[*English Translation*]

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

June 2, 2016

Notice of Convocation of the 14th Ordinary General Meeting of Shareholders

To our shareholders:

You are cordially invited to attend the 14th Ordinary General Meeting of Shareholders of Tokio Marine Holdings, Inc. ("Tokio Marine Holdings" or the "Company"), which will be held on Monday, June 27, 2016 at 10:00 a.m. (reception opens at 8:45 a.m.) at the banquet room AOI, second floor, Palace Hotel Tokyo located at 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, for the purpose of considering and voting upon the following items:

Items to be reported:

1. Business report, consolidated financial statements and the audit reports on consolidated financial statements prepared by the independent auditor and the Audit & Supervisory Board, respectively, for the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016).

2. Non-consolidated financial statements for the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016).

Proposals to be acted upon:

Item 1. Appropriation of Surplus

Item 2. Election of Twelve (12) Directors

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

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

Sincerely,

Tsuyoshi Nagano
President & Chief Executive Officer

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

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

Information on Exercising Voting Rights via the Internet

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

If you choose to exercise your voting rights via the Internet (*), please note the following:
*Voting via the Internet includes voting through the "Electric Proxy Voting Platform" managed by ICJ, Inc. (available to institutional investors).

1. Exercising Voting Rights via the Internet

(1) Through the use of a computer, a smart phone or a mobile phone (i-mode, EZweb, Yahoo! Keitai) with an Internet connection, please access the website that has been designated by the Company as the website for exercising voting rights (http://www.evote.jp/) and exercise your voting rights. Please note that the website is not accessible from 2AM to 5AM.

Notes: 1. "i-mode", "EZweb" and "Yahoo!" are the trademarks or the registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION and Yahoo! Inc., respectively.

2. You will be required to bear the charge for your call, internet connection or packet communication when you access the website to exercise your voting rights that may be charged by your telecommunications company.

(2) To login to the website to exercise your voting rights, the login ID and the temporary password listed on your voting card will be necessary. Please note that, as a protective measure against unauthorized access and the tampering of the results of the exercised voting rights, you will be asked to change the temporary password after you login to the website.

(3) Please note that you may not be able to exercise your voting rights via the Internet through a computer or a smart phone due to your particular Internet environment, such as your Internet security setting.

(4) Please note that you may not be able to exercise your voting rights through your mobile phone due to the particular setting or type of your mobile phone.

2. Inquiries

(1) For inquiries concerning website access, please contact:

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

(2) For inquiries other than the above, please contact:

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

To Institutional Investors:

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

Reference Materials regarding the General Meeting of Shareholders

Proposals to be acted upon and matters for reference:

Item 1. Appropriation of Surplus

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

In accordance with the above policy, and considering various factors, the Company proposes to pay 57.50 yen per share of the Company as a year-end cash dividend. As 52.50 yen per share was paid as an interim cash dividend, the total amount of annual cash dividends will be 110 yen per share for the fiscal year ended March 31, 2016. This is an increase of total annual cash dividends of 15 yen per share from 95 yen per share paid for the previous fiscal year.

1. Matters regarding distribution of dividends and its aggregate amount
   Amount of cash dividend per common share of the Company: 57.50 yen
   Aggregate amount of cash dividends: 43,394,364,098 yen

2. Effective date of the distribution of dividends
   June 28, 2016

Item 2. Election of Twelve (12) Directors

The term of office of all ten (10) directors will expire at the close of this Meeting. For the next term, the Company proposes to increase the number of directors by two (2) in order to strengthen the functions of the Board, and elects the following twelve (12) directors.

The candidates for directors are as follows:

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
01.	Shuzo Sumi (July 11, 1947)	April 1970 Joined Tokio Marine June 2000 Director and Chief Representative in London, Overseas Division of Tokio Marine June 2002 Managing Director of Tokio Marine Oct. 2004 Managing Director of Tokio Marine & Nichido June 2005 Senior Managing Director of Tokio Marine & Nichido June 2007 President & Chief Executive Officer of Tokio Marine & Nichido June 2007 President & Chief Executive Officer of Tokio Marine Holdings June 2013 Chairman of the Board of Tokio Marine & Nichido June 2013 Chairman of the Board of Tokio Marine Holdings (to present) April 2016 Counsellor of Tokio Marine & Nichido (to present) (Other major occupations) Counsellor of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Toyota Industries Corporation (outside director) Vice Chairman of Japan Association of Corporate Executives	25,005 shares

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

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

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

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
02.	Tsuyoshi Nagano (November 9, 1952)	April 1975 Joined Tokio Marine June 2003 Executive Officer and General Manager of Nagoya Production Dept. III, Tokai Division of Tokio Marine Oct. 2004 Executive Officer and General Manager of Nagoya Production Dept. III of Tokio Marine & Nichido June 2006 Managing Executive Officer of Tokio Marine & Nichido June 2008 Managing Director and General Manager of Corporate Planning Dept. of Tokio Marine & Nichido June 2008 Director of Tokio Marine Holdings June 2009 Resigned from position as Director of Tokio Marine Holdings June 2010 Senior Managing Director of Tokio Marine & Nichido June 2011 Senior Managing Director of Tokio Marine Holdings Feb. 2012 Senior Managing Director and General Manager of International Business Development Dept. of Tokio Marine Holdings June 2012 Executive Vice President of Tokio Marine & Nichido June 2012 Executive Vice President and General Manager of International Business Development Dept. of Tokio Marine Holdings June 2013 President & Chief Executive Officer of Tokio Marine & Nichido June 2013 President & Chief Executive Officer of Tokio Marine Holdings (to present) April 2016 Chairman of the Board of Tokio Marine & Nichido (to present) (Responsibilities) Group CEO (Group Chief Executive Officer) (Other major occupations) Chairman of the Board of Tokio Marine & Nichido	20,200 shares

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

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

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

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
03.	Ichiro Ishii (June 15, 1955)	April 1978 Joined Tokio Marine June 2010 Executive Officer and General Manager of International Business Development Dept. of Tokio Marine Holdings June 2013 Managing Executive Officer of Tokio Marine & Nichido June 2013 Managing Executive Officer of Tokio Marine Holdings Dec. 2013 Resigned from position as Managing Executive Officer of Tokio Marine & Nichido April 2015 Senior Managing Executive Officer of Tokio Marine Holdings June 2015 Senior Managing Director of Tokio Marine & Nichido (to present) June 2015 Senior Managing Director of Tokio Marine Holdings (to present) (Responsibilities) Head of international insurance business In charge of International Business Development Dept. (management of North America (HCC), Asia (excluding China and East Asia) and Oceania) (Other major occupations) Senior Managing Director of Tokio Marine & Nichido	7,100 shares

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

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

Note: There are no special conflicts of interest between the Company and Mr. Ichiro Ishii.

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company’s shares held
04.	Hirokazu Fujita (May 12, 1956)	April 1980 Joined Tokio Marine June 2011 Executive Officer and General Manager of Corporate Accounting Dept. of Tokio Marine & Nichido June 2011 Executive Officer and General Manager of Corporate Accounting Dept. of Tokio Marine Holdings June 2012 Managing Director and General Manager of Corporate Accounting Dept. of Tokio Marine & Nichido June 2012 Managing Director and General Manager of Corporate Accounting Dept. of Tokio Marine Holdings July 2013 Managing Director of Tokio Marine & Nichido (to present) July 2013 Managing Director of Tokio Marine Holdings (to present) (Responsibilities) Group CIO (Group Chief Investment Officer) In charge of Financial Planning Dept. and Corporate Accounting Dept. (Other major occupations) Managing Director of Tokio Marine & Nichido	10,950 shares

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

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

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

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
05.	Takayuki Yuasa (May 5, 1958)	April 1981 Joined Tokio Marine June 2012 President & Chief Executive Officer of Tokio Marine & Nichido Financial Life Sep. 2014 Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Financial Life Oct. 2014 Managing Executive Officer of Tokio Marine Holdings June 2015 Managing Director of Tokio Marine & Nichido (to present) June 2015 Managing Director of Tokio Marine Holdings (to present) (Responsibilities) Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept., Legal Dept., Internal Control Dept. and Internal Audit Dept. (Other major occupations) Managing Director of Tokio Marine & Nichido	9,400 shares

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

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

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

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
06.	Shinichi Hirose (December 7, 1959)	April 1982 Joined Tokio Marine June 2013 Managing Director of Tokio Marine & Nichido Life April 2014 President & Chief Executive Officer of Tokio Marine & Nichido Life (to present) June 2014 Director of Tokio Marine Holdings (to present) (Other major occupations) President & Chief Executive Officer of Tokio Marine & Nichido Life	6,475 shares

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

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

Note: There are no special conflicts of interest between the Company and Mr. Shinichi Hirose.

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
07.	Akio Mimura (November 2, 1940)	April 1963 Joined Fuji Iron and Steel Co., Ltd. June 1993 Director of Nippon Steel Corporation April 1997 Managing Director of Nippon Steel Corporation April 2000 Representative Director and Executive Vice President of Nippon Steel Corporation April 2003 Representative Director and President of Nippon Steel Corporation April 2008 Representative Director and Chairman of Nippon Steel Corporation June 2010 Director of Tokio Marine Holdings (outside director, to present) Oct. 2012 Director, Member of the Board and Senior Advisor of Nippon Steel & Sumitomo Metal Corporation June 2013 Senior Advisor of Nippon Steel & Sumitomo Metal Corporation Nov. 2013 Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (to present) (Other major occupations) Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation Director of Japan Post Holdings Co., Ltd. (outside director) Director of Development Bank of Japan Inc. (outside director) Director of Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director) Chairman of The Japan Chamber of Commerce and Industry Chairman of The Tokyo Chamber of Commerce and Industry	4,800 shares

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

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

(His/Her independence)

1. Mr. Akio Mimura is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Standards for independence for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 21 of this reference material.

(Major activities)

1. Mr. Akio Mimura attended 11 of the 12 board of directors' meetings held during the fiscal year ended March 31, 2016.

2. He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis at the board of directors' meetings, based on his insight as a company manager which has been acquired through many years of experience in a management role.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Akio Mimura.
2. He will have served as an outside director for 6 years at the close of this Meeting.
3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with him to limit his liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if he is elected as proposed.

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company’s shares held
08.	Mikio Sasaki (October 8, 1937)	April 1960 Joined Mitsubishi Corporation June 1992 Director of Mitsubishi Corporation June 1994 Managing Director of Mitsubishi Corporation April 1998 President of Mitsubishi Corporation April 2004 Chairman of the Board of Mitsubishi Corporation June 2010 Director and Senior Corporate Advisor (*Soudanyaku*) of Mitsubishi Corporation June 2011 Senior Corporate Advisor (*Soudanyaku*) of Mitsubishi Corporation June 2011 Director of Tokio Marine Holdings (outside director, to present) April 2016 Senior Corporate Advisor (*Tokubetsukomon*) of Mitsubishi Corporation (to present) (Other major occupations) Senior Corporate Advisor (*Tokubetsukomon*) of Mitsubishi Corporation Director of Mitsubishi Research Institute, Inc. (outside director)	1,900 shares

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

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

(His/Her independence)

1. Mr. Mikio Sasaki is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Standards for independence for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 21 of this reference material.

(Major activities)

1. Mr. Mikio Sasaki attended all 12 board of directors’ meetings held during the fiscal year ended March 31, 2016.
2. He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis at the board of directors’ meetings, based on his insight as a company manager which has been acquired through many years of experience in a management role.

Notes: 1. There are no special conflicts of interest between the Company and Mr. Mikio Sasaki.
2. He will have served as an outside director for 5 years at the close of this Meeting.
3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with him to limit his liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if he is elected as proposed.
4. He concurrently serves as an outside director of Mitsubishi Electric Corporation (“Mitsubishi

Electric”). Mitsubishi Electric announced that, from January to March 2012, during his term as an outside director, it had been overcharging or otherwise inappropriately charging the Ministry of Defense, the Ministry of Internal Affairs and Communications and other institutions in relation to certain contracts for electronics system projects, each of which subsequently suspended Mitsubishi Electric from participating in bidding on public projects. Although he was unaware of the problems until they were discovered, prior to the incidents he had consistently urged the enhancement of compliance measures and called for further attention to the importance of compliance. After the discovery, he led a thorough investigation into the incidents and further enhancement of Mitsubishi Electric’s compliance system to prevent a recurrence of such incidents. He also concurrently serves as an outside director of Mitsubishi Motors Corporation (“Mitsubishi Motors”). In March 2012, during his term as an outside director, Mitsubishi Motors announced that it had not been processing equipment that uses insulation oil possibly containing polychlorinated biphenyl (“PCB”) in compliance with PCB waste processing requirements prescribed by environmental protection laws and regulations. Following April 2016, it was also discovered that, during his term as an outside director, Mitsubishi Motors, in connection with the certification process for the manufacture of its cars, was conducting tests improperly to present better fuel consumption rates than the actual rates and was using a testing method that was different from the one required by Japanese law, etc. Although he was unaware of the problems until these were discovered, prior to the incidents he had consistently urged the board to enhance compliance measures and called for further attention to the importance of compliance. After the discovery, he led a thorough investigation of the incidents and implementation of measures to prevent recurrence of such incidents.

