This is "Appendix A" of 64 pages
English translated financial statements of

10058374118

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors

P#24

To the Board of Directors of
Tokio Marine & Nichido Fire Insurance Co., Ltd.

We have audited the accompanying consolidated balance sheets of Tokio Marine & Nichido Fire Insurance Co., Ltd. ("the Company") and its subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in shareholder's equity and cash flows for each of the two years in the period ended March 31, 2009, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2009 in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in "Changes in Significant Matters Related to Financial Statements s", effective April 1, 2008, the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements".

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Notes 3 to the consolidated financial statements.

PricewaterhouseCoopers Aarata

August 28, 2009

I. Financial Statements of Tokio Marine & Nichido and its Consolidated Subsidiaries
Consolidated Balance Sheets

(Yen in millions except percentages) (USD in thousands)

	Notes No.	As of 31 March 2009 Amount	As of 31 March 2009 Ratio	As of 31 March 2008 Amount	As of 31 March 2008 Ratio	As of 31 March 2009
Assets			%		%	
Cash and deposits	4	272,867	2.85	545,510	4.56	2,777,838
Call loans		322,923	3.37	152,443	1.27	3,287,417
Receivables under resale agreement		302,893	3.16	42,951	0.36	3,083,508
Monetary receivables bought		289,147	3.02	1,511,778	12.63	2,943,571
Money trusts		8,688	0.09	39,215	0.33	88,445
Securities	2,4,6	5,881,610	61.40	7,795,500	65.11	59,875,903
Loans	3,7	540,585	5.64	604,779	5.05	5,503,258
Tangible fixed assets	1	285,575	2.98	290,746	2.43	2,907,208
Land		133,538	-	-	-	1,359,442
Buildings		121,432	-	-	-	1,236,201
Construction in progress		10,244	-	-	-	104,286
Other tangible fixed assets		20,359	-	-	-	207,258
Intangible fixed assets		422,016	4.41	44,234	0.37	4,296,203
Software		2,849	-	-	-	29,003
Goodwill		286,418	-	-	-	2,915,789
Other intangible fixed assets		132,747	-	-	-	1,351,390
Other assets	4	1,001,925	10.46	854,256	7.14	10,199,786
Deferred tax assets		156,755	1.64	3,819	0.03	1,595,796
Customers' liabilities under acceptances and guarantees		106,125	1.11	97,688	0.82	1,080,373
Valuation allowances for bad debts		(12,544)	(0.13)	(10,217)	(0.09)	(127,700)
Total assets		9,578,570	100.00	11,972,706	100.00	97,511,656
Liabilities						
Underwriting funds		6,431,307	67.14	6,446,692	53.84	65,471,923
Outstanding claims	4	1,108,895	-	999,039	-	11,288,761
Underwriting reserves	4	5,322,411	-	5,447,653	-	54,183,152
Short-term corporate bonds		67,953	0.71	99,965	0.83	691,774
Corporate bonds	4	299,922	3.13	333,123	2.78	3,053,263
Other liabilities		975,533	10.18	2,001,575	16.72	9,931,111
Payable under securities lending transactions		114,355	-	1,312,059	-	1,164,156
Other liabilities	4	861,178	-	689,516	-	8,766,955
Reserve for retirement benefits		146,584	1.53	137,426	1.15	1,492,253
Reserve for retirement benefits for directors and corporate auditors		14	0.00	8	0.00	143
Reserve for employees' bonuses		16,753	0.17	21,640	0.18	170,549
Reserve for retirement of fixed assets		3,359	0.04	3,773	0.03	34,195
Reserve under the special law		53,462	0.56	115,628	0.97	544,253
Reserve for price fluctuation		53,462	-	115,628	-	544,253
Deferred tax liabilities		40,769	0.43	324,611	2.71	415,036
Negative goodwill		16,988	0.18	17,937	0.15	172,941
Acceptances and guarantees		106,125	1.11	97,688	0.82	1,080,373
Total liabilities		8,158,775	85.18	9,600,071	80.18	83,057,874
Net assets						
Shareholder's equity						
Common stock		101,994	1.06	101,994	0.85	1,038,318
Capital surplus		123,521	1.29	123,521	1.03	1,257,467
Retained earnings		560,912	5.86	603,481	5.04	5,710,190
Total Shareholder's equity		786,428	8.21	828,997	6.92	8,005,986
Valuation and translation adjustments						
Unrealized gains on securities, net of taxes		691,436	7.22	1,528,215	12.76	7,038,949
Deferred gains and losses on hedge transactions		17,347	0.18	13,074	0.11	176,596
Foreign currency translation adjustments		(82,197)	(0.86)	(8,209)	(0.07)	(836,781)
Total valuation and translation adjustments		626,585	6.54	1,533,080	12.80	6,378,754
Minority interest		6,782	0.07	10,557	0.09	69,042
Total net assets		1,419,795	14.82	2,372,634	19.82	14,453,782
Total liabilities and net assets		9,578,570	100.00	11,972,706	100.00	97,511,656

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Income

(Yen in millions except percentages) (USD in thousands)

	Notes No.	For the year ended 31 March 2009 Amount	For the year ended 31 March 2009 Ratio	For the year ended 31March 2008 Amount	For the year ended 31March 2008 Ratio	For the year ended 31 March 2009
					%	
Ordinary income		**2,569,117**	**100.00**	2,589,588	100.00	26,154,098
Underwriting income		**2,321,561**	**90.36**	2,309,893	89.20	23,633,931
Net premiums written		**1,943,639**	-	2,014,105	-	19,786,613
Deposit premiums from policyholders		**156,983**	-	190,715	-	1,598,117
Investment income on deposited premiums from policyholders		**68,365**	-	71,764	-	695,969
Life insurance premiums		**37,164**	-	33,216	-	378,337
Reversal of outstanding claims		**9,883**	-	-	-	100,611
Reversal of underwriting reserve		**105,385**	-	-	-	1,072,839
Other underwriting income		**138**	-	92	-	1,405
Investment income		**220,804**	**8.59**	258,289	9.97	2,247,827
Interest and dividends		**178,466**	-	227,593	-	1,816,818
Gains on money trusts		**38**	-	517	-	387
Gains on trading securities		**-**	-	5,269	-	-
Gains on sales of securities		**73,486**	-	57,318	-	748,101
Gains on redemption of securities		**418**	-	2,992	-	4,255
Gains on derivatives		**34,875**	-	23,650	-	355,034
Other investment income		**1,884**	-	12,711	-	19,179
Transfer of investment income on deposited premiums		**(68,365)**	-	(71,764)	-	(695,969)
Other ordinary income		**26,751**	**1.04**	21,406	0.83	272,330
Equity in earnings of affiliates		**1,010**	-	-	-	10,282
Other ordinary income		**25,740**	-	21,406	-	262,038
Ordinary expenses		**2,499,285**	**97.28**	2,376,682	91.78	25,443,195
Underwriting expenses		**1,905,082**	**74.15**	1,954,548	75.48	19,394,095
Net claims paid		**1,194,699**	-	1,137,524	-	12,162,262
Loss adjustment expenses	1	**79,237**	-	77,113	-	806,648
Agency commissions and brokerage	1	**348,332**	-	338,108	-	3,546,086
Maturity refunds to policyholders		**253,506**	-	272,345	-	2,580,739
Dividends to policyholders		**308**	-	26	-	3,135
Life insurance claims		**18,142**	-	20,398	-	184,689
Provision for outstanding claims		**-**	-	44,258	-	-
Provision for underwriting reserves		**-**	-	59,285	-	-
Other underwriting expenses		**10,855**	-	5,486	-	110,506
Investment expenses		**193,718**	**7.54**	44,853	1.73	1,972,086
Losses on money trusts		**2,619**	-	4,178	-	26,662
Losses on trading securities		**1,133**	-	-	-	11,534
Losses on sales of securities		**27,697**	-	10,926	-	281,961
Impairment losses on securities		**90,887**	-	13,730	-	925,247
Losses on redemption of securities		**8,601**	-	822	-	87,560
Other investment expenses		**62,779**	-	15,196	-	639,102
Underwriting and general administrative expenses	1	**377,393**	**14.69**	344,452	13.30	3,841,932
Other ordinary expenses		**23,091**	**0.90**	32,827	1.27	235,071
Interest paid		**10,697**	-	17,997	-	108,897
Increase in valuation allowances for bad debts		**3,330**	-	-	-	33,900
Losses on bad debts		**288**	-	103	-	2,932
Equity in losses of affiliates	3	**-**	-	3,511	-	-
Other ordinary expenses		**8,775**	-	11,214	-	89,331
Ordinary profit		**69,831**	**2.72**	212,906	8.22	710,893
Extraordinary gains		**66,691**	**2.60**	29,598	1.14	678,927
Gains on sales of fixed assets		**3,283**	-	3,034	-	33,422
Gains on changes in equity of affiliates		**-**	-	5	-	-
Reversal of reserve under special law		**62,165**	-	-	-	632,851
Reversal of reserve for price fluctuation		**62,165**	-	-	-	632,851
Other extraordinary gains	2	**1,242**	-	26,557	-	12,644
Extraordinary losses		**13,920**	**0.54**	28,068	1.08	141,708
Losses on sales of fixed assets		**1,765**	-	1,672	-	17,968
Impairment losses on fixed assets	3	**1,158**	-	2,481	-	11,789
Reserve under special law		**-**	-	7,930	-	-
Reserve for price fluctuation		**-**	-	7,930	-	-
Losses on deduction of fixed assets		**-**	-	9	-	-
Other extraordinary losses	4	**10,996**	-	15,974	-	111,941
Income or losses before income taxes		**122,603**	**4.77**	214,435	8.28	1,248,122
Income taxes - current		**28,989**	**1.13**	83,389	3.22	295,114
Income taxes - deferred		**16,404**	**0.64**	(7,912)	(0.31)	166,996
Total income taxes		**45,394**	**1.77**	75,477	2.91	462,120
Minority interest		**(1,254)**	**(0.05)**	1,143	0.04	(12,766)
Net income		**78,462**	**3.05**	137,814	5.32	798,758

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Changes in Shareholder's Equity

(Yen in millions except percentages) (USD in thousands)

	For the year ended		For the year ended
	31 March 2009	31 March 2008	31 March 2009
Shareholder's equity			
Common stock			
Beginning balance	**101,994**	101,994	1,038,318
Changes during the year			
Total changes during the year	-	-	-
Ending balance	**101,994**	101,994	1,038,318
Capital surplus			
Beginning balance	**123,521**	123,521	1,257,467
Changes during the year			
Total changes during the year	-	-	-
Ending balance	**123,521**	123,521	1,257,467
Retained earnings			
Beginning balance	**603,481**	533,707	6,143,551
Changes due to the changes in accounting treatment by foreign subsidiaries	**1,584**	-	16,125
Changes during the year			
Dividends	**(126,532)**	(67,520)	(1,288,120)
Net income	**78,462**	137,814	798,758
Changes in the scope of consolidation	**2,589**	-	26,357
Changes in the scope of equity method	**1,997**	-	20,330
Others (Note)	**(670)**	(520)	(6,821)
Total change during the year	**(44,153)**	69,774	(449,486)
Ending balance	**560,912**	603,481	5,710,190
Total shareholder's equity			
Beginning balance	**828,997**	759,223	8,439,346
Changes due to the changes in accounting treatment by foreign subsidiaries	**1,584**	-	16,125
Changes during the year			
Dividends	**(126,532)**	(67,520)	(1,288,120)
Net income	**78,462**	137,814	798,758
Changes in the scope of consolidation	**2,589**	-	26,357
Changes in the scope of equity method	**1,997**	-	20,330
Others (Note)	**(670)**	(520)	(6,821)
Total changes during the year	**(44,153)**	69,774	(449,486)
Ending balance	**786,428**	828,997	8,005,986
Valuation and translation adjustments			
Unrealized gains on securities, net of taxes			
Beginning balance	**1,528,215**	2,341,694	15,557,518
Changes during the year			
Net changes in items other than shareholder's equity	**(836,779)**	(813,478)	(8,518,569)
Total changes during the year	**(836,779)**	(813,478)	(8,518,569)
Ending balance	**691,436**	1,528,215	7,038,949
Deferred gains and losses on hedge transactions			
Beginning balance	**13,074**	9,562	133,096
Changes during the year			
Net changes in items other than shareholder's equity	**4,273**	3,511	43,500
Total changes during the year	**4,273**	3,511	43,500
Ending balance	**17,347**	13,074	176,596
Foreign currency translation adjustments			
Beginning balance	**(8,209)**	(1,062)	(83,569)
Changes during the year			
Net changes in items other than shareholder's equity	**(73,988)**	(7,146)	(753,212)
Total changes during the year	**(73,988)**	(7,146)	(753,212)
Ending balance	**(82,197)**	(8,209)	(836,781)
Minority interest			
Beginning balance	**10,557**	9,328	107,472
Changes during the year			
Net changes in items other than shareholder's equity	**(3,775)**	1,228	(38,430)
Total changes during the year	**(3,775)**	1,228	(38,430)
Ending balance	**6,782**	10,557	69,042
Total net assets			
Beginning balance	**2,372,634**	3,118,745	24,153,863
Changes due to the changes in accounting treatment by foreign subsidiaries	**1,584**	-	16,125
Changes during the year			
Dividends	**(126,532)**	(67,520)	(1,288,120)
Net income	**78,462**	137,814	798,758
Changes in the scope of consolidation	**2,589**	-	26,357
Changes in the scope of equity method	**1,997**	-	20,330
Others (Note)	**(670)**	(520)	(6,821)
Net changes in items other than shareholder's equity	**(910,269)**	(815,884)	(9,266,711)
Total changes during the year	**(954,422)**	(746,110)	(9,716,197)
Ending balance	**1,419,795**	2,372,634	14,453,782

(Note)
"Others" for the fiscal year ended March 31, 2008 includes valuation adjustments of assets in accordance with accounting standards of foreign countries where consolidated subsidiaries or equity method affiliates are located.
"Others" for the fiscal year ended March 31, 2009 includes valuation adjustments of assets in accordance with accounting standards of foreign countries where equity method affiliates are located.

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Cash Flows

(Yen in millions) (USD in thousands)

	Notes No.	For the year ended 31 March 2009	For the year ended 31 March 2008	For the year ended 31 March 2009
I. Cash flows from operating activities:				
Income before income taxes		**122,603**	214,435	1,248,122
Depreciation		**17,560**	17,606	178,764
Extraordinary depreciation of fixed assets		**-**	5,692	-
Impairment losses on fixed assets		**1,158**	2,481	11,789
Amortization of goodwill		**3,778**	509	38,461
Amortization of negative goodwill		**(948)**	(972)	(9,651)
Increase in outstanding claims		**7,631**	45,648	77,685
(Decrease) increase in underwriting reserves		**(105,065)**	61,877	(1,069,582)
Increase (decrease) in valuation allowances for bad debts		**2,759**	(3,153)	28,087
Increase in reserve for retirement benefits		**9,430**	6,602	95,999
Increase in reserve for retirement benefits for directors and corporate auditors		**5**	4	51
Decrease in reserve for retirement benefits due to transfer to defined-contribution pension plan		**-**	(26,151)	-
(Decrease) increase in reserve for employees' bonuses		**(3,689)**	154	(37,555)
(Decrease) increase in reserve for retirement of fixed assets		**(414)**	3,773	(4,215)
(Decrease) increase in reserve for price fluctuation		**(62,165)**	7,930	(632,851)
Interest and dividends		**(178,466)**	(227,593)	(1,816,818)
Net losses (gains) on securities		**63,590**	(40,484)	647,358
Interest expenses		**10,697**	17,997	108,897
(Gains) on foreign exchange		**(12,790)**	(2,841)	(130,205)
(Gains) related to tangible fixed assets		**(1,517)**	(1,352)	(15,443)
Equity in (earnings) losses of affiliates		**(1,010)**	3,511	(10,282)
(Increase) in other assets (other than investing and financing activities)		**(90,935)**	(91,243)	(925,736)
Decrease in other liabilities (other than investing and financing activities)		**63,940**	60,530	650,921
Others		**45,842**	2,325	466,680
Subtotal		**(108,008)**	57,290	(1,099,542)
Interest and dividends		**197,992**	221,713	2,015,596
Interest paid		**(10,480)**	(17,314)	(106,688)
Income taxes paid		**(95,441)**	(78,263)	(971,607)
Net cash (used in) provided by operating activities		**(15,937)**	183,425	(162,242)
II. Cash flows from investing activities:				
Net (increase) in deposits		**(210,903)**	(26,886)	(2,147,032)
Purchases of monetary receivables bought		**(416,676)**	(1,119,993)	(4,241,841)
Proceeds from sales and redemption of monetary receivables bought		**717,418**	951,241	7,303,451
Increase in money trusts		**(2,000)**	(810)	(20,360)
Decrease in money trusts		**29,896**	40,023	304,347
Purchases of securities		**(1,837,915)**	(2,277,136)	(18,710,323)
Proceeds from sales and redemption of securities		**2,412,273**	1,838,563	24,557,396
Loans made		**(160,476)**	(240,127)	(1,633,676)
Proceeds from collection of loans		**218,333**	210,114	2,222,671
(Increase) decrease in cash received under securities lending transactions		**(1,197,704)**	686,840	(12,192,854)
Others		**2,393**	(588)	24,361
II (a) Subtotal		**(445,360)**	61,242	(4,533,849)
(I + II (a))		**(461,298)**	244,667	(4,696,101)
Purchases of tangible fixed assets		**(19,354)**	(14,373)	(197,027)
Proceeds from sales of tangible fixed assets		**6,286**	13,382	63,993
Payments related to acquisition of consolidated subsidiaries	3	**(467,160)**	(41,922)	(4,755,777)
Payments related to capital injection to existing consolidated subsidiaries		**(57)**	(135)	(580)
Net cash (used in) provided by investing activities		**(925,647)**	18,194	(9,423,262)
III. Cash flows from financing activities:				
Proceeds from borrowing		**250,000**	2,153	2,545,047
Repayments of borrowing		**(5,626)**	(14)	(57,274)
Proceeds from issuance of short-term corporate bonds		**263,713**	451,841	2,684,648
Redemption of short-term corporate bonds		**(296,000)**	(352,000)	(3,013,336)
Proceeds from issuance of corporate bonds		**22,125**	84,380	225,237
Redemption of corporate bonds		**(54,793)**	(41,791)	(557,803)
Proceeds from issuance of commercial paper		**-**	692,989	-
Redemption of commercial paper		**(16,654)**	(780,355)	(169,541)
Dividends paid		**(126,532)**	(67,520)	(1,288,120)
Dividends paid to minority shareholders		**(0)**	(133)	(0)
Others		**(2,368)**	(2,459)	(24,107)
Net cash provided by (used in) financing activities		**33,863**	(12,910)	344,732
IV. Effect of exchange rate changes on cash and cash equivalents		**(44,469)**	(5,749)	(452,703)
V. Net (decrease) increase in cash and cash equivalents		**(952,191)**	182,959	(9,693,485)
VI. Cash and cash equivalents at beginning of period		**1,521,176**	1,338,217	15,485,860
VII. Cash and cash equivalents at end of period	1	**568,985**	1,521,176	5,792,375

The accompanying notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Tokio Marine & Nichido Fire Insurance Co., Ltd. ("Tokio Marine & Nichido") and its consolidated subsidiaries in accordance with the Regulations Concerning Terminology, Formats and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, 1976, hereinafter the "Consolidated Statements Regulations"). The consolidated financial statements have been also prepared in conformity with the Enforcement Regulations for the Insurance Business Law (Ministry of Finance Ordinance No. 5, 1996, hereinafter the "Insurance Law Enforcement Regulations"), as stipulated under Articles 46 and 68 of the Consolidated Statements Regulations.

