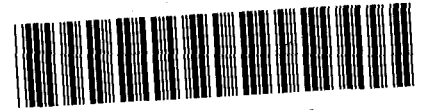


THIS IS "APPENDIX A" of 67 PAGES
FINANCIAL STATEMENTS OF OVERSEAS GROUP COMPANY
(ENGLISH TRANSLATED).



Report of Independent Auditors



10061508019

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

We have audited the accompanying consolidated balance sheet of Tokio Marine & Nichido Fire Insurance Co., Ltd. ("the Company") and its subsidiaries as of March 31, 2011, and the related consolidated statements of income, comprehensive income, changes in shareholder's equity and cash flows for the year then ended, 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 audit.

We conducted our audit 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 audit provides 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, 2011, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

1. As described in "Significant Accounting Policies", on April 1, 2010, the Company applied "Accounting Standard for Equity Method of Accounting for Investments", and "Immediate Treatment of Affiliates Accounted for under the Equity Method".
2. As described in "Changes in Significant Accounting Policies", on April 1, 2010, the Company applied "Accounting Standard for Asset Retirement Obligations", and "Guidance on Accounting Standard for Asset Retirement Obligations".
3. As described in "Subsequent Events", on August 11, 2011, the Company had a definitive agreement with CNA Financial Corporation to acquire the outstanding shares of First Insurance Company of Hawaii, Ltd., which CNA Financial Corporation, a major insurance group in the U.S., owned through its subsidiary, The Continental Insurance Company.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 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 Note 3 to the consolidated financial statements.

PricewaterhouseCoopers Aarata

August 19, 2011

NPC# 07

- 3 OCT 2012

PricewaterhouseCoopers Aarata

Sumitomo Fudosan Shiodome Hamarikyu Bldg., 8-21-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel: +81 (3) 3546 8450, Fax: +81 (3) 3546 8451, www.pwc.com/jp/assurance

BUSINESS & REGISTRIES
BRANCH, AUCKLAND

01 OCT 2012

RECEIVED

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

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

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

	Notes No.	As of 31 March, 2011		As of 31 March, 2010		As of 31 March 2011
		Amount	Ratio	Amount	Ratio	
Assets						
Cash and bank deposits	4	189,467	1.93	272,347	2.49	2,278,617
Call loans		183,300	1.87	86,400	0.79	2,204,450
Receivables under resale agreements		121,967	1.24	150,969	1.38	1,466,831
Monetary receivables bought		913,714	9.31	1,275,183	11.66	10,988,743
Money trusts		14,056	0.14	11,778	0.11	169,044
Securities	2,4,6	6,287,832	64.05	6,969,727	63.72	75,620,349
Loans	3,7	417,809	4.26	478,215	4.37	5,024,762
Tangible fixed assets	1	270,700	2.76	278,086	2.54	3,255,562
Land		121,839	-	128,256	-	1,465,292
Buildings		121,830	-	122,321	-	1,465,183
Construction in progress		6,566	-	7,915	-	78,966
Other tangible fixed assets		20,463	-	19,592	-	246,097
Intangible fixed assets		339,273	3.46	373,959	3.42	4,080,253
Software		3,154	-	3,565	-	37,931
Goodwill		254,763	-	270,892	-	3,063,897
Other intangible fixed assets		81,356	-	99,501	-	978,425
Other assets		953,780	9.72	962,733	8.80	11,470,595
Deferred tax assets		65,440	0.67	2,356	0.02	787,011
Customers' liabilities under acceptances and guarantees		74,796	0.76	95,129	0.87	899,531
Allowance for doubtful accounts		(15,517)	(0.16)	(18,133)	(0.17)	(186,615)
Total assets		9,816,621	100.00	10,938,754	100.00	118,059,182
Liabilities						
Underwriting funds		6,330,973	64.49	6,334,873	57.91	76,139,182
Outstanding claims	4	1,251,989	-	1,118,678	-	15,056,993
Underwriting reserves	4	5,078,983	-	5,216,194	-	61,082,177
Corporate bonds		125,079	1.27	178,821	1.63	1,504,257
Other liabilities		1,330,512	13.55	1,990,504	18.20	16,001,347
Payables under security lending transactions		646,436	-	1,087,058	-	7,774,336
Other liabilities	4	684,076	-	903,446	-	8,227,011
Reserve for retirement benefits		162,349	1.65	157,288	1.44	1,952,483
Reserve for retirement benefits for directors and corporate auditors		18	0.00	12	0.00	216
Reserve for employees' bonuses		19,081	0.19	21,690	0.20	229,477
Reserve for retirement of fixed assets		-	-	1,603	0.01	-
Reserve under the special law		61,470	0.63	57,672	0.53	739,266
Reserve for price fluctuation		61,470	-	57,672	-	739,266
Deferred tax liabilities		35,941	0.37	109,467	1.00	432,243
Negative goodwill		15,091	0.15	16,040	0.15	181,491
Acceptances and guarantees		74,796	0.76	95,129	0.87	899,531
Total liabilities		8,155,314	83.08	8,963,103	81.94	98,079,543
Net assets						
Shareholder's equity						
Common stock		101,994	1.04	101,994	0.93	1,226,627
Capital surplus		123,521	1.26	123,521	1.13	1,485,520
Retained earnings		644,554	6.57	682,786	6.24	7,751,702
Total Shareholder's equity		870,070	8.86	908,302	8.30	10,463,860
Accumulated other comprehensive income						
Unrealized gains on securities, net of taxes		884,710	9.01	1,109,691	10.14	10,639,928
Deferred gains and losses on hedge transactions		19,373	0.20	16,439	0.15	232,989
Foreign currency translation adjustments		(123,261)	(1.26)	(68,617)	(0.63)	(1,482,393)
Total accumulated other comprehensive income		780,822	7.95	1,057,514	9.67	9,390,523
Non-controlling interests		10,414	0.11	9,833	0.09	125,244
Total net assets		1,661,307	16.92	1,975,650	18.06	19,979,639
Total liabilities and net assets		9,816,621	100.00	10,938,754	100.00	118,059,182

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

Consolidated Statements of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statements of Income)

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

	Notes No.	For the year ended				For the year ended 31 March, 2011
		31 March, 2011		31 March, 2010		
		Amount	Ratio	Amount	Ratio	
			%		%	
Ordinary income		2,696,469	100.00	2,657,517	100.00	32,428,972
Underwriting income		2,405,104	89.19	2,453,390	92.32	28,924,883
Net premiums written		2,076,892	-	2,095,408	-	24,977,655
Deposit premiums from policyholders		118,199	-	130,431	-	1,421,515
Investment income on deposited premiums from policyholders		62,419	-	63,757	-	750,679
Life insurance premiums		30,061	-	24,789	-	361,527
Reversal of outstanding claims		-	-	3,563	-	-
Reversal of underwriting reserve		117,359	-	135,330	-	1,411,413
Other underwriting income		171	-	108	-	2,057
Investment income		263,433	9.77	178,076	6.70	3,168,166
Interest and dividends		145,912	-	138,660	-	1,754,805
Gains on money trusts		46	-	1,219	-	553
Gains on trading securities		10,693	-	7,097	-	128,599
Gains on sales of securities		134,213	-	86,068	-	1,614,107
Gains on redemption of securities		739	-	1,496	-	8,888
Gains on derivatives		23,451	-	2,561	-	282,032
Other investment income		10,797	-	4,729	-	129,850
Transfer of investment income on deposited premiums		(62,419)	-	(63,757)	-	(750,679)
Other ordinary income		27,931	1.04	26,051	0.98	335,911
Equity in earnings of affiliates		1,329	-	1,559	-	15,983
Other ordinary income		26,601	-	24,492	-	319,916
Ordinary expenses		2,566,582	95.18	2,440,310	91.83	30,866,891
Underwriting expenses		2,120,978	78.66	1,975,524	74.34	25,507,853
Net claims paid		1,223,569	-	1,233,528	-	14,715,201
Loss adjustment expenses	1	84,651	-	85,019	-	1,018,052
Agency commissions and brokerage	1	366,690	-	377,709	-	4,409,982
Maturity refunds to policyholders		257,580	-	259,581	-	3,097,775
Dividends to policyholders		505	-	594	-	6,073
Life insurance claims		16,663	-	15,153	-	200,397
Provision for outstanding claims		167,596	-	-	-	2,015,586
Other underwriting expenses		3,720	-	3,938	-	44,738
Investment expenses		36,557	1.36	39,404	1.48	439,651
Losses on money trusts		75	-	-	-	902
Losses on sales of securities		7,941	-	7,292	-	95,502
Impairment losses on securities		13,682	-	25,433	-	164,546
Losses on redemption of securities		4,432	-	5,223	-	53,301
Other investment expenses		10,424	-	1,455	-	125,364
Underwriting and general administrative expenses	1	399,004	14.80	406,456	15.29	4,798,605
Other ordinary expenses		10,041	0.37	18,924	0.71	120,758
Interest paid		3,733	-	6,247	-	44,895
Increase in allowance for doubtful accounts		1,112	-	5,716	-	13,373
Losses on bad debts		103	-	27	-	1,239
Other ordinary expenses		5,091	-	6,932	-	61,227
Ordinary profit		129,886	4.82	217,207	8.17	1,562,069
Extraordinary gains		3,910	0.15	4,901	0.18	47,023
Gains on sales of fixed assets		3,215	-	4,019	-	38,665
Gains on negative goodwill		55	-	-	-	661
Gains on changes in equity of affiliates		9	-	-	-	108
Other extraordinary gains	2	630	-	881	-	7,577
Extraordinary losses		18,959	0.70	17,983	0.68	228,010
Losses on sales of fixed assets		3,949	-	2,680	-	47,492
Impairment losses on fixed assets	3	4,436	-	8,879	-	53,349
Reserve under special law		3,797	-	4,210	-	45,664
Reserve for price fluctuation		3,797	-	4,210	-	45,664
Effect of initial application of Accounting Standard for Asset Retirement Obligations		2,745	-	-	-	33,013
Other extraordinary losses	4	4,030	-	2,212	-	48,467
Income or losses before income taxes and non-controlling interests		114,836	4.26	204,125	7.68	1,381,070
Income taxes - current		49,130	1.82	57,242	2.15	590,860
Income taxes for prior periods		-	-	8,947	0.34	-
Income taxes - deferred		(12,314)	(0.46)	(7,347)	(0.28)	(148,094)
Total income taxes		36,816	1.37	58,842	2.21	442,766
Income before non-controlling interests		78,020	2.89	-	-	938,304
Non-controlling interests		1,078	0.04	2,025	0.08	12,965
Net income		76,941	2.85	143,256	5.39	925,328

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

(Consolidated Statement of Comprehensive Income)

(Yen in millions) (USD in thousands)

	Notes No.	For the year ended		For the year ended
		March 31, 2011	March 31, 2010	31 March, 2011
Income before non-controlling interests		78,020	-	938,304
Other comprehensive income				
Unrealized gains on securities, net of taxes		(225,855)	-	(2,716,236)
Deferred gains and losses on hedge transactions		2,933	-	35,274
Foreign currency translation adjustments		(53,588)	-	(644,474)
Share of other comprehensive income of affiliates accounted for by the equity method		(566)	-	(6,807)
Total other comprehensive income	2	(277,076)	-	(3,332,243)
Total Comprehensive income	1	(199,056)	-	(2,393,939)
(Split between)				
Comprehensive income attributable to owners of the parent		(199,749)	-	(2,402,273)
Comprehensive income attributable to non-controlling interests		693	-	8,334

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

Consolidated Statements of Changes in Shareholder's Equity

(Yen in millions) (USD in thousands)

	For the year ended		For the year ended
	31 March, 2011	31 March, 2010	31 March, 2011
Shareholder's equity			
Common stock			
Beginning balance	101,994	101,994	1,226,627
Changes during the year	-	-	-
Total changes during the year	-	-	-
Ending balance	101,994	101,994	1,226,627
Capital surplus			
Beginning balance	123,521	123,521	1,485,520
Changes during the year	-	-	-
Total changes during the year	-	-	-
Ending balance	123,521	123,521	1,485,520
Retained earnings			
Beginning balance	682,786	560,912	8,211,497
Changes in accounting policies applied to foreign affiliates	2,057	-	24,738
Changes during the year			
Dividends	(116,917)	(22,501)	(1,406,097)
Net income	76,941	143,256	925,328
Others (Notes)	(314)	1,118	(3,776)
Total changes during the year	(40,290)	121,874	(484,546)
Ending balance	644,554	682,786	7,751,702
Total shareholder's equity			
Beginning balance	908,302	786,428	10,923,656
Changes in accounting policies applied to foreign affiliates	2,057	-	24,738
Changes during the year			
Dividends	(116,917)	(22,501)	(1,406,097)
Net income	76,941	143,256	925,328
Others (Notes)	(314)	1,118	(3,776)
Total changes during the year	(40,290)	121,874	(484,546)
Ending balance	870,070	908,302	10,463,860
Accumulated other comprehensive income			
Unrealized gains on securities, net of taxes			
Beginning balance	1,109,691	691,436	13,345,652
Changes during the year			
Net changes in items other than shareholder's equity	(224,981)	418,255	(2,705,725)
Total changes during the year	(224,981)	418,255	(2,705,725)
Ending balance	884,710	1,109,691	10,639,928
Deferred gains and losses on hedge transactions			
Beginning balance	16,439	17,347	197,703
Changes during the year			
Net changes in items other than shareholder's equity	2,933	(907)	35,274
Total changes during the year	2,933	(907)	35,274
Ending balance	19,373	16,439	232,989
Foreign currency translation adjustments			
Beginning balance	(68,617)	(82,197)	(825,219)
Changes during the year			
Net changes in items other than shareholder's equity	(54,644)	13,580	(657,174)
Total changes during the year	(54,644)	13,580	(657,174)
Ending balance	(123,261)	(68,617)	(1,482,393)
Non-controlling interests			
Beginning balance	9,833	6,782	118,256
Changes during the year			
Net changes in items other than shareholder's equity	581	3,051	6,987
Total changes during the year	581	3,051	6,987
Ending balance	10,414	9,833	125,244
Total net assets			
Beginning balance	1,975,650	1,419,795	23,760,072
Changes in accounting policies applied to foreign affiliates	2,057	-	24,738
Changes during the year			
Dividends	(116,917)	(22,501)	(1,406,097)
Net income	76,941	143,256	925,328
Others (Notes)	(314)	1,118	(3,776)
Net changes in items other than shareholder's equity	(276,110)	433,980	(3,320,625)
Total changes during the year	(316,401)	555,854	(3,805,183)
Ending balance	1,661,307	1,975,650	19,979,639

(Notes) "Others" for the fiscal year ended March 31, 2011 consisted mainly of reclassification adjustments of tax effects initially appraised in accordance with accounting standards adopted by overseas consolidated subsidiaries. "Others" for the fiscal year ended March 31, 2010 consisted mainly of: (i) reversal of valuation reserves in connection with deferred tax assets of overseas consolidated subsidiaries initially appraised in accordance with accounting standards adopted by those overseas consolidated subsidiaries; and (ii) valuation adjustments in connection with assets of overseas equity method affiliates initially appraised in accordance with accounting standards prescribed in the region or country in which those 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		For the year ended
		31 March, 2011	31 March, 2010	31 March, 2011
I. Cash flows from operating activities:				
Income or losses before income taxes and non-controlling interests		114,836	204,125	1,381,070
Depreciation		28,034	53,791	337,150
Impairment losses on fixed assets		4,436	8,879	53,349
Amortization of goodwill		16,129	16,129	193,975
Amortization of negative goodwill		(950)	(952)	(11,425)
Gains on negative goodwill		(55)	-	(661)
Increase (decrease) in outstanding claims		168,403	(4,012)	2,025,292
(Decrease) in underwriting reserves		(117,372)	(135,312)	(1,411,569)
(Decrease) increase in allowance for doubtful accounts		(2,591)	5,437	(31,161)
Increase in reserve for retirement benefits		5,062	10,701	60,878
Increase in reserve for retirement benefits for directors and corporate auditors		5	0	60
(Decrease) increase in reserve for employees' bonuses		(2,052)	4,678	(24,678)
(Decrease) in reserve for retirement of fixed assets		(1,603)	(1,755)	(19,278)
Increase in reserve for price fluctuation		3,797	4,210	45,664
Interest and dividends		(145,912)	(138,660)	(1,754,805)
Net (gains) on securities		(115,578)	(55,070)	(1,389,994)
Interest expenses		3,733	6,247	44,895
Losses on foreign exchange		1,705	2,004	20,505
Losses (gains) related to tangible fixed assets		2,221	(1,375)	26,711
Equity in (earnings) of affiliates		(1,329)	(1,559)	(15,983)
(Increase) decrease in other assets (other than investing and financing activities)		(18,941)	14,542	(227,793)
Increase (decrease) in other liabilities (other than investing and financing activities)		23,739	(52,921)	285,496
Others		1,784	(3,243)	21,455
Subtotal		(32,496)	(64,114)	(390,812)
Interest and dividends		145,774	147,612	1,753,145
Interest paid		(3,926)	(6,865)	(47,216)
Income taxes paid		(71,858)	7,339	(864,197)
Net cash provided by (used in) operating activities		37,493	83,973	450,908
II. Cash flows from investing activities:				
Net decrease in deposits		50,541	120,037	607,829
Purchases of monetary receivables bought		(665,076)	(695,748)	(7,998,509)
Proceeds from sales and redemption of monetary receivables bought		887,746	384,832	10,676,440
Increase in money trusts		(3,000)	(9,500)	(36,079)
Decrease in money trusts		692	7,629	8,322
Purchases of securities		(1,729,747)	(2,176,123)	(20,802,730)
Proceeds from sales and redemption of securities		1,918,169	2,012,671	23,068,779
New loans		(158,361)	(148,090)	(1,904,522)
Proceeds from collection of loans		215,464	211,320	2,591,269
(Decrease) increase in cash received under securities lending transactions		(440,622)	972,703	(5,299,122)
Others		(3,379)	(1,895)	(40,637)
II (a) Subtotal		72,427	677,835	871,040
(I + II (a))		109,920	761,808	1,321,948
Purchases of tangible fixed assets		(23,031)	(24,205)	(276,981)
Proceeds from sales of tangible fixed assets		8,776	9,914	105,544
Net cash provided by (used in) investing activities		58,172	663,544	699,603
III. Cash flows from financing activities:				
Proceeds from borrowing		50,000	5,794	601,323
Repayments of borrowing		(167,950)	(82,418)	(2,019,844)
Proceeds from issuance of short-term corporate bonds		9,999	-	120,253
Redemption of short-term corporate bonds		(10,000)	(68,000)	(120,265)
Proceeds from issuance of corporate bonds		271	661	3,259
Redemption of corporate bonds		(53,361)	(121,826)	(641,744)
Dividends paid		(116,536)	(22,501)	(1,401,515)
Dividends paid to non-controlling interests		(3)	-	(36)
Others		(2,777)	(2,680)	(33,397)
Net cash (used in) provided by financing activities		(290,359)	(290,971)	(3,491,990)
IV. Effect of exchange rate changes on cash and cash equivalents				
		(8,189)	8,389	(98,485)
V. Net (decrease) increase in cash and cash equivalents				
		(202,882)	464,935	(2,439,952)
VI. Cash and cash equivalents at beginning of period				
		1,033,920	568,985	12,434,396
VII. Cash and cash equivalents at end of period				
	1	831,038	1,033,920	9,994,444

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. (the "Company") 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, 2009 – March 31, 2010) 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, 2010 – March 31, 2011) 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 Financial Instruments and Exchange Act 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 Act of Japan, Tokio Marine & Nichido's consolidated financial statements for the consolidated fiscal year ended March 31, 2010 and March 31, 2011 have been audited and certified by PricewaterhouseCoopers Arata.

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 83.15 yen = U.S.\$1, the appropriate exchange rate prevailing on the Tokyo foreign exchange market as of 31 March 2011. Each amount in U.S. dollars shown in the Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statement of Comprehensive 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 83.15, 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.

4. Special Approach to Ensure Adequacy of Consolidated Financial Statements

The Company takes special approaches to ensure adequacy of the consolidated financial statements. For example, the Company joins Financial Accounting Standards Foundation, participates in the seminars associated by the accounting audit firms, and subscribes to accounting specialized books, in order to improve the structure which enables the Company to adequately understand the accounting principles and to coordinate with the changes in the accounting procedures.

Significant Accounting Policies

(A) For the year ended March 31, 2011

1. Scope of consolidation

(1) Number of consolidated subsidiaries – 43 companies

(Name of Company)

Philadelphia Consolidated Holding Corp.

Philadelphia Indemnity Insurance Company

Tokio Millennium Re (UK) Limited

Kiln Group Limited

Kiln Underwriting Limited

Tokio Marine Underwriting Limited

Asia General Holdings Limited

Tokio Marine Insurance Singapore Ltd.

Tokio Marine Life Insurance Singapore Ltd.

Tokio Marine Life Insurance Malaysia Bhd.

Tokio Millennium Re Ltd.

Tokio Marine Financial Solutions Ltd.

Other 31 companies

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

Additionally, there were the following name changes of subsidiaries during the fiscal year ended March 31, 2011. TM Asia Life Malaysia Bhd. changed its name to Tokio Marine Life Insurance Malaysia Bhd. as of June 22, 2010, TM Asia Life Singapore Ltd. changed its name to Tokio Marine Life Insurance Singapore Ltd. as of August 31, 2010, and Tokio Marine Global Ltd. changed its name to Tokio Millennium Re (UK) Limited effective January 1, 2011.

(2) Names of major non-consolidated subsidiaries

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

2. Application of the equity method

(1) Number of affiliates accounted for by the equity method – 2 companies

(Name of major affiliate accounted for by the equity method)

First Insurance Company of Hawaii, Ltd.

Praesidio Risk Managers (Pty) Ltd is no longer affiliates accounted for by the equity method as all of its shares previously held by the Company through subsidiary was sold during the fiscal year ended March 31, 2011.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (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, 2011.

(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.

(Significant accounting policies)

The Company adopted "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16 March 10, 2008) and "Immediate Treatment of Affiliates Accounted for under the Equity Method"(PITF No.24 March 10, 2008) from the fiscal year ended March 31, 2011 and made necessary adjustments for its consolidated financial reporting.

There is no significant impact of the above change on ordinary profit and income before income taxes and non-controlling interests.

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for 42 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 whose fair value cannot be reasonably measured are stated at 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 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 acquisition 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) Significant reserves and allowances

a. Allowance for doubtful accounts

In order to provide allowance 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, allowances 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, allowances 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 allowances 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. Allowance for doubtful accounts 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, 2011 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2011.

Prior service costs are charged to expense 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 expense 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, 2011, 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 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) Leases

Non-transferable finance leases with lease periods commencing prior to April 1, 2008 are accounted under the accounting policy applied to operating leases.

(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 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").

Effectiveness is not evaluated for hedge treatments that are believed to have high hedge effectiveness, because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments. 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, 2011 is 26,700 million yen and the amount allocated to gains or losses for the fiscal year ended March 31, 2011 is 2,505 million yen.

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 fair value hedge accounting and/or matching treatment. The hedge effectiveness is not evaluated for hedge that are believed to have high hedge effectiveness, such as in cases

where hedging tools and hedged instruments share the same important characteristics.

(8) Method of amortization and amortization period of goodwill

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., Tokio Marine Life Insurance Malaysia Bhd. and Kiln Group Limited is amortized over 20 years, 15 years and 10 years, respectively, using the straight-line method. Other goodwill in small amounts is amortized at one time.

Negative goodwill incurred before March 31, 2010 is recognized as liability on the consolidated balance sheets and amortized over 20 years using the straight-line method.

(9) 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 March 31, 2010

1. Scope of consolidation

(1) Number of consolidated subsidiaries – 44 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 33 companies

Waterloo Partners Ltd and one other company are excluded from the consolidation from the fiscal year ended March 31, 2010 because these companies have been dissolved.

(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 – 3 companies

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

IDL Holding ApS and two other companies are no longer affiliates accounted for by the equity method as all of their shares previously held by the Company through subsidiaries were sold during the fiscal year ended March 31, 2010.

(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, 2010.

(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 43 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 whose fair value cannot be reasonably measured are stated at 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 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 acquisition 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) Significant reserves and allowances

a. Allowance for doubtful accounts

In order to provide allowance 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, allowances 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, allowances 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 allowances 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. Allowance for doubtful accounts 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, 2010 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2010.

Prior service costs are charged to expense 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 expense 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.

(Changes in the basis of accounting principles)

The Company applied "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008) for the fiscal year ended March 31, 2010 and made the necessary adjustments for its consolidated financial reporting. There is no impact of the above change on the Company's ordinary profit and income before income taxes and non-controlling interests, because the Company adopted the same discount rates as before.

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, 2010, 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 buildings, the Company provided a reserve for retirement of fixed assets based on the projected amount to be paid for dismantling buildings.

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) Leases

Non-transferable finance leases with lease periods commencing prior to April 1, 2008 are accounted under the accounting policy applied to operating leases.

(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 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").

Effectiveness is not evaluated for hedge treatments that are believed to have high hedge effectiveness, because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments. 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, 2010 is 29,206 million yen and the amount allocated to gains or losses for the fiscal year ended March 31, 2010 is 3,881 million yen.

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 fair value hedge accounting and/or matching treatment. The hedge effectiveness is not evaluated for hedge that are believed to have high hedge effectiveness, such as in cases where hedging tools and hedged instruments share the same important characteristics.

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.

Changes in Significant Accounting Policies

(A) For the year ended March 31, 2011

Application of "Accounting Standard for Asset Retirement Obligations"

The Company applied "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations"

(ASBJ Guidance No.21, March 31, 2008) from the fiscal year ended March 31, 2011. As a result, for the fiscal year ended March 31, 2011, ordinary profit and income before income taxes and non-controlling interests decreased by, 132 million yen, 2,877 million yen, respectively.

Application of "Accounting Standard for Business Combinations and related matters"

The Company applied "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), "Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No10, December 26, 2008).

(B) For the year ended March 31, 2010

Not applicable.

Change to Basis of Presentation

(A) For the year ended March 31, 2011

Changes related to Consolidated Statement of Income

Due to the application of the "Cabinet Office Ordinance on Partial Revision of the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements and Others" (Cabinet Office Ordinance No. 5, March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), the item "Income before non-controlling interests" is presented from the fiscal year ended March 31, 2011.

(B) For the year ended March 31, 2010

Not applicable.

Additional Information

(A) For the year ended March 31, 2011

The Company adopted "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25 Jun 30, 2010) from the fiscal year ended March 31, 2011. However, the amounts for "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" for the fiscal year ended March 31, 2010 are shown as "Valuation and translation adjustments" and "Total valuation and translation adjustments".

(B) For the year ended March 31, 2010

Not applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Balance Sheets

(A) As of March 31, 2011

1. Accumulated depreciation of tangible fixed assets is 302,510 million yen and advanced depreciation of such assets is 17,449 million yen.

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

	<i>(Yen in millions)</i>
Securities (equity)	39,461
Securities (partnership)	33,785

3. 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 7,841 million yen. The breakdown is as set forth below.

(1) The amount of loans to borrowers in bankruptcy is 429 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"; 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 allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 7,114 million yen.

