

[English Translation]

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

May 31, 2018

Notice of Convocation of
the 16th Ordinary General Meeting of Shareholders

To our shareholders:

You are cordially invited to attend the 16th Ordinary General Meeting of Shareholders of Tokio Marine Holdings, Inc. (“Tokio Marine Holdings” or the “Company”) which will be held as set forth below.

Date and Time:	Monday, June 25, 2018 at 10:00 a.m. (reception opens at 8:45 a.m.)
Place:	The AOI Ballroom (the main conference room), second floor, Palace Hotel Tokyo located at 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Overflow seating room will be provided in another room. However, if you wish to make remarks, you will need to come to the main conference room.
Items to be reported:	1. Business report, consolidated financial statements and the audit reports on consolidated financial statements prepared by the independent auditor and the Audit & Supervisory Board, respectively, for fiscal year 2017 (April 1, 2017 to March 31, 2018). 2. Non-consolidated financial statements for fiscal year 2017 (April 1, 2017 to March 31, 2018).
Proposals to be acted upon:	Item 1. Appropriation of Surplus Item 2. Election of Thirteen (13) Directors Item 3. Election of Three (3) Audit & Supervisory Board Members

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

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

Sincerely,

Tsuyoshi Nagano
President & Chief Executive Officer

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

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

Information on Exercising Voting Rights

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

Attending the Ordinary General Meeting of Shareholders	By Mail	Via Internet
<p>Please bring the enclosed voting card to the reception desk of the meeting.</p> <hr/> <p>Date and Time of the meeting: Monday, June 25, 2018 at 10:00 a.m. (Japan Time)</p>	<p>Please return the enclosed voting card indicating your approval or disapproval so that it is received by 5:00 p.m. on Friday, June 22, 2018 (Japan Time).</p>	<p>Please access website that has been designated by the Company as the website for exercising voting rights (https://evote.tr.mufg.jp/) and indicate your approval or disapproval by 5:00 p.m. on Friday, June 22, 2018 (Japan Time).</p>

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

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

(1) For inquiries concerning website access

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division
 Telephone: 0120-173-027 (toll-free within Japan)
 Hours: 9:00 a.m. - 9:00 p.m. (Japan Time)

(2) For inquiries other than the above

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division
 Telephone: 0120-232-711 (toll-free within Japan)
 Hours: 9:00 a.m. - 5:00 p.m. (Japan Time), except Saturdays, Sundays and holidays

To Institutional Investors:

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

Reference Materials regarding the General Meeting of Shareholders

Proposals to be acted upon and matters for reference:

Item 1. Appropriation of Surplus

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

In accordance with the above policy, and considering various factors, the Company proposes to pay 80 yen per share of the Company as a year-end cash dividend. As 80 yen per share was paid as an interim cash dividend, the total amount of annual cash dividends will be 160 yen per share for fiscal year 2017. This is an increase of total annual cash dividends of 20 yen per share from 140 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: 80 yen
Aggregate amount of cash dividends: 58,034,658,080 yen
2. Effective date of the distribution of dividends
June 26, 2018

Item 2. Election of Thirteen (13) Directors

The term of office of all thirteen (13) directors will expire at the close of this Meeting. For the next term, the Company proposes to elect the following thirteen (13) directors.

The candidates for directors are as follows:

No.	Name	Present position and responsibilities
1	Shuzo Sumi Renomination	Chairman of the Board
2	Tsuyoshi Nagano Renomination	President & Chief Executive Officer Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)
3	Kunihiko Fujii Renomination	Executive Vice President Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept.

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

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

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

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
2.	Tsuyoshi Nagano (November 9, 1952) <div>Renomination</div>	April	1975	Joined Tokio Marine	22,100 shares
		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)			
		Group CCO (Group Chief Culture Officer)			
		(Other major posts)			
		Chairman of the Board of Tokio Marine & Nichido			

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

The reason for proposing Mr. Tsuyoshi Nagano as a candidate for director is that he would be expected to

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
3.	Kunihiko Fujii (June 18, 1955) <div>Renomination</div>	April	1978	Joined Tokio Marine	12,000 shares
		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	
		June	2016	Senior Managing Director of Tokio Marine & Nichido	
		June	2016	Senior Managing Director of Tokio Marine Holdings	
		April	2017	Executive Vice President of Tokio Marine Holdings (to present)	
		April	2017	Executive Vice President of Tokio Marine & Nichido (to present)	
		(Responsibilities) Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept.			
		(Other major posts) Executive Vice President of Tokio Marine & Nichido			

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

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

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
4.	Hirokazu Fujita (May 12, 1956) <div>Renomination</div>	April	1980	Joined Tokio Marine	14,550 shares
		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	
		July	2013	Managing Director of Tokio Marine Holdings	
		April	2017	Senior Managing Director of Tokio Marine Holdings (to present)	
		April	2017	Senior Managing Director of Tokio Marine & Nichido (to present)	
		(Responsibilities)			
		Group CIO (Group Chief Investment Officer)			
		In charge of Financial Planning Dept., Corporate Accounting Dept. and Internal Audit Dept.			
		(Other major posts)			
		Senior Managing Director of Tokio Marine & Nichido			

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

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
5.	Takayuki Yuasa (May 5, 1958) <div>Renomination</div>	April	1981	Joined Tokio Marine	11,200 shares
		June	2012	President & Chief Executive Officer of Tokio Marine & Nichido Financial Life Insurance Co., Ltd.	
		Sep.	2014	Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Financial Life Insurance Co., Ltd.	
		Oct.	2014	Managing Executive Officer of Tokio Marine Holdings	
		June	2015	Managing Director of Tokio Marine & Nichido	
		June	2015	Managing Director of Tokio Marine Holdings	
		April	2018	Senior Managing Director of Tokio Marine Holdings (to present)	
		April	2018	Senior Managing Director of Tokio Marine & Nichido (to present)	
		(Responsibilities) Group CFO (Group Chief Financial Officer) In charge of Corporate Planning Dept., Legal Dept. and Compliance Dept.			
		(Other major posts) Senior Managing Director of Tokio Marine & Nichido			

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

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
6.	Toshifumi Kitazawa (November 18, 1953) <div>Renomination</div>	April	1977	Joined Tokio Marine	37,050 shares
		June	2008	Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life Insurance Co., Ltd. (“Tokio Marine & Nichido Life”)	
		June	2009	Senior Managing Director and General Manager of Corporate Planning and Management Dept. of Tokio Marine & Nichido Life	
		July	2009	Senior Managing Director of Tokio Marine & Nichido Life	
		June	2010	President & Chief Executive Officer of Tokio Marine & Nichido Life	
		June	2010	Director of Tokio Marine Holdings	
		March	2014	Resigned from position as President & Chief Executive Officer of Tokio Marine & Nichido Life	
		April	2014	Executive Vice President of Tokio Marine & Nichido	
		June	2014	Vice President Executive Officer of Tokio Marine Holdings	
		March	2016	Resigned from position as Vice President Executive Officer of Tokio Marine Holdings	
		April	2016	President & Chief Executive Officer of Tokio Marine & Nichido (to present)	
		June	2016	Director of Tokio Marine Holdings (to present)	
		(Other major posts) President & Chief Executive Officer of Tokio Marine & Nichido			

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

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts	Number of the Company's shares held
7.	Katsumi Nakazato (February 7, 1963) <u>Renomination</u>	<p>April 1985 Joined Tokio Marine</p> <p>April 2016 Managing Director and General Manager of Corporate Marketing and Planning Dept. of Tokio Marine & Nichido Life</p> <p>April 2017 President & Chief Executive Officer of Tokio Marine & Nichido Life (to present)</p> <p>June 2017 Director of Tokio Marine Holdings (to present)</p> <p>(Other major posts) President & Chief Executive Officer of Tokio Marine & Nichido Life</p>	4,500 shares

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

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts		Number of the Company's shares held
8.	Akio Mimura (November 2, 1940) <u>Renomination</u> <u>Independent</u>	April	1963	Joined Fuji Iron & 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 posts)		
		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		

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

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

(His/Her independence)

1. Mr. Akio Mimura is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 29 of this reference material.
3. He concurrently serves as Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation, which has no business transaction with the Company. Insurance subsidiaries of the Company conduct insurance-related transactions with Nippon Steel & Sumitomo Metal Corporation;

however, these transactions constitute less than 1 percent of its consolidated net sales and the Company's consolidated ordinary income, respectively.

(Major activities)

1. Mr. Akio Mimura attended 9 of the 11 board of directors' meetings held during fiscal year 2017.
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 was 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 8 years at the close of this Meeting.

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts	Number of the Company's shares held
9.	Mikio Sasaki (October 8, 1937) <u>Renomination</u> <u>Independent</u>	<p>April 1960 Joined Mitsubishi Corporation</p> <p>June 1992 Director of Mitsubishi Corporation</p> <p>June 1994 Managing Director of Mitsubishi Corporation</p> <p>April 1998 President of Mitsubishi Corporation</p> <p>April 2004 Chairman of the Board of Mitsubishi Corporation</p> <p>June 2010 Director and Senior Corporate Advisor (<i>Soudanyaku</i>) of Mitsubishi Corporation</p> <p>June 2011 Senior Corporate Advisor (<i>Soudanyaku</i>) of Mitsubishi Corporation</p> <p>June 2011 Director of Tokio Marine Holdings (outside director, to present)</p> <p>April 2016 Senior Corporate Advisor (<i>Tokubetsukomon</i>) of Mitsubishi Corporation (to present)</p> <p>(Other major posts)</p> <p>Senior Corporate Advisor (<i>Tokubetsukomon</i>) of Mitsubishi Corporation</p> <p>Director of Mitsubishi Research Institute, Inc. (non-executive director)</p>	2,400 shares

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

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

(His/Her independence)

1. Mr. Mikio Sasaki is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 29 of this reference material.
3. He concurrently serves as Senior Corporate Advisor (*Tokubetsukomon*) of Mitsubishi Corporation, which has no business transaction with the Company. Insurance subsidiaries of the Company conduct insurance-related transactions with Mitsubishi Corporation; however, these transactions constitute less than 1 percent of its consolidated revenues and the Company's consolidated ordinary income, respectively.

(Major activities)

1. Mr. Mikio Sasaki attended all 11 board of directors' meetings held during fiscal year 2017.
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 was 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 7 years at the close of this Meeting.