In more specific terms, the consolidated financial statements for the previous consolidated fiscal year (April 1, 2007 – March 31, 2008) were prepared in accordance with but prior to the amendment of both the Consolidated Statements Regulations and the Insurance Law Enforcement Regulations. On the other hand, the consolidated financial statements for the consolidated fiscal year under review (April 1, 2008 – March 31, 2009) have been prepared in accordance with the amended Consolidated Statements Regulations and the Insurance Law Enforcement Regulations.

The Company and its domestic consolidated subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Corporate Law of Japan and the Securities and Exchange Law of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Amounts less than ¥1 million (or ¥1 thousand) have been omitted. As a result, the total shown in the consolidated financial statements and notes thereto do not necessarily agree with the sum of the individual account balances.

2. Certification of Audit

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law of Japan, Tokio Marine & Nichido's consolidated financial statements for the consolidated fiscal year ended March 31, 2008 and March 31, 2009 and individual financial statements for the fiscal year ended March 31, 2008 and March 31, 2009 have been audited and certified by PricewaterhouseCoopers Aarata.

3. U.S. Dollar Equivalents

The accompanying financial statements are expressed in Yen and, solely for the convenience of readers, have been translated into United States dollars at the rate of 98.23 yen = U.S.$1, the appropriate exchange rate prevailing on the Tokyo foreign exchange market as of 31 March 2009. Each amount in U.S. dollars shown in the Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statements of Changes in Shareholder's Equity and Consolidated Statements of Cash Flows is calculated by dividing the corresponding amount in yen in millions by 98.23, the resultant figure rounded to U.S. dollars in thousands, and accordingly, this translation should not be construed as a representation that all the amounts shown could be converted, realized or settled into U.S. dollars at that rate.

Basis of Presentation and Significant Accounting Policies

(A) For the year ended 31 March 2009

1. Scope of consolidation

(1) Number of consolidated subsidiaries – 46 companies

(Name of Company)
Philadelphia Consolidated Holding Corp.
Philadelphia Indemnity Insurance Company
Tokio Marine Global Ltd.
Kiln Group Limited
Kiln Underwriting Limited
Asia General Holdings Limited
Tokio Marine Insurance Singapore Ltd.
TM Asia Life Singapore Ltd.
TM Asia Life Malaysia Bhd.
Tokio Millennium Re Ltd.
Tokio Marine Financial Solutions Ltd.
Other 35 companies

Philadelphia Consolidated Holding Corp., Philadelphia Indemnity Insurance Company and 10 other companies are included in the consolidation from the fiscal year ended March 31, 2009 due to these entities having become subsidiaries of the Company through an acquisition of shares and for other reasons.

Vetra Finance Corporation ("Vetra") and one other company are excluded from the consolidation from the fiscal year ended March 31, 2009 because Vetra ceased to operate its bond investment business and redeemed the non-collateralized subordinated bonds.

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

Additionally, there were following name changes of subsidiaries during the fiscal year ended March 31, 2009. TM Asia Insurance Singapore Ltd. changed its name to Tokio Marine Insurance Singapore as of July 1, 2008, and Kiln (UK) Holdings Limited changed its name to Kiln Group Limited as of January 19, 2009.

(2) Names of major non-consolidated subsidiaries

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

2. Application of the equity method

(1) Number of affiliates accounted for by the equity method – 6 companies

(Names of major affiliates accounted for by the equity method)
First Insurance Company of Hawaii, Ltd.

From the fiscal year ended March 31, 2009, IBEX Insurance Services Limited is accounted for by the equity method due to it having become an affiliate of the Company through an acquisition of shares.

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

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

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (Tokio Marine Nichido Atradius Credit Management Co., Ltd, etc.) have not been accounted for under the equity method because these companies have had a minor effect on the Company's consolidated net income or loss and retained earnings for the fiscal year ended March 31, 2009.

(3) The Company owns 27.0% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. However, 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'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 45 of 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 the purpose of consolidation.

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 based on the moving-average method.
b. Held-to-maturity debt securities are recorded by using the amortized cost method based on the moving-average method (straight-line depreciation method).
c. 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 other securities is included in net assets, net income taxes and costs of sales sold are calculated using the moving-average method.
d. Other securities with no fair value are either stated at cost or amortized cost under the straight-line method, cost being determined by the moving average-method.
e. Investments in non-consolidated subsidiaries and affiliates that are not subject to the equity method are stated at cost determined by the moving-average method.
f. Securities held in individually managed money trusts that are mainly invested in securities for trading are accounted for under the mark-to-market method.

(2) Valuation of derivative financial instruments

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

(3) Depreciation method of tangible fixed assets

a. Tangible fixed assets

Depreciation of tangible fixed assets owned by the Company and its domestic consolidated subsidiaries is computed using the declining balance method.
However, depreciation of buildings (excluding auxiliary facilities attached to such buildings, etc.) that were acquired on or after April 1, 1998 is computed using the straight-line method.

b. 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 to contribute to the Company, and in accordance with the form of such contribution.

(4) Reserves

a. Reserve for bad debts

In order to provide reserves for losses from bad debts, a general allowance is made pursuant to the rules of asset self-assessment and the rules of asset write-off. Allowances are made by domestic consolidated insurance subsidiaries as follows:

For claims to any debtor who has legally, or practically, become insolvent (due to bankruptcy, special liquidation or suspension of transactions with banks based on the rules governing clearing houses, etc.) and for receivables from any debtor who has substantially become insolvent, reserves are provided based on the amount of any such claim minus the amount expected to be collectible calculated based on the disposal of collateral or execution of guarantees.

For claims to any debtor who is likely to become insolvent in the near future, reserves are provided based on the overall solvency assessment of the relevant debtor, the net amount of such claims considered to be collectible through the disposal of collateral or execution of guarantee is deducted from such claims.

For claims other than those described above, the amount of claims is multiplied by the default rate, which is computed based on historical loan loss experience in certain previous periods, and is included in the accompanying consolidated financial statements.

For specified overseas claims, any estimated losses arising from political or economic situations in the relevant countries are accounted for as reserves for specified overseas claims in the accompanying consolidated financial statements.

In addition, all claims are assessed by the asset accounting department and the asset management department in accordance with the rules for self-assessment of asset quality. Subsequently, the asset auditing departments, which are independent from other asset-related departments, conduct audits of the assessment results of the other asset-related departments. Reserves for bad debts are accounted for based on such assessment results as stated above.

b. Reserve for retirement benefits

To provide for employees' retirement benefits, the Company and its domestic consolidated subsidiaries have recorded the amount expected to be incurred at the end of the fiscal year ended March 31, 2009 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2009.

Prior service costs are charged to expenses in each subsequent consolidated fiscal year by using the straight-line method with costs based on a certain term (fourteen years) that is based on the average remaining service years of the employees when costs were incurred.

Actuarial differences are charged to expenses in the subsequent consolidated fiscal year by using the straight-line method based on a certain term (fourteen years) that is based on the average remaining service years of the employees when amounts were incurred.

c. Reserve for retirement benefits for directors and corporate auditors

Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors and corporate auditors as of the end of the fiscal year ended March 31, 2009, in accordance with their internal remuneration regulations.

d. Reserve for employees' bonuses

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

e. Reserve for retirement of fixed assets

To provide for payment of expenses related to dismantling a building, the Company provided a reserve for retirement of fixed assets based on the projected amount to be paid for dismantling the building.

f. Reserve for price fluctuation

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

(5) Consumption tax

For the Company and its domestic consolidated subsidiaries, consumption tax is accounted for by the tax-excluded method. However, underwriting and general administrative costs incurred by domestic consolidated insurance subsidiaries are accounted for by the tax-included method.

In addition, any non-deductible consumption taxes, in respect of assets, are included in other assets (as suspense payments) and are amortized over five years using the straight-line method.

(6) Lease transactions

Among the transactions of ownership non-transferable finance lease, the transactions with lease periods commencing prior to April 1, 2008 are accounted under the accounting policy applied to normal lease transactions.

(7) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, the Company implemented an Asset Liability Management framework designed to manage such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for some of interest rate swap transactions that are utilized to manage such risks, the Company has applied deferred hedge treatment and evaluated hedge effectiveness based upon the Industry Audit Committee Report No.26, "Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued by the Japanese Institute of Certified Public Accountant ("JICPA"), on September 3, 2002 "Report No. 26").

Hedge effectiveness is evaluated by examining the interest rate conditions which affect the calculation of a theoretical value of both the hedged items and the hedging instruments. As for any deferred hedge gains 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) prior to the application of Report No.

26, the Company has amortized such deferred hedge gains as of the end of March 2003, over the remaining period of hedging tools (1-17 years) using the straight-line method.
The amount of deferred hedge gains under this transitional treatment as of March 31, 2009 is 33,087 million yen and the amount allocated to gains or losses for the fiscal year ended March 31, 2009 is 7,294 million yen.

In addition, the Company applies deferred hedge accounting for interest rate swap transactions which are used to hedge the interest rate risk related to corporate bonds issued by the Company. Hedge effectiveness is not evaluated, since the critical terms of hedged terms and hedging instruments are identical and thus believed to be highly hedge effective.

b. Foreign exchange

With regard to some currency swap and forward contract transactions, which are utilized to reduce the future foreign exchange risk associated with assets denominated in foreign currencies, the Company applies deferred hedge accounting and/or fair value hedge accounting. The effectiveness of these hedging treatments is evaluated by assessing the price fluctuation of both hedging instruments and hedged items. However, hedge effectiveness is not evaluated for hedging treatments that are believed to be highly effective, such as in cases where hedging instruments and hedged items are identical.

5. Valuation of assets and liabilities of consolidated subsidiaries

The full valuation method is adopted in valuing assets and liabilities of consolidated subsidiaries at the initial consolidation date.

6. Amortization of goodwill and negative goodwill

Negative goodwill recognized as a liability on the consolidated balance sheets is amortized over 20 years using the straight-line method.
Goodwill recognized as an asset on the consolidated balance sheets is amortized in the following manner. The goodwill in connection with Philadelphia Consolidated Holding Corp., TM Asia Life Malaysia Bhd and Kiln Group Limited is amortized over 20 years, 15 years and 10 years, respectively, using the straight-line method. Other goodwill and negative goodwill in small amounts are amortized at one time.

7. Scope of cash and cash equivalents for consolidated statements of cash flows

Cash and cash equivalents for consolidated statements of cash flows consist of cash on-hand, demand deposits and short-term investments with original maturities or redemption of 3 months or less at the date of acquisition.

(B) For the year ended 31 March 2008

1. Scope of consolidation

~~(1) Number of consolidated subsidiaries – 38 companies~~

(Name of Company)
Tokio Marine Global Ltd.

Tokio Marine Europe Insurance Limited
Kiln Ltd.
Kiln (UK) Holdings Limited
Kiln Reinsurance Ltd.
Kiln Underwriting Limited
Asia General Holdings Limited
TM Asia Insurance Singapore Ltd.
TM Asia Life Singapore Ltd.
TM Asia Life Malaysia Bhd.
Tokio Millennium Re Ltd.
Tokio Marine Financial Solutions Ltd.
Vetra Finance Corporation
Other 25 companies

Kiln Ltd, Kiln (UK) Holdings Limited, Kiln Reinsurance Ltd, Kiln Underwriting Limited and 20 other companies are included in the consolidation from the fiscal year ended March 31, 2008 due to these entities having become subsidiaries through an acquisition of shares during the fiscal year ended March 31, 2008. In addition, Vetra Finance Inc. was included in the scope of consolidation during the period due to increase in importance.

(2) Names of major non-consolidated subsidiaries
Tokio Marine & Nichido Adjusting Service Co., Ltd. and Tokio Marine Management, Inc. are non-consolidated subsidiaries of the Company. Each non-consolidated subsidiary is small in scale in terms of total assets, sales, net income or loss for the period and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations, these companies are excluded from the consolidation.

2. Application of the equity method

(1) Number of equity method-accounted affiliates – 7 companies
(Names of major equity method-accounted affiliates)
Tianan Insurance Company Limited

International Marine Insurance Managers SA (Pty) Ltd. and other 4 companies are accounted for by the equity method from the fiscal year ended March 31, 2008 due to these entities having become affiliates through an acquisition of shares during the fiscal year ended March 31, 2008.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Management, Inc. etc.) and other affiliates (Japan Real Estate Asset Management Co., Ltd., etc.), which are not subject to the equity method, have not been accounted for under the equity method because these companies have had a minor effect on the Company's consolidated net income or loss and retained earnings for the fiscal year ended March 31, 2008.

(3) The Company owns 27.0% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. However, 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'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 35 of overseas consolidated subsidiaries is December 31. The closing date of the fiscal year for two of the overseas consolidated subsidiaries is January 31. Since the differences in the closing dates do not exceed three months, the financial statements of the consolidated subsidiaries as of December 31 and January 31, respectively, 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 the purpose of consolidation.

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 based on the moving-average method.

b. Held-to-maturity debt securities are recorded by using the amortized cost method based on the moving-average method (straight-line depreciation method).

c. 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 other securities is included in net assets, net income taxes and costs of sales sold are calculated using the moving-average method.

d. Other securities with no fair value are either stated at cost or amortized cost under the straight-line method, cost being determined by the moving average method.

e. Investments in non-consolidated subsidiaries and affiliates that are not subject to the equity method are stated at cost determined by the moving-average method.

f. Securities held in individually managed money trusts that are mainly invested in securities for trading are accounted for under the mark-to-market method.

(2) Valuation of derivative financial instruments

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

(3) Depreciation method of tangible fixed assets

Depreciation of tangible fixed assets owned by the Company and its domestic consolidated subsidiaries is computed using the declining balance method.
However, depreciation of buildings (excluding auxiliary facilities attached to such buildings, etc.) that were acquired on or after April 1, 1998 is computed using the straight-line method.

(Change in accounting policies)
For the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have adopted a depreciation method for tangible fixed assets acquired on or after April 1, 2007, in accordance with the amended Corporate Tax Law of Japan. As a result, in comparison with the previous method, ordinary gains and income before income taxes for the fiscal year ended March 31, 2008, decreased in the amount of 377 million yen respectively.

(Additional Information)
For the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have adopted a new depreciation method for tangible fixed assets acquired on or before March 31, 2007, which is defined under the amended Corporate Tax Law of Japan. Under the new depreciation method, the difference between the amount equivalent to 5% of the acquisition costs

and the residual value of an applicable asset is depreciated using the straight-line method over the five years following the fiscal year in which the asset has been depreciated to reach the 5% value. Such depreciation is allocated to "Loss adjustment expenses" and "Underwriting and general administrative expenses" on the consolidated statements of income. Also under the new depreciation method, the Company's ordinary income and income before income taxes both decreased by 640 million yen compared with those under the previous depreciation method.
The Company recognized an extraordinary depreciation by changing the useful life and residual value of its buildings, which became inadequate due to a probability of a new rebuilding plan. Increase of accumulated depreciation due to this change, which amounted to 5,692 million yen, is included in "Other extraordinary expenses". As a result, income before income taxes decreased by the same amount compared to the amount before the change.

(4) Reserves

a. Reserve for bad debts

In order to provide reserves for losses from bad debts, a general allowance is made pursuant to the rules of asset self-assessment and the rules of asset write-off. Allowances are made by domestic consolidated insurance subsidiaries as follows:

For claims to any debtor who has legally, or practically, become insolvent (due to bankruptcy, special liquidation or suspension of transactions with banks based on the rules governing clearing houses, etc.) and for receivables from any debtor who has substantially become insolvent, reserves are provided based on the amount of any such claim minus the amount expected to be collectible calculated based on the disposal of collateral or execution of guarantees.

For claims to any debtor who is likely to become insolvent in the near future, reserves are provided based on the overall solvency assessment of the relevant debtor, the net amount of such claims considered to be collectible through the disposal of collateral or execution of guarantee is deducted from such claims.

For claims other than those described above, the amount of claims is multiplied by the default rate, which is computed based on historical loan loss experience in certain previous periods, and is included in the accompanying consolidated financial statements.

For specified overseas claims, any estimated losses arising from political or economic situations in the relevant countries are accounted for as reserves for specified overseas claims in the accompanying consolidated financial statements.

In addition, all claims are assessed by the asset accounting department and the asset management department in accordance with the rules for self-assessment of asset quality. Subsequently, the asset auditing departments, which are independent from other asset-related departments, conduct audits of the assessment results of the other asset-related departments. Reserves for bad debts are accounted for based on such assessment results as stated above.

b. Reserve for retirement benefits

To provide for employees' retirement benefits, the Company and its domestic consolidated subsidiaries have recorded the amount expected to be incurred at the end of the fiscal year ended March 31, 2008 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2008.
Prior service costs are charged to expenses in each subsequent consolidated fiscal year by using the straight-line method with costs based on a certain term that is based on the average remaining service years of the employees when costs were incurred.
Actuarial differences are charged to expenses in the subsequent consolidated fiscal year by using the straight-line method based on a certain term that is based on the average remaining service years of the employees when amounts were incurred.

(Additional Information)
Pursuant to the Defined Contribution Pension Law of Japan, the Company transferred a portion of its corporate pension fund to a defined contribution pension plan as of July 2, 2007, in accordance with "Accounting Standard for Transfer between Retirement Benefit Plans"(Accounting Standards Board of Japan, hereinafter "ASBJ", Guidance No.1. January 31, 2002) . This resulted in an extraordinary gain amounting to 26,151 million yen for the fiscal year ended March 31, 2008.

c. Reserve for retirement benefits for directors and corporate auditors
Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors and corporate auditors as of the end of the fiscal year ended March 31, 2008, in accordance with their internal remuneration regulations.

