Total shareholders' equity	1,175,760
Unrealized gains on securities, net of taxes	822,481
Deferred gains/losses on hedge transactions	16,483
Foreign currency translation adjustments	-128,181
Total accumulated other comprehensive income	710,783
Share acquisition rights	1,426
Non-controlling interests	16,506
Total net assets	1,904,477
Total liabilities and net assets	16,528,644

Consolidated Statement of Income for the fiscal year ended March 31, 2011

(Yen in millions)

	Year ended March 31, 2011
Ordinary income	3,288,605
Underwriting income	2,874,082
Net premiums written	2,272,117
Deposit premiums from policyholders	125,301
Investment income on deposit premiums from policyholders	64,997
Life insurance premiums	405,361
Other underwriting income	6,304
Investment income	347,757
Interest and dividends	219,951
Gains on investment in money trusts	46
Gains on trading securities	11,737
Gains on sales of securities	137,446
Gains on redemption of securities	1,222
Gains on derivatives	30,405
Other investment income	11,945
Transfer of investment income on deposit premiums	-64,997
Other ordinary income	66,766
Amortization of negative goodwill	10,250
Equity in earnings of affiliates	2,343
Other ordinary income	54,172
Ordinary expenses	3,162,018
Underwriting expenses	2,512,937
Net claims paid	1,339,724
Loss adjustment expenses	93,749
Agency commissions and brokerage	448,444
Maturity refunds to policyholders	273,929
Dividends to policyholders	509
Life insurance claims	166,253
Provision for outstanding claims	176,563
Provision for underwriting reserves	7,016
Other underwriting expenses	6,744
Investment expenses	105,798
Losses on investment in money trusts	75
Losses on sales of securities	13,694
Impairment losses on securities	24,559
Losses on redemption of securities	4,635
Losses on separate accounts	28,282
Other investment expenses	34,550
Operating and general administrative expenses	534,487
Other ordinary expenses	12,660
Interest paid	4,502
Provision of reserve for bad debts	729
Losses on bad debts	149
Amortization of deferred assets under Article 113 of the Insurance Business Law	1,061
Other ordinary expenses	6,217
Deferred expenses under Article 113 of the Insurance Business Law	-3,865
Ordinary profit or losses	126,587
Extraordinary gains	5,360
Gains on disposal of fixed assets	2,980
Profit from negative goodwill result	55
Gains on changes in equity of affiliates	76
Other extraordinary gains	2,247
Extraordinary losses	24,263
Losses on disposal of fixed assets	4,253
Impairment losses on fixed assets	5,390
Provision for reserve under the special law	4,454
Provision of reserve for price fluctuation	4,454
Losses on adjustment for changes of accounting standard for asset retirement obligations	3,029
Other extraordinary losses	7,135
Income before income taxes	107,684
Income taxes - current	59,752
Income taxes - deferred	-25,538
Total income taxes	34,213
Income before non-controlling interests	73,470
Non-controlling interests	1,546
Net income	71,924

Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2011

(Yen in millions)

	Year ended March 31, 2011
Shareholders' equity	
Share capital	
Beginning balance	150,000
Changes during the year	
Total changes during the year	-
Ending balance	150,000
Retained earnings	
Beginning balance	1,098,403
Changes due to the change of accounting policies applied to foreign affiliates	6,264
Changes during the year	
Dividends	-39,904
Net income	71,924
Disposition of treasury shares	-70
Changes in the scope of equity method affiliates	-799
Others	-307
Total changes during the year	30,841
Ending balance	1,135,510
Treasury share	
Beginning balance	-59,481
Changes during the year	
Repurchase of treasury shares	-50,587
Disposition of treasury shares	319
Total changes during the year	-50,267
Ending balance	-109,749
Total shareholders' equity	
Beginning balance	1,188,921
Changes due to the change of accounting policies applied to foreign affiliates	6,264
Changes during the year	
Dividends	-39,904
Net income	71,924
Repurchase of treasury shares	-50,587
Disposition of treasury shares	249
Changes in the scope of equity method affiliates	-799
Others	-307
Total changes during the year	-19,425
Ending balance	1,175,760

