[*English Translation*]

**TOKIO MARINE HOLDINGS, INC.**

**Attachment to the "Notice of Convocation of the 7th Ordinary General Meeting of Shareholders"**

**Business Report for the Fiscal Year Ended March 31, 2009**

(From April 1, 2008 to March 31, 2009)

## 1. Matters Concerning the Insurance Holding Company

### (1) Business Developments and Results

During the fiscal year ended March 31, 2009, the Japanese economy showed more serious signs of deterioration as turbulence in the financial markets triggered a global recession and a decline in exports and sluggish consumer spending caused corporate earnings to decrease significantly.

In the insurance industry, property and casualty insurance premiums decreased primarily because of lower automobile sales volume, rate cut in compulsory automobile liability insurance and decreased goods flow. In the life insurance sector, the amount of newly signed insurance policies decreased due in part to the declining birthrate and aging population.

In this environment, the Tokio Marine Group (the "Group") has striven to be a "global corporate group offering quality that customers select". While reflecting upon previous errors found in connection with insurance underwritings and claim payments, the Group has thoroughly carried out initiatives that ensure proper operations and improve quality of business in accordance with its three-year "Stage Expansion 2008" business plan which ended in the fiscal year ended March 31, 2009.

Despite this effort, Tokio Marine Holdings, Inc. ("Tokio Marine Holdings" or the "Company" or "We") reported a significant underachievement of its consolidated business results. As described below, this was mainly due to impairment losses on securities resulting from turbulence in the financial markets and declines in stock markets.

On a consolidated basis, ordinary income amounted to 3,503.1 billion yen, a decrease of 206.9 billion yen from the previous fiscal year. The main components of ordinary income were underwriting income of 3,130.0 billion yen and investment income of 306.6 billion yen. Ordinary profit decreased by 194.1 billion yen to -15.1 billion yen. Net income was 23.1 billion yen for the fiscal year ended March 31, 2009, a decrease of 85.6 billion yen from the previous fiscal year.

*Tokio Marine Holdings*

On a non-consolidated basis, Tokio Marine Holdings, the holding company for the Group, received business management fees amounting to 6.5 billion yen and dividends totaling 130.0 billion yen from its subsidiaries and affiliates, resulting in operating income of 136.5 billion yen, ordinary profit of 130.4 billion yen, and net income of 117.1 billion yen.

The Company seeks to enhance the management of subsidiaries by optimizing the allocation of management resources and strengthening risk management and compliance throughout the Group.

In addition, the Company changed its corporate name to Tokio Marine Holdings, Inc. in July 2008 and has been pushing forward with the Group growth strategies on a global basis under the brand name of “Tokio Marine,” which we believe to have wide recognition at home and abroad, aimed at increasing overall corporate value.

*Property and Casualty Insurance Business*

In the property and casualty insurance business, premiums written decreased in a difficult business environment. Profitability of investments also fell significantly due to turbulent market conditions caused by aggravation of the financial crisis and worsening of the real economy.

The following represents the operating results of Tokio Marine & Nichido Fire Insurance Co., Ltd. (“Tokio Marine & Nichido”) for the fiscal year ended March 31, 2009. Net premiums written were 1,813.4 billion yen, a year-on-year decrease of 5.2 percent. Ordinary profit was 69.6 billion yen, a decrease of 114.3 billion yen, and net income was 71.1 billion yen, a decrease of 51.8 billion yen from the previous fiscal year.

With respect to the operating results of Nisshin Fire & Marine Insurance Co., Ltd. (“Nisshin Fire”) for the fiscal year ended March 31, 2009, net premiums written were 135.9

billion yen, representing a decrease of 4.1 percent from the previous fiscal year. Ordinary profit was -16.1 billion yen, a decrease of 18.8 billion yen, and net income was -10.3 billion yen, a decrease of 12.2 billion yen.

Major initiatives introduced in the property and casualty insurance business in the fiscal year ended March 31, 2009 were as follows.

Tokio Marine & Nichido aims to maintain growth by offering quality that customers select by ensuring its competitiveness through the improvement of the quality of products and services, the enhancement of customer contacts in the course of insurance solicitation to claim payments and the realization of customer-friendly business processes as a whole.

Tokio Marine & Nichido focused on a new business renovation project named “Drastic Reform of Business Processes” and an establishment of “Multi-access.” The purpose of the new business renovation project is to provide high-quality services and enhance business efficiency and customer-friendliness by streamlining insurance products, restructuring the system infrastructure and renovating business processes. As the first step of this project, Tokio Marine & Nichido substantially simplified auto insurance, the core product of Tokio Marine & Nichido, and transferred the administration of auto insurance policies to a new system infrastructure. Additionally, Tokio Marine & Nichido reconfigured its agency system in May 2008. In order to enhance its customer contacts in full cooperation with agents, Tokio Marine & Nichido is engaged in an establishment of a fundamental infrastructure called “Multi-access” that utilizes call centers and websites for insurance solicitation.

Furthermore, to improve the service quality of agents offered to customers, Tokio Marine & Nichido promoted the use of TNet, a new agency system, and reinforced support to its agents by utilizing “Agent Compass”, which helps agents assess their managerial issues to be solved. Tokio Marine & Nichido also supported its agents to improve the quality of their risk consulting services by an alliance with Secom Co., Ltd. where Tokio Marine & Nichido and Secom Co. Ltd. developed an original home security system exclusively for customers of Tokio Marine & Nichido. The home security system is offered as part of the service menu of Tokio Marine & Nichido agents’ risk consulting service that provides its customers with a preventative measure to ensure safety and security in combination with insurance, which ensure an assurance for post-accidents.

Nisshin Fire also continues to focus on improving its insurance underwriting and claim payments to enhance business quality in the same manner as Tokio Marine & Nichido.

In January 2009, the Company entered into a business and capital alliance agreement with NTT FINANCE CORPORATION, a subsidiary of NIPPON TELEGRAPH AND TELOPHONE CORPORATION, and established “E. design Insurance Preparatory Co., Ltd.” Upon approval by regulatory authorities, this company is expected to be transformed into a property and casualty insurance company, which will focus on sales of automobile insurance using mobile networks, including cellular phones, and the Internet.

*Life Insurance Business*

With regard to the life insurance business, sales of whole-life insurance and cancer insurance remained robust. However, sales of variable annuity insurance declined mainly due to diminished risk tolerance for investments caused by turbulence in the financial markets.

As of March 31, 2009, Tokio Marine & Nichido Life Insurance Co., Ltd. (“Tokio Marine & Nichido Life”) recorded 19,074.5 billion yen in the amount of life insurance-in-force, an increase of 1,076.7 billion yen from March 31, 2008, while the amount of newly signed life insurance was 2,506.1 billion yen, a year-on-year increase of 15.8 percent. Ordinary profit amounted to 5.5 billion yen, a decrease of 0.4 billion yen from the previous fiscal year. Tokio Marine & Nichido Life continued to set aside additional amounts into underwriting reserve, seeking to meet the standard underwriting reserve required under the Insurance Business Law of Japan. As a result, net income amounted to 0 billion yen.

As of March 31, 2009, Tokio Marine & Nichido Financial Life Insurance Co., Ltd. (“Tokio Marine & Nichido Financial Life”) recorded 2,642.2 billion yen in the amount of life insurance-in-force, an increase of 306.3 billion yen from March 31, 2008, although the amount of newly signed life insurance decreased 12.8 percent from a year earlier to 443.0 billion yen. Ordinary profit and net income amounted to 10.0 billion yen, an increase of 16.5 billion yen from the previous fiscal year, respectively.

Major initiatives introduced in the life insurance business in the fiscal year ended March 31, 2009 were as follows.

Tokio Marine & Nichido Life has been advancing the “Second Inauguration Project,” centering on (1) reinforcement of sales channels in response to the change in business environment, (2) renovation of business processes and (3) increased promotion campaigns to gain wider recognition. It has also sought to provide improved customer support through a program called "Cancer Prevention Campaign" offering medical checkups to customers to detect cancer at early stages.

Tokio Marine & Nichido Financial Life strengthened alliances with financial institutions on over-the-counter sales of variable annuity insurance and has sought to ensure sound business management by utilizing reinsurance to enhance its risk management framework.

*Overseas Insurance Business*

Major initiatives taken in the overseas insurance business in the fiscal year ended March 31, 2009 were as follows:

The Company acquired Philadelphia Consolidated Holding Corp. (“PHLY”), a U.S. property and casualty insurance group, and made it a subsidiary of Tokio Marine & Nichido in December 2008. For the fiscal year ended December 31, 2008, PHLY achieved steady revenue growth and recorded 145.1 billion yen in net earned premiums, an increase of 15.3 percent from the previous fiscal year. Through this acquisition, the Tokio Marine Group has expanded the scale and earnings of its overseas insurance business and established a solid foundation to operate an extensive insurance business in the U.S., the largest property and casualty insurance market in the world.

In December 2008, the Company established through Tokio Marine & Nichido a syndicate that assumes a principal role in insurance underwriting in the Lloyd’s insurance market in the U.K. We will strive to further develop our insurance business in Lloyd’s through this syndicate in close cooperation with the Kiln Group, a U.K. insurance group the Company acquired in March 2008.

Upon receiving an approval from the Chinese insurance authorities in November 2008, Tokio Marine & Nichido established a Chinese insurance subsidiary by reorganizing its Shanghai Branch. The subsidiary plans to set up branches and expand its insurance business in China.

In March 2009, for 26.6 billion yen, the Company sold to Banco Santander S.A. all its shares of a life insurance and pension affiliate in Brazil that were held through its Brazilian property and casualty insurance subsidiary.

*Asset Management, Financial services business and Other Businesses*

During the fiscal year ended March 31, 2009, Tokio Marine & Nichido closely evaluated individual investment cases in its managed assets and carefully carried out risk management to maintain a sound financial base. In addition, in order to meet payment obligations such as insurance claims and maturity refunds, Tokio Marine & Nichido continued its efforts to strengthen its asset liability management and ensure the financial security and liquidity of its assets.