Past due loans are non-accrual status loans, other than loans to borrowers in 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 297 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 356,090 million yen in securities and 25,982 million yen in bank deposits. Collateralized debt obligations are held to the value of 65,342 million yen in outstanding claims, 60,114 million yen in underwriting reserve and 23,490 million yen in other debts (e.g. overseas reinsurance payables).

5. Securities received from derivative transactions are 15,392 million yen at fair value.

6. Securities include securities lent under loan agreements of 690,235 million yen.

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

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

8. The Company guarantees the liabilities of some of its subsidiaries. The balance of the guarantees to its subsidiaries as of March 31, 2011 is as follows:

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

(B) As of March 31, 2010

1. Accumulated depreciation of tangible fixed assets is 334,502 million yen and advanced depreciation of such assets is 17,751 million yen.

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

	<i>(Yen in millions)</i>
Securities (equity)	36,780
Securities (partnership)	38,504

3. 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 14,911 million yen. The breakdown is as set forth below.

(1) The amount of loans to borrowers in bankruptcy is 2,473 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"; 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 allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 8,337 million yen.

Past due loans are non-accrual status loans, other than loans to borrowers in 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 334 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 3,766 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 370,187 million yen in securities and 15,382 million yen in bank deposits. Collateralized debt obligations are held to the value of 63,597 million yen in outstanding claims, 53,846 million yen in underwriting reserve and 24,136 million yen in other debts (e.g. overseas reinsurance payables).

5. Securities received from derivative transactions are 14,460 million yen at fair value.

6. Securities include securities lent under loan agreements of 1,080,467 million yen.

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

	<i>(Yen in millions)</i>
Total loan commitments	81,279
<u>Balance of drawn committed loans</u>	<u>7,800</u>
Undrawn loan commitments	<u>73,478</u>

8. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantees to its subsidiaries as of March 31, 2010 is as follows:

	<i>(Yen in millions)</i>
TNUS Insurance Company	20
Tokio Marine Compania de Seguros, S.A. de C.V.	3,394
Tokio Marine Pacific Insurance Limited	1,837
<u>The Tokio Marine & Nichido Fire Insurance Company (China) Limited</u>	<u>1,689</u>
Total	<u>6,942</u>

Notes to Consolidated Statements of Income

(A) For the year ended March 31, 2011

1. Major components of business expenses

	<i>(Yen in millions)</i>
Agency commissions, etc.	337,765
Salaries	146,673

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

2. Other extraordinary gains is the gains on provision for reserve for retirement of tangible fixed assets of 630 million yen.

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

Purpose of use	Category	Location	Impairment loss (Yen in millions)			
			Land	Building	Others	Total
Properties for rent	Land, buildings and others	A building in Maebashi City, Gunma Pref.	37	778	49	864
Idle or potential disposal properties	Land, buildings and others	26 properties including a welfare facility in Izumi City, Osaka Pref.	2,447	1,123	0	3,571
Total			2,485	1,901	50	4,436

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

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 book values of such properties over the recoverable amount and recognized such write-offs as impairment losses in extraordinary losses.

The Company determined the recoverable amount 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 9.6%.

4. The main component of other extraordinary losses is impairment losses in debt securities issued by subsidiaries to 3,663 million yen.

(B) For the year ended March 31, 2010

1. Major components of business expenses

(Yen in millions)

Agency commissions, etc.	341,203
Salaries	142,241

Business expenses consist of "Loss adjustment expenses", "Operating 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 the gains on provision for reserve for retirement of tangible fixed assets of 498 million yen.

3. The Company recognized impairment losses on the following properties during the year ended March 31, 2010.

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 auxiliary facilities attached to buildings in Chiyoda-ku, Tokyo.	-	1	15	17
Idle or potential disposal properties	Land, buildings and others	29 properties including a building in Chiba City, Chiba Pref.	3,098	5,750	13	8,862
Total			3,098	5,752	29	8,879

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

The total amount of projected future cash flow generated from the derivative business 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 amount and recognized such write-offs as impairment losses in extraordinary losses. The Company calculated the recoverable amount of the relevant property by discounting projected future cash flows at a rate of 1.2%.

Due mainly to decline in the real estate market, book values of some properties for idle or potential disposal properties fell below the recoverable amount. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amount and recognized any such write-off as impairment losses in extraordinary losses. Recoverable amount are the net sales price. Net sales price is the fair value assessed by real estate valuers minus anticipated expenses for disposal of the relevant properties.

4. The main component of other extraordinary losses is impairment losses on investment of affiliates amounting to 2,120 million yen.

Notes to Consolidated Statement of Comprehensive Income

(A) For the year ended March 31, 2011

1. Comprehensive income for the fiscal year ended March 31, 2010

	<i>(Yen in millions)</i>
Comprehensive income attributable to owners of the parent	574,185
<u>Comprehensive income attributable to non-controlling interests</u>	<u>3,060</u>
Total	<u>577,245</u>

2. Other comprehensive income for the fiscal year ended March 31, 2010

	<i>(Yen in millions)</i>
Unrealized gains on securities, net of taxes	418,723
Deferred gains/losses on hedge transactions	(907)
Foreign currency translation adjustments	13,829
Share of other comprehensive income of affiliates	
<u>accounted for by the equity method</u>	<u>316</u>

Total

431,963

Notes to Consolidated Statements of Changes in Shareholder's Equity

(A) For the year ended March 31, 2011

1. Class and number of issued shares and treasury stock

(Unit: thousand shares)

	Number of shares as of March 31, 2010	Increase during the year ended March 31, 2011	Decrease during the year ended March 31, 2011	Number of shares as of March 31, 2011
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 19, 2010	Common stock	50,008 million yen	32.27 yen	March 31, 2010	June 17, 2010
Meeting of the board of directors held on November 18, 2010	Common stock	57,013 million yen	36.79 yen	-	November 25, 2010
Meeting of the board of directors held on March 16, 2011	Common stock	9,515 million yen	6.14 yen	-	March 18, 2011

Resolution	Class of stock	Type of dividend properties and total amount of book values		Dividends per share	Record date	Effective date
Meeting of the board of directors held on February 10, 2011	Common stock	• Common stock of Tokio Marine & Nichido Operations Co., Ltd.	380 million yen	0.24yen	-	March 4, 2011
		• Common stock of Tokio Marine & Nichido Corporation Co., Ltd.				

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

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 18, 2011	Common stock	20,006 million yen	Retained earnings	12.91 yen	March 31, 2011	June 17, 2011

(B) For the year ended March 31, 2010

1. Class and number of issued shares and treasury stock

(Unit: thousand shares)

	Number of shares as of March 31, 2009	Increase during the year ended March 31, 2010	Decrease during the year ended March 31, 2010	Number of shares as of March 31, 2010
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 19, 2009	Common stock	22,501 million yen	14.52 yen	March 31, 2009	June 1, 2009

(2) Dividends of which the record date falls within the year ended March 31, 2010, and the effective date falls after March 31, 2010

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, 2010	Common stock	50,008 million yen	Retained earnings	32.27 yen	March 31, 2010	June 17, 2010

Notes to Consolidated Statements of Cash Flows

(A) For the year ended March 31, 2011

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:

	<u>(As of March 31, 2011)</u> (Yen in millions)
Cash and bank deposits	189,467
Call loans	183,300
Monetary receivables bought	913,714
Securities	6,287,832
Time deposits with initial term over three months to maturity	(44,487)
Monetary receivables bought not included in cash equivalents	(446,266)
<u>Securities not included in cash equivalents</u>	<u>(6,252,523)</u>
Cash and cash equivalents	<u>831,038</u>

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

(B) For the year ended March 31, 2010

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:

	<u>(As of March 31, 2010)</u> (Yen in millions)
Cash and bank deposits	272,347

Call loans	86,400
Monetary receivables bought	1,275,183
Securities	6,969,727
Time deposits with initial term over three months to maturity	(71,328)
Monetary receivables bought not included in cash equivalents	(755,678)
<u>Securities not included in cash equivalents</u>	<u>(6,742,731)</u>
Cash and cash equivalents	<u>1,033,920</u>

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

Leases

(A) For the year ended March 31, 2011

1. Finance Leases

Non-transferable finance leases which are accounted under the accounting policy similar to that applicable to operating lease transactions.

As Lessee:

- (1) Amount equivalent to acquisition cost, accumulated depreciation, accumulated impairment losses and net book value of leased assets are as follows:

	<i>Acquisition cost</i>	<i>Accumulated depreciation</i>	<i>Net book value</i>
Tangible fixed assets	¥931 million	¥798 million	¥132 million

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

- (2) Balance of future lease payments;

Due within one year	¥23 million
Due over one year	¥109 million
Total	<u>¥132 million</u>

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

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

Lease payment	¥312 million
Depreciation equivalent	¥312 million

- (4) Computation of depreciation equivalent

Depreciation equivalent is determined on the straight-line method over the lease period, with no residual value.

2. Operating leases

Future lease payments related to non-cancelable operating leases

As Lessee:

Due within one year	¥2,991 million
Due over one year	¥5,060 million
Total	<u>¥8,052 million</u>

As Lessor:

Due within one year	¥1,297 million
<u>Due over one year</u>	<u>¥3,240 million</u>
Total	<u>¥4,538 million</u>

(Impairment losses)

There is no impairment loss allocated to the leased assets.

(B) For the year ended March 31, 2010

1. Finance Leases

Non-transferable finance leases which are accounted under the accounting policy similar to that applicable to operating lease transactions.

- (1) Amount equivalent to acquisition cost, accumulated depreciation, accumulated impairment losses and net book value of leased assets are as follows:

	<i>Acquisition cost</i>	<i>Accumulated depreciation</i>	<i>Net book value</i>
Tangible fixed assets	¥2,278 million	¥1,830 million	¥447 million

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

- (2) Balance of future lease payments;

Due within one year	¥314 million
<u>Due over one year</u>	<u>¥133 million</u>
Total	<u>¥447 million</u>

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

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

Lease payment	¥597 million
Depreciation equivalent	¥597 million

- (4) Computation of depreciation equivalent

Depreciation equivalent is determined on the straight-line method over the lease period, with no residual value.

2. Operating leases

Future lease payments related to non-cancelable operating leases

Due within one year	¥2,794 million
Due over one year	¥6,568 million
Total	<u>¥9,362 million</u>

(Impairment losses)

There is no impairment loss allocated to the leased assets.

Information on Financial Instruments

(A) For the year ended March 31, 2011

1. Qualitative Information on Financial Instruments

(1) Investment policies

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

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

With regard to "Other", the Tokio Marine Group works toward diversification of investments and improvement of investment efficiency in order to generate sustainable investment income, while maintaining liquidity for future claims payments. On investment, considering the risk-and-return profile for each investment item, diversified investment is carried out in varieties of investment items such as bonds, stocks and loans. In addition, foreign exchange forwards, credit derivatives and other derivative transactions are utilized to mitigate risks related to assets held and to generate investment income within a specified range of risks.

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

With regard to financing, the Tokio Marine Group issues corporate bonds and undertakes borrowings mainly to secure funds for investments. When financing is necessary, amounts and methodologies are determined based on the group's cash flow status.

In addition, a consolidated subsidiary operates a derivatives business that provides financial instruments that meet the diversified and sophisticated hedging and financing needs in the market.

(2) Details of financial instruments and their risks

The Tokio Marine Group holds bonds, stocks and other securities, all of which are exposed to market, credit and market liquidity risks.

Market risks refer to the risks of losses arising from fluctuations in stock prices, exchange rates, interest rates and other market indicators. Credit risks refer to the risks of losses when the value of an investment declines or is lost due to insolvency or deterioration in the financial condition of the debtor. Market liquidity risks refer to the risks of losses that may occur from being unable to make transactions due to inactive market condition, or being forced to make transactions at extremely unfavorable prices.

Some currency risks are hedged through foreign exchange forwards, currency swaps and other such transactions. Hedge accounting is applied to some of these transactions.

Loans are exposed to credit risks and market risks.

Derivative transactions are exposed to market risks, credit risks and market liquidity risks. Credit risks associated with derivative transactions include losses when the counter-parties fail to fulfill their obligations due to insolvency or for other reasons. In order to reduce such credit risks, netting arrangements may be used with financial institutions and other counter parties with whom there are frequent transactions. Also, interest rate risks associated with long-term insurance liabilities are hedged by interest rate swaps and other transactions for which hedge accounting is applied.

With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to "Basis of Presentation and Significant Accounting Policies - 4. Accounting policies - (7) Hedge accounting".

(3) Risk management structure

(i) Market risk and credit risk management

In the Company, the Risk Management Department, the department in charge of risk management and independent of departments executing investment transactions, quantitatively and qualitatively controls risks in order to deal with market, credit and market liquidity risks and other investment risks related to financial instruments.

Based on the annual investment plan established by the investment departments, the board of directors establishes an investment risk management policy that prescribes organizational structure related to investment risks, risk management methodologies, how to respond to losses and at times when the risk profile exceeds preset limits, and information to be reported. In accordance with the policy, "Investment guidelines" are established under which investable instruments, specific risk limits and actions to take in response to losses are classified and prescribed for each segment set in the annual investment plan. In order to monitor individual investments and loans, "Review guidelines" are established and prescribe items subject to monitoring and criteria for monitoring.

As for quantitative risk management, market, credit and other such risks are quantified using on VaR-like concepts. The Risk Management Department monitors compliance with the policy and the guidelines, as well as levels of investment risk and return, and reports such information on a monthly basis to the directors, and on a quarterly basis to the board of directors. Individual investments are reviewed and monitored pursuant to the guidelines.

Other consolidated subsidiaries maintain risk management structures similar to those described above.

(ii) Liquidity risk management

The Tokio Marine Group manages liquidity risks by controlling payment schedule and ensuring various ways of financing, through treasury management by each consolidated subsidiary and by the group as a whole.

(4) Notes on fair value information

The fair value of financial instruments is calculated in a reasonable method when market price is not available. On determination of such fair value, certain assumptions are set, and the fair value may be determined differently on other assumptions.

2. Fair Value of Financial Instruments

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

(Yen in millions)

	As of March 31, 2011		
	Carrying amount shown on balance sheet	Fair Value	Difference
(1) Cash and bank deposits	189,467	189,469	1
(2) Call loans	183,300	183,300	-
(3) Receivables under resale agreement	121,967	121,967	-
(4) Monetary receivables bought	913,714	913,714	-
(5) Money trusts	14,056	14,056	-
(6) Securities			
Trading securities	313,242	313,242	-
Bonds held to maturity	141,635	147,288	5,652
Available for sale securities	5,555,368	5,555,368	-
(7) Loans	383,472		
Allowance for doubtful accounts (*1)	(6,433)		
	377,039	386,920	9,881
Total financial assets	7,809,793	7,825,328	15,535
(1) Corporate bonds	125,079	126,229	1,150
(2) Payables under security lending transactions	646,436	646,436	-
Total financial liabilities	771,515	772,665	1,150
Derivative assets and liabilities (*2)			
Hedge accounting not applied	(310)	(310)	-
Hedge accounting applied	21,226	21,226	-
Total derivative assets and liabilities	20,915	20,915	-

(*1) Allowance for doubtful accounts earmarked for loans is deducted from the carrying amounts.

(*2) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted and net credit position is shown in parentheses.

(Note 1) Valuation method for financial instruments

Assets

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

Regarding (6) Securities (including those in (1) Cash and bank deposits and (4) Monetary receivables bought that are defined to be securities in "Accounting for Financial Instruments" (ASBJ Statement No.10) and securities in (5) Money trusts that are invested as trust funds) with quoted market price, the quoted closing price is used for listed stocks and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (7) Loans, as long as the borrower's credit standing has not significantly deteriorated since the start of the loan, the book value is deemed as the fair value because interest rate changes will be timely reflected in the future cash flows and the book value approximates the fair value. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans where borrowers are insolvent or in bankruptcy proceedings, the estimated uncollectible debts are deducted from the carrying amount to get the fair value.

Liabilities

With regard to (1) Corporate bonds, the price of the over-the-counter transactions is the fair value.

With regard to (2) Payables under security lending transactions, the book value is deemed as the fair value because it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Derivatives

Please refer to "Information on derivatives".

(Note 2) Unlisted stocks and partnership investments comprised of unlisted stocks (Carrying amount on the consolidated balance sheet: 277,585 million yen) are not included in (6) Securities because the fair value cannot be determined as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans (Carrying amount on the consolidated balance sheet: 34,336 million yen) are not included in (7) Loans because future cash flows cannot be estimated since it is arranged under insurance policy and the amount is limited within repayment fund for cancellation with no contractual maturity.

(Note 3) Maturity analysis of financial assets

(Yen in millions)

	As of March 31, 2011			
	Within 1 year	1 - 5 years	5 - 10 years	Over 10 years
Cash and bank deposits	180,173	824	-	-
Monetary receivable bought	750,844	32,236	19,048	107,425
Securities				
Bonds held to maturity				
Domestic government bonds	-	-	12,000	107,000
Foreign securities	1,862	5,389	6,783	7,448
Other securities (available for sale)				
with maturity				
Domestic government bonds	150,844	371,772	390,200	699,200
Domestic municipal bonds	10,612	107,621	24,549	-
Domestic corporate bonds	76,513	288,616	125,370	34,050
Domestic stocks	100	-	-	-
Foreign securities	112,321	311,419	192,082	201,002
Loans (*)	56,570	181,977	45,346	94,502
Total	1,339,841	1,299,857	815,380	1,250,628

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (5,052 million yen), and loans with no repayment schedule (23 million yen) are not included above.

(Note 4) Maturity schedules for Bonds, Long-term borrowings and Obligations under lease transactions

Please refer to "Related Information to the Consolidated Financial Statements".

(B) For the year ended March 31, 2010

1. Qualitative Information on Financial Instruments

(1) Investment policies

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

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

With regard to "Other", the Tokio Marine Group works toward diversification of investments and improvement of investment efficiency in order to generate sustainable investment income, while maintaining liquidity for future claims payments. On investment, considering the risk-and-return profile for each investment item, diversified investment is carried out in varieties of investment items such as bonds, stocks and loans. In addition, foreign exchange forwards, credit derivatives and other derivative transactions are utilized to mitigate risks related to assets held and to generate investment income within a specified range of risks.

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

With regard to financing, the Tokio Marine Group issues corporate bonds and undertakes borrowings mainly to secure funds for investments. When financing is necessary, amounts and methodologies are determined based on the group's cash flow status.

In addition, a consolidated subsidiary operates a derivatives business that provides financial instruments that meet the diversified and sophisticated hedging and financing needs in the market.

(2) Details of financial instruments and their risks

The Tokio Marine Group holds bonds, stocks and other securities, all of which are exposed to market, credit and market liquidity risks.

Market risks refer to the risks of losses arising from fluctuations in stock prices, exchange rates, interest rates and other market indicators. Credit risks refer to the risks of losses when the value of an investment declines or is lost due to insolvency or deterioration in the financial condition of the debtor. Market liquidity risks refer to the risks of losses that may occur from being unable to make transactions due to inactive market condition, or being forced to make transactions at extremely unfavorable prices.

Some currency risks are hedged through foreign exchange forwards, currency swaps and other such transactions. Hedge accounting is applied to some of these transactions.

Loans are exposed to credit risks and market risks.

Derivative transactions are exposed to market risks, credit risks and market liquidity risks. Credit risks associated with derivative transactions include losses when the counter-parties fail to fulfill their obligations due to insolvency

or for other reasons. In order to reduce such credit risks, netting arrangements may be used with financial institutions and other counter parties with whom there are frequent transactions. Also, interest rate risks associated with long-term insurance liabilities are hedged by interest rate swaps and other transactions for which hedge accounting is applied.

With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to "Basis of Presentation and Significant Accounting Policies - 4. Accounting policies - (7) Hedge accounting".

(3) Risk management structure

(i) Market risk and credit risk management

In the Company, the Risk Management Department, the department in charge of risk management and independent of departments executing investment transactions, quantitatively and qualitatively controls risks in order to deal with market, credit and market liquidity risks and other investment risks related to financial instruments.

Based on the annual investment plan established by the investment departments, the board of directors establishes an investment risk management policy that prescribes organizational structure related to investment risks, risk management methodologies, how to respond to losses and at times when the risk profile exceeds preset limits, and information to be reported. In accordance with the policy, "Investment guidelines" are established under which investable instruments, specific risk limits and actions to take in response to losses are classified and prescribed for each segment set in the annual investment plan. In order to monitor individual investments and loans, "Review guidelines" are established and prescribe items subject to monitoring and criteria for monitoring.

As for quantitative risk management, market, credit and other such risks are quantified using on VaR-like concepts. The Risk Management Department monitors compliance with the investment risk policy, as well as levels of investment risk and return, and reports such information on a monthly basis to the directors, and on a quarterly basis to the board of directors. Individual investments are reviewed pursuant to the "Review guidelines".

Other consolidated subsidiaries maintain risk management structures similar to those described above.

(ii) Liquidity risk management

The Tokio Marine Group manages liquidity risks by controlling payment schedule and ensuring various ways of financing, through treasury management by each consolidated subsidiary and by the group as a whole.

(4) Notes on fair value information

The fair value of financial instruments is calculated in a reasonable method when market price is not available. On determination of such fair value, certain assumptions are set, and the fair value may be determined differently on other assumptions.

2. Fair Value of Financial Instruments

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

(Yen in millions)

	As of March 31, 2010		
	Carrying amount shown on balance sheet	Fair Value	Difference
(1) Cash and bank deposits	272,347	272,347	-
(2) Call loans	86,400	86,400	-
(3) Receivables under resale agreement	150,969	150,969	-
(4) Monetary receivables bought	1,275,183	1,275,183	-
(5) Money trusts	11,778	11,778	-
(6) Securities			
Trading securities	320,609	320,609	-
Bonds held to maturity	142,101	144,133	2,031
Available for sale securities	6,129,248	6,129,248	-
(7) Loans	443,057		
Allowance for doubtful accounts (*1)	(7,964)		
	435,092	440,109	5,017
Total financial assets	8,823,731	8,830,779	7,048
(1) Corporate bonds	178,821	179,837	1,016
(2) Payables under security lending transactions	1,087,058	1,087,058	-
Total financial liabilities	1,265,879	1,266,895	1,016
Derivative assets and liabilities (*2)			
Hedge accounting not applied	15,173	15,173	-
Hedge accounting applied	20,377	20,377	-
Total derivative assets and liabilities	35,550	35,550	-

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

(*2) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted and net credit position is shown with ().

(Note 1) Valuation method for financial instruments

Assets

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

Regarding (6) Securities (including those in (1) Cash and bank deposits and (4) Monetary receivables bought that are defined to be securities in "Accounting for Financial Instruments" (ASBJ Statement No.10) and securities in (5) Money trusts that are invested as trust funds) with quoted market price, the quoted closing price is used for listed stocks and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (7) Loans, the book value is deemed as the fair value because interest rate changes will be timely reflected in the future cash flows and the book value approximates the fair value. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans where borrowers are insolvent or in bankruptcy proceedings, the estimated uncollectible debts are deducted from the carrying amount to get the fair value.

Liabilities

With regard to (1) Corporate bonds, the price of the over-the-counter transactions is the fair value.

With regard to (2) Payables under security lending transactions, the book value is deemed as the fair value because it is

scheduled to be settled in a short period of time and the book value approximates the fair value.

Derivatives

Please refer to "Information on derivatives".

(Note 2) Unlisted stocks and partnership investments comprised of unlisted stocks (Carrying amount on the consolidated balance sheet: 377,767 million yen) are not included in (6) Securities because the fair value cannot be determined as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans (Carrying amount on the consolidated balance sheet: 35,158 million yen) are not included in (7) Loans because future cash flows cannot be estimated since it is arranged under insurance policy and the amount is limited within repayment fund for cancellation with no contractual maturity.

(Note 3) Maturity analysis of financial assets

(Yen in millions)

	As of March 31, 2010			
	Within 1 year	1 - 5 years	5 - 10 years	Over 10 years
Cash and bank deposits	259,860	1,209	-	-
Monetary receivable bought	1,000,674	46,999	52,909	172,196
Securities				
Bonds held to maturity				
Domestic government bonds	-	-	5,000	114,000
Foreign securities	1,545	5,483	8,601	6,182
Other securities (available for sale)				
with maturity				
Domestic government bonds	311,810	376,993	296,438	681,000
Domestic municipal bonds	13,707	66,084	86,307	-
Domestic corporate bonds	142,892	319,030	126,705	36,806
Domestic stocks	100	-	-	-
Foreign securities	137,666	313,923	167,856	174,029
Loans (*)	79,310	181,540	67,352	108,411
Total	1,947,568	1,311,265	811,171	1,292,625

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (6,341 million yen), and loans with no repayment schedule (101 million yen) are not included above.

(Note 4) Maturity schedules for Bonds, Long-term borrowings and Obligations under lease transactions

Please refer to "Related Information to the Consolidated Financial Statements".

(Additional information)

The Company has applied "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and "Guidance on Disclosure about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 10, 2008) from the fiscal year ended March 31, 2010. Accordingly, the scope of securities evaluated with the fair value is changed, however, there is no effect on amounts shown on consolidated balance sheets.

Securities

(A) For the year ended March 31, 2011

1. Trading Securities

(Yen in millions)

Type	As of March 31, 2011	
	Amount shown on consolidated balance sheets	Valuation gains recognized on consolidated statements of income
Trading securities	314,768	5,780

(Note)

As of March 31, 2011, the above figures include amounts related to certificates of deposit (carrying amount 1,525 million yen and valuation gains recognized on the consolidated statements of income 0 million yen), which are presented as "Cash and bank deposits" on the consolidated balance sheets.

2. Bonds Held to Maturity

(Yen in millions)

Type		As of March 31, 2011		
		Carrying amount	Fair value	Difference
Market value is more than carrying amount	Bonds	120,460	126,000	5,539
	Foreign securities	15,335	15,744	409
	Sub Total	135,796	141,745	5,949
Market value is not more than carrying amount	Bonds	—	—	—
	Foreign securities	5,839	5,543	(296)
	Sub Total	5,839	5,543	(296)
Total		141,635	147,288	5,652

3. Other Securities (Available for Sale)

(Yen in millions)

Type		As of March 31, 2011		
		Carrying amount	Original cost	Difference
Gross unrealized gains	Bonds	1,939,972	1,876,990	62,982
	Stocks	1,994,362	669,905	1,324,457
	Foreign securities	699,714	624,155	75,558
	Others(*2)	130,400	117,406	12,994
	Sub Total	4,764,450	3,288,457	1,475,992
Gross unrealized losses	Bonds	411,577	424,860	(13,282)
	Stocks	108,231	121,818	(13,586)
	Foreign securities	393,421	423,167	(29,745)
	Others(*3)	829,539	834,195	(4,655)
	Sub Total	1,742,771	1,804,042	(61,270)
Total		6,507,221	5,092,500	1,414,721

(Notes)

1. Other securities (available for sale) that are deemed to be difficult to acquire fair value are not included in the table.
2. The amount includes foreign mortgage backed securities etc. (carrying amount 127,311 million yen, acquisition cost 114,860 million yen, difference 12,451 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheets.
3. The amount includes certificates of deposit (carrying amount 38,138 million yen, acquisition cost 38,138 million yen) and commercial papers, etc. (carrying amount 786,402 million yen, acquisition cost 790,532 million yen, difference (-)4,129 million yen) which are presented as "Cash and bank deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.

