Profit growth in the U.S., which has the world's largest insurance market, and stable growth in Japan, which has the world's third-largest market (No. 4 in non-life insurance, and No. 3 in life insurance), are the key.

The global insurance market in 2017 was worth $4,891 billion, with the U.S. in first place for both life and non-life insurance. Following China, Japan was in third place with the fourth largest non-life insurance and the third largest life insurance markets.

Ten Largest Insurance Markets in Direct Premiums Written for Life Insurance and Non-life Insurance in 2017*1

(Unit: Millions of USD)

Ranking	Country	Life premiums	Non-life premiums*2	Total premiums		
				Amount	Change against 2016 (%)	Share of the global total (%)
1	United States*3, 4	546,800	830,315	1,377,114	2.0	28.15
2	China*5	317,570	223,876	541,446	16.2	11.07
3	Japan*4, 6	307,232	114,818	422,050	-6.5	8.63
4	United Kingdom*4	189,833	93,499	283,331	-2.6	5.79
5	France*7	153,520	88,083	241,603	1.8	4.94
6	Germany*7, 8	96,973	126,005	222,978	3.8	4.56
7	South Korea*4, 6	102,839	78,378	181,218	2.4	3.70
8	Italy*4	113,947	41,562	155,509	-2.6	3.18
9	Canada*4, 9	51,592	67,927	119,520	5.5	2.44
10	Taiwan	98,602	18,873	117,474	15.8	2.40

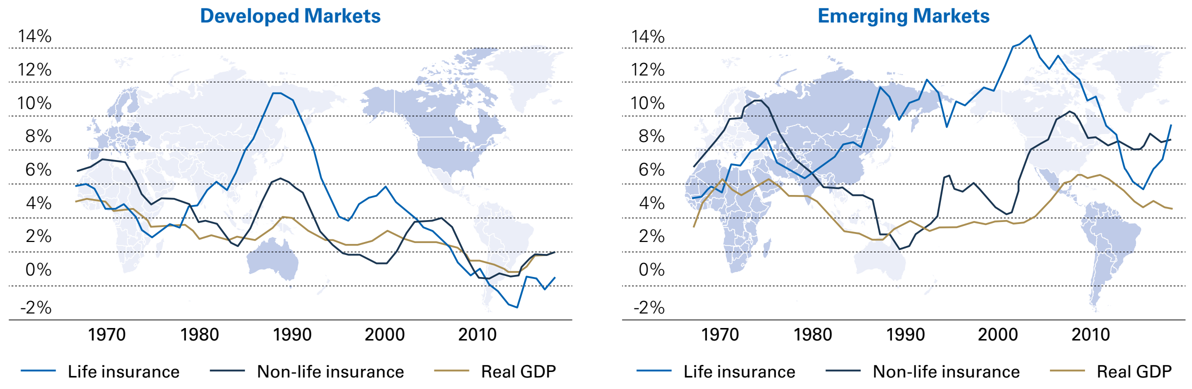
*1: Before reinsurance
*2: Includes personal accident insurance and health insurance
*3: Non-life premiums include state funds. Life insurance premiums include the estimated value of group annuities premiums
*4: Estimated figures
*5: Provisional figures
*6: Fiscal year between April 1, 2017 and March 31, 2018
*7: Figure for non-life premiums is provisional
*8: Figure for life premiums is an estimate
*9: Net premiums are shown for life premium amount

Source: Swiss Re Institute, *sigma* No. 3, 2018

In addition to stable growth in developed markets, capturing booming emerging markets is the key.

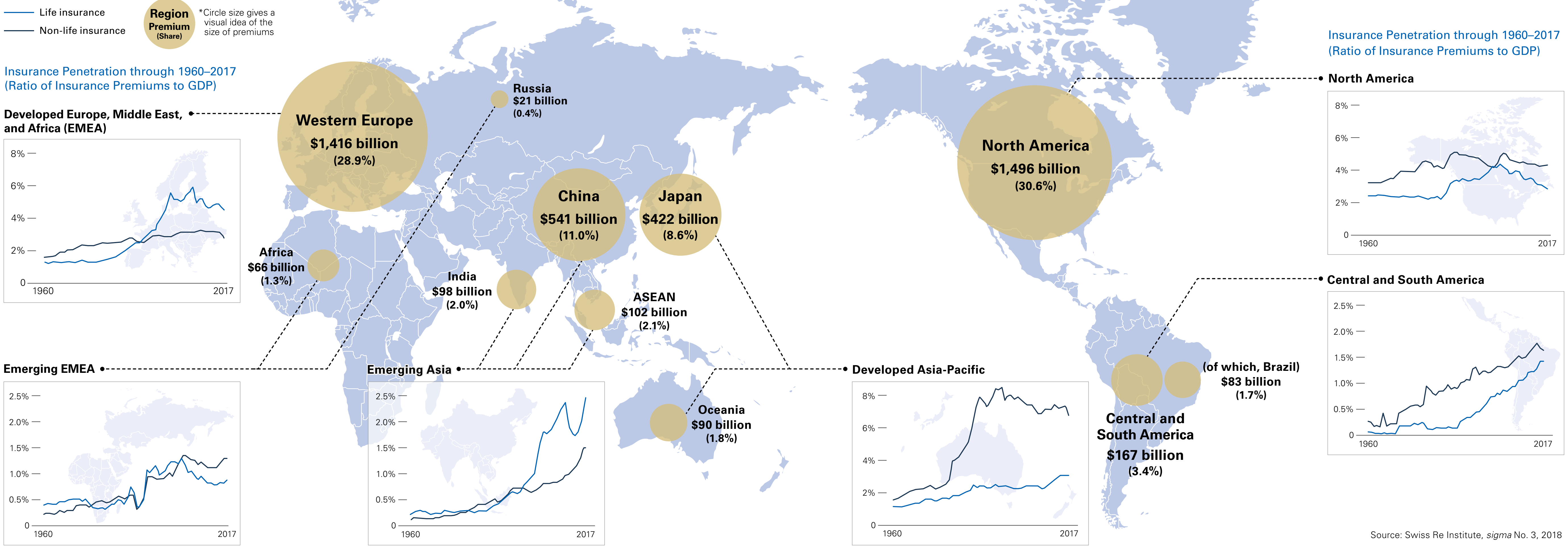
Non-life premiums grow in tandem with economic growth in developed markets. However, in emerging markets, which have low levels of insurance penetration and upward trends in populations, insurance premiums show growth that exceeds economic growth. Note that increases in life premiums are greatly impacted by such factors as interest rates, market regulations, and taxation systems, so they are not necessary linked to economic growth.

Growth in Non-life and Life Premiums, and Growth in Real GDP (Seven-Year Moving Average)



Source: Swiss Re Institute, *sigma* No. 3, 2018

Life and Non-Life Insurance Premiums in 2017, and Penetration through 1960–2017 (Ratio of Insurance Premiums to GDP)



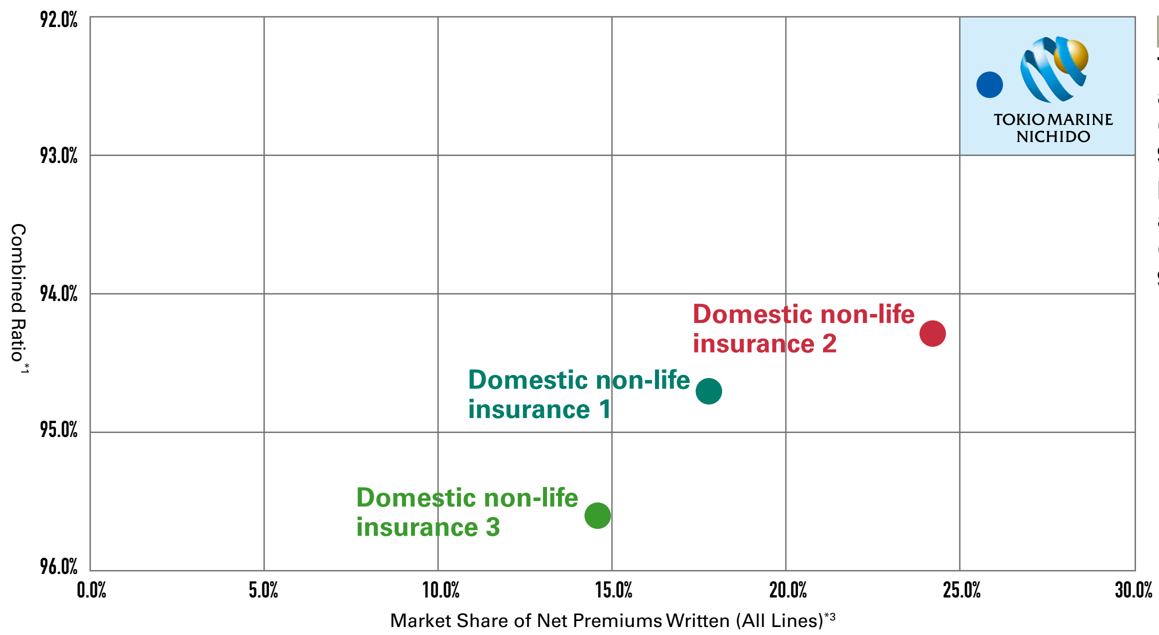
Source: Swiss Re Institute, *sigma* No. 3, 2018

Established Top Level Businesses Inside and Outside of Japan

Japan

We continue to generate stable profits as a leader in the industry with both superior top line and profits (combined ratio) compared to peers in Japan.

Superior top line and combined ratio (C/R) compared to peers in Japan



Reference

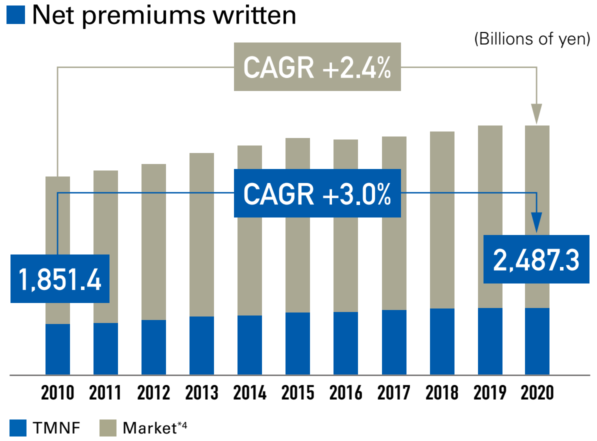
Ten-year average C/R (2011–2020) 92.9%*2

Five-year average C/R (2016–2020) 91.4%*2

*1: Combined ratio based on private insurance EI basis
*2: Combined ratio based on private insurance EI basis adjusting natural catastrophes normalized to an average annual level
*3: Total for members of The General Insurance Association of Japan (excluding TMNF); source: The General Insurance Association of Japan and each company's website

Top-line growth outperforming the market

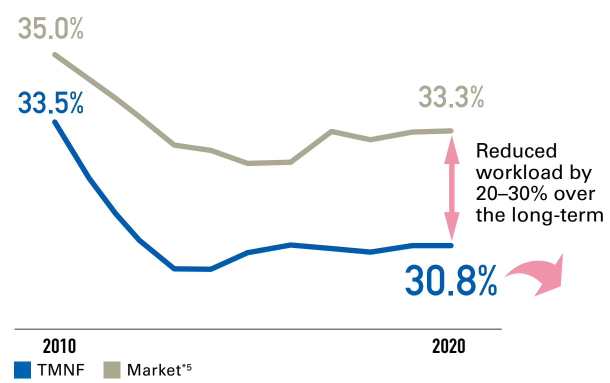
■ Net premiums written



*4: Total for members of The General Insurance Association of Japan; source: The General Insurance Association of Japan website and Insurance Statistics (Sompo Toukeigo)

Favorable expense ratio compared to the market forming a source of superior C/R

■ Expense Ratio (All Lines)



*5: Total for members of The General Insurance Association of Japan (excluding TMNF); source: The General Insurance Association of Japan and each company's website

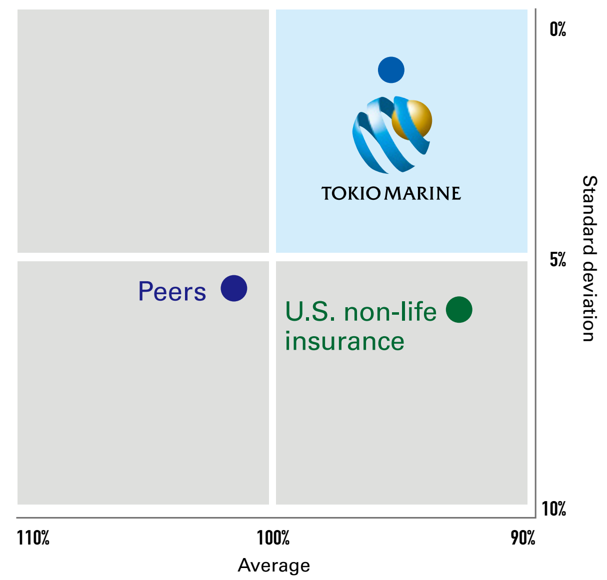
Overseas: Developed countries

We maintain a top class position mainly in specialty insurance generating stable and high profitability

U.S. commercial lines
Top 10 in specialty insurance market*1

Favorably consistent C/R compared to peers (-7.0 pts)