3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan,

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

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
10.	Masako Egawa (September 7, 1956) <div>Renomination</div> <div>Independent</div>	April	1980	Joined Citibank, N.A., Tokyo Branch	1,600 shares
		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	
		April	2018	Professor, Graduate School of Business Administration, Hitotsubashi University (to present)	
		(Other major posts)			
		Professor, Graduate School of Business Administration, Hitotsubashi University			
		Director of Mitsui Fudosan Co., Ltd. (outside director)			
		Director of Asahi Glass Company, Limited. (outside director)			

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

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

(His/Her independence)

1. Ms. Masako Egawa is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. She fulfills the Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 29 of this reference material.

(Major activities)

1. Ms. Masako Egawa attended 10 of the 11 board of directors’ meetings held during fiscal year 2017.
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 which was 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 3 years at the close of this Meeting.
3. In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with her to limit her liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if she is elected as proposed.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts	Number of the Company's shares held
11.	Takashi Mitachi (January 21, 1957) <u>Renomination</u> <u>Independent</u>	<p>April 1979 Joined Japan Airlines Co., Ltd.</p> <p>Oct. 1993 Joined The Boston Consulting Group</p> <p>Jan. 1999 Vice president of The Boston Consulting Group</p> <p>Jan. 2005 Japan Co-Chairman and Senior Partner & Managing Director of The Boston Consulting Group</p> <p>Jan. 2016 Senior Partner & Managing Director of The Boston Consulting Group</p> <p>June 2017 Director of Tokio Marine Holdings (outside director, to present)</p> <p>Oct. 2017 Senior Adviser of The Boston Consulting Group (to present)</p> <p>(Other major posts)</p> <p>Senior Adviser of The Boston Consulting Group</p> <p>Director of Rakuten, Inc. (outside director)</p> <p>Director of DMG Mori Co., Ltd. (outside director)</p> <p>Director of Unicharm Corporation (outside director)</p>	100 shares

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

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

(His/Her independence)

1. Mr. Takashi Mitachi is “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 29 of this reference material.
3. He concurrently serves as Senior Adviser of The Boston Consulting Group, which conducts consulting-related transactions with the Company and insurance subsidiaries of the Company; however, these transactions constitute less than 1 percent of its consolidated net sales and the Company's consolidated ordinary income, respectively.

(Major activities)

1. After assuming the position, Mr. Takashi Mitachi attended all 9 board of directors' meetings held during fiscal year 2017.
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 was acquired through many years of experience in a consulting firm and a management role.

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

2. He 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 him to limit his liability provided for in

Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement shall be the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan. The Company intends to maintain the agreement if he is elected as proposed.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
12.	Makoto Okada (March 6, 1960) <div>New nomination</div>	April	1982	Joined Tokio Marine	4,500 shares
		June	2013	Executive Officer and General Manager of Corporate Marketing & Planning Dept. of Tokio Marine & Nichido	
		April	2014	Managing Executive Officer and General Manager of Corporate Marketing & Planning Dept. of Tokio Marine & Nichido	
		May	2014	Resigned from positions as Managing Executive Officer and General Manager of Corporate Marketing & Planning Dept. of Tokio Marine & Nichido	
		June	2014	Managing Executive Officer of Tokio Marine Holdings	
		April	2018	Senior Managing Executive Officer of Tokio Marine Holdings (to present)	
		April	2018	Senior Managing Director of Tokio Marine & Nichido (to present)	
		(Responsibilities) Group CSSO (Group Chief Strategy and Synergy Officer) Group CDO (Group Chief Digital Officer) In charge of Strategy and Synergy Dept. (Other major posts) Senior Managing Director of Tokio Marine & Nichido			

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

The reason for proposing Mr. Makoto Okada as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in domestic insurance underwriting, human resources and sales planning, his terms in office as Executive Officer of the Company in charge of international insurance business in Asia and elsewhere, and his current role of being responsible for business strategy and synergy of the Group and digital strategies as Senior Managing Executive Officer of the Company.

Note: There are no special conflicts of interest between the Company and Mr. Makoto Okada.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company’s shares held
13.	Satoru Komiya (August 15, 1960) <div>New nomination</div>	April	1983	Joined Tokio Marine	6,100 shares
		June	2012	Director, Managing Executive Officer of Nisshin Fire & Marine Insurance Co., Ltd. (“Nisshin Fire & Marine”)	
		April	2013	Director, Managing Executive Officer and Deputy General Manager of Reform Promotion Headquarters of Nisshin Fire & Marine	
		March	2015	Resigned from positions as Director, Managing Executive Officer and Deputy General Manager of Reform Promotion Headquarters of Nisshin Fire & Marine	
		April	2015	Executive Officer and General Manager of Corporate Planning Dept. of Tokio Marine Holdings	
		April	2016	Managing Executive Officer of Tokio Marine Holdings	
		April	2018	Senior Managing Executive Officer of Tokio Marine Holdings (to present)	
		April	2018	Senior Managing Director of Tokio Marine & Nichido (to present)	
		(Responsibilities) Head of international insurance business In charge of International Business Development Dept. (management of North America (TMHCC), Oceania and reinsurance operations)			
		(Other major posts) Senior Managing Director of Tokio Marine & Nichido			

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

The reason for proposing Mr. Satoru Komiya as a candidate for director is that he would be expected to fulfill his role adequately in deciding important matters regarding business execution and supervision of the execution of duties by other directors as a member of the Board, based on his wealth of experience and results he has achieved since joining Tokio Marine. These include his intensive involvement in domestic insurance underwriting, human resources, sales planning, management of group companies, his terms in office as Executive Officer of the Company in charge of international insurance business and his current role of being responsible for international insurance business as Senior Managing Executive Officer of the Company.

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

2. TMHCC means the corporate group comprised of HCC Insurance Holdings, Inc., a Company's subsidiary, the head office for which is in the United States, and its subsidiaries.

Item 3. Election of Three (3) Audit & Supervisory Board Members

The term of office of Mr. Takaaki Tamai, Ms. Yuko Kawamoto and Mr. Akihiro Wani, all of whom are audit & supervisory board members, will expire at the close of this Meeting.

Accordingly, the election of the following audit & supervisory board members is proposed.

The submission of this item has been approved by the Audit & Supervisory Board.

The candidates for audit & supervisory board members are as follows:

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts	Number of the Company's shares held
1.	Akihiro Wani (September 1, 1951) <u>Renomination</u> <u>Independent</u>	<p>April 1979 Admitted to Japanese Bar (to present)</p> <p>May 1987 Mitsui, Yasuda, Wani & Maeda</p> <p>Dec. 2004 Linklaters</p> <p>May 2014 Ito & Mitomi (Morrison & Foerster LLP)</p> <p>June 2014 Audit & Supervisory Board Members of Tokio Marine Holdings (outside audit & supervisory board member, to present)</p> <p>(Other major posts)</p> <p>Attorney at law</p>	-

(Reason for proposing him/her as a candidate for outside audit & supervisory board member)

Mr. Akihiro Wani is a candidate for outside audit & supervisory board member.

The reason for proposing Mr. Akihiro Wani as a candidate for outside audit & supervisory board member is that he would be expected to fulfill his audit functions and provide valuable advice as a specialist in corporate legal affairs based on his insight which was acquired through many years of experience as an attorney-at-law. While he has not been involved in corporate management other than as an outside director or an outside audit & supervisory board member, we believe that he would effectively perform his duties as an outside audit & supervisory board member for the reasons set forth above.

(His/Her independence)

1. Mr. Akihiro Wani is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. He fulfills the Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 29 of this reference material.

(Major activities)

1. Mr. Akihiro Wani attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2017.
2. He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis at the board of directors' meetings and audit & supervisory board meetings, based on his insight as a specialist in corporate legal affairs which was acquired through many years of experience as an attorney-at-law.

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

2. He will have served as an outside audit & supervisory board member for 4 years at the close of

this Meeting.

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

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts			Number of the Company's shares held
2.	Shozo Mori (October 9, 1956) <u>New nomination</u>	April	1980	Joined Tokio Marine	12,000 shares
		June	2011	Executive Officer and General Manager of Personal Lines Underwriting Dept. of Tokio Marine & Nichido	
		June	2013	Managing Director of Tokio Marine & Nichido	
		April	2016	Managing Executive Officer of Tokio Marine Holdings	
		April	2017	Senior Managing Executive Officer of Tokio Marine Holdings	
		April	2017	Senior Managing Director of Tokio Marine & Nichido	
		March	2018	Resigned from position as Senior Managing Executive Officer of Tokio Marine Holdings	
		March	2018	Resigned from position as Senior Managing Director of Tokio Marine & Nichido	

(Reason for proposing him/her as a candidate for audit & supervisory board member)

The reason for proposing Mr. Shozo Mori as a candidate for audit & supervisory board member is that he would be expected to fulfill his audit functions based on wealth of experience and results he has achieved since joining Tokio Marine. These include his involvement in domestic insurance underwriting and product planning and his terms in office as Executive Officer of the Company in charge of insurance underwriting and retention strategy of the Group.

Note: There are no special conflicts of interest between the Company and Mr. Shozo Mori.

No.	Name (Date of birth)	Brief personal history, position, responsibilities and other major posts	Number of the Company's shares held
3.	Nana Otsuki (September 17, 1964) <div>New nomination</div> <div>Independent</div>	<p>April 1988 Joined The Mitsui Trust and Banking Co., Ltd.</p> <p>June 1994 Joined Banque Nationale de Paris</p> <p>March 1998 Joined HSBC Securities (Japan) Limited</p> <p>Jan. 2000 Head of Japan and Korea Financial Ratings of Standard & Poor's Ratings Japan K.K.</p> <p>Dec. 2005 Managing Director of Reserch Division, UBS Securities Japan Co., Ltd.</p> <p>June 2011 Managing Director of Merrill Lynch Japan Securities Co., Ltd.</p> <p>Sep. 2015 Professor, Graduate School of Division of Business Administration, Nagoya University of Commerce & Business (to present)</p> <p>Jan. 2016 Executive Officer and Chief Analyst of Monex, Inc. (to present)</p> <p>April 2018 Visiting Professor, Faculty of International Politics and Economics, Nishogakusha University (to present)</p> <p>(Other major posts)</p> <p>Executive Officer and Chief Analyst of Monex, Inc.</p> <p>Professor, Graduate School of Division of Business Administration, Nagoya University of Commerce & Business</p> <p>Director of Credit Saison Co., Ltd. (outside director)</p>	-

(Reason for proposing him/her as a candidate for outside audit & supervisory board member)

Ms. Nana Otsuki is a candidate for outside audit & supervisory board member.