5. He is expected to resign from his positions as an outside director of Mitsubishi Electric and Mitsubishi Motors at the close of each company’s ordinary general meeting of shareholders scheduled for June 2016.

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
09.	Masako Egawa (September 7, 1956)	April 1980 Joined Citibank, N.A., Tokyo Branch Sep. 1986 Joined Salomon Brothers Inc, New York Head Office June 1988 Joined Salomon Brothers Asia Limited, Tokyo Branch Dec. 1993 Joined S.G. Warburg Securities, Tokyo Branch Nov. 2001 Executive Director, Japan Research Center, Harvard Business School April 2009 Executive Vice President, The University of Tokyo March 2015 Resigned from position as Executive Vice President, The University of Tokyo June 2015 Director of Tokio Marine Holdings (outside director, to present) Sep. 2015 Professor, Graduate School of Commerce and Management, Hitotsubashi University (to present) (Other major occupations) Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Mitsui Fudosan Co., Ltd. (outside director) Director of Asahi Glass Company, Limited (outside director)	300 shares

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

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

(His/Her independence)

1. Ms. Masako Egawa is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. She fulfills the Standards for independence for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 21 of this reference material.

(Major activities)

1. After assuming the position, Ms. Masako Egawa attended all 10 board of directors’ meetings held during the fiscal year ended March 31, 2016.
2. She has fulfilled her supervisory functions by asking for detailed explanations and making remarks on a timely basis at the board of directors’ meetings, based on her insight as a specialist in business management, acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an

Executive Vice President.

Notes: 1. There are no special conflicts of interest between the Company and Ms. Masako Egawa.

2. She will have served as an outside director for 1 year at the close of this Meeting.

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

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
10. (*)	Toshifumi Kitazawa (November 18, 1953)	April 1977 Joined Tokio Marine June 2008 Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life June 2009 Senior Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life July 2009 Senior Managing Director of Tokio Marine & Nichido Life June 2010 President & Chief Executive Officer of Tokio Marine & Nichido Life June 2010 Director of Tokio Marine Holdings March 2014 Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Life April 2014 Executive Vice President of Tokio Marine & Nichido June 2014 Vice President Executive Officer of Tokio Marine Holdings March 2016 Resigned from position as Vice President Executive Officer of Tokio Marine Holdings April 2016 President & Chief Executive Officer of Tokio Marine & Nichido (to present) (Other major occupations) President & Chief Executive Officer of Tokio Marine & Nichido	31,150 shares

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

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

Notes: 1. There are no special conflicts of interest between the Company and Mr. Toshifumi Kitazawa.
2. A "*" indicates that the candidate is a newly appointed candidate who is not currently serving as a director.

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
11. (*)	Kunihiko Fujii (June 18, 1955)	April 1978 Joined Tokio Marine June 2009 Executive Officer and General Manager, International Business Development Dept. of Tokio Marine Holdings June 2012 Managing Executive Officer of Tokio Marine Holdings June 2014 Managing Director of Tokio Marine & Nichido June 2014 Managing Director of Tokio Marine Holdings April 2015 Senior Managing Director of Tokio Marine Holdings April 2015 Senior Managing Director of Tokio Marine & Nichido June 2015 Resigned from position as Senior Managing Director of Tokio Marine & Nichido June 2015 Senior Managing Executive Officer of Tokio Marine Holdings (to present) (Responsibilities) In charge of International Business Development Dept. (international business strategies (M&A, ERM (Enterprise Risk Management), etc.))	10,400 shares

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

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

Notes: 1. There are no special conflicts of interest between the Company and Mr. Kunihiko Fujii.
2. He is expected to assume his position as a Senior Managing Director of Tokio Marine & Nichido at the close of the ordinary general meeting of shareholders of Tokio Marine & Nichido scheduled for June 2016.
3. A "*" indicates that the candidate is a newly appointed candidate who is not currently serving as a director.

	Name (Date of birth)	Brief personal history, position, responsibilities and other major occupations	Number of the Company's shares held
12. (*)	Yasuyuki Higuchi (November 28, 1957)	April 1980 Joined Matsushita Electric Industrial Co., Ltd. April 1992 Joined The Boston Consulting Group K.K. July 1994 Joined Apple Japan, Inc. July 1997 Joined Compaq Computer K.K. Oct. 2000 Board member and Director of Consumer Group of Compaq Computer K.K. Nov. 2002 Executive Officer of Hewlett-Packard Japan, Ltd. May 2003 President and Chief Operating Officer of Hewlett-Packard Japan, Ltd. May 2004 President and Chief Executive Officer of Hewlett-Packard Japan, Ltd. May 2005 President and Chief Operating Officer of The Daiei, Inc. March 2007 COO of Microsoft Japan Co., Ltd. April 2008 President and CEO of Microsoft Japan Co., Ltd. April 2008 Corporate Vice President of Microsoft Corporation (to present) July 2015 Chairman of Microsoft Japan Co., Ltd. (to present) (Other major occupations) Chairman of Microsoft Japan Co., Ltd. Corporate Vice President of Microsoft Corporation Director of ASKUL Corporation (outside director) Director of Faith, Inc. (outside director)	-

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

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

(His/Her independence)

1. Mr. Yasuyuki Higuchi is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Standards for independence for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 21 of this reference material.

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

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

3. A “*” indicates that the candidate is a newly appointed candidate who is not currently serving as a director.

Reference

Standards for independence for Outside Directors and Outside Audit & Supervisory Board Members

Exhibit

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

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

[*English Translation*]

TOKIO MARINE HOLDINGS, INC.

Attachment to the "Notice of Convocation of the 14th Ordinary General Meeting of Shareholders"

Business Report for the Fiscal Year Ended March 31, 2016

(From April 1, 2015 to March 31, 2016)

1. Matters Concerning the Insurance Holding Company

(1) Business Developments and Results for Tokio Marine Group

During the fiscal year ended March 31, 2016, while the U.S. economy continued to gradually grow, the world economy grew slowly as a whole due to a declining trend of economic growth in Europe, and economic slowdown in some developing countries, including China.

In Japan, economic growth was at a standstill due mainly to weakness in consumer spending.

In the property and casualty insurance sector, premiums increased overall, especially in auto insurance. In the life insurance sector, the decline in the amount of individual life insurance in force has been stemmed.

Against this backdrop, the Tokio Marine Group (the "Group") actively promoted its business in the first year of the "To Be a Good Company 2017" medium-term business plan with the aim of sustaining profit growth and further enhancing our well-balanced business portfolio.

Positive factors such as growth in insurance underwriting, and the infrequency of natural disasters in foreign countries contributed to the result that the net income attributable to owners of the parent was 254.5 billion yen and record-high profits for four consecutive years, although incurred claims increased due to natural disasters such as Typhoon No. 15 in Japan.

(Yen in billions, except for %)

	Year ended March 31, 2015	Year ended March 31, 2016	Rate of change (%)
Ordinary income	4,327.9	4,579.0	5.8
Net premiums written	3,127.6	3,265.5	4.4
Life insurance premiums	220.4	471.6	114.0
Life insurance premiums (excluding variable annuities)	892.8	860.9	-3.6
Ordinary profit	358.1	385.8	7.7
Net income attributable to owners of the parent	247.4	254.5	2.9

Note: "Net income" as expressed in our consolidated financial results until the previous fiscal year has been changed to "net income attributable to owners of the parent" in accordance with the revision of the "Accounting Standards for Business Combinations," etc. (The same shall also apply in the financial statements below.)

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

(Yen in billions)

Business segment	Ordinary income		Ordinary profit	
	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016
Domestic property and casualty insurance	2,572.7	2,739.1	203.9	239.3
Domestic life insurance	327.4	484.2	19.1	28.3
Overseas insurance	1,423.5	1,428.4	128.7	112.2
Financial and other	74.8	76.2	6.3	5.8

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

Domestic Property and Casualty Insurance Business

The following is a discussion of Tokio Marine & Nichido Fire Insurance Co., Ltd.'s ("Tokio Marine & Nichido") operating results for the fiscal year ended March 31, 2016. The net premiums written were 2,128.3 billion yen, a year-on-year increase of 4.5 percent, due to increased premiums overall, especially in auto insurance and fire insurance. The combined ratio, a profitability index for the property and casualty insurance business, was 90.6 percent, an improvement of 0.8 points compared to the previous fiscal year, due mainly to increased net premiums written.

Investment income was 362.0 billion yen, an increase of 159.4 billion yen compared to the previous fiscal year, due mainly to an increase in dividend income from subsidiaries and affiliates with the aim of procuring funds for the purchase of overseas insurance companies. As a result, ordinary profit was 377.2 billion yen, an increase of 113.1 billion yen compared to the previous fiscal year. Net income was 301.6 billion yen, an increase of 116.2 billion yen compared to the previous fiscal year.

Tokio Marine & Nichido has been making efforts to further develop a business model that integrates life insurance and property and casualty insurance by expanding its sales base and strengthening consulting sales with Super Insurance as its core. Additionally, Tokio Marine & Nichido has proactively worked to develop products and services in response to changes of the social environment.

In consideration of the changes of the social environment such as population aging and local depopulation, Tokio Marine & Nichido developed a new auto insurance product for NPOs, etc. that provide transportation services using private vehicles in areas where means of mobility for residents are not easily secured. In order to cover the risks accompanying the overseas advance of small and medium-sized companies, Tokio Marine & Nichido expanded the protection coverage of Overseas PL Insurance (Products/Completed Operations Liability Insurance).

To harness the capabilities of communication technology for auto insurance, Tokio Marine & Nichido started a "B-Contact" service for personal policyholders with which a policyholder's smartphone automatically detects the occurrence of an accident and displays contact information, and a "Drive Agent" service for corporate policyholders that provides an automatic accident-reporting function for reporting to the insurance company and an accident-prevention support function. Additionally, in connection with the expansion of the protection coverage of cyber risk insurance, Tokio Marine & Nichido started a "Comprehensive Support Service on Cyber Risks," a service that provides employee education tools and conducts simple diagnoses of risk management systems.

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

With respect to the operating results of Nisshin Fire & Marine Insurance Co., Ltd. ("Nisshin Fire") for the fiscal year ended March 31, 2016, net premiums written were 138.6 billion yen, representing an increase of 1.5 percent from the previous fiscal year, due to increased premiums mainly in auto insurance. Ordinary profit was 9.7 billion yen, a decrease of 7.9 billion yen compared to the previous fiscal year, due to decreased underwriting profits chiefly attributable to an increase in incurred claims related to natural disasters. Net income was 6.1 billion yen, a decrease of 6.4 billion yen compared to the previous fiscal year. Nisshin Fire has worked to provide products that are simple and easy to understand with an aim to become the most familiar and trusted retail property and casualty insurance company.

Domestic Life Insurance Business

Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life") had 119.7 billion yen in annualized premiums of newly signed life insurance, a year-on-year increase of 4.9 percent, due to the launch of new medical insurance and cancer insurance products, strengthened initiatives for the integration of life insurance and property and casualty insurance, and other efforts. Annualized premiums of life insurance-in-force were 796.5 billion yen, a year-on-year increase of 4.2 percent, with the effects of new policies concluded exceeding the impact from the cancellations of variable annuities insurance. Ordinary profit was 29.0 billion yen, an increase of 8.3 billion yen compared to the previous fiscal year, mainly due to the effects of reversal of provisions due to the cancellation of variable annuities insurance. Net income was 14.7 billion yen, a decrease of 14.0 billion yen compared to the previous fiscal year, mainly due to a reaction to the tax mitigation effect of deferred tax assets recorded in the previous fiscal year.

Tokio Marine & Nichido Life has strengthened sales of its protection-type products and launched “Cancer Treatment Support Insurance NEO” and “Cancer Insurance R.” “Cancer Treatment Support Insurance NEO” is a product with expanded benefits for policyholders undergoing anticancer drug treatment that takes into account the latest medical treatments. “Cancer Insurance R” is a product that reimburses a portion of the premiums paid, equivalent to premiums paid minus any benefits paid, in the form of returns to policyholders who reach seventy years of age. Tokio Marine & Nichido Life also launched “Medical KitNEO,” a new medical insurance product that meets various needs of customers by indemnifying them against hospitalization for short and long periods, home care, inability to work, etc.