However, in the fiscal year ended March 31, 2009, the Tokio Marine Group recorded large losses due to turbulence in the financial markets and the decline in stock markets.

Specifically, the Company's subsidiaries recorded impairment losses on securities of 98.8 billion yen, the major components of which were impairment losses on domestic stocks of 37.0 billion yen and impairment losses on foreign securities, including fund-related investments, of 53.3 billion yen. Impairment losses on securities recorded in the Company’s consolidated financial statements were 162.2 billion yen, which includes an adjustment amount of 63.3 billion yen, recorded only for consolidation accounting purposes in accordance with the purchase method of accounting adopted for past business combinations.

Besides these impairment losses on securities, impairment losses relating to credit default swaps (CDS) and asset-backed securities (ABS) amounted to 14.2 billion yen and 38.4 billion yen, respectively.

The Company expanded its financial services business, centered on the asset management business. As for other businesses, the Company mainly engaged in risk consulting, elderly care and health related businesses. While all these businesses faced a difficult business environment amid the global financial crisis and recession in the fiscal year ended March 31, 2009, all group companies will seek to further strengthen their risk management measures.

*Initiatives for Prevention of Global Warming*

In November 2008, Tokio Marine & Nichido became the first financial institution in Japan to be verified by a certified third-party institution as “carbon neutral”. Tokio Marine & Nichido’s carbon emission levels from its entire domestic operations were completely offset by its absorption/reduction effect. This reflects Tokio Marine & Nichido’s efforts to reduce carbon dioxide emission from its operations, its purchase of green electricity, a mangrove afforestation project and its purchase/amortization of emission rights.

*Issues Facing the Tokio Marine Group*

In the fiscal year ending March 31, 2010, the Japanese economy is expected to face continued weak domestic and foreign demand amid the global recession.

Given current economic conditions coupled with a declining birthrate and aging population, the domestic insurance market is not expected to grow and it remains an essential task for insurance companies to ensure profits.

Beginning with the fiscal year ending March 31, 2010, the Company has been implementing a new three-year corporate strategy “Innovation and Execution 2011,” with a vision of becoming a “global corporate group maintaining growth by offering quality that customers select.” In accordance with the strategy, we aim to realize sustainable earnings growth that departs from the improvement of quality of products, services and business processes. We will also focus on the establishment of an optimal business portfolio by allocating management resources in business areas with high profitability and growth potentials. Furthermore, in order to strengthen our business management and administration system on a global basis, we will enhance our risk management structure, including the establishment of infrastructure necessary for our risk-based management (through an ERM system), and cope with the global standardization of accounting principles and risk management standards.

Under its 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.

Note 2: The yen-denominated amounts of net earned premiums of PHLY are calculated at the exchange rate as of the end of December 2008. The business results of PHLY are not included in the consolidated statement of income of the Company for the fiscal year ended March 31, 2009, since PHLY became a consolidated subsidiary of Tokio Marine Holdings in December 2008.

Note 3: The yen-denominated amount of sales price of shares of a life insurance and pension affiliate in Brazil is calculated at the exchange rate as of the end of December 2008.

Note 4: The Company’s consolidated financial statements have recorded the securities held by the acquired companies, including The Nichido Fire and Marine Insurance Company, Limited, a predecessor company of Tokio Marine & Nichido, and Nisshin Fire at the fair value as of the respective dates of acquisition in accordance with the purchase method of accounting. Consequently, the book value of the relevant securities on the Company's consolidated financial statements is greater than those on the two subsidiaries’ individual financial statements, and so are the impairment losses on the relevant securities.

### (2) Four Year Summary of Assets and Earnings

a. Non-consolidated summary of assets and earnings

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

| | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|
| Operating income | 143,103 | 297,763 | 74,702 | 136,570 |
| Dividends received | 140,473 | 293,928 | 69,400 | 130,053 |
| Insurance subsidiaries | 140,400 | 293,072 | 69,202 | 129,134 |
| Other subsidiaries | 73 | 855 | 197 | 919 |
| Net income | 138,457 | 292,838 | 70,385 | 117,197 |
| Net income per share of common stock | 81,541.70 yen | 352.92 yen | 86.41 yen | 147.53 yen |
| Total assets | 2,366,696 | 2,557,287 | 2,505,334 | 2,530,333 |
| Stock of insurance subsidiaries | 2,245,189 | 2,403,796 | 2,426,412 | 2,427,769 |
| Stock of other subsidiaries | 47,579 | 49,055 | 53,178 | 68,246 |

Note: Effective September 30, 2006, the Company conducted a stock split of its shares of common stock whereby one share was split into 500 shares. Assuming that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2006, net income per share of common stock would have been 163.08 yen for the fiscal year ended March 31, 2006.

b. Consolidated summary of assets and earnings

(Yen in millions)
(Fiscal years ended March 31)

| | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|
| Ordinary income | 3,399,984 | 4,218,557 | 3,710,066 | 3,503,102 |
| Ordinary profit | 136,563 | 168,042 | 179,071 | -15,128 |
| Net income | 89,960 | 93,014 | 108,766 | 23,141 |
| Net assets | 3,209,849 | 3,410,707 | 2,579,339 | 1,639,514 |
| Total assets | 14,260,020 | 17,226,952 | 17,283,242 | 15,247,223 |

Note: In calculating net assets, the Company has adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan, hereinafter the "ASBJ", Statement No. 5) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8) from the fiscal year ended March 31, 2007.

### (3) Offices (As of March 31, 2009)

| | 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.

### (4) Employees

a. Number of employees (on a non-consolidated basis)

| | As of March 31, 2008 | As of March 31, 2009 | Increase (decrease) |
|---|---|---|---|
| Total | 382 | 370 | -12 |

Average age of employees (As of March 31, 2009): 41.3 years old
Average length of service of employees (As of March 31, 2009): 18.1 years
Average monthly salary of employees (As of March 31, 2009): 758 thousand yen per employee

Notes: 1. Average length of service includes the years of service at each of the subsidiaries from which the employees are seconded.

2. "Average monthly salary" is the average ordinary monthly salary in March 2009 and includes overtime and holiday allowances but does not include bonuses.

3. As for average age and average length of service of employees, numbers smaller than 0.1 are rounded down.

b. Number of employees (on a consolidated basis)

| Name of division | As of March 31, 2008 | As of March 31, 2009 | Increase (decrease) |
|---|---|---|---|
| Property and casualty insurance | 21,248 | 23,530 | 2,282 |
| Life insurance | 2,550 | 2,771 | 221 |
| Others | 1,161 | 1,762 | 601 |
| Total | 24,959 | 28,063 | 3,104 |

Note: The number of employees as of March 31, 2009 has increased from that as of March 31, 2008 mainly due to the consolidation of Philadelphia Consolidated Holding Corp.

**(5) Principal Lenders (As of March 31, 2009)**

a. Principal lenders of the Company

None.

b. Principal lenders of consolidated subsidiaries

| Lender(s) | Balance of loan (million yen) |
|---|---|
| Syndicated loan | 250,000 |

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

**(6) Financing Activities**

a. Financing activities of the Company

None.

b. Financing activities of consolidated subsidiaries

In order to finance the acquisition of Philadelphia Consolidated Holding Corp., Tokio Marine & Nichido raised 250,000 million yen through a syndicated loan arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd.

**(7) Capital Investment Activities**

a. Total investment in facilities
98 million yen.

b. New construction of major facilities
None.

**(8) Parent Company and Major Subsidiaries (As of March 31, 2009)**

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% | - |
| Millea Nihon Kosei SS Insurance Co., Ltd. | Kanagawa, Japan | Small-amount short-term insurance | Sep. 1, 2003 | 1,595 | 89.5% | - |
| Philadelphia Consolidated Holding Corp. | Bala Cynwyd, Pennsylvania, U.S. | Holding company | July 6, 1981 | 0 | 100.0% (100.0) | - |
| Philadelphia Indemnity Insurance Company | Bala Cynwyd, Pennsylvania, U.S. | Property and casualty insurance | Feb. 4, 1927 | 353 | 100.0% (100.0) | - |
| Tokio Marine Global Ltd. | London, U.K. | Property and casualty insurance | Oct. 30, 1990 | 17,556 | 100.0% (100.0) | - |
| Kiln Group Limited | London, U.K. | Holding company | July 11, 1994 | 140 | 100.0% (100.0) | - |
| Kiln Underwriting Limited | London, U.K. | Property and casualty insurance | June 13, 1994 | 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 | 37,816 | 100.0% | - |

| Company name | Location | Major business | Date of incorporation | Paid-in capital (Yen in millions) | Ratio of Tokio Marine Holdings' voting rights | Notes |
|---|---|---|---|---|---|---|
| Asia General Holdings Limited | Singapore, Singapore | Holding company | Feb. 24, 1971 | 4,849 | 92.4% (92.4) | - |
| Tokio Marine Insurance Singapore Ltd. | Singapore, Singapore | Property and casualty insurance | July 11, 1923 | 6,466 | 100.0% (100.0) | - |
| TM Asia Life Singapore Ltd. | Singapore, Singapore | Life insurance | May 21, 1948 | 2,327 | 85.2% (85.2) | - |
| TM Asia Life Malaysia Bhd. | Kuala Lumpur, Malaysia | Life insurance | Feb. 11, 1998 | 2,693 | 100.0% (100.0) | - |
| Sino Life Insurance Co., Ltd. | Shenzhen, China | Life insurance | Mar. 4, 2002 | 19,522 | 24.9% (24.9) | - |
| Tokio Marine Seguradora S.A. | Sao Paulo, Brazil | Property and casualty insurance | June 23, 1937 | 10,234 | 100.0% | - |
| Tokio Millennium Re Ltd. | Hamilton, Bermuda | Property and casualty insurance | Mar. 15, 2000 | 24,557 | 100.0% (100.0) | - |
| Tokio Marine Financial Solutions Ltd. | Georgetown Cayman Islands | Derivatives business | Dec. 4, 1997 | 1,178 | 100.0% (100.0) | - |

1. This table sets forth important subsidiaries and affiliates accounted for by the equity method.

2. Philadelphia Consolidated Holding Corp. and Philadelphia Indemnity Insurance Company are included in the table as they became subsidiaries of the Company as of December 1, 2008.