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

e. Reserve for retirement of fixed assets
To provide for payment of expenses related to dismantling a building, the Company provided a reserve for retirement of fixed assets based on the projected amount to be paid for dismantling the building.

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

(5) Consumption tax
For the Company and its domestic consolidated subsidiaries, consumption tax is accounted for by the tax-excluded method. However, underwriting and general administrative costs incurred by domestic consolidated insurance subsidiaries are accounted for by the tax-included method.
In addition, any non-deductible consumption taxes, in respect of assets, are included in other assets (as suspense payments) and are amortized over five years using the straight-line method.

(6) Lease transactions
The Company and its domestic consolidated subsidiaries account for finance lease transactions, other than those that are deemed to transfer the ownership of the leased properties to lessees under a method similar to that applicable to ordinary operating leases.

(7) Hedge accounting
a. Interest rate
To mitigate interest rate fluctuation risks associated with long-term insurance policies, the Company implements the Asset Liability Management designed to manage such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.
As for some of interest rate swap transactions that are utilized to manage such risks, the Company has applied deferred hedge treatment and evaluated hedge effectiveness based upon the Industry Audit Committee Report No.26, "Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued by the Japanese Institute of Certified Public Accountant ("JICPA"), on September 3, 2002 "Report No. 26").

Hedge effectiveness is evaluated by examining the interest rate conditions which affect the calculation of a theoretical value of both the hedged items and the hedging instruments. As for any deferred hedge gains 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) prior to the application of Report No. 26, the Company has amortized such deferred hedge gains as of the end of March 2003, over the remaining period of hedging tools (1-17 years) using the straight-line method.
The amount of deferred hedge gains under this transitional treatment as of March 31, 2008 is 40,382 million yen and the amount allocated to gains or losses for the fiscal year ended March 31, 2008 is 7,489 million yen.

In addition, the Company applies deferred hedge accounting for interest rate swap transactions which are used to hedge the interest rate risk related to corporate bonds issued by the Company. Hedge effectiveness is not evaluated, since the critical terms of hedged terms and hedging instruments are identical and thus believed to be highly hedge effective.

b. Foreign exchange

With regard to some currency swap and forward contract transactions, which are utilized to reduce the future foreign exchange risk associated with assets denominated in foreign currencies, the Company applies deferred hedge accounting and/or fair value hedge accounting and/or matching treatment. As for deferred hedge accounting and fair value hedge accounting, hedge effectiveness is not evaluated, since critical terms of hedged items and hedging instruments are identical and thus believed to be highly hedge effective.

(8) Accounting Standards of overseas subsidiaries

The Company complies with accounting standards of the region or country in which the relevant consolidated subsidiaries are located.

5. Valuation of assets and liabilities of consolidated subsidiaries

The full valuation method is adopted in valuing assets and liabilities of consolidated subsidiaries at the initial consolidation date.

6. Amortization of goodwill and negative goodwill

Negative goodwill recognized as a liability on the consolidated balance sheets is amortized over 20 years using the straight-line method.
Goodwill recognized as an asset on the consolidated balance sheets is amortized in the following manner. As for the goodwill in connection with TM Asia Life Malaysia Bhd., the goodwill is amortized over 15 years using the straight-line method. As for the goodwill in connection with Kiln Ltd, the goodwill is amortized over 10 years using the straight-line method. Other goodwill and negative goodwill in small amounts are amortized at one time.

7. Scope of cash and cash equivalents for consolidated statements of cash flows

Cash and cash equivalents for consolidated statements of cash flows consist of cash on-hand, demand deposits and short-term investments with original maturities or redemption of 3 months or less at the date of acquisition.

Changes in the basis of presenting consolidated financial statements

(A) For the year ended 31 March 2009

Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

The Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006) for the fiscal year ended March 31, 2009 and implemented adjustments required for the consolidated financial reporting. As a result, for the fiscal year ended March 31, 2009, ordinary profit and net income before income taxes increased by, 4,423 million yen, respectively.
The impact of the above change on the Company's segment information is detailed in "Segment information" section.

Accounting policies applied to lease transactions

The transactions of ownership non-transferable finance lease were accounted under the accounting policy similar to that applicable to lease transaction.
However, from the fiscal year ended March 31, 2009, the Company has adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, ASBJ 1st Division, June 17, 1993, revised as of March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ, Guidance No. 16, The Japanese Institute of Certified Public Accountants, Accounting Practice Committee, January 18, 1994, revised as of March 30, 2007). Accordingly, the transactions of owner ship non-transferable lease with lease periods commencing prior to April 1, 2008 are accounted under the accounting policy applied to normal sales transactions.
The impact of the changes described above on ordinary profit and net income before income taxes for the fiscal year ended March 31, 2009 is considered immaterial.

(B) For the year ended 31 March 2008

Not applicable

Change to Basis of Presentation

(A) For the year ended 31 March 2009

Consolidated balance sheets

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

The breakdown of tangible fixed assets and intangible fixed assets for the fiscal year ended March 31, 2009 was as follows:
Land: 138,312 million yen, Buildings: 128,716 million yen, Construction in progress: 2,629 million yen, Other tangible fixed assets: 21,088 million yen, Software: 1,638 million yen, Goodwill: 36,733 million yen and Other intangible fixed assets: 5,861 million yen.

(B) For the year ended 31 March 2008

Consolidated balance sheets

In accordance with the amendment of the Enforcement Regulations of the Insurance Business Law of Japan, the reserve for retirement benefits for directors and corporate auditors that was included in "reserve for retirement benefits" as of the end of the year ended March 31, 2007 is presented as "reserve for retirement benefits for directors and corporate auditors" as of the end of the year ended March 31, 2008. The amount of the reserve for retirement benefits for directors and corporate auditors included in "reserve for retirement benefits" as of the end of the year ended March 31, 2007 was 4 million yen.

Consolidated statements of cash flows

In accordance with the revision of the Enforcement Regulations of the Insurance Business Law of Japan, the increase in reserve for retirement benefits for directors and corporate auditors that was included in "Increase in reserve for retirement benefits" for the year ended March 31, 2007 is presented as "Increase in reserve for retirement benefits for directors and corporate auditors" for the year ended March 31, 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Balance Sheets

(A) As of March 31, 2009

1. Accumulated depreciation of tangible fixed assets is 334,673 million yen and advanced depreciation of such assets is 18,358 million yen.

2. Securities of non-consolidated subsidiaries and affiliates, etc. are provided as follows:

	(Yen in millions)
Securities (equity)	37,181
Securities (partnership)	27,670

3. Of loans, the total amount of loans to borrowers in bankruptcy, past due loans, loans contractually past due for three months or more and restructured loans is 6,207 million yen. The breakdown is as set forth below.

(1) The amount of loans to borrowers in bankruptcy is 603 million yen.
Loans that are past due for a certain period, or for other reasons, are generally placed on non-accrual status when substantial doubt is considered to exist as to the ultimate collectibility either of principal or interest ("Non-accrual states loans"). However, any part of bad debt written-off is excluded. Loans to borrowers in bankruptcy represent non-accrual loans after a partial charge-off of claims deemed uncollectible, which are defined in Article 96, paragraph 1, subparagraph 3 (a) to (e) (maximum amount transferable to reserve for bad debts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 4,555 million yen.
Past due loans are non-accrual status loans, other than loans to borrowers in legal bankruptcy and loans on which interest payments are deferred in order to assist business restructuring or financial recovery of the borrowers.

(3) The amount of loans contractually past due for three months or more is 107 million yen. Loans contractually past due for three months or more are defined as loans on which any principal or interests payments are delayed for three months or more from the date following the due date. Loans classified as loans to borrowers in bankruptcy and past due loans are excluded.

(4) The amount of restructured loans is 941 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 or financial recovery 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 328,937 million yen in securities and 8,582 million yen in deposits. Among those assets, securities pledged for margin under futures tradings are 35,295 million yen, and securities pledged for the gross-settlement system of the Bank of Japan current account and Japanese government bond settlement are 136,145 million yen. Collateralized debt obligations are held to the value of 65,233 million yen in outstanding claims, 51,724 million yen in underwriting reserve and 58,312 million yen in other debts (e.g. overseas reinsurance payables).

5. Securities received from derivative transactions have a market value of 28,197 million yen.

6. Securities include securities lent under loan agreements of 114,791 million yen.

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

	(*Yen in millions*)
Total loan commitments	100,627
Balance of drawn committed loans	15,594
Undrawn loan commitments	85,033

8. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2009 is as follows:

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

(B) As of March 31, 2008

1. Accumulated depreciation of tangible fixed assets is 328,201 million yen and advanced depreciation of such assets is 18,939 million yen. The advanced depreciation of 9 million yen was deducted from the acquisition costs for the tangible fixed assets acquired using government and other subsidies during the year ended March 31, 2008.

2. Securities of non-consolidated subsidiaries and affiliates, etc. are provided as follows:

	(*Yen in millions*)
Securities (equity)	43,894
Securities (partnership)	30,400

3. Of loans, the total amount of loans to borrowers in bankruptcy, past due loans, loans contractually past due for three months or more and restructured loans is 6,735 million yen. The breakdown is as set forth below.

(1) The amount of loans to borrowers in bankruptcy is 200 million yen.
Loans that are past due for a certain period, or for other reasons, are generally placed on non-accrual status when substantial doubt is considered to exist as to the ultimate collectibility either of principal or interest ("Non-accrual states loans"). However, any part of bad debt written-off is excluded. Loans to borrowers in bankruptcy represent non-accrual loans after a partial charge-off of claims deemed uncollectible, which are defined in Article 96, paragraph 1, subparagraph 3 (a) to (e) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 5,216 million yen.
Past due loans are non-accrual status loans, other than loans to borrowers in legal bankruptcy and loans on which interest payments are deferred in order to assist business restructuring or financial recovery of the borrowers.

(3) There are no loans contractually past due for three months or more.
Loans contractually past due for three months or more are defined as loans on which any principal or interests payments are delayed for three months or more from the date following the due date. Loans classified as loans to borrowers in bankruptcy and past due loans are excluded.

(4) The amount of restructured loans is 1,317 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 or financial recovery 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 358,592 million yen in securities, 32,437 million yen in deposits and 60 million yen in other assets. Among those assets, securities pledged for margin under futures tradings are 56,535 million yen, and securities pledged for the gross-settlement system of the Bank of Japan current account and Japanese government bond settlement are 143,143 million yen. Collateralized debt obligations are held to the value of 59,995 million yen in outstanding claims, 61,809 million yen in underwriting reserve, 29,363 million yen in corporate bonds and 66,259 million yen in other debts (e.g. overseas reinsurance payables).

5. Securities received from derivative transactions have a market value of 12,527 million yen.

6. Securities include securities lent under loan agreements of 1,406,376 million yen.

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

	(Yen in millions)
Total loan commitments	123,120
Balance of drawn committed loans	14,296
Undrawn loan commitments	108,824

8. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2008 is as follows.

	(Yen in millions)
TNUS Insurance Company	870
Tokio Marine Compania de Seguros, S.A. de C.V.	4,727
Tokio Marine Pacific Insurance Limited	1,818
Total	7,416

Notes to Consolidated Statements of Income

(A) For the year ended March 31, 2009

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	319,207
Salaries	131,227

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

2. The main components of other extraordinary gains are the gains on sales of shares of affiliates amounting to 828 million yen, and the gains on provision for reserve for retirement of tangible fixed assets of 414 million yen.

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

Purpose of use	*Category*	*Location*	*Impairment loss (Yen in millions)*			
			Land	*Building*	*Others*	*Total*
Properties for business use (derivative business)	Buildings and others	3 properties including a building in Chiyoda-ku, Tokyo.	-	253	211	465
Properties for rent	Land and buildings	A building in Iwaki-shi, Fukushima Pref.	22	71	-	93
Idle or potential disposal properties	Land, buildings and others	21 properties including a building in Yamaguchi City, Yamaguchi Pref.	347	241	10	599
Total			370	566	221	1,158

Properties are classified as follows: (a) properties used for insurance businesses are grouped as a whole and (b) other properties including properties for rent and idle or potential disposal properties are classified on an individual basis.

The total amount of projected future cash flow generated from the derivative business fell below the book values of the properties used for these businesses. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized such write-offs as impairment losses in extraordinary losses. The Company calculated the recoverable value of the relevant property by discounting projected future cash flows at a rate of 1.4%.

Due mainly to decline in the real estate market, book values of some properties for rent and idle or potential disposal properties fell below the recoverable values. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized any such write-off as impairment losses in extraordinary losses. Recoverable values are either the higher of the net sales price or the utility values of each property. Net sales price is the market value assessed by real estate appraisers minus anticipated expenses for disposal of the relevant properties. The Company calculated the utility values of the relevant properties by discounting the projected future cash flows at a rate of 7.7%.

4. The main components of other extraordinary losses are 6,143 million yen losses on revaluation of shares of affiliates, 3,139 million yen losses on redemption of shares of affiliates and 1,587 million yen losses on liquidation of affiliates.

(B) For the year ended March 31, 2008

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	317,673
Salaries	129,584

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

2. The main component of other extraordinary gains is 26,151 million yen attributable to the partial introduction of a defined contribution pension plan in the Company's corporate pension fund scheme.

3. The Company recognized impairment losses on the following properties during the year ended March 31, 2008.

Purpose of use	*Category*	*Location*	*Impairment loss (Yen in millions)*			
			Land	*Building*	*Others*	*Total*
Properties for rent	Land and buildings	2 properties including buildings in Imabari City, Ehime Pref.	40	62	-	103
Idle or potential disposal properties	Land and buildings	26 properties including buildings in Utsunomiya City, Tochigi Pref.	1,624	715	37	2,377
Total			1,665	778	37	2,481

Properties are classified as follows: (a) properties used for insurance businesses are grouped as a whole and (b) other properties including properties for rent and idle or potential disposal properties are classified on an individual basis.

As to properties for rent and idle or potential disposal properties that depreciated in value mainly due to the fall in the real estate market, the Company wrote off the excess of the carrying values of such properties over the recoverable values and recognized any such write-off as an impairment loss (2,481 million yen), in extraordinary item.

The Company determined the recoverable value of a property by selecting the higher of the net sale price or the utility value. The net sale prices were calculated as the assessed values established by a real estate appraiser, minus the anticipated expenses for disposing of the relevant properties. The utility values were calculated by discounting the future cash flows to net present values at a rate of 8.7% to 8.8%.

In addition to the above, the Company recognized and posted an impairment loss of 2,140 million yen on the goodwill related to Tianan Insurance in "Equity in losses of affiliates", a component of "Other ordinary expenses".

4. The main components of other extraordinary losses are extraordinary depreciation of tangible fixed assets of 5,692 million yen, provision for reserve for retirement of tangible fixed assets of 3,773 million yen and prior period adjustments of earnings and expenses in connection with the hedge accounting of 4,855 million yen.

Notes to Consolidated Statements of Changes in Shareholder's Equity

(A) For the year ended March 31, 2009

1. Class and number of issued shares and treasury stock (unit: thousand shares)

	Number of shares as of March 31, 2008	*Increase during the year ended March 31, 2009*	*Decrease during the year ended March 31, 2009*	*Number of shares as of March 31, 2009*
Issued shares				
Common stock	1,549,692	-	-	1,549,692
Total	1,549,692	-	-	1,549,692

Class and number of issued shares of treasury stock: None.

2. Stock acquisition rights (including those owned by the Company)
None.

3. Dividends
(1) Amount of dividends

Resolution	*Class of stock*	*Amount of dividends paid*	*Dividends per share*	*Record date*	*Effective date*
Meeting of the board of directors held on May 20, 2008	Common stock	66,512 million yen	42.92 yen	March 31, 2008	June 20, 2008
Meeting of the board of directors held on September 16, 2008	Common stock	31,505 million yen	20.33 yen	-	September 17, 2008
Meeting of the board of directors held on November 18, 2008	Common stock	4,509 million yen	2.91 yen	-	December 1, 2008
Meeting of the board of directors held on March 16, 2009	Common stock	24,004 million yen	15.49 yen	-	March 17, 2009

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

Resolution	*Class of stock*	*Amount of dividends paid*	*Source of dividends*	*Dividends per share*	*Record date*	*Effective date*
Meeting of the board of directors held on May 19, 2009	Common stock	22,501 million yen	Retained earnings	14.52 yen	March 31, 2009	June 1, 2009

(B) For the year ended March 31, 2008

1. Class and number of issued shares and treasury stock (unit: thousand shares)

	Number of shares as of March 31, 2007	*Increase during the year ended March 31, 2008*	*Decrease during the year ended March 31, 2008*	*Number of shares as of March 31, 2008*
Issued shares				
Common stock	1,549,692	-	-	1,549,692
Total	1,549,692	-	-	1,549,692

Class and number of issued shares of treasury stock: None.

2. Stock acquisition rights (including those owned by the Company)
None.

3. Dividends

(1) Amount of dividends

Resolution	*Class of stock*	*Amount of dividends paid*	*Dividends per share*	*Record date*	*Effective date*
Meeting of the board of directors held on May 23, 2007	Common stock	28,002 million yen	18.07 yen	March 31, 2007	June 21, 2007
Meeting of the board of directors held on November 30, 2007	Common stock	30,513 million yen	19.69 yen	-	December 3, 2007
Meeting of the board of directors held on February 29, 2008	Common stock	9,003 million yen	5.81 yen	-	March 3, 2008

(2) Dividends of which the record date falls within the year ended March 31, 2008 and the effective date falls after March 31, 2008

Resolution	*Class of stock*	*Amount of dividends paid*	*Source of dividends*	*Dividends per share*	*Record date*	*Effective date*
Meeting of the board of directors held on May 20, 2008	Common stock	66,512 million yen	Retained earnings	42.92 yen	March 31, 2008	June 20, 2008

Notes to Consolidated Statement of Cash Flows

(A) For the year ended March 31, 2009

1. Reconciliation of cash and cash equivalents at the end of the year to the amounts disclosed in the consolidated balance sheets is provided as follows:

	(As of March 31, 2009)
	(Yen in millions)
Cash and deposits	272,867
Call loans	322,923
Monetary receivables bought	289,147
Securities	5,881,610
Time deposits with initial term over three months to maturity	(37,541)
Monetary receivables bought not included in cash equivalents	(289,147)
Securities not included in cash equivalents	(5,870,874)
Cash and cash equivalents	568,985

2. Cash flows from investing activities include cash flows arising from asset management relating to the insurance business.