Consolidated Statement of Changes in Shareholders' Equity for the year ended March 31, 2011

(Yen in millions)

	Year ended March 31, 2011
Accumulated other comprehensive income	
Unrealized gains on securities, net of tax	
Beginning balance	1,037,168
Changes during the year	
Net changes in items other than shareholders' equity	-214,686
Total changes during the year	-214,686
Ending balance	822,481
Deferred gains/losses on hedge transactions	
Beginning balance	12,700
Changes during the year	
Net changes in items other than shareholders' equity	3,782
Total changes during the year	3,782
Ending balance	16,483
Foreign currency translation adjustments	
Beginning balance	-69,825
Changes during the year	
Net changes in items other than shareholders' equity	-58,355
Total changes during the year	-58,355
Ending balance	-128,181
Share acquisition rights	
Beginning balance	1,102
Changes during the year	
Net changes in items other than shareholders' equity	324
Total changes during the year	324
Ending balance	1,426
Non-controlling interests	
Beginning balance	14,727
Changes during the year	
Net changes in items other than shareholders' equity	1,778
Total changes during the year	1,778
Ending balance	16,506
Total net assets	
Beginning balance	2,184,795
Changes due to the change of accounting policies applied to foreign affiliates	6,264
Changes during the year	
Dividends	-39,904
Net income	71,924
Repurchase of treasury shares	-50,587
Disposition of treasury shares	249
Changes in the scope of equity method affiliates	-799
Others	-307
Net changes in items other than shareholders' equity	-267,157
Total changes during the year	-286,582
Ending balance	1,904,477

(Note) “Others” for the fiscal year ended March 31, 2011 consisted mainly of reclassification adjustments of tax effects initially appraised in accordance with accounting policies adopted by overseas consolidated subsidiaries.

Notes to Consolidated Financial Statements

Significant matters related to consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 58 companies
Names of major consolidated subsidiaries:
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Nisshin Fire & Marine Insurance Co., Ltd.
Tokio Marine & Nichido Life Insurance Co., Ltd.
Tokio Marine & Nichido Financial Life Insurance Co., Ltd.
Tokio Marine Millea SAST Insurance Co., Ltd.
Philadelphia Consolidated Holding Corp.
Philadelphia Indemnity Insurance Company
Tokio Millenium Re (UK) Limited
Kiln Group Limited
Kiln Underwriting Limited
Tokio Marine Underwriting Limited
Tokio Marine Bluebell Re Limited
Tokio Marine Asia Pte. Ltd.
Asia General Holdings Limited
Tokio Marine Insurance Singapore Ltd.
Tokio Marine Life Insurance Singapore Ltd.
Tokio Marine Life Insurance Malaysia Bhd.
Tokio Marine Seguradora S.A.
Tokio Millennium Re Ltd.
Tokio Marine Financial Solutions Ltd.

International Marine Insurance Managers SA (Pty) Ltd is excluded from the consolidation beginning with the fiscal year ended March 31, 2011 because it has been dissolved.

Additionally, there were following name changes of subsidiaries during the fiscal year ended March 31, 2011.

Old	New	Effective date
TM Asia Life Malaysia Bhd.	Tokio Marine Life Insurance Malaysia Bhd.	June 22, 2010
Millea Nihon Kosei SS Insurance Co., Ltd.	Tokio Marine Millea SAST Insurance Co., Ltd.	July 1, 2010
TM Asia Life Singapore Ltd.	Tokio Marine Life Insurance Singapore Ltd.	August 31, 2010
Tokio Marine Global Ltd.	Tokio Millennium Re (UK) Limited	January 1, 2011

(2) Names of major non-consolidated subsidiaries
Tokio Marine & Nichido Adjusting Service Co., Ltd. and Tokio Marine Capital Co., Ltd. are non-consolidated subsidiaries of the Company. Each non-consolidated subsidiary is small in scale in terms of total assets, sales, net income or loss for the period and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination

as to the Group's financial condition and results of operations and are excluded from the consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for by the equity method: 3 companies
Names of major affiliates accounted for by the equity method:
First Insurance Company of Hawaii, Ltd.