4. Bonds Held to Maturity Sold in This Period

None

5. Other Securities Sold in This Period

(Yen in millions)

Type	For the year ended March 31, 2011		
	Sale proceeds	Realized gains	Realized losses
Bonds	347,004	3,653	1,594
Stocks	187,922	118,351	1,913
Foreign securities	397,039	11,719	3,849
Others	124,509	6,660	6,629
Total	1,056,475	140,385	13,987

(Note)

"Others" include amounts related to certificates of deposit (sale amount 10,994 million yen) and foreign mortgage backed securities, etc. (sale amount 110,550 million yen, gains on sale 6,172 million yen, losses on sale 6,045 million yen), which are presented as "Cash and bank deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.

6. Securities on Which Impairment Losses Were Recognized

For the year ended March 31, 2011, impairment losses amounting to 12,323 million yen (10,214 million yen for stocks, 2,104 million yen for foreign securities and 4 million yen for others) were recognized for Other securities (available for sale) with fair value. Impairment losses amounting to 1,363 million yen (585 million yen for stocks, 161 million yen for foreign securities and 616 million yen for others) were recognized for Other securities (available for sale) that are deemed to be difficult to acquire fair value.

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.

(B) For the year ended March 31, 2010

1. Trading Securities

(Yen in millions)

Type	As of March 31, 2010	
	Amount shown on consolidated balance sheets	Valuation losses recognized on consolidated statements of income
Trading securities	325,412	(1,581)

(Note)

As of March 31, 2010, the above figures include amounts related to certificates of deposit (carrying amount 1,088 million yen and valuation gains recognized on the consolidated statements of income 0 million yen) and commercial papers, etc. (carrying amount 3,714 million yen and valuation losses recognized on the consolidated statements of income 29 million yen), which are presented as "Cash and bank deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.

2. Bonds Held to Maturity

(Yen in millions)

Type		As of March 31, 2010		
		Carrying amount	Fair value	Difference
Market value is more than carrying amount	Bonds	117,860	120,252	2,391
	Foreign securities	8,877	9,008	131
	Sub Total	126,737	129,261	2,523
Market value is not more than carrying amount	Bonds	2,727	2,702	(25)
	Foreign securities	12,636	12,169	(467)
	Sub Total	15,363	14,871	(492)
Total		142,101	144,133	2,031

3. Other Securities (Available for Sale)

(Yen in millions)

Type		As of March 31, 2010		
		Carrying amount	Original cost	Difference
Gross unrealized gains	Bonds	1,969,017	1,916,064	52,953
	Stocks	2,460,512	792,416	1,668,095
	Foreign securities	719,580	646,214	73,365
	Others (*2)	149,146	131,192	17,954
	Sub Total	5,298,258	3,485,889	1,812,368
Gross unrealized losses	Bonds	541,052	558,303	(17,250)
	Stocks	74,946	81,391	(6,444)
	Foreign securities	350,198	373,086	(22,888)
	Others (*3)	1,215,705	1,236,177	(20,472)
	Sub Total	2,181,903	2,248,959	(67,055)
Total		7,480,161	5,734,848	1,745,313

(Notes)

1. Other securities (available for sale) that are deemed to be difficult to acquire fair value are not included in the table.
2. The amount includes foreign mortgage backed securities etc. (carrying amount 141,147 million yen, acquisition cost 124,504 million yen, difference 16,643 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheets.
3. The amount includes certificates of deposit (carrying amount 79,443 million yen, acquisition cost 79,443 million yen) and commercial papers, etc. (carrying amount 1,130,321 million yen, acquisition cost 1,150,101 million yen, difference (-)19,780 million yen) which are presented as "Cash and bank deposits" and "Monetary receivables bought", respectively, on the consolidated balance sheets.

(Additional information)

From the fiscal year ended March 31, 2010, the Company applied "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and "Guidance on Accounting Standard for Financial Instruments" (ASBJ Guidance No.19, March 10, 2008). Accordingly, the scope of securities measured at fair value has been changed, and commercial papers which had been categorized as securities without fair value in the past are now included in the table.

4. Bonds Held to Maturity Sold in This Period

None

5. Other Securities Sold in This Period

(Yen in millions)

Type	For the year ended March 31, 2010		
	Sale proceeds	Realized gains	Realized losses
Bonds	284,616	2,186	648
Stocks	94,136	61,103	890
Foreign securities	552,801	20,661	5,670
Others	64,996	3,480	634
Total	996,551	87,431	7,844

(Note)

"Others" include amounts related to commercial papers, etc. (sale amount 57,133 million yen, gains on sale 1,362 million yen, losses on sale 551 million yen) which are presented as "Monetary receivables bought" on the consolidated balance sheets.

6. Securities on Which Impairment Losses Were Recognized

For the year ended March 31, 2010, impairment losses amounting to 25,450 million yen (2,866 million yen for securities with fair value and 22,584 million yen for securities that are deemed to be difficult to acquire fair value) were recognized for Other Securities (available for sale). This includes the impairment losses related to foreign mortgage backed securities in the amount of 16 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.

Money Trusts

(A) For the year ended March 31, 2011

1. Money Trusts Held for Trading Purposes

(Yen in millions)

Type	As of March 31, 2011	
	Carrying amount	Valuation gains recognized on consolidated statements of income
Money trusts	13,856	1,067

2. Money Trusts Held to Maturity

None

3. Money Trusts Other Than That Held to Maturity or That Held for Trading Purposes

(Yen in millions)

Type	As of March 31, 2011		
	Carrying amount	Original cost	Difference
Money trusts	200	200	—

(B) For the year ended March 31, 2010

1. Money Trusts Held for Trading Purposes

(Yen in millions)

Type	As of March 31, 2010	
	Carrying amount	Valuation gains recognized on consolidated statements of income
Money trusts	11,578	841

2. Money Trusts Held to Maturity

None

3. Money Trusts Other Than That Held to Maturity or That Held for Trading Purposes

(Yen in millions)

Type	As of March 31, 2010		
	Carrying amount	Original cost	Difference
Money trusts	200	200	—

Information on Derivatives

(A) For the year ended March 31, 2011

"Contract amount, etc." as shown in the tables is the nominal contract or notional principal amount of derivative transactions.

The amount itself does not represent the market or credit risk of such derivative transactions.

1. Derivatives Transaction to Which Hedge Accounting is Not Applied

(1) Foreign currency-related instruments

(Yen in millions)

Type		As of March 31, 2011			
		Contract amount, etc.		Fair value	Unrealized gains/(losses)
			Over 1 year		
Over-the-counter transactions:					
Foreign exchange forwards					
Short					
USD	158,911	-	(1,502)	(1,502)	
EUR	23,420	-	(879)	(879)	
GBP	4,890	-	(94)	(94)	
AUD	6,724	-	(380)	(380)	
CAD	5,122	-	(178)	(178)	
Long					
USD	7,813	-	220	220	
EUR	12,070	-	535	535	
GBP	2,695	-	68	68	
AUD	9,846	-	563	563	
Currency swaps					
Pay Foreign/ Rec. Yen					
USD	413,478	244,677	13,753	13,753	
EUR	3,818	2,481	798	798	
AUD	447	447	17	17	
Pay Yen/ Rec. Foreign					
USD	157,060	116,203	(25,031)	(25,031)	
EUR	2,481	2,481	(741)	(741)	
AUD	434	434	(14)	(14)	
Pay Foreign/ Rec. Foreign					
Pay USD/ Rec. SGD	616	-	60	60	
Currency options					
Short					
Call					
USD	44,812	31,939			
	4,936	4,120	4,198	738	
Put					
USD	49,758	36,078			
	5,022	4,007	7,503	(2,481)	
Long					
Call					
USD	42,666	29,252			
	3,521	2,567	2,821	(699)	
Put					
USD	45,681	30,572			
	3,443	2,588	9,105	5,662	
Total		-	10,826	(9,582)	

(Notes)

1. The fair value of foreign exchange forwards and currency swaps is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.
2. The fair value of currency options is based on an option pricing model.
3. For currency options, option premiums are shown beneath the contract amount of the options.

(2) Interest rate-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Market transactions:				
Interest rate futures				
Short	15,883	-	(4)	(4)
Long	160,000	-	1	1
Interest rate options				
Short				
Cap	37,231	25,000		
	595	434	53	542
Swaption	13,000	12,000		
	445	393	1,182	(736)
Long				
Cap	4,500	-		
	36	-	0	(36)
Swaption	16,000	12,000		
	394	285	487	93
Interest rate swaps				
Rec. fix/Pay float	3,217,882	2,440,731	128,857	128,857
Rec. float/Pay fix	3,697,935	2,568,326	(111,238)	(111,238)
Rec. float/ Pay float	384,298	372,152	3,313	3,313
Rec. fix/Pay fix	43,655	43,655	237	237
Total	-	-	22,889	21,028

(Notes)

1. The fair value of the interest rate future at the closing date of the fiscal year is based on the closing price at major stock exchanges.
2. The fair value of interest rate option is based on an option pricing model.
3. For interest rate option, option premiums are shown beneath the contract amount of the options.
4. The fair value of the interest rate swap is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.

(3) Equity-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Market transactions:				
Equity index futures				
Short	15,688	-	(158)	(158)
Long	2,452	-	(1)	(1)
Total	-	-	(160)	(160)

(Note)

The fair value of the equity index futures as of the closing date of the fiscal year is based on the quoted final price at major stock exchanges.

(4) Bond-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Market transactions:				
Bond futures				
Short	11,300	-	(52)	(52)
Total	-	-	(52)	(52)

(Note)

The fair value of the bond futures as of the closing date of the fiscal year is based on the closing price at major stock exchanges.

(5) Credit-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:				
Credit derivatives				
Sell protection	199,719	156,491	(8,088)	(8,088)
Buy protection	35,423	34,923	(59)	(59)
Total	-	-	(8,147)	(8,147)

(Note)

The fair value of the credit derivative as of the closing date of the fiscal year is calculated based on the internal pricing model.

(6) Commodity-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:				
Commodity options				
Short				
Cap	76	-		
	12	-	2	9
Long				
Cap	76	-		
	10	-	2	(7)
Commodity swaps				
Rec. fixed price/ Pay commodity indices	15,990	15,533	(6,292)	(6,292)
Rec. Commodity indices/ Pay fixed price	17,280	16,775	5,368	5,368
Rec. Commodity indices/ Pay variable indices	6,582	6,170	(416)	(416)
Total	-	-	(1,336)	(1,339)

(Notes)

1. The fair value of the commodity options and commodity swaps as of the closing date of the fiscal year is calculated based on the internal pricing model.
2. For commodity options, the option premiums are shown beneath the contract amount of the options.

(7) Others

(Yen in millions)

Type	As of March 31, 2011			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:				
Natural disaster derivatives				
Short	12,216	386		
	869	9	630	239
Long	28,815	-		
	3,847	-	2,188	(1,658)
Weather derivatives				
Short	115	-		
	3	-	1	1
Others				
Short	123	123		
	6	6	6	-
Total	-	-	2,827	(1,417)

(Notes)

1. The fair value of natural disaster derivatives is calculated based on the internal pricing model on fair value and options premiums.
2. The fair value of weather derivatives is calculated based on the weather condition, term of the contract and components of other contracts relating to the weather derivatives.
3. The fair value of other derivatives is calculated based on options premiums.
4. The option premiums of natural disaster derivatives, weather derivatives and other options are shown beneath the contract amount of the options.

2. Derivatives Transaction to Which Hedge Accounting is Applied

(1) Foreign currency-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Object	Contract amount, etc.	Over 1 year	Fair value
Deferred hedge				
Currency swaps				
Pay Yen/ Rec. Foreign USD	Borrowing	5,000	5,000	(154)
Fair value hedge				
Foreign exchange forwards				
Short				
USD	Other securities	76,179	-	(515)
EUR		49,758	-	(2,242)
GBP		14,220	-	(382)
CAD		2,586	-	(30)
Currency swaps				
Pay Foreign/ Rec. Yen				
USD	Other securities	7,578	7,578	1,758
AUD		16,824	16,824	(588)
Matching treatment (forward transaction, etc.)				
Foreign exchange forwards				
Short				
USD	Cash and bank deposits	10,000	-	(Note 2)
AUD		5,002	-	
Total		-	-	(2,156)

(Notes)

1. The fair value of currency swaps and foreign exchange forwards is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.
2. "Financial instruments" includes the fair value of transfer contracts such as currency forward contracts that are integrated with the deposits for which they are a hedge.

(2) Interest rate-related instruments

(Yen in millions)

Type	As of March 31, 2011			
	Object	Contract amount, etc.	Over 1 year	Fair value
Deferred hedge				
Interest rate swap				
Rec. fix/Pay float	Insurance liabilities	371,000	345,000	23,382
Total		-	-	23,382

(Note)

The fair value of the interest rate swap is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.

(B) For the year ended March 31, 2010

"Contract amount, etc." as shown in the tables is the nominal contract or notional principal amount of derivative transactions.
The amount itself does not represent the market or credit risk of such derivative transactions.

1. Derivatives Transaction to Which Hedge Accounting is Not Applied

(1) Foreign currency-related instruments

(Yen in millions)

Type		As of March 31, 2010			
		Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:					
Foreign exchange forwards					
Short					
	USD	133,535	464	(3,434)	(3,434)
	EUR	22,342	-	60	60
	GBP	5,434	-	20	20
	AUD	13,777	-	(231)	(231)
	CAD	5,813	-	(578)	(578)
	JPY	1,341	-	53	53
Long					
	USD	50,212	-	1,350	1,350
	EUR	10,174	-	(187)	(187)
	GBP	281	-	6	6
	AUD	12,384	-	367	367
Currency swaps					
Pay Foreign/ Rec. Yen					
	USD	605,381	441,232	6,814	6,814
	EUR	9,535	8,033	940	940
	AUD	836	640	43	43
Pay Yen/ Rec. Foreign					
	USD	215,086	158,194	(10,350)	(10,350)
	EUR	6,291	6,291	(915)	(915)
	AUD	627	627	(39)	(39)
Currency options					
Short					
	Call				
	USD	37,709	27,785		
		3,318	2,806	3,155	162
	AUD	95	-		
		0	-	0	0
	Put				
	USD	46,504	35,314		
		3,169	2,752	5,212	(2,042)
Long					
	Call				
	USD	55,389	48,619		
		4,138	3,737	4,837	699
	AUD	82	-		
		0	-	0	(0)
	Put				
	USD	53,307	45,681		
		4,253	3,873	8,434	4,180
Total		-	-	15,561	(3,079)

(Notes)

1. The fair value of foreign exchange forwards and currency swaps is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.
2. The fair value of currency options is based on an option pricing model.
3. For currency options, option premiums are shown beneath the contract amount of the options.

(2) Interest rate-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Market transactions:				
Interest rate futures				
Short	26,713	-	(1)	(1)
Long	13,711	-	3	3
Over-the-counter transactions:				
Interest rate options				
Short				
Cap	49,957	34,912		
	734	607	107	626
Swaption	17,000	16,000		
	445	445	741	(295)
Long				
Cap	14,600	4,500		
	135	36	0	(135)
Swaption	21,154	19,000		
	397	394	375	(22)
Interest rate swaps				
Rec. fix/Pay float	3,874,969	3,134,746	121,470	121,470
Rec. float/Pay fix	4,152,353	3,204,860	(105,377)	(105,377)
Rec. float/ Pay float	462,375	452,917	12,735	12,735
Rec. fix/Pay fix	44,610	44,610	(589)	(589)
Total	-	-	29,466	28,415

(Notes)

1. The fair value of the interest rate future at the closing date of the fiscal year is based on the closing price at major stock exchanges.
2. The fair value of interest rate option is based on an option pricing model.
3. For interest rate option, option premiums are shown beneath the contract amount of the options.
4. The fair value of the interest rate swap is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.



(3) Equity-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Market transactions:				
Equity index futures				
Short	17,165	-	(434)	(434)
Long	1,634	-	72	72
Total	-	-	(361)	(361)

(Note)

The fair value of the equity index futures as of the closing date of the fiscal year is based on the quoted final price at major stock exchanges.

(4) Bond-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Market transactions:				
Bond futures				
Short	11,611	-	51	51
Long	5,818	-	(56)	(56)
Over-the-counter transactions:				
Bond over-the-counter-options				
Short				
Call	11,543	-		
	19	-	13	5
Put	2,494	-		
	9	-	13	(4)
Long				
Call	2,494	-		
	7	-	3	(3)
Put	11,543	-		
	25	-	27	2
Total	-	-	53	(4)

(Notes)

1. The fair value of the bond futures as of the closing date of the fiscal year is based on the closing price at major stock exchanges.
2. The fair value of the bond over-the-counter-options is calculated based on the price obtained from counter parties such as financial institutions.
3. For bond over-the-counter options, the option premiums are shown beneath the contract amount of the options.

(5) Credit-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:				
Credit derivatives				
Sell protection	398,908	220,721	(12,295)	(12,295)
Buy protection	42,118	40,821	389	389
Total	-	-	(11,905)	(11,905)

(Note)

The fair value of the credit derivative as of the closing date of the fiscal year is calculated based on the internal pricing model.

(6) Commodity-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:				
Commodity swaps				
Rec. fixed price/ Pay commodity indices	20,351	20,351	(8,393)	(8,393)
Rec. Commodity indices/ Pay fixed price	22,046	22,046	7,152	7,152
Rec. Commodity indices/ Pay variable indices	8,664	8,664	(414)	(414)
Total	-	-	(1,656)	(1,656)

(Note)

The fair value of the commodity swaps as of the closing date of the fiscal year is calculated based on the internal pricing model.

(7) Others

(Yen in millions)

Type	As of March 31, 2010			
	Contract amount, etc.	Over 1 year	Fair value	Unrealized gains/(losses)
Over-the-counter transactions:				
Natural disaster derivatives				
Short	9,583	321		
	285	12	264	21
Long	28,953	-		
	4,939	-	2,777	(2,162)
Weather derivatives				
Short	16	-		
	0	-	0	(0)
Others				
Short	123	123		
	6	6	6	-
Total	-	-	3,048	(2,140)

(Notes)

1. The fair value of natural disaster derivatives is calculated based on the internal pricing model on fair value and options premiums.
2. The fair value of weather derivatives is calculated based on the weather condition, term of the contract and components of other contracts relating to the weather derivatives.
3. The fair value of other derivatives is calculated based on options premiums.
4. The option premiums of natural disaster derivatives, weather derivatives and other options are shown beneath the contract amount of the options.

2. Derivatives Transaction to Which Hedge Accounting is Applied

(1) Foreign currency-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Object	Contract amount, etc.	Over 1 year	Fair value
Deferred hedge				
Currency swaps				
Pay Yen/ Rec. Foreign	Borrowing			
USD		5,000	5,000	(46)
Fair value hedge				
Foreign exchange forwards				
Short	Other securities			
USD		101,921	-	(2,660)
EUR		65,592	-	(576)
GBP		7,893	-	154
Currency swaps				
Pay Foreign/ Rec. Yen	Other securities			
USD		20,393	20,393	2,968
EUR		5,890	2,030	828
AUD		16,824	16,824	(427)
Matching treatment (forward transaction, etc.)				
Foreign exchange forwards	Cash and bank deposits			
Short				
USD		20,003	-	(Note 2)
AUD		5,005	-	
Total		-	-	239

(Notes)

1. The fair value of currency swaps and foreign exchange forwards is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.
2. "Financial instruments" includes the fair value of transfer contracts such as currency forward contracts that are integrated with the deposits for which they are a hedge.

(2) Interest rate-related instruments

(Yen in millions)

Type	As of March 31, 2010			
	Object	Contract amount, etc.	Over 1 year	Fair value
Deferred hedge				
Interest rate swap	Insurance liabilities			
Rec. fix/Pay float		378,600	378,600	20,138
Total		-	-	20,138

(Note)

The fair value of the interest rate swap is calculated by discounting future cash flows to the present value based on the interest rate as of the closing date of the fiscal year.

Retirement Benefits

1. Outline of the Retirement and Severance Benefit Plans

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.

2. Breakdown of Retirement Benefit Liabilities

	(Yen in millions)	
	As of March 31, 2011	As of March 31, 2010
a. Retirement benefit liabilities	(362,215)	(359,075)
b. Pension assets	150,289	148,664
c. Unaccrued retirement benefit liabilities (a+b)	(211,925)	(210,411)
d. Unrecognized actuarial difference	66,051	72,197
e. Unrecognized prior service costs	(16,222)	(18,904)
f. Net amount in the consolidated balance sheets (c+d+e)	(162,097)	(157,118)
g. Prepaid pension expenses	252	170
h. Reserve for retirement benefits (f-g)	(162,349)	(157,288)

(Notes)

As of March 31, 2011	As of March 31, 2010
(No change)	The subsidiaries excluding the Company adopt the simple method in calculation of retirement benefit liabilities.

3. Breakdown of Retirement Expenses

	(Yen in millions)	
	Year ended March 31, 2011	Year ended March 31, 2010
a. Service cost	14,803	14,268
b. Interest cost	7,009	6,806
c. Expected investment income	(3,414)	(3,355)
d. Actuarial differences accounted for as expense	9,010	9,000
e. Amortization of prior service cost accounted for as expense	(2,681)	(2,681)
f. Retirement benefit expenses (a+b+c+d+e)	24,727	24,038
g. Amount transferred to the defined contribution pension plan	1,839	1,754
h. Total (f+g)	26,566	25,793

(Notes)

Year ended March 31, 2011	Year ended March 31, 2010
(No change)	<ol style="list-style-type: none"> 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".

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 the Company are as follows:

	Year ended March 31, 2011	Year ended March 31, 2010
a. Distribution method for estimated retirement benefits	(No change)	The lump-sum retirement benefit system and the contributory pension fund system mainly employ the point standard.
b. Discount rate	(No change)	2.0%
c. Expected rate of return on investments	2.3%	2.4%
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 March 31, 2011

(Yen in millions)

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

Loss adjustment expenses	93
<u>Underwriting and general administrative expenses</u>	<u>233</u>
Total	<u>326</u>

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, 2011 as remuneration expenses.

(B) For the year ended March 31, 2010

(Yen in millions)

1. The account title and the amount related to stock options;	
Loss adjustment expenses	77
<u>Underwriting and general administrative expenses</u>	<u>212</u>
Total	<u>290</u>

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, 2010 as remuneration expenses.

Deferred Tax Accounting

	As of March 31, 2011	As of March 31, 2010
1. Significant portion of deferred tax assets and deferred tax liabilities (Yen in millions)		
Deferred tax assets		
Underwriting reserves	372,150	365,328
Outstanding claims	67,983	57,405
Reserve for retirement benefits	58,622	56,816
Loss on revaluation of securities	37,400	45,053
Reserve for price fluctuation	22,190	20,819
Deferred hedge losses	10,454	8,529
Others	70,138	79,985
Subtotal	638,940	633,939
Valuation allowance	(26,079)	(29,008)
Total deferred tax assets	612,861	604,930
Deferred tax liabilities		
Difference from revaluation of other securities	(499,668)	(622,859)
Deferred hedge gains	(17,370)	(17,821)
Unrealized gains on consolidated subsidiaries	(11,137)	(10,011)
Reserve for additional depreciation deduction adjustment on properties	(9,862)	(10,412)
Others	(45,324)	(50,936)
Total deferred tax liabilities	(583,362)	(712,041)
Net deferred tax assets (liabilities)	29,498	(107,111)
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	(9.3)%	(5.2)%
Valuation allowance	(2.6)%	(1.9)%
Amortization of positive and negative goodwill	4.8%	2.7%
Effect of tax rate applied to subsidiaries	2.2%	(4.8)%
Permanent differences such as entertainment expenses	1.4%	0.6%
Income tax equivalents related to the reserve for policyholders dividends incurred by overseas subsidiaries	-	1.7%
Others	(0.6)%	(0.4)%
Effective tax rate	32.1%	28.8%

Asset Retirement Obligations

For the year ended March 31, 2011

Asset retirement obligations recorded on the consolidated balance sheet

1 . Outline of the Asset Retirement Obligations

The company has recorded asset retirement obligations to restore leased property to its original state at the point of terminating the leasehold in some cases of the leasehold properties. Furthermore, the company has recorded asset retirement obligations to decontaminate the harmful materials in some cases of Company-owned properties.

2. Measurement of Asset Retirement Obligations

The Company adopts the estimate useful life of 18 years to 50 years, and the discount rate of 1.4% to 2.3% in calculation of asset retirement obligations.

3. Changes of Asset Retirement Obligations for the year ended March 31, 2011

Beginning balance(*)	3,696 million yen
Additions by acquisitions	217 million yen
Unwinding of discount	61 million yen
Decrease by fulfill obligations	<u>(491) million yen</u>
Ending balance	<u>3,484 million yen</u>

(*)

Beginning balance is the balance as at April 1, 2010 incurred because the company has applied "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008) from the fiscal year ended March 31, 2011.

Investment Property

(A) For the year ended March 31, 2011

1. The Company and some of the consolidated subsidiaries own office buildings and land mainly in Tokyo, Osaka and Nagoya, of which some properties are leased. The carrying amount, changes in carrying amount and the fair value of these investment properties are as follows:

(Yen in millions)

Carrying amount shown on consolidated balance sheets			Fair value as of March 31, 2011
As of March 31, 2010	Changes for the year ended March 31, 2011	As of March 31, 2011	
104,355	(9,379)	94,975	156,870

- (Notes) 1. Carrying amount is the amount that the accumulated depreciation and the accumulated impairment losses are deducted from the cost of acquisition.
2. Changes for the year include increase of 5,485 million yen due to repairs, and decrease of 8,074 million yen due to disposals and 3,956 million yen due to impairment.
3. Fair value as of March 31, 2011 is primarily based on appraisals by qualified external valuers.

2. Income and expenses related to investment property are as follows:

(Yen in millions)

Rental income	Direct operating expenses	Net income	Other
10,647	10,347	300	(2,788)

- (Note) Rental income is included in "Interest and dividends". Direct operating expenses such as depreciation, repair, insurance costs and taxes are included in "Underwriting and general administrative expenses". Other, such as gains and losses on disposal by sales and impairment losses, is included in "Extraordinary gains" or "Extraordinary losses".

(B) For the year ended March 31, 2010

1. The Company and some of the consolidated subsidiaries own office buildings and land mainly in Tokyo, Osaka and Nagoya, of which some properties are leased. The carrying amount, changes in carrying amount and the fair value of these investment properties are as follows:

(Yen in millions)

Carrying amount shown on consolidated balance sheets			Fair value as of March 31, 2010
As of March 31, 2009	Changes for the year ended March 31, 2010	As of March 31, 2010	
102,528	1,826	104,355	172,525

- (Notes) 1. Carrying amount is the amount that the accumulated depreciation and the accumulated impairment losses are deducted from the cost of acquisition. The estimated cost for demolition of fixed assets is not deducted

from carrying amount because "Reserve for retirement of fixed assets" are separately recognized.

2. Changes for the year are mainly due to increases in transfers from owner-occupied property (8,743 million yen) and decreases in disposals (6,847 million yen).

3. Fair value as of March 31, 2010 is primarily based on appraisals by qualified external valuers.

2. Income and expenses related to investment property are as follows:

(Yen in millions)			
Rental income	Direct operating expenses	Net income	Other
11,089	9,735	1,354	(940)

(Note) Rental income is included in "Interest and dividends". Direct operating expenses such as depreciation, repair, insurance costs and taxes are included in "Underwriting and general administrative expenses". Other, such as gains and losses on disposal by sales and impairment losses, is included in "Extraordinary gains" or "Extraordinary losses".