3. Breakdown of assets and liabilities of newly consolidated subsidiaries

The breakdown of assets and liabilities of newly consolidated subsidiary, Philadelphia Consolidated Holding Corp. ("PHLY"), at the commencement of the consolidation is as follows. The following also shows the acquisition cost of the shares of PHLY and amounts paid (net) for the acquisition of such shares.

(Yen in millions)

Assets	511,852
Securities	225,405
Goodwill	253,611
Liabilities	(291,926)
Underwriting funds	(226,859)
Acquisition costs of the shares of PHLY	473,537
Cash and cash equivalents of PHLY	(6,377)
Net amounts for the acquisition of the shares of PHLY	467,160

(B) For the year ended March 31, 2008

1. Reconciliation of cash and cash equivalents at the end of the year to the amounts disclosed in the consolidated balance sheets is provided as follows:

	(As of March 31, 2008) *(Yen in millions)*
Cash and deposits	545,510
Call loans	152,443
Monetary receivables bought	1,511,778
Securities	7,795,500
Time deposits with initial term over three months to maturity	(92,022)
Monetary receivables bought not included in cash equivalents	(639,147)
Securities not included in cash equivalents	(7,752,885)
Cash and cash equivalents	1,521,176

2. Cash flows from investing activities include cash flows arising from asset management relating to the insurance business.

3. Breakdown of assets and liabilities of newly consolidated subsidiaries

The breakdown of assets and liabilities of newly consolidated subsidiary, Kiln Ltd at the commencement of the consolidation is as follows. The following also shows the acquisition cost of the shares of Kiln Ltd and amounts paid (net) for the acquisition of such shares.

	(Yen in millions)
Assets	207,439
Securities	79,196
Goodwill	29,596
Liabilities	(142,914)
Underwriting funds	(82,746)
Acquisition costs of the shares of Kiln Ltd	94,122
Cash and cash equivalents of Kiln Ltd	(52,199)
Net amounts for the acquisition of the shares of Kiln Ltd	41,922

Lease Transactions

(A) For the year ended 31 March 2009

1. Finance leases
The transactions of ownership non-transferable finance lease which are accounted under the accounting policy similar to that applicable to normal lease transaction.

(1) Amount equivalent to acquisition cost, accumulated depreciation, accumulated loss on impairment of leased assets and year end balance are as follows:

	Acquisition cost	*Accumulated depreciation*	*Year end balance*
Tangible fixed assets	¥2,891 million	¥1,989 million	¥901 million

Acquisition cost includes interest payable thereon because the future lease payment balance at the end of the fiscal year accounts for a small portion of the balance of tangible fixed assets at the end of the fiscal year.

(2) Balance of future lease payments at the end of fiscal year

Due within one year	¥585 million
Due over one year	¥316 million
Total	¥901 million

Future lease payment includes interest payable thereon because the future lease payment balance at the end of the fiscal year accounts for a small portion of the balance of tangible fixed assets at the end of the fiscal year.

(3) Lease payment paid, reversal of loss on impairment of leased assets, depreciation equivalent and loss on impairment of leased assets

Lease payment paid	¥888 million
Depreciation equivalent	¥888 million

(4) Depreciation equivalent is determined based on the straight-line method over the lease period with no residual value.

2. Operating leases

Future lease payments related to noncancelable leases

Due within one year	¥1,811 million
Due over one year	¥5,128 million
Total	¥6,939 million

(Loss on impairment of fixed assets)
There is no loss on impairment of fixed assets allocated to the leased assets.

(B) For the year ended 31 March 2008

1. Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees

(1) Amount equivalent to acquisition cost, accumulated depreciation, accumulated loss on impairment of leased assets and year end balance are as follows:

	Acquisition cost	*Accumulated depreciation*	*Year end balance*
Movables	¥4,627 million	¥2,848 million	¥1,778 million

Acquisition cost includes interest payable thereon because the future lease payment balance at the end of the fiscal year accounts for a small portion of the balance of tangible fixed assets.

(2) Balance of future lease payments at the end of fiscal year

Due within one year	¥894 million
Due over one year	¥883 million
Total	¥1,778 million

Future lease payment includes interest payable thereon because the future lease payment balance at the end of the fiscal year accounts for a small portion of the balance of tangible fixed assets at the end of fiscal year.

(3) Lease payment paid, reversal of loss on impairment of leased assets, depreciation equivalent and loss on impairment of leased assets

Lease payment paid	¥1,182 million
Depreciation equivalent	¥1,182 million

(4) Depreciation equivalent is determined based on the straight-line method over the lease period with no residual value.

2. Operating leases

Future lease payments

Due within one year	¥723 million
Due over one year	¥4,089 million
Total	¥4,813 million

(Loss on impairment of fixed assets)
There is no loss on impairment of fixed assets allocated to the leased assets.

Securities

1. Trading Securities

Type	*As of 31 March 2009* Amount shown on consolidated balance sheets	Valuation losses recognized on consolidated statements of income	*As of 31 March 2008* Amount shown on consolidated balance sheets	Valuation gains recognized on consolidated statements of income
		(Yen in millions)		
Trading securities	282,866	(3,326)	296,014	1,443

(Notes)

For the year ended 31 March 2009	For the year ended 31 March 2008
As of March 31, 2009, the above figures include amounts related to foreign mortgage backed securities, etc. (carrying amount 1,659 million yen and valuation losses recognized on the consolidated statements of income 90 million yen), which are presented as "Monetary receivables bought" on the consolidated balance sheets.	As of March 31, 2008, the above figures include amounts related to commercial paper (carrying amount 172 million yen and valuation gain recognized on statement of income 0 million yen), which are presented as "Monetary receivables bought" on the balance sheets.

2. Bonds held to maturity with fair value

Type		*As of 31 March 2009* Carrying amount	Fair value	Difference	*As of 31 March 2008* Carrying amount	Fair value	Difference
				(Yen in millions)			
Market value is more than carrying amount	Bonds	120,716	124,213	3,497	113,032	115,304	2,271
	Foreign securities	11,107	11,402	295	12,180	12,287	107
	Sub Total	131,823	135,616	3,793	125,212	127,591	2,378
Market value is not more than carrying amount	Bonds	-	-	-	7,811	7,760	(51)
	Foreign securities	11,738	11,315	(422)	19,239	18,819	(419)
	Sub Total	11,738	11,315	(422)	27,050	26,579	(471)
Total		143,562	146,932	3,370	152,263	154,170	1,907

3. Other securities (available for sale) with fair value

Type		*As of 31 March 2009* Original cost	Carrying amount	Difference	*As of 31 March 2008* Original cost	Carrying amount	Difference
				(Yen in millions)			
Gross unrealized gains	Bonds	1,690,691	1,745,362	54,670	1,775,894	1,823,772	47,877
	Stocks	754,620	1,845,738	1,091,118	909,123	3,268,174	2,359,050
	Foreign securities	257,625	295,242	37,617	486,126	570,005	83,879
	Others (*1)	14,874	17,291	2,416	71,882	83,120	11,237
	Sub Total	2,717,812	3,903,635	1,185,823	3,243,027	5,745,073	2,502,045
Gross unrealized losses	Bonds	406,113	389,768	(16,344)	608,646	587,836	(20,809)
	Stocks	171,442	152,022	(19,420)	69,992	63,003	(6,989)
	Foreign securities	658,854	618,599	(40,254)	642,684	605,869	(36,815)
	Others (*2)	304,982	272,852	(32,130)	269,455	232,504	(36,951)
	Sub Total	1,541,392	1,433,242	(108,150)	1,590,778	1,489,213	(101,565)
Total		4,259,205	5,336,878	1,077,673	4,833,806	7,234,286	2,400,480

(Notes)

For the year ended 31 March 2009	For the year ended 31 March 2008
1. The amount includes foreign mortgage backed securities (acquisition cost 6,771 million yen, carrying amount 6,936 million yen, difference 165 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheets. 2. The amount includes foreign mortgage backed securities (acquisition cost 277,432 million yen, carrying amount 248,216 million yen, difference (-) 29,215 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheets. 3. Impairment losses amounting to 111,184 million yen are recognized for "Other Securities" with fair values. This includes the impairment losses related to foreign mortgage backed securities in the amount of 38,436 million yen, which is included in "Other investment expenses" on the consolidated statements of income. Impairment losses are in principle recognized on securities for which the fair values have declined 30% or more versus their book values as at the end of the period.	1. The amount includes foreign mortgage backed securities (acquisition cost 43,443 million Yen, carrying amount 46,196 million Yen, difference 2,753 million Yen) which are presented as "Monetary receivables bought" on the balance sheets. 2. The amount includes foreign mortgage backed securities (acquisition cost 213,621 million Yen, carrying amount 180,453 million Yen, difference (-) 33,168 million Yen) which are presented as "Monetary receivables bought" on the balance sheets. 3. Impairment losses amounting to 8,575 million Yen are recognized for "Other Securities" with fair values. Impairment losses are in principle recognized on securities for which the fair values have declined 30% or more versus their book values as at the end of the period.

4. Bonds held to maturity sold in this period
None

5. Other securities sold in this period

	For the year ended 31 March 2009			*For the year ended 31 March 2008*		
Type	*Sale proceeds*	*Realized gain*	*Realized loss*	*Sale proceeds*	*Realized gain*	*Realized loss*
	(Yen in millions)					
Other securities	1,352,490	73,499	28,069	1,357,959	57,376	12,374

(Notes)

For the year ended 31 March 2009	For the year ended 31 March 2008
The above figures include amounts related to certificates of deposit (sale amount 394 million yen, gains on sale 0 million yen, losses on sale 0 million yen) and commercial papers, etc. (sale amount 45,171 million yen, gains on sale 11 million yen, losses on sale 372 million yen) which are presented as "Cash and deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.	The above figures include amounts relating to foreign mortgage securities, etc. which are presented as "Monetary receivables bought" on the balance sheets. (Sale amount: 228,141 million Yen, gains on sale: 58 million Yen, losses on sale: 1,447 million Yen.)

6. Principal securities not stated at fair value

(1) Bonds held to maturity
None

(2) Other securities

Type	*As of 31 March 2009*	*As of 31 March 2008*
	(Yen in millions)	
Bonds	0	0
Stocks	195,315	149,492
Foreign securities	90,289	90,885
Others	38,884	1,312,951

(Notes)

As of 31 March 2009	As of 31 March 2008
"Others" includes certificates of deposit (8,112 million yen) and foreign mortgage backed securities, etc. (6,112 million yen) which are presented as "Cash and deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.	"Others" include certificates of deposit (72,319 million Yen) and commercial paper, etc. (1,215,545 million Yen) which are presented as "Cash and deposits" and "Monetary receivables bought", respectively, on the balance sheets.

7. Changes in purpose of holding securities during the fiscal year

None

8. Maturity Schedule of "Other securities" with contractual maturity and held-to-maturity debt securities

Type	*As of 31 March 2009*				*As of 31 March 2008*			
	Within 1 year	*Over 1 to 5 years*	*Over 5 to 10 years*	*Over 10 years*	*Within 1 year*	*Over 1 to 5 years*	*Over 5 to 10 years*	*Over 10 years*
				(Yen in millions)				
Government bonds	23,228	245,120	342,067	798,387	126,943	333,069	331,645	750,371
Municipal bonds	6,379	54,722	120,504	-	8,938	52,328	133,621	-
Corporate bonds	89,245	374,849	154,978	46,363	174,390	386,169	191,846	43,129
Stocks	100	-	-	-	-	100	-	-
Foreign securities	155,593	242,043	157,132	135,922	372,439	319,830	136,777	30,601
Others	22,393	33,924	46,461	166,599	1,288,969	46,364	41,108	138,073
Total	296,941	950,660	821,145	1,147,272	1,971,680	1,137,861	834,999	962,176

(Notes)

As of 31 March 2009	As of 31 March 2008
"Others" includes certificates of deposit ("Within 1 year": 6,931 million yen, "1 to 5 years": 1,181 million yen) and foreign mortgage backed securities, etc. ("Within 1 year":15,462 million yen, "1 to 5 years": 32,743 million yen, "5 to 10 years": 46,461 million yen, "Over 10 years": 166,599 million yen) which are presented as "Cash and deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.	"Others" include certificates of deposit ("Within 1 year": 70,095 million Yen, "1 to 5 years": 1,534 million Yen, "5 to 10 years": 690 million Yen) and commercial paper, etc. ("Within 1 year":1,218,874 million Yen, "1 to 5 years": 44,830 million Yen, "5 to 10 years": 40,418 million Yen, "Over 10 years": 138,073 million Yen) which are included in "Cash and deposits" and "Monetary receivables bought", respectively, on the balance sheets.

Money trusts

1. Money trusts held for trading purposes

Type	*As of 31 March 2009*		*As of 31 March 2008*	
	Carrying amount	*Valuation losses recognized on consolidated statements of income*	*Carrying amount*	*Valuation losses recognized on consolidated statements of income*
	(Yen in millions)			
Money trusts	7,493	(593)	34,028	(732)

2. Money trusts held to maturity

None

3. Money trusts other than that held to maturity or that held for trading purposes

None

(Notes)

As of 31 March 2009	As of 31 March 2008
1. There are no individually managed money trusts valued at fair value. 2. Jointly managed money trust is included in the consolidated balance sheets at the acquisition cost of 1,195 million Yen.	1. There are no individually managed money trusts valued at fair value. 2. Jointly managed money trust is included in the balance sheets at the acquisition cost of 5,186 million Yen.

Information on derivatives

1. Derivative transactions

(A) For the year ended 31 March 2009

(1) Details of transactions

Tokio Marine & Nichido and its consolidated subsidiaries are mainly engaged in the following derivative transactions;

a. Currency-related transactions: Forward contracts, currency swaps, currency options, etc.
b. Interest rate-related transactions: Interest rate futures, interest rate options, interest rate swaps, etc.
c. Equity-related transactions: Equity index futures, equity index options, etc.
d. Bond-related transactions: Bond futures, etc.
e. Other transactions: Credit derivatives

(2) Objectives and policies of transactions

The main purposes of the derivative transactions are as follows:

a. *Risk management related to assets and liabilities held by the Tokio Marine & Nichido and its consolidated subsidiaries;*
Tokio Marine & Nichido and its consolidated subsidiaries engage in various derivative transactions in order to adequately manage risks related to assets and liabilities held by the consolidated subsidiaries (ALM: Asset Liability Management) and reduce losses arising from the future fluctuations in interest rates, exchange rates and stock prices.

b. *Investment activities;*
Tokio Marine & Nichido and its consolidated subsidiaries engage in various derivative transactions in order to maximize interest gains within a certain risk limit.

c. *Response to customer needs;*
Tokio Marine & Nichido and its consolidated subsidiaries carry out various derivative transactions in order to provide a wide range of financial instruments that meet customers' hedging needs as well as their diverse and complex investment/funding style.

The actual transactions are carried out in accordance with the "Investment Guidelines" under which types of financial instruments, specific risk limits, and actions taken against any losses arising from such transactions, etc. are classified and prescribed according to each investment style.

Accounting policies for significant hedging activities are as follows:

- Interest rate

  To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido implements the Asset Liability Management designed to manage such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.
  As for some of interest rate swap transactions that are utilized to manage such risks, Tokio Marine & Nichido has applied deferral hedge treatment and evaluated hedge effectiveness based upon the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments

related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued by the Japanese Institute of Certified Public Accountant ("JICPA") on September 3, 2002 - hereinafter called "Report No. 26").
Hedge effectiveness is evaluated by examining the interest rate conditions which affect calculation of theoretical value of both the hedged items and the hedging instruments. As for any deferred hedge gains 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, on March 31, 2000) prior to application of the Report No. 26, Tokio Marine & Nichido has amortized such deferred hedge gains as of the end of March 2003 over the remaining period of hedging tools (1-17 years) by using the straight-line method, in accordance with the transitional measures in the Report No. 26.
Deferred gains under this transitional treatment as of March 31, 2009 was 33,087 million yen and the amount accounted for in the consolidated financial statements for the fiscal year ended March 31, 2009 was 7,294 million yen.
In addition, Tokio Marine & Nichido applies the deferred hedge accounting for interest rate swap transactions which are used to hedge the interest rate risk related to bonds issued by Tokio Marine & Nichido. Hedge effectiveness is not evaluated since the critical terms of hedged items and hedging instruments are same and thus believed to be highly hedge effective.

- Foreign exchange

With regard to some currency swap and forward contract transactions, which are utilized to reduce the future foreign exchange risk associated with assets denominated in foreign currencies, Tokio Marine & Nichido applies deferred hedge accounting and/or fair value hedge accounting. The effectiveness of these hedging treatments is evaluated by assessing the price fluctuation of both hedging tools and hedged instruments. However, hedge effectiveness is not evaluated for hedging treatments that are believed to have high hedge effectiveness, such as in cases where hedging tools and hedged instruments share the same important characteristics.

(3) Details of risks related derivative transactions

Derivative transactions involve market risks and credit risks.

Market risks include risks that the consolidated subsidiaries may incur losses arising from future fluctuation in prices of the relevant financial instruments (interest rates, exchange rates and stock prices). Tokio Marine & Nichido and its major consolidated subsidiaries have established risk management systems, under which such consolidated subsidiaries comprehensively manage risks relating to derivative transactions as well as assets and liabilities, and quantify such market risks by way of VaR method, etc.

Credit risks include risks that such consolidated subsidiaries may incur losses when their counter-parties in derivative transactions fail to perform obligations set forth in the initial agreements due to insolvency or otherwise, other than any losses arising from deterioration of the credit standing of trade reference stated in credit derivative agreements, etc. Tokio Marine & Nichido and its major consolidated subsidiaries manage such credit risks by periodically computing credit risks based on market values. If such counter-parties are financial institutions, etc., with which transactions have been frequently carried out, such consolidated subsidiaries adopt necessary actions to reduce credit risks (e.g. conclusion of netting agreements).

(4) Risk management system

The Risk Management Department of Tokio Marine & Nichido, a department in charge of risk management which is independent of transaction-related departments, first reconciles transaction information and requests for managerial decisions to transaction reports provided by financial institutions and brokers, and then approves such transaction data. Any risk position determined based upon such approved data are evaluated at fair value as needed, and the Risk Management Department determines interest income and risk volume related to derivative transactions together with balance sheets transactions such as securities and loans, and reports them to a director in charge on a monthly basis.

In addition, as for the risk position of derivative transactions, the Risk Management Department thoroughly reviews whether such position is determined in accordance with types of financial instruments, specific risk limits and actions taken against any losses arising from such derivative transactions classified and expressly stated by investment style in the "Investment Guidelines" and then reports the results of such review to a director in charge on a monthly basis. The department also confirms by each transaction whether details of such risk position falls within the authority of transaction related departments.