■ Combined Ratio (2015–2020)*2

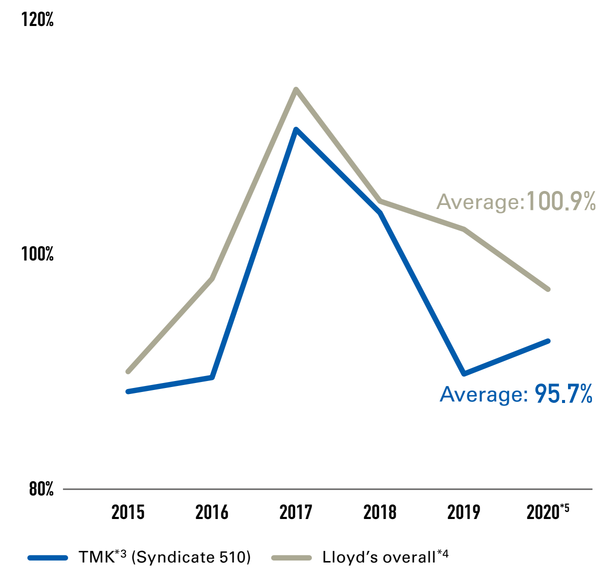


*1: U.S. Commercial P&C direct premiums written in FY2020; source: S&P Global
*2: Tokio Marine's combined ratio total for North America
Combined ratio for U.S. Non-life insurance business for the following companies
Peers: median of Allianz, AXA, Chubb, and Zurich
U.S. non-life insurance: median of non-life insurers focused on commercial lines in the U.S. with market cap of 4 trillion yen or more selected by the Company (Chubb, Travelers, AIG); source: S&P Global

UK Lloyd's
Top class player*4

Favorable C/R compared to market (-5.2 pts)*4

■ Combined Ratio (2015–2020)



*3: Local managerial accounting basis
*4: Source: Lloyd's Annual Report
*5: Excludes impacts of COVID-19

Overseas: Emerging countries

We have established a strong position by capturing high market growth

Top line growth outperforming high-growth markets

■ Top line in emerging countries*6

CAGR for 2015–2019
+9.8% (vs. market +2.2 pts)

*6: Non-life premiums: NWP for TMHD and GWP for the market; source: Swiss Re

Growing in Brazil and Thailand into a scale of several to tens of billions of yen

	Brazil	Thailand
Market size*6 (2019)	¥3.6 trillion (Largest in Latin America)	¥1.0 trillion (Largest in Southeast Asia)
Market share*7 (2019)	No.6 (5%)	No.4 (8%)
Bottom line (2020)	¥11.0 bn (YoY+40%*8)	¥4.5 bn (YoY+1%*8)

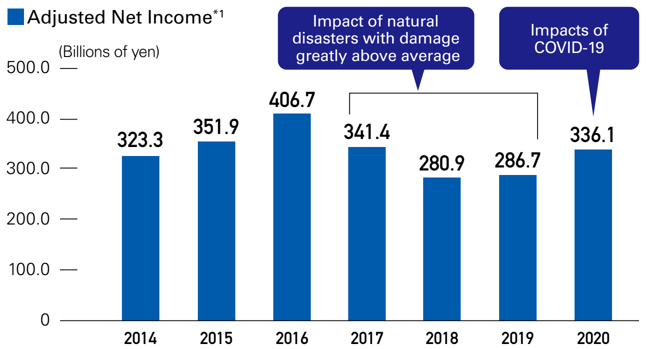
*7: Source: SUSEP for Brazil and local insurance rating organization for Thailand
*8: Local currency basis

Financial Highlights

Promoting risk diversification and generating stable profits

As a result of building a well-balanced business portfolio both geographically and in business terms, we have been able to generate stable profits even in the past few years that have seen a number of large natural disasters.

Adjusted Net Income*1

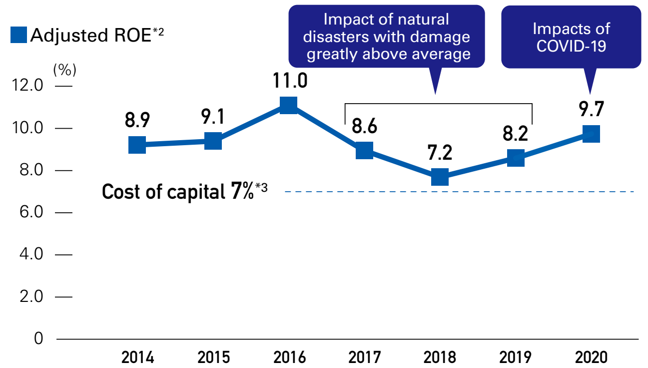


*1: Indicator used for business plans and shareholder return; please see page 126 for details.

Pursuit of higher capital efficiency

We are aiming to improve capital efficiency by revising our business portfolio, strengthening control of natural disaster risks and continuing to sell business-related equities.

Adjusted ROE*2

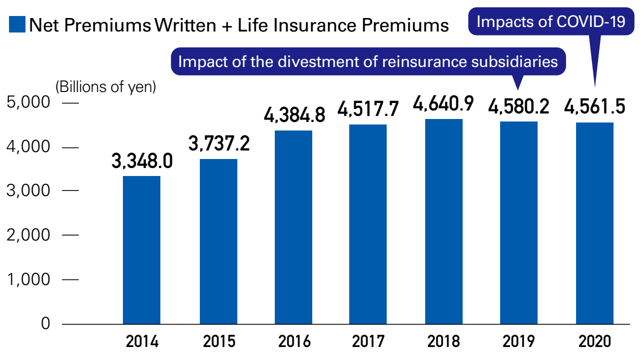


*2: Indicator used for business plans and shareholder return; please see page 126 for details.
*3: Return expected by investors; calculated using the capital asset pricing model (CAPM).

Steady expansion of Top-Line

Excluding the impact of the divestment of reinsurance subsidiaries in the amount of approximately ¥130 billion, insurance premiums are steadily increasing due to organic growth and the disciplined execution of M&A.

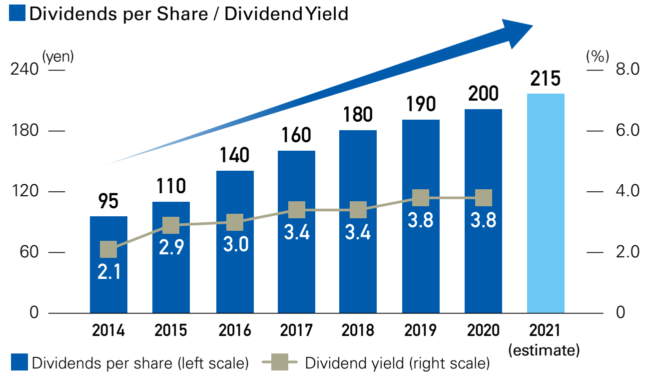
Net Premiums Written + Life Insurance Premiums



10 consecutive years of higher dividends projected

The dividend per share for fiscal 2020 was increased by ¥10 compared to the previous year to ¥200. In fiscal 2021, we plan to provide a dividend of ¥215 per share, representing a ¥15 increase.

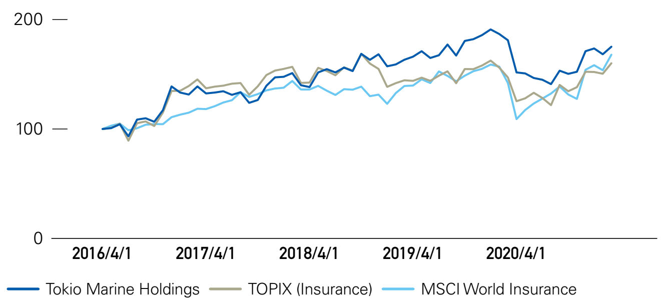
Dividends per Share / Dividend Yield



Shareholder value growing with TSR greatly outperforming market

Total shareholder return (TSR), an indicator of the capital returns achieved after reinvestment of dividends, is greatly outperforming that of peers in Japan and overseas.

TSR*4

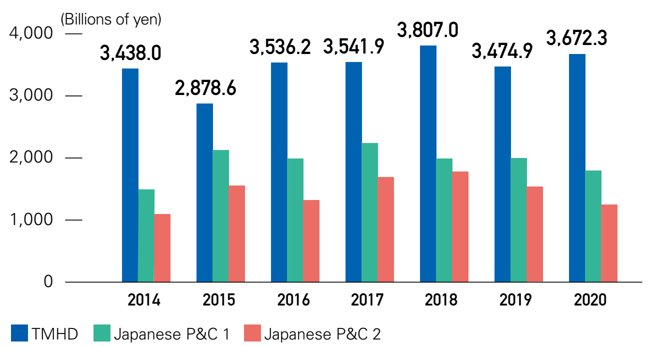


Source: Bloomberg
*4. Stock prices on April 1, 2016 are set at an index value of 100.

Steady growth in corporate value

Market capitalization as a result of evaluations from the capital markets greatly exceeds other insurance groups in Japan.

Market Capitalization

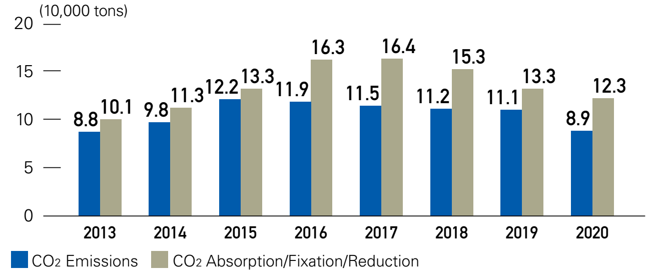


Non-Financial Highlights

Achieved carbon neutrality*1 for eight years running and established new targets

Tokio Marine Group has achieved carbon neutrality*1 in its business activities for eight years running since fiscal 2013 through its mangrove planting activities. In addition, we have formulated new targets for 2030 regarding climate change countermeasures, and we will accelerate initiatives in this area going forward.

New targets
- CO_2 emissions reduction target*: reduce by 60% compared to fiscal 2015
- Renewable energy introduction rate target: 100% at main business locations
- Company-owned vehicles: switch all company-owned vehicles of TMNF and TMNL to EVs



*1: CO_2 emissions associated with our own business activities (Scope 1 [direct emissions] + Scope 2 [indirect emissions] + Scope 3 [other indirect emissions, categories 1, 3, 5, and 6] based on the GHG Protocol standards)

Contributing to local communities through assistance for BCP formulation

We are contributing to building a disaster-resilient society while working closely with local governments.

Cumulative Total of Collaboration Agreements with Local Governments*2

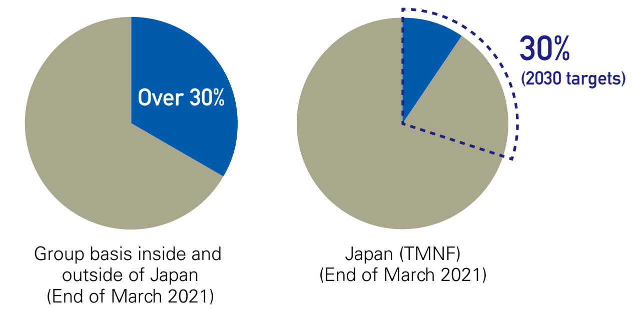
Prefectures	38
Ordinance-designated cities	10
Other cities	52

*2: Collaboration agreements on regional revitalization including BCP formulation assistance, etc.

Eliminating the gender gap

We are actively working to eliminate the gender gap as part of our growth strategy.

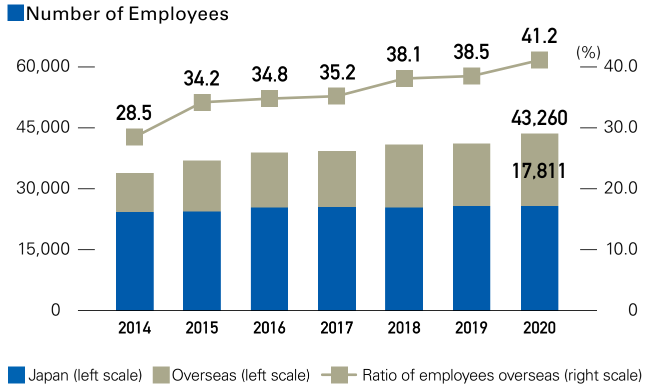
Ratio of Women in Leadership Positions



Worldwide promotion of diversity

Tokio Marine Group is drawing on its strength arising from the unique corporate cultures of Group companies and a diverse human resource pool.

Number of Employees



Selected for inclusion in the Health & Productivity Stock Selection program for six years running

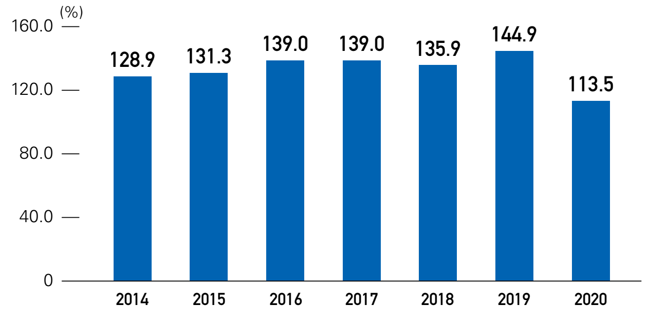
We continue to work on health and productivity management across the Group, knowing that this forms an important element of our corporate philosophy to be a "Good Company".

2021
健康経営銘柄
Health and Productivity

Active participation in social contribution activities

Tokio Marine Group employees are actively engaged in activities for reducing environmental impacts and preserving the environment as well as for promoting disaster-prevention awareness, supporting post-disaster restoration and assisting persons with disabilities.

Ratio of Group Employees Engaged in Social Contribution Activities*3



*3: Total for Tokio Marine Holdings and major domestic subsidiaries; the aggregate number of participants is used for the numerator.