Sino Life Insurance Co., Ltd. is no longer an affiliate accounted for by the equity method because of a decrease in the ratio of the Company's voting rights associated with an allocation of new shares to a third party. In addition, Praesidio Risk Managers (Pty) Ltd. is no longer an affiliate accounted for by the equity method as all of its shares previously held by the Company through subsidiaries were sold during the fiscal year ended March 31, 2011.

(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 and retained earnings for the fiscal year ended March 31, 2011 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.

Changes in accounting principles
The Company has applied "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No.24, March 10, 2008) from the fiscal year ended March 31, 2011 and implemented the adjustments required for its consolidated financial reporting.

The impact of the changes described above on ordinary profit and income before income taxes for the fiscal year ended March 31, 2011 is considered immaterial.

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for one of the domestic consolidated subsidiaries and 48 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 policy 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 Policy Reserve in Insurance Industry” issued by the Japanese Institute of Certified Public Accountants (the “JICPA”), November 16, 2000.

Bonds earmarked for policy reserves are recognized in the amount of 255,214 million yen on the consolidated balance sheet as of March 31, 2011. The fair value thereof is 266,162 million yen.

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

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

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 is difficult to ascertain 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 financial instruments

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

(3) Depreciation method for tangible fixed assets

Depreciation of tangible fixed assets owned by the Company and its domestic consolidated subsidiaries is computed using the declining balance method. However, depreciation of buildings (excluding auxiliary facilities attached to such buildings, etc.) that were acquired on or after April 1, 1998 is computed using the straight-line 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. Reserve for bad debts
In order to provide for losses from defaults, domestic consolidated subsidiaries of the Company establish reserves for bad debts 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.), reserves are 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, reserves are 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, reserves are 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.

For specified overseas claims, the amount of projected losses arising from political or economic conditions in the relevant countries is recorded as reserves for specified overseas claims.

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. Reserves for bad debts are recorded based on such assessment results and audits stated above.

b. Reserve for retirement benefits
To provide for employees’ retirement benefits, the Company and its domestic consolidated subsidiaries

have recorded the amount deemed to be incurred at the end of the fiscal year ended March 31, 2011 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2011.

Prior service costs are charged to expenses in each subsequent consolidated fiscal year by using the straight-line method over a certain term (12-14 years) within the average remaining service years of the employees when such costs were incurred.

Actuarial differences are charged to expenses in the subsequent consolidated fiscal year by using the straight-line method over a certain term (1-14 years) within the average remaining service years of the employees.

c. Reserve for retirement benefits for directors and corporate auditors
Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors and corporate auditors in the amount considered to be accrued as of the end of the fiscal year ended March 31, 2011, which is calculated in accordance with their internal remuneration regulations.

d. Reserve for employees' bonuses
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.

e. Reserve for price fluctuation
Domestic consolidated insurance subsidiaries maintain reserves under Article 115 of the Insurance Business Law of Japan in order to provide for possible losses or damages arising from price fluctuation of stock, etc.

(6) 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, etc incurred in connection with assets is included in other assets (as suspense payments) and is amortized over five years using the straight-line method.

(7) Accounting for significant lease transactions

With the exception of transactions in which ownership of leased properties was deemed to be transferred to lessees, the Company accounted for finance lease transactions of its domestic consolidated subsidiaries with lease periods commencing prior to April 1, 2008 under the accounting policy applied to normal lease transactions.

(8) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct asset liability management 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.

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, are accounted for by Tokio Marine & Nichido using the straight-line method over the remaining hedging period (1-17 years). Tokio Marine & Nichido Life also uses the straight-line method to account for such deferred gains as of the end of March 2002 over the remaining hedging period (6-10 years). The accounting treatments for such deferred gains are based on the transitional measures in Report No. 26. Deferred gains under this treatment as of March 31, 2011 were 26,701 million yen and the amount accounted for in the consolidated financial statements for the fiscal year ended March 31, 2011 was 2,850 million yen.

b. Foreign exchange

With regard to some of Tokio Marine & Nichido’s currency swap and 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 and/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.