3. Kiln (UK) Holdings Limited was renamed Kiln Group Limited as of January 19, 2009.

4. Kiln Ltd and Kiln Reinsurance Ltd are excluded from the table because these companies have been dissolved.

5. Tokio Marine Europe Insurance Limited was excluded from the table due to a change in the criteria used to determine the important subsidiaries and affiliates.

6. TM Asia Insurance Singapore Ltd. was renamed Tokio Marine Insurance Singapore Ltd. as of July 1, 2008.

7. Tianan Insurance Company Limited and Real Tokio Marine Vida e Previdência S.A. were excluded from the table because they are no longer affiliates accounted for by the equity method of the Company.

8. Real Seguros S.A. was renamed Tokio Marine Seguradora S.A. as of August 20, 2008.

9. Vetra Finance Corporation was excluded from the table because it is no longer a consolidated subsidiary of the Company.

10. 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.

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

12. The date of incorporation of Tokio Marine Seguradora S.A. was incorrectly listed in the equivalent to this table in the business reports for the fiscal years ended March 31, 2006, 2007 and 2008. The correct date of incorporation is June 23, 1937, as set forth above.

### (9) Acquisition and transfer of business

a. Acquisition and transfer of business by the Company

| Date of the transactions | Outline of the transactions |
|---|---|
| January 26, 2009 | The Company and NTT FINANCE CORPORATION, a subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION, jointly established E. design Insurance Preparatory Co., Ltd. (the "Preparatory Company"), which is expected to be transformed into a new property and casualty insurance company. The Company invested 5,950 million yen in the Preparatory Company and acquired 85.0% of its shares. Details of the Preparatory Company are as follows.<br><br>- Preparatory Company:<br>Company name: E. design Insurance Preparatory Co., Ltd.<br>Head office: Shinjuku-ku, Tokyo<br>Business lines: Application to obtain a property and casualty insurance business license under the Insurance Business Law of Japan<br>- Purpose of the establishment<br>Upon regulatory approval, the Company intends to transform the Preparatory Company into a new property and casualty insurance company, which will focus on sales of automobile insurance using mobile networks, including cellular phones, and the Internet. |

b. Acquisition and transfer of business by consolidated subsidiaries

| Date of the transactions | Outline of the transactions |
|---|---|
| December 1, 2008 | On July 23, 2008, Tokio Marine & Nichido entered into a definitive agreement with Philadelphia Consolidated Holding Corp. ("PHLY"), a property and casualty insurance group in the U.S., to acquire 100% of the outstanding shares of PHLY. Subsequently, upon obtaining approvals at PHLY's extraordinary shareholders meeting and from regulatory authorities in relevant countries, Tokio Marine & Nichido completed the PHLY acquisition as of December 1, 2008. The acquisition cost was 473,537 million yen. Details of PHLY and the purpose of the acquisition are as follows.<br><br>- Company acquired:<br>Company name: Philadelphia Consolidated Holding Corp.<br>Head office: Bala Cynwyd, Pennsylvania, U.S.<br>Business lines: Holding company for subsidiaries operating insurance and insurance-related businesses<br>- Purpose of the acquisition<br>To expand the scale and earnings of the Company's overseas insurance business and establish a solid foundation to operate an extensive insurance business in the U.S., the largest property and casualty insurance market in the world. |

| | |
|---|---|
| March 19, 2009 | On March 19, 2009, Tokio Marine Seguradoara S.A., a Brazilian property and casualty insurance subsidiary of the Company, sold all of its shares of Real Tokio Marine Vida e Previdência S.A., a Brazilian life insurance and pension affiliate, to Banco Santander S.A., for 26,669 million yen. |

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

None.

## 2. Matters Concerning Directors and Corporate Auditors

### (1) Directors and corporate auditors (As of March 31, 2009)

| 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<br>Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director)<br>Director of Japan Airlines Corporation (outside director)<br>Director of Japan Airlines International Co., Ltd. (outside director) |
| Shuzo Sumi | Representative Director and President | Representative Director and President of Tokio Marine & Nichido |
| Toshiro Yagi | Representative Director and Executive Vice President<br><br>In charge of Corporate Planning Dept. (excluding Internal Control Group), Personnel Planning Dept., Legal Dept. and assistant to the Director in charge of Compliance Dept., Risk Management Dept. and Internal Audit Dept. | |
| Daisaku Honda | Representative Director and Senior Managing Director<br><br>In charge of Corporate Planning Dept. (Internal Control Group), Corporate Accounting Dept., Business Development and Support Dept., Compliance Dept., Risk Management Dept. and Internal Audit Dept. | Director of Matsuya Co., Ltd. (outside director) |

| | | |
|---|---|---|
| Hiroshi Amemiya | Senior Managing Director<br><br>In charge of Financial Planning Dept. | Senior Managing Director of Tokio Marine & Nichido |
| Shin-Ichiro Okada | Managing Director<br><br>Overall supervision of overseas insurance business; In charge of International Business Development Dept. (management of European and Middle Eastern regions and reinsurance operations) | Managing Director of Tokio Marine & Nichido |
| Hiroshi Endo | Managing Director<br><br>In charge of International Business Development Dept. (management of Americas, Asian and Oceanian regions) | |
| Minoru Makihara | Director<br>(outside director) | Senior Corporate Advisor of Mitsubishi Corporation<br>Director of Shinsei Bank, Limited (outside director)<br>Director of Mitsubishi UFJ Securities Co., Ltd. (outside director)<br>Director of Mitsubishi Logistics Corporation (outside director) |
| Masamitsu Sakurai | Director<br>(outside director) | Representative Director and Chairman of the Board of Ricoh Company, Ltd.<br>Director of OMRON Corporation (outside director)<br>Director of Coca-Cola West Co., Ltd.<br>Chairman of Japan Association of Corporate Executives |
| Haruo Shimada | Director<br>(outside director) | Dean of Chiba University of Commerce<br>Director of Funai Zaisan Consultants Co., Ltd. (outside director)<br>Corporate Auditor of OKAYA & CO., LTD. (outside corporate auditor)<br>Corporate Auditor of Temp Holdings Co., Ltd. (outside corporate auditor) |
| Tomochika Iwashita | Director | President of Tokio Marine & Nichido Life |
| Hiroshi Miyajima | Director | President of Nisshin Fire |
| Tsuyoshi Nagano | Director | Managing Director of Tokio Marine & Nichido |
| Yasuo Yaoita | 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.<br>Director of Mitsubishi Electric Corporation (outside director)<br>Corporate Auditor of Mitsubishi Motors Corporation (outside corporate auditor)<br>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<br>Director of Resona Holdings, Inc. (outside director)<br>Director of Yamaha Motor Co., Ltd. (outside director)<br>Director of Monex Group, Inc. (outside director)<br>Director of Osaka Securities Exchange Co., Ltd. (outside director) |

Notes: 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) Remuneration and Other Compensation to Directors and Corporate Auditors

| | Number of persons to receive remuneration and other compensation | Remuneration and other compensation |
|---|---|---|
| Directors | 15 persons | 306 million yen |
| Corporate Auditors | 5 persons | 95 million yen |
| Total | 20 persons | 401 million yen |

Note 1: "Number of persons to receive remuneration and other compensation" includes two directors who retired from office at the close of the 6th ordinary general meeting of shareholders held on June 23, 2008.

Note 2: "Remuneration and other compensation" includes the amounts paid to the two directors referred to in “Note 1” above.

Note 3: Remuneration in connection with stock acquisition rights is described below.

Directors: 48 million yen
Corporate Auditors: 14 million yen
Total: 62 million yen

Note 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<br><br>Remuneration in connection with stock acquisition rights: 70 million yen per year |

| | |
|---|---|
| Corporate Auditors | Monthly remuneration: 10 million yen per month<br><br>Remuneration in connection with stock acquisition rights: 30 million yen per year |
| Total | Monthly remuneration: 35 million yen per month<br><br>Remuneration in connection with stock acquisition rights: 100 million yen per year |

### 3. Matters Concerning Outside Directors and Outside Corporate Auditors

#### (1) Other Assignments (As of March 31, 2009)

| Name | Other assignments |
|---|---|
| Minoru Makihara (outside director) | Director of Shinsei Bank, Limited (outside director)<br>Director of Mitsubishi UFJ Securities Co., Ltd. (outside director)<br>Director of Mitsubishi Logistics Corporation (outside director) |
| Masamitsu Sakurai (outside director) | Representative Director and Chairman of the Board of Ricoh Company, Ltd. (corporate officer)<br>Director of OMRON Corporation (outside director) |
| Haruo Shimada (outside director) | Director of Funai Zaisan Consultants Co., Ltd. (outside director)<br>Corporate Auditor of OKAYA & CO., LTD. (outside corporate auditor)<br>Corporate Auditor of Temp Holdings Co., Ltd. (outside corporate auditor) |
| Shigemitsu Miki (outside corporate auditor) | Director of Mitsubishi Electric Corporation (outside director)<br>Corporate Auditor of Mitsubishi Motors Corporation (outside corporate auditor)<br>Corporate Auditor of Nippon Steel Corporation (outside corporate auditor) |
| Yuko Kawamoto (outside corporate auditor) | Director of Resona Holdings, Inc. (outside director)<br>Director of Yamaha Motor Co., Ltd. (outside director)<br>Director of Monex Group, Inc. (outside director)<br>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. Ricoh Company, Ltd. purchases insurance from insurance subsidiaries of the Company, and has business relating to office automation equipment with the Company and its subsidiaries.

3. Mr. Masamitsu Sakurai is a director of Coca-Cola West Co., Ltd. He is neither its corporate officer nor its outside director.