(Additional information)

The company has applied "Accounting Standard for Disclosure about Fair Value of Investment Property and Rental Property" (ASBJ Statement No.20, November 28, 2008) and "Guidance on Accounting Standard for Disclosure about Fair Value of Investment Property and Rental Property" (ASBJ Guidance No.23, November 28, 2008) from the fiscal year ended March 31, 2010.

<Segment Information for the year ended March 31, 2011 based on the previous disclosure format>

Operating Segments

For the year ended March 31, 2011

(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	2,652,056	49,537	14,118	2,715,712	(19,242)	2,696,469
(2) Ordinary income arising from inter-segment transactions	401	11	495	908	(908)	-
Total	2,652,458	49,548	14,613	2,716,620	(20,151)	2,696,469
Ordinary expenses	2,528,725	43,447	12,907	2,585,080	(18,497)	2,566,582
Ordinary profit/loss	123,732	6,101	1,705	131,539	(1,653)	129,886
II Assets / Depreciation / Impairment losses on fixed assets and Capital expenditure						
Assets	9,198,217	305,451	319,281	9,822,951	(6,329)	9,816,621
Depreciation	27,558	361	114	28,034	-	28,034
Impairment losses on fixed assets	4,436	-	-	4,436	-	4,436
Capital expenditure	26,233	4,002	78	30,314	(2,110)	28,203

(Notes)

- The segments are classified based on the characteristics of operations of the Company and its consolidated subsidiaries.
- 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: Investment advisory, investment trusts business and derivatives business
- The major component of "Elimination" for "Ordinary income from transactions with external customers" is due to transfer amount of 17,577 million yen from "provision for underwriting reserves", which is included in ordinary expenses relating to "Life" segment, to "reversal of underwriting reserves" in "Ordinary income" in the consolidated statements of income.

Regional Segments

For the year ended March 31, 2011

(Yen in millions)

	Japan	Americas	Others	Total	Elimination	Consolidated
I Ordinary income and ordinary profit /loss						
Ordinary income						
(1)Ordinary income from transactions with external customers	2,304,103	247,360	179,905	2,731,370	(34,900)	2,696,469
(2)Ordinary income arising from inter-segment transactions	472	7	52	531	(531)	-
Total	2,304,576	247,367	179,958	2,731,902	(35,432)	2,696,469
Ordinary expenses	2,181,534	240,697	178,130	2,600,362	(33,779)	2,566,582
Ordinary profit/loss	123,041	6,670	1,827	131,539	(1,653)	129,886
II Assets	7,912,046	1,252,905	658,325	9,823,278	(6,656)	9,816,621

(Notes)

- Countries and regions are classified into groups based on geographic proximity.
- Major countries and regions included in each group are as follows:
 - Americas: North America and Bermuda
 - Others: United Kingdom, Singapore and Malaysia
- The major component of "Elimination" for "Ordinary income from transactions with external customers" is due to transfer amount of 23,477 million yen from "Provision for underwriting reserves", which is included in ordinary expenses relating to "Others" segment, to "Reversal of underwriting reserves" in "Ordinary income" in the consolidated statements of income.

Overseas Sales

For the year ended March 31, 2011

(Yen in millions)

	Americas	Others	Total
I Overseas sales	300,386	196,895	497,282
II Consolidated ordinary income			2,696,469
III Ratio of I to II (%)	11.1	7.3	18.4

(Notes)

- Countries and regions are classified into groups based on geographic proximity.
- Major countries and regions included in each group are as follows:
 - Americas: North America and Bermuda
 - Others: United Kingdom, Singapore and Malaysia
- "Overseas sales" consists of the sum of overseas sales of the Company and ordinary income of overseas consolidated subsidiaries.

Operating Segments

For the year ended March 31, 2010

(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	2,617,785	46,081	16,189	2,680,055	(22,538)	2,657,517
(2) Ordinary income arising from inter-segment transactions	403	16	498	919	(919)	-
Total	2,618,188	46,097	16,688	2,680,974	(23,457)	2,657,517
Ordinary expenses	2,409,872	33,371	21,021	2,464,265	(23,955)	2,440,310
Ordinary profit/loss	208,316	12,726	(4,333)	216,709	498	217,207
II Assets / Depreciation / Impairment losses on fixed assets and Capital expenditure						
Assets	10,291,257	286,991	368,029	10,946,278	(7,524)	10,938,754
Depreciation	53,453	203	134	53,791	-	53,791
Impairment losses on fixed assets	8,862	-	17	8,879	-	8,879
Capital expenditure	27,690	73	425	28,189	-	28,189

(Notes)

- The segments are classified based on the characteristics of operations of the Company and its consolidated subsidiaries.
- 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: Investment advisory, investment trusts business and derivatives business
- The major component of "Elimination" for "Ordinary income from transactions with external customers" is due to transfer amount of 9,658 million yen from " Losses on derivatives ", which is included in ordinary expenses relating to "Others" segment, to "Gains on derivatives" in "Ordinary income" in the consolidated statements of income.

Regional Segments

For the year ended March 31, 2010

(Yen in millions)

	Japan	Americas	Others	Total	Elimination	Consolidated
I Ordinary income and ordinary profit /loss						
Ordinary income						
(1)Ordinary income from transactions with external customers	2,263,631	266,403	191,334	2,721,369	(63,851)	2,657,517
(2)Ordinary income arising from inter-segment transactions	483	45	60	589	(589)	-
Total	2,264,114	266,449	191,394	2,721,958	(64,440)	2,657,517
Ordinary expenses	2,117,177	234,969	153,101	2,505,249	(64,939)	2,440,310
Ordinary profit/loss	146,936	31,479	38,293	216,709	498	217,207
II Assets	8,951,685	1,346,642	650,040	10,948,368	(9,614)	10,938,754

(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. The major component of "Elimination" for "Ordinary income from transactions with external customers" is due to transfer amount of 23,946 million yen from " Provision for outstanding claims ", which is included in ordinary expenses relating to "Americas" segment, to " Reversal of outstanding claims " in "Ordinary income" in the consolidated statements of income .

Overseas Sales

For the year ended March 31, 2010

(Yen in millions)

	Americas	Others	Total
I Overseas sales	325,215	201,094	526,310
II Consolidated ordinary income			2,657,517
III Ratio of I to II (%)	12.2	7.6	19.8

(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 the Company and ordinary income of overseas consolidated subsidiaries.

Related Party Transactions

(A) For the year ended March 31, 2011

1. Related party transactions

There are no material transactions to be disclosed.

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

There are no material transactions to be disclosed.

(B) For the year ended March 31, 2010

1. Related party transactions

There are no material transactions to be disclosed.

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

There are no material transactions to be disclosed.

Per Share Information

For the year ended March 31, 2011		For the year ended March 31, 2010	
Net assets per share	¥1,065.30	Net assets per share	¥1,268.52
Net income per share — Basic	¥49.64	Net income per share — Basic	¥92.44

(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 March 31, 2011	For the year ended March 31, 2010
Net income	¥ 76,941 million	¥ 143,256 million
Net income not attributable to shareholder of common stock	-	-
Net income attributable to common stock	¥ 76,941 million	¥ 143,256 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 March 31, 2011

As of August 11, 2011 the Company had a definitive agreement with CNA Financial Corporation to acquire 50% of the outstanding shares of First Insurance Company of Hawaii, Ltd. ("FICOH"), which CNA Financial Corporation, a major insurance group in the U.S., owned through its subsidiary, The Continental

Insurance Company.

Currently FICOH is an affiliate of the Company accounted for by the equity method, 50% of whose outstanding shares are owned by the Company. After the additional acquisition, the Company's ownership will be 100%, and FICOH will become the Company's consolidated subsidiary. The additional acquisition is subject to regulatory approvals in Japan and in the U.S.

a. Purpose of the share acquisition

FICOH's competitive advantages include an established brand with high name recognition, while Tokio Marine Group's advantages include a superior credit rating, large underwriting capacity and back-office tasks support capabilities. These strengths will aid the Company's pursuit of further growth in the profit and scale of its insurance businesses in the U.S.

b. Overview of the target company

- Name of the company: First Insurance Company of Hawaii, Ltd.
- Headquarters: Honolulu, Hawaii, U.S.A.
- Business operations: Property and casualty insurance business
- Gross written premiums (for the fiscal year ended December 31, 2010): USD 135 million (JPY 10,542 million)
- Total assets (as of December 31, 2010): USD 680 million (JPY 52,980 million)

c. Share acquisition price

The share acquisition price is expected to be USD 165 million (JPY 12,845 million)

d. Financing

The acquisition will be financed through the Company's cash on hand.

e. Timeline for completion of the share acquisition

The share acquisition is expected to be completed in November 2011.

(Note) JPY amounts in parentheses are calculated using the exchange rate as of the end of July 2011.

(B) For the year ended March 31, 2010

No significant subsequent events.

V Related Information to the Consolidated Financial Statements

a. Bonds

<i>Issuer</i>	<i>Series</i>	<i>Issue Date</i>	<i>Amount outstanding 31 Mar 10 (Yen in millions)</i>	<i>Amount outstanding 31 Mar 11 (Yen in millions)</i>	<i>Coupon (%)</i>	<i>Collateral</i>	<i>Maturity</i>
Tokio Marine & Nichido	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	5,871	5,219	3.40	None	11 Oct 36
		- 20 Nov 06	(\$64,520,000)	(\$64,793,000)			- 20 Nov 36
Tokio Marine Financial Solutions Ltd.	Straight Bond	4 Oct 05	1,800	200	0.61	None	29 Jan 10
		- 30 Jul 08			- 1.15		- 19 Jan 21
	Power Reverse Dual Currency Note	18 Aug 03	27,350	25,450	0.00	None	12 Jan 10
		- 23 Apr 09	[100]		- 7.73		- 5 Jul 38
	Nikkei Average Linked Note	6 Feb 06	6,200	6,200	0.00	None	13 Sep 27
		- 4 Feb 08			- 0.10		- 4 Feb 38
	CMS Floater Note	20 Oct 04	16,540	3,490	1.05	None	14 Jan 10
		- 19 Sep 06	[400]		- 4.07		- 13 Jan 26
	Reverse Floater Note	23 Mar 05	10,000	500	0.53	None	21 Jan 10
		- 15 Feb 06			- 2.67		- 21 Oct 25
	FX Linked Digital Coupon Note	1 Dec 04	1,250	1,250	0.10	None	2 Dec 24
		- 23 Oct 06			- 10.00		- 24 Oct 36
	Snow Ball Note	16 Jun 05	14,200	9,050	0.00	None	27 Jan 10
- 26 Oct 06				- 5.48	- 28 Sep 26		
FX Linked Coupon Note	12 Jul 05	64,510	63,220	0.00	None	26 Feb 10	
	- 23 Oct 08			- 7.00		- 22 Oct 38	
Credit Linked Note	14 Jul 08	1,100	500	0.77	None	29 Sep 10	
	- 30 Jul 08	[600]	[500]	- 1.27		- 28 Sep 11	
Total		-	178,821 [21,100]	125,079 [500]	-	-	-

(Notes)

1. The figures shown in the parentheses () 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 March 31, 2011 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
500	-	-	-	600

b. Borrowings

<i>Type</i>	<i>Amount outstanding 31 Mar 10</i>	<i>Amount outstanding 31 Mar 11</i>	<i>Average Interest rate</i>	<i>Maturity</i>
	(Yen in millions)	(Yen in millions)		

Short term borrowings	524	-	-	-
Long term borrowings to be repaid within 1 year	2	38,501	0.5%	-
Obligations under lease transactions to be repaid within 1 year	2,229	1,648	5.6%	-
Long term borrowings other than above	217,037	61,015	0.6%	31 Mar 13 -
Obligations under lease transactions other than above	2,453	2,115	5.6%	20 Mar 29 30 Apr 12 -
Total	<u>222,247</u>	<u>103,280</u>	<u>-</u>	<u>31 Mar 15</u> -

(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 and lease obligations above is included in "Other liabilities" of the consolidated balance sheets.
3. Principal amounts of long term borrowings and lease obligations (other than that which is to be repaid within 1 year) to be repaid within 5 years are as follows;

	(Yen in millions)			
	<u>Over 1 to 2 years</u>	<u>Over 2 to 3 years</u>	<u>Over 3 to 4 years</u>	<u>Over 4 to 5 years</u>
Long term borrowings	1	55,001	1	1,001
Lease obligations	1,226	749	339	-

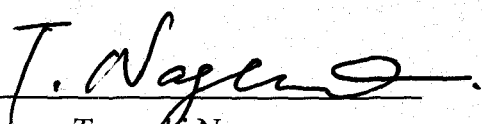
c. Asset retirement obligations

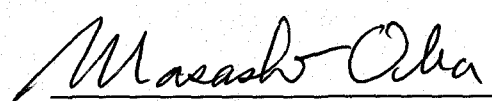
No significant information of asset retirement obligations.

(2) Others:
None

1st September, 2011

Tokio Marine & Nichido Fire Insurance Co., Ltd.


Tsuyoshi Nagano
Member of the Board
Senior Managing Director


Masashi Oba
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 PAGES BELOW) BUT THE ENGLISH TRANSLATION (PAGE 1 OF
A certificate of translation APPENDIX A) IS ONLY
SIGNED BY THE
AUDIT COMPANY.

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 2011, and 31 March 2010" 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: Sep 01, 2011

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) :

独立監査人の監査報告書(Report of Independent Auditors)

ERF Associates 代表者 :

藤戸 良恵

年月日 :

2011年9月1日

- 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

Translation Company's Name: ERF Associates (ERF Co., Ltd.)

Translation Company's Address: 3-1-7 Nishiogi-kita Suginami-ku Tokyo Japan

Translation Company's Tel/Fax: +81-3-6808-0008 / +81-3-6808-8048



ER-1

ERF Associates 3-1-7 Nishiogi-kita Suginami-ku Tokyo 167-0042 Japan Tel/Fax : 03-6808-0008/8048

info@er-f.com <http://er-f.com>



Report of Independent Auditors

June 24, 2011

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, 2010 to March 31, 2011; namely, the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive 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, 2011, 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.

Additional information:

1. As stated in "Basis of Presentation and Significant Accounting Policies", the Company has applied "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" from the fiscal year ended March 31, 2011.
2. As stated in "Changes in Significant Matters Related to Financial Statements", the Company has applied "Accounting Standard for Asset Retirement Obligations" and "Guidance on Accounting Standard for Asset Retirement Obligations" from the fiscal year ended March 31, 2011.

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.





独立監査人の監査報告書


平成23年6月24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 公認会計士
業務執行社員

吉田 周邦 

指定社員 公認会計士
業務執行社員

出澤 尚 

指定社員 公認会計士
業務執行社員

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22年4月1日から平成23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、連結包括利益計算書、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23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」に記載されているとおり、会社は当連結会計年度より、「持分法に関する会計基準」及び「持分法適用関連会社の会計処理に関する当面の取扱い」を適用している。
- 「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より、「資産除去債務に関する会計基準」及び「資産除去債務に関する会計基準の適用指針」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 25, 2010

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, 2009 to March 31, 2010; 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, 2010, 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.





独立監査人の監査報告書

平成22年6月25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 公認会計士
業務執行社員

吉田 周邦



指定社員 公認会計士
業務執行社員

出澤 尚



指定社員 公認会計士
業務執行社員

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21年4月1日から平成22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22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。

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)

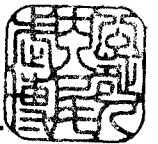
Registered No. 23-91

NOTARIAL CERTIFICATE

This is to certify that Ryoken Fujito , Representative
Director of E R F Co., Ltd. , signed the attached
document in my very presence.

Dated this 1st day of September , 2011,

Takehiro Uchio



TAKEHIRO UCHIO

Notary

Tokyo Legal Affair Bureau



認 証

嘱託人 株式会社 E R F 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23年 9 月 1 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
Notary

内 尾 武 博



Takehiro UCHIO

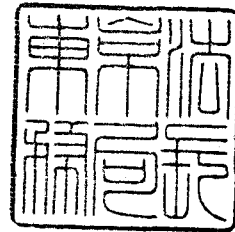
証 明

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23年 9 月 1 日

東京法務局長

相澤 恵一



APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Country: JAPAN
This public document
2. has been signed by **Takehiro UCHIO**
3. acting in the capacity of Notary of the Tokyo Legal Affairs Bureau
4. bears the seal/stamp of **Takehiro UCHIO, N o t a r y**
Certified
5. at Tokyo
6. SEP. - 1. 2011
7. by the Ministry of Foreign Affairs
8. 11- NO 028168
9. Seal/stamp:
10. Signature



K. Oyabe

Kazutoyo OYABE

For the Minister for Foreign Affairs

THIS IS "APPENDIX E"
OVERSEAS COMPANY NON-CONSOLIDATED
FINANCIAL STATEMENTS
OF 56 PAGES



TOKIO MARINE

**Information about major subsidiaries' business results
for the year ended March 31, 2011**

May 19, 2011

TOKIO MARINE HOLDINGS, INC.
(Securities Code Number 8766)



	Page
1. Key figures of consolidated results	
(1) Tokio Marine Holdings, Inc. (consolidated)	1
(2) Ordinary income (consolidated)	1
(3) Net income (consolidated)	1
2. Key figures of the domestic property and casualty insurance business	
(1) Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)	2
(2) Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)	3
(3) E.design Insurance Co., Ltd. (non-consolidated)	4
3. Key figures of the domestic life insurance business	
(1) Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)	5
(2) Tokio Marine & Nichido Financial Life Insurance Co., Ltd. (non-consolidated)	5
4. Business forecast for the year ending March 31, 2012	
(1) Tokio Marine Holdings, Inc. (consolidated)	6
(2) Ordinary income (consolidated)	6
(3) Net income (consolidated)	6
(4) Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)	6
5. Dividends forecast (Tokio Marine Holdings, Inc.)	6
 Financial statements	
1. Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)	
(1) Balance sheet	7~8
(2) Statement of income	9
(3) Statement of changes in shareholders' equity	10
(4) Underwriting	11
Direct premiums written (excluding deposit premiums from policyholders)	
Net premiums written	
Net claims paid	
(5) Investment	12
Yield on investments (interest income basis)	
Gains and losses on sales of securities, impairment losses on securities	
Other securities (available for sale)	
(6) Solvency margin ratio	13~14
2. Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)	
(1) Balance sheet	15~16
(2) Statement of income	17
(3) Statement of changes in shareholders' equity	18
(4) Underwriting	19
Direct premiums written (excluding deposit premiums from policyholders)	
Net premiums written	
Net claims paid	
(5) Investment	20
Yield on investments (interest income basis)	
Gains and losses on sales of securities, impairment losses on securities	
Other securities (available for sale)	
(6) Solvency margin ratio	21~22

	Page
3. E.design Insurance Co., Ltd. (non-consolidated)	
(1) Balance sheet	23
(2) Statement of income	24
(3) Statement of changes in shareholders' equity	25
4. Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)	
(1) Balance sheet	26 ~ 27
(2) Statement of income	28 ~ 29
Breakdown of ordinary profit (Core operating profit)	
(3) Statement of changes in shareholders' equity	29
(4) Insurance business	30
Number of policies and policy amount	
Annualized premiums	
(5) Dividends to policyholders (illustration)	30
(6) Investment (General account)	31 ~ 32
Yield on investments (interest income basis)	
Gains and losses on sales of securities, impairment losses on securities	
Fair value information on securities (Securities measured at fair value other than trading securities)	
Fair value information on derivative transactions	
(7) Solvency margin ratio	33 ~ 34
(8) Accumulation method and rate applied to underwriting reserves for individual insurance and annuities	33
5. Tokio Marine & Nichido Financial Life Insurance Co., Ltd. (non-consolidated)	
(1) Balance sheet	35 ~ 36
(2) Statement of income	37 ~ 38
Breakdown of ordinary profit (Core operating profit)	
(3) Statement of changes in shareholders' equity	38
(4) Insurance business	39
Number of policies and policy amount	
Annualized premiums	
(5) Separate account	40
Separate account asset balance	
Separate account policies in force	
(6) Solvency margin ratio	41 ~ 42
Glossary of terminology	43 ~ 47
Supplementary information about business results for the year ended March 31, 2011	
(1) Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)	48 ~ 51
(2) Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)	52 ~ 55
Combined business results of Tokio Marine Nichido and Nisshin Fire (non-consolidated)	56

1. Key figures of consolidated results

(1) Tokio Marine Holdings, Inc. (consolidated)

(Yen in millions)

	For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	Rate of change	
Ordinary income	3, 570, 803	3, 288, 605	-282, 197	-7.9 %	(1)
Ordinary profit	203, 413	126, 587	-76, 826	-37.8	(2)
Net income	128, 418	71, 924	-56, 493	-44.0	(3)

(2) Ordinary income (consolidated)

(Yen in millions)

	For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	Rate of change	
Insurance premiums	2, 757, 710	2, 677, 478	-80, 232	-2.9 %	(4)
Net premiums written (non-life)	2, 292, 911	2, 272, 117	-20, 794	-0.9	(5)
Tokio Marine Nichido	1, 736, 082	1, 742, 746	6, 663	0.4	(6)
Nisshin Fire	131, 876	134, 063	2, 186	1.7	(7)
Overseas subsidiaries	422, 855	391, 281	-31, 573	-7.5	(8)
Other	2, 097	4, 025	1, 928	91.9	(9)
Life insurance premiums	464, 799	405, 361	-59, 437	-12.8	(10)
Tokio Marine Nichido Life	330, 411	355, 215	24, 803	7.5	(11)
Tokio Marine Nichido Financial Life	90, 235	-1, 414	-91, 649	-101.6	(12)
Other	44, 152	51, 560	7, 408	16.8	(13)

(3) Net income (consolidated)

(Yen in millions)

	For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	Rate of change	
Net income (consolidated)	128, 418	71, 924	-56, 493	-44.0 %	(14)
Tokio Marine Nichido	94, 456	100, 713	6, 257	6.6	(15)
Nisshin Fire	4, 281	1, 520	-2, 761	-64.5	(16)
Tokio Marine Nichido Life	0	5, 223	5, 222	-	(17)
Tokio Marine Nichido Financial Life	-1, 363	-2, 500	-1, 136	-	(18)
Overseas subsidiaries	68, 901	47, 564	-21, 336	-31.0	(19)
Adjustment relating to natural disasters ※	-	-27, 961	-27, 961		(20)
Financial and other business subsidiaries	-8, 943	-930	8, 013	-	(21)
Consolidation adjustment and other	-28, 914	-51, 705	-22, 791		(22)

※ Losses from the Great East Japan Earthquake and New Zealand Earthquake recognized in the first quarter (from January 1, 2011 to March 31, 2011) of the fiscal year 2011 of "Overseas subsidiaries" are adjusted to be recognized in the fiscal year 2010 (ended March 31, 2011) in consolidated results.

2. Key figures of the domestic property and casualty insurance business

(1) Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)

(Yen in millions, %)

		For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	
Major items in ordinary profit					
Underwriting	Net premiums written	1,736,082	1,742,746	6,663	①
	Net claims paid	1,096,461	1,094,259	-2,202	②
	Loss adjustment expenses	82,004	81,747	-256	③
	Agency commissions and brokerage	304,459	300,906	-3,553	④
	Operating and general administrative expenses on underwriting	286,087	282,591	-3,495	⑤
	Provision for outstanding claims (negative numbers represent reversal)	-22,746	83,260	106,006	⑥
	Provision for underwriting reserves (negative numbers represent reversal)	-160,649	-150,569	10,080	⑦
	Underwriting profit / loss	81,792	-31,118	-112,910	⑧
Investment	Interest and dividends	108,453	137,671	29,217	⑨
	Gains and losses on sales of securities	67,881	119,652	51,770	⑩
	Impairment losses on securities	24,857	13,645	-11,211	⑪
	Gains and losses on derivatives	11,438	23,464	12,026	⑫
Ordinary profit		147,401	145,754	-1,646	⑬
Extraordinary gains		3,812	2,996	-815	⑭
Extraordinary losses		17,819	18,919	1,100	⑮
Net income		94,456	100,713	6,257	⑯
Net premiums written (Rate of change)					
	Fire and allied lines	-4.3	0.4	4.6	⑰
	Voluntary automobile	-6.6	-4.8	1.7	⑱
	Personal accident	-1.3	0.6	1.9	⑲
	Personal accident	-2.0	2.3	4.3	⑳
Loss ratio		67.9	67.5	-0.4	㉑
	Fire and allied lines	42.4	41.5	-0.9	㉒
	Voluntary automobile	69.8	71.0	1.3	㉓
	Personal accident	58.6	57.0	-1.5	㉔
Net incurred losses relating to natural disasters		22,850	104,042	81,192	㉕
	Fire and allied lines	13,744	63,762	50,017	㉖
	Voluntary automobile	4,729	2,740	-1,989	㉗
Expense ratio		34.0	33.5	-0.5	㉘
Catastrophe loss reserve		884,807	899,471	14,663	㉙
Reserve ratio of catastrophe loss reserve		58.3	59.3	0.9	㉚
Solvency margin ratio		852.6	823.8	-28.8	㉛

(2) Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)

(Yen in millions, %)

		For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	
Major items in ordinary profit					
Underwriting	Net premiums written	131,876	134,063	2,186	①
	Net claims paid	77,900	81,582	3,681	②
	Loss adjustment expenses	7,279	7,145	-133	③
	Agency commissions and brokerage	24,444	24,525	80	④
	Operating and general administrative expenses on underwriting	27,298	25,528	-1,770	⑤
	Provision for outstanding claims (negative numbers represent reversal)	1,523	5,352	3,828	⑥
	Provision for underwriting reserves (negative numbers represent reversal)	-13,456	-10,988	2,467	⑦
	Underwriting loss	-1,945	-5,868	-3,923	⑧
Investment	Interest and dividends	5,735	5,519	-216	⑨
	Gains and losses on sales of securities	6,241	6,257	15	⑩
	Impairment losses on securities	1,075	1,181	105	⑪
	Gains and losses on derivatives	108	342	234	⑫
Ordinary profit		6,423	2,517	-3,905	⑬
Extraordinary gains		1,362	564	-797	⑭
Extraordinary losses		380	946	565	⑮
Net income		4,281	1,520	-2,761	⑯
Net premiums written (Rate of change)		-3.0	1.7	4.6	⑰
	Fire and allied lines	-5.3	0.9	6.2	⑱
	Voluntary automobile	0.1	2.5	2.4	⑲
	Personal accident	-2.9	1.0	3.9	⑳
Loss ratio		64.6	66.2	1.6	㉑
	Fire and allied lines	39.7	41.9	2.2	㉒
	Voluntary automobile	66.0	67.4	1.3	㉓
	Personal accident	65.7	66.8	1.1	㉔
Net incurred losses relating to natural disasters		1,900	3,041	1,141	㉕
	Fire and allied lines	1,611	2,607	996	㉖
	Voluntary automobile	169	129	-40	㉗
Expense ratio		39.2	37.3	-1.9	㉘
Catastrophe loss reserve		51,451	52,123	672	㉙
Reserve ratio of catastrophe loss reserve		44.8	44.6	-0.1	㉚
Solvency margin ratio		747.7	742.2	-5.5	㉛