(9) Matters concerning amortization of goodwill and negative 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. and Kiln Group Limited is amortized over 20 years and 10 years, respectively, using the straight-line method. Other goodwill is amortized over 10 to 15 years using the straight-line method. Other goodwill in small amounts are 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.

(10) Accounting for deferred assets under Article 113 of the Insurance Business Law

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

Changes in significant matters related to consolidated financial statements

1. The Company has applied "Accounting Standard for Asset Retirement Obligations" (ASBJ

Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008) from the fiscal year ended March 31, 2011.

As a result of application of the standard and guidance stated above, ordinary profit decreased by 193 million yen, and income before income taxes decreased by 3,222 million yen, respectively. In addition, the application of the standard and guidance as of the current fiscal year resulted in a 3,813-million-yen change in asset retirement obligations.

2. The Company has applied "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, December 26, 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) from the fiscal year ended March 31, 2011.

Changes in presentations

Consolidated balance sheet and consolidated statement of changes in shareholder's equity

As a result of the adoption of the format in the exibit of "Enforcement Ordinance of Insurance Business Law" (Ordinance of the Ministry of Finance No.5, 1996) following the revision by "Cabinet Office Ordinance for Partial Amendment to the Enforcement Ordinance of the Banking Law" (Cabinet Office Ordinance No.5 , March 25, 2011), the items "Valuation and translation adjustments" and "Total valuation and translation adjustments" appeared in the financial statements for the fiscal year ended March 31, 2010 are presented as "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" respectively from the fiscal year ended March 31, 2011.

Consolidated statement of income

As a result of the adoption of the "Cabinet Office Ordinance for Partial Amendment to Rules Concerning Terminology, Formats and Preparation of Consolidated Financial Statements" (Cabinet Office Ordinance No.5 , March 24, 2009), based on "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the item "Income before non-controlling interests" started to be presented from the fiscal year ended March 31, 2011.

Notes to consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets is 333,484 million yen and advanced depreciation of such assets is 22,993 million yen.

2. Of all loans and receivables, the total amount of loans to borrowers in bankruptcy, past due loans, loans contractually past due for three months or more, and restructured loans is 13,096 million yen. The breakdown is set forth below.

(1) The amount of loans to borrowers in bankruptcy is 756 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 reserve for bad debts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 8,097 million yen.

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

(3) The amount of loans contractually past due for three months or more is 12 million yen.

Loans contractually 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 4,229 million yen.

Restructured loans are loans on which concessions (e.g. reduction of the original 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.

3. The value of assets pledged as collateral totals 363,909 million yen in securities, 27,961 million yen in savings deposits, and 617 million yen in buildings. Collateralized debt obligations are held to the value of 65,342 million yen in outstanding claims, 60,114 million yen in underwriting reserve and 23,825 million yen in other debts (including foreign reinsurance related debts, etc.).

4. Securities received in connection with securities borrowing transactions have a fair value of 46,103 million yen.

5. Securities include securities lent under loan agreements of 1,434,845 million yen.

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

	(Yen in millions)
Total loan commitments	62,068
Balance of drawn committed loans	6,488
Undrawn loan commitments	55,579

7. The amount of both assets and liabilities for special account as prescribed in Article 118 of the Insurance Business Law of Japan totals 2,192,259 million yen.

8. Total investment in non-consolidated affiliates is 93,560 million yen.

9. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2011 is as follows:

	(Yen in millions)
TNUS Insurance Company	14
Tokio Marine Compaňía de Seguros, S.A. de C.V.	2,232
Tokio Marine Pacific Insurance Limited	2,133
The Tokio Marine & Nichido Fire Insurance Company (China) Limited	720
Total	5,101

10. Other assets include 10,555 million yen of deferred assets under Article 113 of the Insurance Business Law of Japan.

Notes to consolidated statement of income

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	403,999
Salaries	222,448

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 main components of other extraordinary gains are gains on sales of shares of affiliates amounting to 1,538 million yen and reversal of reserve for retirement of tangible fixed assets amounting to 630 million yen.