Overseas Insurance Business

The Group actively developed its overseas insurance business with the aims of overseas growth and risk diversification. Combined premium income for life insurance and property and casualty insurance increased on a local currency basis, but was 1,191.5 billion yen following conversion to yen, a decrease of 1.4 percent compared to the previous fiscal year, due to strengthening of the yen against certain currencies. Ordinary profit was 112.2 billion yen, a decrease of 16.5 billion yen compared to the previous fiscal year, partially due to the amount of incurred claims related to natural disasters being small, similarly to the previous fiscal year.

PHLY, a U.S. property and casualty insurance group, promoted a strategy specialized in specific kinds of business and customer segments. As a result, PHLY’s net premiums written was 2.83 billion U.S. dollars (342.3 billion yen), an increase of 5.6 percent compared to the previous fiscal year. Delphi, a U.S. insurance group, conducted yieldability-focused underwriting of employee benefit-related insurance, and as a result, its combined premium income for life insurance and property and casualty insurance was 1.77 billion U.S. dollars (214.1 billion yen), a decrease of 0.4 percent compared to the previous fiscal year. Tokio Marine Kiln Group Limited, a U.K. insurance group, recorded an increase of 6.7 percent year-on-year in net premiums written to 0.78 billion British pounds (141.1 billion yen) for the fiscal year 2015 amid a downward trend in premium rates, partly due to increased premiums through expansion of its U.S. business. Tokio Millennium Re AG, a reinsurance company, recorded an increase of 32.7 percent year-on-year in net premiums written to 1.33 billion U.S. dollars (161.5 billion yen) for the fiscal year 2015, mainly due to expanding underwriting risks (excluding natural disasters).

In October 2015, the Company acquired the U.S. insurance holding company HCC Insurance Holdings, Inc. (“HCC”) through Tokio Marine & Nichido and made it a subsidiary. HCC is a world leading insurer in specialty insurance, a type of insurance product that often covers specific risks and requires specific underwriting capability. HCC’s business portfolio is highly profitable and diverse, with no significant overlap with the existing operations of the Group. The acquisition further diversified the business portfolio and strengthened the Group’s business foundation, which will enable improvement in capital efficiency and sustainable growth of the Group as a whole.

In emerging markets, the Group increased premium income from property and casualty insurance mainly due to steady sales of auto insurance in China and Brazil, while premium income from life insurance decreased mainly due to the termination of sales of some products in Singapore.

Regarding business in China, The Tokio Marine & Nichido Fire Insurance Company (China) Limited opened its Zhejiang Branch, its fifth operational base in the country. In addition, the Group sold all of its shares of Funde Sino Life Insurance Co., Ltd. However, the Group intends to continue active development of both its life insurance business and property and casualty insurance business through a multi-facted approach, including investments in multiple companies.

Financial and Other Business

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

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

CSR

Tokio Marine & Nichido has been continuing research on the risks of earthquakes and tsunamis, through a collaborative study conducted with Tohoku University, and in March 2016 it held a forum with Tohoku University entitled “Five years after the Great East Japan Earthquake, a Disaster We Will Never Forget.” The forum mainly consisted of a panel discussion on disaster prevention, disaster mitigation, and continuous reconstruction support toward realization of a disaster-resilient community. Tokio Marine & Nichido has continued its initiatives to protect the global environment through mangrove planting activities, environmental protection activities in Japan, etc.

Issues Facing the Group

In the fiscal year ending March 31, 2017, we expect that the gradual improvement of the world economy will continue, centered on the U.S. At the same time, the slowdown of the Chinese economy and rising geopolitical risks are matters of concern.

The Japanese economy is expected to gradually recover mainly in personal consumption and capital investment with impetus from the government’s enhanced monetary easing policy, including the negative interest rate policy, amid growing uncertainty regarding external circumstances.

The need to promote business activities in consideration of the progress of advanced technology, etc. has been rapidly increasing.

Under these circumstances, the Group aims to further enhance Enterprise Risk Management (ERM) by promoting investment in businesses with high capital efficiency and by promoting risk diversification on a global scale. Through these efforts, we intend to maintain financial soundness, a key strength of the Group, while enhancing profit growth and capital efficiency in a sustainable manner, toward the achievement of our medium-term business plan “To Be a Good Company 2017.”

In April 2016, the Group changed its management structure to strengthen the integrated management of the Group. Under the new management structure, the Group CEO will further increase his commitment to the global management of the Group. To clarify the structure of global responsibility for various functions, including capital policy, business strategy, asset management, risk management, and personnel affairs, Group Chief Officers responsible for the Group in charge of each function have been appointed. Under such structure, the Group will accelerate its growth by linking the strengths of Group companies both domestic and overseas, uniting the specialties of the Group, and responding to changes in the business environment such as technological evolution and the rising risks of natural disasters.

In our domestic property and casualty insurance business, we will make ourselves more attractive to customers as the insurer of choice and will increase our profits by further refining our business model, integrating life insurance and property and casualty insurance and turning claims service into our competitive advantage. We will develop new products and services by aptly grasping changes in the business environment such as the evolution of advanced technology represented by artificial intelligence, big data, and automated driving, along with changes in customer needs. We intend to secure a combined ratio of less than 95 percent in a stable manner by enhancing disciplined underwriting and effectively using our business expenses with an aim of sustaining profit growth.

In the domestic life insurance business, we will proceed with our efforts to strengthen the sale of life insurance by agents specialized in property and casualty insurance and the integration of life insurance and property and casualty insurance from the customer's viewpoint. We will conduct asset management based on Asset Liability Management (ALM) under the assumption that low interest rate will persist over the long-term. We will also reinforce sales of our protection-type products by promoting our "Life Insurance Revolution to Protect One's Living," which indemnifies for the inability to work, medical treatment, and nursing care.

In the overseas insurance business, the Group will continue to promote a growth strategy that is well-balanced between developed markets and emerging countries, direct insurance and reinsurance, property and casualty insurance and life insurance and so forth, by reinforcing internal growth and implementing disciplined and strategic M&A.

The acquisition of HCC enables the Group to utilize its global network to market specialty insurance, the key strength of HCC, and to expand the underwriting capability of HCC by utilizing the Group's solid financial base, etc. Through these efforts, we aim to further improve the capital efficiency of the whole Group while increasing profit. The profit of HCC will contribute to the Group from the fiscal year ending March 31, 2017 onward.

What underpins each of these businesses is human resources. The Group endeavors to have all employees contribute to the growth of the Group by maintaining their good health and maximizing their abilities. This year, the Group was selected as a “Health & Productivity Stock” and “Nadeshiko Brand” co-sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The Group will continue its positive efforts to encourage the success of women in the workplace, develop global human resources, employ handicapped persons, etc.

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

Under our management philosophy to place “customer trust at the base of all its activities”, the entire Group will endeavor to achieve further growth as a corporate group, seeking growth characterized by high profitability, sustainability and soundness. We plan on building up a “Good Company” that is trusted widely by customers and the society. The management would like to express its sincere appreciation to all shareholders of Tokio Marine Holdings for their continued guidance and support.

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

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

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

Note 4: The yen-denominated amounts of the combined premium income for life insurance and property and casualty insurance in overseas insurance business are calculated at exchange rates in effect as of the end of December 2015.

Note 5: The net premiums written of Tokio Marine Kiln Group Limited includes the net premiums written of Tokio Marine Underwriting Limited and Tokio Marine Kiln Insurance Limited.

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

a. The Group's summary of assets and earnings

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

	2013	2014	2015	2016
Ordinary income	3,857,769	4,166,130	4,327,982	4,579,076
Ordinary profit	207,457	274,386	358,182	385,825
Net income attributable to owners of the parent	129,578	184,114	247,438	254,540
Comprehensive income	548,251	442,277	997,024	-14,543
Net assets	2,363,183	2,739,114	3,609,655	3,512,656
Total assets	18,029,442	18,948,000	20,889,670	21,855,328

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

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

	2013	2014	2015	2016
Operating income	48,718	19,442	149,751	96,736
Dividends received	42,798	13,106	143,701	89,455
Insurance subsidiaries	41,898	11,600	142,215	82,782
Other subsidiaries	900	1,506	1,486	6,673
Net income	41,860	12,384	141,734	57,402
Net income per share of common share	54.57 yen	16.14 yen	185.57 yen	76.06 yen
Total assets	2,509,192	2,478,082	2,509,565	2,486,765
Share of insurance subsidiaries	2,421,006	2,374,845	2,383,545	2,333,913
Share of other subsidiaries	75,081	81,718	80,857	80,627

(3) The Group's Principal Offices (As of March 31, 2016)

a. The Company

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

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

b. Subsidiaries and affiliates

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

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

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.
2. "Office name" is the name of the principal office.
3. "Location" is the location of the head office.
4. The dates shown above are the date of incorporation.

(4) The Group's Employees

Business segment	As of March 31, 2015	As of March 31, 2016	Increase (decrease)
Domestic property and casualty insurance	20,119	20,221	102
Domestic life insurance	2,267	2,301	34
Overseas insurance	9,739	12,707	2,968
Financial and other	1,661	1,673	12

Total	33,786	36,902	3,116

Note: The Group's employees as of March 31, 2016 increased from those as of March 31, 2015 due to the acquisition of HCC Insurance Holdings, Inc. and its subsidiary insurance companies and other businesses, and other factors.

(5) The Group's Principal Lenders (As of March 31, 2016)

Business segment	Company name	Lender	Balance of loan
Domestic property and casualty insurance	Tokio Marine & Nichido	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	146,484 million yen
		Syndicated loan	270,432 million yen

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

(6) The Group's Financing Activities

Tokio Marine & Nichido raised 2,400 million U.S. dollars (270,432 million yen) through a syndicated loan arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd. in order to partially finance the acquisition of HCC Insurance Holdings, Inc. and its subsidiary insurance companies and other businesses. In addition, prior to the implementation of the financing mentioned above, Tokio Marine & Nichido Fire Insurance Co., Ltd. received a short-term bridge loan of the same amount as above from The Bank of Tokyo-Mitsubishi UFJ, Ltd. and made a number of refunds, but repaid the amount in full by December 21, 2015.

(7) The Group's Capital Investment Activities

a. Total investment in facilities

Business segment	Amount
Domestic property and casualty insurance	10,670 million yen
Domestic life insurance	321 million yen
Overseas insurance	3,867 million yen
Financial and other	287 million yen
Total	15,147 million yen

Notes: 1. "Amount" is the aggregate amount of investment in facilities for the fiscal year ended March 31, 2016.
2. Yen amounts include certain capital expenditures in other currencies which were converted into yen based on exchange rates as of the end of December 2015.

b. New construction of major facilities and other
None.

(8) Parent Company and Major Subsidiaries (As of March 31, 2016)

a. Parent company
None.