(3) E.design Insurance Co., Ltd. (non-consolidated)

(Yen in millions, %)

		For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	
Major items in ordinary profit					
Underwriting	Net premiums written	1,100	2,856	1,755	①
	Net claims paid	199	1,346	1,146	②
	Loss adjustment expenses	1,621	624	-996	③
	Agency commissions and brokerage	-	-	-	④
	Operating and general administrative expenses on underwriting	8,308	4,704	-3,603	⑤
	Provision for outstanding claims (negative numbers represent reversal)	225	238	12	⑥
	Provision for underwriting reserves (negative numbers represent reversal)	850	993	142	⑦
	Underwriting loss	-10,104	-5,050	5,053	⑧
Investment	Interest and dividends	3	4	0	⑨
	Gains and losses on sales of securities	-	-	-	⑩
	Impairment losses on securities	-	-	-	⑪
	Gains and losses on derivatives	-	-	-	⑫
Ordinary loss		-2,349	-2,243	106	⑬
Extraordinary gains		-	-	-	⑭
Extraordinary losses		0	2	2	⑮
Net loss		-2,355	-2,251	103	⑯
Net premiums written (Rate of change)		-	159.5	159.5	⑰
	Fire and allied lines	-	-	-	⑱
	Voluntary automobile	-	157.3	157.3	⑲
	Personal accident	-	-	-	⑳
Loss ratio		165.4	69.0	-96.4	㉑
	Fire and allied lines	-	-	-	㉒
	Voluntary automobile	165.4	69.6	-95.8	㉓
	Personal accident	-	-	-	㉔
Net incurred losses relating to natural disasters		1	4	3	㉕
	Fire and allied lines	-	-	-	㉖
	Voluntary automobile	1	4	3	㉗
Expense ratio		754.9	164.7	-590.2	㉘
Catastrophe loss reserve		35	126	90	㉙
Reserve ratio of catastrophe loss reserve		3.2	4.4	1.2	㉚
Solvency margin ratio		5,762.2	4,597.0	-20.2	㉛

3. Key figures of the domestic life insurance business

(1) Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)

(Yen in millions)

	For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	Rate of change	
Annualized premiums					
Policies in force	382,574	396,745	14,170	3.7 %	①
Individual insurance	306,187	326,243	20,055	6.6	②
Medical coverage and accelerated death benefits	73,036	79,418	6,382	8.7	③
Medical and cancer	55,450	62,769	7,318	13.2	④
Individual annuities	76,387	70,501	-5,885	-7.7	⑤
New policies	49,615	50,754	1,139	2.3	⑥
Individual insurance	46,009	44,721	-1,287	-2.8	⑦
Medical coverage and accelerated death benefits	9,901	11,809	1,908	19.3	⑧
Medical and cancer	9,549	10,983	1,433	15.0	⑨
Individual annuities	3,606	6,033	2,427	67.3	⑩
Net income	0	5,223	5,222	-	⑪

(2) Tokio Marine & Nichido Financial Life Insurance Co., Ltd. (non-consolidated)

(Yen in millions)

	For the year ended March 31, 2010	For the year ended March 31, 2011	Increase or decrease by comparison	Rate of change	
Annualized premiums					
Policies in force	263,072	264,757	1,684	0.6 %	⑫
Individual insurance	4,096	3,892	-203	-5.0	⑬
Medical coverage and accelerated death benefits	55	52	-3	-5.9	⑭
Medical and cancer	-	-	-	-	⑮
Individual annuities	258,976	260,865	1,888	0.7	⑯
New policies	17,329	10,739	-6,590	-38.0	⑰
Individual insurance	-	-	-	-	⑱
Medical coverage and accelerated death benefits	-	-	-	-	⑲
Medical and cancer	-	-	-	-	⑳
Individual annuities	17,329	10,739	-6,590	-38.0	㉑
Net loss	-1,363	-2,500	-1,136	-	㉒

4. Business forecast for the year ending March 31, 2012

(1) Tokio Marine Holdings, Inc. (consolidated)

(Yen in millions)

	For the year ended March 31, 2011	For the year ending March 31, 2012	Increase or decrease by comparison	Rate of change	
Ordinary income	3,288,605	3,350,000	61,394	1.9 %	①
Ordinary profit	126,587	220,000	93,412	73.8	②
Net income	71,924	145,000	73,075	101.6	③

(2) Ordinary income (consolidated)

(Yen in millions)

	For the year ended March 31, 2011	For the year ending March 31, 2012	Increase or decrease by comparison	Rate of change	
Insurance premiums	2,677,478	2,748,600	71,121	2.7 %	④
Net premiums written (non-life)	2,272,117	2,296,000	23,882	1.1	⑤
Tokio Marine Nichido	1,742,746	1,743,000	253	0.0	⑥
Nisshin Fire	134,063	136,100	2,036	1.5	⑦
Overseas subsidiaries	391,281	410,000	18,718	4.8	⑧
Other	4,025	6,900	2,874	71.4	⑨
Life insurance premiums	405,361	452,600	47,238	11.7	⑩
Tokio Marine Nichido Life	355,215	355,400	184	0.1	⑪
Tokio Marine Nichido Financial Life	-1,414	46,000	47,414	-	⑫
Other	51,560	51,200	-360	-0.7	⑬

(3) Net income (consolidated)

(Yen in millions)

	For the year ended March 31, 2011	For the year ending March 31, 2012	Increase or decrease by comparison	Rate of change	
Net income (consolidated)	71,924	145,000	73,075	101.6 %	⑭
Tokio Marine Nichido	100,713	122,000	21,286	21.1	⑮
Nisshin Fire	1,520	2,700	1,179	77.6	⑯
Tokio Marine Nichido Life	5,223	11,300	6,076	116.3	⑰
Tokio Marine Nichido Financial Life	-2,500	0	2,500	-	⑱
Overseas subsidiaries	47,564	16,438	-31,126	-65.4	⑲
Adjustment relating to natural disasters ※	-27,961	27,961	55,923	-	⑳
Financial and other business subsidiaries	-930	1,300	2,230	-	㉑
Consolidation adjustment and other	-51,705	-36,700	15,005	-	㉒

※ Losses from the Great East Japan Earthquake and New Zealand Earthquake recognized in the first quarter (from January 1, 2011 to March 31, 2011) of the fiscal year 2011 of "Overseas subsidiaries" are adjusted to be recognized in the fiscal year 2010 (ended March 31, 2011) in consolidated results.

(4) Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)

(Yen in millions)

	For the year ended March 31, 2011	For the year ending March 31, 2012	Increase or decrease by comparison	Rate of change	
Interim					
Net premiums written	874,028	869,000	-5,028	-0.6 %	㉓
Ordinary profit	133,683	135,000	1,316	1.0	㉔
Net income	93,508	95,000	1,491	1.6	㉕
Full year					
Net premiums written	1,742,746	1,743,000	253	0.0	㉖
Ordinary profit	145,754	173,000	27,245	18.7	㉗
Net income	100,713	122,000	21,286	21.1	㉘

5. Dividends forecast (Tokio Marine Holdings, Inc.)

(Yen)

	For the year ended March 31, 2011	For the year ending March 31, 2012
Annual dividends per share	50.00	50.00
Interims	25.00	25.00
Fiscal year end	25.00	25.00

Financial statements

1. Tokio Marine & Nichido Fire Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
Cash and bank deposits	140,772	1.45	75,368	0.87	-65,403
Cash	203		166		-37
Bank deposits	140,568		75,202		-65,365
Call loans	86,400	0.89	183,300	2.11	96,900
Receivables under resale agreements	150,969	1.56	121,967	1.41	-29,002
Monetary receivables bought	1,138,105	11.72	807,107	9.31	-330,997
Money trusts	11,778	0.12	14,056	0.16	2,278
Securities	6,784,410	69.88	6,071,496	70.03	-712,913
Domestic government bonds	1,820,290		1,786,565		-33,725
Domestic municipal bonds	170,832		147,273		-23,558
Domestic corporate bonds	639,301		538,007		-101,293
Domestic stocks	2,736,832		2,203,523		-533,309
Foreign securities	1,347,394		1,339,275		-8,119
Other (domestic)	69,758		56,851		-12,906
Loans	459,465	4.73	399,491	4.61	-59,973
Policy loans	18,926		18,445		-481
Ordinary loans	440,539		381,046		-59,492
Tangible fixed assets	256,754	2.64	248,786	2.87	-7,967
Land	117,911		112,175		-5,736
Buildings	116,862		113,108		-3,753
Construction in progress	4,444		6,566		2,121
Other tangible fixed assets	17,535		16,935		-599
Intangible fixed assets	631	0.01	547	0.01	-83
Other assets	692,320	7.13	693,410	8.00	1,089
Accrued premiums	3,128		3,500		371
Agency accounts receivable	150,901		152,542		1,640
Foreign agency accounts receivable	25,092		20,944		-4,147
Coinsurance accounts receivable	18,364		17,711		-652
Reinsurance accounts receivable	73,980		77,916		3,936
Foreign reinsurance accounts receivable	29,612		27,109		-2,502
Proxy service receivable	6		10		4
Accounts receivable	30,486		30,676		190
Accrued income	10,812		10,334		-477
Deposits	14,125		13,857		-268
Deposits for earthquake insurance	141,028		148,904		7,875
Suspense payment	63,223		56,295		-6,928
Initial margins for future transactions	7,503		5,953		-1,549
Variation margins for future transactions	159		11		-148
Derivative assets	122,753		126,499		3,746
Other assets	1,140		1,140		-
Deferred tax assets	-	-	65,611	0.76	65,611
Customers' liabilities under acceptances and guarantees	3,178	0.03	3,164	0.04	-14
Valuation allowance for bad debts	-16,739	-0.17	-14,301	-0.16	2,438
Total assets	9,708,046	100.00	8,670,008	100.00	-1,038,037

Tokio Marine Nichido
(non-consolidated)

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Liabilities)		%		%	
Insurance liabilities	5,657,118	58.27	5,589,810	64.47	-67,308
Outstanding claims	819,359		902,620		83,260
Underwriting reserves	4,837,759		4,687,189		-150,569
Corporate bonds	30,000	0.31	10,000	0.12	-20,000
Other liabilities	1,809,183	18.64	1,154,355	13.31	-654,827
Coinsurance accounts payable	17,093		17,626		533
Reinsurance accounts payable	52,287		51,171		-1,116
Foreign reinsurance accounts payable	56,489		52,360		-4,128
Payables under security lending transactions	1,087,058		646,436		-440,622
Borrowings	195,039		88,517		-106,522
Accrued income taxes	33,874		14,295		-19,579
Deposits received	29,756		29,799		43
Unearned revenue	162		74		-88
Accounts payable	163,937		77,094		-86,843
Suspense receipt	61,259		62,855		1,595
Variation margins for future transactions	9		157		148
Derivative liabilities	107,526		106,713		-813
Lease obligations	4,683		3,763		-919
Asset retirement obligations	-		3,484		3,484
Other liabilities	4		4		-
Retirement benefit obligations	156,815	1.62	161,892	1.87	5,077
Provision for employees' bonus	16,843	0.17	13,092	0.15	-3,751
Provision for demolition of fixed assets	1,603	0.02	-	-	-1,603
Reserve under the special law	57,672	0.59	61,470	0.71	3,797
Price fluctuation reserve	57,672		61,470		3,797
Deferred tax liabilities	59,490	0.61	-	-	-59,490
Acceptances and guarantees	3,178	0.03	3,164	0.04	-14
Total liabilities	7,791,907	80.26	6,993,785	80.67	-798,121
(Net assets)					
Share capital	101,994	1.05	101,994	1.18	-
Capital surplus	123,521	1.27	123,521	1.42	-
Additional paid-in capital	123,521		123,521		-
Retained earnings	572,735	5.90	556,531	6.42	-16,203
Surplus reserve	81,099		81,099		-
Other retained earnings	491,635		475,432		-16,203
Advanced depreciation reserve for fixed assets	18,431		17,457		-974
Special reserve	235,426		235,426		-
Retained earnings carried forward	237,778		222,548		-15,229
Total shareholders' equity	798,251	8.22	782,047	9.02	-16,203
Unrealized gains on securities, net of taxes	1,101,486	11.35	874,915	10.09	-226,571
Deferred gains/losses on hedge transactions	16,401	0.17	19,260	0.22	2,859
Total valuation and translation adjustments	1,117,888	11.52	894,175	10.31	-223,712
Total net assets	1,916,139	19.74	1,676,223	19.33	-239,916
Total liabilities and net assets	9,708,046	100.00	8,670,008	100.00	-1,038,037

Tokio Marine Nichido
(non-consolidated)

(2) Statement of income

(Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase or decrease by comparison
	Amount	Amount	
Ordinary income	2,257,690	2,317,917	60,226
Underwriting income	2,113,776	2,074,105	-39,670
Net premiums written	1,736,082	1,742,746	6,663
Deposit premiums from policyholders	130,431	118,199	-12,232
Investment income on deposit premiums	63,757	62,419	-1,338
Reversal of outstanding claims	22,746	-	-22,746
Reversal of underwriting reserves	160,649	150,569	-10,080
Other underwriting income	108	171	63
Investment income	136,295	236,110	99,814
Interest and dividends	108,453	137,671	29,217
Gains on money trusts	1,219	46	-1,173
Gains on sales of securities	72,273	126,787	54,513
Gains on redemption of securities	1,494	626	-868
Gains on derivatives	11,438	23,464	12,026
Foreign exchange gains	2,013	-	-2,013
Other investment income	3,159	9,932	6,773
Transfer of investment income on deposit premiums	-63,757	-62,419	1,338
Other ordinary income	7,619	7,701	82
Ordinary expenses	2,110,289	2,172,162	61,873
Underwriting expenses	1,746,245	1,821,735	75,490
Net claims paid	1,096,461	1,094,259	-2,202
Loss adjustment expenses	82,004	81,747	-256
Agency commissions and brokerage	304,459	300,906	-3,553
Maturity refunds to policyholders	259,581	257,580	-2,000
Dividends to policyholders	594	505	-88
Provision for outstanding claims	-	83,260	83,260
Foreign exchange losses	2,625	2,949	324
Other underwriting expenses	518	525	6
Investment expenses	35,874	32,354	-3,519
Losses on money trusts	-	75	75
Losses on trading securities	134	-	-134
Losses on sales of securities	4,391	7,134	2,742
Impairment losses on securities	24,857	13,645	-11,211
Losses on redemption of securities	5,223	4,432	-791
Foreign exchange losses	-	1,256	1,256
Other investment expenses	1,267	5,810	4,542
Operating and general administrative expenses	316,108	313,021	-3,086
Other ordinary expenses	12,061	5,050	-7,010
Interest paid	4,630	2,992	-1,638
Increase in valuation allowance for bad debts	5,559	914	-4,644
Losses on bad debts	24	8	-16
Other ordinary expenses	1,846	1,135	-711
Ordinary profit	147,401	145,754	-1,646
Extraordinary gains	3,812	2,996	-815
Gains on disposal of fixed assets	2,930	2,366	-563
Reversal of provision for fixed assets demolition	498	630	131
Other extraordinary gains	383	-	-383
Extraordinary losses	17,819	18,919	1,100
Losses on disposal of fixed assets	2,622	3,928	1,305
Impairment losses on fixed assets	8,862	4,436	-4,425
Provision under the special law	4,210	3,797	-412
Provision for price fluctuation	(4,210)	(3,797)	(-412)
Impairment losses in debt securities issued by subsidiaries	-	3,663	3,663
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	2,737	2,737
Impairment losses on investment in subsidiaries	2,120	355	-1,765
Losses on sales of investment in subsidiaries	3	-	-3
Income before income taxes	133,393	129,831	-3,562
Income taxes - current	38,837	34,041	-4,796
Income taxes for prior period	8,947	-	-8,947
Income taxes - deferred	-8,847	-4,923	3,924
Total income taxes	38,937	29,117	-9,819
Net income	94,456	100,713	6,257

(3) Statement of changes in shareholders' equity

For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Yen in millions)

	Shareholders' equity							Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus	Retained earnings				Total shareholders' equity	Unrealized gains on securities, net of taxes	Deferred gains / losses on hedge transactions	
		Additional paid-in capital	Surplus reserve	Other retained earnings						
				Advanced depreciation reserve for fixed assets	Special reserve	Retained earnings carried forward				
Balance as of March 31, 2010	101,994	123,521	81,099	18,431	235,426	237,778	798,251	1,101,486	16,401	1,916,139
Changes during the year ended March 31, 2011										
Provision for advanced depreciation reserve for fixed assets				697		-697	-			-
Reversal of advanced depreciation reserve for fixed assets				-1,671		1,671	-			-
Dividends						-116,917	-116,917			-116,917
Net income						100,713	100,713			100,713
Net changes in items other than shareholders' equity								-226,571	2,859	-223,712
Total changes during the year ended March 31, 2011	-	-	-	-974	-	-15,229	-16,203	-226,571	2,859	-239,916
Balance as of March 31, 2011	101,994	123,521	81,099	17,457	235,426	222,548	782,047	874,915	19,260	1,676,223

(4) Underwriting

Direct premiums written (excluding deposit premiums from policyholders)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)
Fire and allied lines	290,988	15.7	-2.7	277,126	15.0	-4.8
Hull and cargo	63,569	3.4	-20.9	67,863	3.7	6.8
Personal accident	148,627	8.0	-0.9	151,738	8.2	2.1
Voluntary automobile	852,010	46.1	-1.3	855,744	46.2	0.4
Compulsory automobile liability	199,670	10.8	-7.5	201,953	10.9	1.1
Other	295,214	16.0	10.8	297,035	16.0	0.6
Total	1,850,080	100.0	-1.3	1,851,461	100.0	0.1
(Deposit premiums)	(130,431)	(-)	(-16.9)	(118,199)	(-)	(-9.4)

Net premiums written

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)
Fire and allied lines	230,224	13.3	-6.6	219,104	12.6	-4.8
Hull and cargo	55,426	3.2	-22.1	59,633	3.4	7.6
Personal accident	145,017	8.4	-2.0	148,376	8.5	2.3
Voluntary automobile	845,610	48.7	-1.3	850,820	48.8	0.6
Compulsory automobile liability	212,377	12.2	-12.0	218,469	12.5	2.9
Other	247,425	14.3	-0.9	246,341	14.1	-0.4
Total	1,736,082	100.0	-4.3	1,742,746	100.0	0.4

Net claims paid

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount (Yen in millions)	Rate of change (%)	Loss ratio (%)	Amount (Yen in millions)	Rate of change (%)	Loss ratio (%)
Fire and allied lines	92,698	-15.1	42.4	86,554	-6.6	41.5
Hull and cargo	34,702	-22.7	66.1	31,337	-9.7	55.7
Personal accident	80,016	-3.6	58.6	79,787	-0.3	57.0
Voluntary automobile	542,258	0.2	69.8	556,093	2.6	71.0
Compulsory automobile liability	218,936	-2.5	110.5	219,566	0.3	107.5
Other	127,849	-10.0	54.4	120,920	-5.4	52.0
Total	1,096,461	-4.2	67.9	1,094,259	-0.2	67.5

(5) Investment

Yield on investments (interest income basis)

(Yen in millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Interest and dividends	Average balance	Annual yield	Interest and dividends	Average balance	Annual yield
Bank deposits	181	45,231	0.40	403	61,433	0.66
Call loans	119	87,833	0.14	82	78,137	0.11
Receivables under resale agreements	184	140,024	0.13	152	124,533	0.12
Receivables under security borrowing transactions	21	16,171	0.13	11	9,482	0.12
Monetary receivables bought	4,179	801,612	0.52	2,914	1,057,685	0.28
Money trusts	56	8,871	0.64	129	13,621	0.95
Securities	80,939	5,094,840	1.59	113,044	4,750,835	2.38
Domestic bonds	37,068	2,557,179	1.45	36,875	2,413,617	1.53
Domestic stocks	43,075	1,113,637	3.87	45,503	940,648	4.84
Foreign securities	2,058	1,356,273	0.15	30,797	1,329,997	2.32
Other (domestic)	-1,263	67,750	-1.86	-131	66,572	-0.20
Loans	9,360	496,472	1.89	8,034	444,081	1.81
Land and buildings	11,013	241,110	4.57	10,426	233,756	4.46
Total	106,056	6,932,168	1.53	135,199	6,773,567	2.00

(Reference)

(Yen in millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Net investment income	Average balance	Annual yield	Net investment income	Average balance	Annual yield
Investment yield (accrual basis)	164,178	6,932,168	2.37	266,174	6,773,567	3.93
Investment yield (fair value basis)	797,998	8,015,123	9.96	-77,715	8,492,468	-0.92

Gains and losses on sales of securities, impairment losses on securities (Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
	Gains and losses on sales	Impairment losses on securities	Gains and losses on sales	Impairment losses on securities
Domestic bonds	1,536	-	2,059	-
Domestic stocks	60,212	21,597	116,438	10,799
Foreign securities	4,097	3,259	1,250	2,228
Other (domestic)	2,035	0	-96	616
Total	67,881	24,857	119,652	13,645

Other securities (available for sale)

(Yen in millions)

	As of March 31, 2010			As of March 31, 2011		
	Cost	Fair value shown on balance sheet	Difference	Cost	Fair value shown on balance sheet	Difference
Domestic bonds	2,474,134	2,509,835	35,701	2,301,686	2,351,386	49,699
Domestic stocks	873,808	2,535,459	1,661,650	791,724	2,102,594	1,310,870
Foreign securities	446,298	467,819	21,520	436,734	454,233	17,499
Other (domestic)	1,228,565	1,226,036	-2,528	843,765	849,185	5,419
Total	5,022,807	6,739,151	1,716,344	4,373,911	5,757,399	1,383,488

(Note) The table above shows "Other securities (available for sale)" measured at fair value, which includes monetary receivables bought on balance sheet.

(6) Solvency margin ratio

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	3,867,559	3,529,689
Total net assets	748,242	762,040
Price fluctuation reserve	57,672	61,470
Contingency reserve	—	—
Catastrophe loss reserve	1,041,450	1,045,992
General valuation allowance for bad debts	2,905	2,687
Net unrealized gains/losses on securities (Prior to tax effect deductions)	1,546,253	1,232,724
Net unrealized gains/losses on land	224,773	170,151
Excess amount of policyholders' contract deposits	—	—
Subordinated debt, etc.	—	—
Deductions	10,000	10,000
Other	256,262	264,621
(B) Total amount of risks	907,228	856,895
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R ₁)	103,729	101,451
Third sector insurance risk (R ₂)	—	—
Assumed interest risk (R ₃)	8,556	8,290
Asset management risk (R ₄)	468,713	408,970
Business administration risk (R ₅)	19,604	18,552
Catastrophe risk (R ₆)	399,212	408,926
(C) Solvency margin ratio	852.6%	823.8%
$[(A) / \{(B) \times 1/2\}] \times 100$		

【Pro-forma Solvency ratio】 by the new formula to be applied in the next fiscal year

(Yen in millions)

	As of March 31, 2011
(A) Total amount of solvency margin	3,529,689
Total net assets	762,040
Price fluctuation reserve	61,470
Contingency reserve	-
Catastrophe loss reserve	1,045,992
General valuation allowance for bad debts	2,687
Net unrealized gains/losses on securities (Prior to tax effect deductions)	1,232,724
Net unrealized gains/losses on land	170,151
Excess amount of policyholders' contract deposits	-
Subordinated debt, etc.	-
Deductions	10,000
Other	264,621
(B) Total amount of risks	1,169,807
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	
General insurance risk (R ₁)	151,493
Third sector insurance risk (R ₂)	-
Assumed interest risk (R ₃)	29,781
Asset management risk (R ₄)	718,400
Business administration risk (R ₅)	25,610
Catastrophe risk (R ₆)	380,831
(C) Solvency margin ratio	603.4%
$[(A) / \{(B) \times 1/2\}] \times 100$	

(Note) The laws regarding the computation of Solvency ratio is amended and the formula for "Total amount of solvency margin" and "Total amount of risks" is partially changed to rigorous risk measurement. The change will be applied in the next fiscal year. The figures above provide the pro-forma information as if the change was applied in this fiscal year.