The reason for proposing Ms. Nana Otuski as a candidate for outside audit & supervisory board member is that she would be expected to fulfill her audit functions based on her insight as a specialist in business management which was acquired through many years of experience as an analyst in financial institutions.

(His/Her independence)

1. Ms. Nana Otsuki is "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc.
2. She fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company, which are provided on page 29 of this reference material.
3. She concurrently serves as Executive Officer of Monex, Inc., which has no business transaction with the Company. Monex, Inc. sells the publicly offered investment trusts which are formed by financial subsidiaries of the Company; however, these commissions constitute less than 1 percent of its operating revenue and the Company's consolidated ordinary income, respectively.

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

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 her to limit her liability provided for in Article 423, paragraph 1 of the Companies Act of Japan, if she 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.

Reference

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

Exhibit

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

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

- (i) an executive of the Company or a subsidiary or affiliate of the Company;
- (ii) a person who has been an executive of the Company or a subsidiary or an 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 an 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 an 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 16th Ordinary General Meeting of Shareholders”**

Business Report for Fiscal Year 2017

(From April 1, 2017 to March 31, 2018)

1. Matters Concerning the Insurance Holding Company

(1) Business Developments and Results for Tokio Marine Group

- During fiscal year 2017, despite the increased geopolitical risks caused by the escalating tensions over North Korea and the Middle East situation, the world economy as a whole made steady progress due to continued economic expansion in the U.S. and other factors. In Japan, the economy gradually improved due to recovery in consumer spending in addition to steady exports and production.
- Under these circumstances, in the final year of our medium-term business plan “To Be a Good Company 2017”, the Group actively promoted its business under the aligned group management structure headed by Group CEO, in which the Group Chief Officers are responsible for each function for the Group.
- Despite an increase in net incurred losses relating to natural disasters such as hurricanes in North America and typhoon No. 21, positive factors such as temporary increase in profits due to lowering of corporate tax rate in the U.S. and other factors contributed to net income attributable to owners of the parent of 284.1 billion yen and record-high profits for six consecutive years.

(Yen in billions, except for %)

	Fiscal year 2016	Fiscal year 2017 (this fiscal year)	Rate of change (%)
Ordinary income	5,232.6	5,399.1	3.2
Net premiums written	3,480.4	3,564.7	2.4
Life insurance premiums	904.4	953.0	5.4
Ordinary profit	387.6	344.9	▲11.0
Net income attributable to owners of the parent	273.8	284.1	3.8

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

(Yen in billions)

Business segment	Ordinary income		Ordinary profit	
	Fiscal year 2016	Fiscal year 2017 (this fiscal year)	Fiscal year 2016	Fiscal year 2017 (this fiscal year)
Domestic property and casualty insurance	2,636.1	2,678.8	254.4	242.4
Domestic life insurance	722.0	818.6	13.2	23.8
Overseas insurance	1,835.7	1,883.0	114.0	71.3
Financial and other	82.8	92.1	5.8	7.2

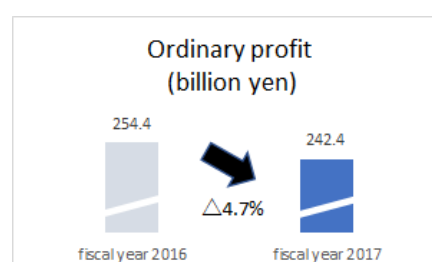
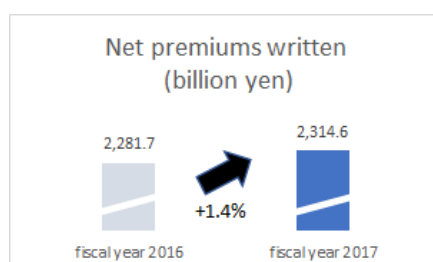
Domestic Property and Casualty Insurance Business

Net premiums written: 2,314.6 billion yen Ordinary profit: 242.4 billion yen

Composition ratio of premiums written: 51.2%

- Tokio Marine & Nichido made efforts to further develop a business model that integrates life insurance and property and casualty insurance by strengthening consulting sales through the promotion of Super Insurance to meet customer needs. Additionally, Tokio Marine & Nichido responded to environmental changes by engaging in initiatives such as technological advancement and worked to promote a new business model that supports regional development in Japan and health and productivity management.
- Since April of last year, as a new service that utilizes the latest technology, Tokio Marine & Nichido provides “Drive Agent Personal” to individual customers. Using a driving recorder with a communication function, this service supports accident-prevention and provides an automatic accident-reporting function which enables customers to communicate with call center staff directly in case of an accident.
- Tokio Marine & Nichido is collaborating with local governments, financial institutions, chambers of commerce and industry, and other organizations to promote regional development initiatives in Japan under the slogan “revitalization of regions helps our growth”. In addition to selling insurance products covering various business risks, Tokio Marine & Nichido supports programs that attract foreign tourists to Japan and provides services to small and medium-sized companies that aim to expand overseas.
- Tokio Marine & Nichido is actively engaging in the promotion of health and productivity management for health promotion of company employees. Tokio Marine & Nichido introduced a new insurance premium discount for comprehensive employment injury insurance targeting corporate entities certified under the “Certified Health & Productivity Management Organization Recognition Program” in addition to supporting companies which are aiming for said certification.

<Results of Domestic Property and Casualty Insurance Business>



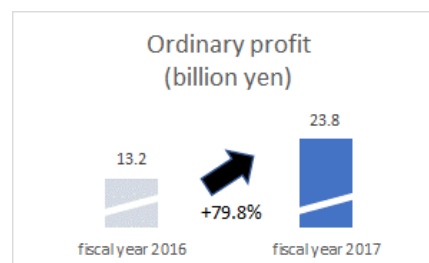
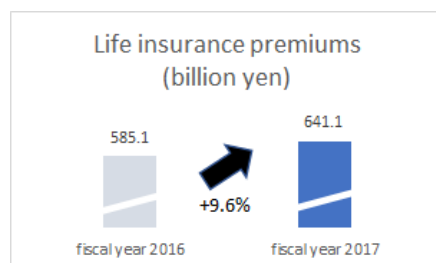
Domestic Life Insurance Business

Life insurance premiums: 641.1 billion yen Ordinary profit: 23.8 billion yen

Composition ratio of premiums written: 14.2%

- Tokio Marine & Nichido Life continued to conduct asset management based on Asset Liability Management (ALM) under the assumption that low interest rates will persist over the long-term. Tokio Marine & Nichido Life also reinforced sales of protection-type products by promoting “Life Insurance Revolution to Protect One’s Living”, which provides coverage for the inability to work and nursing care, among others.
- As a new product that utilizes the latest technology, Tokio Marine & Nichido Life launched “Aruku Hoken”, the industry’s first medical insurance to refund a portion of the insurance premium if the average number of steps travelled by a customer, measured on a wearable device, exceeds prescribed levels. Furthermore, in view of the increase in longevity, Tokio Marine & Nichido Life launched “Market Link”, a variable insurance designed to cater to asset building and coverage needs of the elderly.

<Results of Domestic Life Insurance Business>



Overseas Insurance Business

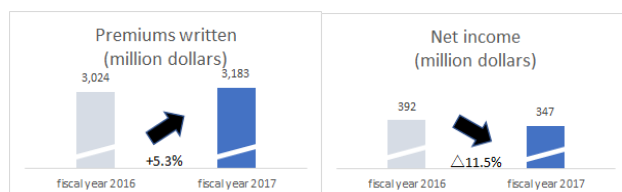
Premiums written: 1,562.0 billion yen Ordinary profit: 71.3 billion yen

Composition ratio of premiums written: 34.6%

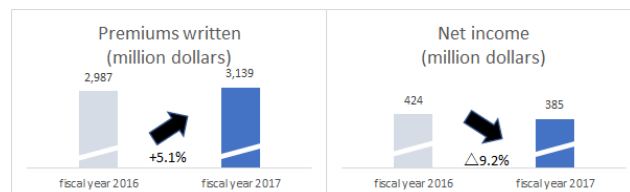
- The Group has actively developed its overseas insurance business with the aim to achieve global growth and risk diversification, and, through excellent know-how held by group companies, has implemented a wide range of efforts toward the realization of synergies such as increasing premium income, advancing investment management, raising business efficiency and other measures.
- Many natural disasters occurred globally during fiscal year 2017, including the hurricanes in North America. However, as a result of steady efforts to date to diversify business risks, the Group managed to keep the proportion of insurance claims for natural disasters low compared with its market share in North America.
- In developed markets, to further strengthen our revenue base, HCC Insurance Holdings, Inc. acquired an insurance business for medical expenses borne by companies from American International Group, Inc. (AIG) on October of last year.
- In emerging markets, in India where high growth of insurance market is expected, the Group raised its shareholding ratio in IFFCO-Tokio General Insurance Co. Ltd., a joint venture non-life insurance company, from 26% to 49% in July of last year. The purpose is to capture market growth in the emerging markets, and to promote further geographical diversification of the business.

<Results of major overseas subsidiaries>

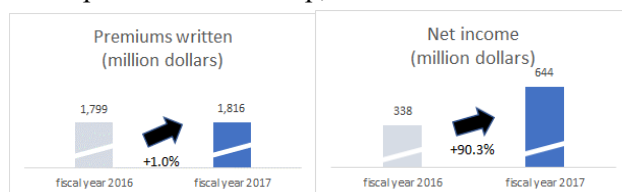
■ Philadelphia Consolidated Holding Corp.



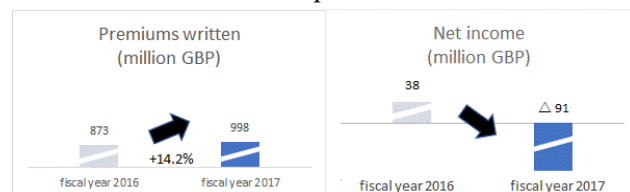
■ HCC Insurance Holdings, Inc.



■ Delphi Financial Group, Inc.