Other consolidated subsidiaries have also established similar risk management structures as described above.

(5) Supplemental explanation with regard to fair value, etc.

a. *Notional amount (contract amount)*

"Contract amount" as shown in the tables set forth in the following section is a nominal contract amount or notional principal of derivative transactions. The amount itself does not represent market risk or credit risk of derivative transactions.

b. *Unrealized gains/losses*

Derivative transactions utilized for the purpose other than investment gains are used for the purpose of managing the market risk of financial assets from an ALM point of view. It is therefore necessary to evaluate assets and liabilities as a whole, rather than to focus solely on unrealized gains/losses of derivative transactions, to assess the profitability and financial soundness.

(B) For the year ended 31 March 2008

(1) Details of transactions

Tokio Marine & Nichido and its consolidated subsidiaries are mainly engaged in the following derivative transactions;

a. Currency-related transactions: Forward contracts, currency swaps, currency options, etc.
b. Interest rate-related transactions: Interest rate futures, interest rate options, interest rate swaps, interest rate swaptions, etc.
c. Equity-related transactions: Equity index futures, equity index options, etc.
d. Bond-related transactions: Bond futures, over-the-counter bond options, etc.
e. Other transactions: Credit derivatives

(2) Objectives and policies of transactions

The main purposes of the derivative transactions are as follows:

a. *Risk management related to assets and liabilities held by the Tokio Marine & Nichido and its consolidated subsidiaries;*
Tokio Marine & Nichido and its consolidated subsidiaries engage in various derivative transactions in order to adequately manage risks related to assets and liabilities held by the consolidated subsidiaries (ALM: Asset Liability Management) and reduce losses arising from the future fluctuations in interest rates, exchange rates and stock prices.
b. *Investment activities;*
Tokio Marine & Nichido and its consolidated subsidiaries engage in various derivative transactions in order to maximize interest gains within a certain risk limit.
c. *Response to customer needs;*
Tokio Marine & Nichido and its consolidated subsidiaries carry out various derivative transactions in order to provide a wide range of financial instruments that meet customers' hedging needs as well as their diverse and complex investment/funding style.

The actual transactions are carried out in accordance with the "Investment Guidelines" under which types of financial instruments, specific risk limits, and actions taken against any losses arising from such transactions, etc. are classified and prescribed according to each investment style.

Accounting policies for significant hedging activities are as follows:

- Interest rate

  To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido implements the Asset Liability Management designed to manage such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.
  As for some of interest rate swap transactions that are utilized to manage such risks, Tokio Marine & Nichido has applied deferral hedge treatment and evaluated hedge effectiveness based upon the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued

by the Japanese Institute of Certified Public Accountant ("JICPA") on September 3, 2002 - hereinafter called "Report No. 26").
Hedge effectiveness is evaluated by examining the interest rate conditions which affect calculation of theoretical value of both the hedged items and the hedging instruments. As for any deferred hedge gains 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, on March 31, 2000) prior to application of the Report No. 26, Tokio Marine & Nichido has amortized such deferred hedge gains as of the end of March 2003 over the remaining period of hedging tools (1-17 years) by using the straight-line method, in accordance with the transitional measures in the Report No. 26.

In addition, Tokio Marine & Nichido applies the deferred hedge accounting for interest rate swap transactions which are used to hedge the interest rate risk related to bonds issued by Tokio Marine & Nichido. Hedge effectiveness is not evaluated since the critical terms of hedged items and hedging instruments are same and thus believed to be highly hedge effective.

- Foreign exchange

With regard to some currency swap and forward contract transactions, which are utilized to reduce the future foreign exchange risk associated with assets denominated in foreign currencies, Tokio Marine & Nichido applies deferred hedge accounting and/or fair value hedge accounting and/or matching treatment. As for deferred hedge accounting and fair value hedge accounting, hedge effectiveness is not evaluated, since critical terms of hedged items and hedging instruments are the same and thus believed to be highly hedge effective.

(3) Details of risks related derivative transactions

Derivative transactions involve market risks and credit risks.

Market risks include risks that the consolidated subsidiaries may incur losses arising from future fluctuation in prices of the relevant financial instruments (interest rates, exchange rates and stock prices). Tokio Marine & Nichido and its major consolidated subsidiaries have established risk management systems, under which such consolidated subsidiaries comprehensively manage risks relating to derivative transactions as well as assets and liabilities, and quantify such market risks by way of VaR method, etc.

Credit risks include risks that such consolidated subsidiaries may incur losses when their counter-parties in derivative transactions fail to perform obligations set forth in the initial agreements due to insolvency or otherwise, other than any losses arising from deterioration of the credit standing of trade reference stated in credit derivative agreements, etc. Tokio Marine & Nichido and its major consolidated subsidiaries manage such credit risks by periodically computing credit risks based on market values. If such counter-parties are financial institutions, etc., with which transactions have been frequently carried out, such consolidated subsidiaries adopt necessary actions to reduce credit risks (e.g. conclusion of netting agreements).

(4) Risk management system

The Risk Management Department of Tokio Marine & Nichido, a department in charge of risk management which is independent of transaction-related departments, first reconciles transaction information and requests for managerial decisions to transaction reports provided by financial institutions and brokers, and then approves such transaction data. Any risk position determined based upon such approved data are evaluated at fair value as needed, and the Risk Management Department determines interest income and risk volume related to derivative transactions together with balance sheets transactions such as securities and loans, and reports them to a director in charge on a monthly basis.

In addition, as for the risk position of derivative transactions, the Risk Management Department thoroughly reviews whether such position is determined in accordance with types of financial instruments, specific risk limits and actions taken against any losses arising from such derivative transactions classified and expressly stated by investment style in the "Investment Guidelines" and then reports the results of such review to a director in charge on a monthly basis. The department also confirms by each transaction whether details of such risk position falls within the authority of transaction related departments.

Other consolidated subsidiaries have also established similar risk management structures as described above.

(5) Supplemental explanation with regard to fair value, etc.

a. *Notional amount (contract amount)*

"Contract amount" as shown in the tables set forth in the following section is a nominal contract amount or notional principal of derivative transactions. The amount itself does not represent market risk or credit risk of derivative transactions.

b. *Unrealized gains/losses*

Derivative transactions utilized for the purpose other than investment gains are used for the purpose of managing the market risk of financial assets from an ALM point of view. It is therefore necessary to evaluate assets and liabilities as a whole, rather than to focus solely on unrealized gains/losses of derivative transactions, to assess the profitability and financial soundness.

2. Contract amount, fair value and unrealized gains and losses of derivative financial instruments

(1) Foreign currency-related instruments

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract Amount	Over 1 year	Fair value	Unrealized Gain/(Loss)	Contract Amount	Over 1 year	Fair value	Unrealized Gain/(Loss)
Over-the-counter transactions:								
Foreign exchange forwards								
Short								
USD	403,455	4,272	(7,896)	(7,896)	378,031	13,039	1,066	1,066
EUR	66,100	-	(3,380)	(3,380)	116,293	-	(1,085)	(1,085)
GBP	11,148	-	(658)	(658)	14,683	-	293	293
AUD	9,746	-	(133)	(133)	19,793	-	325	325
CAD	5,310	-	(302)	(302)	7,200	-	880	880
HKD	24	-	(0)	(0)	899	-	(26)	(26)
JPY	1,144	-	(74)	(74)	1,255	-	(1)	(1)
Long								
USD	93,890	-	1,401	1,401	12,422	-	215	215
EUR	18,885	-	35	35	13,582	-	78	78
GBP	284	-	(4)	(4)	24,256	-	(317)	(317)
AUD	11,296	-	(177)	(177)	695	-	11	11
CAD	801	-	(22)	(22)	1,060	-	(33)	(33)
SGD	1,033	-	63	63	-	-	-	-
Currency swaps								
Pay Foreign/ Rec. Yen								
USD	803,162	607,213	24,609	24,609	1,006,691	893,520	(2,436)	(2,436)
EUR	21,315	15,931	1,461	1,461	47,528	47,528	(3,411)	(3,411)
AUD	25,239	17,609	4,501	4,501	26,243	25,945	(2,607)	(2,607)
Pay Yen/ Rec.Foreign								
USD	282,144	205,544	(26,915)	(26,915)	249,589	188,359	6,416	6,416
EUR	15,728	14,202	(1,847)	(1,847)	27,011	27,011	3,574	3,574
AUD	820	820	(226)	(226)	1,013	1,013	46	46
Pay Foreign/ Rec. Foreign								
Pay EUR/Rec. USD	1,525	-	(126)	(126)	1,990	1,990	23	23
Pay USD/Rec. EUR	484	-	26	26	647	647	16	16
Pay USD/Rec. AUD	-	-	-	-	1,377	-	48	48
Pay USD/Rec. NZD	-	-	-	-	2,105	-	(14)	(14)
Currency options								
Short								
Call								
USD	33,227	22,018			32,258	7,700		
Option premiums (*4)	1,639	1,302	924	715	912	271	482	429
Put								
USD	37,153	25,863			41,866	15,380		
Option premiums (*4)	1,929	1,584	5,826	(3,896)	1,345	705	1,499	(153)
Long								
Call								
USD	56,021	52,421			61,783	57,372		
Option premiums (*4)	4,158	3,979	4,216	57	4,408	4,272	5,147	739
Put								
USD	54,133	50,540			52,327	43,906		
Option premiums (*4)	4,173	4,017	7,238	3,064	4,009	3,800	2,694	(1,315)
Total	1,954,082	1,016,439	8,536	(9,727)	2,142,610	1,323,414	12,886	2,762

Notes:

1. The fair value of the foreign exchange forwards agreements at end of period is based on the futures' market price.
2. The fair value of currency swap transactions is calculated by discounting future cash flows to the present value based on the interest rate at year end.
3. The fair value of foreign currency options contracts is based on an option pricing model.
4. For option contracts, option premiums at the inception are shown below the respective contractual amount.
5. Those instruments to which hedge accounting is applied are not included in the table.

(2) Interest rate-related instruments

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract Amount	Over 1 year	Market/ Fair Value	Unrealized gain/(loss)	Contract Amount	Over 1 year	Market/ Fair Value	Unrealized gain/(loss)
Market transactions:								
Interest futures								
Short	-	-	-	-	15,000	-	0	0
Long	87,679	-	129	129	55,892	-	46	46
Over-the-counter transactions:								
Interest rate forwards								
Short	-	-	-	-	57,125	-	13	13
Long	-	-	-	-	15,424	-	(2)	(2)
Interest rate options								
Short								
Cap	45,570	40,612			45,387	39,387		
Option premiums(*4)	814	729	173	641	839	770	374	465
Swaption	79,148	69,848			87,687	84,687		
Option premiums(*4)	786	445	2,109	(1,323)	786	786	1,356	(570)
Long								
Cap	24,785	14,600			33,596	28,596		
Option premiums(*4)	426	135	27	(398)	431	402	75	(355)
Swaption	37,974	33,974			41,974	39,974		
Option premiums(*4)	447	357	425	(21)	129	129	89	(39)
Interest rate swap								
Pay float/Rec. fix	5,517,444	4,205,035	186,497	186,497	7,534,181	5,546,475	136,056	136,056
Pay fix/Rec. float	5,118,983	3,772,252	(124,231)	(124,231)	7,017,398	4,879,349	(87,978)	(87,978)
Pay float/Rec. float	689,241	451,341	19,514	19,514	767,364	461,064	10,694	10,694
Pay fix/Rec. fix	123,864	45,667	(42,670)	(42,670)	155,218	138,218	(2,741)	(2,741)
Total	11,724,692	8,633,331	41,976	38,136	15,826,252	11,217,754	57,985	55,589

Notes:

1. The fair value of the interest rate future is based on the closing price at major stock exchanges.
2. The fair value of the interest forward and the interest rate swap transactions is calculated by discounting future cash flows to the present value based on the interest rate at year end.
3. The fair value of interest rate options transactions is based on an option pricing model.
4. For option contracts, option premiums at the inception are shown below the respective contractual amount.
5. Interest rate swaps to which hedge accounting is applied are as follows. The amounts of deferred hedge gains and losses are presented before tax basis.

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract amount	Over 1 year	Market/ Fair value	Deferred hedge gains(losses)	Contract amount	Over 1 year	Market/ Fair value	Deferred hedge gains(losses)
Deferred hedge accounting in accordance with Report No. 26	379,300	302,800	22,901	8,484	247,300	247,300	6,412	5,913
Unamortized portion of deferred hedge gains and losses in accordance with Report No.16 are shown below "Deferred hedge gains / (losses)				6,117				1,086
Other deferred hedge accounting	96,748	46,448	894	844	107,287	102,287	693	649
Total	476,048	349,248	23,795	15,447	354,587	349,587	7,106	7,650

6. Deferred hedge gains and losses relating to the interest rate swap transactions to which hedge accounting is not applied are as follows. The amount of deferred gains and losses are presented before tax basis.

(Yen in millions)

	As of 31 March 2009	As of 31 March 2008
	Deferred hedge gains (losses)	Deferred hedge gains (losses)
Unamortized portion of deferred hedge gains and losses in accordance with Report in No. 16 relating to interest rate swaps which are not covered by Report No. 26	26,969	39,295
Other deferred hedge accounting	(15,213)	(26,393)
Total	11,756	12,901

Report No. 16: Tentative Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry (Japanese Institute of Certified Public Accountants, 31 March 2000).

Report No. 26: Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry (Japanese Institute of Certified Public Accountants, 3 September 2002).

(3) Equity-related instruments

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract Amount	Over 1 year	Market/ Fair value	Unrealized gain/(loss)	Contract Amount	Over 1 year	Market/ Fair value	Unrealized gain/(loss)
Market transactions:								
Equity index futures								
Short	10,454	-	(57)	(57)	22,030	-	(41)	(41)
Long	2,269	-	114	114	26,008	-	567	567
Equity index options								
Short								
Call	-	-			5,800	-		
Option premiums(*3)	-	-	-	-	70	-	0	70
Long								
Put	-	-			11,900	-		
Option premiums(*3)	-	-	-	-	819	-	175	(644)
Over-the-counter transactions:								
Equity swap transactions								
Rec. floating rate / Pay. Floating equity price	199	-	56	56	380	-	4	4
Rec. floating equity price/ Pay. floating rate	199	-	(56)	(56)	380	-	(4)	(4)
Total	13,124	-	57	57	66,501	-	702	(47)

Notes:

1. The fair values of equity index futures and equity index options(market transaction) are based on the quoted closing price of the primary stock exchanges.
2. The fair values of equity swap transactions of over-the-counter transactions are based on quotation from financial institutions(counterparties).
3. For option contracts, the option premiums at the inception are shown below the respective contractual amount.
4. The synthetic options are classified into such as short or long positions by the receiving or paying option premiums at the time transactions started.

(4) Bond-related instruments

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract Amount	Over 1 year	Market/ Fair value	Unrealized gain/(loss)	Contract Amount	Over 1 year	Market/ Fair value	Unrealized gain/(loss)
Market transactions:								
Bond futures								
Short	5,726	-	(48)	(48)	21,966	-	(182)	(182)
Long	23,547	-	421	421	49,281	-	235	235
Over-the-counter transactions:								
Bonds over-the-counter-options								
Short								
Call	-	-			31,253	-		
Option premiums(*3)	-	-	-	-	46	-	75	(29)
Put	-	-			10,499	-		
Option premiums(*3)	-	-	-	-	44	-	34	9
Long								
Call	-	-			10,499	-		
Option premiums(*3)	-	-	-	-	37	-	20	(16)
Put	-	-			10,460	-		
Option premiums(*3)	-	-	-	-	39	-	11	(27)
Total	29,274	-	373	373	133,959	-	194	(11)

Notes:

1. The fair values of bond futures are based on the closing price at the primary stock exchanges.
2. The fair values of bond future options of over-the -counter are based on quotation from financial institutions (counterparties) or prices calculated by the internal evaluation model.
3. For option contracts, the option premiums at the inception are shown below the respective contractual amount.

(5) Credit-related instruments

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract amount	Over 1 year	Fair value	Unrealized gain/(loss)	Contract amount	Over 1 year	Fair value	Unrealized gain/(loss)
Over-the-counter transactions:								
Credit derivatives								
Sell protection	678,171	473,254	(22,703)	(22,703)	892,488	892,212	(10,944)	(10,944)
Buy protection	47,107	45,379	1,588	1,588	46,855	43,579	714	714
Total	725,189	518,633	(21,114)	(21,114)	939,343	935,792	(10,229)	(10,229)

Note:

The fair value of the credit derivatives is calculated using the internal valuation model.

(6) Commodity-related instruments

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract amount	Over 1 year	Fair value	Unrealized gain/(loss)	Contract amount	Over 1 year	Fair value	Unrealized gain/(loss)
Over-the-counter transactions:								
Commodity swaps								
Pay Commodity indices/ Rec. fixed price	4,307	4,157	(6,139)	(6,139)	10,828	10,492	(24,402)	(24,042)
Pay fixed price/ Rec. Commodity indices	3,863	3,817	4,369	4,369	9,802	9,555	20,329	20,329
Pay variable indices/ Rec. Commodity indices	5,212	5,212	(221)	(221)	19,351	19,351	(437)	(437)
Total	13,383	13,187	(1,990)	(1,990)	39,983	39,400	(4,510)	(4,510)

Note:
The fair value of commodity swaps is calculated using the internal valuation model.

(7) Others

(Yen in millions)

	As of 31 March 2009				As of 31 March 2008			
	Contract amount	Over 1 year	Fair value	Unrealized gain/(loss)	Contract amount	Over 1 year	Fair value	Unrealized gain/(loss)
Natural disaster derivatives:								
Short	18,442	400			-	-		
	396	17	396	-	-	-	-	-
Long	27,912	-			-	-		
	1,593	-	1,593	-	-	-	-	-
Others								
Short	123	123			-	-		
	9	9	9	-	-	-	-	-
Total	46,478	523	1,998	-	-	-	-	-

Notes:
1. The option premiums of natural disaster derivatives and other options are shown below the respective contractual amount.
2. The fair value of natural disaster derivatives and other options is calculated based on options premiums.

Retirement benefits

1. Outline of the Retirement and Severance Benefit Plans

(A) For the year ended 31 March 2009

The Company and one domestic consolidated subsidiary have an unfunded lump-sum payment retirement plan covering substantially all employees. The Company has a corporate pension fund system and an approved retirement annuity plan.