Business Conditions (Unaudited)

Main Financial and Non-Financial Data

(Yen in millions unless otherwise indicated)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	**FY2020**
Performance Indicators (Consolidated)											
Ordinary income	3,288,605	3,415,984	3,857,769	4,166,130	4,327,982	4,579,076	5,232,602	5,399,115	5,476,720	5,465,432	**5,461,195**
Net premiums written	2,272,117	2,324,492	2,558,010	2,870,714	3,127,638	3,265,578	3,480,478	3,564,747	3,587,400	3,598,396	**3,606,548**
Ordinary profit	126,587	160,324	207,457	274,386	358,182	385,825	387,659	344,939	416,330	363,945	**266,735**
Net income attributable to owners of the parent	71,924	6,001	129,578	184,114	247,438	254,540	273,856	284,183	274,579	259,763	**161,801**
Comprehensive income	(196,554)	(10,558)	548,251	442,277	997,024	(14,543)	169,603	500,528	42,871	2,737	**465,071**
Financial Indicators (Consolidated)											
Net assets	1,904,477	1,857,465	2,363,183	2,739,114	3,609,655	3,512,656	3,569,760	3,835,536	3,603,741	3,426,675	**3,722,780**
Total assets	16,528,644	16,338,460	18,029,442	18,948,000	20,889,670	21,855,328	22,607,603	22,929,935	22,531,402	25,253,966	**25,765,368**
Capital ratio (%)	11.41	11.26	12.98	14.32	17.13	15.94	15.67	16.59	15.86	13.35	**14.22**
Return on equity: ROE (%)	3.55	0.32	6.20	7.29	7.87	7.21	7.79	7.74	7.44	7.48	**4.60**
Consolidated solvency margin ratio (%)	—	717.8	737.0	728.4	781.3	791.4	897.3	879.3	854.2	845.8	**896.5**
Stock-related Information											
Net assets per share (Yen)	2,460	2,399	3,052	3,536	4,742	4,617	4,722	5,245	5,058	4,832	**5,285**
Net income per share—Basic (Yen)	92	7	168	239	323	337	363	382	383	369	**232**
Dividends per share (Yen)	50	50	55	70	95	110	140	160	180	190	**200**
Dividends total (100 million yen)	385	383	421	537	721	830	1,053	1,176	1,280	1,330	**1,391**
Number of shares outstanding at year-end (Thousands)	804,524	804,524	769,524	769,524	757,524	757,524	753,024	748,024	710,000	702,000	**697,500**
Share price at year-end (Yen)	2,224	2,271	2,650	3,098	4,538.5	3,800	4,696	4,735	5,362	4,950	**5,265**
Price-to-earnings ratio: PER (Ratio)	24.05	290.41	15.69	12.91	14.01	11.27	12.92	12.37	14.00	13.39	**22.68**
Price-to-book value ratio: PBR (Ratio)	0.90	0.95	0.87	0.88	0.96	0.82	0.99	0.90	1.06	1.02	**0.99**
Key Performance Indicators											
Adjusted net income (100 million yen)	—	307	1,631	2,437	3,233	3,519	4,067	3,414	2,809	2,867	**3,361**
Adjusted net assets (100 million yen)	—	23,016	27,465	31,725	41,034	35,993	38,124	40,864	37,631	32,409	**34,666**
Adjusted ROE (%)	—	1.3	6.5	8.2	8.9	9.1	11.0	8.6	7.2	8.2	**9.7**
Adjusted BPS (Yen)	—	3,001	3,580	4,135	5,437	4,769	5,082	5,633	5,325	4,643	**5,326**
Adjusted EPS (Yen)	—	40	212	317	423	466	539	459	391	408	**482**
Adjusted PBR (Ratio)	—	0.76	0.74	0.75	0.83	0.80	0.92	0.84	1.01	1.07	**0.99**
Environmental, Social and Governance (ESG) Information											
Number of employees	29,758	30,831	33,006	33,310	33,829	36,902	38,842	39,191	40,848	41,101	**43,260**
Number of employees outside Japan	5,565	6,207	8,687	9,102	9,640	12,612	13,525	13,803	15,557	15,814	**17,811**
CO_2 emissions (Tons)	73,692	75,277	93,311	87,971	98,317	122,280	119,420	115,244	111,509	111,172	**89,894**
CO_2 fixation/reduction effect (Tons)	58,000	75,925	84,360	100,951	113,310	133,447	163,459	163,521	153,335	133,617	**123,531**

Notes: 1. With the application of "Accounting Standard for Business Conbinations" (Accounting Standards Board of Japan ("ASBJ") Statement No.21), the former Net income is Net income attributable to owners of the parent from FY2015.
2. Number of employees is staff head-count currently at work.
3. Figures for Comprehensive income, consolidated solvency margin ratio, and number of employees outside Japan are provided beginning with the fiscal year from which data collection and disclosure began.
4. Dividends per share for FY2018, FY2019, and FY2020 do not include one-time dividends of approximately ¥50.0 billion, ¥25.0 billion and ¥25.0 billion, respectively.
5. The Key Performance Indicators have been newly defined in FY2015 and figures for FY2011 and thereafter have been restated.
6. The main reason for the increase in CO_2 emissions from FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emissions).

Adjusted Net Income, Adjusted Net Assets, and Adjusted ROE

Tokio Marine Group has set adjusted net income, adjusted net assets, and adjusted ROE, as defined below, as indicators for its management plans and shareholder return to enhance transparency and comparability as well as ensure linkage with shareholder return.

These are indicators that clarify profit or loss attributable to the reporting period, excluding the effect of various reserves specific to the Japanese insurance business as well as deducting special factors of the period such as gains or losses on sales or valuation of assets, etc.

Adjusted Net Income

Adjusted net income = Net income (consolidated)[1] + Provision for catastrophe loss reserves[2] + Provision for contingency reserves[2] + Provision for price fluctuation reserves[2] − Gains or losses on sales or valuation of ALM[3] bonds and interest rate swaps + Amortization of goodwill and other intangible fixed assets − Gains or losses on sales or valuation of fixed assets and business investment equities − Other extraordinary gains/losses, valuation allowances, etc.

Adjusted Net Assets

Adjusted net assets = Net assets (consolidated) + Catastrophe loss reserves + Contingency reserves + Price fluctuation reserves − Goodwill and other intangible fixed assets

Adjusted ROE

Adjusted ROE = Adjusted net income ÷ Adjusted net assets[4]

1 Net income attributable to owners of the parent
2 In case of reversal, it is subtracted from the equation
3 ALM: Asset Liability Management. Excluded since it is counterbalance of ALM-related liabilities
4 Average balance basis

Business Unit Profits

From the perspective of accurately assessing corporate value including economic value, etc., and expanding it in the long-term, business unit profits are defined as below.

Non-Life Insurance Business

Business unit profits = Net income + Provision for catastrophe loss reserves[1] + Provision for price fluctuation reserves[1] − Gains or losses on sales or valuation of ALM[2] bonds and interest rate swaps − Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities − Other extraordinary gains/losses, valuation allowances, etc.

Life Insurance Business[3]

Business unit profits = Increase in EV[4] during the current fiscal year − Capital transactions such as capital increase

Other Businesses

Net income determined in accordance with financial accounting principles

1 In case of reversal, it is subtracted from the equation
2 ALM: Asset Liability Management. Excluded since it is counterbalance of ALM-related liabilities
3 For some of the life insurance companies, Business Unit Profit is calculated by using the definition in other businesses (head office expenses, etc., are deducted from profits)
4 EV: Embedded Value. An index that shows the sum of the net present value of profits to be gained from policies in-force and the net asset value

Overview of Business Results (Unaudited)

1. Consolidated Results of Operations

During the fiscal year 2020, after a significant slowdown due to the spread of coronavirus disease 2019 (COVID-19), the world economy and Japanese economy showed signs of recovery with the resumption of economic activity. However, the situation remained severe due to the renewed spread of COVID-19. Meanwhile, the market environment improved and share prices rose significantly, due to the expansive fiscal and monetary policies implemented by major countries in response to the economic downturn.

Under these circumstances, as a result of our efforts to expand our domestic and overseas business, which is centered on non-life insurance and life insurance, our consolidated results of operations for the fiscal year 2020 were as follows:

Ordinary income decreased by 4.2 billion yen to 5,461.1 billion yen from the previous fiscal year, the main components of which were Underwriting income of 4,669.9 billion yen and Investment income of 661.4 billion yen. Ordinary expenses increased by 92.9 billion yen to 5,194.4 billion yen from the previous fiscal year, the main components of which were Underwriting expenses of 4,185.3 billion yen, Investment expenses of 79.5 billion yen, and Operating and general administrative expenses of 900.9 billion yen.

As a result, Ordinary profit decreased by 97.2 billion yen to 266.7 billion yen from the previous fiscal year.

Net income attributable to owners of the parent, composed of Ordinary profit plus Extraordinary gains minus Extraordinary losses and Total income taxes, decreased by 97.9 billion yen to 161.8 billion yen from the previous fiscal year.

Domestic Non-Life Insurance (Unaudited)

In the Domestic non-life insurance business, Ordinary income decreased by 21.5 billion yen to 2,760.9 billion yen from the previous fiscal year. Ordinary profit decreased by 36.6 billion yen to 142.8 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the Domestic non-life insurance business are as follows.

Underwriting

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	490,423	17.80	5.11	466,568	16.88	11.93
Hull and cargo	67,958	2.47	(4.98)	71,519	2.59	5.70
Personal accident	239,033	8.68	(9.81)	265,036	9.59	2.36
Voluntary automobile	1,230,897	44.68	2.57	1,200,041	43.42	1.29
Compulsory automobile liability	238,263	8.65	(15.48)	281,885	10.20	(0.43)
Others	488,379	17.73	2.01	478,778	17.32	2.85
Total	2,754,954	100.00	(0.32)	2,763,830	100.00	3.25
Deposit premiums from policyholders	65,122	2.36	(15.47)	77,041	2.79	(4.41)

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Direct premiums written including deposit premiums from policyholders = Gross premiums written - Surrender benefits of direct policies - Other refunds of direct policies (including deposit premiums from policyholders)

Business Conditions (Unaudited)

Net premiums written

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	376,596	15.42	8.85	345,980	14.25	14.17
Hull and cargo	61,430	2.52	(5.94)	65,307	2.69	4.12
Personal accident	167,171	6.85	(9.89)	185,527	7.64	2.93
Voluntary automobile	1,226,102	50.21	2.55	1,195,587	49.24	1.32
Compulsory automobile liability	253,271	10.37	(13.95)	294,319	12.12	2.14
Others	357,517	14.64	4.79	341,176	14.05	4.53
Total	2,442,089	100.00	0.58	2,427,899	100.00	3.73

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	226,471	17.74	(20.49)	284,835	19.53	(13.95)
Hull and cargo	38,029	2.98	(13.69)	44,061	3.02	10.36
Personal accident	80,738	6.32	(9.12)	88,836	6.09	5.99
Voluntary automobile	588,748	46.11	(11.03)	661,751	45.38	0.85
Compulsory automobile liability	186,933	14.64	(7.94)	203,048	13.92	(5.65)
Others	156,011	12.22	(11.18)	175,645	12.05	9.26
Total	1,276,931	100.00	(12.43)	1,458,179	100.00	(1.93)

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2021		As of March 31, 2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	392,707	5.21	440,558	6.10
Receivables under resale agreements	999	0.01	999	0.01
Monetary receivables bought	89,215	1.18	139,299	1.93
Money trusts	2,378	0.03	2,103	0.03
Securities	5,594,582	74.16	5,209,652	72.10
Loans	350,273	4.64	296,835	4.11
Land and buildings	211,548	2.80	211,708	2.93
Total investment assets	6,641,706	88.04	6,301,158	87.20
Total assets	7,544,109	100.00	7,225,925	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

(Yen in millions)

	As of March 31, 2021		As of March 31, 2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	1,348,321	24.10	1,449,805	27.83
Domestic municipal bonds	93,812	1.68	100,225	1.92
Domestic corporate bonds	658,394	11.77	725,812	13.93
Domestic equity securities	2,511,381	44.89	2,005,071	38.49
Foreign securities	954,534	17.06	900,607	17.29
Others	28,138	0.50	28,129	0.54
Total	5,594,582	100.00	5,209,652	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	158	467,224	0.03	181	450,822	0.04
Call loans	—	2	0.00	—	8	0.00
Receivables under resale agreements	2	8,782	0.03	0	1,526	0.01
Monetary receivables bought	149	193,010	0.08	105	227,160	0.05
Money trusts	—	2,003	0.00	—	2,005	0.00
Securities	109,147	3,630,470	3.01	121,663	3,917,028	3.11
Loans	9,139	316,775	2.89	7,607	257,923	2.95
Land and buildings	8,321	213,988	3.89	8,532	213,296	4.00
Subtotal	126,918	4,832,258	2.63	138,091	5,069,771	2.72
Others	625	—	—	783	—	—
Total	127,544	—	—	138,874	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Income is the sum of Interest and dividends and the amount equivalent to the Interest and dividends that is included in Gains on money trusts and Losses on money trusts in the consolidated statement of income.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under resale agreements, and Monetary receivables bought are calculated based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	2,586	467,224	0.55	1,122	450,822	0.25
Call loans	—	2	0.00	—	8	0.00
Receivables under resale agreements	2	8,782	0.03	0	1,526	0.01
Monetary receivables bought	149	193,010	0.08	105	227,160	0.05
Money trusts	277	2,003	13.85	(50)	2,005	(2.52)
Securities	194,405	3,630,470	5.35	205,836	3,917,028	5.25
Loans	14,656	316,775	4.63	6,309	257,923	2.45
Land and buildings	8,321	213,988	3.89	8,532	213,296	4.00
Derivatives	(24,365)	—	—	(16,725)	—	—
Others	6,681	—	—	(799)	—	—
Total	202,715	4,832,258	4.20	204,332	5,069,771	4.03

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Net investment income is the sum of Investment income and Investment income on deposit premiums in the consolidated statement of income less Investment expenses.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under resale agreements, and Monetary receivables bought are calculated based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Domestic Life Insurance (Unaudited)

In the Domestic life insurance business, Ordinary income increased by 27.1 billion yen to 775.3 billion yen from the previous fiscal year. Ordinary profit increased by 16.8 billion yen to 68.7 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the Domestic life insurance business are as follows.

Underwriting

Total amount of business in force

(Yen in millions)

	As of March 31, 2021		As of March 31, 2020	
	Total	Rate of change (%)	Total	Rate of change (%)
Individual insurance	**28,987,437**	**(1.18)**	29,334,366	(0.77)
Individual annuities	**2,055,913**	**(4.23)**	2,146,807	(6.00)
Group insurance	**2,111,625**	**(3.80)**	2,195,007	(3.13)
Group annuities	**3,097**	**(2.03)**	3,161	(1.36)

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Amounts of individual annuities represent the sums of funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and the amount of underwriting reserves for an annuity for which payments have commenced.
3. Amounts of group annuities represent amounts of underwriting reserves.