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

Company name	Location	Major business	Date of incorporation	Paid-in capital (Yen in millions)	Ratio of Tokio Marine Holdings's voting rights	Notes

Tokio Marine & Nichido Fire Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Mar. 20, 1944	101,994	100.0%	-
Nisshin Fire & Marine Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	June 10, 1908	20,389	100.0%	-
E.design Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Jan. 26, 2009	24,803	90.5%	-
Tokio Marine & Nichido Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 6, 1996	55,000	100.0%	-
Tokio Marine Millea SAST Insurance Co., Ltd.	Kanagawa, Japan	Small-amount short-term insurance	Sep. 1, 2003	895	100.0%	-
Tokio Marine Asset Management Co., Ltd.	Tokyo, Japan	Investment management and Investment trusts	Dec. 9, 1985	2,000	100.0% (100.0)	-
Tokio Marine North America, Inc.	Wilmington, Delaware, U.S.A	Holding company	June 29, 2011	0	100.0% (100.0)	-
Philadelphia Consolidated Holding Corp.	Bala Cynwyd, Pennsylvania, U.S.A.	Holding company	July 6, 1981	0	100.0% (100.0)	-
Philadelphia Indemnity Insurance Company	Bala Cynwyd, Pennsylvania, U.S.A.	Property and casualty insurance	Feb. 4, 1927	507	100.0% (100.0)	-
First Insurance Company of Hawaii, Ltd.	Honolulu, Hawaii, U.S.A.	Property and casualty insurance	Aug. 6, 1982	481	100.0% (100.0)	-
Tokio Marine America Insurance Company	New York, New York, U.S.A.	Property and casualty insurance	Aug. 13, 1998	563	100.0% (100.0)	-
Delphi Financial Group, Inc.	Wilmington, Delaware, U.S.A.	Holding company	May 27, 1987	0	100.0% (100.0)	-
Safety National Casualty Corporation	St. Louis, Missouri, U.S.A.	Property and casualty insurance	Nov. 28, 1942	3,380	100.0% (100.0)	-

Reliance Standard Life Insurance Company	Chicago, Illinois, U.S.A.	Life insurance	Apr. 2, 1907	6,310	100.0% (100.0)	-
Reliance Standard Life Insurance Company of Texas	Houston, Texas, U.S.A.	Life insurance	Aug. 16, 1983	78	100.0% (100.0)	-
HCC Insurance Holdings, Inc.	Dover, Delaware, U.S.A.	Holding company	Mar. 27, 1991	0	100.0% (100.0)	-
Houston Casualty Company	Dallas, Texas, U.S.A.	Property and casualty insurance	May 27, 1981	563	100.0% (100.0)	-
U.S. Specialty Insurance Company	Dallas, Texas, U.S.A.	Property and casualty insurance	Oct. 28, 1986	473	100.0% (100.0)	-
HCC Life Insurance Company	Indianapolis, Indiana, U.S.A.	Life insurance	Dec. 3, 1980	281	100.0% (100.0)	-
Tokio Marine Kiln Group Limited	London, U.K.	Holding company	July 11, 1994	163	100.0% (100.0)	-
Tokio Marine Underwriting Limited	London, U.K.	Property and casualty insurance	Oct. 27, 2008	0	100.0% (100.0)	-
HCC International Insurance Company PLC	London, U.K.	Property and casualty insurance	July 22, 1981	22,466	100.0% (100.0)	-
Tokio Millennium Re AG	Zurich, Switzerland	Property and casualty insurance	Mar. 15, 2000	26,578	100.0% (100.0)	-
Tokio Marine Asia Pte. Ltd.	Singapore, Singapore	Holding company	Mar. 12, 1992	50,629	100.0%	-
Tokio Marine Insurance Singapore Ltd.	Singapore, Singapore	Property and casualty insurance	July 11, 1923	8,331	100.0% (100.0)	-
Tokio Marine Life Insurance Singapore Ltd.	Singapore, Singapore	Life insurance	May 21, 1948	2,999	85.7% (85.7)	-
Tokio Marine Insurans (Malaysia) Berhad	Kuala Lumpur, Malaysia	Property and casualty insurance	Apr. 28, 1999	11,658	100.0% (100.0)	-

Tokio Marine Life Insurance Malaysia Bhd.	Kuala Lumpur, Malaysia	Life insurance	Feb. 11, 1998	6,530	100.0% (100.0)	-
Edelweiss Tokio Life Insurance Company Limited	Mumbai, India	Life insurance	Nov. 25, 2009	4,449	49.0% (49.0)	-
Tokio Marine Seguradora S.A.	Sao Paulo, Brazil	Property and casualty insurance	June 23, 1937	17,182	97.7% (97.7)	-

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.
2. HCC Insurance Holdings, Inc., Houston Casualty Company, U.S. Specialty Insurance Company, HCC Life Insurance Company and HCC International Insurance Company PLC are included in the table as they became subsidiaries of the Company as of October 27, 2015.
3. SIG Holdings, Inc., Kiln Underwriting Limited, Tokio Millennium Re (UK) Limited, Tokio Marine Bluebell Re Limited and Asia General Holdings Limited are not included in this table due to revision to the standards materiality.
4. The yen amounts of capital in parenthesis have been converted into yen based on the currency exchange rate on the closing date of the fiscal year of the Company. For companies that hold capital in multiple currencies, the amounts are the sum of each currency converted into yen.
5. Figures in brackets shown under Tokio Marine Holdings's voting rights reflect Tokio Marine Holdings's indirectly held ownership ratio in the respective subsidiary.

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

Date of the transactions	Outline of transaction
Oct. 27, 2015	On October 27, 2015, Tokio Marine & Nichido completed procedures for acquiring HCC Insurance Holdings, Inc., a U.S. insurance holding company comprising property & casualty, accident & health and other specialty insurance businesses. The acquisition cost was 898,012 million yen. Details of the company acquired and the purpose of the acquisition are as follows. - Company acquired Company name: HCC Insurance Holdings, Inc. Head office: Dover, Delaware, U.S.A. Business lines: a U.S. insurance holding company comprising property & casualty, accident & health and other specialty insurance businesses - Purpose of the acquisition HCC Insurance Holdings, Inc. has a highly profitable and diversified business portfolio that has no significant overlap with the Group’s existing operations. The acquisition will therefore further diversify the Group’s business portfolio, improve the Group’s capital efficiency and enable sustainable profit growth of the Group.
Mar. 18, 2016	Tokio Marine & Nichido Fire Insurance Co., Ltd. and Tokio Marine Asia Pte. Ltd. have completed the sale of all of the shares of Funde Sino

Life Insurance Co., Ltd., a Chinese life insurance company, that both companies had held to Funde Insurance Holdings Co., Ltd. as of March 18, 2016. The sale price was 51,550 million yen.

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

None.

2. Matters Concerning Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2016)

Name	Position and assigned duties	Other major occupations and other matters
Shuzo Sumi	Representative Director and Chairman of the Board	Chairman of the Board of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Toyota Industries Corporation (outside director) Vice Chairman of Japan Association of Corporate Executives
Tsuyoshi Nagano	Representative Director and President & Chief Executive Officer	President & Chief Executive officer of Tokio Marine & Nichido
Masashi Oba	Representative Director and Executive Vice President Chief Financial Officer (CFO); in charge of Corporate Planning Dept. and Domestic Business Development Dept.	-
Ichiro Ishii	Representative Director and Senior Managing Director Head of international insurance business; in charge of International Business Development Dept. (management of North America, Latin America, Asia (excluding China and East Asia) and Oceania)	Senior Managing Director of Tokio Marine & Nichido
Hirokazu Fujita	Managing Director In charge of Financial Planning Dept. and Corporate Accounting Dept.	Managing Director of Tokio Marine & Nichido

Takayuki Yuasa	Managing Director Chief Risk Officer (CRO); in charge of Risk Management Dept., Legal Dept., Internal Control Dept. and Internal Audit Dept.	Managing Director of Tokio Marine & Nichido
Shinichi Hirose	Director	President & Chief Executive Officer of Tokio Marine & Nichido Life
Akio Mimura	Director (outside director)	Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation Director of Japan Post Holdings Co., Ltd. (outside director) Director of Development Bank of Japan Inc. (outside director) Director of Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director) Chairman of The Japan Chamber of Commerce and Industry Chairman of The Tokyo Chamber of Commerce and Industry
Mikio Sasaki	Director (outside director)	Senior Corporate Advisor (*Soudanyaku*) of Mitsubishi Corporation Director of Mitsubishi Electric Corporation (outside director) Director of Mitsubishi Motors Corporation (outside director) Director of Mitsubishi Research Institute, Inc. (outside director)
Masako Egawa	Director (outside director)	Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Mitsui Fudosan Co., Ltd. (outside director) Director of Asahi Glass Company, Limited (outside director)
Takaaki Tamai	Audit & Supervisory Board Member (Full-time)	-
Takashi Ito	Audit & Supervisory Board Member (Full-time)	-
Yuko Kawamoto	Audit & Supervisory Board Member (outside audit & supervisory board member)	Professor, Graduate School of Finance, Accounting and Law, Waseda University Director of Mitsubishi UFJ Financial Group, Inc.
Akinari Horii	Audit & Supervisory Board Member	Director and Special Advisor of The Canon Institute for Global Studies

	(outside audit & supervisory board member)	
Akihiro Wani	Audit & Supervisory Board Member (outside audit & supervisory board member)	Attorney-at-law

Notes: 1. Outside directors and outside audit & supervisory board members qualify as outside directors and outside company auditors defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan (hereinafter the same shall apply in this Business Report).
2. Mr. Akio Mimura, Mr. Mikio Sasaki, Ms. Masako Egawa, Ms. Yuko Kawamoto, Mr. Akinari Horii and Mr. Akihiro Wani are "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
3. Mr. Shuzo Sumi assumed his position as the Counsellor of Tokio Marine & Nichido effective as of April 1, 2016.
4. Mr. Tsuyoshi Nagano assumed his position as the Chairman of the Board of Tokio Marine & Nichido effective as of April 1, 2016.
5. Mr. Mikio Sasaki assumed his position as a Senior Corporate Advisor (*Tokubetsukomon*) of Mitsubishi Corporation effective as of April 1, 2016.
6. Mr. Takaaki Tamai, as a director of Tokio Marine Holdings and Tokio Marine & Nichido, was in charge of accounting department and has extensive insight regarding finance and accounting matters.
7. Ms. Yuko Kawamoto has many years of experience in research and other activities with respect to financial institutions and has extensive insight regarding finance and accounting matters. As of April 1, 2016, Waseda Graduate School of Finance, Accounting and Law, where she has served as a professor, integrated with another department of the same business school to form Waseda Business School (Graduate School of Business and Finance). She is not engaged in business management at Mitsubishi UFJ Financial Group, Inc.
8. Mr. Akinari Horii, as an executive or a regular employee of Bank of Japan through many years, has extensive insight regarding finance and accounting matters.
9. Mr. Akihiro Wani has many years of experience in his role as a corporate lawyer acting for financial institutions on legal matters and has extensive insight regarding finance and accounting matters.

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

	Number of persons to receive remuneration and other compensation	Remuneration and other compensation
Directors	13 persons	438 million yen
Audit & Supervisory Board Members	6 persons	101 million yen
Total	19 persons	540 million yen

Notes: 1. "Number of persons to receive remuneration and other compensation" includes three directors and one audit & supervisory board member who resigned from office at the close of the 13th ordinary general meeting of shareholders held on June 29, 2015.
2. "Remuneration and other compensation" includes the amounts paid to the directors and the audit & supervisory board member referred to in Note 1 above.
3. Remuneration in connection with share acquisition rights granted to directors is 92 million yen.

4. Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders is described below.

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

(3) Limitation of Liability

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

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

(1) Other Assignments (As of March 31, 2016)

Other occupations of outside directors and outside audit & supervisory board members are as described above in “2. Matters Concerning Directors and Audit & Supervisory Board Members (1) Directors and Audit & Supervisory Board Members (As of March 31, 2016).” From among the entities where outside directors and outside audit & supervisory board members have other occupations, while insurance subsidiaries of the Company conduct considerable amounts of insurance-related transactions with Nippon Steel & Sumitomo Metal Corporation, Nisshin Seifun Group Inc., Mitsubishi Corporation, Mitsubishi Electric Corporation, Mitsubishi Motors Corporation, Asahi Glass Company, Limited and Mitsubishi UFJ Financial Group, Inc., each outside director and outside audit & supervisory board member fulfills the Standards for independence for Outside Directors and Outside Audit & Supervisory Board Members set by the Company.

(2) Principal Activities

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Akio Mimura (outside director)	5 years and 9 months	Attended 11 of the 12 board of directors' meetings held during the fiscal year ended March 31, 2016.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as

			a company manager which has been acquired through many years of experience in a management role.
Mikio Sasaki (outside director)	4 years and 9 months	Attended all 12 board of directors' meetings held during the fiscal year ended March 31, 2016.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Masako Egawa (outside director)	9 months	After assuming the position, attended all 10 board of directors' meetings held during the fiscal year ended March 31, 2016.	She has fulfilled her supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on her insight as a specialist in business management, acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President.
Yuko Kawamoto (outside audit & supervisory board member)	9 years and 9 months	Attended 11 of the 12 board of directors' meetings and all 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2016.	She has fulfilled her audit functions by asking for detailed explanations and making remarks on a timely basis, based on her insight on business management which has been acquired through many years of experience as a consultant and involvement in academic activities.
Akinari Horii (outside audit & supervisory board member)	4 years and 9 months	Attended all 12 board of directors' meetings and all 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2016.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience in his role as an executive or a regular employee of Bank of Japan.
Akihiro Wani (outside audit & supervisory board member)	1 year and 9 months	Attended all 12 board of directors' meetings and all 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2016.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience in his role as an attorney-at-law.

Notes: 1. Current term in office is the length of the term held as of March 31, 2016.
2. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." includes matters in connection with the audit & supervisory board meetings as well as the board of directors' meetings.

3. Of the 12 board of directors' meetings held during the fiscal year ended March 31, 2016, 11 were ordinary meetings, 1 was an extraordinary meeting. All of the 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2016 were ordinary meetings.