#### (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) | 7 years | Attended 13 of the 16 board of directors' meetings held during the fiscal year ended March 31, 2009. | 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. |

| | | | |
|---|---|---|---|
| Masamitsu Sakurai<br>(outside director) | 7 years | Attended 9 of the 16 board of directors' meetings held during the fiscal year ended March 31, 2009. | 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. |
| Haruo Shimada<br>(outside director) | 7 years | Attended 11 of the 16 board of directors' meetings held during the fiscal year ended March 31, 2009. | 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 economics which has been acquired through many years of involvement in academic activities. |
| Shigemitsu Miki<br>(outside corporate auditor) | 7 years | Attended 10 of the 16 board of directors' meetings, and 8 of the 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2009. | 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<br>(outside corporate auditor) | 2 year and 9 months | Attended all 16 board of directors' meetings, and all 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2009. | 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<br>(outside corporate auditor) | 2 year and 9 months | Attended 15 of the 16 board of directors' meetings, and 10 of the 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2009. | 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, 2009.

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. Of the 16 board of directors' meetings held during the fiscal year ended March 31, 2009, 11 were ordinary meetings, 5 were extraordinary meetings. All of the 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2009 were ordinary meetings.

### (3) Limitation of Liability

| Name | Outline of the contract to limit liability |
|---|---|
| Minoru Makihara (outside director)<br>Masamitsu Sakurai (outside director)<br>Haruo Shimada (outside director)<br>Shigemitsu Miki (outside corporate auditor)<br>Hiroshi Fukuda (outside corporate auditor)<br>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 | 6 persons | 53 million yen | - |

Notes: 1. Of the "Remuneration received from the insurance holding company", remuneration in connection with stock acquisition rights was 6 million yen.

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

3. At its 3rd ordinary general meeting of shareholders held on June 28, 2005, the Company adopted a resolution to abolish its retirement allowance plans for directors and corporate auditors and grant entitlements to the directors and corporate auditors who were incumbent at the time of the resolution to receive retirement allowances, at the time of their respective retirements, in the amount regarded to have accrued at the time of the resolution. The remaining number of outside directors and outside corporate auditors who are expected to receive such payment at the time of their respective retirements and the amounts to be paid are as follows.
   - Outside directors: 3 persons, 30 million yen
   - Outside corporate auditors: 1 person, 10 million yen

### (5) Comments of Outside Directors and Outside Corporate Auditors

None.

## 4. Matters Concerning Common Stock

### (1) Number of Shares (As of March 31, 2009)

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

Total number of the issued shares: 804,524 thousand shares (including 16,961 thousand shares of treasury stock)

### (2) Total Number of Shareholders (As of March 31, 2009)

105,143

### (3) Major shareholders (As of March 31, 2009)

| Shareholders | Capital contribution to the Company | |
|---|---|---|
| | Number of shares held | Ratio of shares held |
| | thousand shares | % |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 46,973 | 6.0 |
| Japan Trustee Services Bank, Ltd. (Trust Account 4G) | 44,765 | 5.7 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 44,275 | 5.6 |
| Moxley & Co. | 23,691 | 3.0 |
| Meiji Yasuda Life Insurance Company | 20,498 | 2.6 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 15,695 | 2.0 |
| Trust & Custody Services Bank, Ltd. as a trustee for Mizuho Trust Retirement Benefits Trust Account for Mitsubishi Heavy Industries, Ltd. | 14,074 | 1.8 |
| State Street Bank and Trust Company 505225 | 12,307 | 1.6 |
| The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Asahi Glass Co., Ltd. | 11,630 | 1.5 |
| The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation | 10,832 | 1.4 |

Notes: 1. Moxley & Co. is the corporate nominee holder of common stock deposited for the issuance of ADRs.

2. 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 are an asset entrusted by Mitsubishi Heavy Industries, Ltd. for its retirement benefits trust.

3. The 11,630 thousand shares held by The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Asahi Glass Co., Ltd. are an asset entrusted by Asahi Glass Co., Ltd. for its retirement benefits trust.

4. 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.

5. The Company holds 16,961 thousand shares of treasury stock but is not included in "Shareholders" column in the table. During the fiscal year ended March 31, 2009, the Company repurchased 14,682 thousand shares of its own common stock from the market (aggregate purchase price: 49,999 million yen) pursuant to the resolutions of its board meetings.

6. The ratio of shares held is calculated after deducting 16,961 thousand shares of treasury stock held by the Company.

(Composition ratio by type of shareholders)

Financial institutions: 41.0%
Financial instruments firms: 0.5%
Other domestic companies: 8.8%
Foreign companies: 33.6%
Individuals and others: 16.1%
(The number of outstanding shares as of March 31, 2009: 804,524 thousand shares)

### 5. Matters Concerning Stock Acquisition Rights

#### (1) Stock 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 stock acquisition rights</th><th>Number of persons holding the stock acquisition rights</th></tr>
<tr><td>Directors (except outside directors)</td><td rowspan="3">The July 2005 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan)<br>- The number of the stock acquisition rights held by:<br>Directors (except outside directors): 9<br>Outside directors: 3<br>Corporate Auditors: 5<br>- Class and number of shares to be issued upon exercise of the stock acquisition rights: 8,500 shares of common stock (500 shares shall be issued upon exercise of each stock acquisition right.)<br><br>The July 2006 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan)<br>- The number of the stock acquisition rights held by:<br>Directors (except outside directors): 8<br>Outside directors: 0<br>Corporate Auditors: 3<br>- Class and number of shares to be issued upon exercise of the stock acquisition rights: 5,500 shares of common stock (500 shares shall be issued upon exercise of each stock acquisition right.)<br><br>The July 2007 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan)<br>- The number of the stock acquisition rights held by:<br>Directors (except outside directors): 80<br>Outside directors: 9<br>Corporate Auditors: 33<br>- Class and number of shares to be issued upon exercise of the stock acquisition rights: 12,200 shares of common stock (100 shares shall be issued upon exercise of each stock acquisition right.)<br><br>The August 2008 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan)<br>- The number of the stock acquisition rights held by:<br>Directors (except outside directors): 123<br>Outside directors: 9<br>Corporate Auditors: 39</td><td>10 persons</td></tr>
<tr><td>Outside Directors</td><td>3 persons</td></tr>
<tr><td>Corporate Auditors</td><td>5 persons</td></tr>
</table>

| | | |
|---|---|---|
| | - Class and number of shares to be issued upon exercise of the stock acquisition rights: 17,100 shares of common stock (100 shares shall be issued upon exercise of each stock acquisition right.) | |

Notes: 1. The July 2005 Stock Acquisition Rights (a stock 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 stock acquisition rights as of March 31, 2009 and the outline of the stock acquisition rights are as follows.

- Status as of March 31, 2009
  The number of the stock acquisition rights: 123
  Class and number of shares to be issued upon exercise of the stock acquisition rights: 61,500 shares of common stock (500 shares shall be issued upon exercise of each stock acquisition rights.)
- Outline of the stock acquisition rights
  Issue price: Issued without receipt of monetary consideration
  Amount to be paid upon the exercise of the stock acquisition rights: 1 yen per share
  Exercise period: 30 years from the allotment of the stock acquisition rights
  Conditions for the exercise of the stock acquisition rights: Stock 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 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan), the July 2007 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan) and the August 2008 Stock Acquisition Rights (a stock 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 stock acquisition rights as of March 31, 2009 and the outline of the stock acquisition rights are set forth in the table below.

| | The July 2006 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan) | The July 2007 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan) | The August 2008 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan) |
|---|---|---|---|
| Number of stock acquisition rights (as of March 31, 2009) | 101 | 626 | 1,219 |
| Class and number of shares to be issued upon exercise of the stock acquisition rights (as of March 31, 2009) | 50,500 shares of common stock (500 shares shall be issued upon exercise of each stock acquisition rights.) | 62,600 shares of common stock (100 shares shall be issued upon exercise of each stock acquisition rights.) | 121,900 shares of common stock (100 shares shall be issued upon exercise of each stock acquisition rights.) |
| Amount payable at issuance | 2,013,506 yen | 491,700 yen | 353,300 yen |
| Amount to be paid upon the exercise of the stock acquisition rights | 1 yen per share | | |
| Exercise period | 30 years from the allotment of the stock acquisition rights | | |

| | |
|---|---|
| Conditions for the exercise of the stock acquisition rights | Stock 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 stock acquisition rights have been allotted stock acquisition rights in their capacity as directors (including non-members of the board) of these companies. The number of such stock acquisition rights held by directors of the Company (excluding outside directors) as of March 31, 2009 is as follows.
   The July 2005 Stock Acquisition Rights: 28
   The July 2006 Stock Acquisition Rights: 20
   The July 2007 Stock Acquisition Rights: 73
   The August 2008 Stock Acquisition rights: 116

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

| | Outline of the stock acquisition rights | Number of persons who were allotted stock acquisition rights |
|---|---|---|
| Employees | - | - |
| Directors, corporate auditors and employees of subsidiaries | The August 2008 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan)<br>- The number of the stock acquisition rights: 934<br>- Class and number of shares to be issued upon exercise of the stock acquisition rights: 93,400 shares of common stock (100 shares shall be issued upon exercise of each stock acquisition rights.) | 65 |

Notes: 1. The above table shows August 2008 Stock Acquisition Rights (a stock option scheme under a stock-linked compensation plan) allotted to 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.

2. The above table does not include 116 rights of the August 2008 Stock Acquisition Rights (a stock 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 stock 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, 2009 | Other matters |
|---|---|---|
| Designated Partners:<br><br>Chikakuni Yoshida<br>Takashi Idesawa<br>Takaaki Ino | 337 million yen | - Non-audit services (i.e. services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Law) provided to the Company by the independent auditor for a fee: Advisory services for implementation of the quarterly financial reporting pursuant to the Financial Instruments and Exchange Act of Japan |

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 audit services required by the Financial Instruments and Exchange Act of Japan for these services are practically inseparable. Accordingly, remuneration for the fiscal year ended March 31, 2009 shown in the above table represents the total amount of remuneration for all such audit services. This amount includes foreign currency denominated remunerations that have been translated at the currency exchange rate as of the closing dated of the fiscal year of the Company.

2. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 705 million yen. This amount includes foreign currency denominated cash and other financial benefits that have been translated at the currency exchange rate as of the closing dated of the fiscal year of the Company.