Total amount of new business

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	New business + Net increase on conversion	New business	Net increase on conversion	New business + Net increase on conversion	New business	Net increase on conversion
Individual insurance	**1,965,684**	**1,965,684**	**—**	2,144,067	2,144,067	—
Individual annuities	**—**	**—**	**—**	—	—	—
Group insurance	**13,075**	**13,075**	**—**	14,379	14,379	—
Group annuities	**—**	**—**	**—**	—	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Amounts of individual annuities under new business represent the sums of annuity funds at the beginning of the annuity payment.
3. Amounts of group annuities under new business represent the first installment of premium payments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2021		As of March 31, 2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	**64,060**	**0.68**	119,220	1.30
Receivables under securities borrowing transactions	**—**	**—**	4,612	0.05
Securities	**9,085,323**	**95.75**	8,728,238	94.86
Loans	**208,721**	**2.20**	205,021	2.23
Land and buildings	**379**	**0.00**	421	0.00
Total investment assets	**9,358,485**	**98.63**	9,057,514	98.44
Total assets	**9,488,683**	**100.00**	9,200,998	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

(Yen in millions)

	As of March 31, 2021		As of March 31, 2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	**8,040,882**	**88.50**	7,823,712	89.64
Domestic municipal bonds	**44,051**	**0.48**	47,843	0.55
Domestic corporate bonds	**486,161**	**5.35**	414,668	4.75
Domestic equity securities	**215**	**0.00**	176	0.00
Foreign securities	**367,851**	**4.05**	340,334	3.90
Others	**146,161**	**1.61**	101,503	1.16
Total	**9,085,323**	**100.00**	8,728,238	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	**0**	**82,456**	**0.00**	1	77,993	0.00
Call loans	**—**	**0**	**0.00**	—	0	0.00
Receivables under securities borrowing transactions	**0**	**2,175**	**0.01**	0	3,183	0.02
Monetary receivables bought	**—**	**—**	**—**	4	48,132	0.01
Securities	**107,887**	**8,647,977**	**1.25**	101,128	7,415,148	1.36
Loans	**9,023**	**212,006**	**4.26**	8,066	188,713	4.27
Land and buildings	**—**	**422**	**0.00**	—	477	0.00
Subtotal	**116,911**	**8,945,039**	**1.31**	109,201	7,733,650	1.41
Others	**—**	**—**	**—**	—	—	—
Total	**116,911**	**—**	**—**	109,201	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments and exclude investment gains and assets on separate accounts specified in Article 118 of the Insurance Business Act.
2. Income represents Interest and dividends in the consolidated statement of income.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under securities borrowing transactions, and Monetary receivables bought are based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	**15**	**82,456**	**0.02**	(9)	77,993	(0.01)
Call loans	**—**	**0**	**0.00**	—	0	0.00
Receivables under securities borrowing transactions	**0**	**2,175**	**0.01**	0	3,183	0.02
Monetary receivables bought	**—**	**—**	**—**	4	48,132	0.01
Securities	**108,247**	**8,647,977**	**1.25**	101,924	7,415,148	1.37
Loans	**8,885**	**212,006**	**4.19**	8,077	188,713	4.28
Land and buildings	**—**	**422**	**0.00**	—	477	0.00
Derivatives	**(4,759)**	**—**	**—**	(7,380)	—	—
Others	**—**	**—**	**—**	—	—	—
Total	**112,388**	**8,945,039**	**1.26**	102,617	7,733,650	1.33

Note: 1. The figures represent amounts before the elimination of internal transactions between segments and exclude investment gains and assets on separate accounts specified in Article 118 of the Insurance Business Act.
2. Net investment income represents Investment income in the consolidated statement of income less Investment expenses.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under securities borrowing transactions, and Monetary receivables bought are based on the average of daily balances (on the basis of acquisition costs or amortized costs).

International Insurance (Unaudited)

In the International insurance business, Ordinary income decreased by 13.4 billion yen to 1,877.8 billion yen from the previous fiscal year. Ordinary profit decreased by 80.8 billion yen to 44.6 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the International insurance business are as follows.

Underwriting

Net premiums written

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	224,397	19.27	13.50	197,713	16.89	(15.08)
Hull and cargo	48,673	4.18	12.08	43,425	3.71	4.26
Personal accident	29,843	2.56	2.48	29,121	2.49	(11.69)
Voluntary automobile	241,229	20.71	(5.36)	254,886	21.77	(1.01)
Others	620,389	53.27	(3.89)	645,466	55.14	(5.36)
Total	1,164,532	100.00	(0.52)	1,170,614	100.00	(6.12)

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	115,818	19.75	14.05	101,547	16.93	(27.44)
Hull and cargo	19,507	3.33	(17.35)	23,602	3.94	8.20
Personal accident	12,813	2.18	(16.13)	15,277	2.55	(12.94)
Voluntary automobile	139,492	23.78	(6.40)	149,023	24.85	(7.74)
Others	298,860	50.96	(3.69)	310,326	51.74	9.67
Total	586,492	100.00	(2.21)	599,776	100.00	(3.85)

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2021		As of March 31, 2020	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	309,451	3.51	222,491	2.51
Monetary receivables bought	1,288,513	14.61	1,224,452	13.83
Securities	4,059,990	46.04	3,936,263	44.44
Loans	1,187,349	13.47	1,093,555	12.35
Land and buildings	63,538	0.72	45,892	0.52
Total investment assets	6,908,842	78.35	6,522,655	73.65
Total assets	8,817,744	100.00	8,856,731	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	2,374	265,971	0.89	2,893	223,634	1.29
Monetary receivables bought	49,604	1,225,523	4.05	61,279	1,201,894	5.10
Securities	121,596	3,635,477	3.34	130,982	3,492,837	3.75
Loans	75,184	1,141,021	6.59	69,993	903,571	7.75
Land and buildings	705	54,715	1.29	750	37,752	1.99
Subtotal	249,466	6,322,708	3.95	265,899	5,859,690	4.54
Others	711	—	—	1,253	—	—
Total	250,178	—	—	267,153	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments. Securities on the consolidated balance sheet includes shares of affiliates accounted for by the equity method. However, these shares have been excluded from calculations of average balance and annual yield.
2. Income represents Interest and dividends in the consolidated statement of income.
3. Average balance is calculated based on average balances at the beginning and end of each fiscal year (acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	3,934	265,971	1.48	2,390	223,634	1.07
Monetary receivables bought	45,411	1,225,523	3.71	60,198	1,201,894	5.01
Securities	124,325	3,635,477	3.42	159,500	3,492,837	4.57
Loans	67,886	1,141,021	5.95	68,623	903,571	7.59
Land and buildings	705	54,715	1.29	750	37,752	1.99
Derivatives	12,466	—	—	11,221	—	—
Others	1,353	—	—	(64)	—	—
Total	256,084	6,322,708	4.05	302,620	5,859,690	5.16

Note: 1. The figures represent amounts before the elimination of internal transactions between segments. Securities on the consolidated balance sheet includes shares of affiliates accounted for by the equity method. However, these shares have been excluded from calculations of average balance and annual yield.
2. Net investment income represents Investment income in the consolidated statement of income less Investment expenses.
3. Average balance is calculated based on average balances at the beginning and end of each fiscal year (acquisition costs or amortized costs).

(Reference) Total for All Businesses (Unaudited)

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	825,384	19.79	15.51	714,550	17.55	10.43
Hull and cargo	137,120	3.29	2.64	133,597	3.28	11.46
Personal accident	268,624	6.44	(9.28)	296,102	7.27	1.70
Voluntary automobile	1,482,120	35.54	2.16	1,450,761	35.64	2.55
Compulsory automobile liability	238,263	5.71	(15.48)	281,885	6.92	(0.43)
Others	1,219,203	29.23	2.09	1,194,195	29.33	2.82
Total	4,170,716	100.00	2.45	4,071,093	100.00	3.93
Deposit premiums from policyholders	65,122	1.56	(15.47)	77,041	1.89	(4.41)

Note: 1. Figures are amounts before the elimination of internal transactions with other operating segments.
2. Direct premiums written including deposit premiums from policyholders = Gross premiums written - Surrender benefits of direct policies - Other refunds of direct policies (including deposit premiums from policyholders)

Business Conditions (Unaudited)

Net premiums written

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**600,993**	**16.66**	**10.54**	543,683	15.11	1.46
Hull and cargo	**110,103**	**3.05**	**1.26**	108,732	3.02	4.17
Personal accident	**197,007**	**5.46**	**(8.22)**	214,643	5.96	0.67
Voluntary automobile	**1,467,314**	**40.68**	**1.16**	1,450,451	40.31	0.91
Compulsory automobile liability	**253,271**	**7.02**	**(13.95)**	294,319	8.18	2.14
Others	**977,858**	**27.11**	**(0.88)**	986,565	27.42	(2.16)
Total	**3,606,548**	**100.00**	**0.23**	3,598,396	100.00	0.31

Note: Figures are amounts before the elimination of internal transactions with other operating segments.

Net claims paid

(Yen in millions)

	FY2020 (April 1, 2020 to March 31, 2021)			FY2019 (April 1, 2019 to March 31, 2020)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**342,289**	**18.37**	**(11.41)**	386,383	18.78	(17.96)
Hull and cargo	**57,452**	**3.08**	**(15.02)**	67,606	3.29	10.42
Personal accident	**93,356**	**5.01**	**(10.17)**	103,924	5.05	2.81
Voluntary automobile	**728,239**	**39.09**	**(10.18)**	810,774	39.40	(0.85)
Compulsory automobile liability	**186,933**	**10.03**	**(7.94)**	203,048	9.87	(5.65)
Others	**454,856**	**24.41**	**(6.40)**	485,970	23.62	9.52
Total	**1,863,128**	**100.00**	**(9.46)**	2,057,707	100.00	(2.48)

Note: Figures are amounts before the elimination of internal transactions with other operating segments.

2. Cash Flows

Cash flows for the fiscal year 2020 were as follows:

Net cash provided by operating activities increased by 180.2 billion yen to 1,177.8 billion yen compared to the previous fiscal year, mainly due to a decrease in paid claims. Net cash used in investing activities decreased by 1,815.4 billion yen to 731.0 billion yen, mainly due to a decrease in purchases of securities. Net cash provided by financing activities decreased by 2,056.0 billion yen to 512.9 billion yen, mainly due to a decrease in changes in cash collateral under securities lending transactions for procurement of funds.

As a result, Cash and cash equivalents at the end of the year was 924.6 billion yen, a decrease of 96.4 billion yen from that as of March 31, 2020.

3. Production, Orders and Sales

There is no applicable information due to the nature of the business as an insurance holding company.

Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, 1976, hereinafter referred to as "Consolidated Statements Regulation"). The consolidated financial statements have been also prepared in conformity with the Enforcement Regulations for the Insurance Business Act (Ministry of Finance Ordinance No. 5, 1996, hereinafter referred to as "Insurance Act Enforcement Regulations"), as stipulated under Articles 46 and 68 of the Consolidated Statements Regulation.

The Company and its domestic consolidated subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Companies Act 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 of less than 1 million yen have been omitted in the consolidated financial statements. As a result, the provided total balance does not necessarily agree with the sum of the individual account balances.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions)

	Notes No.	As of March 31, 2021	As of March 31, 2020
Assets			
Cash and bank deposits	*4	**812,011**	820,873
Receivables under resale agreements		**999**	999
Receivables under securities borrowing transactions		**—**	4,612
Monetary receivables bought	*4	**1,377,728**	1,363,752
Money trusts		**2,378**	2,103
Securities	*2*4*6	**18,741,600**	17,875,998
Loans	*3*4*7	**1,626,615**	1,524,100
Tangible fixed assets	*1	**334,501**	315,216
Land		**132,618**	133,825
Buildings		**152,964**	134,346
Construction in progress		**5,008**	4,206
Other tangible fixed assets		**43,910**	42,837
Intangible fixed assets		**1,054,990**	1,101,306
Software		**105,486**	43,992
Goodwill		**485,682**	533,432
Other intangible fixed assets		**463,821**	523,880
Other assets		**1,783,213**	2,217,451
Net defined benefit assets		**3,391**	2,710
Deferred tax assets		**37,224**	33,888
Customers' liabilities under acceptances and guarantees		**1,997**	2,114
Allowance for doubtful accounts		**(11,284)**	(11,162)
Total assets		**25,765,368**	25,253,966
Liabilities			
Insurance liabilities		**18,020,554**	17,222,596
Outstanding claims	*4	**3,157,123**	2,995,636
Underwriting reserves	*4	**14,863,430**	14,226,960
Corporate bonds		**230,597**	270,536
Other liabilities		**2,992,122**	3,628,726
Payables under securities lending transactions		**1,509,051**	1,620,178
Other liabilities	*4*10	**1,483,071**	2,008,548
Net defined benefit liabilities		**254,274**	245,966
Provision for employees' bonus		**75,210**	70,698
Reserves under special laws		**128,006**	118,071
Reserve for price fluctuation		**128,006**	118,071
Deferred tax liabilities		**321,141**	239,668
Negative goodwill		**18,682**	28,911
Acceptances and guarantees		**1,997**	2,114
Total liabilities		**22,042,587**	21,827,291
Net assets			
Shareholders' equity			
Share capital		**150,000**	150,000
Retained earnings		**1,788,764**	1,800,292
Treasury stock		**(23,211)**	(23,210)
Total shareholders' equity		**1,915,553**	1,927,082
Accumulated other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		**1,908,438**	1,435,437
Deferred gains (losses) on hedge transactions		**2,787**	11,427
Foreign currency translation adjustments		**(149,098)**	8,042
Remeasurements of defined benefit plans		**(13,661)**	(9,840)
Total accumulated other comprehensive income		**1,748,467**	1,445,066
Stock acquisition rights		**2,379**	2,545
Non-controlling interests		**56,380**	51,980
Total net assets		**3,722,780**	3,426,675
Total liabilities and net assets		**25,765,368**	25,253,966

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

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Yen in millions)