(3) Remuneration and Other Compensation

	Number of persons to receive remuneration and other compensation	Remuneration received from the insurance holding company	Remuneration received from the parent company, etc. of the insurance holding company
Total amount of remuneration and other compensation	7 persons	60 million yen	-

Notes: 1. “Number of persons to receive remuneration and other compensation” includes one outside director who resigned from office at the close of the 13th ordinary general meeting of shareholders held on June 29, 2015.
2. “Remuneration received from the insurance holding company” includes the amounts paid to one outside director referred to in Note 1 above.
3. Of the "Remuneration received from the insurance holding company," remuneration in connection with share acquisition rights was 5 million yen.
4. The breakdown of the remuneration is as follows.
- Outside directors: 4 persons, 30 million yen
- Outside audit & supervisory board members: 3 persons, 29 million yen

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

None.

4. Matters Concerning Common Share

(1) Number of Shares (As of March 31, 2016)

Total number of shares authorized to be issued: 3,300,000 thousand shares
Total number of the issued shares: 757,524 thousand shares (including 2,839 thousand treasury shares)

(2) Total Number of Shareholders (As of March 31, 2016)

81,811

(3) Major shareholders (As of March 31, 2016)

Shareholders	Capital contribution to the Company	
	Number of shares held	Ratio of shares held
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	41,070	5.4
Japan Trustee Services Bank, Ltd. (Trust Account)	37,873	5.0
State Street Bank and Trust Company 505001	26,776	3.5
Meiji Yasuda Life Insurance Company	15,779	2.1
The Bank of New York Mellon SA / NV 10	12,921	1.7
JP Morgan Chase Bank 385632	12,731	1.7

Japan Trustee Services Bank, Ltd. (Trust Account 9)	11,823	1.6
State Street Bank and Trust Company 505225	11,101	1.5
The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation	10,832	1.4
State Street Bank West Client - Treaty 505234	10,301	1.4

Notes: 1. The 10,832 thousand shares held by The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation are an asset entrusted by Mitsubishi Corporation for its retirement benefits trust.
2. The ratio of shares held is calculated after deducting 2,839 thousand treasury shares held by the Company.

(Composition ratio by type of shareholders)

Financial institutions:	35.4%
Financial instruments firms:	1.9%
Other domestic companies:	7.7%
Foreign companies:	42.9%
Individuals and others:	12.2%

(The number of outstanding shares as of March 31, 2016: 757,524 thousand shares)

5. Matters Concerning Share Acquisition Rights

The following table sets forth the status and outlines of the share acquisition rights issued by the Company to directors, audit & supervisory board members, and executive officers of Tokio Marine Holdings and its major subsidiaries as remuneration for the performance of their respective duties as of March 31, 2016:

	Number of share acquisition rights (as of March 31, 2016)	Class and number of shares underlying share acquisition rights (as of March 31, 2016)	Amount payable at issuance	Amount to be paid upon exercise of share acquisition rights	Exercise period
July 2005 Share Acquisition Rights	12	6,000 common shares	-	1 yen per share	30 years from the allotment of the share acquisition rights
July 2006 Share Acquisition Rights	11	5,500 common shares	2,013,506 yen		
July 2007 Share Acquisition Rights	80	8,000 common shares	491,700 yen		
August 2008 Share Acquisition Rights	163	16,300 common shares	353,300 yen		

July 2009 Share Acquisition Rights	456	45,600 common shares	237,600 yen		
July 2010 Share Acquisition Rights	709	70,900 common shares	234,400 yen		
July 2011 Share Acquisition Rights	952	95,200 common shares	219,500 yen		
July 2012 Share Acquisition Rights	1,383	138,300 common shares	181,900 yen		
July 2013 Share Acquisition Rights	1,464	146,400 common shares	332,600 yen		
July 2014 Share Acquisition Rights	1,673	167,300 common shares	310,800 yen		
July 2015 Share Acquisition Rights	1,529	152,900 common shares	500,800 yen		

Notes: 1. All share acquisition rights are issued by the Company pursuant to a stock-linked compensation plan.
2. The July 2005 Share Acquisition Rights were issued with especially favorable terms to directors, audit & supervisory board members, and executive officers, pursuant to Articles 280-20 and 280-21 of the former Commercial Code.
3. Share acquisition rights issued from July 2006 through July 2015 were allotted to directors, audit & supervisory board members, and executive officers to settle their cash remuneration claims against their respective companies, pursuant to Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act of Japan.
4. Share acquisition rights held by any of directors, audit & supervisory board members, and executive officers that he/she received in his/her capacity as a director, audit & supervisory board member, or executive officer of the relevant entity may only be exercised after he/she has resigned from any position as a director, audit & supervisory board member, or executive officer of such entity.

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

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Directors (except outside directors)		Outside Directors		Audit & Supervisory Board Members	
			Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights
July 2007 Share Acquisition Rights	19	1,900 common shares	1 person	16	-	-	1 person	3
August 2008 Share Acquisition Rights	22	2,200 common shares	1 person	19	-	-	1 person	3

July 2009 Share Acquisition Rights	39	3,900 common shares	1 person	33	-	-	1 person	6
July 2010 Share Acquisition Rights	55	5,500 common shares	2 persons	41	1 person	7	1 person	7
July 2011 Share Acquisition Rights	116	11,600 common shares	3 persons	76	2 persons	14	1 person	26
July 2012 Share Acquisition Rights	196	19,600 common shares	4 persons	117	2 persons	18	1 person	61
July 2013 Share Acquisition Rights	187	18,700 common shares	4 persons	118	2 persons	14	2 persons	55
July 2014 Share Acquisition Rights	133	13,300 common shares	5 persons	113	2 persons	12	1 person	8
July 2015 Share Acquisition Rights	205	20,500 common shares	7 persons	193	3 persons	12	-	-

Note: As of March 31, 2016, the directors and audit & supervisory board members of the Company have been allotted the number of share acquisition rights to settle their monetary remuneration claims accrued as consideration for their service in the respective companies set forth in this table. The directors and audit & supervisory board members of the Company who were also executive officers of the Company or directors or executive officers of the Company's major subsidiaries at the time of the issuance of the share acquisition rights have been allotted the number of share acquisition rights set forth below in their capacity as directors or executive officers of these companies.

The July 2005 Share Acquisition Rights: 12
The July 2006 Share Acquisition Rights: 8
The July 2007 Share Acquisition Rights: 45
The August 2008 Share Acquisition Rights: 51
The July 2009 Share Acquisition Rights: 92
The July 2010 Share Acquisition Rights: 151
The July 2011 Share Acquisition Rights: 179
The July 2012 Share Acquisition Rights: 169
The July 2013 Share Acquisition Rights: 124
The July 2014 Share Acquisition Rights: 112
The July 2015 Share Acquisition Rights: 92

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

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Employees		Directors and employees of subsidiaries	
			Number of persons allotted share acquisition rights	Number of share acquisition rights	Number of persons allotted share acquisition rights	Number of share acquisition rights
July 2015 Share Acquisition Rights	1,298	129,800 common shares	8 persons	181	60 persons	1,117

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

6. Matters Concerning the Independent Auditor

(1) Independent Auditor (PricewaterhouseCoopers Aarata)

Name	Remuneration for the fiscal year ended March 31, 2016	Other matters
Designated Partners: Takashi Sasaki Susumu Arakawa Takashi Idesawa	132 million yen	Non-audit services (i.e., services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Law) provided to the Company by the independent auditor for a fee: accounting advisory service related to International Financial Reporting Standards (IFRS), etc.

Notes: 1. The Audit & Supervisory Board of the Company has conducted necessary verification on the properness of the auditor’s audit plan, the performance of the audit and the grounds for the auditor’s estimate of compensation, and has consented to the amount of the auditor’s compensation as set forth in paragraph 1, Article 399 of Companies Act of Japan.

2. The audit engagement letter entered into between the Company and the independent auditor does not clearly distinguish between the remuneration for audit services required by the Companies Act of Japan and the remuneration for a part of audit services required by the Financial Instruments and Exchange Act of Japan for these services are practically inseparable.

3. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 1,002 million yen.

(2) Limitation of Liability

None.

(3) Other matters Concerning the Independent Auditor

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

The Company has adopted a policy regarding decisions on dismissing or not reappointing an

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

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

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

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

None.

8. System to assure appropriate business operations

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

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

1. System for ensuring proper operations within the Tokio Marine Group (the “Group”)

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

a. The Company shall administer the business of Group companies under its direct management ("Subsidiaries and Others") by concluding business management agreements with them and through other means.

(a) The Company shall provide Subsidiaries and Others with the Group's basic policies that form the fundamentals of the Group's management strategies and the Company's management.

(b) Business strategies, business projects and other important plans by Subsidiaries and Others shall be subject to the Company's prior approval.

(c) Subsidiaries and Others shall report to the Company their initiatives based on the Group's basic policies and the progress of their business plans.

b. The business management of Group companies other than Subsidiaries and Others shall, in principle, be made through Subsidiaries and Others.

(2) The Company shall establish the Group's basic policies for accounting, grasp its consolidated financial position and the Group companies' financial positions, and implement systems for obtaining approval from, and submitting reports to, shareholders and supervisory organizations and submitting tax returns to authorities in a proper manner.

(3) The Company shall establish the Group's basic policies for internal controls over financial reporting and implement systems for ensuring the appropriateness and reliability of financial reporting.

(4) The Company shall establish the Group's basic policies for disclosure, and implement systems for disclosing information on corporate activities in a timely and proper manner.

(5) The Company shall establish the Group's basic policies for management of intragroup transactions and implement systems for such transactions.

2. System for ensuring the execution of professional duties in accordance with applicable laws, regulations and the Articles of Incorporation

(1) The Company shall establish the Group's basic policies for compliance and implement compliance systems.

a. The Company shall establish a department supervising compliance.

b. The Company shall formulate the "Group Code of Conduct" and ensure that all directors and employees of the Group respect such code of conduct and give top priority to compliance in all phases of the Group's business activities.

c. The Company shall have Subsidiaries and Others prepare compliance manuals and widely promote compliance within the Group by means of training on laws, regulations, internal rules and other matters which all directors and employees of the Group must respect.

d. The Company shall establish reporting rules in the event of a violation of laws, regulations or internal rules within any of the Subsidiaries and Others and, in addition to usual reporting routes, set up hotlines (an internal whistle-blower system) to an internal and external organization and while keeping all directors and employees of the Group well informed as to the use of the system.

(2) The Company shall establish the Group's basic policies for the protection of customers' interests and maintain a customer-oriented policy in all phases of business in order to implement a system for the protection of customers' interests.

(3) The Company shall establish the Group's basic policies for information security management and implement such systems.

(4) The Company shall establish the Group's basic policies against antisocial factions and groups, and in association with lawyers, police and other professionals, implement its systems against such antisocial factions and groups, and respond to them in an organized and uncompromising manner by severing relationships with them and refusing unfair demands.

(5) The Company shall establish an internal audit department separate and independent of other departments, establish the Group's basic policies for internal audits of the Group and implement systems for efficient and effective internal audits within the Company and Group companies.

3. System for risk management

(1) The Company shall establish the Group's basic policies for risk management and implement risk management systems.

a. The Company shall establish a department supervising risk management.

b. The Company shall perform risk management by following the basic processes of risk identification, evaluation and control, contingency planning and assessment of outcomes through risk monitoring and reporting.

c. The Company shall have each of the Subsidiaries and Others perform risk management appropriate to its types of business and its risk characteristics.

(2) The Company shall establish the Group's basic policies for integrated risk management and perform quantitative risk management across the entire Group to maintain credit ratings and prevent bankruptcies.

(3) The Company shall establish the Group's basic policies for crisis management and implement systems for crisis management.

4. System for ensuring efficient execution of professional duties

(1) The Company shall formulate a medium-term management plan and an annual plan (including numerical targets, etc.) for the Group.

(2) The Company shall establish rules regarding the exercise of authority and construct an appropriate organizational structure for achieving its business purposes in order to realize efficient execution of operations through a proper division of responsibilities and a chain of command.

(3) The Company shall formulate rules for and establish a "Management Meeting", composed of directors, executive officers and other relevant persons, that shall discuss and report on important management issues.

(4) The Company shall establish an Internal Control Committee that shall formulate various basic policies and other measures concerning the Group's internal control systems, evaluate their progress, discuss how to improve them, and promote their implementation.

(5) The Company shall establish the Group's basic policies for IT governance, and implement systems for achieving IT governance.

(6) The Company shall establish the Group's basic policies for personnel matters with a view to enhancing productivity and corporate value through comprehensive efforts to enhance employees' satisfaction and pride in their work and promoting fair and transparent personnel management linked with proper performance evaluation.