2. Nisshin Fire & Marine Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
Cash and bank deposits	25,326	5.76	35,273	8.23	9,946
Cash	46		33		-12
Bank deposits	25,280		35,239		9,959
Securities	285,515	64.97	279,920	65.32	-5,594
Domestic government bonds	87,545		100,195		12,649
Domestic municipal bonds	3,153		6,165		3,011
Domestic corporate bonds	105,279		98,919		-6,360
Domestic stocks	47,318		38,425		-8,892
Foreign securities	36,866		31,442		-5,424
Other (domestic)	5,351		4,772		-578
Loans	20,471	4.66	10,737	2.51	-9,734
Policy loans	632		591		-41
Ordinary loans	19,839		10,146		-9,693
Tangible fixed assets	34,674	7.89	33,805	7.89	-869
Land	20,266		20,234		-31
Buildings	12,982		12,421		-561
Lease assets	54		44		-10
Other tangible fixed assets	1,371		1,105		-266
Intangible fixed assets	95	0.02	94	0.02	-1
Other assets	45,413	10.33	37,967	8.86	-7,446
Accrued premiums	19		7		-11
Agency accounts receivable	6,652		6,351		-301
Coinsurance accounts receivable	413		344		-69
Reinsurance accounts receivable	6,302		6,305		2
Foreign reinsurance accounts receivable	672		534		-138
Accounts receivable	10,049		2,326		-7,723
Accrued income	793		659		-133
Deposits	1,078		1,137		59
Deposits for earthquake insurance	11,210		11,842		632
Suspense payment	4,067		4,444		376
Derivative assets	-		47		47
Other assets	4,152		3,965		-187
Deferred tax assets	30,702	6.99	32,358	7.55	1,655
Valuation allowance for bad debts	-2,718	-0.62	-1,647	-0.38	1,071
Total assets	439,481	100.00	428,509	100.00	-10,971

Nisshin Fire
(non-consolidated)

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Liabilities)		%		%	
Insurance liabilities	352,504	80.21	346,869	80.95	-5,635
Outstanding claims	46,448		51,801		5,352
Underwriting reserves	306,056		295,067		-10,988
Other liabilities	12,834	2.92	13,175	3.07	341
Coinsurance accounts payable	449		439		-10
Reinsurance accounts payable	4,190		4,204		13
Foreign reinsurance accounts payable	585		266		-318
Accrued income taxes	355		388		33
Deposits received	410		306		-103
Unearned revenue	17		7		-10
Accounts payable	2,067		2,072		4
Suspense receipt	4,633		5,250		617
Derivative liabilities	64		150		86
Lease obligations	58		46		-11
Asset retirement obligations	-		40		40
Other liabilities	2		2		-
Retirement benefit obligations	792	0.18	904	0.21	112
Provision for employees' bonus	454	0.10	482	0.11	27
Reserve under the special law	506	0.12	731	0.17	225
Price fluctuation reserve	506		731		225
Total liabilities	367,093	83.53	362,163	84.52	-4,929
(Net assets)					
Share capital	20,389	4.64	20,389	4.76	-
Capital surplus	15,518	3.53	15,518	3.62	-
Additional paid-in capital	12,620		12,620		-
Other capital surplus	2,898		2,898		-
Retained earnings	25,672	5.84	23,573	5.50	-2,099
Surplus reserve	7,008		7,732		723
Other retained earnings	18,664		15,841		-2,823
Special reserve	10,840		10,840		-
Advanced depreciation reserve for fixed assets	1,703		1,690		-12
Retained earnings carried forward	6,120		3,310		-2,810
Total shareholders' equity	61,580	14.01	59,481	13.88	-2,099
Unrealized gains on securities, net of taxes	10,840	2.47	6,865	1.60	-3,975
Deferred gains/losses on hedge transactions	-32	-0.01	-	-	32
Total valuation and translation adjustments	10,807	2.46	6,865	1.60	-3,942
Total net assets	72,388	16.47	66,346	15.48	-6,041
Total liabilities and net assets	439,481	100.00	428,509	100.00	-10,971

Nisshin Fire
(non-consolidated)

(2) Statement of income

(Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase or decrease by comparison
	Amount	Amount	
Ordinary income	167,119	165,491	-1,627
Underwriting income	156,051	154,764	-1,286
Net premiums written	131,876	134,063	2,186
Deposit premiums from policyholders	7,954	7,102	-852
Investment income on deposit premiums	2,744	2,577	-166
Reversal of underwriting reserves	13,456	10,988	-2,467
Other underwriting income	18	32	13
Investment income	10,956	10,155	-801
Interest and dividends	5,735	5,519	-216
Gains on sales of securities	6,705	6,384	-320
Gains on redemption of securities	1,151	480	-671
Gains on derivatives	108	342	234
Other investment income	0	6	5
Transfer of investment income on deposit premiums	-2,744	-2,577	166
Other ordinary income	111	572	461
Ordinary expenses	160,695	162,973	2,278
Underwriting expenses	130,426	135,090	4,664
Net claims paid	77,900	81,582	3,681
Loss adjustment expenses	7,279	7,145	-133
Agency commissions and brokerage	24,444	24,525	80
Maturity refunds to policyholders	19,147	16,348	-2,798
Dividends to policyholders	5	3	-1
Provision for outstanding claims	1,523	5,352	3,828
Foreign exchange losses	14	29	14
Other underwriting expenses	110	103	-6
Investment expenses	2,089	1,652	-437
Losses on sales of securities	463	126	-336
Impairment losses on securities	1,075	1,181	105
Losses on redemption of securities	387	189	-197
Foreign exchange losses	64	91	27
Other investment expenses	98	63	-35
Operating and general administrative expenses	27,890	26,131	-1,758
Other ordinary expenses	288	98	-189
Increase in valuation allowance for bad debts	123	-	-123
Losses on bad debts	0	0	0
Other ordinary expenses	164	98	-66
Ordinary profit	6,423	2,517	-3,905
Extraordinary gains	1,362	564	-797
Gains on disposal of fixed assets	1,362	537	-824
Other extraordinary gains	-	27	27
Extraordinary losses	380	946	565
Losses on disposal of fixed assets	147	157	10
Provision under the special law	233	225	-8
Provision for price fluctuation	(233)	(225)	(-8)
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	48	48
Other extraordinary losses	-	514	514
Income before income taxes	7,404	2,136	-5,268
Income taxes - current	122	120	-1
Income taxes - deferred	3,001	495	-2,505
Total income taxes	3,123	616	-2,507
Net income	4,281	1,520	-2,761

Nisshin Fire
(non-consolidated)

(3) Statement of changes in shareholders' equity

For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Yen in millions)

	Shareholders' equity								Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus		Retained earnings				Total shareholders' equity	Unrealized gains on securities, net of taxes	Deferred gains/losses on hedge transactions	
		Additional paid-in capital	Other capital surplus	Surplus reserve	Other retained earnings						
					Special reserve	Advanced depreciation reserve for fixed assets	Retained earnings carried forward				
Balance as of March 31, 2010	20,389	12,620	2,898	7,008	10,840	1,703	6,120	61,580	10,840	-32	72,388
Changes during the year ended March 31, 2011											
Reversal of advanced depreciation reserve for fixed assets						-12	12	-			-
Dividends				723			-4,343	-3,619			-3,619
Net income							1,520	1,520			1,520
Net changes in items other than shareholders' equity									-3,975	32	-3,942
Total changes during the year ended March 31, 2011	-	-	-	723	-	-12	-2,810	-2,099	-3,975	32	-6,041
Balance as of March 31, 2011	20,389	12,620	2,898	7,732	10,840	1,690	3,310	59,481	6,865	-	66,346

(4) Underwriting

Direct premiums written (excluding deposit premiums from policyholders)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)
Fire and allied lines	26,444	19.2	-1.9	26,841	19.2	1.5
Hull and cargo	2	0.0	-99.6	-11	-0.0	-672.3
Personal accident	9,613	7.0	-3.0	9,714	6.9	1.0
Voluntary automobile	74,477	54.0	0.1	76,363	54.6	2.5
Compulsory automobile liability	18,069	13.1	-4.5	18,153	13.0	0.5
Other	9,234	6.7	-5.9	8,871	6.3	-3.9
Total	137,841	100.0	-1.9	139,931	100.0	1.5
(Deposit premiums)	(7,954)	(-)	(-14.2)	(7,102)	(-)	(-10.7)

Net premiums written

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)	Amount (Yen in millions)	Composition ratio (%)	Rate of change (%)
Fire and allied lines	23,154	17.6	-5.3	23,358	17.4	0.9
Hull and cargo	140	0.1	-79.7	66	0.0	-52.8
Personal accident	9,509	7.2	-2.9	9,607	7.2	1.0
Voluntary automobile	74,043	56.1	0.1	75,931	56.6	2.5
Compulsory automobile liability	16,377	12.4	-7.5	16,731	12.5	2.2
Other	8,650	6.6	-7.1	8,368	6.2	-3.3
Total	131,876	100.0	-3.0	134,063	100.0	1.7

Net claims paid

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount (Yen in millions)	Rate of change (%)	Loss ratio (%)	Amount (Yen in millions)	Rate of change (%)	Loss ratio (%)
Fire and allied lines	8,647	9.1	39.7	9,232	6.8	41.9
Hull and cargo	130	-61.2	96.1	99	-24.0	163.5
Personal accident	5,726	-0.4	65.7	5,867	2.5	66.8
Voluntary automobile	44,463	0.7	66.0	46,935	5.6	67.4
Compulsory automobile liability	14,518	-2.4	96.7	14,777	1.8	96.3
Other	4,413	-9.2	56.4	4,669	5.8	61.5
Total	77,900	0.0	64.6	81,582	4.7	66.2

(5) Investment

Yield on investments (interest income basis)

(Yen in millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Interest and dividends	Average balance	Annual yield	Interest and dividends	Average balance	Annual yield
Bank deposits	19	23,430	0.08	7	23,542	0.03
Call loans	—	—	—	—	—	—
Monetary receivables bought	3	846	0.40	—	—	—
Securities	4,811	276,276	1.74	4,798	279,149	1.72
Domestic bonds	2,922	179,673	1.63	3,208	206,813	1.55
Domestic stocks	918	41,180	2.23	822	31,310	2.63
Foreign securities	944	47,209	2.00	753	35,747	2.11
Other (domestic)	26	8,212	0.32	13	5,278	0.26
Loans	458	24,723	1.85	298	16,474	1.81
Land and buildings	310	33,938	0.91	279	33,260	0.84
Total	5,602	359,215	1.56	5,382	352,427	1.53

(Reference)

(Yen in millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Net investment income	Average balance	Annual yield	Net investment income	Average balance	Annual yield
Investment yield (accrual basis)	11,611	359,215	3.23	11,080	352,427	3.14
Investment yield (fair value basis)	20,257	366,508	5.53	4,985	368,339	1.35

Gains and losses on sales of securities, impairment losses on securities

(Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
	Gains and losses on sales	Impairment losses on securities	Gains and losses on sales	Impairment losses on securities
Domestic bonds	432	415	4,144	9
Domestic stocks	5,151	300	2,039	1,034
Foreign securities	355	359	49	137
Other (domestic)	301	—	23	—
Total	6,241	1,075	6,257	1,181

Other securities (available for sale)

(Yen in millions)

	As of March 31, 2010			As of March 31, 2011		
	Cost	Fair value shown on balance sheet	Difference	Cost	Fair value shown on balance sheet	Difference
Domestic bonds	192,761	195,979	3,218	204,123	205,204	1,081
Domestic stocks	30,561	43,813	13,252	25,006	35,027	10,021
Foreign securities	36,620	36,125	-494	31,871	30,768	-1,103
Other (domestic)	5,941	6,045	103	5,284	5,271	-13
Total	265,885	281,964	16,079	266,285	276,271	9,985

(Note) The table above shows "Other securities (available for sale)" measured at fair value, which includes bank deposits on balance sheet.

(6) Solvency margin ratio

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	144,330	139,809
Total net assets	57,961	59,481
Price fluctuation reserve	506	731
Contingency reserve	—	—
Catastrophe loss reserve	63,925	63,779
General valuation allowance for bad debts	365	161
Net unrealized gains/losses on securities (Prior to tax effect deductions)	14,320	8,789
Net unrealized gains/losses on land	—969	—2,193
Excess amount of policyholders' contract deposits	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Other	8,220	9,058
(B) Total amount of risks	38,601	37,672
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R ₁)	7,585	7,768
Third sector insurance risk (R ₂)	—	—
Assumed interest risk (R ₃)	423	402
Asset management risk (R ₄)	8,809	7,945
Business administration risk (R ₅)	852	831
Catastrophe risk (R ₆)	25,799	25,437
(C) Solvency margin ratio	747.7%	742.2%
$[(A) / \{(B) \times 1/2\}] \times 100$		

【Pro-forma Solvency ratio】 by the new formula to be applied in the next fiscal year

(Yen in millions)

	As of March 31, 2011
(A) Total amount of solvency margin	139,809
Total net assets	59,481
Price fluctuation reserve	731
Contingency reserve	-
Catastrophe loss reserve	63,779
General valuation allowance for bad debts	161
Net unrealized gains/losses on securities (Prior to tax effect deductions)	8,789
Net unrealized gains/losses on land	-2,193
Excess amount of policyholders' contract deposits	-
Subordinated debt, etc.	-
Deductions	-
Other	9,058
(B) Total amount of risks	44,160
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	
General insurance risk (R ₁)	11,530
Third sector insurance risk (R ₂)	-
Assumed interest risk (R ₃)	1,486
Asset management risk (R ₄)	11,960
Business administration risk (R ₅)	1,008
Catastrophe risk (R ₆)	25,437
(C) Solvency margin ratio	633.1%
$[(A) / \{(B) \times 1/2\}] \times 100$	

(Note) The laws regarding the computation of Solvency ratio is amended and the formula for "Total amount of solvency margin" and "Total amount of risks" is partially changed to rigorous risk measurement. The change will be applied in the next fiscal year. The figures above provide the pro-forma information as if the change was applied in this fiscal year.

3. E.design Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
Cash and bank deposits	3,607	30.27	7,484	40.09	3,876
Bank deposits	3,607		7,484		3,876
Tangible fixed assets	65	0.55	54	0.29	-11
Buildings	29		30		1
Other tangible fixed assets	36		23		-12
Intangible fixed assets	0	0.00	0	0.00	-
Other intangible fixed assets	0		0		-
Other assets	8,242	69.17	11,128	59.61	2,886
Accrued premiums	227		379		151
Accounts receivable	-		1		1
Accrued income	0		0		-0
Deposits	58		58		-
Suspense payment	202		133		-69
Deferred assets under Article 113 of the Insurance Business Law	7,752		10,555		2,803
Total assets	11,915	100.00	18,667	100.00	6,751
(Liabilities)					
Insurance liabilities	1,076	9.03	2,307	12.36	1,231
Outstanding claims	225		464		238
Underwriting reserves	850		1,843		993
Other liabilities	845	7.09	992	5.32	147
Accrued income taxes	6		10		4
Deposits received	0		0		0
Accounts payable	705		626		-79
Suspense receipt	108		326		217
Lease obligations	24		17		-7
Asset retirement obligations	-		11		11
Retirement benefit obligations	1	0.01	9	0.05	8
Provision for employees' bonus	53	0.45	61	0.33	7
Total liabilities	1,976	16.59	3,372	18.07	1,396
(Net assets)					
Share capital	6,750	56.65	10,553	56.54	3,803
Capital surplus	6,750	56.65	10,553	56.54	3,803
Additional paid-in capital	6,750		10,553		3,803
Retained earnings	-3,561	-29.89	-5,812	-31.14	-2,251
Other retained earnings	-3,561		-5,812		-2,251
Retained earnings carried forward	-3,561		-5,812		-2,251
Total shareholders' equity	9,938	83.41	15,294	81.93	5,355
Total net assets	9,938	83.41	15,294	81.93	5,355
Total liabilities and net assets	11,915	100.00	18,667	100.00	6,751

(2) Statement of income

(Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase or decrease by comparison
	Amount	Amount	
Ordinary income	1,104	2,860	1,756
Underwriting income	1,100	2,856	1,755
Net premiums written	1,100	2,856	1,755
Investment income on deposit premiums	—	0	0
Investment income	3	3	0
Interest and dividends	3	4	0
Transfer of investment income on deposit premiums	—	-0	-0
Other ordinary income	0	0	0
Ordinary expenses	3,453	5,104	1,650
Underwriting expenses	2,896	3,202	305
Net claims paid	199	1,346	1,146
Loss adjustment expenses	1,621	624	-996
Provision for outstanding claims	225	238	12
Provision for underwriting reserves	850	993	142
Operating and general administrative expenses	8,308	4,704	-3,603
Other ordinary expenses	535	1,062	526
Interest paid	1	0	-0
Amortization of deferred assets under Article 113 of the Insurance Business Law	534	1,061	526
Other ordinary expenses	0	0	-0
Deferred expenses under Article 113 of the Insurance Business Law	-8,286	-3,865	4,421
Ordinary loss	-2,349	-2,243	106
Extraordinary losses	0	2	2
Losses on disposal of fixed assets	0	—	-0
Losses on adjustment for changes of accounting standard for asset retirement obligations	—	2	2
Income before income taxes	-2,349	-2,245	103
Income taxes - current	5	5	—
Total income taxes	5	5	—
Net loss	-2,355	-2,251	103

(3) Statement of changes in shareholders' equity

For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Yen in millions)

	Shareholders' equity				Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	
		Additional paid-in capital	Other retained earnings		
			Retained earnings carried forward		
Balance as of March 31, 2010	6,750	6,750	-3,561	9,938	9,938
Changes during the year ended March 31, 2011					
Issuance of new shares	3,803	3,803		7,607	7,607
Net loss			-2,251	-2,251	-2,251
Total changes during the year ended March 31, 2011	3,803	3,803	-2,251	5,355	5,355
Balance as of March 31, 2011	10,553	10,553	-5,812	15,294	15,294

4. Tokio Marine & Nichido Life Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
Cash and bank deposits	38,833	1.17	49,706	1.33	10,872
Cash	12		0		-12
Bank deposits	38,820		49,705		10,885
Call loans	8,911	0.27	12,341	0.33	3,430
Receivables under security borrowing transactions	22,578	0.68	30,725	0.82	8,146
Monetary receivables bought	63,988	1.94	166,955	4.48	102,966
Securities	3,039,132	91.94	3,323,246	89.15	284,114
Domestic government bonds	2,793,801		2,902,649		108,847
Domestic municipal bonds	-		30,606		30,606
Domestic corporate bonds	10,478		237,578		227,100
Domestic stocks	376		405		28
Foreign securities	234,475		152,006		-82,469
Loans	53,750	1.63	58,551	1.57	4,800
Policy loans	53,750		58,551		4,800
Tangible fixed assets	685	0.02	956	0.03	271
Buildings	342		319		-23
Other tangible fixed assets	342		636		294
Intangible fixed assets	27	0.00	27	0.00	-
Agency accounts receivable	480	0.01	482	0.01	2
Reinsurance accounts receivable	891	0.03	1,583	0.04	692
Other assets	34,598	1.05	36,378	0.98	1,779
Accounts receivable	24,500		25,784		1,283
Prepaid expenses	125		129		3
Accrued income	8,133		8,808		674
Deposits	1,183		962		-221
Derivative assets	217		419		201
Suspense payment	437		274		-162
Deferred tax assets	42,448	1.28	47,688	1.28	5,239
Valuation allowance for bad debts	-641	-0.02	-772	-0.02	-131
Total assets	3,305,685	100.00	3,727,869	100.00	422,184

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Liabilities)		%		%	
Insurance liabilities	2,689,890	81.37	2,870,125	76.99	180,235
Outstanding claims	14,176		15,925		1,749
Underwriting reserves	2,606,578		2,778,004		171,426
Reserve for dividends to policyholders	69,135		76,195		7,059
Agency accounts payable	4,432	0.13	3,966	0.11	-466
Reinsurance accounts payable	3,077	0.09	3,006	0.08	-71
Other liabilities	514,435	15.56	750,502	20.13	236,066
Payables under security lending transactions	493,347		729,402		236,054
Accrued income taxes	3,795		5,640		1,845
Accounts payable	288		170		-117
Accrued expenses	7,984		7,887		-97
Unearned revenue	3		1		-2
Deposits received	113		118		5
Guarantee deposits received	25		9		-15
Derivative liabilities	7,620		6,109		-1,510
Lease obligations	70		343		273
Suspense receipt	1,187		819		-368
Retirement benefit obligations	1,783	0.05	2,206	0.06	422
Reserve under the special law	3,188	0.10	3,611	0.10	423
Price fluctuation reserve	3,188		3,611		423
Total liabilities	3,216,807	97.31	3,633,417	97.47	416,610
(Net assets)					
Share capital	55,000	1.66	55,000	1.48	-
Capital surplus	35,000	1.06	35,000	0.94	-
Additional paid-in capital	35,000		35,000		-
Retained earnings	-4,469	-0.14	754	0.02	5,223
Other retained earnings	-4,469		754		5,223
Retained earnings carried forward	-4,469		754		5,223
Total shareholders' equity	85,530	2.59	90,754	2.43	5,223
Unrealized gains on securities, net of taxes	7,085	0.21	6,587	0.18	-498
Deferred gains/losses on hedge transactions	-3,739	-0.11	-2,890	-0.08	849
Total valuation and translation adjustments	3,346	0.10	3,697	0.10	350
Total net assets	88,877	2.69	94,451	2.53	5,574
Total liabilities and net assets	3,305,685	100.00	3,727,869	100.00	422,184

(Note) 1. Underwriting reserves are funded in accordance with Article 116 of the Insurance Business Law. As for premium reserves for individual insurance and annuities, the amounts are calculated using five-year Zillmer method in accordance with Article 69, paragraph4, section4 of the Enforcement Regulation of the Insurance Business Law. In addition to the figures calculated by the aforementioned methods, the following amounts are funded as underwriting reserves in order to fulfill the standard amount of underwriting reserves.

•86,192 million yen as of March 31, 2010

•103,352 million yen as of March 31, 2011

As a result of these accumulated reserves, the standard amount of underwriting reserves required under the Insurance Business Law is completed in this fiscal year.

2. The amount of loans and receivables by obligor classifications is as follows:

•Bankrupt and quasi-bankrupt 0 million yen •Doubtful none
•Normal 810,508 million yen •Substandard none

The amount of "past due loans" in accordance with Article 59, paragraph2, section1-5-2 of the Enforcement Regulations of the Insurance Business Law of Japan is 0 million yen.

No amount of "loans to borrowers in bankruptcy", "loans contractually past due for three months or more" and "restructured loans" existed.

Tokio Marine Nichido Life
(non-consolidated)

(2) Statement of income

(Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase or decrease by comparison
	Amount	Amount	
Ordinary income	523,105	553,402	30,297
Insurance premiums and other	457,297	475,912	18,615
Insurance premiums	454,274	470,129	15,855
Reinsurance premiums	3,023	5,783	2,760
Investment income	61,859	72,835	10,975
Interest and dividends	58,346	63,117	4,770
Interest on bank deposits	80	26	-53
Interest and dividends on securities	56,419	61,186	4,766
Interest on loans	1,472	1,624	152
Other interest and dividends	374	280	-94
Gains on sales of securities	423	8,674	8,251
Gains on derivatives	3,070	1,021	-2,049
Other investment income	18	21	2
Other ordinary income	3,947	4,653	706
Income from annuity riders	894	671	-222
Income from deferred benefits	2,589	3,765	1,175
Other ordinary income	463	216	-247
Ordinary expenses	516,210	533,998	17,788
Insurance claims and other	193,567	240,827	47,259
Insurance claims	37,642	39,380	1,737
Annuity payments	1,936	3,681	1,744
Benefits	28,562	79,936	51,373
Surrender benefits	114,741	107,366	-7,375
Other refunds	949	829	-120
Reinsurance premiums	9,734	9,632	-101
Provision for underwriting reserves and other	220,885	173,175	-47,709
Provision for outstanding claims	1,194	1,749	554
Provision for underwriting reserves	219,690	171,426	-48,264
Interest on reserve for dividends to policyholders	0	0	0
Investment expenses	13,468	28,775	15,306
Interest paid	779	761	-18
Losses on sales of securities	899	4,767	3,868
Foreign exchange losses	11,597	23,103	11,505
Increase in valuation allowance for bad debts	190	139	-51
Other investment expenses	1	3	1
Operating expenses	83,679	85,388	1,708
Other ordinary expenses	4,608	5,831	1,222
Deferred annuity payments	1,944	2,961	1,017
Taxes	1,613	1,682	69
Depreciation	225	253	28
Increase in retirement benefit obligations	316	422	106
Other ordinary expenses	509	510	0
Ordinary profit	6,895	19,404	12,508
Extraordinary losses	829	755	-73
Losses on disposal of fixed assets	30	13	-16
Provision under the special law	499	423	-76
Provision for price fluctuation	(499)	(423)	(-76)
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	168	168
Loss on support to subsidiaries	-	150	150
Impairment losses on investment in subsidiaries	299	-	-299
Provision for reserve for dividends to policyholders	5,456	9,954	4,497
Income before income taxes	608	8,694	8,085
Income taxes - current	6,629	8,904	2,274
Income taxes - deferred	-6,021	-5,433	587
Total income taxes	607	3,470	2,862
Net income	0	5,223	5,222

Breakdown of ordinary profit (Core operating profit)

(Yen in millions)

		For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Core operating profit	A	5,108	14,466
Capital gains		15,717	33,273
Gains on sales of securities		423	8,674
Gains on derivatives		2,594	379
Other capital gains		12,700	24,219
Capital losses		12,497	27,871
Losses on sales of securities		899	4,767
Foreign exchange losses		11,597	23,103
Net capital gains/losses	B	3,220	5,402
Core operating profit including net capital gains/losses	A + B	8,329	19,868
Non-recurring income		-	-
Non-recurring losses		1,434	464
Provision for contingency reserves		1,354	445
Increase in specific valuation allowance for bad debts		79	18
Net non-recurring income/losses	C	-1,434	-464
Ordinary profit	A + B + C	6,895	19,404

- (Note)
- The gains from derivative transactions recognized as interest received/paid in connection with interest swap transactions are included in core operating profit. The amounts are as follows;
 - 476 million yen for the year ended March 31, 2010
 - 641 million yen for the year ended March 31, 2011
 - Other capital gains are decrease in underwriting reserves for foreign-currency insurance contracts due to currency rate fluctuations.
 - The amounts provided for underwriting reserves in addition to that provided by the five-year Zillmer method for the year have been deducted from core operating profit for the period. The amounts are as follows;
 - 19,195 million yen for the year ended March 31, 2010
 - 17,160 million yen for the year ended March 31, 2011

(3) Statement of changes in shareholders' equity

For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Yen in millions)

	Shareholders' equity				Valuation and translation adjustments			Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Unrealized gains on securities, net of taxes	Deferred gains/losses on hedge transactions	Total valuation and translation adjustments	
		Additional paid-in capital	Other retained earnings					
			Retained earnings carried forward					
Balance as of March 31, 2010	55,000	35,000	-4,469	85,530	7,085	-3,739	3,346	88,877
Changes during the year ended March 31, 2011								
Net income			5,223	5,223				5,223
Net changes in items other than shareholders' equity					-498	849	350	350
Total changes during the year ended March 31, 2011			5,223	5,223	-498	849	350	5,574
Balance as of March 31, 2011	55,000	35,000	754	90,754	6,587	-2,890	3,697	94,451

(4) Insurance business

Number of policies and policy amount

• Policies in force (Number in thousands, yen in 100 millions, %)

	As of March 31, 2010				As of March 31, 2011			
	Number		Amount		Number		Amount	
		YTY comparison		YTY comparison		YTY comparison		YTY comparison
Individual insurance	2,738	111.9	163,411	109.6	3,029	110.6	175,863	107.6
Individual annuities	255	101.5	10,230	101.8	245	96.3	10,210	99.8
Group insurance	-	-	31,057	98.3	-	-	29,799	96.0
Group annuities	-	-	61	84.0	-	-	54	87.4

• New policies (Number in thousands, yen in 100 millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)				For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)			
	Number		Amount		Number		Amount	
		YTY comparison		YTY comparison		YTY comparison		YTY comparison
Individual insurance	448	112.7	27,731	116.1	465	103.8	26,586	95.9
Individual annuities	14	109.4	646	104.3	18	127.1	1,035	160.2
Group insurance	-	-	626	111.9	-	-	195	31.2
Group annuities	-	-	-	-	-	-	-	-

Annualized premiums

• Policies in force (Yen in 100 millions, %)

	As of March 31, 2010		As of March 31, 2011	
		YTY comparison		YTY comparison
Individual insurance	3,061	106.6	3,262	106.6
Individual annuities	763	100.2	705	92.3
Total	3,825	105.2	3,967	103.7
Medical coverage and accelerated death benefits	730	106.3	794	108.7
Medical and cancer	554	112.2	627	113.2

• New policies (Yen in 100 millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
		YTY comparison		YTY comparison
Individual insurance	460	116.2	447	97.2
Individual annuities	36	102.2	60	167.3
Total	496	115.0	507	102.3
Medical coverage and accelerated death benefits	99	111.0	118	119.3
Medical and cancer	95	112.4	109	115.0

(5) Dividends to policyholders (illustration)

Information on dividends to policyholders is disclosed on website of Tokio Marine Nichido Life.