The benefits of the corporate pension fund system and lump-sum payment retirement plan under the Company's plans are mainly based on the points which each employee acquired through service. The payment amounts of the lump-sum payment plan under the domestic consolidated subsidiary's plans are determined by reference to salary upon retirement, length of service and reason for retirement.

Additionally, some of overseas subsidiaries also have such retirement plans.

The Company transferred a portion of its corporate pension fund to a defined-contribution pension plan as of July 2, 2007.

(B) For the year ended 31 March 2008

The Company and one domestic consolidated subsidiary have an unfunded lump-sum payment retirement plan covering substantially all employees. The Company has a corporate pension fund system and an approved retirement annuity plan.

The benefits of the corporate pension fund system and lump-sum payment retirement plan under the Company's plans are based on the points which each employee acquired through service. The payment amounts of the lump-sum payment plan under the domestic consolidated subsidiary's plans are determined by reference to salary upon retirement, length of service and reason for retirement.

Additionally, some of overseas subsidiaries also have such retirement plans.

The Company transferred a portion of its corporate pension fund to a defined-contribution pension plan as of July 2, 2007.

2. Breakdown of Retirement Benefit Liabilities

(Yen in millions)

	As of 31 March 2009	As of 31March 2008
a. Retirement benefit liabilities	(348,597)	(361,201)
b. Pension assets	142,691	170,931
c. Unaccrued retirement benefit liabilities (a+b)	(205,905)	(190,269)
d. Unrecognized actuarial difference	81,063	77,858
e. Unrecognized prior service costs	(21,586)	(25,015)
f. Net amount in the consolidated balance sheets (c+d+e)	(146,428)	(137,426)
g. Prepaid pension expenses	156	-
h. Reserve for retirement benefits (f-g)	(146,584)	(137,426)

Notes:

As of 31 March 2009	As of 31 March 2008
The subsidiaries excluding the Company adopt the simple method in calculation of retirement benefit liabilities.	1. The subsidiaries excluding the Company adopt the simple method in calculation of retirement benefit liabilities. 2. The changes that resulted from the transfer of a portion of the Company corporate pension fund to its defined contribution pension plan are detailed below. (Yen in millions) Decrease in retirement benefit liabilities 60,163 Decrease in pension assets (32,984) Unrecognized actuarial difference (8,185) Unrecognized prior service costs 7,157 Decrease in reserve for retirement benefit 26,151

3. Breakdown of retirement expenses

(Yen in millions)

	Year ended 31 March 2009	Year ended 31 March 2008
a. Service cost	15,056	14,582
b. Interest cost	6,902	7,216
c. Expected investment income	(4,812)	(6,054)
d. Actuarial differences accounted for as expense	8,128	7,457
e. Amortisation of prior service cost accounted for as expense	(2,681)	(2,910)
f. Retirement benefit expenses (a+b+c+d+e)	22,593	20,291
g. Amount transferred to the defined contribution pension plan	1,639	933
h. Gains and losses resulted from the transfer to the defined contribution pension plan	-	(26,151)
i. Total (f+g+h)	24,232	(4,926)

Notes:

Year ended 31 March 2009	Year ended 31 March 2008
1. Employee contributions to the corporate pension fund are deducted from "a. service cost". 2. Retirement expenses for companies using simple method are recorded as "a. service cost".	1. Employee contributions to the corporate pension fund are deducted from "a. service cost". 2. Retirement expenses for companies using simple method are recorded as "a. service cost". 3. The item "h. Gains and losses resulted from the transfer to the defined contribution pension plan" is the gain recognized in connection with the transfer some part of corporate pension fund system to the defined contribution pension plan, and included in "Other extraordinary gains".

4. Accounting for Retirement Benefit Liabilities

The factors which are the bases of the calculation of Retirement benefit liabilities under the principle method adopted by Tokio Marine & Nichido are as follows:

	Year ended 31 March 2009	Year ended 31 March 2008
a. Distribution method for estimated retirement benefits	The lump-sum retirement benefit system and the contributory pension fund system mainly employ the point standard.	The lump-sum retirement benefit system and the contributory pension fund system employ the point standard, while the approved retirement annuity plan employs the fixed-period straight-line standard.
b. Discount rate	2.0%	2.0%
c. Expected rate of return on investments	3.0%	3.1%
d. Years to amortize prior service costs	(No change)	14 (Expenses are accounted for using the straight-line method over a certain number of years and within the average remaining work period of employees at the time of occurrence)
e. Years to amortize actuarial differences	(No change)	14 (Expenses are accounted for in the following fiscal year using the straight-line method over a certain number of years and within the average remaining work period of employees at the time of occurrence)

Stock options

(A) For the year ended 31 March 2009

(Yen in millions)

1. The account title and the amount related to stock options;

Loss adjustment expenses	70
Underwriting and general administrative expenses	214
Total	284

2. Outline of stock options

Tokio Marine Holdings, which is the parent of the Company, granted stock options the type of which is stock-linked compensation to the Company's directors, corporate auditors and officers. The Company recorded the amount born by it accrued up to March 31, 2009 as remuneration expenses.

(B) For the year ended 31 March 2008

(Yen in millions)

1. The account title and the amount related to stock options;

Loss adjustment expenses	63
Underwriting and general administrative expenses	225
Total	289

2. Outline of stock options

Millea Holdings., which is the parent of the Company, granted stock options the type of which is stock-linked compensation to the Company's directors, corporate auditors and officers. The Company recorded the amount born by it accrued up to March 31, 2008 as remuneration expenses.

Deferred tax accounting

	As of 31 March 2009	As of 31 March 2008
1. Significant portion of deferred tax assets and deferred tax liabilities (Yen in millions)		
Deferred tax assets		
Underwriting reserves	370,903	369,204
Outstanding claims	55,380	52,396
Reserve for retirement benefits	53,087	49,379
Reserve for price fluctuation	19,299	41,741
Loss on revaluation of securities	45,511	28,636
Deferred hedge losses	11,480	15,550
Others	76,195	58,582
Subtotal	631,859	615,491
Valuation allowance	(32,978)	(4,202)
Total deferred tax assets	598,881	611,289
Deferred tax liabilities		
Difference from revaluation of other securities	(391,766)	(867,212)
Deferred hedge gains	(21,157)	(22,984)
Unrealized gains on consolidated subsidiaries	(10,011)	(13,547)
Reserve for additional depreciation deduction adjustment on properties	(7,914)	(9,493)
Others	(52,045)	(18,841)
Total deferred tax liabilities	(482,895)	(932,080)
Net deferred tax assets (liabilities)	115,985	(320,791)
2. Reconciliation between the effective tax rate and the Japanese statutory income tax rate		
Japanese statutory tax rate	36.1%	36.1%
(Adjustment)		
Permanent differences such as dividends received	(11.0)%	(6.0)%
Permanent differences such as entertainment expenses	1.6%	0.5%
Valuation allowance	23.5%	1.9%
Income tax equivalents related to the reserve for policyholders dividends incurred by overseas subsidiaries	-	3.1%
Reversal of deferred tax liabilities of earnings retained by foreign subsidiaries due to amendments of Corporation Tax Act of Japan	(8.9)%	-
Effect of tax rate applied to subsidiaries	(3.0)%	-
Others	(1.3)%	(0.4)%
Effective tax rate	37.0%	35.2%

Business Combinations and other matters

(A) For the year ended 31 March 2009

As of December 1, 2008, the Company acquired Philadelphia Consolidated Holding Corp. ("PHLY"), a property and casualty insurance group in the U.S., and made it a subsidiary. In connection with the accounting for the acquisition, the Company has applied the purchase method as described below.

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

(a) Acquired company

Philadelphia Consolidated Holding Corp.

(b) Business

~~A holding company for subsidiaries operating insurance and insurance-related businesses~~

(c) Reasons for the business combination

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

(d) Date of the business combination

December 1, 2008

(e) Form of the business combination

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

(f) Ratio of voting rights acquired through the business combination

100%

(2) Period for which the operating results of the acquired company are included in the consolidated financial statements of the Company.

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

(3) Acquisition cost

473,537 million yen

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

(a) Amount of goodwill

253,611 million yen

(b) Basis

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

(c) Amortization method and period

To be amortized over 20 years using the straight-line method

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

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

(6) Approximate impact on the consolidated statements of income, assuming that the business combination took place at the beginning of the fiscal year ended March 31, 2009.

The ordinary income, ordinary profit and net income would have increased by 166,851 million yen, 4,393 million yen and 143 million yen, respectively.

These amounts represent the difference between the actual figures and the estimates of the figures for ordinary income, ordinary profit and net income calculated based on the assumption that the business combination was completed at the beginning of the fiscal year ended March 31, 2009. The amortized amount of goodwill was calculated assuming that the goodwill recognized at the time of the business combination had arisen at the beginning of the fiscal year ended March 31, 2009.

The above amounts are un-audited.

(B) For the year ended 31 March 2008

As of March 10, 2008, the Company acquired Kiln Ltd, a global insurance player with its primary base in the U.K. insurance market of Lloyd's, and made Kiln a subsidiary. In connection with the accounting for the acquisition, the Company has applied the purchase method as described below.

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

(a) Acquired company

Kiln Ltd

(b) Business

A holding company for subsidiaries operating insurance and insurance-related businesses

(c) Reasons for the business combination

The Company intends to expand the scale of its operations and earnings of its overseas insurance business and to establish a position as a major player in Lloyd's of the U.K., one of the world's leading insurance markets.

(d) Date of the business combination

March 10, 2008

(e) Ratio of voting rights acquired through the business combination

100%

(2) Period for which the operating results of the acquired company are included in the consolidated financial statements of the Company.

For accounting purposes the business combination date is deemed to be the last day of the fiscal year ended March 31, 2008. Consequently, the results of operation of the acquired company are not reflected in the consolidated financial statements of the Company for the fiscal year ended March 31, 2008.

(3) Acquisition cost

94,122 million yen

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

(a) Amount of goodwill

29,596 million yen

(b) Basis

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

(c) Amortization method and period

To be amortized over 10 years using the straight-line method

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

Item	*Amount (million yen)*	*Item*	*Amount (million yen)*
Total assets Securities included in total assets	207,439 79,167	Total liabilities Underwriting funds included in total liabilities	142,914 82,746

(6) Approximate impact on the consolidated statement of income, assuming that the business combination took place at the beginning of the fiscal year ended March 31, 2008.

The ordinary income, ordinary profit and net income would have increased by 81,167 million yen, 9,566 million yen and 5,050 million yen, respectively.

These amounts represent the difference between the actual figures and the estimates of the figures for ordinary income, ordinary profit and net income calculated based on the assumption that the business combination was completed at the beginning of the fiscal year ended March 31, 2008. The amortized amount of goodwill was calculated assuming that the goodwill recognized at the time of the business combination had arisen at the beginning of the fiscal year ended March 31, 2008.

The above amounts are un-audited.

Segment Information

Segment Information by Business Lines

For the years ended 31 March 2009

(Yen in millions)

	Property and casualty	Life	Others	Total	Elimination	Consolidated
I Ordinary income and ordinary profit/loss						
Ordinary income						
(1) Ordinary income from transactions with external customers	2,505,809	49,514	32,922	2,588,246	(19,129)	2,569,117
(2) Ordinary income arising from inter-segment transactions	619	17	512	1,149	(1,149)	-
Total	2,506,429	49,532	33,434	2,589,396	(20,278)	2,569,117
Ordinary expenses	2,417,730	57,248	44,773	2,519,752	(20,466)	2,499,285
Ordinary profit/loss	88,699	(7,716)	(11,339)	69,643	188	69,831
II Assets / Depreciation / Impairment losses on fixed assets and Capital expenditure						
Assets	8,876,675	233,276	473,996	9,583,949	(5,379)	9,578,570
Depreciation	17,070	223	267	17,560	-	17,560
Impairment losses on fixed assets	693	-	465	1,158	-	1,158
Capital expenditure	23,058	305	463	23,827	-	23,827

Notes:

1. The segments are classified based on the characteristics of operations of Tokio Marine & Nichido and its consolidated subsidiaries.
2. Major operations of each segment are as follows:
   (1) Property and casualty: Underwriting property and casualty insurance and related investment activities
   (2) Life: Underwriting life insurance and related investment activities
   (3) Others: Securities investment advisory, securities investment trusts business and derivatives business
3. The major components of "Elimination" for "Ordinary income from transactions with external customers" are due to transferring amount of (1) 9,257 million yen from "Foreign exchange gain", which is included in ordinary income related to "Property and casualty" segment, to "Other investment expense" in "Ordinary expenses" in the consolidated statements of income and (2) 5,648 million yen from "Provision of underwriting reserves", which is included in ordinary expense relating to "Life" segment, to "Reversal for underwriting reserves" in the consolidated statements of income.
4. As noted in "Changes to Basis of Significant Accounting Policies", Tokio Marine & Nichido has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006) for the fiscal year ended March 31, 2009 and implemented adjustments required for the consolidated financial reporting. As a result, in the property and casualty insurance segment, ordinary income increased by 1,932 million yen, ordinary expenses decreased by 2,490 million yen and ordinary profit increased by 4,423 million yen.

For the years ended 31 March 2008

Segment information by business lines is omitted because the non-life insurance business accounts for more than 90% of the consolidated ordinary income, ordinary profit and total assets. Investment is part of non-life insurance business and is not an independent segment.

Segment Information by Location

For the years ended 31 March 2009

(Yen in millions)

	Japan	Americas	Others	Total	Elimination	Consolidated
I Ordinary income and ordinary profit						
(1)Ordinary income from transactions with external customers	2,372,330	78,708	162,405	2,613,443	(44,326)	2,569,117
(2)Ordinary income arising from inter-segment transactions	221	38	93	353	(353)	-
Total	2,372,551	78,746	162,499	2,613,797	(44,680)	2,569,117
Ordinary expenses	2,304,936	79,093	160,124	2,544,154	(44,868)	2,499,285
Ordinary profit/loss	67,614	(346)	2,375	69,643	188	69,831
II Assets	7,657,351	1,383,645	546,244	9,587,241	(8,670)	9,578,570

Notes:

1. Countries and regions are classified into groups based on geographic proximity.
2. Major countries and regions included in each group are as follows:
   (1)Americas: Bermuda
   (2)Others: United Kingdom, Singapore and Malaysia
3. The major components of "Elimination" for "Ordinary income from transactions with external customers" are due to transferring amount of (1) 15,550 million yen from "Foreign exchange gain", which is included in ordinary income relating to "Other" segment, to "Other investment expenses" in "Ordinary expenses" in the consolidated statements and (2) 12,967 million yen from "Provision for outstanding claims", which is included in ordinary expenses of "Other" segment, to "Reversal of outstanding claims" in "Ordinary income" in the consolidated statements of income.
4. As noted in “Changes to Basis of Significant Accounting Policies", Tokio Marine & Nichido has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) for the fiscal year ended March 31, 2009 and implemented adjustments required for the consolidated financial reporting. As a result, in “Americas” segment, ordinary expenses decreased by 41 million yen and ordinary loss decreased by 41 million yen. In addition, in “Others” segment, ordinary income increased by 1,854 million yen, ordinary expenses decreased by 2,528 million yen, and ordinary profit increased by 4,382 million yen.

For the years ended 31 March 2008

(Yen in millions)

	Japan	Americas	Others	Total	Elimination	Consolidated
I Ordinary income and ordinary profit						
(1) Ordinary income from transactions with external customers	2,396,395	72,358	130,982	2,599,735	(10,147)	2,589,588
(2) Ordinary income arising from inter-segment transactions	1,433	38	(2,910)	(1,438)	1,438	-
Total	2,397,828	72,396	128,071	2,598,297	(8,708)	2,589,588
Ordinary expenses	2,217,936	57,027	112,140	2,387,105	(10,423)	2,376,682
Ordinary profit	179,891	15,368	15,930	211,191	1,714	212,906
II Assets	10,588,895	635,330	765,487	11,989,714	(17,007)	11,972,706

Notes:
1. Countries and regions are classified into groups based on geographic proximity.
2. Major countries and regions included in each group are as follows:
   (1) Americas: Bermuda
   (2) Others: United Kingdom, Singapore and Malaysia
3. A major component of "Elimination" for "Ordinary income from external customers" is due to transferring the amount of 8,964 million yen from "Reversal of outstanding claims", which is included in ordinary income relating to Americas, to "Provision for outstanding claims" in "Ordinary expenses" in the consolidated statements of income.

Segment information by Overseas Sales

For the years ended 31 March 2009

(Yen in millions)

	Americas	Others	Total
I Overseas sales	138,107	213,599	351,706
II Consolidated ordinary income			2,569,117
III Ratio of I to II (%)	5.4	8.3	13.7

Notes:
1. Countries and regions are classified into groups based on geographic proximity.
2. Major countries and regions included in each group are as follows:
   (1) Americas: North America and Bermuda
   (2) Others: United Kingdom, Singapore and Malaysia
3. "Overseas sales" consists of the sum of overseas sales of Tokio Marine & Nichido and ordinary income of overseas consolidated subsidiaries.

For the years ended 31 March 2008

(Yen in millions)

	Americas	Others	Total
I Overseas sales	150,004	159,428	309,433
II Consolidated ordinary income			2,589,588
III Ratio of I to II (%)	5.8	6.2	11.9

Notes:
1. Countries and regions are classified into groups based on geographic proximity.
2. Major countries and regions included in each group are as follows:
   (1) Americas: North America and Bermuda
   (2) Others: United Kingdom, Singapore and Malaysia

3. "Overseas sales" consists of the sum of overseas sales of Tokio Marine & Nichido and ordinary income of overseas consolidated subsidiaries

Related Party Transactions

For the year ended 31 March 2009

1. Related party transactions
No significant transactions with related parties.

2. Notes on the parent company and important related parties.
(1) Parent information
Tokio Marine Holdings, Inc. (listed on the Tokyo Stock Exchange and Osaka Stock Exchange)

(2) Summarized financial information of important related parties
No significant information of related parties.

(Additional Information)
Tokio Marine & Nichido has applied "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11, October 17, 2006) and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13, October 17, 2006) from the fiscal year ended March 31, 2009.

For the year ended 31 March 2008

No significant transactions with related parties.

Per Share Information

For the year ended 31 March 2009		For the year ended 31 March 2008	
Net assets per share	¥911.80	Net assets per share	¥1,524.22
Net income per share —Basic	¥50.63	Net income per share —Basic	¥88.93

Notes:
1. Net income per share adjusted for dilution is not presented because the securities which would have dilutive effect have not been issued.
2. The calculation of Net income per share is based on the following figures:

	For the year ended 31 March 2009	For the year ended 31 March 2008
Net Income	¥ 78,462 million	¥ 137,814 million
Net Income not attributable to shareholder of common stock	-	-
Net Income attributable to common stock	¥ 78,462 million	¥ 137,814 million
Average number of shares of common stock	1,549,692 thousand shares	1,549,692 thousand shares

(Subsequent Events)

(A) For the year ended 31 March 2009

No significant subsequent events.