### (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.

**Policy regarding decisions on dismissing or not reappointing an independent auditor**

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**

In accordance with the Companies Act of Japan and the Enforcement Regulations of the Companies Act of Japan, the Company has adopted basic policies for internal controls as described below.

**Basic Policies for Internal Controls**

1. System for ensuring that business operations within the Tokio Marine Group (the "Group") are appropriate

As a holding company presiding over the businesses of the Group, Tokio Marine Holdings, Inc. (the "Company") shall, as appropriate, exercise its rights as a shareholder of its subsidiaries in a manner consistent with the goal of maximizing the Group's corporate value. In accordance with the "Tokio Marine Holdings, Inc. Group Company Management Policies", the Company shall prescribe the Group's business strategies and various basic policies that form the foundation of the Group's business management. Furthermore, the Company shall enter into management agreements with each subsidiary that include the identification of important matters requiring the Company's prior approval, such as the subsidiaries' business strategies and plans, thereby enabling the Company to manage the businesses of its subsidiaries. The management of indirectly-owned subsidiaries shall generally be conducted through their direct parent companies.

2. System for ensuring that professional duties are performed in accordance with the laws and the Articles of Incorporation

(1) The Company shall establish the Group's basic policy relating to the promotion of compliance and implement a system for ensuring compliance of the Group.

(a) The Company shall formulate a Code of Conduct and ensure that the officers and the employees of the Group understand that top priority should be given to compliance in all phases of business activity with the Code of Conduct.

(b) The Company shall establish a division that oversees compliance issues, as well as a Compliance Committee, to discuss important issues regarding the promotion of compliance by the Group. The Company shall also monitor progress toward compliance by the Group and report the results thereof to the Board of Directors.

(c) The Company shall require each of its subsidiaries to prepare a compliance manual and provide training on laws and internal rules that must be observed by the officers and employees of such subsidiary with a view toward enhancing compliance.

(d) The Company shall establish reporting rules to be used in the event of violations of laws or internal rules by a subsidiary and, apart from the usual reporting route, set up hotlines (an internal whistle-blower system) within the Group while keeping the officers and employees of the Group companies informed as to the use of the system.

(2) The Company shall establish the Group's basic policy for responding to antisocial factions and groups, and respond, in an organized and uncompromising manner and in association with professionals such as lawyers and the police, to antisocial factions and groups which threaten the order and safety of civil society.

(3) The Company shall perform an effective internal audit using an internal audit division that is independent from other divisions. In addition, the Company shall establish the basic internal audit policies of the Group, require its subsidiaries to perform an effective internal audit, monitor the implementation of the internal audit, the status of the internal controls system and so forth and report the results thereof to the Board of Directors.

3. System regarding risk management

(1) The Company shall formulate the basic policies for risk management of the Group and require each subsidiary to carry out its own risk management with respect to the operations of its business.

(2) The Company shall perform risk management of the entire Group by establishing a Risk Management Committee that deliberates on important matters concerning the risk management of the Group, as well as by establishing a unit that controls risk management, thereby capturing a sense of risk levels across the entire Group. The fundamental process for carrying out risk management are risk identification, risk evaluation, risk control, creation of a contingency plan and monitoring and reporting on risk management performance. The Company shall implement appropriate processes depending on the type of business operations and the risk characteristics of a subsidiary and shall report on the status of implementation of risk management to the Board of Directors.

(3) The Company shall formulate the policies regarding the integrated risk management and perform quantitative risk management of the entire Group to maintain the Group's credit rating and to prevent bankruptcy.

4. System for ensuring that professional duties are performed efficiently

(1) The Company shall formulate a medium-term management plan and an annual plan for the Group (including numerical targets, etc.), monitor the status of plan implementation at subsidiary levels and report the results thereof to the Board of Directors.

(2) The Company shall establish rules regarding the exercise of authority in order to realize efficient business performance by means of division of responsibilities and a chain of command. At the same time, the Company shall construct an appropriate organizational structure to achieve its business purpose.

5. System for protecting the customers' interest

The Company shall establish the Group's basic policies for protection of customers' interest and implement a system for protecting customers' interest, thereby ensuring customer-oriented operation and protection of customers' interest.

6. System for keeping and managing information with respect to directors' performance of duties

The Company shall establish rules on keeping and managing documents and so forth. The minutes of important meetings, other important documents and so forth, including information on the performance of directors' duties, shall be properly kept and managed in accordance with such rules.

7. System for ensuring the appropriateness and reliability of financial reporting

The Company shall establish the necessary system to ensure the appropriateness and reliability of financial reporting of the Group, monitor the effectiveness of the system on a periodic basis and report the result thereof to the Board of Directors.

8. System regarding audit by corporate auditors

(1) System of reporting to corporate auditors

(a) Directors shall regularly report the status of management, financial condition, compliance, risk management, internal audit and so forth to corporate auditors, and when, in connection with execution of their functions, they find any material violation of laws or internal rules or any other condition or fact that may cause considerable damage to the Company, they shall immediately make a report thereof to corporate auditors.

(b) Corporate auditors shall attend meetings of the Board of Directors and other important meetings or committees such as the management meetings and express their opinion. Furthermore, minutes of important meetings and other important documents relating to decisions approved by directors shall be shown to corporate auditors at any time upon request from corporate auditors.

(c) Status of the hotline operation and important reporting and consultation matters shall be reported regularly to corporate auditors.

(d) Directors and employees shall explain matters concerning the operation of their businesses at any time upon request from corporate auditors.

(2) Matters concerning employees assisting with the auditing duties of corporate auditors, including matters concerning such employees' independence from directors

(a) In order to assist corporate auditors in carrying out their duties, the Company shall establish a secretariat under the direct control of corporate auditors. Upon request from corporate auditors, the Company shall assign full-time staffs who have the knowledge and ability to assist the audit.

(b) The staffs assigned to the secretariat of corporate auditors shall perform their assigned tasks ordered by corporate auditors and other work that is required to assist the audit, and such staffs shall have the right to collect the necessary information.

(c) The performance evaluation and transfer of, and disciplinary action against, such staffs shall be carried out with the approval of the standing corporate auditors.

(3) Coordination with corporate auditors of subsidiaries

Corporate auditors shall, based on audit standards and so forth, request corporate auditors of subsidiaries to report regularly on important matters regarding the respective subsidiaries, such as the audit policy, audit status, audit results and so forth and shall endeavor to closely work with corporate auditors of subsidiaries in order to perform effective auditing. Additionally, corporate auditors shall receive updates from directors or employees of subsidiaries on the status of their duties at the respective subsidiaries as necessary.

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

Not applicable, since the Company does not have accounting advisers (*kaikei sanyo*).

**10. Other Matters**

None.

Consolidated Balance Sheet as of March 31, 2009

(Yen in millions)

| Item | As of March 31, 2009 Amount |
|---|---|
| (Assets) | |
| Cash and deposits | 461,589 |
| Call loans | 352,576 |
| Receivables under resale agreement | 302,893 |
| Receivables under securities borrowing transactions | 47,224 |
| Monetary receivables bought | 458,556 |
| Money trusts | 8,688 |
| Securities | 10,695,095 |
| Loans | 611,310 |
| Tangible fixed assets | 338,414 |
| Land | 161,238 |
| Buildings | 142,607 |
| Construction in progress | 10,658 |
| Other tangible fixed assets | 23,909 |
| Intangible fixed assets | 427,931 |
| Software | 4,341 |
| Goodwill | 290,577 |
| Other intangible fixed assets | 133,012 |
| Other assets | 1,241,986 |
| Deferred tax assets | 219,116 |
| Customers' liabilities under acceptances and guarantees | 102,208 |
| Reserve for bad debts | -20,368 |
| Total assets | 15,247,223 |
| (Liabilities) | |
| Underwriting funds | 11,253,382 |
| Outstanding claims | 1,192,416 |
| Underwriting reserves | 10,060,966 |
| Corporate bonds | 299,922 |
| Other liabilities | 1,536,993 |
| Payable under securities lending transactions | 600,575 |
| Other liabilities | 936,417 |
| Reserve for retirement benefits | 148,506 |
| Reserve for retirement benefits for directors and corporate auditors | 88 |
| Reserve for employees' bonuses | 20,272 |
| Reserve for retirement of fixed assets | 3,359 |
| Reserve under the special law | 56,449 |
| Reserve for price fluctuation | 56,449 |
| Deferred tax liabilities | 41,937 |
| Negative goodwill | 144,587 |
| Acceptances and guarantees | 102,208 |
| Total liabilities | 13,607,708 |
| (Net assets) | |
| Common stock | 150,000 |
| Retained earnings | 1,006,891 |
| Treasury stock | -59,663 |
| Total stockholders' equity | 1,097,227 |
| Unrealized gains on securities, net of taxes | 608,106 |
| Deferred gains and losses on hedge transactions | 17,796 |
| Foreign currency translation adjustments | -95,297 |
| Total valuation and translation adjustments | 530,605 |
| Stock acquisition rights | 849 |
| Minority interest | 10,832 |
| Total net assets | 1,639,514 |
| Total liabilities and net assets | 15,247,223 |