3. The Company recognized impairment losses on the following properties during the fiscal year ended March 31, 2011.

Purpose of use	Category	Location	Impairment loss (Yen in millions)			
			Land	Building	Others	Total
Properties for business use (nursing care services)	Land, buildings and others	7 properties including nursing care facilities in Meguro-ku, Tokyo	146	304	26	476
Properties for rent	Land, buildings and others	A building in Maebashi-shi, Gunma	37	778	49	864
Idle or potential disposal properties	Land, buildings and others	43 properties including recreation facilities in Izumi-shi, Osaka	2,716	1,331	0	4,048
Total			2,899	2,414	76	5,390

Classification of properties: (a) properties used for the insurance business and other businesses are grouped by each business unit; 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 flow generated from the nursing care services fell below the book values of the properties used for these services. 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. The Company calculated the recoverable value of the relevant property by discounting projected future cash flows at a rate of 6.0 percent.

Due mainly to decline in the real estate market, book values of some properties for rent and 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 any such write off as impairment losses in extraordinary losses. Recoverable values are either the higher of the net sales price or the utility values of each property. Net sales price is the market value assessed by real estate appraisers minus anticipated expenses for disposal of the relevant properties. The Company calculated the utility values of the relevant properties by discounting projected future cash flows at a rate of 9.6 percent.

4. The main components of other extraordinary losses are 3,663 million yen of impairment losses on investment of affiliates and 2,495 million yen of losses on termination of a real property lease.

Notes to consolidated statement of changes in shareholders' equity

1. Class and number of issued shares and treasury share

(Unit: thousand shares)

	Number of shares as of March 31, 2010	Increase during the fiscal year ended March 31, 2011	Decrease during the fiscal year ended March 31, 2011	Number of shares as of March 31, 2011
Issued shares				
Common share	804,524	-	-	804,524
Total	804,524	-	-	804,524
Treasury share				
Common share	16,919	20,877	92	37,704
Total	16,919	20,877	92	37,704

Note 1. The increase of 20,877 thousand treasury shares is primarily attributable to acquisition of 20,629 thousand shares to implement financial policies.

2. The decrease of 92 thousand treasury shares is primarily attributable to the allotments of shares in connection with exercises of share acquisition rights which decreased treasury share by 81 thousand.

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

Category	Nature of share acquisition rights	Amount as of March 31, 2011 (yen in millions)
The Company (parent company)	Share acquisition rights as share options	1,426

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 28, 2010	Common share	20,477	26	March 31, 2010	June 29, 2010
Meeting of the board of directors held on November 19, 2010	Common share	19,426	25	September 30, 2010	December 7, 2010

(2) Dividends of which the record date falls within the fiscal year ended March 31, 2011, and of which the effective date falls after March 31, 2011.

The Company intends to obtain approval for the following dividend payment at the 9th Ordinary General Meeting of Shareholders to be held on June 27, 2011.

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 27, 2011	Common share	19,170	Retained earnings	25	March 31, 2011	June 28, 2011

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", Asset Liability Management ("ALM") is applied in order to ensure future payments for maturity-refunds and claims. Through ALM, the Group aims to maximize the value of surplus ("Investment assets" minus "Insurance liabilities") by controlling the interest rate risks with derivatives such as interest rate swaps to which insurance liabilities are exposed and by investing in 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 departments executing investment transactions, quantitatively and qualitatively controls risks in order to deal with such investment risks.

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

Table below shows the fair value of financial instruments excluding those without reasonably measured fair value.