(B) For the year ended 31 March 2008

1. The Company agreed to acquire 100% of the outstanding shares of Philadelphia Consolidated Holding

Corp. ("Philadelphia Consolidated "), a U.S. property & casualty ("P&C") insurance group (hereinafter: "the Acquisition") amounting to US$4,705million (505.09billion yen) on July 23, 2008. The purpose of the acquisition and overview of Philadelphia Consolidated are as follows:

(1) Purpose of the Acquisition

The acquisition of Philadelphia Consolidated enables us to significantly enhance our U.S. platform for local commercial business and to fully realize this key international market.

(2) Overview of Philadelphia Consolidated

a. Name of the Company

Philadelphia Consolidated Holdings Corp.

b. Head office

Philadelphia, Pennsylvania, the U.S.

c. Business

A holding company which owns insurance companies and insurance related companies.

d. Gross premiums written (2007)

US$1,692million (181.66 billion yen)

e. Total assets (as of Dec.31, 2007)

US$4,099million (4,401.28 billion yen)

(3) Financing

The acquisition will be financed through the utilization of Tokio Marine Group cash on hand, together with borrowings, including non-convertible bond issuance.

(4) Acquisition process

Under and in accordance with applicable laws and regulations in the U.S., the Acquisition will be implemented by first establishing the Company's owned special purpose company in Pennsylvania, and then merging Philadelphia Consolidated and the special purpose company. The merger requires a majority approval of Philadelphia Consolidated's shareholder's present at a special meeting called to vote on the Acquisition, and the approval of the shareholder of the special purpose company. Through this process, the Company will purchase the entire outstanding shares in return for consolidation to Philadelphia Consolidated's shareholder's. The Acquisition is subject to approval of various regulatory authorities of Japan and the U.S.

(5) Closing

The Company intends to proceed expeditiously and expects to complete the process by the fourth quarter of 2008.

(Note) The Japanese yen amounts which described above have been translated at the exchange rate as of July 23, 2008.

V Related Information to the Consolidated Financial Statements

a. Bonds

Issuer	*Series*	*Issue Date*	*Amount outstanding 31 Mar 08 (Yen in millions)*	*Amount outstanding 31 Mar 09 (Yen in millions)*	*Coupon (%)*	*Collateral*	*Maturity*
Tokio Marine & Nichido	Short-term corporate bonds	11 Mar 08 - 2 Mar 09	99,965 [99,965]	67,953 [67,953]	0.40 - 0.71	None	11 Apr 08 - 2 Jun 09
	1 Unsecured	2 Dec 99	50,000	50,000 [50,000]	1.96	None	2 Dec 09
	1-2 Unsecured	28 Feb 00	15,000	15,000 [15,000]	1.95	None	26 Feb 10
	3 Unsecured	20 Sep 00	20,000	20,000	2.14	None	20 Sep 10
	4 Unsecured	20 Sep 00	10,000	10,000	2.78	None	18 Sep 20
Kiln Group Limited	Subordinated Bond in USD	11 Oct 06 - 20 Nov 06	7,325 ($63,974,000)	5,881 ($64,247,000)	4.53	None	11 Oct 36 - 20 Nov 36
Tokio Marine Financial Solutions Ltd.	Straight Bond	7 Apr 04 - 30 Jul 08	40,978 [5,000]	32,424 [300]	0.30 - 2.17	None	13 Jan 09 - 19 May 21
	Straight Bond in Euro	31 Mar 06	165 (EUR1,000,000)	127 (EUR1,000,000)	2.35	None	31 Mar 11
	Power Reverse Dual Currency Note	18 Aug 03 - 3 Jul 08	30,450	29,850 [300]	0.00 - 8.00	None	20 Jan 09 - 5 Jul 38
	Nikkei Average Linked Note	6 Feb 06 - 2 Dec 08	4,500	6,300	0.00 - 4.30	None	13 Sep 27 - 3 Dec 38
	CMS Floater Note	16 Sep 04 - 28 Sep 06	20,240	19,740	0.09 - 3.03	None	28 Sep 11 - 20 Feb 26
	Reverse Floater Note	1 Feb 05 - 8 Nov 06	32,500	26,600	0.00 - 2.60	None	20 Dec 11 - 30 Mar 26
	FX Linked Digital Coupon Note	1 Dec 04 - 23 Oct 06	1,250	1,250	0.10	None	2 Dec 24 - 24 Oct 36
	Snow Ball Note	16 Jun 05 - 26 Oct 06	17,200	15,200 [800]	0.00 - 4.80	None	13 Jan 09 - 27 Oct 26
	FX Linked Coupon Note	12 Jul 05 - 23 Oct 08	53,770	65,250	0.00 - 12.00	None	11 Jan 17 - 24 Oct 38
	Credit Linked Note	14 Jul 08 - 30 Jul 08	-	2,100 [1,000]	1.44 - 1.94	None	29 Jun 09 - 28 Sep 11
	China Class-A Equity Linked Note	13 Aug 08 - 28 Nov 08	380 [380]	199 [199]	0.00	None	14 Aug 09 - 30 Nov 09
Vetra Finance Corporation	Straight Bond in USD	29 May 07 - 20 Jun 07	12,284 ($115,451,000) [12,284]	-	5.04 - 5.43	Yes	29 May 08 - 20 Jun 08
	Straight Bond in GBP	20 Mar 07 - 12 Jul 07	13,559 (GBP64,010,000) [13,559]	-	5.50 - 6.12	Yes	20 Mar 08 - 14 Jul 08
	Straight Bond in AUD	17 Jul 07	1,428 (AUD14,994,000) [1,428]	-	7.17	Yes	17 Jul 08
	Straight Bond in NZD	27 Jul 07	2,091 (NZD24,988,000) [2,091]	-	8.74	Yes	28 Jul 08

Total	-	433,088	367,876	-	-	-

Notes:
1. The figures shown in the parenthesis ( ) are the principal amount in foreign currencies.
2. The figures shown in the brackets [ ] are the principal amount to mature within 1 year.
3. Principal amounts to mature within 5 years of 31 March 2009 are as follows:

(Yen in millions)

Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years
(Yen in millions)				
135,553	23,373	13,481	3,000	10,675

b. Borrowings

Type	*Amount outstanding 31 Mar 08*	*Amount outstanding 31 Mar 09*	*Average Interest rate*	*Maturity*
	(Yen in millions)	*(Yen in millions)*		
Short term borrowings	153	-	-	-
Long term borrowings to be repaid within 1 year	2	11,887	1.3%	-
Obligations under lease transactions to be repaid within 1 year	-	2,100	-	-
Long term borrowings other than above	37,544	282,041	0.9%	30 May 10 - 20 Mar 32
Obligations under lease transactions other than above	-	3,227	-	30 Apr 10 - 31 Mar 13
Other liabilities				
Commercial paper (to be repaid within 1 year)	16,009	-	-	-
Total	53,711	299,258	-	-

Notes:
1. Average interest rate is calculated based on the interest rate as of the end of this fiscal year and principal amount outstanding.
2. The amount of borrowings, lease obligations and commercial paper above is included in "Other liabilities" of the consolidated balance sheets.
3. As lease obligations are posted on the consolidated balance sheets in amounts prior to the elimination of an amount equivalent to interest, including interest on the total lease amount, lease obligations are not stated in the "Average Rate" column.
4. Principal amount of long term borrowings and lease obligations (other than that which is to be repaid within 1 year) to be repaid within 5 years is as follows:

	Over 1 to 2 years	*Over 2 to 3 years*	*Over 3 to 4 years*	*Over 4 to 5 years*
		(Yen in millions)		
Long term debt	1,002	250,002	5,002	5,002
Lease obligations	1,886	928	412	-

(2) Others:
None

7th September, 2009

Tokio Marine & Nichido Fire Insurance Co., Ltd.

Shin-Ichiro Okada
Member of the Board,
Senior Managing Director

Takaaki Tamai
Member of the Board,
Managing Director

This is "Appendix B" of 7 pages.
Translated pages of Japanese language Independent Auditors Report. The Japanese document was signed by several individual auditors (see below pages) but the English translation (page 1 of Appendix A) only signed by the audit company.

A certificate of translation

I certify that
the attached "Report of Independent Auditors for the consolidated financial statements for Tokio Marine & Nichido Fire Insurance Co., Ltd. for the fiscal years ended 31 March 2009, and 31 March 2008" in English language is a true and correct translation of the original document in Japanese language.

Representative Translator's Signature: ______

Representative Translator's Name: Ryoken Fujito

Today's Date: Oct 13, 2009

ERF Associates は、以下を証明いたします。

ERF Associates は、東京海上日動火災保険株式会社　様より依頼された以下の文書を正確に翻訳いたしました。

翻訳文書(Translated documents)：

Report of
Independent Auditors for the consolidated financial statements
for Tokio Marine & Nichido Fire Insurance Co., Ltd.
for the fiscal years ended 31 March 2009, and 31 March 2008

ERF Associates 代表者：藤戸良憲

年月日：2009年10月13日

BUSINESS & REGISTRIES BRANCH AUCKLAND
27 OCT 2009
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- お客様のお名前：東京海上日動火災保険株式会社　様
- 翻訳者と依頼者の関係：翻訳業務における顧客

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A certificate of translation * ERF

Report of Independent Auditors

June 26, 2009

To the Board of Directors of
Tokio Marine & Nichido Fire Insurance Co., Ltd.

PricewaterhouseCoopers Aarata [Seal]
Chikakuni Yoshida, CPA [Seal]
Designated Partner and Engagement Partner
Takashi Idesawa, CPA [Seal]
Designated Partner and Engagement Partner
Takaaki Ino, CPA [Seal]
Designated Partner and Engagement Partner

Under the provision of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Tokio Marine & Nichido Fire Insurance Co., Ltd. as stated in the "Financial section" for the fiscal year from April 1, 2008 to March 31, 2009; namely, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in stockholders' equity, consolidated statement of cash flows and notes to consolidated supplementary schedule. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokio Marine & Nichido Fire Insurance Co., Ltd. and its consolidated subsidiaries as of March 31, 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in "Changes in Significant Matters Related to Financial Statements", effective April 1, 2008, Tokio Marine & Nichido Fire Insurance Co., Ltd. adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements".

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.

A certificate of translation * ERF

謄本
認証

独立監査人の監査報告書

平成21年6月26日

東京海上日動火災保険株式会社
取締役会御中

あらた監査法人

指定社員 業務執行社員 公認会計士 吉田 周邦

指定社員 業務執行社員 公認会計士 出澤 尚

指定社員 業務執行社員 公認会計士 井野 貴章

当監査法人は、金融商品取引法第193条の2第1項の規定に基づく監査証明を行うため、「経理の状況」に掲げられている東京海上日動火災保険株式会社の平成20年4月1日から平成21年3月31日までの連結会計年度の連結財務諸表、すなわち、連結貸借対照表、連結損益計算書、連結株主資本等変動計算書、連結キャッシュ・フロー計算書及び連結附属明細表について監査を行った。この連結財務諸表の作成責任は経営者にあり、当監査法人の責任は独立の立場から連結財務諸表に対する意見を表明することにある。

当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基準は、当監査法人に連結財務諸表に重要な虚偽の表示がないかどうかの合理的な保証を得ることを求めている。監査は、試査を基礎として行われ、経営者が採用した会計方針及びその適用方法並びに経営者によって行われた見積りの評価も含め全体としての連結財務諸表の表示を検討することを含んでいる。当監査法人は、監査の結果として意見表明のための合理的な基礎を得たと判断している。

当監査法人は、上記の連結財務諸表が、我が国において一般に公正妥当と認められる企業会計の基準に準拠して、東京海上日動火災保険株式会社及び連結子会社の平成21年3月31日現在の財政状態並びに同日をもって終了する連結会計年度の経営成績及びキャッシュ・フローの状況をすべての重要な点において適正に表示しているものと認める。

追記情報

連結財務諸表作成のための基本となる重要な事項の変更に記載されているとおり、会社は当連結会計年度から「連結財務諸表作成における在外子会社の会計処理に関する当面の取扱い」を適用している。

会社と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。

以上

Report of Independent Auditors

June 19, 2008

To the Board of Directors of
Tokio Marine & Nichido Fire Insurance Co., Ltd.

PricewaterhouseCoopers Aarata [Seal]
Akira Yamate, CPA [Seal]
Designated Partner and Engagement Partner
Chikakuni Yoshida, CPA [Seal]
Designated Partner and Engagement Partner
Takashi Idesawa, CPA [Seal]
Designated Partner and Engagement Partner

Under the provision of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Tokio Marine & Nichido Fire Insurance Co., Ltd. as stated in the "Financial section" for the fiscal year from April 1, 2007 to March 31, 2008; namely, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in stockholders' equity, consolidated statement of cash flows and notes to consolidated supplementary schedule. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokio Marine & Nichido Fire Insurance Co., Ltd. and its consolidated subsidiaries as of March 31, 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.

A certificate of translation
ERF

公証人

独立監査人の監査報告書

平成20年６月19日

東京海上日動火災保険株式会社
取締役会御中

あらた監査法人

指定社員
業務執行社員　公認会計士　山手章

指定社員
業務執行社員　公認会計士　吉田周邦

指定社員
業務執行社員　公認会計士　出澤尚

当監査法人は、金融商品取引法第193条の２第１項の規定に基づく監査証明を行うため、「経理の状況」に掲げられている東京海上日動火災保険株式会社の平成19年４月１日から平成20年３月31日までの連結会計年度の連結財務諸表、すなわち、連結貸借対照表、連結損益計算書、連結株主資本等変動計算書、連結キャッシュ・フロー計算書及び連結附属明細表について監査を行った。この連結財務諸表の作成責任は経営者にあり、当監査法人の責任は独立の立場から連結財務諸表に対する意見を表明することにある。

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会社と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。

以　上

（面前署名法人）

Registered No.21-98

NOTARIAL CERTIFICATE

This is to certify that Ryoken Fujito ,Representative Director of ERF Associates ,signed the attached document in my very presence.

Dated this 13th day of October,2009.

TOKYO LEGAL AFFAIRS BUREAU
NOTARY
27-6,5CHOME OGIKUBO
SUGINAMI-KU
TOKYO JAPAN

Koji Yamada

KOJI YAMADA

Notary

Tokyo Legal Affair Bureau

平成２１年登簿第　98　号

認　　証

嘱託人 株式会社ＥＲＦ 代表取締役 藤戸良憲 は、本職の面前において別紙翻訳証明書に署名した。

よって、これを認証する。

平成２１年 10 月 13 日、本公証人役場において

東京都杉並区荻窪５丁目２７番６号

東京法務局所属

公証人 山田弘司

Notary

Koji YAMADA

証　　明

上記署名は、東京法務局所属公証人の署名に相違ないものであり、かつ、その押印は、真実のものであることを証明する。

平成２１年 10 月 13 日

東京法務局長　山舗 弥一郎

APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Country: JAPAN

   This public document

2. has been signed by Koji YAMADA
3. acting in the capacity of Notary of the Tokyo Legal Affairs Bureau
4. bears the seal/stamp of Koji YAMADA, Notary

Certified

5. at Tokyo　　6. OCT. 13. 2009
7. by the Ministry of Foreign Affairs
8. 09- № 033520
9. Seal/stamp:　　10. Signature

MINISTRY OF FOREIGN AFFAIRS JAPAN

Kazutoyo OYABE

For the Minister for Foreign Affairs

This is "Appendix C" of 5 pages.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED

NEW ZEALAND BRANCH

SECOND SCHEDULE OF THE INSURANCE COMPANIES DEPOSITS ACT 1953

FOR THE YEAR ENDED 31 MARCH 2009

CHECKED
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UNDERWRITING ACCOUNT OF TOKIO MARINE & NICHIDO FIRE INSURANCE CO, LTD - NEW ZEALAND BRANCH FOR THE YEAR ENDED 31 MARCH 2009

	2009 $	2008 $
Income		
Gross premium income	1,772,280	386,258
Deduct changes in insurance provisions		
- Unearned premiums	212,850	37,039
- Lapse reserve	-	-
- Other (specify)	-	-
Deduct reinsurance ceded	28,466	87,649
Earned premiums	1,530,964	261,570
Claims		
Claims paid	106,121	-
Add (Deduct) increase (reduction) in		
- Outstanding claims provision	70,219	-
- Provision for claims incurred but not reported	-	-
- Other claims provisions	-	-
	-	-
Deduct recoveries		
- Reinsurance	-	-
- Other	-	-
Net claims incurred	176,340	-
Result		
Earned premiums	1,530,964	261,570
Less net claims incurred	176,340	
Underwriting profit (loss) before expenses	1,354,624	261,570
Underwriting expenses		
Net commissions	99,020	37,296
Management expenses	233,271	9,146
Depreciation charged on fixed assets used in underwriting operations	-	
Payment to New Zealand Fire Service Commission		
Total underwriting expenses	(332,291)	46,442
Net Underwriting Profit(Loss)	1,022,333	215,128

INVESTMENT INCOME ACCOUNT OF TOKIO MARINE & NICHIDO FIRE INSURANCE CO, LTD - NEW ZEALAND BRANCH FOR THE YEAR ENDED 31 MARCH 2009

	2009 $	2008 $
Investment Income		
(a) Interest (excludes interest from holding company and subsidiaries)	53,959	55,183
(b) Dividends (excludes dividends from subsidiaries)	-	-
(c) Net rents	-	-
(d) Other investment income (losses)	-	-
(e) Intergroup income (subsidiaries and holding company)	-	-
Sub-Total	53,959	55,183
Deduct expenses	-	-
Net investment income	53,959	55,183

PROFIT AND LOSS ACCOUNT OF TOKIO MARINE & NICHIDO FIRE INSURANCE CO, LTD - NEW ZEALAND BRANCH FOR THE YEAR ENDED 31 MARCH 2009

	2009 *$*	*2008* *$*
Net Underwriting Profit (Loss)	1,022,333	215,128
Net Investment Income (Loss)	53,959	55,183
Other income	1,075	-
Other expenses - Audit Fee	20,488	5,807
Other expenses	24,962	38,070
Extraordinary Items	-	-
Net profit (loss) before taxation	1,031,918	226,434
Taxation Expense	309,575	74,723
Net profit transferred to appropriation account	722,343	151,711

APPROPRIATION ACCOUNT OF TOKIO MARINE & NICHIDO FIRE INSURANCE CO, LTD - NEW ZEALAND BRANCH FOR THE YEAR ENDED 31 MARCH 2009

	2009	*2008*
	$	*$*
Undistributed profit brought forward at the beginning		
of the financial year	1,119,103	964,011
Net profit (loss) transferred from the Profit and Loss Account	722,343	151,711
Add		
Prior years adjustment	-	-
Transfers from reserves	-	-
Other items	-	-
Available for appropriation	1,841,446	1,115,722
Deduct		
Dividends to shareholders	-	-
Prior years adjustment		(3,381)
Extraordinary items	-	-
Transfer to reserves	-	-
Transfer to insurance funds	-	-
Other items	-	-
Retained Earnings of Amalgamated Companies		
Undistributed profit (loss) carried forward at the end of the financial year and shown in the Balance Sheet	1,841,446	1,119,103

BALANCE SHEET OF TOKIO MARINE & NICHIDO FIRE INSURANCE CO, LTD - NEW ZEALAND BRANCH AS AT 31 MARCH 2009

	2009 *$*	*2008* *$*
Assets		
Fixed assets	-	-
Investments	851,194	831,714
Loans to creditors, shareholders, officers of the company, staff, and relatives of these persons	-	-
Amounts owing by holding and subsidiary companies	-	-
Current assets	1,833,730	441,960
Intangible assets	-	-
Total assets	2,684,924	1,273,674
Liabilities		
Liabilities secured	-	-
Liabilities unsecured	843,478	154,572
Net assets	1,841,446	1,119,103
Shareholders' funds		
Share capital	-	-
Reserves	-	-
Profit and loss appropriation account	1,841,446	1,119,103
Total Shareholders' funds	1,841,446	1,119,103

Certified as a correct copy of the Company's Balance Sheet:

Mr Masayuki Mizunuma - Principal Officer

This is "Appendix D" of 16 pages.
Financial statements of NZ branch

TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.