Consolidated Statement of Income for the fiscal year ended March 31, 2009

(Yen in millions)

| Item | Year ended March 31, 2009<br>Amount |
|---|---|
| Ordinary income | 3,503,102 |
| Underwriting income | 3,130,076 |
| Net premiums written | 2,134,243 |
| Deposit premiums from policyholders | 166,255 |
| Investment income on deposit premiums from policyholders | 71,021 |
| Life insurance premiums | 746,083 |
| Reversal of outstanding claims | 7,915 |
| Other underwriting income | 4,557 |
| Investment income | 306,664 |
| Interest and dividends | 237,622 |
| Gains on investment in money trusts | 38 |
| Gains on sales of securities | 71,693 |
| Gains on redemption of securities | 482 |
| Gains on derivative transactions | 64,639 |
| Other investment income | 3,209 |
| Transfer of investment income on deposit premiums | -71,021 |
| Other ordinary income | 66,361 |
| Amortization of negative goodwill | 10,604 |
| Other ordinary income | 55,757 |
| Ordinary expenses | 3,518,230 |
| Underwriting expenses | 2,232,902 |
| Net claims paid | 1,306,574 |
| Loss adjustment expenses | 87,634 |
| Agency commissions and brokerage | 442,153 |
| Maturity refunds to policyholders | 271,180 |
| Dividends to policyholders | 316 |
| Life insurance claims | 90,935 |
| Provision for underwriting reserves | 21,443 |
| Other underwriting expenses | 12,663 |
| Investment expenses | 726,659 |
| Losses on investment in money trusts | 2,619 |
| Losses on trading securities | 1,130 |
| Losses on sales of securities | 33,365 |
| Impairment losses on securities | 162,205 |
| Losses on redemption of securities | 18,120 |
| Losses on separate account | 440,628 |
| Other investment expenses | 68,591 |
| Operating and general administrative expenses | 519,928 |
| Other ordinary expenses | 38,739 |
| Interest paid | 13,470 |
| Provision of reserve for bad debts | 5,693 |
| Losses on bad debts | 299 |
| Equity in losses of affiliates | 5,085 |
| Other ordinary expenses | 14,190 |
| Ordinary profit or losses | -15,128 |
| Extraordinary gains | 83,761 |
| Gains on disposal of fixed assets | 3,146 |
| Reversal of reserve under special law | 65,540 |
| Reversal of reserve for price fluctuation | 65,540 |
| Other extraordinary gains | 15,074 |
| Extraordinary losses | 21,696 |
| Losses on disposal of fixed assets | 2,430 |
| Impairment losses on fixed assets | 7,313 |
| Other extraordinary losses | 11,952 |
| Income or loss before income taxes | 46,937 |
| Income taxes - current | 37,402 |
| Income taxes - deferred | -12,577 |
| Total income taxes | 24,824 |
| Minority interest | -1,028 |
| Net income | 23,141 |

## Consolidated Statement of Changes in Stockholders' Equity for the fiscal year ended March 31, 2009

(Yen in millions)

| | Year ended March 31, 2009 (April 1, 2008 to March 31, 2009) |
|---|---|
| Stockholders' equity | |
| Common stock | |
| Beginning balance | 150,000 |
| Changes during the year | |
| Total changes during the year | - |
| Ending balance | 150,000 |
| Retained earnings | |
| Beginning balance | 1,010,521 |
| Changes due to the change of accounting policies applied to foreign subsidiaries | 13,306 |
| Changes during the year | |
| Dividends | -43,168 |
| Net income | 23,141 |
| Disposition of treasury stocks | -138 |
| Changes in the scope of consolidation | 1,900 |
| Changes in the scope of equity method affiliates | 1,997 |
| Others | -670 |
| Total changes during the year | -16,936 |
| Ending balance | 1,006,891 |
| Treasury stock | |
| Beginning balance | -9,792 |
| Changes during the year | |
| Repurchase of treasury stocks | -50,302 |
| Disposition of treasury stocks | 431 |
| Total changes during the year | -49,871 |
| Ending balance | -59,663 |
| Total stockholders' equity | |
| Beginning balance | 1,150,728 |
| Changes due to the change of accounting policies applied to foreign subsidiaries | 13,306 |
| Changes during the year | |
| Dividends | -43,168 |
| Net income | 23,141 |
| Repurchase of treasury stocks | -50,302 |
| Disposition of treasury stocks | 292 |
| Changes in the scope of consolidation | 1,900 |
| Changes in the scope of equity method affiliates | 1,997 |
| Others | -670 |
| Total changes during the year | -66,807 |
| Ending balance | 1,097,227 |

## Consolidated Statement of Changes in Stockholders' Equity for the fiscal year ended March 31, 2009

(Yen in millions)

| | Year ended March 31, 2009 (April 1, 2008 to March 31, 2009) |
|---|---|
| Valuation and translation adjustments | |
| Unrealized gains on securities, net of tax | |
| Beginning balance | 1,402,487 |
| Changes during the year | |
| Net changes in items other than stockholders' equity | -794,381 |
| Total changes during the year | -794,381 |
| Ending balance | 608,106 |
| Deferred gains and losses on hedge transactions | |
| Beginning balance | 11,952 |
| Changes during the year | |
| Net changes in items other than stockholders' equity | 5,844 |
| Total changes during the year | 5,844 |
| Ending balance | 17,796 |
| Foreign currency translation adjustments | |
| Beginning balance | -1,673 |
| Changes during the year | |
| Net changes in items other than stockholders' equity | -93,623 |
| Total changes during the year | -93,623 |
| Ending balance | -95,297 |
| Stock acquisition rights | |
| Beginning balance | 619 |
| Changes during the year | |
| Net changes in items other than stockholders' equity | 229 |
| Total changes during the year | 229 |
| Ending balance | 849 |
| Minority interest | |
| Beginning balance | 15,224 |
| Changes during the year | |
| Net changes in items other than stockholders' equity | -4,392 |
| Total changes during the year | -4,392 |
| Ending balance | 10,832 |
| Total net assets | |
| Beginning balance | 2,579,339 |
| Changes due to the change of accounting policies applied to foreign subsidiaries | 13,306 |
| Changes during the year | |
| Dividends | -43,168 |
| Net income | 23,141 |
| Repurchase of treasury stocks | -50,302 |
| Disposition of treasury stocks | 292 |
| Changes in the scope of consolidation | 1,900 |
| Changes in the scope of equity method affiliates | 1,997 |
| Others | -670 |
| Net changes in items other than stockholders' equity | -886,323 |
| Total changes during the year | -953,131 |
| Ending balance | 1,639,514 |

(Note)
"Others" for the fiscal year ended March 31, 2009 include valuation adjustments of assets in accordance with accounting standards of foreign countries where equity method affiliates are located.

**Basis of consolidated financial statements**

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 61 companies

Tokio Marine & Nichido Fire Insurance Co., Ltd. ("Tokio Marine & Nichido")
Nisshin Fire & Marine Insurance Co., Ltd. ("Nisshin Fire")
Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life")
Tokio Marine & Nichido Financial Life Insurance Co., Ltd. ("Tokio Marine & Nichido Financial Life")
Millea Nihon Kosei SS Insurance Co., Ltd.
Philadelphia Consolidated Holding Corp.
Philadelphia Indemnity Insurance Company
Tokio Marine Global Ltd.
Kiln Group Limited
Kiln Underwriting Limited
Tokio Marine Bluebell Re Limited
Tokio Marine Asia Pte. Ltd.
Asia General Holdings Limited
Tokio Marine Insurance Singapore Ltd.
TM Asia Life Singapore Ltd.
TM Asia Life Malaysia Bhd.
Tokio Marine Seguradora S.A.
Tokio Millennium Re Ltd.
Tokio Marine Financial Solutions Ltd.

Philadelphia Consolidated Holding Corp., Philadelphia Indemnity Insurance Company and 12 other companies are included in the consolidation beginning with the fiscal year ended March 31, 2009 as these entities became subsidiaries of the Company through the acquisition of shares, formation as new companies or for other reasons.

Vetra Finance Corporation ("Vetra") and one other company are excluded from the consolidation beginning with the fiscal year ended March 31, 2009 as Vetra ceased to operate its bond investment business and redeemed the subordinated income notes that it had previously issued to Tokio Marine & Nichido to fund Vetra's bond investment business.

Kiln Ltd and Kiln Reinsurance Ltd are excluded from the consolidation beginning with the fiscal year ended March 31, 2009 because these companies have been dissolved.

Asia General Asset Bhd. and one other company are excluded from the consolidation of the Company beginning with the fiscal year ended March 31, 2009 because procedures to dissolve these two companies have commenced.

Additionally, there were following name changes of subsidiaries during the fiscal year ended March 31, 2009.

| Old | New | Effective date |
|---|---|---|
| TM Asia Insurance Singapore Ltd. | Tokio Marine Insurance Singapore Ltd. | July 1, 2008 |
| Real Seguros S.A. | Tokio Marine Seguradora S.A. | August 20, 2008 |
| Kiln (UK) Holdings Limited | Kiln Group Limited | January 19, 2009 |

(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: 8 companies

Names of major affiliates accounted for by the equity method:

Sino Life Insurance Co., Ltd.

Beginning with the fiscal year ended March 31, 2009, IBEX Insurance Services Limited is accounted for by the equity method as it became an affiliate of the Company through the acquisition of shares.

International Marine Insurance Managers SA (Pty) Ltd ("IMIM") is no longer an affiliate accounted for by the equity method as the Company increased its equity interest in IMIM and IMIM became a subsidiary of the Company during the fiscal year ended March 31, 2009.

Tianan Insurance Company Limited ("Tianan") is no longer an affiliate accounted for by the equity method as the Company's equity interest in Tianan has been diluted as a result of Tianan's issuance of new shares to third parties during the fiscal year ended March 31, 2009.

Real Tokio Marine Vida e Previdência S.A. is no longer an affiliate accounted for by the equity method as all of its shares previously held by the Company through a subsidiary were sold during the fiscal year ended March 31, 2009.

(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, 2009 and are not considered material as a whole.

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

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

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for one of the domestic consolidated subsidiaries and 51 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.
Debt securities earmarked for policy reserve are recognized in the amount of 322,195 million yen on the consolidated balance sheet. The fair value thereof is 341, 360 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 not with fair value are either recorded at cost based on moving-average or amortized cost method (straight-line 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 of 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, 2009 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2009.

Prior service costs are charged to expenses in each subsequent consolidated fiscal year by using the straight-line method over a certain term (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, 2009, 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 retirement of tangible fixed assets
To provide for payment of expenses related to dismantling a building, Tokio Marine & Nichido provided a reserve for retirement of tangible fixed assets based on the projected amount to be paid for dismantling the building.

f. 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 with lease periods commencing prior to April 1, 2008 under the accounting policy applied to normal lease transactions.

(8) Accounting for significant hedging activities
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 and evaluate hedge effectiveness 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"). Hedge effectiveness is evaluated by verifying the interest rate characteristics that influence the calculation of a theoretical price for both the hedged instruments and the hedging tools. 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 transitional treatment as of March 31, 2009 was 35,922 million yen and the amount accounted for in the consolidated financial statements for the fiscal year ended March 31, 2009 was 11,654 million yen.