■ Tokio Marine Kiln Group Limited



Financial and Other Business

Ordinary income: 92.1 billion yen Ordinary profit: 7.2 billion yen

- The Group developed its financial services business steadily with a focus on its fee-based asset management business, which offers a stable revenue base. Such fee-based business includes the management of pension funds and the management of investment trusts by Tokio Marine Asset Management Co., Ltd.
 - With respect to other general businesses, the Group continued to engage in temporary staffing services, property management services and other businesses.
-

CSR

- Tokio Marine & Nichido has been working on an industry-academia collaborative study on climate change and natural disaster risks. At the “First World Bosai Forum” held in November of last year, Tokio Marine & Nichido and International Research Institute of Disaster Science at Tohoku University jointly hosted a forum entitled, “Building a disaster-resilient community in the Asia-Pacific - The power of science and insurance”, and made recommendations on the necessity for disaster prevention promotion through industry-academia-government collaboration.
- Tokio Marine & Nichido is continuing its initiatives to protect the global environment and conserve biodiversity through mangrove planting activities abroad and environmental protection activities in Japan.

Issues Facing the Group

- In fiscal year 2018, despite concerns over economy recession due to the shift of trade policy in the U.S. and geopolitical risks, we expect that the gradual improvement of the world economy centered on the U.S. will continue. The Japanese economy is expected to continue its gradual recovery through steady progress of exports in addition to an expansion of personal consumption and capital investment.
- Under these circumstances, the Group started a new three-year medium-term business plan “To Be a Good Company 2020” from fiscal year 2018. In fiscal year 2018, as the first year of the plan, we will diligently address the following issues.
- We expect difficult business conditions, such as an uncertain economic environment and frequent natural disasters, during the new medium-term business plan period. Despite this environment, we will work to sustain growth, and at the same time, strive to “further diversify of portfolio”, “business structural reforms” and “strengthen aligned group management” as priority issues, in order to drive forward structural reforms for the future.
- In our domestic property and casualty insurance business, while automobile insurance market is likely to shrink in the long-term, we will introduce changes to our insurance product portfolio that will provide value to individuals and companies that need to respond to new risks from changes in social structure and other factors. In addition, to establish a system for responding to changing customer needs soundly, we will also endeavor to make changes to our sales channels. Furthermore, we will promote the streamlining of our business processes using the latest technology, and seek to enhance productivity.
- In the domestic life insurance business, we will conduct asset management based on Asset Liability Management (ALM). We will also reinforce sales of our protection-type products and will make efforts to appropriately control the risk. In addition, we will continue to develop innovative products and services in order to respond to customer needs that change with the increase in longevity.
- By maximizing the Group’s comprehensive capability through a close collaboration between life insurance and property and casualty insurance, we will refine our business model that integrates life insurance and property and casualty insurance, which is a key strength of our Group.
- In the overseas insurance business, the Group will promote further geographical and operational diversification by strengthening organic growth and promoting strategic and disciplined M&A. In addition, leveraging the Group’s global network, we will

continue to maximize synergies within the Group. This will include, for example, greater efforts to promote the sales of highly specialized insurance products offered by TMHCC and other group companies.

- 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, and also actively encourages the success of women in the workplace. This year, the Group was selected as a “Health & Productivity Stock” (for the third consecutive year) and as a “Nadeshiko Brand”. Based on these initiatives, we will make global use of the Group’s human resources, including our overseas staff, and will work to develop human resources capable of working globally.
- 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 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. Ordinary income and ordinary profit in our consolidated statement of income are after making adjustments among account items for the total figures for each business segment.

Note 3: “Premiums written” is the total of net premiums written and life insurance premiums.

Note 4: The results of major overseas subsidiaries are shown on a local accounting basis.

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

a. The Group's summary of assets and earnings

(Yen in millions)
(Fiscal year)

	2014	2015	2016	2017
Ordinary income	4,327,982	4,579,076	5,232,602	5,399,115
Ordinary profit	358,182	385,825	387,659	344,939
Net income attributable to owners of the parent	247,438	254,540	273,856	284,183
Comprehensive income	997,024	(14,543)	169,603	500,528
Net assets	3,609,655	3,512,656	3,569,760	3,835,536
Total assets	20,889,670	21,855,328	22,607,603	22,929,935

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

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

	2014	2015	2016	2017
Operating income	149,751	96,736	84,702	227,510
Dividends received	143,701	89,455	74,160	214,446
Insurance subsidiaries	142,215	82,782	68,994	211,789
Other subsidiaries	1,486	6,673	5,166	2,657
Net income	141,734	57,402	68,666	203,486
Net income per share of common share	185.57 yen	76.06 yen	91.15 yen	274.12 yen
Total assets	2,509,565	2,486,765	2,436,616	2,401,883
Share of insurance subsidiaries	2,383,545	2,333,913	2,329,195	2,308,610
Share of other subsidiaries	80,857	80,627	74,202	24,910

(3) The Group's Principal Offices (As of March 31, 2018)

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

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

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

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

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

(4) The Group's Employees

Business segment	As of March 31, 2017	As of March 31, 2018	Increase/Decrease
Domestic property and casualty insurance	20,538	20,705	167
Domestic life insurance	2,249	2,216	△33
Overseas insurance	13,637	13,803	166
Financial and other	2,418	2,467	49
Total	38,842	39,191	349

(5) The Group's Principal Lenders (As of March 31, 2018)

Business segment	Company name	Lender	Balance of loan
Domestic property and casualty insurance	Tokio Marine & Nichido	Syndicated loan	254,976 million yen

Note: The arranger of the syndicated loan is The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. has changed its trade name to MUFG Bank, Ltd. on April 1, 2018.

(6) The Group's Financing Activities

None.

(7) The Group's Capital Investment Activities**a. Total investment in facilities**

Business segment	Amount
Domestic property and casualty insurance	13,007 million yen
Domestic life insurance	171 million yen
Overseas insurance	4,631 million yen
Financial and other	435 million yen
Total	18,245 million yen

Notes: 1. "Amount" is the aggregate amount of investment in facilities for fiscal year 2017.

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 2017.

b. New construction of major facilities and other

None.

(8) Parent Company and Major Subsidiaries (As of March 31, 2018)**a. Parent company**

None.

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

Company name	Location	Major business	Date of incorporation	Paid-in capital (Yen in millions)	Ratio of Tokio Marine Holdings' voting rights	Notes
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Mar. 20, 1944	101,994	100.0%	-
Nisshin Fire & Marine Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	June 10, 1908	20,389	100.0%	-
E.design Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Jan. 26, 2009	26,653	92.4%	-
Tokio Marine & Nichido Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 6, 1996	55,000	100.0%	-

Tokio Marine Millea SAST Insurance Co., Ltd.	Kanagawa, Japan	Small-amount short-term insurance	Sep. 1, 2003	895	100.0%	-
Tokio Marine Asset Management Co., Ltd.	Tokyo, Japan	Investment management and Investment trusts	Dec. 9, 1985	2,000	100.0%	-
Tokio Marine North America, Inc.	Wilmington, Delaware, U.S.A	Holding company	June 29, 2011	0	100.0% (100.0)	-
Philadelphia Consolidated Holding Corp.	Bala Cynwyd, Pennsylvania, U.S.A.	Holding company	July 6, 1981	0	100.0% (100.0)	-
Philadelphia Indemnity Insurance Company	Bala Cynwyd, Pennsylvania, U.S.A.	Property and casualty insurance	Feb. 4, 1927	478	100.0% (100.0)	-
First Insurance Company of Hawaii, Ltd.	Honolulu, Hawaii, U.S.A.	Property and casualty insurance	Aug. 6, 1982	453	100.0% (100.0)	-
Tokio Marine America Insurance Company	New York, New York, U.S.A.	Property and casualty insurance	Aug. 13, 1998	531	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	3,187	100.0% (100.0)	-
Reliance Standard Life Insurance Company	Schaumburg, Illinois, U.S.A.	Life insurance	Apr. 2, 1907	5,949	100.0% (100.0)	-
Reliance Standard Life Insurance Company of Texas	Houston, Texas, U.S.A.	Life insurance	Aug. 16, 1983	74	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,	Property and casualty insurance	May 27, 1981	531	100.0% (100.0)	-

	U.S.A.					
U.S. Specialty Insurance Company	Dallas, Texas, U.S.A.	Property and casualty insurance	Oct. 28, 1986	446	100.0% (100.0)	-
HCC Life Insurance Company	Indianapolis, Indiana, U.S.A.	Life insurance	Dec. 3, 1980	265	100.0% (100.0)	-
Tokio Marine Kiln Group Limited	London, U.K.	Holding company	July 11, 1994	150	100.0% (100.0)	-
Tokio Marine Underwriting Limited	London, U.K.	Property and casualty insurance	Oct. 27, 2008	0	100.0% (100.0)	-
HCC International Insurance Company PLC	London, U.K.	Property and casualty insurance	July 22, 1981	21,753	100.0% (100.0)	-
Tokio Millennium Re AG	Zurich, Switzerland	Property and casualty insurance	Mar. 15, 2000	25,347	100.0% (100.0)	-
Tokio Marine Asia Pte. Ltd.	Singapore, Singapore	Holding company	Mar. 12, 1992	93,312	100.0% (100.0)	-
Tokio Marine Insurance Singapore Ltd.	Singapore, Singapore	Property and casualty insurance	July 11, 1923	8,102	100.0% (100.0)	-
Tokio Marine Life Insurance Singapore Ltd.	Singapore, Singapore	Life insurance	May 21, 1948	2,916	85.7% (85.7)	-
Tokio Marine Insurans (Malaysia) Berhad	Kuala Lumpur, Malaysia	Property and casualty insurance	Apr. 28, 1999	11,097	100.0% (100.0)	-
Tokio Marine Life Insurance Malaysia Bhd.	Kuala Lumpur, Malaysia	Life insurance	Feb. 11, 1998	6,216	100.0% (100.0)	-
IFFCO-Tokio General Insurance Co. Ltd.	New Delhi, India	Property and casualty insurance	Sep. 8, 2000	4,396	49.0% (49.0)	-
Edelweiss Tokio Life Insurance Company Limited	Mumbai, India	Life insurance	Nov. 25, 2009	5,103	49.0% (49.0)	-
Tokio Marine Seguradora S.A.	Sao Paulo, Brazil	Property and casualty insurance	June 23, 1937	28,609	97.8% (97.8)	-

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

2. IFFCO-Tokio General Insurance Co. Ltd. is included in the table due to an increase in importance.

3. With regard to the amounts of capital of the company that holds capital in foreign currency, the amounts of capital shown above have been converted to yen based on the currency exchange rate on the closing date of the fiscal year of the Company.
4. Figures in brackets shown under Tokio Marine Holdings' voting rights reflect Tokio Marine Holdings' indirectly held ownership ratio in the respective subsidiary.