(7) The Company shall establish system for ensuring efficient execution of professional duties at the Group companies as well as the Company in addition to the above (1) to (6).

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

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

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

(1) The Company shall establish the Office of Audit & Supervisory Board under the direct

control of the Audit & Supervisory Board Members for the purpose of supporting them in the performance of their duties. Upon request of the Audit & Supervisory Board Members, the Company shall assign full-time employees having sufficient knowledge and ability to support the Members in the performance of their duties.

(2) Employees assigned to the Office of Audit & Supervisory Board shall perform duties ordered by the Audit & Supervisory Board Members and other work necessary for proceeding with audits, and such employees shall have the right to collect information necessary for audit purposes.

(3) Performance evaluations, personnel transfers and disciplinary action concerning such employees shall be made with the approval of the Audit & Supervisory Board Members (Full-time).

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

(1) Directors and employees shall regularly report to the Audit & Supervisory Board Members on management, financial condition, compliance, risk management, internal audits and other matters, and in the event that they detect a material violation of laws, regulations or internal rules, concerning the execution of operations of the Company or the Group companies or a fact likely to cause considerable damage to the Company or the Group companies, they shall immediately report thereof to the Audit & Supervisory Board Members.

(2) The Company shall establish system to ensure that the Audit & Supervisory Board Members shall be reported by directors and employees or the ones having received the report from them, in the event that they detect a material violation of laws, regulations or internal rules concerning the execution of operations of the Company or the Group companies, or a fact likely to cause considerable damage to the Company or the Group companies.

(3) The Company shall establish system necessary as to that directors and employees , who reported the matters as per above mentioned to the Audit & Supervisory Board Members, shall not be given any disadvantageous treatment because of the concerned report in the Company or the Group companies.

(4) Directors and employees shall regularly report to the Audit & Supervisory Board Members on matters such as how the hot lines (the internal whistle-blower system) are used and reports and consultations made.

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

(1) The Audit & Supervisory Board Members shall attend meetings of the Board of Directors, have the right to attend "Management Meetings" and other important meetings and committees, and express their opinions.

(2) The Audit & Supervisory Board Members shall have the right to inspect at any time the minutes of important meetings and other important documents relating to decisions approved by directors and executive officers.

(3) Directors and employees shall, at any time upon the request of the Audit & Supervisory Board Members, explain matters concerning the execution of their duties.

(4) The Internal Audit Department shall strengthen its coordination with the Audit & Supervisory Board Members by assisting in the audit process and through other means.

(5) The company shall pay all the expense and fees incurred regarding the execution of duties

by the Audit & Supervisory Board Members, unless the company proves that they aren't necessary for the execution.

(2) Overview of Implementation of Internal Control System

a. Internal Control System in General

The Company has formulated its “Basic Policies for Internal Controls” and, in accordance with these Policies, the Company has established an internal control system for the entire Group, through which it endeavors to ensure proper operations while raising corporate value. The Company monitors the status and practical application of the Internal Control System twice a year, and the Board of Directors confirms the details of the monitoring based on deliberations at the Internal Control Committee. In addition, the Company continually strengthens and improves the Internal Control System in light of the results of this monitoring.

b. Efforts related to Management Control of Group Companies

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

c. Efforts related to Compliance

The Group conducts training each year to inform directors and officers of laws, regulations and internal rules that directors and officers are required to comply with. The Group has also installed hotlines for directors and officers to report internally regarding potential compliance issues, as well as informing them about use of the hotlines through training and other methods and responding to reports. This fiscal year, in light of the expansion of the Group’s overseas business, the Company utilized outside specialist organizations to evaluate risks, especially those relating to overseas corruption and economic sanctions. The Company will work on maintenance and improvement of its management system based on this risk evaluation.

d. Efforts related to Risk Management

The Company identifies risks that may have material effect on the financial soundness and continuity of operations of the Company, establishes countermeasures against such risks, deliberates on the implementation of such countermeasures at the Internal Control Committee and confirms their effectiveness at board of directors’ meetings. During this fiscal year, the Company established a common rule applicable to the entire Group regarding natural disasters such as earthquakes that could have a material effect on the continuity of Group operations. In order to maintain credit ratings and forestall bankruptcy, the Board of Directors conducts a multi-faceted investigation to confirm that the Group’s real net assets are at a sufficient level compared to the risks the Group faces and confirms that financial soundness is maintained.

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

The Company provides information to Audit & Supervisory Board Members sufficient to ensure effective audit by the Audit & Supervisory Board Members such as by having them attend meetings of the Board of Directors and other important meetings, as well as providing them access to important financial reports, which allows them to evaluate directors' execution of their duties. The Company's Internal Audit Department also reports to the Audit & Supervisory Board Members on the internal audit plan, the outcome of the internal audit and the review of internal audit plan. In addition, the Company reports to Audit & Supervisory Board Members four times a year on the implementation of the internal reporting hotline.

9. Items related to Specified Wholly-owned Subsidiary

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

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

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

2,086,778 million yen

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

2,486,765 million yen

10. Matters Concerning Transactions with the Parent Company

None.

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

None.

12. Other Matters

None.

Consolidated Balance Sheet as of March 31, 2016

(Yen in millions)

	As of March 31, 2016
Assets	
Cash and bank deposits	1,031,610
Call loans	21,000
Receivables under resale agreements	4,999
Receivables under securities borrowing transactions	21,597
Monetary receivables bought	1,345,859
Money trusts	63,049
Securities	15,457,012
Loans	878,951
Tangible fixed assets	277,413
Land	129,017
Buildings	120,194
Construction in progress	56
Other tangible fixed assets	28,145
Intangible fixed assets	1,022,112
Software	37,817
Goodwill	534,593
Other intangible fixed assets	449,700
Other assets	1,692,808
Net defined benefit assets	12,440
Deferred tax assets	33,558
Customers' liabilities under acceptances and guarantees	9,026
Allowance for doubtful accounts	(16,111)
Total assets	21,855,328
Liabilities	
Insurance liabilities	15,144,114
Outstanding claims	2,663,123
Underwriting reserves	12,480,991
Corporate bonds	77,677
Other liabilities	2,291,591
Payables under securities lending transactions	704,077
Other liabilities	1,587,513
Net defined benefit liabilities	242,952
Provision for retirement benefits for directors	21
Provision for employees' bonus	57,355
Reserves under special laws	88,144
Price fluctuation reserve	88,144
Deferred tax liabilities	361,960
Negative goodwill	69,827
Acceptances and guarantees	9,026
Total liabilities	18,342,671
Net assets	
Shareholders' equity	
Share capital	150,000
Retained earnings	1,531,072
Treasury shares	(10,742)
Total shareholders' equity	1,670,329
Accumulated other comprehensive income	
Unrealized gains (losses) on available-for-sale securities	1,601,187
Deferred gains (losses) on hedge transactions	19,870
Foreign currency translation adjustments	210,134
Remeasurements of defined benefit plans	(16,796)
Total accumulated other comprehensive income	1,814,395
Share acquisition rights	2,485
Non-controlling interests	25,445
Total net assets	3,512,656
Total liabilities and net assets	21,855,328

Consolidated Statement of Income for the fiscal year ended March 31, 2016

(Yen in millions)

	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Ordinary income	4,579,076
Underwriting income	3,921,369
Net premiums written	3,265,578
Deposit premiums from policyholders	125,092
Investment income on deposit premiums	51,814
Life insurance premiums	471,666
Other underwriting income	7,217
Investment income	555,912
Interest and dividends	386,507
Gains on money trusts	345
Gains on trading securities	4,552
Gains on sales of securities	163,043
Gains on redemption of securities	488
Gains on derivatives	43,520
Other investment income	9,269
Transfer of investment income on deposit premiums	(51,814)
Other ordinary income	101,793
Amortization of negative goodwill	10,229
Other ordinary income	91,564
Ordinary expenses	4,193,251
Underwriting expenses	3,370,943
Net claims paid	1,662,021
Loss adjustment expenses	127,732
Agency commissions and brokerage	663,787
Maturity refunds to policyholders	222,046
Dividends to policyholders	155
Life insurance claims	410,957
Provision for outstanding claims	164,785
Provision for underwriting reserves	108,482
Other underwriting expenses	10,974
Investment expenses	107,878
Losses on sales of securities	20,465
Impairment losses on securities	16,555
Losses on redemption of securities	933
Investment losses on separate accounts	35,387
Other investment expenses	34,536
Operating and general administrative expenses	697,309
Other ordinary expenses	17,120
Interest expenses	7,465
Losses on bad debts	97
Equity in losses of affiliates	2,421
Amortization of deferred assets under Article 113 of the Insurance Business Act	3,826
Other ordinary expenses	3,308
Ordinary profit	385,825

(Yen in millions)

	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Extraordinary gains	687
Gains on disposal of fixed assets	348
Other extraordinary gains	339
Extraordinary losses	13,668
Losses on disposal of fixed assets	1,042
Impairment losses on fixed assets	2,215
Provision for reserves under special laws	5,199
Provision for price fluctuation reserve	5,199
Other extraordinary losses	5,210
Income before income taxes and non-controlling interests	372,845
Income taxes - current	107,596
Income taxes - deferred	9,268
Total income taxes	116,865
Net income	255,980
Net income attributable to non-controlling interests	1,439
Net income attributable to owners of the parent	254,540

Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2016

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance as of April 1, 2015	150,000	1,357,846	(11,038)	1,496,808
Changes during the year				
Dividends		(81,124)		(81,124)
Net income attributable to owners of the parent		254,540		254,540
Purchases of treasury shares			(129)	(129)
Disposal of treasury shares		(133)	425	291
Changes in the scope of consolidation		(130)		(130)
Others		73		73
Net changes in items other than shareholders' equity				
Total changes during the year	-	173,225	295	173,521
Ending balance as of March 31, 2016	150,000	1,531,072	(10,742)	1,670,329

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance as of April 1, 2015	1,846,908	19,183	237,201	(21,397)	2,037	28,915	3,609,655
Changes during the year							
Dividends							(81,124)
Net income attributable to owners of the parent							254,540
Purchases of treasury shares							(129)
Disposal of treasury shares							291
Changes in the scope of consolidation							(130)
Others							73
Net changes in items other than shareholders' equity	(245,720)	687	(27,066)	4,600	448	(3,469)	(270,520)
Total changes during the year	(245,720)	687	(27,066)	4,600	448	(3,469)	(96,998)
Ending balance as of March 31, 2016	1,601,187	19,870	210,134	(16,796)	2,485	25,445	3,512,656

Notes to Consolidated Financial Statements

Significant matters related to consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 155 companies
Names of major consolidated subsidiaries:
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Nisshin Fire & Marine Insurance Co., Ltd.
E.design Insurance Co., Ltd.
Tokio Marine & Nichido Life Insurance Co., Ltd.
Tokio Marine Millea SAST Insurance Co., Ltd.
Tokio Marine Asset Management Co., Ltd.
Tokio Marine North America, Inc.
Philadelphia Consolidated Holding Corp.
Philadelphia Indemnity Insurance Company
First Insurance Company of Hawaii, Ltd.
Tokio Marine America Insurance Company
Delphi Financial Group, Inc.
Safety National Casualty Corporation
Reliance Standard Life Insurance Company
Reliance Standard Life Insurance Company of Texas
HCC Insurance Holdings, Inc.
Houston Casualty Company
U.S. Specialty Insurance Company
HCC Life Insurance Company
Tokio Marine Kiln Group Limited
Tokio Marine Underwriting Limited
HCC International Insurance Company PLC
Tokio Millennium Re AG
Tokio Marine Asia Pte. Ltd.
Tokio Marine Insurance Singapore Ltd.
Tokio Marine Life Insurance Singapore Ltd.
Tokio Marine Insurans (Malaysia) Berhad
Tokio Marine Life Insurance Malaysia Bhd.
Tokio Marine Seguradora S.A.

Beginning with the fiscal year ended March 31, 2016, HCC Insurance Holdings, Inc., Houston Casualty Company, U.S. Specialty Insurance Company, HCC Life Insurance Company, HCC International Insurance Company PLC and other 65 companies are included in the consolidation due to the acquisition of the shares of HCC Insurance Holdings, Inc., among other reasons.

(2) Names of major non-consolidated subsidiaries
Major subsidiaries:
Tokio Marine & Nichido Adjusting Service Co., Ltd.
Tokio Marine Capital Co., Ltd.

Reason the subsidiaries were excluded from the consolidation:

Each of these non-consolidated subsidiaries is small in scale in terms of total assets, sales, net income or loss for the period and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations and are excluded from the consolidation.