	Notes No.	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Ordinary income		**5,461,195**	5,465,432
Underwriting income		**4,669,910**	4,701,979
Net premiums written		**3,606,548**	3,598,396
Deposit premiums from policyholders		**65,122**	77,041
Investment income on deposit premiums		**36,032**	39,466
Life insurance premiums		**954,954**	981,900
Other underwriting income		**7,251**	5,174
Investment income		**661,414**	642,214
Interest and dividends		**492,170**	513,041
Gains on money trusts		**277**	—
Gains on trading securities		**5,670**	18,016
Gains on sales of securities		**127,130**	142,625
Gains on redemption of securities		**1,058**	541
Investment gains on separate accounts		**49,054**	—
Other investment income		**22,085**	7,456
Transfer of investment income on deposit premiums		**(36,032)**	(39,466)
Other ordinary income		**129,870**	121,238
Amortization of negative goodwill		**10,229**	10,229
Other ordinary income		**119,641**	111,009
Ordinary expenses		**5,194,459**	5,101,486
Underwriting expenses		**4,185,395**	4,096,249
Net claims paid		**1,863,128**	2,057,707
Loss adjustment expenses	*1	**146,653**	145,299
Agency commissions and brokerage	*1	**697,263**	694,708
Maturity refunds to policyholders		**175,458**	158,337
Dividends to policyholders		**4**	18
Life insurance claims		**396,519**	412,721
Provision for outstanding claims		**262,454**	128,992
Provision for underwriting reserves		**638,068**	489,344
Other underwriting expenses		**5,844**	9,120
Investment expenses		**79,552**	82,938
Losses on money trusts		**—**	50
Losses on sales of securities		**25,385**	12,723
Impairment losses on securities		**19,387**	26,577
Losses on redemption of securities		**346**	772
Losses on derivatives		**16,762**	12,809
Investment losses on separate accounts		**—**	8,449
Other investment expenses		**17,670**	21,554
Operating and general administrative expenses	*1	**900,956**	892,776
Other ordinary expenses		**28,556**	29,522
Interest expenses		**11,455**	18,940
Increase in allowance for doubtful accounts		**863**	808
Losses on bad debts		**204**	133
Equity in losses of affiliates	*2	**10,074**	4,445
Other ordinary expenses		**5,958**	5,195
Ordinary profit		**266,735**	363,945
Extraordinary gains		**649**	9,695
Gains on disposal of fixed assets		**386**	173
Gains on step acquisitions		**—**	4,454
Gains on sales of shares of subsidiaries and affiliates		**250**	4,336
Other extraordinary gains		**13**	731
Extraordinary losses		**24,210**	19,513
Losses on disposal of fixed assets		**2,401**	1,941
Impairment losses on fixed assets	*2	**746**	6,386
Provision for reserves under special laws		**9,935**	9,614
Provision for reserve for price fluctuation		**9,935**	9,614
Losses on advanced depreciation of real estates		**—**	0
Losses on sales of shares of subsidiaries and affiliates		**854**	209
Other extraordinary losses	*3	**10,273**	1,359
Income before income taxes and non-controlling interests		**243,174**	354,127
Income taxes–current		**161,442**	118,662
Income taxes–deferred		**(80,104)**	(26,372)
Total income taxes		**81,337**	92,289
Net income		**161,837**	261,838
Net income attributable to non-controlling interests		**35**	2,074
Net income attributable to owners of the parent		**161,801**	259,763

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

Consolidated Statement of Comprehensive Income

(Yen in millions)

	Note No.	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Net income		**161,837**	261,838
Other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		**475,762**	(244,344)
Deferred gains (losses) on hedge transactions		**(8,639)**	1,394
Foreign currency translation adjustments		**(158,160)**	(13,968)
Remeasurements of defined benefit plans		**(3,823)**	544
Share of other comprehensive income of affiliates accounted for by the equity method		**(1,904)**	(2,726)
Total other comprehensive income	*	**303,234**	(259,100)
Total comprehensive income		**465,071**	2,737
Comprehensive income attributable to:			
Owners of the parent		**463,181**	(715)
Non-controlling interests		**1,890**	3,452

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

(3) Consolidated Statement of Changes in Shareholders' Equity

FY2020 (April 1, 2020 –March 31, 2021)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	**150,000**	**1,800,292**	**(23,210)**	**1,927,082**
Cumulative effects of revision in accounting standards for overseas subsidiaries				**—**
Restated balance	**150,000**	**1,800,292**	**(23,210)**	**1,927,082**
Changes during the year				
Dividends		**(160,535)**		**(160,535)**
Net income attributable to owners of the parent		**161,801**		**161,801**
Purchases of treasury stock			**(25,792)**	**(25,792)**
Disposal of treasury stock		**(293)**	**1,080**	**787**
Cancellation of treasury stock		**(24,710)**	**24,710**	**—**
Changes in the scope of consolidation		**12,257**		**12,257**
Changes in equity resulted from increase in capital of consolidated subsidiaries		**4**		**4**
Others		**(53)**		**(53)**
Net changes in items other than shareholders' equity				
Total changes during the year	**—**	**(11,528)**	**(1)**	**(11,529)**
Ending balance	**150,000**	**1,788,764**	**(23,211)**	**1,915,553**

	Accumulated other comprehensive income						
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	**1,435,437**	**11,427**	**8,042**	**(9,840)**	**2,545**	**51,980**	**3,426,675**
Cumulative effects of revision in accounting standards for overseas subsidiaries							**—**
Restated balance	**1,435,437**	**11,427**	**8,042**	**(9,840)**	**2,545**	**51,980**	**3,426,675**
Changes during the year							
Dividends							**(160,535)**
Net income attributable to owners of the parent							**161,801**
Purchases of treasury stock							**(25,792)**
Disposal of treasury stock							**787**
Cancellation of treasury stock							**—**
Changes in the scope of consolidation							**12,257**
Changes in equity resulted from increase in capital of consolidated subsidiaries							**4**
Others							**(53)**
Net changes in items other than shareholders' equity	**473,001**	**(8,639)**	**(157,140)**	**(3,820)**	**(166)**	**4,399**	**307,634**
Total changes during the year	**473,001**	**(8,639)**	**(157,140)**	**(3,820)**	**(166)**	**4,399**	**296,105**
Ending balance	**1,908,438**	**2,787**	**(149,098)**	**(13,661)**	**2,379**	**56,380**	**3,722,780**

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,742,188	(18,299)	1,873,889
Cumulative effects of revision in accounting standards for overseas subsidiaries		(3,565)		(3,565)
Restated balance	150,000	1,738,622	(18,299)	1,870,323
Changes during the year				
Dividends		(154,882)		(154,882)
Net income attributable to owners of the parent		259,763		259,763
Purchases of treasury stock			(50,940)	(50,940)
Disposal of treasury stock		(321)	1,066	744
Cancellation of treasury stock		(44,962)	44,962	—
Changes in the scope of consolidation		2,272		2,272
Changes in equity resulted from increase in capital of consolidated subsidiaries				—
Others		(199)		(199)
Net changes in items other than shareholders' equity				
Total changes during the year	—	61,669	(4,910)	56,759
Ending balance	150,000	1,800,292	(23,210)	1,927,082

	Accumulated other comprehensive income						
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,676,369	9,472	24,892	(10,389)	2,479	27,027	3,603,741
Cumulative effects of revision in accounting standards for overseas subsidiaries	3,565						—
Restated balance	1,679,935	9,472	24,892	(10,389)	2,479	27,027	3,603,741
Changes during the year							
Dividends							(154,882)
Net income attributable to owners of the parent							259,763
Purchases of treasury stock							(50,940)
Disposal of treasury stock							744
Cancellation of treasury stock							—
Changes in the scope of consolidation							2,272
Changes in equity resulted from increase in capital of consolidated subsidiaries							—
Others							(199)
Net changes in items other than shareholders' equity	(244,498)	1,955	(16,850)	548	66	24,953	(233,825)
Total changes during the year	(244,498)	1,955	(16,850)	548	66	24,953	(177,066)
Ending balance	1,435,437	11,427	8,042	(9,840)	2,545	51,980	3,426,675

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

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Notes No.	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Cash flows from operating activities			
Income before income taxes and non-controlling interests		**243,174**	354,127
Depreciation		**80,905**	60,921
Impairment losses on fixed assets		**746**	6,386
Amortization of goodwill		**61,794**	53,882
Amortization of negative goodwill		**(10,229)**	(10,229)
Increase (decrease) in outstanding claims		**265,606**	131,376
Increase (decrease) in underwriting reserves		**739,418**	626,117
Increase (decrease) in allowance for doubtful accounts		**309**	(113)
Increase (decrease) in net defined benefit liabilities		**3,210**	(3,801)
Increase (decrease) in provision for employees' bonus		**5,952**	7,865
Increase (decrease) in reserve for price fluctuation		**9,935**	9,614
Interest and dividends		**(492,170)**	(513,041)
Losses (gains) on securities		**(77,656)**	(129,888)
Interest expenses		**11,455**	18,940
Foreign exchange losses (gains)		**(5,806)**	5,579
Losses (gains) on tangible fixed assets		**2,015**	1,492
Equity in losses (earnings) of affiliates		**10,074**	4,445
Investment losses (gains) on separate accounts		**(49,054)**	8,449
Decrease (increase) in other assets (other than investing and financing activities)		**(25,872)**	(128,944)
Increase (decrease) in other liabilities (other than investing and financing activities)		**4,484**	90,636
Others		**11,690**	5,802
Subtotal		**789,986**	599,617
Interest and dividends received		**495,774**	519,238
Interest paid		**(12,674)**	(18,111)
Income taxes paid		**(101,534)**	(109,458)
Others		**6,321**	6,336
Net cash provided by (used in) operating activities (a)		**1,177,873**	997,623
Cash flows from investing activities			
Net decrease (increase) in deposits		**(5,876)**	(3,122)
Purchases of monetary receivables bought		**(328,005)**	(420,129)
Proceeds from sales and redemption of monetary receivables bought		**222,549**	541,277
Purchases of securities		**(2,575,102)**	(4,378,037)
Proceeds from sales and redemption of securities		**2,262,990**	2,664,749
Payments for issuance of loans		**(662,767)**	(871,923)
Proceeds from collection of loans		**473,377**	413,804
Changes in cash collateral under securities borrowing and lending transactions		**(320)**	(120,106)
Others		**(51,593)**	(9,772)
Subtotal (b)		**(664,747)**	(2,183,260)
(a) + (b)		**513,125**	(1,185,636)
Purchases of tangible fixed assets		**(26,224)**	(24,709)
Proceeds from sales of tangible fixed assets		**2,680**	1,463
Purchases of shares of subsidiaries resulting in change in the scope of consolidation	*3	**(42,981)**	(340,897)
Sales of shares of subsidiaries resulting in change in the scope of consolidation		**262**	993
Net cash provided by (used in) investing activities		**(731,010)**	(2,546,411)
Cash flows from financing activities			
Proceeds from borrowings		**41,189**	24,320
Repayments of borrowings		**(280,395)**	(37,031)
Proceeds from issuance of short-term corporate bonds		**9,999**	9,999
Redemption of short-term corporate bonds		**(10,000)**	(10,000)
Proceeds from issuance of corporate bonds		**—**	198,783
Redemption of corporate bonds		**(36,050)**	—
Change in cash collateral under securities lending transactions		**(106,194)**	1,547,132
Purchases of treasury stock		**(25,792)**	(50,940)
Dividends paid		**(160,419)**	(154,799)
Dividends paid to non-controlling shareholders		**(1,089)**	(590)
Proceeds from share issuance to non-controlling shareholders		**5,319**	—
Others		**50,464**	16,231
Net cash provided by (used in) financing activities		**(512,967)**	1,543,105
Effect of exchange rate changes on cash and cash equivalents		**(33,124)**	3,022
Net increase (decrease) in cash and cash equivalents		**(99,229)**	(2,659)
Cash and cash equivalents at the beginning of the year		**1,021,167**	1,023,342
Increase in cash and cash equivalents due to newly consolidated subsidiaries		**2,749**	484
Cash and cash equivalents at the end of the year	*1	**924,687**	1,021,167

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

Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated companies: 175 companies

For details of the Company's major consolidated subsidiaries, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

Acorn Advisory Capital L.P. and 10 other companies are included in the scope of consolidation from the fiscal year 2020 due to the acquisition of shares.

(2) Names of major non-consolidated subsidiaries

(Names of major companies)

- Tokio Marine & Nichido Adjusting Service Co., Ltd.
- Tokio Marine Life Insurance (Thailand) Public Company Limited

(Reason for exclusion from the scope of consolidation)

Each non-consolidated subsidiary is small in scale in terms of total assets, sales, net income or loss 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: 7 companies

For details of major affiliates accounted for by the equity method, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Life Insurance (Thailand) Public Company Limited, etc.) and other affiliates (Alinma Tokio Marine Company, etc.) are not accounted for by the equity method because these companies have an immaterial effect on the Company's consolidated net income or loss as well as consolidated retained earnings.

(3) The Company owns 30.1% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. through Tokio Marine & Nichido and Nisshin Fire. However, the Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it cannot exert a significant influence on any decision making of its policies given the highly public nature of their business.

(4) When a company accounted for by the equity method has a different closing date from that of the Company, in principle, the financial statements prepared at its closing date are used for presentation in the consolidated financial results.

3. Balance sheet date of consolidated subsidiaries

There are three domestic subsidiaries and 163 overseas subsidiaries whose balance sheet dates are December 31. The consolidated financial statements incorporate the results of these subsidiaries for the period ended December 31. Necessary adjustments for the consolidation are made for material transactions that occur during the three-month lag between the balance sheet dates of these subsidiaries and the consolidated balance sheet date.

4. Accounting policies

(1) Accounting for insurance contracts

Accounting for insurance contracts such as insurance premiums, outstanding claims and underwriting reserves of domestic consolidated insurance subsidiaries is stipulated under Insurance Business Act and other laws and regulations.

(2) Valuation of securities

a. Trading securities are valued at fair value, with the costs of their sales being calculated based on the moving-average method.