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

Date of transactions	Outline of transactions
July 7, 2017	<p>On July 7, 2017, Tokio Marine Asia Pte. Ltd. acquired 23% of the outstanding shares of IFFCO-Tokio General Insurance Co. Ltd., a non-life insurance company based in India, from its joint venture partner Indian Farmers Fertiliser Cooperative Limited and other 1 company, thereby increasing its shareholding ratio to 49%. The acquisition price was 43,946 million yen. The outline of the target company and the purpose of the share acquisition are as follows.</p> <p>- Outline of the target company Company name: IFFCO-Tokio General Insurance Co. Ltd. Location: New Delhi, India Business area: Non-life insurance business</p> <p>- Purpose of the share acquisition To enable the Group to achieve further profit growth by capturing market growth in emerging markets, and to promote further geographical diversification of its business portfolio.</p>

(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, 2018)

Name	Position and responsibilities	Other major posts
Shuzo Sumi	Representative Director and Chairman of the Board	Counsellor of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Sony Corporation (outside director) Director of Toyota Industries Corporation (outside director) Vice Chairman of Japan Association of Corporate Executives

Tsuyoshi Nagano	<p>Representative Director and President & Chief Executive Officer</p> <p>Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)</p>	Chairman of the Board of Tokio Marine & Nichido
Kenji Iwasaki	<p>Executive Vice President</p> <p>Group CSSO (Group Chief Strategy and Synergy Officer) In charge of Strategy and Synergy Dept.</p>	Executive Vice President of Tokio Marine & Nichido
Kunihiko Fujii	<p>Executive Vice President</p> <p>Group CRO (Group Chief Risk Officer) In charge of Risk Management Dept. and International Business Development Dept. (international business strategies (ERM) etc.)</p>	Executive Vice President of Tokio Marine & Nichido
Ichiro Ishii	<p>Representative Director and Executive Vice President</p> <p>Head of international insurance business In charge of International Business Development Dept. (management of North America (TMHCC) and reinsurance operations)</p>	Executive Vice President of Tokio Marine & Nichido
Hirokazu Fujita	<p>Senior Managing Director</p> <p>Group CIO (Group Chief Investment Officer) In charge of Financial Planning Dept., Corporate Accounting Dept. and Internal Audit Dept.</p>	Senior Managing Director of Tokio Marine & Nichido
Takayuki Yuasa	<p>Representative Director and Managing Director</p> <p>Group CFO (Group Chief Financial Officer) In charge of Corporate Planning Dept., Legal Dept. and Internal Control Dept.</p>	Managing Director of Tokio Marine & Nichido

Toshifumi Kitazawa	Director	President & Chief Executive Officer of Tokio Marine & Nichido
Katsumi Nakazato	Director	President & Chief Executive Officer of Tokio Marine & Nichido Life
Akio Mimura	Director (outside director)	Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation Director of Japan Post Holdings Co., Ltd. (outside director) Director of Development Bank of Japan Inc. (outside director) Director of Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director) Chairman of The Japan Chamber of Commerce and Industry Chairman of The Tokyo Chamber of Commerce and Industry
Mikio Sasaki	Director (outside director)	Senior Corporate Advisor (<i>Tokubetsukomon</i>) of Mitsubishi Corporation Director of Mitsubishi Research Institute, Inc. (non-executive director)
Masako Egawa	Director (outside director)	Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Mitsui Fudosan Co., Ltd. (outside director) Director of Asahi Glass Company, Limited (outside director)
Takashi Mitachi	Director (outside director)	Senior Adviser of The Boston Consulting Group Director of Rakuten, Inc. (outside director) Director of DMG Mori Co., Ltd. (outside director) Director of Unicharm Corporation (outside director)
Takaaki Tamai	Audit & Supervisory Board Member (full-time)	-
Takashi Ito	Audit & Supervisory Board Member (full-time)	-
Yuko Kawamoto	Audit & Supervisory Board Member (outside audit & supervisory board member)	Professor, Graduate School of Business and Finance, Waseda University Director of Mitsubishi UFJ Financial Group, Inc. (outside director)
Akinari Horii	Audit & Supervisory Board Member (outside audit & supervisory board member)	Director and Special Advisor of The Canon Institute for Global Studies

Akihiro Wani	Audit & Supervisory Board Member (outside audit & supervisory board member)	Attorney-at-law
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- Notes: 1. Outside directors and outside audit & supervisory board members qualify as outside directors and outside company auditors defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan (hereinafter the same shall apply in this Business Report).
2. Mr. Akio Mimura, Mr. Mikio Sasaki, Ms. Masako Egawa, Mr. Takashi Mitachi, Ms. Yuko Kawamoto, Mr. Akinari Horii and Mr. Akihiro Wani are “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.
3. The Bank of Tokyo-Mitsubishi UFJ, Ltd., where Mr. Shuzo Sumi serves as an outside director, has changed its trade name to MUFG Bank, Ltd. on April 1, 2018. He resigned from his position as Vice Chairman of Japan Association of Corporate Executives effective as of April 27, 2018.
4. Mr. Kenji Iwasaki resigned from his position as Executive Vice President of Tokio Marine & Nichido effective as of March 31, 2018.
5. Mr. Ichiro Ishii resigned from his position as Executive Vice President of Tokio Marine & Nichido effective as of March 31, 2018.
6. Mr. Takayuki Yuasa assumed his position as Senior Managing Director of Tokio Marine Holdings and Tokio Marine & Nichido effective as of April 1, 2018.
7. Graduate School of Commerce and Management, Hitotsubashi University, where Ms. Masako Egawa serves as a professor, and other graduate school of the University were united into Graduate School of Business Administration of the University on April 1, 2018.
8. Mr. Takaaki Tamai, as a director of Tokio Marine Holdings and Tokio Marine & Nichido, was in charge of accounting department and has extensive insight regarding finance and accounting matters.
9. Mr. Takashi Ito was General Manager of Corporate Planning Dept. of Tokio Marine Holdings and has extensive insight regarding finance and accounting matters.
10. Ms. Yuko Kawamoto has many years of experience in research and other activities with respect to financial institutions and has extensive insight regarding finance and accounting matters.
11. Mr. Akinari Horii, as an executive or a regular employee of Bank of Japan through many years, has extensive insight regarding finance and accounting matters.
12. Mr. Akihiro Wani has many years of experience in his role as a corporate lawyer acting for financial institutions on legal matters and has extensive insight regarding finance and accounting matters.

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

	Number of persons to receive remuneration and other compensation	Remuneration and other compensation
Directors	15 persons	640 million yen
Audit & Supervisory Board Members	5 persons	114 million yen
Total	20 persons	754 million yen

- Notes: 1. “Number of persons to receive remuneration and other compensation” includes two directors who resigned from office at the close of the 15th ordinary general meeting of shareholders held on June 26, 2017.
2. “Remuneration and other compensation” includes the amounts paid to two directors referred to in Note 1 above.

3. Remuneration in connection with share acquisition rights granted to directors is 108 million yen.
4. Based on the resolution adopted at shareholders meeting, remuneration and other compensation of directors shall be no more than 50 million yen per month (of which remuneration and other compensation for outside directors shall be no more than 5 million yen). In addition, remuneration in connection with share acquisition rights granted to directors shall be no more than 140 million yen per year (of which remuneration for outside directors shall be no more than 14 million yen) and remuneration and other compensation for audit & supervisory board members shall be no more than 12 million yen per month.

(3) Limitation of Liability

Name	Outline of the contract to limit liability
Akio Mimura (outside director) Mikio Sasaki (outside director) Masako Egawa (outside director) Takashi Mitachi (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 Posts (As of March 31, 2018)

Other posts 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, 2018)”. From among the entities where outside directors and outside audit & supervisory board members have other posts, while insurance subsidiaries of the Company conduct considerable amounts of insurance-related transactions with Nippon Steel & Sumitomo Metal Corporation, Nisshin Seifun Group Inc., Mitsubishi Corporation, Asahi Glass Company, Limited, DMG Mori Co., Ltd. and Mitsubishi UFJ Financial Group, Inc., each outside director and outside audit & supervisory board member fulfills the independence standards for Outside Directors and Outside Audit & Supervisory Board Members set by the Company.

(2) Principal Activities

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Akio Mimura (outside director)	7 years and 9 months	Attended 9 of the 11 board of directors' meetings held during fiscal year 2017.	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 was acquired through many years of experience in a management role.

Mikio Sasaki (outside director)	6 years and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2017.	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 was acquired through many years of experience in a management role.
Masako Egawa (outside director)	2 years and 9 months	Attended 10 of the 11 board of directors' meetings held during fiscal year 2017.	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 which was 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.
Takashi Mitachi (outside director)	9 months	After assuming the position, attended all 9 board of directors' meetings held during fiscal year 2017.	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 was acquired through many years of experience in a consulting firm and a management role.
Yuko Kawamoto (outside audit & supervisory board member)	11 years and 9 months	Attended 10 of the 11 board of directors' meetings and 10 of the 11 board of audit & supervisory board meetings held during fiscal year 2017.	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 was acquired through many years of experience as a consultant and involvement in academic activities.
Akinari Horii (outside audit & supervisory board member)	6 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2017.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight which was 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)	3 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2017.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight which was 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, 2018.
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. All 11 board of directors' meetings held during fiscal year 2017 were ordinary meetings. All 11 audit & supervisory board meetings held during fiscal year 2017 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	8 persons	98 million yen	-

- Notes: 1. "Number of persons to receive remuneration and other compensation" includes 1 outside director who resigned from office at the close of the 15th ordinary general meeting of shareholders held on June 26, 2017.
2. "Remuneration received from the insurance holding company" includes the amounts paid to the 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 8 million yen.
4. The breakdown of the remuneration is as follows.
- Outside directors: 5 persons, 56 million yen
 - Outside audit & supervisory board members: 3 persons, 42 million yen

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

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

4. Matters Concerning Common Share

(1) Number of Shares (As of March 31, 2018)

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

Total number of the issued shares: 748,024 thousand shares (including 22,591 thousand treasury shares)

(2) Total Number of Shareholders (As of March 31, 2018)

80,716

(3) Major shareholders (As of March 31, 2018)

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)	49,080	6.8
Japan Trustee Services Bank, Ltd. (Trust Account)	43,349	6.0
State Street Bank and Trust Company 505001	21,422	3.0
Meiji Yasuda Life Insurance Company	15,779	2.2

Japan Trustee Services Bank, Ltd. (Trust Account 5)	14,200	2.0
State Street Bank West Client - Treaty 505234	12,359	1.7
Japan Trustee Services Bank, Ltd. (Trust Account 7)	12,324	1.7
JP Morgan Chase Bank 385632	10,911	1.5
The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation	10,832	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 1)	10,543	1.5

- Notes: 1. 10,832 thousand shares held by The Master Trust Bank of Japan, Ltd. Retirement Benefits Trust Account for Mitsubishi Corporation are assets entrusted by Mitsubishi Corporation for its retirement benefits trust.
2. The Company holds 22,591 thousand treasury shares, but it is not listed in the above chart.
3. The ratio of shares held is calculated after deducting 22,591 thousand treasury shares held by the Company.