(Yen in millions)

		Carrying amount shown on balance sheet	Fair Value	Difference
(1)	Cash and bank deposits	398,488	398,492	3
(2)	Call loans	207,541	207,541	-
(3)	Receivables under resale agreement	121,967	121,967	-
(4)	Receivables under security borrowing transactions	30,725	30,725	-
(5)	Monetary receivables bought	1,080,670	1,080,670	-
(6)	Money trusts	14,056	14,056	-
(7)	Securities			
	Trading securities	2,473,659	2,473,659	-
	Bonds held to maturity	2,023,370	2,019,854	-3,516
	Bonds earmarked for policy reserves	255,214	266,162	10,948
	Available for sale securities	7,109,025	7,109,025	-
(8)	Loans	386,723		
	Reserve for bad debts (*1)	-10,302		
		376,420	389,210	12,789
(9)	Corporate bonds (*2)	(125,079)	(126,229)	-1,150
(10)	Payables under security lending transactions (*2)	(1,375,838)	(1,375,838)	-
(11)	Derivative assets and liabilities (*3)	53,194	53,194	-

(*1) Reserve for bad debts earmarked for loans are deducted from the carrying amount.
(*2) Items in liabilities are shown with ( ).
(*3) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted and net credit position is shown with ( ).

(Note 1) Valuation method for financial instruments

Assets

With regard to (1) Cash and bank deposits (excluding those defined as securities in "Accounting Standard for Financial Instruments" (ASBJ Statement No.10)), (2) Call loans, (3) Receivables under resale agreement, and (4) Receivables under security borrowing transactions, the book value is deemed as the fair value since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Regarding (7) Securities (including those in (1) Cash and bank deposits and (5) Monetary receivables bought that are defined to be securities in "Accounting for Financial Instruments" (ASBJ Statement No.10) and securities in (6) Money trusts that are invested as trust funds) 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) 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.

(Note 2) Unlisted stocks and partnership investments comprised of unlisted stocks (Carrying amount on the consolidated balance sheet: 311,819 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: 96,175 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, 2011	Fair value as of March 31, 2011
91,363	139,512

(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, 2011 is primarily based on appraisals by qualified external valuers.

Per share information

Net assets per share	2,460.21 yen
Net income per share	92.49 yen

Non-consolidated Balance Sheet as of March 31, 2011

(Yen in millions)

	As of March 31, 2011
Assets	
Current assets:	
Cash and bank deposits	13,918
Prepaid expense	0
Deferred tax assets	232
Receivables	25,462
Others	14
Total current assets	39,629
Fixed assets:	
Tangible fixed assets	
Buildings	152
Motor vehicles and transport equipment	8
Office equipment	35
Total tangible fixed assets	197
Intangible fixed assets	
Telephone right	0
Total intangible fixed assets	0
Investments and other assets	
Investments in subsidiaries and affiliates	2,442,812
Deferred tax assets	270
Others	16
Total investments and other assets	2,443,099
Total non-current assets	2,443,297
Total assets	2,482,926
Liabilities	
Current liabilities:	
Accounts payable	388
Accrued expenses	244
Accrued income taxes	226
Accrued business office taxes	10
Accrued consumption tax	55
Deposits received	15
Reserve for bonus	312
Total current liabilities	1,253
Fixed liabilities:	
Long-term accounts payable	36
Reserve for retirement benefit	185
Total fixed liabilities	222
Total liabilities	1,475
Net assets	
Shareholders' equity:	
Share capital	150,000
Capital surplus	
Additional paid-in capital	1,511,485
Others	86,487
Total capital surplus	1,597,973
Retained earnings	
Other retained earnings	841,800
General reserve	732,275
Retained earnings carried forward	109,525
Total retained earnings	841,800
Treasury share	-109,749
Total shareholders' equity	2,480,024
Share acquisition rights	1,426
Total net assets	2,481,451
Total liabilities and net assets	2,482,926

Non-consolidated Statement of Income for the fiscal year ended March 31, 2011

(Yen in millions)