Tokio Marine & Nichido applies deferred hedge accounting for interest rate swap transactions which are used to hedge the interest rate risk relating to corporate bonds issued by Tokio Marine & Nichido. Hedge effectiveness is not evaluated, since hedged instruments and hedging tools are believed to be highly hedge-effective since they share the same important characteristics.

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) deferred hedge accounting and/or (b) fair value hedge accounting are applied. Likewise, with regard to Nisshin Fire's currency swap and forward transactions, matching treatment is applied. The effectiveness of these hedging treatments is evaluated by assessing the price fluctuation of both hedging tools and hedged instruments. However, 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.

5. Matters concerning valuation of assets and liabilities of consolidated subsidiaries

The Company has adopted the mark-to-market method.

6. Matters concerning amortization of goodwill and negative goodwill

Negative goodwill recognized as a liability on the consolidated balance sheet is amortized over 20 years using the straight-line method.

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 5 to 15 years using the straight-line method.

Other goodwill and negative goodwill in small amounts are amortized at one time.

**Changes in the basis of consolidated financial statements**

1. The Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006) for the fiscal year ended March 31, 2009 and implemented adjustments

required for the consolidated financial reporting. As a result, for the fiscal year ended March 31, 2009, ordinary loss decreased, and net income before income taxes increased, 4,351 million yen, respectively.

2. 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 with lease periods commencing prior to April 1, 2008 under the accounting policy applied to normal lease transactions. However, beginning with the fiscal year ended March 31, 2009, the Company has adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, ASBJ 1st Division, June 17, 1993, revised as of March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ, Guidance No. 16, The Japanese Institute of Certified Public Accountants, Accounting Practice Committee, January 18, 1994, revised as of March 30, 2007). Accordingly, financial lease transactions in which ownership of leased properties was deemed to be transferred to lessees and whose lease periods commenced on or after April 1, 2008, are accounted for as normal sales transactions.

   The impact of the changes described above on ordinary loss and net income before income taxes for the fiscal year ended March 31, 2009 is considered immaterial.

**Changes in presentation**

Balance sheet

Beginning with the fiscal year ended March 31, 2009, in accordance with the amendments to the Enforcement Regulations of Insurance Business Law of Japan, it is required to present "Land", "Buildings", "Construction in progress" and "Other tangible fixed assets" as the breakdown of "Tangible fixed assets", and "Software", "Goodwill" and "Other intangible fixed assets" as the breakdown of "Intangible fixed assets".

The breakdown of tangible fixed assets and intangible fixed assets for the fiscal year ended March 31, 2008 was as follows:

Land: 165,480 million yen, Buildings: 145,497 million yen, Construction in progress: 2,629 million yen, Other tangible fixed assets: 24,760 million yen, Software: 3,614 million yen, Goodwill: 45,224 million yen and Other intangible fixed assets: 6,431 million yen.

Consolidated Statement of Changes in Stockholder's Equity

Beginning with the fiscal year ended March 31, 2009, the item previously presented as "Decrease in connection with newly consolidated subsidiaries" is presented as two separate items: "Changes in the scope of consolidation" and "Changes in the scope of equity method affiliates". The purpose of this change is to improve the comparability of the Company’s consolidated financial statements.

The amounts for "Changes in the scope of consolidation" and "Changes in the scope of equity method affiliates" for the fiscal year ended March 31, 2008 were 1,056 million yen and -5,483 million yen, respectively.

**Notes to consolidated balance sheet**

1. Accumulated depreciation of tangible fixed assets is 362,697 million yen and advanced depreciation

of such assets is 23,969 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 13,831 million yen. The breakdown is set forth below.

(1) The amount of loans to borrowers in bankruptcy is 2,853 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 5,465 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 107 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 5,405 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 330,405 million yen in securities, 9,125 million yen in savings deposits, 375 million yen in land and 1,327 million yen in buildings. Collateralized debt obligations are held to the value of 65,233 million yen in outstanding claims, 51,724 million yen in underwriting reserve and 59,334 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 75,343 million yen.

5. Securities include securities lent under loan agreements of 595,987 million yen.

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

| | (Yen in millions) |
|---|---|
| Total loan commitments | 101,127 |
| Balance of drawn committed loans | 16,019 |
| Undrawn loan commitments | 85,108 |

7. The amount of both assets and liabilities for special account as prescribed in Article 118 of the

Insurance Business Law of Japan totals 1,876,816 million yen.

8. Total investment in non-consolidated affiliates is 83,828 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, 2009 is as follows.

| | (Yen in millions) |
|---|---|
| TNUS Insurance Company | 22 |
| Tokio Marine Compaňía de Seguros, S.A. de C.V. | 4,880 |
| Tokio Marine Pacific Insurance Limited | 1,876 |
| The Tokio Marine & Nichido Fire Insurance Company (China) Limited | 6,088 |
| Total | 12,868 |

**Notes to consolidated statement of income**

1. Major components of business expenses

| | (Yen in millions) |
|---|---|
| Agency commissions, etc. | 397,387 |
| Salaries | 207,980 |

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. In accordance with Paragraph 9 of the “Implementation Guidelines for Equity Method Accounting” (Accounting Practice Committee, Report No.9) and Paragraph 32, Subparagraph 1 of the “Implementation Guidelines for Capital Consolidation in Consolidated Financial Statements” (Accounting Practice Committee, Report No.7), the depreciation amount of 1,892 million yen on goodwill in connection with Sino Life Insurance Co., Ltd. is included in “Equity in losses of affiliates”.

3. The main component of other extraordinary gains is gains on sales of shares of affiliates amounting to 14,275 million yen.

4. The Company recognized impairment losses on the following properties during the fiscal year ended March 31, 2009.

| Purpose of use | Category | Location | Impairment loss (Yen in millions) | | | |
|---|---|---|---|---|---|---|
| | | | Land | Building | Others | Total |
| Properties for business use (derivative business and elderly care business) | Land, buildings and others | 10 properties including a building in Yokohama-shi, Kanagawa Pref. | 222 | 1,956 | 365 | 2,544 |
| Properties for rent | Land and buildings | A building in Iwaki-shi, Fukushima Pref. | 22 | 71 | - | 93 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Idle or potential disposal properties | Land, buildings and others | 55 properties including a building in Kashiwa-shi, Chiba Pref. | 1,313 | 419 | 1,050 | 2,784 |
| Others | Goodwill | - | - | - | 1,890 | 1,890 |
| Total | | | 1,558 | 2,447 | 3,307 | 7,313 |

(1) Properties
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 are grouped on an individual basis.

The total amount of projected future cash flow generated from the derivative business and the elderly care business fell below the book values of the properties used for these businesses. 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 1.4% to 6.0%.

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 the projected future cash flows at a rate of 7.7%.

(2) Goodwill
An impairment loss of 1,890 million yen was recognized and recorded as “extraordinary losses” for the fiscal year ended March 31, 2009 for goodwill relating to Tokio Marine Seguradora S.A., because the Company concluded that Tokio Marine Seguradora S.A. would not achieve the initially expected levels of profit.

5. The main components of other extraordinary losses are 7,668 million yen losses on revaluation of shares of affiliates and 3,139 million yen losses on redemption of shares of affiliates.

**Notes to consolidated statement of changes in stockholders' equity**

1. Class and number of issued shares and treasury stock

(Unit: thousand shares)

| | Number of shares as of March 31, 2008 | Increase during the fiscal year ended March 31, 2009 | Decrease during the fiscal year ended March 31, 2009 | Number of shares as of March 31, 2009 |
|---|---|---|---|---|
| Issued shares | | | | |
| Common stock | 804,524 | - | - | 804,524 |

| | | | | |
|---|---|---|---|---|
| Total | 804,524 | - | - | 804,524 |
| Treasury stock | | | | |
| Common stock | 2,293 | 14,772 | 104 | 16,961 |
| Total | 2,293 | 14,772 | 104 | 16,961 |

Note 1. The increase of 14,772 thousand shares of treasury stock is primarily attributable to the acquisition of 14,682 thousand shares to implement financial policies.

2. The decrease of 104 thousand shares of treasury stock is primarily attributable to the allotments of shares in connection with exercises of stock acquisition rights which decreased treasury stock by 75 thousand.

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

| Category | Nature of stock acquisition rights | Amount as of March 31, 2009 (yen in millions) |
|---|---|---|
| The Company (parent company) | Stock acquisition rights as stock options | 849 |

3. Dividends

(1) Amount of dividends

| Resolution | Class of stock | Total amount of dividends paid | Amount of dividends per share | Record date | Effective date |
|---|---|---|---|---|---|
| Ordinary general meeting of shareholders held on June 23, 2008 | Common stock | 24,066 million yen | 30 yen | March 31, 2008 | June 24, 2008 |
| Meeting of the board of directors held on November 19, 2008 | Common stock | 19,101 million yen | 24 yen | September 30, 2008 | December 10, 2008 |

(2) Dividends of which the record date falls within the fiscal year ended March 31, 2009, and of which the effective date falls after March 31, 2009.

The Company intends to obtain approval for the following dividend payment at the 7th Ordinary General Meeting of Shareholders to be held on June 29, 2009.

| Resolution | Class of stock | Total amount of dividends paid | Source of dividends | Amount of dividends per share | Record date | Effective date |
|---|---|---|---|---|---|---|
| Ordinary general meeting of shareholders to be held on June 29, 2009 | Common stock | 18,901 million yen | Retained earnings | 24 yen | March 31, 2009 | June 30, 2009 |

**Per share information**

| | |
|---|---|
| Net assets per share | 2,066.92 yen |
| Net income per share | 29.13 yen |

**Other notes**

Matters concerning business combination are as follows.

As of December 1, 2008, the Company acquired Philadelphia Consolidated Holding Corp. (“PHLY”), a property and casualty insurance group in the U.S., and made it an indirect subsidiary held through Tokio Marine & Nichido, which is a wholly owned subsidiary of the Company. In connection with the accounting for the acquisition, the Company has applied the purchase method as described below.