(6) Investment (General account)

Yield on investments

(Yen in millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)			For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Net investment income	Average balance	Annual yield	Net investment income	Average balance	Annual yield
Bank deposits	208	46,719	0.45	-1,169	33,443	-3.50
Call loans	18	20,274	0.09	9	10,663	0.09
Receivables under resale agreements	-	-	-	-	-	-
Receivables under security borrowing transactions	29	19,830	0.15	43	38,198	0.11
Monetary receivables bought	233	106,094	0.22	144	108,028	0.13
Money trusts	-	-	-	-	-	-
Securities	44,333	2,911,563	1.52	43,260	3,248,195	1.33
Domestic bonds	47,770	2,641,487	1.81	58,942	3,013,351	1.96
Domestic stocks	3	552	0.61	8	376	2.30
Foreign securities	-3,439	269,523	-1.28	-15,690	234,467	-6.69
Other (domestic)	-	-	-	-	-	-
Loans	1,472	51,379	2.87	1,624	56,687	2.87
Land and buildings	-	401	-	-	364	-
General account total	48,391	3,215,460	1.50	44,059	3,562,536	1.24
Overseas investment	-3,399	269,523	-1.26	-15,514	234,467	-6.62

Gains and losses on sales of securities, impairment losses on securities (Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
	Gains and losses on sales	Impairment losses on securities	Gains and losses on sales	Impairment losses on securities
Domestic bonds	421	-	5,074	-
Domestic stocks	-	-	-	-
Foreign securities	-897	-	-1,168	-
Other (domestic)	-	-	-	-
Total	-475	-	3,906	-

Fair value information on securities (Securities measured at fair value other than trading securities)

(Yen in millions)

	As of March 31, 2010					As of March 31, 2011				
	Carrying amount	Fair value	Unrealized gains/losses			Carrying amount	Fair value	Unrealized gains/losses		
			Gains	Losses				Gains	Losses	
Bonds held to maturity	1,491,680	1,477,510	-14,170	31,173	-45,343	1,879,596	1,870,418	-9,178	43,303	-52,482
Bonds earmarked for underwriting reserves	325,694	337,568	11,874	12,655	-780	255,214	266,162	10,948	11,413	-465
Other securities (available for sale)	1,294,379	1,305,476	11,097	16,074	-4,977	1,367,811	1,378,120	10,308	22,540	-12,231
Domestic bonds	1,186,020	1,196,232	10,212	15,090	-4,878	1,161,340	1,170,948	9,607	21,771	-12,163
Domestic stocks	106	107	0	0	-	106	135	29	29	-
Foreign securities	24,263	25,147	884	983	-98	16,409	17,081	671	739	-68
Other (domestic)	83,988	83,988	-	-	-	189,955	189,955	-	-	-
Total	3,111,753	3,120,556	8,802	59,903	-51,100	3,502,623	3,514,701	12,077	77,256	-65,179
Domestic bonds	2,794,068	2,793,796	-271	50,045	-50,317	3,161,226	3,166,405	5,179	69,900	-64,721
Domestic stocks	106	107	0	0	-	106	135	29	29	-
Foreign bonds	233,590	242,663	9,073	9,856	-783	151,334	158,204	6,869	7,327	-457
Other (domestic)	83,988	83,988	-	-	-	189,955	189,955	-	-	-

(Note) Other (domestic) is comprised of "Monetary receivables bought".

(Reference) Maturity schedule of securities

(Yen in millions)

	As of March 31, 2011						
	Within 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years (including no fixed maturity)	Total
Domestic government bonds	193,524	84,546	108,065	217,977	186,497	2,112,037	2,902,649
Domestic municipal bonds	30,606	-	-	-	-	-	30,606
Domestic corporate bonds	215,016	-	2,098	-	-	20,463	237,578
Domestic stocks	-	-	-	-	-	405	405
Foreign securities	38,118	29,870	51,366	13,043	17,825	1,781	152,006
Bonds	38,118	29,870	51,366	13,043	17,825	1,781	152,006
Stocks and other	-	-	-	-	-	-	-
Other (domestic)	189,955	-	-	-	-	-	189,955
Total	667,222	114,417	161,529	231,021	204,323	2,134,688	3,513,202

(Note) Other (domestic) is comprised of "Monetary receivables bought".

Tokio Marine Nichido Life
(non-consolidated)

Fair value information on derivative transactions

Interest rate-related instruments

(Yen in millions)

		As of March 31, 2010				As of March 31, 2011			
		Notional amount		Fair value	Unrealized gains/losses	Notional amount		Fair value	Unrealized gains/losses
			over 1 year				over 1 year		
Over-the-counter transactions	Interest rate swaps								
	Rec. fix/Pay float	69,100	69,100	-7,599	-7,599	69,100	69,100	-5,556	-5,556
	Pay fix/Rec. float	9,000	9,000	205	205	11,000	11,000	-69	-69
Total					-7,393				-5,625

(Reference) Breakdown of interest rate swap contracts by maturity

(Yen in millions, %)

	As of March 31, 2011							
	Within 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total	
Notional amount (Rec. fix/Pay float)	-	-	-	-	-	69,100	69,100	
Average fixed rate (Rec.)	-	-	-	-	-	1.59	1.59	
Average floating rate (Pay)	-	-	-	-	-	0.36	0.36	
Notional amount (Rec. float/Pay fix)	-	-	-	-	2,000	9,000	11,000	
Average floating rate (Rec.)	-	-	-	-	0.35	0.35	0.35	
Average fixed rate (Pay)	-	-	-	-	1.26	2.11	1.95	
Total	-	-	-	-	2,000	78,100	80,100	

(Note) Average floating rate (Pay and Rec.) is about the swap contracts of which interest calculation periods have begun before March 31, 2011.

Foreign currency-related instruments

(Yen in millions)

		As of March 31, 2010				As of March 31, 2011			
		Notional amount		Fair value	Unrealized gains/losses	Notional amount		Fair value	Unrealized gains/losses
			over 1 year				over 1 year		
Over-the-counter transactions	Foreign exchange forwards								
	Short (USD)	1,163	-	-21	-21	3,203	-	-70	-70
	Long (USD)	697	-	12	12	351	-	6	6
Total					-8				-64

(Note) The fair value of foreign exchange forwards is based on the market price of futures.

(7) Solvency margin ratio

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
Total amount of solvency margin (A)	302, 864	343, 053
Total net assets	85, 530	90, 754
Price fluctuation reserve	3, 188	3, 611
Contingency reserve	24, 314	24, 759
General valuation allowance for bad debts	269	390
Net unrealized gains/losses on securities × 90% (× 100% if losses)	9, 987	9, 277
Net unrealized gains/losses on land × 85% (× 100% if losses)	–	–
Excess of continued Zillmerized reserve	110, 960	137, 855
Subordinated debt, etc.	–	–
Deductions	–	–
Other	68, 613	76, 403
Total amount of risks (B)	23, 437	24, 399
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$		
Insurance risk (R ₁)	12, 184	12, 447
Third sector insurance risk (R ₈)	2, 987	3, 012
Assumed interest risk (R ₂)	2, 239	1, 972
Asset management risk (R ₃)	14, 355	16, 030
Business administration risk (R ₄)	953	669
Minimum guarantee risk (R ₇)	–	–
Solvency margin ratio (C)		
$\frac{(A)}{(1/2) \times (B)} \times 100$	2, 584. 3%	2, 812. 0%

(Reference) Difference between real assets and liabilities (Real net assets)

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
An amount calculated based on the assets on balance sheet (1)	3, 303, 389	3, 729, 638
An amount calculated based on the liabilities on balance sheet (2)	3, 008, 448	3, 390, 783
Difference between real assets and liabilities A (1)–(2)=(3)	294, 941	338, 855
Unrealized gains/losses on securities held to maturity and earmarked for underwriting reserves (4)	–2, 295	1, 769
Difference between real assets and liabilities B (3)–(4)=(5)	297, 236	337, 085

(8) Accumulation method and rate applied to underwriting reserves for individual insurance and annuities

	As of March 31, 2010	As of March 31, 2011
Accumulation method	Policies subject to standard underwriting reserve	Five-year Zillmer method
	Policies not subject to standard underwriting reserve	Five-year Zillmer method
Accumulation rate (excluding contingency reserve)	99. 8%	100. 0%

【Pro-forma Solvency ratio】 by the new formula to be applied in the next fiscal year

(Yen in millions)

	As of March 31, 2011
Total amount of solvency margin (A)	339,761
Total net assets	90,754
Price fluctuation reserve	3,611
Contingency reserve	24,759
General valuation allowance for bad debts	390
Net unrealized gains/losses on securities × 90% (× 100% if losses)	9,277
Net unrealized gains/losses on land × 85% (× 100% if losses)	-
Excess of continued Zillmerized reserve	137,855
Subordinated debt, etc.	-
The amount in "Excess of continued Zillmerized reserve" or "Subordinated debt" that not being counted as margin	-
Deductions	-
Other	73,112
Total amount of risks (B)	39,768
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2 + R_4}$	
Insurance risk (R ₁)	12,447
Third sector insurance risk (R ₈)	3,012
Assumed interest risk (R ₂)	7,295
Asset management risk (R ₃)	28,235
Business administration risk (R ₄)	1,019
Minimum guarantee risk (R ₇)	-
Solvency margin ratio (C)	1,708.7%
$\frac{(A)}{(1/2) \times (B)} \times 100$	

(Note) The laws regarding the computation of Solvency ratio is amended and the formula for "Total amount of solvency margin" and "Total amount of risks" is partially changed to rigorous risk measurement.
The change will be applied in the next fiscal year. The figures above provide the pro-forma information as if the change was applied in this fiscal year.

5. Tokio Marine & Nichido Financial Life Insurance Co., Ltd. (non-consolidated)

(1) Balance sheet

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
Cash and bank deposits	40,277	1.74	37,984	1.68	-2,293
Bank deposits	40,277		37,984		-2,293
Call loans	21,200	0.91	11,900	0.53	-9,300
Securities	2,230,316	96.09	2,190,848	96.81	-39,468
Domestic government bonds	75,347		61,344		-14,002
Foreign securities	6,516		11,979		5,463
Other (domestic)	2,148,452		2,117,524		-30,928
Loans	2,542	0.11	2,697	0.12	154
Policy loans	2,542		2,697		154
Tangible fixed assets	309	0.01	216	0.01	-92
Buildings	172		123		-49
Other tangible fixed assets	136		92		-43
Intangible fixed assets	5	0.00	2	0.00	-2
Agency accounts receivable	1	0.00	0	0.00	-0
Reinsurance accounts receivable	228	0.01	285	0.01	56
Other assets	26,213	1.13	19,084	0.84	-7,129
Accounts receivable	16,891		10,660		-6,231
Prepaid expenses	126		105		-21
Accrued income	224		286		61
Deposits	464		319		-144
Derivative assets	8,501		7,704		-796
Suspense payment	-		3		3
Other assets	4		3		-0
Valuation allowance for bad debts	-0	-0.00	-0	-0.00	0
Total assets	2,321,094	100.00	2,263,019	100.00	-58,074

Tokio Marine Nichido Financial Life
(non-consolidated)

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011		Increase or decrease by comparison
	Amount	Composition ratio	Amount	Composition ratio	
(Liabilities)		%		%	
Insurance liabilities	2,274,422	97.99	2,220,682	98.13	-53,740
Outstanding claims	3,072		2,623		-448
Underwriting reserves	2,271,350		2,218,058		-53,291
Agency accounts payable	655	0.03	132	0.01	-522
Reinsurance accounts payable	2,747	0.12	2,911	0.13	164
Other liabilities	18,529	0.80	16,993	0.75	-1,536
Borrowings	10,000		10,000		-
Accrued income taxes	11		8		-2
Accounts payable	7,173		6,302		-870
Accrued expenses	497		547		49
Deposits received	77		43		-34
Derivative liabilities	274		91		-183
Suspense receipt	495		-		-495
Retirement benefit obligations	97	0.00	126	0.01	28
Reserve under the special law	34	0.00	42	0.00	8
Price fluctuation reserve	34		42		8
Deferred tax liabilities	122	0.01	131	0.01	9
Total liabilities	2,296,609	98.95	2,241,019	99.03	-55,590
(Net assets)					
Share capital	48,000	2.07	48,000	2.12	-
Capital surplus	33,000	1.42	33,000	1.46	-
Additional paid-in capital	33,000		33,000		-
Retained earnings	-56,731	-2.44	-59,231	-2.62	-2,500
Other retained earnings	-56,731		-59,231		-2,500
Retained earnings carried forward	-56,731		-59,231		-2,500
Total shareholders' equity	24,268	1.05	21,768	0.96	-2,500
Unrealized gains on securities, net of taxes	215	0.01	232	0.01	16
Total valuation and translation adjustments	215	0.01	232	0.01	16
Total net assets	24,484	1.05	22,000	0.97	-2,484
Total liabilities and net assets	2,321,094	100.00	2,263,019	100.00	-58,074

Tokio Marine Nichido Financial Life
(non-consolidated)

(2) Statement of income

(Yen in millions)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Increase or decrease by comparison
	Amount	Amount	
Ordinary income	483,745	170,776	-312,968
Insurance premiums and other	182,377	113,466	-68,910
Insurance premiums	179,868	110,632	-69,236
Reinsurance premiums	2,508	2,834	325
Investment income	299,223	1,655	-297,567
Interest and dividends	307	307	0
Interest on bank deposits	3	2	-1
Interest and dividends on securities	222	221	-0
Interest on loans	66	70	3
Other interest and dividends	15	12	-2
Gains on sales of securities	22	38	16
Gains on derivatives	-	1,308	1,308
Gains on separate account	298,893	-	-298,893
Other ordinary income	2,144	55,655	53,510
Income from annuity riders	1,939	1,664	-274
Reversal of outstanding claims	-	448	448
Reversal of underwriting reserves	-	53,291	53,291
Other ordinary income	205	250	44
Ordinary expenses	485,046	173,172	-311,874
Insurance claims and other	107,137	133,027	25,889
Insurance claims	16,878	20,051	3,172
Annuity payments	609	916	306
Benefits	9	7	-1
Surrender benefits	45,111	58,078	12,967
Other refunds	2,179	8,487	6,308
Reinsurance premiums	42,349	45,486	3,136
Provision for underwriting reserves and other	358,131	-	-358,131
Provision for outstanding claims	792	-	-792
Provision for underwriting reserves	357,339	-	-357,339
Investment expenses	3,339	28,379	25,039
Interest paid	117	97	-20
Losses on derivatives	3,220	-	-3,220
Foreign exchange losses	0	0	-0
Increase in valuation allowance for bad debts	0	-	-0
Losses on separate account	-	28,282	28,282
Operating expenses	15,108	10,862	-4,246
Other ordinary expenses	1,328	903	-425
Taxes	1,147	737	-410
Depreciation	151	110	-41
Increase in retirement benefit obligations	27	28	1
Other ordinary expenses	1	26	24
Ordinary loss	-1,301	-2,395	-1,093
Extraordinary gains	0	1	1
Gains on disposal of fixed assets	0	1	1
Other extraordinary gains	-	0	0
Extraordinary losses	51	98	47
Losses on disposal of fixed assets	44	38	-5
Provision under the special law	7	8	0
Provision for price fluctuation	(7)	(8)	(0)
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	52	52
Income before income taxes	-1,352	-2,492	-1,139
Income taxes - current	11	8	-2
Total income taxes	11	8	-2
Net loss	-1,363	-2,500	-1,136

Tokio Marine Nichido Financial Life
(non-consolidated)

Breakdown of ordinary profit (Core operating profit)

(Yen in millions)

		For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Core operating profit	A	2,589	-5,095
Capital gains		22	1,347
Gains on sales of securities		22	38
Gains on derivatives		-	1,308
Capital losses		3,221	0
Losses on derivatives		3,220	-
Foreign exchange losses		0	0
Net capital gains/losses	B	-3,198	1,347
Core operating profit including net capital gains/losses	A + B	-609	-3,748
Non-recurring income		-	1,352
Reversal of contingency reserves		-	1,352
Non-recurring losses		692	-
Provision for contingency reserves		691	-
Increase in specific valuation allowance for bad debts		0	-
Net non-recurring income/losses	C	-692	1,352
Ordinary loss	A + B + C	-1,301	-2,395

(3) Statement of changes in shareholders' equity

For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Yen in millions)

	Shareholders' equity				Valuation and translation adjustments	Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Unrealized gains on securities, net of taxes	
		Additional paid-in capital	Other retained earnings			
			Retained earnings carried forward			
Balance as of March 31, 2010	48,000	33,000	-56,731	24,268	215	24,484
Changes during the year ended March 31, 2011						
Net loss			-2,500	-2,500		-2,500
Net changes in items other than shareholders' equity					16	16
Total changes during the year ended March 31, 2011	-	-	-2,500	-2,500	16	-2,484
Balance as of March 31, 2011	48,000	33,000	-59,231	21,768	232	22,000

(4) Insurance business

Number of policies and policy amount

• Policies in force (Number in thousands, yen in 100 millions, %)

	As of March 31, 2010				As of March 31, 2011			
	Number		Amount		Number		Amount	
		YTY comparison		YTY comparison		YTY comparison		YTY comparison
Individual insurance	38	96.2	2,966	95.8	36	96.6	2,845	95.9
Individual annuities	467	106.6	24,868	106.6	475	101.8	24,900	100.1
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

• New policies (Number in thousands, yen in 100 millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)				For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)			
	Number		Amount		Number		Amount	
		YTY comparison		YTY comparison		YTY comparison		YTY comparison
Individual insurance	-	0.0	-	0.0	-	-	-	-
Individual annuities	37	41.4	1,734	39.2	21	57.3	1,047	60.4
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Annualized premiums

• Policies in force (Yen in 100 millions, %)

	As of March 31, 2010		As of March 31, 2011	
		YTY comparison		YTY comparison
Individual insurance	40	93.7	38	95.0
Individual annuities	2,589	104.4	2,608	100.7
Total	2,630	104.2	2,647	100.6
Medical coverage and accelerated death benefits	0	91.2	0	94.1

• New policies (Yen in 100 millions, %)

	For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)		For the year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
		YTY comparison		YTY comparison
Individual insurance	-	0.0	-	-
Individual annuities	173	39.2	107	62.0
Total	173	39.1	107	62.0
Medical coverage and accelerated death benefits	-	-	-	-

(5) Separate account

Separate account asset balance

(Yen in 100 millions)

	As of March 31, 2010	As of March 31, 2011
Individual variable insurance	362	370
Individual variable annuities	22,014	21,552
Group annuities	-	-
Separate account total	22,377	21,922

Separate account policies in force

• Individual variance insurance

(Number in thousands, yen in 100 millions)

	As of March 31, 2010		As of March 31, 2011	
	Number	Amount	Number	Amount
Variable life insurance (defined term type)	2	192	2	174
Variable life insurance (whole life type)	34	2,717	33	2,616
Total	37	2,910	36	2,790

• Individual variance annuities

(Number in thousands, yen in 100 millions)

	As of March 31, 2010		As of March 31, 2011	
	Number	Amount	Number	Amount
Individual variable annuities	466	24,794	475	24,833
Total	466	27,794	475	24,833

(6) Solvency margin ratio

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
Total amount of solvency margin (A)	84,814	79,547
Total net assets	24,268	21,768
Price fluctuation reserve	34	42
Contingency reserve	21,144	19,791
General valuation allowance for bad debts	0	0
Net unrealized gains/losses on securities × 90% (× 100% if losses)	304	327
Net unrealized gains/losses on land × 85% (× 100% if losses)	-	-
Excess of continued Zillmerized reserve	29,062	29,617
Subordinated debt, etc.	10,000	8,000
Deductions	-	-
Other	-	-
Total amount of risks (B)	13,300	13,701
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$		
Insurance risk (R ₁)	135	129
Third sector insurance risk (R ₈)	47	45
Assumed interest risk (R ₂)	2	2
Asset management risk (R ₃)	4,863	6,056
Business administration risk (R ₄)	392	404
Minimum guarantee risk (R ₇)	8,040	7,237
Solvency margin ratio (C)		
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,275.3%	1,161.1%

【Pro-forma Solvency ratio】 by the new formula to be applied in the next fiscal year

(Yen in millions)

	As of March 31, 2011
Total amount of solvency margin (A)	79,547
Total net assets	21,768
Price fluctuation reserve	42
Contingency reserve	19,791
General valuation allowance for bad debts	0
Net unrealized gains/losses on securities × 90% (× 100% if losses)	327
Net unrealized gains/losses on land × 85% (× 100% if losses)	—
Excess of continued Zillmerized reserve	29,617
Subordinated debt, etc.	8,000
The amount in "Excess of continued Zillmerized reserve" or "Subordinated debt" that not being counted as margin	—
Deductions	—
Other	—
Total amount of risks (B)	14,104
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2 + R_4}$	
Insurance risk (R ₁)	129
Third sector insurance risk (R ₈)	45
Assumed interest risk (R ₂)	3
Asset management risk (R ₃)	6,583
Business administration risk (R ₄)	415
Minimum guarantee risk (R ₇)	7,100
Solvency margin ratio (C)	1,127.9%
$\frac{(A)}{(1/2) \times (B)} \times 100$	

(Note) The laws regarding the computation of Solvency ratio is amended and the formula for "Total amount of solvency margin" and "Total amount of risks" is partially changed to rigorous risk measurement. The change will be applied in the next fiscal year. The figures above provide the pro-forma information as if the change was applied in this fiscal year.

Glossary of terminology

[2. Key figures of the domestic property and casualty insurance business]

- **Underwriting profit**

Underwriting profit = Underwriting income - (Underwriting expenses + General administrative expenses relating to underwriting) ± other miscellaneous income and expenses

Other miscellaneous income and expenses mainly consist of the amount of income taxes relating to compulsory automobile liability insurance.

- **Loss ratio**

Loss ratio = (Net claims paid + Loss adjustment expenses) ÷ Net premiums written × 100

- **Expense ratio**

Expense ratio = (Agency commissions and brokerage + Operating and general administrative expenses relating to underwriting) ÷ Net premiums written × 100

- **Net incurred losses relating to natural disasters**

The sum of claims paid and unpaid claims relating to natural disasters incurred in the period.

- **Reserve ratio of catastrophe loss reserve**

Reserve ratio of catastrophe loss reserve

= Liability balance of catastrophe loss reserve ÷ Net premiums written (*) × 100

[3. Key figures of the domestic life insurance business]

- **Annualized premiums**

Annualized premiums are the aggregate amount of premiums divided by the duration of insurance policies to show the amount of premiums per year.

- **Medical coverage and accelerated death benefits**

Medical coverage and accelerated death benefits include coverage for medical expense (hospitalization and operation), accelerated death benefits (specific diseases and nursing care) and exemption of obligation to pay insurance premiums (excluding those caused by disability but including those caused by specific diseases and nursing care).

[Investment]

- **Yield on investments (interest income basis)**

Yield on investments (interest income basis) is the indicator of investment performance from the viewpoint of interest income.

Numerator: "Interest and dividends" + Interest and dividends earned in money trust included in "Gains/losses on money trusts"

Denominator: Average balance on cost basis

●Yield on investments (accrual income basis)

Yield on investments (accrual income basis) is the indicator of investment performance from the viewpoint of accrual income (income statements) for the period.

[For property and casualty insurance business]

Numerator: "Investment income" + "Investment income on deposit premiums from policy holders" - "Investment expenses"

Denominator: Average balance on cost basis

[For life insurance business]

Numerator: "Investment income" - "Investment expenses"

Denominator: Average balance on cost basis

"Total general account" includes assets not for investment. "Overseas investment" is the total of assets denominated in foreign currencies and yen.

●Yield on investments (fair value basis)

Yield on investments (fair value basis) is the indicator of investment performance from the viewpoint of fair value basis. Change in fair value is included in the denominator.

Numerator: "Investment income" + "Investment income on deposit premiums from policyholders" - "Investment expenses" + Change in Unrealized gains on securities* for the period + Change in "Deferred gains and losses on hedge transactions"

Denominator: Average balance based on original cost or amortized cost + Unrealized gains on "Other securities (available for sale) at beginning of the year*+ Unrealized gains on "Trading securities" at beginning of the year**

* Tax effects are not considered.

**"Trading securities" includes money trusts held for trading purposes.

【Solvency margin ratio】

● Solvency margin ratio

- In addition to reserves to cover claims payments and payments for maturity-refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their usual estimates, i.e. the occurrence of major disasters, a significant decline in value of assets held by insurance companies, etc.
- The solvency margin ratio (C); which is calculated in accordance with the Insurance Business Law, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total amount of solvency margin : (A)) to "risks which will exceed their usual estimates" (total amount of risks: (B)).
- "Risks which will exceed their usual estimates" (total amount of risks; (B)) is composed of risks described below.
 - ① (General) insurance risk, third sector insurance risk: Risks of insurance claims in excess of normal expectations occurring. (excluding risks relating to major disasters)
 - ② Assumed interest risk: Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions than expected.

- ③ Asset management risk: Risks of retained securities and other assets fluctuating in prices in excess of expectations.
- ④ Business administration risk: Risks beyond normal expectations arising from business management that does not fall under other categories.
- ⑤ Catastrophic risk: Risks of the occurrence of major catastrophic losses in excess of normal expectations occurring. (risks such as the Great Kanto Earthquake or Isewan typhoon)
- ⑥ Minimum guarantee risk: Risks related to the minimum guarantee for benefits of insurance contracts which are managed as a separate account.
- "Solvency margin of insurance companies by means of their capital, reserves, etc." (Total amount of solvency margin:(A)) is total amount of net assets (excluding planned outflows), certain reserves (reserve for price fluctuations, contingency reserves and catastrophe loss reserves, etc.) and parts of net unrealized gains on real estate.
- The solvency margin ratio is one of the indicators used for the regulatory authorities to supervise insurance companies. A ratio exceeding 200% indicates adequate ability to meet payments of insurance claims.
- Difference between real assets and liabilities (Real net assets)
 "Real net assets" is one of the indicators used for administrative regulation, which shows the financial soundness of life insurance companies.
 "Real net assets (A)" is the amount of total real assets, including unrealized gains and losses of securities and real estate, minus the amount of total real liabilities, excluding capital like liabilities, such as "reserve for price fluctuations" and "contingency reserve".
 "Real net assets (B)" is the amount of "real net assets (A)" minus the amount of unrealized gains and losses on "securities held to maturity" and "securities earmarked for underwriting reserve".

【Insurance business】

- Policies in force
 - Individual insurance and group insurance
 Aggregate amount of death benefits under policies held as of the end of the fiscal period
 - Individual annuities
 Individual annuities for which payments have not yet commenced: Total amount of funds for annuity payments that is expected to have accrued at the date of the commencement of annuity payments.
 Individual annuities for which payments have already commenced: Total amount of underwriting reserves.
 - Group annuities
 Total amount of underwriting reserves
- New policies
 - Individual insurance and group insurance
 Aggregate amount of death benefits under new policies issued in the fiscal period
 - Individual annuities
 Total amount of funds for annuity payments that is expected to have accrued at the date of the commencement of annuity payments of new policies issued in the fiscal period

- Group annuities

The first installment of premium payments

【Accumulation method and rate applied to underwriting reserve for individual insurance and annuities】

- Accumulation rate

Numerator: Premium reserves and unearned premiums included in "underwriting reserves" on the balance sheets.

Denominator:

Policies subject to standard policy reserve: Premium reserves under the methods defined in Ordinance No.48 issued by the Ministry of Finance in 1996 and unearned premiums

Policies not subject to standard policy reserve: Premium reserves under the net level premium method and unearned premiums.

Underwriting reserves for group insurance and annuities are not included in the calculation of accumulation rate due to the absence of an accumulation method.

【Separate account】

- Separate account

Separate account represents assets and liabilities that are maintained by an insurance company for the purpose of segregating from general accounts.

The investment results of the separate account assets generally pass through to the separate account policyholders, so that insurance benefits are calculated based on the investment performance.

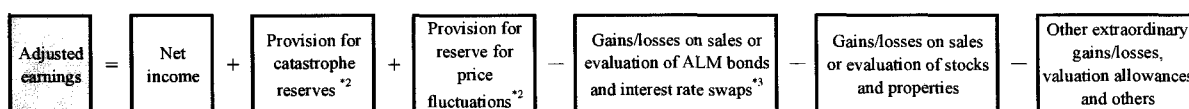
【Adjusted earnings】

"Adjusted earnings" is used by Tokio Marine group as a benchmark for forming business plans and returns to shareholders.