2. Application of the equity method

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

Names of major affiliates accounted for by the equity method:

Edelweiss Tokio Life Insurance Company Limited

IndemCo, LP and one other company have been included in the scope of application of the equity method from the fiscal year ended March 31, 2016, because the Group acquired the shares of HCC Insurance Holdings, Inc.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (IFFCO-TOKIO General Insurance Co., Ltd., etc.) have not been accounted for by the equity method because these companies have had a minor effect on the Company's consolidated net income or loss for the period and retained earnings and are not considered material as a whole.

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

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

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for one of the domestic consolidated subsidiaries and 145 overseas consolidated subsidiaries is December 31. Since the differences in the closing dates do not exceed three months, the financial statements of the consolidated subsidiaries as of December 31 are used for presentation in the accompanying consolidated financial statements. As for any significant transactions taking place during the period between the subsidiaries' closing dates and the consolidated closing date, necessary adjustments are made for consolidation purposes.

4. Accounting policies

(1) Valuation of securities

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

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

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

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

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

d. Other securities with fair value are recorded by the mark-to-market method based upon the market price on the closing date.

The total amount of unrealized gains/losses on such securities is directly added to net assets with costs of sales being calculated on the moving-average method.

e. Other securities for which the fair value cannot be measured reliably are recorded at cost determined by the moving-average method.

f. Investment in non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are recorded at cost determined by the moving-average method.

g. Securities held in individually managed money trusts that are invested as trusted assets are recorded by the mark-to-market method.

(2) Valuation of derivative transactions

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

(3) Depreciation method for tangible fixed assets

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 fixtures 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. Allowance for doubtful accounts

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

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

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

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

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

b. Retirement benefit obligations for directors

Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors in the amount considered to be accrued as of the end of the fiscal year ended March 31, 2016, which is calculated in accordance with their internal remuneration regulations.

c. Provision for employees’ bonus

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

d. Price fluctuation reserve

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

(6) Accounting for retirement benefit

a. Attribution method for projected retirement benefit obligations

In calculating retirement benefit obligations, attribution to the period ended March 31, 2016 is based mainly on benefit formula criteria.

b. Method to charge actuarial differences and prior service costs

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

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

(7) Accounting for consumption tax, etc.

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

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

(8) Accounting for significant lease transactions

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

(9) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct Asset Liability Management ("ALM") to control such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swap transactions that are used to manage such risks, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swap transactions based upon the Industry Audit Committee Report No. 26, “Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry” (issued by the JICPA, September 3, 2002 - hereinafter called “Report No. 26”).
Effectiveness is not evaluated for hedge treatments that are believed to have high hedge effectiveness, because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments.

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

b. Foreign exchange

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

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

(10) Amortization method and amortization period for goodwill

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

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

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

The Company evaluated the amount of amortization of deferred assets under Article 113 of the Insurance Business Act for E.design Insurance Co., Ltd. in accordance with applicable laws and regulations and the Articles of Incorporation of E.design Insurance Co., Ltd.

Notes to changes in the accounting policies

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

presentation, the consolidated financial statements in the previous fiscal year have been reclassified.

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

As a result, ordinary profit and income before income taxes and non-controlling interests for the fiscal year ended March 31, 2016 decreased by 3,571 million yen, respectively.

Additional Information

(Amendment of the amounts of deferred tax assets and deferred tax liabilities due to changes in the corporate income tax rate)
"Act for Partial Amendment of the Income Tax Act, etc." (Act No. 15 of 2016) was enacted in the Diet session on March 29, 2016 and the corporate income tax rate for fiscal years beginning on and after April 1, 2016 was decreased. Accordingly, deferred tax liabilities (after deducting deferred tax assets) decreased by 4,947 million yen and unrealized gains on securities, net of taxes, increased by 17,442 million yen. Income before income taxes increased by 474 million yen and net income attributable to owners of the parent decreased by 11,867 million yen.

Statutory effective tax rates applied to the Company and Tokio Marine & Nichido for calculation of deferred tax assets and deferred tax liabilities regarding temporary differences to be resolved in the fiscal year beginning on and after April 1, 2016 are as follows:
a. Tax rates applied to the Company
- Before the change: 33.1%
- Fiscal years beginning on April 1, 2016 and April 1, 2017: 30.9%
- Fiscal years beginning on and after April 1, 2018: 30.6%

b. Tax rates applied to Tokio Marine & Nichido
- Before the change: 28.7%
- Fiscal years beginning on April 1, 2016 and April 1, 2017: 28.1%
- Fiscal years beginning on and after April 1, 2018: 27.9%

Notes to consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets is 346,874 million yen, and deferred capital gain for tax purpose is 19,012 million yen.

2. Shares and investment in non-consolidated subsidiaries and affiliates are 92,208 million yen and 8,318 million yen, respectively.

3. Of all loans, the total amount of loans to borrowers in bankruptcy, past due loans, loans past due for three months or more, and restructured loans is 8,549 million yen. The breakdown is set forth below.

(1) The amount of loans to borrowers in bankruptcy is nil.

Loans that are past due for a certain period, or for other reasons, are generally placed on non-accrual status when substantial doubt is considered to exist as to the ultimate collectibility either of principal or interest ("Non-accrual status loans"; however, any part of bad debt written-off is excluded.). Loans to borrowers in bankruptcy represent non-accrual status loans that fall within the definitions provided in Article 96, paragraph 1, subparagraph 3 (a) to (e) (maximum amount transferable to allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 583 million yen.

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

(3) The amount of loans past due for three months or more is 4 million yen.

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

(4) The amount of restructured loans is 7,960 million yen.

Restructured loans are loans on which concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of the maturity date, forgiveness of debt) are granted to borrowers in financial difficulties to assist them in their corporate restructuring by improving their ability to repay creditors. Restructured loans do not include loans classified as loans to borrowers in bankruptcy, past due loans or loans past due for three months or more.

4. The value of assets pledged as collateral totals 47,340 million yen in savings deposits, 33,583 million yen in monetary receivables bought, 449,133 million yen in securities, 21 million yen in land and 455 million yen in buildings.

   Collateralized debt obligations are held to the value of 135,665 million yen in outstanding claims, 126,605 million yen in underwriting reserve, 3,015 million yen in corporate bonds and 78,894 million yen in other debts (including foreign reinsurance related debts, etc.).

5. The amount of non-recourse debt of the consolidated special-purpose company is 3,015 million yen in corporate bonds. The assets corresponding to the non-recourse debt are 3,015 million yen in securities.

6. Of securities, etc., received in connection with cash-secured lending transactions and others, those with the right to dispose by sale or rehypothecation have a fair value of 42,059 million yen and are wholly held by the Company.

7. Securities include securities lent under loan agreements of 874,638 million yen.

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

	(Yen in millions)
Total loan commitments	195,161

Balance of drawn committed loans	76,792
Undrawn loan commitments	118,368

9. The amount of both assets and liabilities for special account as prescribed in Article 118 of the Insurance Business Act totals 1,003,158 million yen.

10. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2016 is as follows:

	(Yen in millions)
Tokio Marine Compaňía de Seguros, S.A. de C.V.	4,324
Tokio Marine Pacific Insurance Limited	3,670
Tokio Marine Global Re Limited	9
Total	8,004

11. Other assets include 11,480 million yen of deferred assets under Article 113 of the Insurance Business Act.

Notes to consolidated statement of income

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	551,377
Salaries	280,762

Business expenses consist of "Loss adjustment expenses", "Operating and general administrative expenses" and "Agency commissions and brokerage" as shown in the accompanying consolidated statement of income.

2. The amount of other extraordinary gains is 339 million yen in gains on liquidation of subsidiaries and affiliates.

3. The Group recognized impairment losses on the following properties.

Purpose of use	Category	Location	Impairment loss (Yen in millions)			
			Land	Building	Others	Total
Properties for business use (nursing care services)	Buildings and others	4 properties including equipment attached to buildings in Yokohama-shi, Kanagawa	-	48	239	287
Properties for rent	Land and buildings	A building in Aizuwakamatsu-shi, Fukushima	164	88	-	252
Idle or potential disposal properties	Land and buildings	3 properties including a training center in Shijonawate-shi, Osaka	1,377	297	-	1,675

Total			1,542	433	239	2,215

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

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

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

With respect to the goodwill pertaining to Edelweiss Tokio Life Insurance Company Limited, a 2,929 million yen impairment loss was recognized in view of the current business environment and is included in “Equity in losses of affiliates” of other ordinary expenses.

4. The main component of other extraordinary losses is impairment losses on investment of subsidiaries and affiliates of 5,196 million yen

Notes to consolidated statement of changes in shareholders' equity

1. Class and number of issued shares and treasury share

(Thousand shares)

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

Notes: 1. The increase of 27 thousand treasury shares of common share is attributable to acquisitions of shares constituting less than one unit of common shares.

2. The decrease of 112 thousand treasury shares of common share is primarily attributable to allotments of shares in connection with exercises of share acquisition rights which

decreased treasury share by 112 thousand.

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

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

3. Dividends

(1) Amount of dividends

Resolution	Class of share	Total amount of dividends paid (Yen in millions)	Amount of dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2015	Common share	41,502	55.00	March 31, 2015	June 30, 2015
Meeting of the board of directors held on November 18, 2015	Common share	39,621	52.50	September 30, 2015	December 2, 2015

(2) Dividends of which the record date falls within the fiscal year ended March 31, 2016, and of which the effective date falls on or after April 1, 2016.

The Company intends to obtain approval for the following dividend payment at the 14th Ordinary General Meeting of Shareholders to be held on June 27, 2016.

Resolution	Class of share	Total amount of dividends paid (Yen in millions)	Source of dividends	Amount of dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders to be held on June 27, 2016	Common share	43,394	Retained earnings	57.50	March 31, 2016	June 28, 2016

Information on financial instruments

1. Qualitative information on financial instruments

The Group's core operation is its insurance business and it generally makes investments based on cash inflows mainly arising from insurance premiums. Investment assets are managed in two categories, which are "Assets backing insurance liabilities" corresponding to long-term insurance contracts such as deposit type insurance and annuity, and "Other".

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

With regard to "Other", the Group works toward diversification of investments and improvement of investment efficiency in order to generate sustainable investment income, while maintaining liquidity for future claims payments.

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

Through these approaches, the Group aims to minimize fluctuations in short-term gains and losses, increase investment income in order to maximize net asset value in the mid-to-long-term, and maintain financial soundness.

2. Fair value of financial instruments

The table below shows the fair value of financial instruments excluding unlisted shares and others without reasonably measured fair value as of March 31, 2016.

(Yen in millions)

		Carrying amount shown on balance sheet	Fair value	Difference
(1)	Cash and bank deposits	1,031,610	1,031,842	231
(2)	Call loans	21,000	21,000	-
(3)	Receivables under resale agreements	4,999	4,999	-
(4)	Receivables under security borrowing transactions	21,597	21,597	-
(5)	Monetary receivables bought	1,345,563	1,345,563	-
(6)	Money trusts	63,049	63,049	-
(7)	Securities			
	Trading securities	1,210,270	1,210,270	-
	Bonds held to maturity	3,538,490	4,477,954	939,463
	Bonds earmarked for underwriting reserves	77,076	81,315	4,239
	Available for sale securities	10,408,446	10,408,446	-
(8)	Loans	769,318		
	Allowance for doubtful accounts (*1)	-4,201		
		765,117	770,920	5,803
(9)	Corporate bonds (*2)	(77,677)	(80,302)	(2,624)
(10)	Payables under security lending transactions (*2)	(704,077)	(704,077)	-
(11)	Derivative assets and liabilities (*3)	64,518	64,518	-

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amount.
(*2) Items in liabilities are shown with ( ).

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

Notes: 1. Valuation method for financial instruments

With regard to (1) Cash and bank deposits (excluding those defined as securities in "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008)), (2) Call loans, (3) Receivables under resale agreements, and (4) Receivables under security borrowing transactions, the book value is deemed as the fair value in principle since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

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

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

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

With regard to (10) Payables under security lending transactions, the book value is deemed as the fair value because it is scheduled to be settled in a short period of time and the book value approximates the fair value.

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

2. Unlisted shares and partnership investments comprised of unlisted shares (Carrying amount on the consolidated balance sheet: 219,413 million yen) are not included in (7) Securities because the fair value cannot be determined as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans (Carrying amount on the consolidated balance sheet: 109,632 million yen) are not included in (8) Loans because future cash flows cannot be estimated since it is arranged under insurance policy and the amount is limited within repayment fund for cancellation with no contractual maturity.