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

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

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

In order to adequately manage interest rate risk related to assets and liabilities, Tokio Marine & Nichido Life has established "part of underwriting reserve for individual insurance policies (non-participating or participating)" as an underwriting reserve subgroup. Tokio Marine & Nichido Life's policy is to match the duration of the underwriting reserve in the subgroup with the same or similar duration of bonds that are earmarked for underwriting reserves.

d. Available-for-sale securities with fair value are measured at fair value mainly based upon the market price on the closing date. Unrealized gains/losses on available-for-sale securities are included in net assets and costs of sales are calculated using the moving-average method.

e. Available-for-sale securities whose fair value cannot be measured reliably are stated at original cost by the moving-average method.

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

g. Securities held in individually managed money trusts that are mainly invested in securities for trading are measured at fair value.

(3) Valuation of derivative transactions

Derivative financial instruments are measured at fair value.

(4) Depreciation methods for material depreciable assets

a. Tangible fixed assets

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

b. Intangible fixed assets

Intangible fixed assets recognized in acquisitions of overseas subsidiaries are amortized over the estimated useful life reflecting the pattern of the assets' future economic benefits.

(5) Accounting policies for significant reserves and allowances

a. Allowance for doubtful accounts

In order to prepare for losses from bad debts, allowances are provided pursuant to the rules of asset self-assessment and the rules of asset write-off. Allowances are provided by major domestic consolidated subsidiaries as follows.

For receivables from any debtor who has legally, or in practice, 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 receivables less the amount expected to be collectible, calculated based on the disposal of collateral or execution of guarantees.

For receivables from any debtor who is likely to become insolvent in the near future, allowances are provided based on the amount of any such receivables less the amount expected to be collectible through the disposal of collateral or execution of guarantees and the overall solvency assessment of the relevant debtor.

For receivables other than those described above, allowances are the amount of receivables multiplied by the default rate, which is calculated based on historical default experience in certain previous periods.

In addition, all receivables are assessed by the asset accounting department and the asset management department in accordance with the rules of asset self-assessment. 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. Allowances are provided based on such assessment results as stated above.

b. Provision for employees' bonus

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

c. Reserve for price fluctuation

Domestic consolidated insurance subsidiaries recognize reserves in accordance with Article 115 of the Insurance Business Act in order to provide for possible losses or damages arising from fluctuation of share prices, etc.

(6) Accounting methods for retirement benefits

a. The method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the method of attributing expected retirement benefits to periods is based on the benefit formula basis.

b. The method of amortization of actuarial gains and losses and past service costs

Actuarial gains and losses for each fiscal year are amortized proportionally from the following fiscal year using the straight-line method over a certain number of years (5 to 13 years) within the average remaining work period of employees at the time of occurrence.

Past service costs are amortized by the straight-line method over a certain number of years (7 to 13 years) within the average remaining work period of employees at the time of occurrence.

(7) Consumption taxes

For the Company and its domestic consolidated subsidiaries, consumption taxes are accounted for by the tax-excluded method except for costs such as Operating and general administrative expenses incurred by domestic consolidated insurance subsidiaries which are accounted for by the tax-included method.

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

(8) Hedge accounting

a. Interest rate

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

As for interest rate swap transactions that are used to manage such risks, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swap transactions based upon the Industry Committee Practical Guideline No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, March 25, 2021).

Assessment of hedge effectiveness is omitted because the companies group hedged insurance liabilities with the interest rate swaps that are the hedging instruments, based on the period remaining for the instruments, and the hedge is highly effective.

b. Foreign exchange

Major domestic consolidated insurance subsidiaries apply fair value hedge accounting, deferred hedge accounting or assignment accounting for certain foreign exchange forwards and certain currency swaps utilized to reduce future currency risk such as in assets denominated in foreign currency. Assessment of hedge effectiveness is omitted because the principal terms of the hedging instruments and the hedged items are identical, and the hedge is highly effective.

(9) Methods and periods of amortization of goodwill

Regarding goodwill recognized as an asset on the consolidated balance sheet, goodwill in connection with Philadelphia Consolidated Holding Corp. is amortized over 20 years using the straight-line method. Goodwill in connection with HCC Insurance Holdings, Inc. is amortized over 10 years using the straight-line method. Goodwill in connection with Privilege Underwriters, Inc. is amortized over 15 years using the straight-line method. Other goodwill is amortized over 5 to 15 years using the straight-line method. Other goodwill in small amounts is amortized immediately.

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

(10) Scope of cash and cash equivalents included in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments such as time deposits with original maturities or redemption of three months or less at the date of acquisition.

Significant Accounting Estimates

Items including accounting estimates that could have a significant impact on the financial condition or results of operations of the Company and its consolidated subsidiaries are as follows:

1. Outstanding claims

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2021

Outstanding claims 3,157,123 million yen

(2) Information on the significant accounting estimates

a. Calculation method

Outstanding claims is estimated as the amount of claims, refunds and other benefits (hereinafter referred to as "Claims") deemed to have resulted in an obligation under an insurance contract that have not yet been paid.

b. Key assumptions used in the calculations

Outstanding claims is estimated based on the ultimate settlement of Claims by using the assumptions calculated mainly from historical payment experience.

c. Impact on the consolidated financial statements for the following fiscal year

Due to the revision of laws and regulations or court decisions, etc., the ultimate settlement of Insurance Claims may change from the initial estimate, and the amount recorded for outstanding claims may increase or decrease.

2. Impairment of goodwill

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2021

Goodwill 485,682 million yen

(2) Information on the significant accounting estimates

a. Calculation method

Impairment of goodwill is recognized mainly in accordance with the procedures for identifying indications of impairment, assessing the recognition of an impairment loss and measuring an impairment loss for each unit to which goodwill is attributed (hereinafter referred to as "Reporting unit") whose performance is reported independently for the Company's management purpose.

First, for each Reporting unit, the Company assesses if indications of impairment are identified, such as deterioration in the latest operating results and future prospects, a significant negative deviation compared to the business plan at the time of acquisition, or significant adverse changes in the business environment including market conditions. For Reporting units for which indications of impairment were identified, an impairment loss is recognized if the total amount of undiscounted future cash flows is less than the book value of goodwill. For Reporting units for which recognition of an impairment loss is deemed necessary, the book value of goodwill shall be reduced to the recoverable amount which is calculated by discounting future cash flows, and recognizes the reduced amount as impairment loss.

b. Key assumptions for the calculations

Future cash flows and discount rates are used to calculate impairment loss on goodwill.

Future cash flows are estimated based on the latest rational business plan, taking into account the growth, etc., based on the business environment of each reporting unit.

The discount rate is the pre-tax interest rate, which is the cost of capital plus necessary adjustments such as interest rate differentials.

c. Impact on the consolidated financial statements for the following fiscal year

An impairment loss may be incurred if undiscounted future cash flows significantly decline due to, for example, a significant deterioration in profitability from the assumption at the time of acquisition and a significant downward deviation from the business plan.

3. Valuation of financial instruments

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2021

Please refer to "Information on Financial Instruments".

(2) Information on significant accounting estimates

a. Calculation method

With regards to the calculation method of the fair value of financial instruments, please refer to "Information on Financial Instruments-2. Fair value of financial instruments (Note 1)".

b. Key assumptions for the calculations

The fair values of financial instruments with no quoted market prices are calculated using assumptions such as yield curves on certain bases.

c. Impact on the consolidated financial statements for the following fiscal year

Key assumptions may change due to changes in the market condition, and the fair value of financial instruments may increase or decrease.

Accounting Standards Not Yet Adopted by the Company

- Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements (Practical Issue Task Force ("PITF") No. 18, September 14, 2018)
- Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24, September 14, 2018)

1. Overview

The Accounting Standards Board of Japan ("ASBJ") has revised PITF No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" and PITF No. 24 "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method". The major amendments are as follows.

For overseas subsidiaries that present subsequent changes in fair value of investment in equity instruments in Other comprehensive income, when investments in the equity instruments are sold, an adjustment is to be made to recognize the difference between the acquisition cost and sales price as a gain or loss for the corresponding fiscal year within the consolidation process, in accordance with the Tentative Practical Solution of "Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for the Consolidation Process".

For overseas subsidiaries that need to recognize any asset impairment, an adjustment is to be made to recognize the valuation difference as a loss for the corresponding fiscal year within the consolidation process.

2. Date of application

The Company plans to adopt the aforementioned standards from the beginning of the fiscal year following the fiscal year in which its overseas subsidiaries adopt IFRS 9 "Financial Instruments".

3. Impact of application of standards

The Company has not yet evaluated the impact of the application of the aforementioned standards at the timing of the preparation of its consolidated financial statements.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019)

1. Overview

To improve comparability with international accounting standards, "Accounting Standard for Fair Value Measurement" and "Implementation Guidance on Accounting Standard for Fair Value Measurement" (hereinafter referred to as "Fair Value Accounting Standards") were developed and guidance for measuring fair value was established.

The Fair Value Accounting Standards are applied to the fair value of financial instruments in "Accounting Standard for Financial Instruments".

In addition, "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" was revised to stipulate disclosure requirements for financial instruments based on their fair value levels.

2. Date of application

The Company and its domestic consolidated subsidiaries plan to adopt the aforementioned standards from the beginning of the fiscal year 2021.

3. Impact of application of standards

The Company has not yet evaluated the impact of the application of the aforementioned standards at the timing of the preparation of its consolidated financial statements.

Changes in Presentation

Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) have been adopted for the consolidated financial statements from the end of the fiscal year 2020, and Significant Accounting Estimates is included in the consolidated financial statements.

However, details pertaining to the fiscal year 2019 are not presented in these notes following the transitional measures stipulated in the proviso to paragraph 11 of this accounting standard.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation of tangible fixed assets and advanced depreciation of tangible fixed assets, deducted from acquisition costs are as follows:

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Accumulated depreciation	369,087	363,575
Advanced depreciation of tangible fixed assets	17,968	18,454

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

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Securities (equity)	133,094	163,753
Securities (partnership)	37,213	29,035

*3. Amounts of loans to borrowers in bankruptcy are as follows:

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Loans to borrowers in bankruptcy	14,026	19,589
Loans past due	98,166	36,625
Loans past due for three months or more	1	732
Restructured loans	11,556	—
Total	123,751	56,947

Note: Loans are generally placed on non-accrual status when there is no expectation of the collection of the loans when loans are past due for a certain period or for other reasons (hereinafter referred to as "Non-accrual status loans"; any part of bad debt written-off is excluded). Loans to borrowers in bankruptcy represent Non-accrual status loans after a partial charge-off of claims is 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).

Loans past due 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.

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

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, Loans past due, or Loans past due for three months or more.

*4. The value of assets pledged as collateral and collateralized corresponding debt obligations are as follows:

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Assets pledged as collateral		
Bank deposits	54,804	42,061
Monetary receivables bought	24,640	24,559
Securities	494,069	346,071
Loans	222,828	125,181
Collateralized corresponding debt obligations		
Outstanding claims	162,349	152,710
Underwriting reserves	167,087	166,587
Other liabilities (foreign reinsurance accounts payable, etc.)	133,353	73,658

5. The fair value of the commercial papers and other instruments received under repurchase agreements which the Company has the right to dispose of by sale or rehypothecation is as follows:
They are wholly held by the Company.

(Yen in millions)

As of March 31, 2021	As of March 31, 2020
999	5,610

*6. Securities lent under loan agreements are as follows:

(Yen in millions)

As of March 31, 2021	As of March 31, 2020
1,959,960	1,978,262

*7. The outstanding balance of undrawn loan commitments is as follows:

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Total loan commitments	892,398	955,147
Balance of drawn loan commitments	678,915	685,003
Undrawn loan commitments	213,482	270,144

8. The amount of assets or liabilities in separate accounts as prescribed in Article 118 of the Insurance Business Act is as follows:

(Yen in millions)

As of March 31, 2021	As of March 31, 2020
168,341	123,242

9. Tokio Marine & Nichido guarantees the liabilities of the following subsidiary.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Tokio Marine Compania de Seguros, S.A. de C.V.	**5,463**	5,884

*10. Subordinated term loans, included in Other liabilities, of which the repayment is subordinated to other obligations, are as follows:

(Yen in millions)

As of March 31, 2021	As of March 31, 2020
100,000	100,000

Notes to Consolidated Statement of Income

*1. Major components of business expenses are as follows:

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Agency commissions, etc.	**608,750**	598,016
Salaries	**317,463**	303,785

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

*2. The Company recognized impairment losses on the following assets:

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (General business (nursing care business))	Buildings	3 properties, including buildings in Setagaya-ku, Tokyo	—	19	20	40
Idle properties or properties planned for sale	Land and buildings	7 properties, including buildings in Fuji-City, Shizuoka	177	516	12	706
Total			177	536	32	746

Properties are classified as follows: (a) properties for use in insurance business and other businesses are grouped by each consolidated company and (b) other properties including properties for rent, idle properties, or properties planned for sale and properties for business use in general business (nursing care business) are grouped on an individual basis.

The total amount of projected future cash flows generated from general business (nursing care business) fell below the book values of the properties used for this business. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount of the relevant property is calculated by discounting future cash flows at a rate of 6.0%.

The Company wrote off the excess of the book values over the recoverable amount for certain idle properties or properties planned for sale, mainly due to the decision to sell the properties, and recognized any such write-offs as impairment losses in Extraordinary losses. The recoverable amount is the net sales price of each property. Net sales price is the appraisal value by real estate appraisers less anticipated expenses for disposal of the relevant property.

Based on the current operating environment, impairment losses of 6,166 million yen, equivalent to the entire goodwill related to Hollard International Proprietary Limited, was recognized and recorded as Equity in losses of affiliates under Ordinary expenses.