(Composition ratio by type of shareholders)

Financial institutions:	36.6%
Financial instruments firms:	3.2%
Other domestic companies:	7.2%
Foreign companies:	38.4%
Individuals and others:	11.5%
Treasury shares	3.0%

(The number of outstanding shares as of March 31, 2018: 748,024 thousand shares)

5. Matters Concerning Share Acquisition Rights

The following table sets forth the status and outlines of the share acquisition rights issued by the Company to directors, audit & supervisory board members, and executive officers of Tokio Marine Holdings and its major subsidiaries as remuneration for the performance of their respective duties as of March 31, 2018:

	Number of share acquisition rights (as of March 31, 2018)	Class and number of shares underlying share acquisition rights (as of March 31, 2018)	Amount payable at issuance	Amount to be paid upon exercise of share acquisition rights	Exercise period
July 2005 Share Acquisition Rights	5	2,500 common shares	-	1 yen per share	30 years from the allotment of the share acquisition rights
July 2006 Share Acquisition Rights	4	2,000 common shares	2,013,506 yen		

July 2007 Share Acquisition Rights	38	3,800 common shares	491,700 yen		
August 2008 Share Acquisition Rights	50	5,000 common shares	353,300 yen		
July 2009 Share Acquisition Rights	182	18,200 common shares	237,600 yen		
July 2010 Share Acquisition Rights	311	31,100 common shares	234,400 yen		
July 2011 Share Acquisition Rights	480	48,000 common shares	219,500 yen		
July 2012 Share Acquisition Rights	710	71,000 common shares	181,900 yen		
July 2013 Share Acquisition Rights	769	76,900 common shares	332,600 yen		
July 2014 Share Acquisition Rights	962	96,200 common shares	310,800 yen		
July 2015 Share Acquisition Rights	1,014	101,400 common shares	500,800 yen		
July 2016 Share Acquisition Rights	1,511	151,100 common shares	337,700 yen		
July 2017 Share Acquisition Rights	1,542	154,200 common shares	455,100 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 have particularly favorable terms for 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 2017 were allotted to directors, audit & supervisory board members, and executive officers to settle their cash remuneration claims against their respective companies, pursuant to Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act of Japan.
4. Share acquisition rights held by any of directors, audit & supervisory board members, and executive officers that he/she received in his/her capacity as a director, audit & supervisory board member, or executive officer of the relevant entity may only be exercised after he/she has resigned from any position as a director, audit & supervisory board member, or executive officer of such entity.

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

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Directors (except outside directors)		Outside Directors		Audit & Supervisory Board Members	
			Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights
July 2007 Share Acquisition Rights	19	1,900 common shares	1 person	16	-	-	1 person	3
August 2008 Share Acquisition Rights	22	2,200 common shares	1 person	19	-	-	1 person	3
July 2009 Share Acquisition Rights	39	3,900 common shares	1 person	33	-	-	1 person	6
July 2010 Share Acquisition Rights	48	4,800 common shares	1 person	34	1 person	7	1 person	7
July 2011 Share Acquisition Rights	113	11,300 common shares	2 persons	73	2 persons	14	1 person	26
July 2012 Share Acquisition Rights	192	19,200 common shares	3 persons	113	2 persons	18	1 person	61
July 2013 Share Acquisition Rights	153	15,300 common shares	3 persons	84	2 persons	14	2 persons	55
July 2014 Share Acquisition Rights	118	11,800 common shares	4 persons	98	2 persons	12	1 person	8
July 2015 Share Acquisition Rights	170	17,000 common shares	5 persons	158	3 persons	12	-	-
July 2016 Share Acquisition Rights	246	24,600 common shares	7 persons	228	3 persons	18	-	-
July 2017 Share Acquisition Rights	254	25,400 common shares	9 persons	234	4 persons	20	-	-

Note: As of March 31, 2018, the directors and audit & supervisory board members of the Company have been allotted the number of share acquisition rights to settle their monetary remuneration claims accrued as consideration for their service in the respective companies set forth in this table. The directors and audit & supervisory board members of the Company who were also executive officers of the Company or directors or executive officers of the Company's major subsidiaries at the time of the issuance of the share acquisition rights have been allotted the number of share acquisition rights set forth below in their capacity as directors or executive officers of these companies.

The July 2005 Share Acquisition Rights: 5
The July 2006 Share Acquisition Rights: 4
The July 2007 Share Acquisition Rights: 16
The August 2008 Share Acquisition Rights: 16
The July 2009 Share Acquisition Rights: 85

The July 2010 Share Acquisition Rights: 135
 The July 2011 Share Acquisition Rights: 161
 The July 2012 Share Acquisition Rights: 155
 The July 2013 Share Acquisition Rights: 131
 The July 2014 Share Acquisition Rights: 133
 The July 2015 Share Acquisition Rights: 130
 The July 2016 Share Acquisition Rights: 127
 The July 2017 Share Acquisition Rights: 84

(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 2017 Share Acquisition Rights	1,259	125,900 common shares	12 persons	221	66 persons	1,038

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

6. Matters Concerning the Independent Auditor

(1) Independent Auditor (PricewaterhouseCoopers Aarata LLC)

Name	Remuneration for fiscal year 2017	Other matters
Designated Limited Liability Partners: Susumu Arakawa Takashi Idesawa Yuko Harada	125 million yen	Non-audit services (i.e., services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Law) provided to the Company by the independent auditor for a fee: accounting advisory service related to International Financial Reporting Standards (IFRS), etc.

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

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

3. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 1,239 million yen.

(2) Limitation of Liability

None.

(3) Other matters Concerning the Independent Auditor

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

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

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

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

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

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

None.

8. System to assure appropriate business operations

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

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

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

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

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

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

and uncompromising manner by severing relationships with them and refusing unfair demands.

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

3. System for risk management

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

4. System for ensuring efficient execution of professional duties

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

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

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

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

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

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

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

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

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

minutes of important meetings and other important documents relating to decisions approved by directors and executive officers.

- (3) Directors and employees shall, at any time upon the request of the Audit & Supervisory Board Members, explain matters concerning the execution of their duties.
- (4) The Internal Audit Department shall strengthen its coordination with the Audit & Supervisory Board Members by assisting in the audit process and through other means.
- (5) The company shall pay all the expense and fees incurred regarding the execution of duties by the Audit & Supervisory Board Members, unless the company proves that they aren't necessary for the execution.

Amended April 1, 2015

(2) Overview of Implementation of Internal Control System

a. Internal Control System in General

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

b. Efforts related to Management Control of Group Companies

The Company has formulated various basic policies that the Group is required to comply with in order to ensure proper Group operations and to ensure compliance with laws, regulations and the Articles of Incorporation of the Company. The Company also reviews the policies each year to determine whether any new policies or revisions to existing policies are necessary and the Company has revised a part of such basic policies this fiscal year.

In the Group’s basic policies about management of group companies, certain material items relating to the businesses of the Company’s major group companies for which prior approval from or report to the Company is required are identified. In accordance with these policies, the Company gives prior approval to business and other plans of major group companies.

c. Efforts related to Compliance

The Group conducts training each year to inform directors and officers of laws, regulations and internal rules that directors and officers are required to comply with.

The Group has also installed hotlines for directors and officers to report internally regarding potential compliance issues, as well as informing them about use of the hotlines through training and other methods and responding to reports. In addition, to improve the convenience for directors and employees abroad, the Group installed a hotline that can handle internal reports in multiple languages from several different regions of use.

In addition to the maintenance and improvement of its compliance system with the legal systems of the subsidiaries’ countries in mind, the Group is also making a concerted effort to improve the system by reference to the progress achieved by its overseas group companies in

areas of regulation with extraterritorial application such as economic sanctions, anti-corruption compliance and personal information protection.

d. Efforts related to Risk Management

The Company identifies risks that may have material effect on the financial soundness and continuity of operations of the Company, establishes countermeasures against such risks, deliberates on the implementation of such countermeasures at the Internal Control Committee and confirms their effectiveness at board of directors' meetings. In this fiscal year, the Company conducted a drill simulating a domestic terrorism incident in light of the outbreak of terrorism around the world. In addition, in order to address cyber risk, the Company established the position of Group CISO (Group Chief Information Security Officer), increased the number of the personnel engaged in the field of cybersecurity within the Group, and took other technical measures.

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 collaborates with Audit & Supervisory Board Members by providing information on the internal audit plan and the outcome of the internal audit.