	Year ended March 31, 2011
Operating income:	
Dividends received from subsidiaries and affiliates	120,892
Fees received from subsidiaries and affiliates	6,913
Total operating income	127,806
Operating expenses:	
Operating and general administrative expenses	6,175
Total operating expenses	6,175
Operating profit	121,630
Non-operating income:	
Interest income	4
Interest on securities	3
Gains on lapsed dividend payment obligation	15
Other non-operating income	2
Total non-operating income	26
Non-operating expenses:	
Transaction fee for repurchase of treasury shares	27
Miscellaneous expenses	7
Total non-operating expenses	34
Ordinary profit	121,621
Extraordinary gains:	
Gains on sales of fixes assets	0
Total extraordinary gains	0
Extraordinary losses:	
Losses on sales of fixed assets	0
Impairment losses on investment of affiliates	41,299
Total extraordinary losses	41,299
Income before income taxes	80,321
Income taxes-current	207
Income taxes-deferred	-112
Total income taxes	95
Net income	80,226

Non-consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2011

(Yen in Millions)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury share	Total shareholders' equity
				Other retained earnings			
		Additional paid-in capital	Others	General reserve	Retained earnings carried forward		
Ending balance as of March 31, 2010	150,000	1,511,485	86,557	782,275	19,203	-59,481	2,490,040
Changes during the year							
General reserve				-50,000	50,000		-
Dividends					-39,904		-39,904
Net income					80,226		80,226
Repurchase of treasury shares						-50,587	-50,587
Disposition of treasury shares			-70			319	249
Net changes in items other than shareholders' equity							
Total changes during the year	-	-	-70	-50,000	90,321	-50,267	-10,015
Ending balance as of March 31, 2011	150,000	1,511,485	86,487	732,275	109,525	-109,749	2,480,024

	Share acquisition rights	Total net assets
Ending balance as of March 31, 2010	1,102	2,491,142
Changes during the year		
General reserve		-
Dividends		-39,904
Net income		80,226
Repurchase of treasury shares		-50,587
Disposition of treasury shares		249
Net changes in items other than shareholders' equity	324	324
Total changes during the year	324	-9,691
Ending balance as of March 31, 2011	1,426	2,481,451

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 other than buildings (excluding auxiliary facilities attached to buildings) is computed using the declining-balance method principally over the following useful lives. Depreciation of buildings (excluding auxiliary facilities attached to buildings) is computed using the straight-line method.

Equipment and furniture	3 to 15 years
Auxiliary facilities attached to buildings	8 to 18 years

3. Reserve

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

(2) To provide for employees' retirement benefit payments, the Company maintains a reserve for employee's retirement benefits equal to the amount deemed to have incurred as of the end of the fiscal year ended March 31, 2011.

4. Consumption taxes

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

Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets: 275 million yen

2. Monetary claims against and debts owed to affiliates:

Monetary claims receivables	1,306 million yen
Debts payable	241 million yen

3. Debts payable to directors and corporate auditors:

Long-term debts payable	36 million yen

Notes to the non-consolidated statement of income

Volume of transactions with affiliates:

Operating transactions	
Operating income	127,806 million yen
Operating expenses	943 million yen
Transactions other than operating transactions	3 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, 2011

Common share	37,704,676 shares

Tax effect accounting

Major components of deferred tax assets

Deferred tax assets	
Impairment losses on investment in affiliates	32,298 million yen
Reserve for employees' bonuses	126 million yen
Share option	109 million yen
Reserve for retirement benefits	75 million yen
Others	191 million yen
Sub total	32,801 million yen
Valuation allowance	-32,298 million yen
Total deferred tax assets	503 million yen
Net deferred tax assets	503 million yen

Per-share information

Net assets per share	3,234.16 yen
Net income per share	103.16 yen

Copy of Independent Auditor’s Report on Consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 17, 2011

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Chikakuni Yoshida, CPA
Designated Partner and Engagement Partner
Takashi Idesawa, CPA
Designated Partner and Engagement Partner
Takaaki Ino, CPA
Designated 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, 2010 and ended on March 31, 2011. These financial statements consist of a consolidated balance sheet, a consolidated statement of income, a consolidated statement of changes in stockholders' equity and notes to consolidated financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our 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.

Additional information:

1. As stated in "Significant matters related to consolidated financial statements", the Company has applied "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" from the fiscal year ended March 31, 2011.