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (General business (nursing care business))	Buildings	3 properties, including buildings in Setagaya-ku, Tokyo	—	3	15	18
Properties for business use (General business (other business))	Buildings, goodwill and other intangible fixed assets	Fixtures attached to buildings in Yokohama-City, Kanagawa	—	24	3,117	3,141
Properties for rent	Land and buildings	2 properties, including buildings in Aizuwakamatsu-City, Fukushima	92	190	—	283
Idle properties or properties planned for sale	Land and buildings	6 properties, including buildings in Numazu-City, Shizuoka	242	1,159	—	1,401
Idle assets	Software	—	—	—	1,540	1,540
Total			335	1,377	4,673	6,386

Properties are classified as follows: (a) properties for use in insurance business and other businesses are grouped by each consolidated company and (b) other properties including properties for rent, idle properties, or properties planned for sale and properties for business use in general business (nursing care business) are grouped on an individual basis.

The total amount of projected future cash flows generated from general business (nursing care business) fell below the book values of the properties used for this business. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount of the relevant property is calculated by discounting future cash flows at a rate of 6.0%.

The Company wrote off the excess of the book values over the recoverable amounts of Goodwill and Other intangible fixed assets arising from business acquisition classified as properties for business use in general business (other business), and recognized any such write-offs as impairment losses in Extraordinary losses, as the Company no longer expects to earn the profits assumed in the business plan. The recoverable amount of the relevant assets is determined by value in use and calculated by discounting future cash flows at a rate of 7.0%.

The Company wrote off the excess of the book values over the recoverable amount for properties for rent, mainly due to decline in property values, and recognized any such write-offs as impairment losses in Extraordinary losses. The recoverable amount of the relevant assets is the higher of the net sales price or value in use. Net sales price is the appraisal value by real estate appraisers less anticipated expenses for disposal of the relevant property.

The Company wrote off the excess of the book values over the recoverable amount for certain idle properties or properties planned for sale, mainly due to the decision to sell the properties, and recognized any such write-offs as impairment losses in Extraordinary losses. The recoverable amount is the net sales price of each property. Net sales price is the appraisal value by real estate appraisers less anticipated expenses for disposal of the relevant property.

The Company wrote off the entire book value of idle assets that are not expected to be used in the future, and recognized any such write-offs as impairment losses in Extraordinary losses.

*3. Other extraordinary losses for the fiscal year 2020 were 10,273 million yen of Impairment losses on shares of subsidiaries and affiliates.

Notes to Consolidated Statement of Comprehensive Income

*** Reclassification adjustments and tax effects relating to Other comprehensive income**

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Unrealized gains (losses) on available-for-sale securities		
Amount arising during the year	**704,865**	(254,362)
Reclassification adjustment	**(79,665)**	(96,639)
Before tax effect adjustment	**625,199**	(351,001)
Tax effect	**(149,437)**	106,656
Unrealized gains (losses) on available-for-sale securities	**475,762**	(244,344)
Deferred gains (losses) on hedge transactions		
Amount arising during the year	**(10,967)**	3,223
Reclassification adjustment	**(869)**	(1,285)
Adjustments of asset acquisition cost	**(155)**	—
Before tax effect adjustment	**(11,992)**	1,938
Tax effect	**3,352**	(543)
Deferred gains (losses) on hedge transactions	**(8,639)**	1,394
Foreign currency translation adjustments		
Amount arising during the year	**(158,160)**	(13,968)
Remeasurements of defined benefit plans		
Amount arising during the year	**(9,454)**	(3,560)
Reclassification adjustment	**4,311**	4,279
Before tax effect adjustment	**(5,143)**	718
Tax effect	**1,320**	(174)
Remeasurements of defined benefit plans	**(3,823)**	544
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	**(1,586)**	(2,248)
Reclassification adjustment	**(318)**	(478)
Share of other comprehensive income of affiliates accounted for by the equity method	**(1,904)**	(2,726)
Total other comprehensive income	**303,234**	(259,100)

Notes to Consolidated Statement of Changes in Shareholders' Equity

FY2020 (April 1, 2020–March 31, 2021)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2020	Increase during the fiscal year 2020	Decrease during the fiscal year 2020	Number of shares as of March 31, 2021
Issued stock				
Common stock	**702,000**	**—**	**4,500**	**697,500**
Total	**702,000**	**—**	**4,500**	**697,500**
Treasury stock				
Common stock	**4,129**	**4,789**	**4,692**	**4,226**
Total	**4,129**	**4,789**	**4,692**	**4,226**

Note: 1. The decrease of 4,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
2. The increase of 4,789 thousand shares of common stock is primarily attributable to the acquisition of 4,753 thousand shares of treasury stock conducted based on resolution by the Board of Directors.
3. The decrease of 4,692 thousand shares of common stock is primarily attributable to the cancellation of 4,500 thousand shares of treasury stock.

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

Category	Nature of stock acquisition rights	Amount as of March 31, 2021 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	**2,379**

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2020	**Common stock**	**66,297 million yen**	**95.00 yen**	**March 31, 2020**	**June 30, 2020**
Meeting of the Board of Directors held on November 19, 2020	**Common stock**	**94,237 million yen**	**135.00 yen**	**September 30, 2020**	**December 11, 2020**

Note: For dividends resolved at the meeting of the Board of Directors held on November 19, 2020, the amount of dividends per share consists of 100 yen of ordinary dividend and 35 yen of one-time dividend for the capital level adjustment.

(2) Dividends of which the record date falls within the fiscal year 2020, and the effective date falls after March 31, 2021

Resolution	Type of stock	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 28, 2021	**Common stock**	**69,327 million yen**	**Retained earnings**	**100.00 yen**	**March 31, 2021**	**June 29, 2021**

FY2019 (April 1, 2019–March 31, 2020)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2019	Increase during the fiscal year 2019	Decrease during the fiscal year 2019	Number of shares as of March 31, 2020
Issued stock				
Common stock	710,000	—	8,000	702,000
Total	710,000	—	8,000	702,000
Treasury stock				
Common stock	3,443	8,886	8,199	4,129
Total	3,443	8,886	8,199	4,129

Note: 1. The decrease of 8,000 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
2. The increase of 8,886 thousand shares of common stock is primarily attributable to the acquisition of 8,811 thousand shares of treasury stock conducted based on resolution by the Board of Directors.
3. The decrease of 8,199 thousand shares of common stock is primarily attributable to the cancellation of 8,000 thousand shares of treasury stock.

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

Category	Nature of stock acquisition rights	Amount as of March 31, 2020 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	2,545

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 24, 2019	Common stock	63,590 million yen	90.00 yen	March 31, 2019	June 25, 2019
Meeting of the Board of Directors held on November 19, 2019	Common stock	91,292 million yen	130.00 yen	September 30, 2019	December 6, 2019

Note: For dividends resolved at the meeting of the Board of Directors held on November 19, 2019, the amount of dividends per share consists of 95 yen of ordinary dividend and 35 yen of one-time dividend for the capital level adjustment.

(2) Dividends of which the record date falls within the fiscal year 2019, and the effective date falls after March 31, 2020

Resolution	Type of stock	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2020	Common stock	66,297 million yen	Retained earnings	95.00 yen	March 31, 2020	June 30, 2020

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents to the amounts disclosed in the consolidated balance sheet is provided as follows:

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Cash and bank deposits	812,011	820,873
Monetary receivables bought	1,377,728	1,363,752
Securities	18,741,600	17,875,998
Time deposits with initial term over three months to maturity	(109,097)	(95,342)
Monetary receivables bought not included in cash equivalents	(1,302,087)	(1,255,686)
Securities not included in cash equivalents	(18,595,468)	(17,688,427)
Cash and cash equivalents	924,687	1,021,167

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

*3. Assets and liabilities of a newly consolidated subsidiary through the acquisition of shares

FY2019 (April 1, 2019–March 31, 2020)

The following table shows the main components of assets and liabilities assumed at the date of acquisition of Privilege Underwriters, Inc. ("Pure") and the connection between the acquisition cost of Pure and cash paid for the acquisition of shares (net of cash assumed).

(Yen in millions)

Total assets	372,980
Securities	53,300
Intangible fixed assets	244,249
Goodwill	163,910
Total liabilities	(158,805)
Insurance liabilities	(45,980)
Deferred tax liabilities	(66,409)
Non-controlling interests	(22,127)
Others	(14,916)
Acquisition cost of Pure shares	341,041
Foreign currency translation differences	(1,014)
Cash and cash equivalents held by Pure at the date of acquisition	(9,347)
Difference: Payments for the acquisition of Pure	330,679

Segment Information

1. Segment information

(1) Outline of reportable segments

The Company, as a holding company that controls the Group's business, establishes basic policies about Group business management, formulates corporate strategies based on the surrounding business environment and promotes the Group's business activities. The Company classifies its operations into four segments following its corporate strategies: "Domestic non-life insurance", "Domestic life insurance", "International insurance" and "Financial and other".

"Domestic non-life insurance" primarily comprises underwriting of non-life insurance in Japan and related investments. "Domestic life insurance" primarily comprises underwriting of life insurance in Japan and related investments. "International insurance" primarily comprises underwriting of insurance overseas and related investments. In "Financial and other", the main businesses are investment advisory, investment trust services, staffing business, facility management business and nursing care services.

(2) Calculation of ordinary income, profit (loss), assets, liabilities and other items by reportable segments

The accounting treatment for reported operating segments is the same as described in "Significant accounting policies".

Segment profit is based on Ordinary profit. Ordinary income from transactions with other operating segments is based on prevailing market prices.

(3) Ordinary income, profit (loss), assets, liabilities and other items by reportable segments

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

	Reportable segments					Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total		
Ordinary income							
Ordinary income from external customers	2,751,387	775,305	1,875,660	71,769	5,474,122	(12,927)	5,461,195
Ordinary income from transactions with other operating segments	9,579	30	2,184	29,123	40,918	(40,918)	—
Total	2,760,967	775,336	1,877,844	100,893	5,515,041	(53,845)	5,461,195
Segment profit	142,891	68,722	44,638	10,149	266,401	334	266,735
Segment assets	7,544,109	9,488,683	8,817,744	79,360	25,929,897	(164,529)	25,765,368
Other items							
Depreciation	16,447	608	63,076	773	80,905	—	80,905
Amortization of goodwill	96	—	61,482	215	61,794	—	61,794
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	127,544	116,911	250,178	84	494,719	(2,548)	492,170
Interest expenses	4,446	2,244	6,035	0	12,725	(1,270)	11,455
Equity in earnings (losses) of affiliates	—	—	(10,074)	—	(10,074)	—	(10,074)
Investments in affiliates accounted for by the equity method	—	—	85,280	—	85,280	—	85,280
Increase in tangible and intangible fixed assets	75,381	5,325	56,378	986	138,073	—	138,073

Note: 1. "Adjustments" are as follows:

(1) "Adjustments" for Ordinary income from external customers of (12,927) million yen includes the transfer of Gains on derivatives of 12,362 million yen. This is included in Ordinary income of International insurance segment, while it is included in Losses on derivatives in the consolidated statement of income.

(2) "Adjustments" for Segment profit of 334 million yen is mainly to eliminate intersegment transactions.

(3) "Adjustments" for Segment assets of (164,529) million yen is mainly to eliminate intersegment transactions.

(4) "Adjustments" for Other items is to eliminate intersegment transactions.

2. Segment profit corresponds to Ordinary profit in the consolidated statement of income.

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

	Reportable segments						
	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total	Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
Ordinary income							
Ordinary income from external customers	2,773,198	748,129	1,889,254	68,172	5,478,755	(13,322)	5,465,432
Ordinary income from transactions with other operating segments	9,304	16	1,992	27,506	38,819	(38,819)	—
Total	2,782,502	748,146	1,891,246	95,679	5,517,574	(52,141)	5,465,432
Segment profit	179,577	51,837	125,453	7,077	363,945	—	363,945
Segment assets	7,225,925	9,200,998	8,856,731	72,371	25,356,026	(102,060)	25,253,966
Other items							
Depreciation	12,221	344	47,345	1,011	60,921	—	60,921
Amortization of goodwill	96	—	53,416	368	53,882	—	53,882
Amortization of negative goodwill	8,917	248	917	145	10,229	—	10,229
Interest and dividends	138,874	109,201	267,153	63	515,293	(2,251)	513,041
Interest expenses	8,386	1,546	10,019	0	19,952	(1,012)	18,940
Equity in earnings (losses) of affiliates	—	—	(4,445)	—	(4,445)	—	(4,445)
Investments in affiliates accounted for by the equity method	—	—	99,729	—	99,729	—	99,729
Increase in tangible and intangible fixed assets	21,525	445	23,215	682	45,868	—	45,868

Note: 1. "Adjustments" are as follows:
(1) "Adjustments" for Ordinary income from external customers of (13,322) million yen includes the transfer of Gains on derivatives of 11,296 million yen. This is included in Ordinary income of International insurance segment, while it is included in Losses on derivatives in the consolidated statement of income.
(2) "Adjustments" for Segment assets of (102,060) million yen is mainly to eliminate intersegment transactions.
(3) "Adjustments" for Other items is to eliminate intersegment transactions.
2. Segment profit corresponds to Ordinary profit in the consolidated statement of income.

2. Related information

FY2020 (April 1, 2020–March 31, 2021)

(1) Information by product and service

(Yen in millions)

	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	4,086,929	1,312,920	71,769	5,471,619	(10,423)	5,461,195

Note: "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,448,733	1,303,317	731,817	5,483,868	(22,672)	5,461,195

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	United States	Others	Total
252,342	49,028	33,130	334,501

Note: The "United States", which was included in "Overseas" in the fiscal year 2019, is presented separately as this amount exceeds 10% of the amount of Tangible fixed assets in the consolidated balance sheet. Figures for the fiscal year 2019 are presented in this classification after the change.

(3) Information about major customers

None.

FY2019 (April 1, 2019–March 31, 2020)

(1) Information by product and service

(Yen in millions)

	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	4,124,241	1,276,757	68,172	5,469,170	(3,737)	5,465,432

Note: "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,463,350	1,285,603	728,532	5,477,486	(12,053)	5,465,432

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of Gains/Losses on derivatives in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	United States	Others	Total
255,317	25,196	34,702	315,216

(3) Information about major customers

None.