NEW ZEALAND BRANCH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

CHECKED
3

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

DIRECTORY

Head Office:	2 - 1 Marunouchi 1 – chome, Chiyoda-ku Tokyo 100-8050, Japan
Principal Office for New Zealand:	IAG New Zealand Limited, IAG House 151 Queen Street Auckland, New Zealand
Auditors:	Pricewaterhouse Coopers 201 Sussex Street Sydney, NSW 1171

DIRECTORS:

Current Directors of the Company:

Name	Date Appointed
AMEMIYA, Hiroshi	24 JUN 2005
HAMA, Fudeji	26 JUN 2006
HONDA, Daisaku	24 JUN 2005
IENAKA, Takashi	01 OCT 2006
ISHIHARA, Kunio	27 JUN 1998
IWAI, Koji	19 JUN 2008
FUKAO, Kunihiko	19 JUN 2008
KANDA, Katsumi	21 JUN 2007
KONNO, Masahide	21 JUN 2007
KUNIHIRO, Tadashi	21 JUN 2007
MATSUMOTO, Ichiro	24 JUN 2005
MIYAZAKI, Tadahiko	21 JUN 2007
NAGANO, Tsuyoshi	19 JUN 2008
NAGATOMO, Hideo	26 JUN 2003
OKADA, Shinichiro	21 JUN 2007
SHIRAKAWA, Teruyuki	24 JUN 2005
SUMI, Shuzo	29 JUN 2000
SUZUKI, Masami	24 JUN 2005
TAMAI, Takaaki	26 JUN 2006
YAGI, Takashi	26 JUN 2006
YANO, Takaaki	19 JUN 2008
YOKOTSUKA, Hiroshi	21 JUN 2007
YOSHIMOTO, Takuo	21 JUN 2007

Director(s) Ceasing to Hold Office:	**Date of Resignation**
ISHII, Morio	21 JUN 2007

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2009

	NOTES	2009 $	2008 $
Gross premium income	3	1,772,280	386,258
Change in unearned premium		(212,850)	(37,039)
Outward reinsurance expense		(28,466)	(87,649)
Net premium revenue		1,530,964	261,570
Net claims incurred	4	(176,340)	-
Underwriting profit before expenses		**1,354,624**	**261,570**
Acquisition costs		99,020	37,296
Other expenses	5	278,720	53,023
Net Underwriting Result		**976,884**	**171,251**
Investment income		53,959	55,183
Other income		1,075	-
Profit before tax		1,031,918	226,434
Income Tax	6	309,575	74,723
Profit after tax		**722,343**	**151,711**

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

For and on behalf of the Board who authorize the issue of this Financial Statement on the

8th day of October 2009.

Shin-Ichiro Okada
Member of the Board,
Senior Managing Director
Tokyo

Takaaki Tamai
Member of the Board,
Managing Director
Tokyo

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2009

	NOTES	2009 $	2008 $
Current Assets			
Cash at bank and short term deposits	7	2,082,360	613,276
Government Bond	8	520,776	525,271
Premium Receivable		22,663	102,729
Deferred acquisition costs	9	24,506	8,675
Other Debtors		34,619	23,723
Total Current Assets		2,684,924	1,273,674
Total Assets		2,684,924	1,273,674
Current Liabilities			
Trade Creditors		10,289	48,655
Other Creditors		81,924	16,790
Intercompany	10	139,507	37,320
Income Tax		267,143	6,092
Unearned Premium	11	274,395	45,714
Outstanding Claims	12	70,220	-
Total Current Liabilities		843,478	154,571
Total Liabilities		843,478	154,571
Head Office Account			
Total Head Office Account		1,841,446	1,119,103
Total Liabilities and Head Office Account		2,684,924	1,273,674

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

STATEMENT OF CHANGES IN HEAD OFFICE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

	2009 $	2008 $
Net surplus for the period	722,343	151,711
Head Office Account at the start of the period	1,119,103	964,011
Adjustments to opening retained profits	-	3,381
Head Office Account at the end of the period	1,841,446	1,119,103

The above Statement of Changes in Head Office Account should be read in conjunction with the accompanying notes.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies

General Information

The Tokio Marine and Nichido Fire Insurance Company Limited New Zealand branch is a branch of Tokio Marine and Nichido Fire Insurance Company which is an overseas Company registered under the Companies Act 1993.
These financial statements have been approved for issue by the Board of Directors on September 2009.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting (NZIFRS), and other applicable New Zealand Financial Reporting Standards, as appropriate for profit oriented entities.

(a) Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(b) Statutory Base

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the New Zealand Companies Act 1993.

(c) Differential Reporting

The branch is qualified within the Framework for Differential Reporting. The Branch qualifies on the basis that it is not publicly accountable and there is no separation between the owners and governing body of Tokio Marine and Nichido Fire Insurance New Zealand. The Branch has taken advantage of all the differential reporting exemptions available to them.

(d) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assests as identified in specific accounting policies below.

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

(e) Principles of General Insurance Contracts

The general insurance operations of Tokio Marine and Nichido Fire Insurance Company Limited New Zealand Branch comprise the underwriting of various classes of direct insurance contracts. These contracts transfer significant risk by agreeing to compensate the insured on the occurrence of a specified insured event. These contracts are defined as general insurance.

(f) Insurance Premium and Related Revenue

Direct premium comprises amounts charged to the policyholders or other insurers, including fire service levies collected on behalf of third parties. The earned portion of premiums received and receivable is recognized as revenue. Premium is treated as earned from the date of attachment risk.

The pattern of recognition of income over the policy or indemnity periods is based on time, which closely approximates the pattern of risks underwritten. The proportion of premiums received and receivable not earned in the income statement at the reporting date is recognized in the Balance Sheet as an unearned premium liability. The unearned portion of commissions and other acquisitions costs are also deferred and shown as deferred acquisition costs in the Balance Sheet.

(g) Insurance Claims and Related Expenses

Claims expense represents payment for claims and claims related expenses and movement of outstanding claims liabilities.

(h) Outward Reinsurance Expenses

Amount paid to reinsurers under insurance contracts held by the Branch are recorded as outward reinsurance expense and are recognized in the Income Statement from the attachment date over the period of indemnity of the reinsurance contract accordance with the expected pattern of incidence of the risk ceded.

(i) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national tax rate.

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the New Zealand Inland Revenue. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to, the New Zealand Inland Revenue is included as a current asset or current liability in the Balance Sheet.

(k) Financial Instruments

A financial instrument is a contract between two entities which creates a financial asset at one entity and a financial liability or equity instrument at another entity.

(1) Financial Assets
The branch has identified the following classes of financial assets: cash and cash equivalents; investments; and receivables.

(2) Financial Liabilities
The branch has identified the following classes of financial liability: trade and other payables.

(3) Financial instruments are designated as fair value through profit and loss
The policy of the branch is to designate a group of financial assets or liabilities as fair value through profit and loss. In the current reporting period government bonds are valued at amortised cost which is considered materially consistent with fair value.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand and deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

(m) Deferred Acquisition Cost

The fixed and variable costs of acquiring new business, "the acquisition costs", include commission, advertising, policy issue and underwriting costs, agency expenses and other sales costs.

A portion of acquisition costs relating to unearned premium revenue is deferred and recognised as an asset, where it can be reliably measured and where it is probable that it will give rise to premium revenue that will be recognised in the Income Statement in future periods. Deferred acquisition costs are measured at the lower of cost and recoverable amount and are amortised in accordance with the earning pattern of the corresponding premium revenue.

Amount paid to reinsurers under insurance contracts held by the Branch are recorded as outward reinsurance expense and are recognized in the Income Statement from the attachment date over the period of indemnity of the reinsurance contract accordance with the expected pattern of incidence of the risk ceded.

(n) Unearned Premium

The pattern recognition over the policy or indemnity periods is based on time, which is considered closely approximate to the pattern of risks underwritten. Unearned premium is determined for Direct and Inwards business using the 365th's method. Changes in the Unearned Premium is recognized and reported in the Statement of Financial

(o) Assets backing general insurance liabilities

As a part of its investment strategy the Company actively manages its investment portfolio to ensure that investments mature in accordance with the expected pattern of future cash flows arising from general insurance liabilities.

The Company has determined that all assets are held to back the general insurance liabilities and their accounting treatment. All these assets are managed under the company's Risk Management Statement on a fair value basis.

(p) Changes in Accounting Policies

There have been no changes in accounting policies during the current reporting period.

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

(q) Change in Company Name

On 19 October 2004 the company changed its name from The Tokio Marine and Fire Insurance Company Limited to Tokio Marine and Nichido Fire Insurance Co., Limited.

(r) Comparatives

Where required certain comparative figures have been reclassified or restated to conform to the current reporting period.

(s) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in New Zealand dollars, which is the branch's functional and presentation currency.

3. Premium Revenue

	2009 $	2008 $
Non – life direct premium	1,505,748	383,710
Fire Service Levy	266,532	2,548
	1,772,280	386,258

4. Net Claims Incurred

There are nil reinsurance claim recoveries on claims incurred in the current financial period due to nil reinsurance ceded on those polices(2008 nil).

Notes to Financial Statements - continued

5. Other Expenses

	2009 $	2008 $
Audit Fees	20,488	5,806
Management Fees	233,270	9,145
Other Expenses	24,962	38,072
	278,720	53,023

6. Taxation

	2009 $	2008 $
Profit before Tax	1,031,918	226,434
Taxation @ 30% (2008 @ 33%)	309,575	74,723
Under/over provision prior year	0	0
Tax expense	309,575	74,723

7. Cash at bank and short term deposits

	2009 $	2008 $
Deposits with banks:		
Current	1,751,943	306,833
Term Deposit	330,417	306,443
	2,082,360	613,276

Interest rate on term deposit is 4.01%, (2008 8.03%). There is nil interest earned on the current account.

Notes to Financial Statements - continued

8. Government Stock

Value as at 31 March 2009:	2009 $	2008 $
Government Stock at Face Value	520,000	520,000
Purchase Premium	14,248	14,248
Total Price	534,248	534,248
Less: Amortization of Purchase Premium	(13,472)	(8,977)
Amortized Value (Proxy for Fair Value)	520,776	525,271

The New Zealand Government Stocks are lodged as statutory deposits and have a nominal value of $520,000.

9. Deferred Acquisition Cost

	2009 $	2008 $
Deferred acquisitions costs as at 1st April	8,675	6,857
Acquisition costs deferred	15,831	1,818
Amortisation charged to income	-	-
Write down for premium deficiency	-	-
Deferred acquisitions costs as at 31st March	24,506	8,675

10. Related Parties

(a) Aggregate amount payable to related entities at balance date:

2009 $	2008 $
139,507	37,320

The above balance was for general expenses paid on behalf of the branch and management fees charged by Tokio Marine Management (Australasia) Pty Limited.

Notes to Financial Statements - continued

Note 10 continued

(b) Related parties of Tokio Marine and Nichido Fire Insurance Company New Zealand Branch fall into the following categories:

i. Holding Company

The ultimate holding company is Tokio Marine and Nichido Fire Insurance Company Limited, an entity incorporated in Japan.

ii. Other Related Corporations

The New Zealand branch operational responsibilities of recording policy data, managing claims, recording and reporting are managed by Tokio Marine Management (Australasia) Pty Limited, domiciled in Australia.

11 . Unearned premium	**2009**	**2008**
	$	$
Unearned premium liability as at 1st April	45,714	45,714
Deferral of premiums on contracts written in the period	228,681	-
Earning of premiums written in previous periods		-
Unearned premiums liability as at 31st March	274,395	45,714

12. Outstanding Claims	**2009**	**2008**
	$	$
Net outstanding claim reserve	70,220	NIL

The liability for outstanding claims is measured at the present value of expected future payments against claims incurred at the reporting date under general insurance contracts issued by the branch.

There is nil provision for IBNR claims for this year since all claims relates to short tail policy classes predominantly fire, motor and marine with nil recoverable from reinsurers as the branch has retained 100% of policies with losses reported.

Notes to Financial Statements - continued

13. Financial Reporting Segments

The entity operates and underwrites general insurance contracts in New Zealand.

14. Capital Expenditure Commitments

There are no capital expenditure commitments that have been entered into but not provided for in these accounts. (2008 nil).

15. Contingent Liabilities

There are no contingent liabilities outstanding as at balance date. (2008 nil).

16. Credit Rating

The entity was assigned the financial rating of AA (stable) by rating agency Standards and Poors' (Australia) Pty Ltd.

17. Critical accounting judgements and estimates

The branch has not made any assumptions in respect of key insurance assets and liabilities such as provisions for incurred but not reported claims, risk margins on claims liabilities and discounting to present value of these claims. The branch has elected not to perform these calculations due to insufficient historical data as the branch only commenced operations in 2008. All claims incurred in the current financial year have been reported and are only short tail motor and fire classes only. A post balance date review of claims reported during the period April 2009 to June 2009 has nil claims with date of loss being pre 31 March 2009.

Notes to Financial Statements - continued

18. Financial risk management policies and procedures

The Branch has internal controls to manage material business risks in key areas of exposure similar to that established for the Australian branch operations. The Branch's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk.

a) Market risk

The market risk to which the branch is exposed is cash flow interest rate risk on its term deposits of $330,000 as at 31 March 2009 (2008: $306,443). The impact of expected potential movements in interest rate on this balance is not considered material to the financial statements.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The branches material exposures to credit risks are to short term deposits and on-call accounts with the Bank of New Zealand.

Standard and Poors (S&P) rating for the Bank of New Zealand is AA rated (stable).

c) Liquidity risk

Liquidity risk is the risk that the branch will encounter difficulty in meeting obligations associated with financial liabilities. The branch has fully addressed liquidity risk, since liquid assets are held to cover all liabilities. All liabilities are due within twelve months or less.

d) Capital risk

The branch manages it capital requirements on a regular basis. Its objectives are to maintain sufficient capital to provide security for policyholders and an acceptable return to shareholders.

19. Insurance contracts - risk management policies and procedures

The Branch has an objective to manage insurance risk thus reducing the volatility of operating profits. The policies and procedures, process and controls are similar to that adopted by the Australian Branch which are indentified in the Risk Management Strategy (RMS) and Reinsurance Management Strategy (REMS). The RMS and REMS address all material risks, financial and non-financial, likely to be faced by the Branch

20. Events occurring after reporting date

Since the end of the financial year the directors have not become aware of any matter or circumstance not otherwise dealt within the financial statements that has significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in subsequent financial years.

This is "appendix E" of 2 pages.
Independent Audit Report for NZ branch.

PRICEWATERHOUSECOOPERS

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Independent audit report to the Board of Directors of Tokio Marine & Nichido Fire Insurance Co., Ltd – New Zealand Branch

We have audited the attached schedules required to be filed under Section 16 of the Insurance Companies' Deposits Act 1953 (the "Act"). The attached schedules, prepared in accordance with the Second Schedule of the Act, provides financial information about the General Insurance Business of Tokio Marine & Nichido Fire Insurance Co., Ltd in New Zealand (the "Branch"), for the year ended 31 March 2009, and its appropriation account as at that date.

Directors Responsibilities

The Directors of the Branch are responsible for the preparation and presentation of financial information in accordance with requirements of the Second Schedule of the Act to meet the filing requirements prescribed in Section 16 of the Act as at 31 March 2009 and for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the schedules required to be filed under the Section 16 of the Act and reporting our opinion to you.

This report has been prepared solely for the use of the Directors. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors, or for any other purpose other than that for which the report was prepared.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the schedules. It also includes assessing:

(a) the significant estimates and judgements made by the Directors in the preparation of the schedules; and

(b) whether the accounting policies used and notes attached to the schedules are appropriate to the circumstances of the Branch, consistently applied and adequately disclosed.

We conducted our special purpose audit of the schedules of the Branch in accordance with generally accepted auditing standards in New Zealand. We planned and performed our special purpose audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the schedules are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the schedules.

We have no relationship with or interests in the Branch other than in our capacity as auditors.

PRICEWATERHOUSECOOPERS

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the attached schedules present fairly the information required to be filed under Section 16 of the Act at 31 March 2009 and for the year ended on that date. Our special purpose audit report was completed on 20 October 2009 and our unqualified opinion is expressed as at that date.

PricewaterhouseCoopers

PricewaterhouseCoopers

Hadfield

SJ Hadfield
Partner

20 October 2009

Chartered Accountants

Sydney

I, Scott Hadfield, am currently a member of Institute of Chartered Accountants in Australia and my membership number is 276681.

PricewaterhouseCoopers was the audit firm appointed to undertake the audit of Tokio Marine & Nichido Fire Insurance Company Ltd – New Zealand Branch for the year ended 31 March 2009. I was responsible for the execution of the audit and delivery of our firm's auditors' report. The audit work was completed on 20 October 2009 and an unqualified opinion was issued.

SJ Hadfield