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

9. Items related to Specified Wholly-owned Subsidiary

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

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

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

2,095,774 million yen

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

2,401,883 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, 2018

(Yen in millions)

	As of March 31, 2018
Assets	
Cash and bank deposits	733,832
Call loans	135,000
Receivables under resale agreements	4,999
Receivables under securities borrowing transactions	30,880
Monetary receivables bought	1,252,343
Money trusts	214,101
Securities	16,629,902
Loans	1,011,880
Tangible fixed assets	289,116
Land	133,673
Buildings	119,994
Construction in progress	672
Other tangible fixed assets	34,776
Intangible fixed assets	798,003
Software	40,091
Goodwill	423,538
Other intangible fixed assets	334,372
Other assets	1,801,286
Net defined benefit assets	8,019
Deferred tax assets	30,889
Customers' liabilities under acceptances and guarantees	2,345
Allowance for doubtful accounts	(12,667)
Total assets	22,929,935
Liabilities	
Insurance liabilities	16,266,467
Outstanding claims	2,973,350
Underwriting reserves	13,293,117
Corporate bonds	59,766
Other liabilities	1,927,760
Payables under securities lending transactions	383,853
Other liabilities	1,543,906
Net defined benefit liabilities	255,588
Provision for employees' bonus	65,752
Reserves under special laws	100,511
Price fluctuation reserve	100,511
Deferred tax liabilities	366,835
Negative goodwill	49,369
Acceptances and guarantees	2,345
Total liabilities	19,094,398
Net assets	
Shareholders' equity	
Share capital	150,000
Retained earnings	1,837,908
Treasury shares	(114,446)
Total shareholders' equity	1,873,461
Accumulated other comprehensive income	

Unrealized gains (losses) on available-for-sale securities	1,864,865
Deferred gains (losses) on hedge transactions	10,829
Foreign currency translation adjustments	76,081
Remeasurements of defined benefit plans	(20,044)
Total accumulated other comprehensive income	1,931,732
Share acquisition rights	2,552
Non-controlling interests	27,789
Total net assets	3,835,536
Total liabilities and net assets	22,929,935

Consolidated Statement of Income for fiscal year 2017

(Yen in millions)

	Fiscal year 2017 (April 1, 2017 to March 31, 2018)
Ordinary income	5,399,115
Underwriting income	4,662,061
Net premiums written	3,564,747
Deposit premiums from policyholders	93,752
Investment income on deposit premiums	44,573
Life insurance premiums	953,006
Other underwriting income	5,980
Investment income	623,948
Interest and dividends	452,491
Gains on money trusts	6,892
Gains on trading securities	499
Gains on sales of securities	132,245
Gains on redemption of securities	1,198
Investment gains on separate accounts	30,508
Other investment income	44,686
Transfer of investment income on deposit premiums	(44,573)
Other ordinary income	113,105
Amortization of negative goodwill	10,229
Other ordinary income	102,876
Ordinary expenses	5,054,175
Underwriting expenses	4,103,092
Net claims paid	1,916,944
Loss adjustment expenses	135,673
Agency commissions and brokerage	703,865
Maturity refunds to policyholders	187,435
Dividends to policyholders	47
Life insurance claims	564,482
Provision for outstanding claims	245,933
Provision for underwriting reserves	339,025
Other underwriting expenses	9,684
Investment expenses	71,339
Losses on money trusts	7,168
Losses on sales of securities	29,562
Impairment losses on securities	6,067
Losses on redemption of securities	1,244
Losses on derivatives	14,605
Other investment expenses	12,689
Operating and general administrative expenses	856,940
Other ordinary expenses	22,803
Interest expenses	13,418
Increase in allowance for doubtful accounts	781
Losses on bad debts	198
Equity in losses of affiliates	1,785
Amortization of deferred assets under Article 113 of the Insurance Business Act	3,826
Other ordinary expenses	2,791
Ordinary profit	344,939

(Yen in millions)

	Fiscal year 2017 (April 1, 2017 to March 31, 2018)
Extraordinary gains	1,936
Gains on disposal of fixed assets	130
Other extraordinary gains	1,805
Extraordinary losses	9,322
Losses on disposal of fixed assets	2,096
Impairment losses on fixed assets	259
Provision for reserves under special laws	6,865
Provision for price fluctuation reserve	6,865
Losses on reduction of real estate	7
Other extraordinary losses	92
Income before income taxes and non-controlling interests	337,553
Income taxes - current	118,482
Income taxes - deferred	(67,265)
Total income taxes	51,217
Net income	286,336
Net income attributable to non-controlling interests	2,153
Net income attributable to owners of the parent	284,183

Consolidated Statement of Changes in Shareholders' Equity

Fiscal year 2017 (April 1, 2017 to March 31, 2018)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	150,000	1,699,030	(13,658)	1,835,371
Changes during the year				
Dividends		(113,981)		(113,981)
Net income attributable to owners of the parent		284,183		284,183
Purchases of treasury shares			(125,091)	(125,091)
Disposal of treasury shares		(210)	642	431
Cancellation of treasury shares		(23,661)	23,661	-
Changes in the scope of application of equity method		5,675		5,675
Capital increase of consolidated subsidiaries		(24)		(24)
Changes based on generally accepted accounting standards adopted by overseas subsidiaries		(13,119)		(13,119)
Others		16		16
Net changes in items other than shareholders' equity				
Total changes during the year	-	138,877	(100,787)	38,089
Ending balance	150,000	1,837,908	(114,446)	1,873,461

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance	1,600,740	11,098	112,869	(17,933)	2,292	25,321	3,569,760
Changes during the year							
Dividends							(113,981)
Net income attributable to owners of the parent							284,183
Purchases of treasury shares							(125,091)
Disposal of treasury shares							431
Cancellation of treasury shares							-
Changes in the scope of application of equity method							5,675
Capital increase of consolidated subsidiaries							(24)
Changes based on generally accepted accounting standards adopted by overseas subsidiaries							(13,119)
Others							16
Net changes in items other than shareholders' equity	264,125	(269)	(36,787)	(2,110)	260	2,468	227,686
Total changes during the year	264,125	(269)	(36,787)	(2,110)	260	2,468	265,776
Ending balance	1,864,865	10,829	76,081	(20,044)	2,552	27,789	3,835,536

※Changes in financial metrics, which are based on generally accepted accounting standards adopted by our overseas subsidiaries, are due to the transfer to unrealized gains (losses) on available-for-sale securities from the early adoption of accounting standard (ASU-2018-02) implemented under the recent U.S. tax reform. Please refer Additional Information on the later page.

Notes to Consolidated Financial Statements

Significant matters related to consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 160 companies

Names of major consolidated subsidiaries:

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

Beginning with fiscal year 2017, WNC Insurance Holding Corp. and ten other companies are included as consolidated subsidiaries because they became subsidiaries due to additional share acquisition among others.

Liberty American Insurance Group, Inc. and three other companies are excluded from the scope of consolidation because they have been dissolved.

(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: 7 companies

Name of a major affiliate accounted for by the equity method:

IFFCO-Tokio General Insurance Co. Ltd.

Edelweiss Tokio Life Insurance Company Limited

IFFCO-Tokio General Insurance Co. Ltd. has been included in the scope of application of the equity method from fiscal year 2017 due to an increase in its materiality.

WNC Insurance Holding Corp. and six other companies have been excluded from the scope of application of the equity method from fiscal year 2017 because the Company increased its equity interest in those companies making them subsidiaries of the Company.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (Alinma Tokio Marine Company, 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 & Marine. The Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it believes that it can not exert a significant influence on any policy making decisions of Japan Earthquake Reinsurance Co., Ltd.'s operations given the highly public nature of the company.

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

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for three of the domestic consolidated subsidiaries and 148 overseas consolidated subsidiaries is December 31. Since the differences in the closing dates do not exceed three months, the financial statements of the consolidated subsidiaries as of December 31 are used for presentation in the accompanying consolidated financial statements. As for any significant transactions taking place during the period between the subsidiaries' closing dates and the consolidated closing date, necessary adjustments are made for consolidation purposes.

4. Accounting policies

(1) Valuation of securities

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

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

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

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

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

(2) Valuation of derivative transactions

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

(3) Depreciation method for tangible fixed assets

The depreciation method for tangible fixed assets is accounted by the straight-line method.

(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. 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.

c. 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, 2018 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, 2018 were 1,256 million yen and the amount accounted for in the consolidated financial statements for fiscal year 2017 was 3,241 million yen.

b. Foreign exchange

With regard to some of major domestic consolidated insurance subsidiaries' currency swap transactions and currency forward transactions, which have been entered into for the purpose of hedging foreign exchange risk associated with assets denominated in foreign currencies, (a) fair value hedge accounting, (b) deferred hedge accounting or (c) 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. and HCC Insurance Holdings, Inc. is amortized over 20 years, 10 years, respectively, using the straight-line method. Other goodwill is amortized over 5 to 15 years using the straight-line method, however when the amount is small it is amortized at one time.

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

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

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

Additional Information

(Adjustment of deferred tax assets and liabilities due to changes in the corporate income tax rate)

Due to the Tax Cuts and Jobs Act, which the U.S. government passed on December 22, 2017, the federal income tax rate for the Company's consolidated U.S. subsidiaries decreased from 35% to 21% starting January 1, 2018.

As a result, net income attributable to owners of the parent increased by 57,856 million yen due to a decrease of deferred tax liabilities (net of deferred tax assets) by 60,321 million yen among other factors. The increase includes the impact of a decrease of deferred tax assets (13,119 million yen) with respect to unrealized gains (losses) on available-for-sale securities under U.S. accounting standards. However, due to the early adoption of accounting standard (ASU 2018-02) implemented under the recent U.S. tax reform, the impact is reclassified from retained earnings to unrealized gains (losses) on available-for-sale securities in our consolidated statement of changes in shareholders' equity.

Notes to consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets is 360,585 million yen, and deferred capital gain for tax purpose is 18,721 million yen.
2. Shares and investment in non-consolidated subsidiaries and affiliates are 225,698 million yen and 18,547 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 30,840 million yen. The breakdown is set forth

below.

- (1) The amount of loans to borrowers in bankruptcy is none.

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 17,177 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 5,725 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 7,937 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 51,288 million yen in savings deposits, 19,981 million yen in monetary receivables bought, 294,890 million yen in securities and 15,209 million yen in loans.

Collateralized debt obligations are held to the value of 155,335 million yen in outstanding claims, 116,795 million yen in underwriting reserve and 65,890 million yen in other debts (including foreign reinsurance related debts, etc.).

5. 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 36,551 million yen and are wholly held by the Company.