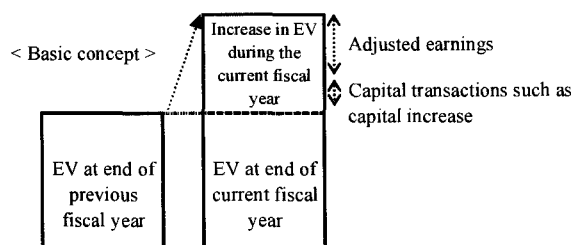
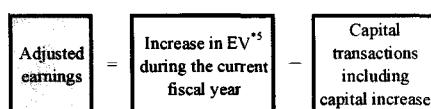
Figures represent the income or losses for the period and exclude the impact of equalization reserves unique to a non-life insurance business, or an item distinguished by unusual nature, such as gains/losses on disposal/appraisal of assets.

Also, for business such as life insurance which has a great lag between recognition of the initial costs and the earnings, the increase in embedded value (EV) is regarded as the profit for current fiscal year which makes it easier to understand the results of investment and other efforts.

(1) Property and casualty insurance business ^{*1}



(2) Life insurance business ^{*4}



(3) Other businesses ... Net income in accordance with local GAAP

*1 After tax

*2 Reversals are subtracted

*3 ALM: Asset Liability Management

Excluded as compensation for fluctuations in the market value of liabilities of ALM

*4 Calculations are based on (3) criteria above for life insurance companies in certain regions.

(Overhead costs incurred in the head office are deducted from profits.)

*5 EV: Embedded Value

An indexed value in which the net present value of profits to be gained from policies in-force is added to the net asset value

Supplementary information about business results for the year ended March 31, 2011

(Yen in 100 millions)

	For the year ended March 31, 2010 (A)	For the six months ended September 30, 2010 (B)	For the year ended March 31, 2011 (C)	Increase / decrease (C) - (A)	Increase / decrease (C) - (B)
① Net premiums written (Rate of change)	17,360 (-4.3%)	8,740 (0.4%)	17,427 (0.4%)	66 (4.6%)	- (-0.0%)
② Total assets	97,080	89,379	86,700	-10,380	-2,679
③ Loss ratio	67.9%	66.7%	67.5%	-0.4%	0.7%
④ Expense ratio	34.0%	34.2%	33.5%	-0.5%	-0.8%
⑤ Combined ratio	101.9%	101.0%	101.0%	-0.9%	-0.0%
Underwriting balance ratio	-1.9%	-1.0%	-1.0%	0.9%	0.0%
⑥ Voluntary automobile					
· Net premiums written (Rate of change)	8,456 (-1.3%)	4,245 (0.6%)	8,508 (0.6%)	52 (1.9%)	- (-0.0%)
· Underwriting balance ratio	-2.9%	-3.5%	-3.8%	-0.9%	-0.3%
· Loss ratio	69.8%	70.4%	71.0%	1.3%	0.7%
· Expense ratio	33.1%	33.1%	32.8%	-0.4%	-0.4%
⑦ Fire and allied lines					
· Net premiums written (Rate of change)	2,302 (-6.6%)	1,007 (-3.2%)	2,191 (-4.8%)	-111 (1.7%)	- (-1.7%)
· Underwriting balance ratio	10.0%	6.3%	12.0%	2.0%	5.7%
· Loss ratio	42.4%	43.0%	41.5%	-0.9%	-1.5%
· Expense ratio	47.6%	50.8%	46.5%	-1.1%	-4.3%
⑧ Number of employees	16,742	17,036	17,051	309	15
⑨ Number of agencies	46,932	46,171	46,000	-932	-171

(Note)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Expense ratio = (Agency commissions and brokerage + Operating and general administrative expenses on underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Expense ratio
4. Underwriting balance ratio = 100 - Combined ratio

<Reference> Selected consolidated financial data of Tokio Marine Holdings

(Yen in 100 millions)

	For the year ended March 31, 2010 (A)	For the six months ended September 30, 2010 (B)	For the year ended March 31, 2011 (C)	Increase / decrease (C) - (A)	Increase / decrease (C) - (B)
① Ordinary income	35,708	17,225	32,886	-2,821	-
② Net premiums written (Rate of change)	22,929 (7.4%)	11,749 (-0.7%)	22,721 (-0.9%)	-207 (-8.3%)	- (-0.3%)
③ Life insurance premiums (Rate of change)	4,647 (-37.7%)	2,275 (3.9%)	4,053 (-12.8%)	-594 (24.9%)	- (-16.7%)
④ Ordinary profit	2,034	1,481	1,265	-768	-
⑤ Net income	1,284	952	719	-564	-

① Non-performing assets

Status of risk monitored loans

(Yen in 100 millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Loans to borrowers in bankruptcy	24	23	4
Past due loans	83	89	71
Loans contractually past due for three months or more	3	0	-
Restructured loans	37	24	2
Total	149	137	78
(Percent of total loans)	(3.2%)	(3.4%)	(2.0%)

(Reference) Total loans	4,594	4,535	3,994
-------------------------	-------	-------	-------

Status of self-assessment

(Yen in 100 millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Non-categorized	93,106	85,244	82,708
II categorized	3,833	3,998	3,873
III categorized	70	74	85
IV categorized	317	105	89
Subtotal (II ~ IV)	(4,221)	(4,178)	(4,048)
Total	97,327	89,422	86,756

② Impairment losses on securities

(Yen in 100 millions)

	For the year ended March 31, 2010	For the six months ended September 30, 2010	For the year ended March 31, 2011
Domestic bonds	-	-	-
Domestic stocks	215	95	107
Foreign securities	53	16	25
Other (domestic)	0	-	42
Total	269	112	176

(Note) Figures include amounts recognized as extraordinary losses.

• Criteria for impairment loss recognition

In principle, impairment loss is accounted for if decline in fair value of each security is equal to or more than 30% of its book value at the end of the period.

③ Impairment losses on fixed assets

(Yen in 100 millions)

	For the year ended March 31, 2010	For the six months ended September 30, 2010	For the year ended March 31, 2011
Land	30	18	24
Buildings	57	4	19
Other	0	-	0
Total	88	23	44

④ Unrealized gains/losses on securities

(Yen in 100 millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Domestic bonds	357	1,089	496
Domestic stocks	16,616	12,403	13,108
Foreign securities	215	31	174
Other (domestic)	-25	-113	54
Total	17,163	13,410	13,834

⑤ Underwriting of medical and cancer insurance products

(Number in hundreds)

	For the year ended March 31, 2011		Breakdown of (*total)	
	Number (*total)	Increase / decrease	Tokio Marine Nichido	Tokio Marine Nichido Life
Number of contracts	9,619	120	7,345	2,274

⑥ Loss claims for natural disasters

(Yen in 100 millions)

	For the year ended March 31, 2010	For the six months ended September 30, 2010	For the year ended March 31, 2011
Direct claims paid	225	11	74
Net claims paid	186	2	18
Net outstanding claims (*)	42	4	1,022

(Note) Figures above represent losses caused by natural disasters during the period.

* Net of reinsurance recoverable ceded.

⑦ Catastrophe loss reserves

(Yen in 100 millions)

	As of March 31, 2010			As of September 30, 2010			As of March 31, 2011		
	Balance	Reservation ratio	Provision	Balance	Reservation ratio	Provision	Balance	Reservation ratio	Provision
Fire and allied lines	3,766	168.4%	105	3,766	193.4%	-	3,809	179.4%	43
Hull and cargo	1,141	206.0%	-	1,160	189.8%	19	1,173	196.8%	31
Personal accident	1,005	69.4%	45	1,032	61.1%	26	960	64.7%	46
Voluntary automobile	705	8.3%	705	453	5.3%	356	704	8.3%	704
Other	2,228	90.1%	132	2,302	93.5%	96	2,346	95.3%	160
Total	8,848	58.3%	988	8,715	57.3%	499	8,994	59.3%	986

(Note) Reservation ratio = Balance of catastrophe loss reserve / Net premiums written (excluding earthquake and compulsory automobile liability) × 100

Net premiums written (excluding earthquake and compulsory automobile liability) is doubled for the interim reservation ratio.

Provision is the amount excluding reversal (gross basis).

⑧ Loss claims for the Great East Japan Earthquake (excluding the losses of household earthquake insurance as they have no effect to profit/loss)

(Yen in 100 millions)

Net incurred losses for the year ended March 31, 2011	Net claims paid for the year ended March 31, 2011
819	2

* Net incurred losses = Net claims paid + Net outstanding claims

⑨ Reinsurance assumed

(Yen in 100 millions)

	For the year ended March 31, 2010		For the year ended March 31, 2011	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied lines	264	55	252	33
Hull and cargo	172	115	177	121
Personal accident	0	0	0	0
Voluntary automobile	34	24	35	23
Compulsory automobile liability	1,493	2,189	1,546	2,195
Other	262	244	304	204
Total	2,228	2,628	2,316	2,579

⑩ Reinsurance ceded

(Yen in 100 millions)

	For the year ended March 31, 2010		For the year ended March 31, 2011	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied lines	872	49	832	102
Hull and cargo	254	184	259	140
Personal accident	36	15	33	10
Voluntary automobile	98	60	84	65
Compulsory automobile liability	1,366	1,989	1,381	1,962
Other	740	377	811	452
Total	3,368	2,676	3,403	2,734

Supplementary information about business results for the year ended March 31, 2011

(Yen in 100 millions)

	For the year ended March 31, 2010 (A)	For the six months ended September 30, 2010 (B)	For the year ended March 31, 2011 (C)	Increase / decrease (C)-(A)	Increase / decrease (C)-(B)
① Net premiums written (Rate of change)	1,318 (-3.0%)	675 (1.8%)	1,340 (1.7%)	21 (4.7%)	- (-0.2%)
② Total assets	4,394	4,358	4,285	-109	-73
③ Loss ratio	64.6%	64.9%	66.2%	1.6%	1.3%
④ Expense ratio	39.2%	37.2%	37.3%	-1.9%	0.1%
⑤ Combined ratio Underwriting balance ratio	103.8% -3.8%	102.1% -2.1%	103.5% -3.5%	-0.3% 0.3%	1.5% -1.5%
⑥ Voluntary automobile · Net premiums written (Rate of change)	740 (0.1%)	378 (2.3%)	759 (2.5%)	18 (2.4%)	- (0.2%)
· Underwriting balance ratio	-1.7%	0.4%	-1.2%	0.5%	-1.5%
· Loss ratio	66.0%	65.8%	67.4%	1.4%	1.6%
· Expense ratio	35.7%	33.8%	33.8%	-1.9%	-0.1%
⑦ Fire and allied lines · Net premiums written (Rate of change)	231 (-5.3%)	112 (2.7%)	233 (0.9%)	2 (6.2%)	- (-1.8%)
· Underwriting balance ratio	14.4%	10.7%	15.1%	0.7%	4.4%
· Loss ratio	39.7%	46.3%	41.9%	2.2%	-4.4%
· Expense ratio	45.9%	43.0%	43.0%	-2.9%	-0.0%
⑧ Number of employees	2,615	2,550	2,518	-97	-32
⑨ Number of agencies	14,819	14,587	14,381	-438	-206

(Note)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100

2. Expense ratio = (Agency commissions and brokerage + Operating and general administrative expenses on underwriting) / Net premiums written × 100

3. Combined ratio = Loss ratio + Expense ratio

4. Underwriting balance ratio = 100 - Combined ratio

① Non-performing assets

Status of risk monitored loans

(Yen in 100 millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Loans to borrowers in bankruptcy	7	5	3
Past due loans	17	11	9
Loans contractually past due for three months or more	-	-	-
Restructured loans	10	9	5
Total	35	26	18
(Percent of total loans)	(17.5%)	(16.6%)	(17.2%)

(Reference) Total loans	204	160	107
-------------------------	-----	-----	-----

Status of self-assessment

(Yen in 100 millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Non-categorized	4,370	4,334	4,267
II categorized	27	26	19
III categorized	13	10	9
IV categorized	14	8	6
Subtotal (II ~ IV)	(55)	(45)	(35)
Total	4,426	4,379	4,302

② Impairment losses on securities

(Yen in 100 millions)

	For the year ended March 31, 2010	For the six months ended September 30, 2010	For the year ended March 31, 2011
Domestic bonds	4	0	0
Domestic stocks	3	2	10
Foreign securities	3	1	1
Other (domestic)	-	-	-
Total	10	4	11

· Criteria for impairment loss recognition

Impairment loss is accounted for if decline in fair value of each security is equal to or more than 30% of its book value at the end of the period.

③ Impairment losses on fixed assets

(Yen in 100 millions)

	For the year ended March 31, 2010	For the six months ended September 30, 2010	For the year ended March 31, 2011
Land	-	-	-
Buildings	-	-	-
Other	-	-	-
Total	-	-	-

④ Unrealized gains/losses on securities

(Yen in 100 millions)

	As of March 31, 2010	As of September 30, 2010	As of March 31, 2011
Domestic bonds	32	97	10
Domestic stocks	132	77	100
Foreign securities	-4	-6	-11
Other (domestic)	1	-3	-0
Total	160	166	99

⑤ Underwriting of medical and cancer insurance products

(Number in hundreds)

	For the year ended March 31, 2010		Breakdown of (*total)	
	Number (*total)	Increase / decrease	Parent company	Subsidiaries
Number of contracts	-	-	-	-

⑥ Loss claims for natural disasters

(Yen in 100 millions)

	For the year ended March 31, 2010	For the six months ended September 30, 2010	For the year ended March 31, 2011
Direct claims paid	15	0	2
Net claims paid	15	0	1
Net outstanding claims (*)	3	0	29

(Note) Figures above represent losses caused by natural disasters during the period.

* Net of reinsurance recoverable ceded.

⑦ Catastrophe loss reserves

(Yen in 100 millions)

	As of March 31, 2010			As of September 30, 2010			As of March 31, 2011		
	Balance	Reservation ratio	Provision	Balance	Reservation ratio	Provision	Balance	Reservation ratio	Provision
Fire and allied lines	296	131.3%	17	301	137.2%	4	306	130.1%	9
Hull and cargo	24	1773.4%	-	24	6935.7%	-	24	3733.4%	-
Personal accident	57	60.6%	4	57	55.7%	2	50	53.1%	4
Voluntary automobile	36	4.9%	36	18	2.5%	18	37	4.9%	37
Other	98	114.3%	4	100	107.6%	2	102	122.1%	4
Total	514	44.8%	61	502	42.8%	27	521	44.6%	55

(Note) Reservation ratio = Balance of catastrophe loss reserve / Net premiums written (excluding earthquake and compulsory automobile liability) × 100

Net premiums written (excluding earthquake and compulsory automobile liability) is doubled for the interim reservation ratio.

Provision is the amount excluding reversal (gross basis).

⑧ Loss claims for the Great East Japan Earthquake (excluding the losses of household earthquake insurance as they have no effect to profit/loss)

(Yen in 100 millions)

Net incurred losses for the year ended March 31, 2011	Net claims paid for the year ended March 31, 2011
12	0

* Net incurred losses = Net claims paid + Net outstanding claims

⑨ Reinsurance assumed

(Yen in 100 millions)

	For the year ended March 31, 2010		For the year ended March 31, 2011	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied lines	27	12	26	16
Hull and cargo	1	1	0	0
Personal accident	0	0	-	0
Voluntary automobile	0	0	0	0
Compulsory automobile liability	104	145	107	147
Other	3	1	3	0
Total	137	160	138	166

⑩ Reinsurance ceded

(Yen in 100 millions)

	For the year ended March 31, 2010		For the year ended March 31, 2011	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied lines	60	3	61	4
Hull and cargo	0	0	0	0
Personal accident	1	0	1	0
Voluntary automobile	4	5	4	1
Compulsory automobile liability	121	172	121	170
Other	9	1	8	3
Total	197	183	197	180

Supplementary information about business results for the year ended March 31, 2011
Tokio Marine Nichido and Nisshin Fire (Combined)

(Yen in 100 millions)

	For the year ended March 31, 2010 (A)	For the six months ended September 30, 2010 (B)	For the year ended March 31, 2011 (C)	Increase / decrease (C) - (A)	Increase / decrease (C) - (B)
① Net premiums written (Rate of change)	18,679 (-4.2%)	9,415 (0.5%)	18,768 (0.5%)	88 (4.6%)	- (-0.1%)
② Total assets	101,475	93,738	90,985	-10,490	-2,753
③ Loss ratio	67.6%	66.6%	67.4%	-0.3%	0.8%
④ Expense ratio	34.4%	34.4%	33.8%	-0.6%	-0.7%
⑤ Combined ratio Underwriting balance ratio	102.0% -2.0%	101.1% -1.1%	101.1% -1.1%	-0.9% 0.9%	0.1% -0.1%
⑥ Voluntary automobile · Net premiums written (Rate of change)	9,196 (-1.2%)	4,624 (0.8%)	9,267 (0.8%)	70 (2.0%)	- (-0.0%)
· Underwriting balance ratio	-2.8%	-3.2%	-3.6%	-0.8%	-0.4%
· Loss ratio	69.5%	70.0%	70.7%	1.3%	0.7%
· Expense ratio	33.3%	33.2%	32.9%	-0.5%	-0.3%
⑦ Fire and allied lines · Net premiums written (Rate of change)	2,533 (-6.4%)	1,119 (-2.6%)	2,424 (-4.3%)	-109 (2.1%)	- (-1.7%)
· Underwriting balance ratio	10.4%	6.7%	12.3%	1.9%	5.6%
· Loss ratio	42.2%	43.3%	41.6%	-0.6%	-1.7%
· Expense ratio	47.4%	50.0%	46.2%	-1.3%	-3.8%
⑧ Number of employees	19,357	19,586	19,569	212	-17
⑨ Number of agencies	61,751	60,758	60,381	-1,370	-377

(Note)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Expense ratio = (Agency commissions and brokerage + Operating and general administrative expenses on underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Expense ratio
4. Underwriting balance ratio = 100 - Combined ratio

**TOKIO MARINE & NICHIDO FIRE
INSURANCE CO., LTD**

NEW ZEALAND BRANCH

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2011**

BUSINESS & REGISTRIES
BRANCH, AUCKLAND

01 OCT 2012

RECEIVED

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

INDEX OF CONTENTS	PAGE
Directory	3
Statement of Financial Performance	4
Statement of Financial Position	5
Statement of Changes in Head Office Account	6
Notes to Financial Statement	7-16
Auditors' Report	17-18



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
ISHIHARA, Kunio	27 JUN 1997
IWAI, Koji	19 JUN 2009
KONNO Masahide	26 JUN 2009
IWASAKI, Kenji	24 JUN 2010
FUKAO, Kunihiro	23 JUN 2011
FUKADA, Kazumasa	24 JUN 2010
KOZUKI, Kazuo	23 JUN 2011
KUNIHICO, Tadashi	21 JUN 2008
MIYAZAKI, Tadahiko	23 JUN 2011
NAGANO, Tsuyoshi	19 JUN 2009
MOCHINDA Kozuo	23 JUN 2011
OBA, Masashi	24 JUN 2010
SUMI, Shuzo	29 JUN 2000
TAMAI, Takaaki	26 JUN 2006
UNO, Naoki	26 JUN 2009
SANO, Kiyoaki	23 JUN 2011
KUROYANAGI, Nabuo	23 JUN 2011

Director(s) Ceasing to Hold Office:

Date of Resignation

OKADA, Shinichiro	23 JUN 2011
INOUE, Hajime	23 JUN 2011

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2011

	<u>NOTES</u>	<u>2011</u> <u>\$</u>	<u>2010</u> <u>\$</u>
Gross premium income	3	1,333,917	1,541,248
Change in unearned premium		45,627	(24,168)
Outward reinsurance expense		-	-
Net premium revenue		1,379,544	1,517,080
Net claims incurred	4	<u>(207,936)</u>	<u>(269,733)</u>
Underwriting profit before expenses		1,171,608	1,247,347
Acquisition costs		65,129	95,465
Other expenses	5	<u>379,356</u>	<u>902,795</u>
Net Underwriting Result		727,123	249,087
Investment income		21,634	63,043
Other income		-	-
Profit before tax		748,757	312,130
Income Tax	6	224,627	127,636
Profit after tax		<u>524,130</u>	<u>184,494</u>

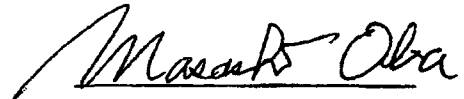
The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

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

28th day of September 2011.



DIRECTOR
Tokyo



DIRECTOR
Tokyo

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	<u>NOTES</u>	2011	2010
		<u>\$</u>	<u>\$</u>
Current Assets			
Cash and Cash equivalents	7	2,218,663	1,815,680
Government Bond	8	529,750	552,870
Premium Receivable		223,717	45,915
Deferred acquisition costs	9	22,613	22,570
Other Debtors		10,550	80,164
Income Tax		23,242	87,852
Total Current Assets		<u>3,028,535</u>	<u>2,605,051</u>
Total Assets		<u>3,028,535</u>	<u>2,605,051</u>
Current Liabilities			
Trade Creditors		-	10,290
Other Creditors		86,596	289,359
Intercompany	10	4,699	6,086
Income Tax		-	-
Unearned Premium	11	251,043	296,627
Outstanding Claims	12	264,476	105,098
Total Current Liabilities		<u>606,814</u>	<u>707,460</u>
Total Liabilities		<u>606,814</u>	<u>707,460</u>
Head Office Account			
Total Head Office Account		<u>2,421,721</u>	<u>1,897,591</u>
Total Liabilities and Head Office Account		<u>3,028,535</u>	<u>2,605,051</u>

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 2011

	2011	2010
	<u>\$</u>	<u>\$</u>
Net surplus for the period	524,130	184,494
Head Office Account at the start of the period	1,897,591	1,841,446
Adjustments to opening retained profits	-	(128,349)
	<hr/>	<hr/>
Head Office Account at the end of the period	<u>2,421,721</u>	<u>1,897,591</u>

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 2011

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 2011.

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 assets as identified in specific accounting policies below.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

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.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

Notes to Financial Statements – continued

Summary of Significant Accounting Policies – continued

(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.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized 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 recognized 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 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

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

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 recognized 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 recognized in the Income Statement in future periods. Deferred acquisition costs are measured at the lower of cost and recoverable amount and are amortized 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.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

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 Tokio Marine and Fire Insurance Company Limited to Tokio Marine and Nichido Fire Insurance Co., Limited.

(r) 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	2011	2010
	<u>\$</u>	<u>\$</u>
Non – life direct premium	1,107,146	1,248,799
Fire Service Levy	<u>226,771</u>	<u>292,449</u>
	<u>1,333,917</u>	<u>1,541,248</u>

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 policies(2010 nil).

5. Other Expenses	2011	2010
	<u>\$</u>	<u>\$</u>
Audit Fees	28,260	18,549
Management Fees	124,397	154,111
Other Expenses	<u>226,699</u>	<u>730,135</u>
	<u>379,356</u>	<u>902,795</u>

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

6. Taxation	2011	2010
	<u>\$</u>	<u>\$</u>
Profit before Tax	748,757	312,130
Taxation @ 30%	224,627	93,639
Under provision in prior year	-	<u>33,997</u>
Tax expense	<u>224,627</u>	<u>127,636</u>

7. Cash at bank and short term deposits	2011	2010
	<u>\$</u>	<u>\$</u>
Deposits with banks:		
Current	1,863,563	1,472,578
Term Deposit	<u>355,100</u>	<u>343,102</u>
	<u>2,218,663</u>	<u>1,815,680</u>

Interest rate on term deposit is 3.5%, (2010 3.5%). The maturity of the term deposit is within 3 months. There is nil interest earned on the current account.

8. Government Stock

Value as at 31 March 2011:	2011	2010
	<u>\$</u>	<u>\$</u>
Government Stock at Face Value	500,000	500,000
Purchase Premium	<u>31,420</u>	<u>31,420</u>
Total Price	<u>531,420</u>	<u>531,420</u>
Less: Amortization of Purchase Premium	<u>(14,311)</u>	<u>(5,940)</u>
Amortized Value	517,109	525,480
Movement Market Valuation	<u>12,641</u>	<u>27,390</u>
	<u>529,750</u>	<u>552,870</u>

The New Zealand Government Stocks are lodged as statutory deposits and have a nominal value of \$500,000.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

9. Deferred Acquisition Cost

	2011	2010
	<u>\$</u>	<u>\$</u>
Deferred acquisitions costs as at 1 st April	22,570	24,506
Acquisition costs deferred	22,613	(1,936)
Amortization of DAC capitalized in prior year	(22,570)	-
Deferred acquisitions costs as at 31 st March	<u>22,613</u>	<u>22,570</u>

10. Related Parties

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

2011	2010
<u>\$</u>	<u>\$</u>
<u>4,699</u>	<u>6,086</u>

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

(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.

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

11. Unearned premium

	2011	2010
	<u>\$</u>	<u>\$</u>
Unearned premium liability as at 1 st April	296,627	274,395
Deferral of premiums on contracts written in the period	251,043	22,232
Earning of premiums written in previous periods	(296,627)	-
Unearned premiums liability as at 31 st March	<u>251,043</u>	<u>296,627</u>

12. Outstanding Claims

	2011	2010
	<u>\$</u>	<u>\$</u>
Net outstanding claim reserve	164,116	38,521
Provision for IBNR Reserve	100,360	66,577
Total Outstanding claims Reserve	<u>264,476</u>	<u>105,098</u>

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 provision of \$100,360 for IBNR claims for this year. 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.

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. (2010 nil).

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

15. Contingent Liabilities

There are no contingent liabilities outstanding as at balance date. (2010 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 made 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.

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 \$355,100 as at 31 March 2011 (2010: \$343,102). 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) & New Zealand bond is AAA rated (stable).

TOKIO MARINE AND NICHIDO FIRE INSURANCE COMPANY LIMITED
NEW ZEALAND BRANCH

Notes to Financial Statements - continued

Summary of Significant Accounting Policies – continued

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 its 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 is identified 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.



Independent Auditors' Report to the Directors of Tokio Marine and Nichido Fire Insurance Company Limited – New Zealand Branch

Report on the Financial Statements

We have audited the financial statements of Tokio Marine and Nichido Fire Insurance Company Limited – New Zealand Branch (New Zealand Branch) on pages 4 to 16, which comprise the statement of financial position as at 31 March 2011, the statement of financial performance and statement of changes in head office account for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the New Zealand Branch's preparation of financial statements that present fairly the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Zealand Branch's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have no relationship with, or interests in, the New Zealand Branch other than in our capacities as auditors.

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation



**Independent Auditors' Report to the Directors of Tokio Marine and
Nichido Fire Insurance Company Limited – New Zealand Branch**

Opinion

In our opinion, the financial statements on pages 4 to 16:

- (i) comply with generally accepted accounting practice in New Zealand;
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the financial position of the Company as at 31 March 2011, and its financial performance for the year then ended.

Restriction on Distribution or Use

This report is made solely to the Company's Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Directors those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Directors, as a body, for our audit work, for this report or for the opinions we have formed.

Chartered Accountants
30 September 2011

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 2011. I was responsible for the execution of the audit and delivery of our firm's auditors' report. The audit work was completed on 30 September 2011 and an unqualified opinion was issued.

 30.9.11
SJ Hadfield