Information on investment property

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

2. Fair value of investment property

(Yen in millions)

Carrying amount shown on balance sheet as of March 31, 2016	Fair value as of March 31, 2016
66,472	136,666

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

2. Fair value as of March 31, 2016 is primarily based on appraisals by qualified external valuers.

Per share information

Net assets per share	4,617.45 yen
Net income per share	337.27 yen

Others

1. Business combination by acquisition

Through Tokio Marine & Nichido, a subsidiary of the Company, the Company acquired 100% of the issued shares of HCC Insurance Holdings, Inc. ("HCC"), a U.S. insurance holding company comprising property & casualty, accident & health and other specialty insurance businesses.

(1) Outline of the business combination

a. Name of the acquiree
HCC Insurance Holdings, Inc.

b. Business
Insurance group holding company

c. Business combination objectives
HCC's business portfolio is highly profitable and diverse, with no significant overlap with the existing operations of the Company. The acquisition will further diversify the Group's business portfolio, leading to significant improvement in capital efficiency and sustainable growth of the Group as a whole, and enable us to aim at establishing a more solid Group business foundation.

d. Date of the business combination
October 27, 2015

e. Form of the business combination
Reverse triangular merger under Delaware business combination laws

f. Name after the acquisition
HCC Insurance Holdings, Inc.

g. Voting rights acquired through the business combination
100%

h. Major reasons for decision to acquire the company
Given that Tokio Marine & Nichido obtained control of HCC by acquiring all of its voting rights, we decided that Tokio Marine & Nichido would be the acquiring company.

(2) Period of the business results of the acquired company included in the consolidated statement of income

The account closing date of the acquired company is December 31. As the difference from our consolidated account closing date does not exceed three months, we have used the financial statements as of December 31 to prepare the consolidated financial statements. The acquisition date was deemed to be December 31, 2015 and therefore the business results of the acquired company are included only in the consolidated balance sheet and excluded from the consolidated statement of income.

(3) Acquisition cost of the acquired company and breakdown of the consideration by kind

Consideration for HCC shares acquired	898,012	million yen in cash
Acquisition cost	898,012	million yen

(4) Major acquisition-related expenses and amounts
Advisory expenses, etc. 3,571 million yen

(5) Amount, reason for recognition, method and period of amortization of goodwill
a. Amount of goodwill
339,086 million yen

b. Reason for recognition of goodwill
The acquisition cost of the aquiree, which was calculated by taking into account projections of the acquiree’s future revenue as of the valuation date, exceeded the net amounts of assets acquired and liabilities assumed.

c. Period and method of amortization of goodwill
10 years using the straight line method

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

Total assets	1,282,938 million yen
(Securities included in total assets	612,993 million yen)
Total liabilities	735,567 million yen
(Insurance liabilities included in total liabilities	429,626 million yen)

(7) Approximate amounts of impact on the consolidated statement of income for the fiscal year ended March 31, 2016 assuming the business combination was completed on the first day of said fiscal year and the relevant calculation method.

Ordinary income	406,929 million yen
Ordinary profit	-6,385 million yen

Net income attributable to owners of the parent	-11,445 million yen

(Calculation method of the approximate amount)

The approximate amounts are the differences between ordinary income, ordinary profit and net income attributable to owners of the parent calculated assuming the business combination was completed on the first day of said fiscal year and ordinary income, ordinary profit and net income attributable to owners of the parent in the consolidated statement of income, respectively. Goodwill recognized at the time of business combination was amortized assuming the goodwill was recognized on the first day of said consolidated fiscal year.

The above approximate amounts of impact were not audited.

Non-consolidated Balance Sheet as of March 31, 2016

(Yen in millions)

	As of March 31, 2016
Assets	
Current assets:	
Cash and bank deposits	55,158
Prepaid expenses	0
Accounts receivable	16,736
Others	16
Total current assets	71,911
Fixed assets:	
Tangible fixed assets	
Buildings	160
Motor vehicles and transport equipment	18
Office equipment	49
Total tangible fixed assets	227
Intangible fixed assets	
Telephone right	0
Total intangible fixed assets	0
Investments and other assets	
Investments in subsidiaries and affiliates	2,414,540
Others	84
Total investments and other assets	2,414,625
Total fixed assets	2,414,853
Total assets	2,486,765
Liabilities	
Current liabilities:	
Accounts payable	503
Accrued expenses	329
Accrued income taxes	923
Accrued business office taxes	11
Accrued consumption taxes	121
Deposits received	3
Provision for employees' bonus	452
Total current liabilities	2,345
Fixed liabilities:	
Reserve for retirement benefit	188
Total fixed liabilities	188
Total liabilities	2,534
Net assets	
Shareholders' equity:	
Share capital	150,000
Capital surplus	
Additional paid-in capital	1,511,485
Total capital surplus	1,511,485
Retained earnings	
Other retained earnings	831,002
General reserve	332,275
Retained earnings carried forward	498,726
Total retained earnings	831,002
Treasury shares	-10,742
Total shareholders' equity	2,481,745
Share acquisition rights	2,485
Total net assets	2,484,231
Total liabilities and net assets	2,486,765

Non-consolidated Statement of Income for the fiscal year ended March 31, 2016

(Yen in millions)

	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Operating income:	
Dividends received from subsidiaries and affiliates	89,455
Fees received from subsidiaries and affiliates	7,280
Total operating income	96,736
Operating expenses:	
Operating and general administrative expenses	8,932
Total operating expenses	8,932
Operating profit	87,803
Non-operating income:	
Interest income	20
Dividend income	11
Gains on forfeiture of unclaimed dividends	42
Office work fee	15
Other non-operating income	0
Total non-operating income	91
Non-operating expenses:	
Losses on sales of securities	842
Miscellaneous expenses	149
Total non-operating expenses	992
Ordinary profit	86,902
Extraordinary income:	
Gains on sales of fixed assets	1
Extraordinary losses:	
Impairment losses on investment of subsidiaries and affiliates	27,331
Losses on disposal of fixed assets	1
Total extraordinary losses	27,333
Income before income taxes	59,571
Income taxes-current	2,168
Total income taxes	2,168
Net income	57,402

Non-consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2016

(Yen in millions)

	Shareholders' equity						
		Capital surplus		Retained earnings			
				Other retained earnings			
	Share capital	Additional paid-in capital	Others	General reserve	Retained earnings carried forward	Treasury shares	Total shareholders' equity
Beginning balance as of April 1, 2015	150,000	1,511,485	-	332,275	522,581	-11,038	2,505,305
Changes during the year							
Dividends					-81,124		-81,124
Net income					57,402		57,402
Purchase of treasury shares						-129	-129
Disposal of treasury shares			-133			425	291
Transfer from retained earnings to capital surplus			133		-133		-
Net changes in items other than shareholders' equity							
Total changes during the year	-	-	-	-	-23,855	295	-23,559
Ending balance as of March 31, 2016	150,000	1,511,485	-	332,275	498,726	-10,742	2,481,745

	Share acquisition rights	Total net assets
Beginning balance as of April 1, 2015	2,037	2,507,342
Changes during the year		
Dividends		-81,124
Net income		57,402
Purchase of treasury shares		-129
Disposal of treasury shares		291
Transfer from retained earnings to capital surplus		-
Net changes in items other than shareholders' equity	448	448
Total changes during the year	448	-23,111
Ending balance as of March 31, 2016	2,485	2,484,231

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Valuation of securities

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

2. Depreciation for fixed assets

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

Fixtures attached to buildings	8 to 18 years
Equipment and furniture	3 to 15 years

3. Reserve

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

(2) To provide for employees' retirement benefit payment, the Company maintains a reserve for employee's retirement benefits equal to the amount deemed to have incurred as of the end of the fiscal year ended March 31, 2016.

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: 264 million yen

2. Monetary claims against and debts owed to affiliates:

Monetary claims receivables	2,310 million yen
Debts payable	332 million yen

Notes to the non-consolidated statement of income

Transactions with affiliates:

Operating transactions

Operating income	96,736 million yen
Operating expenses	1,400 million yen
Transactions other than operating transactions	21 million yen

Notes to the statement of changes in shareholders' equity

Class and number of treasury share held by the Company as of March 31, 2016:
Common share 2,839,782 shares

Deferred tax accounting

Major components of deferred tax assets:

Deferred tax assets	
Impairment losses on investment in subsidiaries and affiliates	37,277 million yen
Others	681 million yen
Subtotal	37,959 million yen
Valuation allowance	-37,959 million yen
Total deferred tax assets	- million yen
Net deferred tax assets	- million yen

Per share information

Net assets per share	3,288.45 yen
Net income per share	76.06 yen

Copy of Independent Auditor’s Report on Consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 18, 2016

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Takashi Sasaki, CPA
Designated Partner and Engagement Partner
Susumu Arakawa, CPA
Designated Partner and Engagement Partner
Takashi Idesawa, 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, 2015 and ended on March 31, 2016. These financial statements consist of a consolidated balance sheet, a consolidated statement of income, a consolidated statement of changes in shareholders' equity and notes to consolidated financial statements.

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

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

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

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

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

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

[English Translation]

Independent Auditor's Report

May 18, 2016

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Takashi Sasaki, CPA
Designated Partner and Engagement Partner
Susumu Arakawa, CPA
Designated Partner and Engagement Partner
Takashi Idesawa, 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 14th fiscal year that began on April 1, 2015 and ended on March 31, 2016. These financial statements consist of a non-consolidated balance sheet, a non-consolidated statement of income, a non-consolidated statement of changes in shareholders' equity, notes to non-consolidated financial statements, and supplementary schedules.

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

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

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

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

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

Copy of the Audit Report of the Audit & Supervisory Board

Audit Report

Based on the audit reports received from each audit & supervisory board member relating to the performance by the Company's directors of their duties during the fiscal year that began on April 1, 2015 and ended on March 31, 2016 and after consultations amongst our members, we, the undersigned Audit & Supervisory Board, report as follows:

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

(1) The Audit & Supervisory Board, which has set the auditing policies, the auditing schedules and related matters, received from each audit & supervisory board member audit reports detailing the performance of each audit & supervisory board member in audits and the results thereof. The Audit & Supervisory Board also received from each of the Company's directors and the Company's independent auditor reports detailing the performance of their duties and asked for further explanation whenever necessary.

(2) Each audit & supervisory board member, pursuant to the auditing standards, the auditing policies and the auditing schedules set by the Audit & Supervisory Board, maintained good communications with directors, the internal audit department and other employees; committed himself or herself to gathering information and improving the circumstances of the audit; and conducted the audits based on the methods described below.

(a) Each audit & supervisory board member attended meetings of the Board of Directors and other important meetings; received reports detailing the performance of their duties from directors and other employees; asked for further explanations whenever necessary and inspected important decision-making documents and thereby investigated the Company's business activities and financial position. As for subsidiaries of the Company, each audit & supervisory board member maintained good communications and facilitated information sharing with directors, audit & supervisory board members, the internal audit department and other employees of the subsidiaries and received reports regarding the business activities of the subsidiaries whenever necessary.

(b) Pursuant to the auditing standards set by the Audit & Supervisory Board for an audit of the internal control system, each audit & supervisory board member examined the details of the resolution of the meeting of the Board of Directors concerning (i) a governance framework to ensure that the directors' performance of their duties are carried out in conformity with the laws and the Articles of Incorporation; and (ii) any other governance framework to ensure appropriate business operations of the company group comprised of a joint stock company and its subsidiaries, as set forth in Article 100, paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act of Japan. Each audit & supervisory board member also monitored and examined the governance framework (internal control system) which was implemented by the Board of Directors based on the aforementioned resolution.

(c) Concerning the internal control over financial reporting, each audit & supervisory board member received from directors and PricewaterhouseCoopers Aarata reports regarding the results of the assessment and audit of the internal control over financial reporting and asked for further explanations whenever necessary.

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

Based on the methodology of the audit described above, we examined the business report and the supplementary schedules, the non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) and the supplementary schedules thereto, and the consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) for the fiscal year ended March 31, 2016.

2. Results of Audit

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

(a) We found the business report and the supplementary schedules to present fairly the state of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.

(b) In connection with the performance by directors of their duties, we found no dishonest act or violation of applicable laws, regulations or the Articles of Incorporation of the Company.

(c) We found the resolution of the meeting of the Board of Directors with respect to the internal control system to be appropriate. In addition, we have nothing to report on the directors' performance of their duties in connection with the internal control system, including the internal control over the financial reporting.

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

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata, 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, 2016

Audit & Supervisory Board,
Tokio Marine Holdings, Inc.

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

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