(i) The outline of the business combination to which the purchase method was applied

a. Acquired company
   Philadelphia Consolidated Holding Corp.

b. Business
   A holding company for subsidiaries operating insurance and insurance-related businesses

c. Reasons for the business combination
   The Company intends to strengthen its operational platform for local commercial businesses in the U.S. and expand its overall insurance business in the U.S. insurance market.

d. Date of the business combination
   December 1, 2008

e. Form of the business combination
   Reverse triangular merger under business combination laws in the U.S.

f. Ratio of voting rights acquired through the business combination
   100%

(ii) Period for which the operating results of the acquired company are included in the consolidated statement of income of the Company

For accounting purposes, the business combination date is deemed to be the last day of PHLY’s fiscal year ended December 31, 2008. Consequently, the results of operation of the acquired company are not reflected in the consolidated statement of income of the Company for the fiscal year ended March 31, 2009.

(iii) Acquisition cost
   473,537 million yen

(iv) Amount, basis, amortization method and amortization period of goodwill

a. Amount of goodwill
   253,611 million yen

b. Basis
   The acquisition cost of the acquired company, which was calculated by taking into account the projected future revenues as of the valuation date, exceeded the market value of the net assets of the acquired company as of the date of the business combination. This difference was recognized as goodwill.

c. Method and period of amortization
   To be amortized over 20 years using the straight-line method

(v) Assets and liabilities assumed on the date of the business combination and their main components

| Item | Amount (million yen) | Item | Amount (million yen) |
|---|---|---|---|
| Total assets | 511,852 | Total liabilities | 291,926 |
| (Securities included in total assets) | (225,405) | (Underwriting funds included in total liabilities) | (226,859) |

(vi) Approximate impact on the consolidated statement of income, assuming that the business combination took place on the first day of the fiscal year ended March 31, 2009

The ordinary income, ordinary profit and net income would have increased by approximately 166,851 million yen, 4,393 million yen and 143 million yen, respectively.
These amounts represent the difference between the actual figures on consolidated statement of income of the Company for the fiscal year ended March 31, 2009 and the hypothetical amount of consolidated ordinary income, ordinary profit and net income, including PHLY's figures, calculated assuming that the business combination was completed on the first day of the fiscal year ended March 31, 2009. The amortized amount of goodwill was calculated assuming that the entire goodwill for the acquisition recognized at the time of the business combination had arisen on the first day of the fiscal year ended March 31, 2009.
The above amounts are un-audited.

Non-consolidated Balance Sheet as of March 31, 2009

(Yen in millions)

| Item | As of March 31, 2009 Amount |
|---|---|
| Assets | |
| I. Current assets | 33,843 |
| Cash and deposits | 6,440 |
| Securities | 1,500 |
| Prepaid expense | 0 |
| Deferred tax assets | 365 |
| Receivables | 25,529 |
| Others | 8 |
| II. Fixed assets | 2,496,489 |
| 1 Tangible fixed assets | 271 |
| Buildings | 212 |
| Motor vehicles and transport equipment | 8 |
| Office equipment | 50 |
| 2 Intangible fixed assets | 0 |
| Telephone right | 0 |
| 3 Investments and other assets | 2,496,216 |
| Investments in subsidiaries and affiliates | 2,496,015 |
| Deferred tax assets | 197 |
| Others | 3 |
| Total assets | 2,530,333 |
| Liabilities | |
| I. Current liabilities | 1,598 |
| Accounts payable | 314 |
| Accrued expenses | 111 |
| Accrued income taxes | 684 |
| Accrued business office taxes | 8 |
| Accrued consumption tax | 99 |
| Deposits received | 11 |
| Reserve for bonus | 366 |
| II. Fixed liabilities | 224 |
| Long-term accounts payable | 57 |
| Reserve for retirement benefit | 167 |
| Total liabilities | 1,822 |
| Net assets: | |
| I. Stockholders' equity | 2,527,661 |
| 1 Common stock | 150,000 |
| 2 Capital surplus | 1,598,086 |
| (1) Additional paid-in capital | 1,511,485 |
| (2) Others | 86,600 |
| 3 Retained earnings | 839,238 |
| (1) Other retained earnings | 839,238 |
| General reserve | 702,275 |
| Retained earnings carried forward | 136,962 |
| 4 Treasury stock | -59,663 |
| II. Stock acquisition rights | 849 |
| III. Total net assets | 2,528,510 |
| Total liabilities and net assets | 2,530,333 |

Non-consolidated Statement of Income for the fiscal year ended March 31, 2009

(Yen in millions)

| Item | Year ended March 31, 2009<br>Amount |
|---|---|
| Operating income: | |
| Dividends received from subsidiaries and affiliates | 130,053 |
| Fees received from subsidiaries and affiliates | 6,517 |
| Total operating income | 136,570 |
| Operating expenses: | |
| Operating and general administrative expenses | 6,094 |
| Total operating expenses | 6,094 |
| Operating profit | 130,476 |
| Non-operating income: | |
| Interest earned | 35 |
| Interest on securities | 70 |
| Commission earned | 4 |
| Rent received | 6 |
| Gains on lapsed dividend payment obligation | 17 |
| Other non-operating income | 2 |
| Total non-operating income | 136 |
| Non-operating expenses: | |
| Transaction fee for repurchase of shares | 15 |
| Miscellaneous expenses | 100 |
| Other non-operating expense | 1 |
| Total non-operating expenses | 118 |
| Ordinary profit | 130,494 |
| Extraordinary gains: | |
| Gains on sales of fixes assets | 1 |
| Total extraordinary gains | 1 |
| Extraordinary losses: | |
| Losses on disposal of fixed assets | 1 |
| Impairment losses on investment in affiliates | 11,824 |
| Total extraordinary losses | 11,825 |
| Income before income taxes | 118,670 |
| Income taxes-current | 1,751 |
| Income taxes-deferred | -278 |
| Total income taxes | 1,472 |
| Net income | 117,197 |

## Non-consolidated Statement of Changes in Stockholders' Equity

For the fiscal year ended March 31, 2009
(April 1, 2008 to March 31, 2009)

(Yen in Millions)

| | Stockholders' equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock | Capital surplus | | Retained earnings | | Treasury stock | Total stockholders' equity |
| | | Additional paid-in capital | Others | Other retained earnings | | | |
| | | | | General reserve | Retained earnings carried forward | | |
| Ending balance as of March 31, 2008 | 150,000 | 1,511,485 | 86,738 | 679,275 | 85,933 | -9,792 | 2,503,641 |
| Changes during the fiscal year | | | | | | | |
| General reserve | | | | 23,000 | -23,000 | | - |
| Dividends | | | | | -43,168 | | -43,168 |
| Net income | | | | | 117,197 | | 117,197 |
| Repurchase of treasury stocks | | | | | | -50,302 | -50,302 |
| Disposition of treasury stocks | | | -138 | | | 431 | 292 |
| Net changes in items other than stockholders' equity | | | | | | | |
| Total changes during the fiscal year | - | - | -138 | 23,000 | 51,029 | -49,871 | 24,020 |
| Ending balance as of March 31, 2009 | 150,000 | 1,511,485 | 86,600 | 702,275 | 136,962 | -59,663 | 2,527,661 |

| | Stock acquisition rights | Total net assets |
|---|---|---|
| Ending balance as of March 31, 2008 | 619 | 2,504,261 |
| Changes during the fiscal year | | |
| General reserve | | - |
| Dividends | | -43,168 |
| Net income | | 117,197 |
| Repurchase of treasury stocks | | -50,302 |
| Disposition of treasury stocks | | 292 |
| Net changes in items other than stockholders' equity | 229 | 229 |
| Total changes during the fiscal year | 229 | 24,249 |
| Ending balance as of March 31, 2009 | 849 | 2,528,510 |

## Notes to Non-consolidated Financial Statements

### Significant accounting policies

1. Valuation of securities

(1) Investments in subsidiaries are stated at cost determined by the moving-average method.

(2) Other securities not with fair value 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.

| | |
|---|---|
| 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, 2009.

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: 214 million yen

2. Monetary claims against and debts owed to affiliates:

| | |
|---|---|
| Monetary claims receivables | 746 million yen |
| Debts payable | 111 million yen |

3. Debts payable to directors and corporate auditors:

| | |
|---|---|
| Long-term debts payable | 57 million yen |

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

Volume of transactions with affiliates:

| | |
|---|---|
| Operating transactions | |
| Operating income | 136,570 million yen |
| Operating expenses | 1,016 million yen |
| Transactions other than operating transactions | 4,613 million yen |

**Notes to the statement of changes in stockholders' equity**

Class and number of treasury stock held by the Company as of March 31, 2009

| | |
|---|---|
| Common stock | 16,961,439 shares |

**Tax effect accounting**

Major components of deferred tax assets

| Deferred tax assets | |
|---|---|
| Impairment losses on investment in affiliates | 4,811 million yen |
| Accrued business taxes | 166 million yen |
| Reserve for employee's bonuses | 149 million yen |
| Reserve for retirement benefits | 68 million yen |
| Stock acquisition rights | 53 million yen |
| Others | 125 million yen |
| Sub total | 5,373 million yen |
| Valuation allowance | -4,811 million yen |
| Total deferred tax assets | 562 million yen |
| Net deferred tax assets | 562 million yen |

**Per-share information**

| | |
|---|---|
| Net assets per share | 3,209.47 yen |
| Net income per share | 147.53 yen |

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

*[English Translation]*

Independent Auditor's Report

May 19, 2009

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, 2008 and ended on March 31, 2009. 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)
As noted in the "Changes in the basis of consolidated financial statements", the Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" for the fiscal year ended March 31, 2009.

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 19, 2009

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 7th fiscal year, that began on April 1, 2008 and ended on March 31, 2009. 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, 2008 and ended on March 31, 2009 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 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, 2009 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, 2009.

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 19, 2009

Board of Corporate Auditors,
Tokio Marine Holdings, Inc.

Yasuo Yaoita, 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.