6. Securities include securities lent under loan agreements of 712,687 million yen.

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

	(Yen in millions)
Total loan commitments	500,508
Balance of drawn committed loans	346,344
Undrawn loan commitments	154,164

8. The amount of both assets and liabilities for special account as prescribed in Article 118 of the Insurance Business Act totals 219,705 million yen.
9. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2018 is as follows:

	(Yen in millions)
Tokio Marine Compañía de Seguros, S.A. de C.V.	4,972
<u>Tokio Marine Pacific Insurance Limited</u>	<u>3,038</u>
Total	8,010

10. Other assets include 3,826 million yen of deferred assets under Article 113 of the Insurance Business Act.
11. Subordinated borrowings with the rider providing that they are repayable only after other debts, 100,000 million yen, are included in other liabilities.

Notes to consolidated statement of income

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	574,418
Salaries	307,475

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

2. The amount of other extraordinary gains is 1,394 million yen in gains on liquidation of subsidiaries and affiliates and 220 million yen in gains on sales of shares of subsidiaries and affiliates.

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, 2017	Increase during fiscal year 2017	Decrease during fiscal year 2017	Number of shares as of March 31, 2018
Issued shares				
Common share	753,024	-	5,000	748,024
Total	753,024	-	5,000	748,024
Treasury share				
Common share	2,912	24,815	5,136	22,591
Total	2,912	24,815	5,136	22,591

Notes: 1. The decrease of 5,000 thousand issued shares is attributable to cancellation of treasury shares.

2. The increase of 24,815 thousand treasury shares of common share is primarily attributable to a purchase of 24,796 thousand treasury shares by the resolution of board of directors' meetings.
3. The decrease of 5,136 thousand treasury shares of common share is primarily attributable to a cancellation of treasury shares that decreased treasury shares by 5,000 thousand.

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

Category	Nature of share acquisition rights	Amount as of March 31, 2018 (Yen in millions)
The Company (parent company)	Share acquisition rights as share options	2,552

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 26, 2017	Common share	54,383	72.50	March 31, 2017	June 27, 2017
Meeting of the board of directors held on November 17, 2017	Common share	59,598	80.00	September 30, 2017	December 1, 2017

- (2) Dividends of which the record date falls within fiscal year 2017, and of which the effective date falls on or after April 1, 2018.

The Company intends to obtain approval for the following dividend payment at the 16th Ordinary General Meeting of Shareholders to be held on June 25, 2018.

(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 25, 2018	Common share	58,034	Retained earnings	80.00	March 31, 2018	June 26, 2018

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. Therefore, the Group is working toward long-term and stable profit and effective liquidity maintenance through appropriate Asset Liability Management (“ALM”) based risk control that takes into consideration the characteristics of insurance products.

Specifically, the Group is controlling interest rate risk to which insurance liabilities are exposed and is managing credit risk through investing mostly in bonds with high credit ratings. In addition, the Group aims to secure mid-to-long-term profit by diversifying risk, investing both within and outside Japan, and using varied investment techniques, including investing in foreign securities. With regard to held assets, the Group is utilizing foreign exchange forwards and other derivative transactions in order to mitigate risk.

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

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

2. Fair value of financial instruments

The table below shows the fair value of financial instruments excluding equity shares in non-consolidated subsidiaries and others without reasonably measured fair value as of March 31, 2018.

(Yen in millions)

	Carrying amount shown on balance sheet	Fair value	Difference
(1) Cash and bank deposits	733,832	733,877	44
(2) Call loans	135,000	135,000	-
(3) Receivables under resale agreements	4,999	4,999	-
(4) Receivables under security borrowing transactions	30,880	30,880	-
(5) Monetary receivables bought	1,252,343	1,252,343	-
(6) Money trusts	214,101	214,101	-
(7) Securities			
Trading securities	477,526	477,526	-
Bonds held to maturity	4,785,178	5,472,911	687,733
Bonds earmarked for underwriting reserves	38,180	39,227	1,046
Available for sale securities	10,989,173	10,989,173	-
(8) Loans	893,984		
Allowance for doubtful accounts (*1)	(3,946)		
	890,037	894,386	4,348
(9) Corporate bonds (*2)	59,766	58,840	(926)
(10) Payables under security lending transactions (*2)	383,853	383,853	-
(11) Derivative assets and liabilities (*3)	50,470	50,470	-

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

(*2) Items in liabilities are shown.

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

Notes: 1. Valuation method for financial instruments

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

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

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

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

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

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

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

2. Equity shares in non-consolidated subsidiaries, unlisted shares and partnership investments etc. (Carrying amount on the consolidated balance sheet: 336,233 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: 117,895 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, 2018	Fair value as of March 31, 2018
60,366	133,581

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, 2018 is primarily based on appraisals by qualified external valuers.

Per share information

Net assets per share	5,245.40 yen
Net income per share	382.83 yen

Non-consolidated Balance Sheet as of March 31, 2018

(Yen in millions)

	As of March 31, 2018
Assets	
Current assets:	
Cash and bank deposits	10,808
Prepaid expenses	14
Accounts receivable	55,195
Others	4
Total current assets	66,022
Fixed assets:	
Tangible fixed assets	
Buildings	153
Motor vehicles and transport equipment	37
Office equipment	36
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	2,333,521
Others	2,110
Total investments and other assets	2,335,632
Total fixed assets	2,335,860
Total assets	2,401,883
Liabilities	
Current liabilities:	
Accounts payable	688
Accrued expenses	666
Accrued income taxes	101
Accrued business office taxes	14
Accrued consumption taxes	290
Deposits received	7
Provision for employees' bonus	615
Total current liabilities	2,383
Fixed liabilities:	
Reserve for retirement benefit	317
Total fixed liabilities	317
Total liabilities	2,700
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	849,590
General reserve	332,275
Retained earnings carried forward	517,315
Total retained earnings	849,590
Treasury shares	(114,446)
Total shareholders' equity	2,396,629
Share acquisition rights	2,552
Total net assets	2,399,182
Total liabilities and net assets	2,401,883

Non-consolidated Statement of Income for fiscal year 2017

(Yen in millions)

	Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Operating income:	
Dividends received from subsidiaries and affiliates	214,446
Fees received from subsidiaries and affiliates	13,063
Total operating income	227,510
Operating expenses:	
Operating and general administrative expenses	12,167
Total operating expenses	12,167
Operating profit	215,342
Non-operating income:	
Interest income	0
Gains on forfeiture of unclaimed dividends	42
Office work fee	18
Other non-operating income	51
Total non-operating income	112
Non-operating expenses:	
Transaction fee for repurchase of treasury shares	33
Miscellaneous expenses	43
Total non-operating expenses	76
Ordinary profit	215,378
Extraordinary gains:	
Gains on sales of investment in subsidiaries and affiliates	220
Total extraordinary gains	220
Extraordinary losses:	
Impairment losses on investment of subsidiaries and affiliates	12,025
Losses on liquidation of subsidiaries and affiliates	86
Losses on disposal of fixed assets	1
Total extraordinary losses	12,113
Income before income taxes	203,485
Income taxes-current	(1)
Total income taxes	(1)
Net income	203,486

Non-consolidated Statement of Changes in Shareholders' Equity

Fiscal year 2017 (April 1, 2017 to March 31, 2018)

(Yen in millions)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Additional paid-in capital	Others	Other retained earnings			
				General reserve	Retained earnings carried forward		
Beginning balance	150,000	1,511,485	-	332,275	451,682	(13,658)	2,431,784
Changes during the year							
Dividends					(113,981)		(113,981)
Net income					203,486		203,486
Purchase of treasury shares						(125,091)	(125,091)
Disposal of treasury shares			(210)			642	431
Retirement of treasury shares			(23,661)			23,661	-
Transfer from retained earnings to capital surplus			23,872		(23,872)		-
Net changes in items other than shareholders' equity							
Total changes during the year	-	-	-	-	65,632	(100,787)	(35,154)
Ending balance	150,000	1,511,485	-	332,275	517,315	(114,446)	2,396,629

	Share acquisition rights	Total net assets
Beginning balance	2,292	2,434,077
Changes during the year		
Dividends		(113,981)
Net income		203,486
Purchase of treasury shares		(125,091)
Disposal of treasury shares		431
Retirement of treasury shares		-
Transfer from retained earnings to capital surplus		-
Net changes in items other than shareholders' equity	260	260
Total changes during the year	260	(34,894)
Ending balance	2,552	2,399,182

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Valuation of securities

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

2. Depreciation for fixed assets

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

Fixtures attached to buildings	8 to 18 years
Equipment and furniture	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 fiscal year 2017.

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: 330 million yen

2. Monetary claims against and debts owed to affiliates:

Monetary claims receivables	2,097 million yen
Debts payable	378 million yen

Notes to the non-consolidated statement of income

Transactions with affiliates:

Operating transactions

Operating income 227,510 million yen

Operating expenses 1,834 million yen

Transactions other than operating transactions 50,263 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, 2018:

Common share 22,591,149 shares

Deferred tax accounting

Major components of deferred tax assets:

Deferred tax assets	
Impairment losses on investment in subsidiaries and affiliates	41,553 million yen
Others	1,433 million yen
Subtotal	42,987 million yen
Valuation allowance	(42,987) million yen
Total deferred tax assets	- million yen
Net deferred tax assets	- million yen

Notes on transactions with related parties

(Yen in millions)

Category	Company name	Percentage of voting rights held	Relationship	Transaction description	Transaction amount	Item	Balance at end of fiscal year
Subsidiary	Tokio Marine & Nichido	100% held directly	Overlapping management and Business administration	Contributions in kind	49,690	-	-

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

Note: Contributions in kind consist of the shares of a subsidiary, which were worth 49,690 million yen.

Per share information

Net assets per share	3,303.72 yen
Net income per share	274.12 yen

Copy of Independent Auditor's Report on Consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 16, 2018

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata LLC

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

We have audited, in accordance with Article 444, paragraph 4 of the Companies Act of Japan, the consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for the fiscal year that began on April 1, 2017 and ended on March 31, 2018. 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 16, 2018

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata LLC

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

We have audited, in accordance with Article 436, paragraph 2, item 1 of the Companies Act of Japan, the non-consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for its 16th fiscal year that began on April 1, 2017 and ended on March 31, 2018. 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, 2017 and ended on March 31, 2018 and after consultations amongst our members, we, the undersigned Audit & Supervisory Board, report as follows:

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

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

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

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

Based on the methodology of the audit described above, we examined the business report and the supplementary schedules, the non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) and the supplementary schedules thereto, and the consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) for fiscal year 2017.

2. Results of Audit

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

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

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

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

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

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

May 17, 2018

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.