2. As stated in "Changes in significant matters related to consolidated financial statements", the Company has applied "Accounting Standard for Asset Retirement Obligations" and "Guidance on Accounting Standard for Asset Retirement Obligations" from the fiscal year ended March 31,

2011.

Our firm and engagement partners have no interests 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, 2011

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Chikakuni Yoshida, CPA
Designated Partner and Engagement Partner
Takashi Idesawa, CPA
Designated Partner and Engagement Partner
Takaaki Ino, CPA
Designated 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 9th fiscal year, that began on April 1, 2010 and ended on March 31, 2011. These financial statements consist of a non-consolidated balance sheet, a non-consolidated statement of income, a non-consolidated statement of changes in stockholders' equity, notes to non-consolidated financial statements and supplementary schedules. These financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 we obtain reasonable assurance about whether the financial statements and supplementary schedules are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the financial statements and supplementary schedules. We believe that our audit provides a reasonable basis for our 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.

Our firm and engagement partners have no interests 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 Board of Corporate Auditors

Audit Report

Based on the audit reports received from each corporate auditor relating to the performance by the Company's directors of their duties during the fiscal year that began on April 1, 2010 and ended on March 31, 2011 and after consultations amongst our members, we, the undersigned Board of Corporate Auditors, report as follows:

1. Details of the Methodology of the Audit Performed by Corporate Auditors

The Board of Corporate Auditors who has set the auditing policies, the auditing schedules and related matters, received from each corporate auditor audit reports detailing the performance of each corporate auditor in audits and the results thereof. The Board of Corporate Auditors 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.

Each corporate auditor, pursuant to the auditing standards, the auditing policies and the auditing schedules set by the Board of Corporate Auditors, maintained good communications with directors, the internal audit department and other employees; committed themselves to gathering information and improving the circumstances of the audit; attended meetings of the Board of Directors and other important meetings; received reports detailing the performance of their duties including responses to the Great East Japan Earthquake 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.

In addition, pursuant to the auditing standards set by the Board of Corporate Auditors for an audit of the internal control system, each corporate auditor examined the details of the resolution of the meeting of the Board of Directors concerning (a) 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 (b) any other governance framework to ensure appropriate business operations, as set forth in Article 100, paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act of Japan. Each of the corporate auditors also monitored and examined the governance framework (internal control system) which was implemented by the Board of Directors based on the aforementioned resolution. Concerning the internal control over financial reporting, each corporate auditor received from directors and PricewaterhouseCoopers Aarata reports regarding the results of the assessment and audit on the internal control over financial reporting and asked for further explanations whenever necessary.

As for subsidiaries of the Company, each corporate auditor maintained good communications and facilitated information sharing with directors, corporate auditors, the internal audit department and other employees of the subsidiaries and received reports regarding the business activities of the subsidiaries whenever necessary.

We examined the business report included in this notice of convocation as well as the supplementary schedules thereto for the fiscal year ended March 31, 2011 based on the aforesaid methods of audit.

Furthermore, each corporate auditor monitored and examined whether the Company's independent auditor maintained independence from the Company and performed the audit adequately, received from the Company's independent auditor a report concerning the performance of that auditor's duties and asked for further explanations whenever necessary.

Additionally, each corporate auditor 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 non-consolidated financial statements (balance sheet, statement of income, statement of changes in stockholders' equity and notes thereto) and the supplementary schedules thereto, and the consolidated financial statements (balance sheet, statement of income, statement of changes in stockholders' equity and notes thereto) for the fiscal year ended March 31, 2011.

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, 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, to be appropriate.

May 18, 2011

Board of Corporate Auditors,
Tokio Marine Holdings, Inc.

Toshiro Yagi, Standing Corporate Auditor
Tetsuo Kamioka, Standing Corporate Auditor
Shigemitsu Miki, Corporate Auditor
Hiroshi Fukuda, Corporate Auditor
Yuko Kawamoto, Corporate Auditor

Note: Mr. Shigemitsu Miki, Mr. Hiroshi Fukuda and Ms. Yuko Kawamoto are the outside corporate auditors, fulfilling the position prescribed by Article 2, item 16 of the Companies Act of Japan.