3. Impairment losses of fixed assets by reportable segments

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total
Impairment losses	488	—	217	40	746

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total
Impairment losses	641	—	2,584	3,160	6,386

4. Amortization and remaining balance of goodwill by reportable segments
FY2020 (April 1, 2020–March 31, 2021)
(1) Goodwill

(Yen in millions)

	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total
Amortization	96	—	61,482	215	61,794
Remaining balance as of March 31, 2021	199	—	484,160	1,321	485,682

(2) Negative goodwill

(Yen in millions)

	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2021	12,269	248	5,504	659	18,682

FY2019 (April 1, 2019–March 31, 2020)
(1) Goodwill

(Yen in millions)

	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total
Amortization	96	—	53,416	368	53,882
Remaining balance as of March 31, 2020	296	—	531,599	1,537	533,432

(2) Negative goodwill

(Yen in millions)

	Domestic non-life insurance	Domestic life insurance	International insurance	Financial and other	Total
Amortization	8,917	248	917	145	10,229
Remaining balance as of March 31, 2020	21,187	497	6,421	804	28,911

5. Gains on negative goodwill by reportable segments
None.

Related-party Transactions

There is no significant transaction to be disclosed.

Lease Transactions

Operating leases
Future lease payments related to non-cancelable operating leases

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
As lessee:		
Due within one year	9,328	8,944
Due after one year	45,068	51,542
Total	54,397	60,486
As lessor:		
Due within one year	1,236	1,601
Due after one year	9,275	9,537
Total	10,512	11,138

Deferred Tax Accounting

1. Major components of deferred tax assets and deferred tax liabilities

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Deferred tax assets		
Underwriting reserves	414,987	350,720
Outstanding claims	85,597	59,689
Net defined benefit liabilities	73,956	70,320
Reserve for price fluctuation	35,732	32,957
Impairment losses on securities	28,361	23,126
Net operating loss carry forward (Note)	17,806	18,631
Others	106,388	110,478
Subtotal	762,831	665,923
Valuation allowance on net operating loss carry forward (Note)	(14,862)	(15,702)
Valuation allowance on deducible temporary differences	(34,132)	(30,162)
Subtotal	(48,994)	(45,864)
Total deferred tax assets	713,836	620,058
Deferred tax liabilities		
Unrealized gains on available-for-sale securities	(714,562)	(543,993)
Unrealized gains on consolidated subsidiaries	(165,340)	(186,801)
Others	(117,849)	(95,042)
Total deferred tax liabilities	(997,753)	(825,838)
Net deferred tax assets (liabilities)	(283,916)	(205,779)

(Note) Schedule by expiration of net operating loss carry forward and the corresponding deferred tax assets
As of March 31, 2021

(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	Over 5 years	Total
Net operating loss carry forward (*)	1,234	1,443	2,748	1,781	1,757	8,840	17,806
Valuation allowance	(1,234)	(1,443)	(2,748)	(1,781)	(1,757)	(5,895)	(14,862)
Deferred tax assets	—	—	—	—	—	2,944	2,944

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rate.

As of March 31, 2020

(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	Over 5 years	Total
Net operating loss carry forward (*)	1,003	1,234	1,443	2,748	1,781	10,418	18,631
Valuation allowance	(1,003)	(1,234)	(1,443)	(2,748)	(1,781)	(7,489)	(15,702)
Deferred tax assets	—	—	—	0	—	2,928	2,929

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rate.

2. Reconciliation of the statutory income tax rate and the effective tax rate after the application of deferred tax accounting when there is a significant difference

(%)

	As of March 31, 2021	As of March 31, 2020
Japanese statutory tax rate	30.6	30.6
(Adjustments)		
Permanent differences such as dividends received	(6.1)	(4.5)
Permanent differences such as entertainment expenses	2.9	0.9
Amortization of goodwill and negative goodwill	6.5	3.8
Valuation allowance	1.3	0.7
Tax rate applied to consolidated subsidiaries	(4.9)	(4.9)
Others	3.3	(0.4)
Effective tax rate	33.4	26.1

Information on Financial Instruments

1. Qualitative information on financial instruments

(1) Investment policies

The core operation of the Group is its insurance business, and it invests utilizing the cash inflows mainly arising from insurance premiums. Therefore, the Group seeks to appropriately control risks based on the characteristics of insurance products primarily through ALM. We thereby aim to ensure stable, long-term earnings while realizing efficient management of liquidity.

Specifically, our approach entails controlling interest rate risks associated with insurance liabilities by utilizing interest rate swaps and other transactions while assuming a certain degree of credit risks by investing in bonds with high credit ratings. At the same time, we endeavor to ensure medium-to-long-term earnings by diversifying risks and asset management approaches in Japan and overseas through the utilization of a wide range of products including foreign securities and alternative investments. Foreign exchange forwards and other derivative transactions are used to mitigate risks associated with the Company's asset portfolio. The Group also utilizes financial options as one of the ways to control risks related to variable annuities which guarantee minimum amounts of benefits which are not subject to the result of investment.

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

With regard to financing, the 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.

(2) Details of financial instruments and their risk

The Group holds financial instruments including equity securities, bonds, other securities, loans and derivatives. These instruments are exposed to market risk, which refers to the risk of losses arising from fluctuations in stock prices, exchange rates, interest rates, and other market indicators. They are also exposed to credit risk, which refers to the risk of losses when the value of an investment declines or is lost due to deterioration in the financial condition of the debtor. Other risks to which these instruments are exposed include market liquidity risk, which refers to the risk of losses that may occur from being unable to make transactions due to disorderly market conditions or being forced to make transactions at extremely unfavorable prices.

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

Credit risk associated with derivative transactions includes the risk of losses when the counterparties fail to fulfill their obligations due to insolvency or for other reasons. In order to reduce such credit risk, netting arrangements may be used with financial institutions and other counterparties with whom there are frequent transactions. Also, interest rate risk associated with long-term insurance liabilities is hedged by interest rate swaps and other transactions for which hedge accounting is applied in some cases.

With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to "Significant Accounting Policies - 4. Accounting policies - (8) Hedge accounting".

(3) Risk management structure

(i) Market risk and credit risk management

Based on the "Investment risk management policy" established by the Board of Directors, Tokio Marine & Nichido executes risk management activities both quantitatively and qualitatively to control investment risk related to financial instruments, such as market risk and credit risk, at the risk management department, which is independent of trading departments.

In accordance with the policy, "Investment guidelines" are established, which set the rules for which instruments to invest in, risk limits, and actions to take when limits are exceeded for each segment set in the annual investment plan. Investment risk is quantitatively measured using VaR-like concepts. Compliance with the guidelines and investment risk and return are reported on a regular basis to directors.

Tokio Marine & Nichido appropriately manages credit risk by regularly monitoring the concentration and the status of issuers and borrowers using internal credit rating guidelines set by the "Guidelines for managing credit risk concentration".

In order to control individual investments, Tokio Marine & Nichido also executes pre-investment review and post-investment monitoring according to the "Review guidelines" and others.

Risk monitoring operations are reported to the Board of Directors depending on their importance.

Other consolidated subsidiaries maintain risk management structures based on the aforementioned risks.

(ii) Liquidity risk management

The Group manages liquidity risk by controlling payment schedules and ensuring various ways of financing through treasury management by each consolidated subsidiary and by the Group as a whole.

(4) Supplementary information on fair value of financial instruments

The fair value of financial instruments is calculated in commonly used and recognized methodologies when market prices are not available. Such fair values are measured under certain assumptions, therefore they may differ under other assumptions.

2. Fair value of financial instruments

The table below shows carrying amounts shown on the consolidated balance sheet, fair value, and differences of financial instruments, excluding investment in non-consolidated subsidiaries and other instruments for which fair value cannot be measured reliably. (Refer to Note 2.)

As of March 31, 2021

(Yen in millions)

	Carrying amount shown on balance sheet	Fair value	Difference
(1) Cash and bank deposits	**812,011**	**812,090**	**78**
(2) Receivables under resale agreements	**999**	**999**	**—**
(3) Receivables under securities borrowing transactions	**—**	**—**	**—**
(4) Monetary receivables bought	**1,377,728**	**1,377,728**	**—**
(5) Money trusts	**2,378**	**2,378**	**—**
(6) Securities			
Trading securities	**515,417**	**515,417**	**—**
Bonds held to maturity	**5,114,216**	**5,767,207**	**652,991**
Bonds earmarked for underwriting reserves	**2,194,898**	**2,082,308**	**(112,590)**
Available-for-sale securities	**10,597,852**	**10,597,852**	**—**
(7) Loans	**1,509,422**		
Allowance for doubtful accounts (*1)	**(1,725)**		
	1,507,696	**1,507,804**	**107**
Total financial assets	**22,123,201**	**22,663,788**	**540,587**
(1) Corporate bonds	**230,597**	**230,312**	**(285)**
(2) Payables under securities lending transactions	**1,509,051**	**1,509,051**	**—**
Total financial liabilities	**1,739,649**	**1,739,363**	**(285)**
Derivative assets and liabilities (*2)			
Hedge accounting not applied	**16,220**	**16,220**	**—**
Hedge accounting applied	**(28,457)**	**(28,457)**	**—**
Total derivative assets and liabilities	**(12,236)**	**(12,236)**	**—**

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amounts.
(*2) Derivative assets and liabilities arising from derivative transactions included in Other assets and Other liabilities are presented on a net basis. Net debits are shown in parentheses.

As of March 31, 2020

(Yen in millions)

	Carrying amount shown on balance sheet	Fair value	Difference
(1) Cash and bank deposits	820,873	820,942	69
(2) Receivables under resale agreements	999	999	—
(3) Receivables under securities borrowing transactions	4,612	4,612	—
(4) Monetary receivables bought	1,363,752	1,363,752	—
(5) Money trusts	2,103	2,103	—
(6) Securities			
Trading securities	465,487	465,487	—
Bonds held to maturity	5,092,780	5,985,487	892,707
Bonds earmarked for underwriting reserves	1,859,815	1,870,691	10,876
Available-for-sale securities	10,133,026	10,133,026	—
(7) Loans	1,396,273		
Allowance for doubtful accounts (*1)	(3,052)		
	1,393,221	1,393,529	308
Total financial assets	21,136,673	22,040,634	903,960
(1) Corporate bonds	270,536	263,145	(7,391)
(2) Payables under securities lending transactions	1,620,178	1,620,178	—
Total financial liabilities	1,890,715	1,883,323	(7,391)
Derivative assets and liabilities (*2)			
Hedge accounting not applied	28,504	28,504	—
Hedge accounting applied	6,051	6,051	—
Total derivative assets and liabilities	34,555	34,555	—

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amounts.
(*2) Derivative assets and liabilities arising from derivative transactions included in Other assets and Other liabilities are presented on a net basis. Net debits are shown in parentheses.

Notes to Consolidated Financial Statements

(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, July 4, 2019)), (2) Receivables under resale agreements, and (3) Receivables under securities borrowing transactions, the book value is generally 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 (4) Monetary receivables bought, (5) Money trusts and (6) Securities (including those in (1) Cash and bank deposits that are defined as securities in Accounting Standard for Financial Instruments) with quoted market prices, the quoted closing price is used for listed stock 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 the change in interest rate will be reflected in a timely manner in the future cash flows and the book value approximates the fair value as long as there are no significant changes in the credit status of the borrowers since the inception of the loans. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans of which borrowers are insolvent or in bankruptcy proceedings, the fair value is measured by deducting the estimated uncollectible debts from the carrying amount.

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 securities 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 "Derivative Transactions".

(Note 2) Carrying amount shown on balance sheet of financial instruments for which fair value cannot be measured reliably

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Investment in non-consolidated subsidiaries, unlisted stock and partnership investments	315,603	321,277
Policy loans	117,193	127,827
Total	432,797	449,104

Investment in non-consolidated subsidiaries, unlisted stock and partnership investments are not included in (6) Securities, because the fair value cannot be measured reliably, as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans are not included in (7) Loans, because the future cash flows cannot be estimated since policy loans are arranged under an insurance policy and the amount is limited to the repayment fund for cancellation with no contractual maturity.

(Note 3) Maturity analysis of financial assets

As of March 31, 2021

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	131,972	8,915	—	—
Monetary receivables bought	80,685	25,270	242,012	1,093,410
Securities				
Bonds held to maturity				
Domestic government bonds	2,000	171,000	377,112	4,254,817
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	4,009	6,608	14,950	26,073
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,877,500
Domestic municipal bonds	—	—	—	30,900
Domestic corporate bonds	—	—	—	264,600
Available-for-sale securities with maturity				
Domestic government bonds	69,418	221,854	598,766	1,316,907
Domestic municipal bonds	5,821	54,476	22,800	16,609
Domestic corporate bonds	83,587	298,199	263,813	69,089
Foreign securities	73,047	532,898	645,957	1,644,359
Loans (*)	368,715	789,065	148,937	203,918
Total	819,257	2,108,289	2,314,349	10,956,784

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (39 million yen), and loans with no repayment schedule (7,886 million yen) are not included above.

As of March 31, 2020

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	123,094	8,344	—	—
Monetary receivables bought	125,470	28,048	184,157	1,153,005
Securities				
Bonds held to maturity				
Domestic government bonds	17,800	67,500	349,000	4,356,729
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	152,500
Foreign securities	1,528	2,392	8,635	29,046
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,611,700
Domestic municipal bonds	—	—	—	29,200
Domestic corporate bonds	—	—	—	191,500
Available-for-sale securities with maturity				
Domestic government bonds	35,892	213,214	596,564	1,430,398
Domestic municipal bonds	1,700	57,075	30,055	21,068
Domestic corporate bonds	86,255	350,876	272,943	73,359
Foreign securities	120,939	539,978	724,495	1,497,917
Loans (*)	297,310	809,534	126,464	165,833
Total	809,991	2,076,965	2,292,315	10,715,258

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (37 million yen), and loans with no repayment schedule (7,222 million yen) are not included above.

(Note 4) Maturity schedules for corporate bonds, long-term borrowings and obligations under lease transactions

As of March 31, 2021

(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	Over 5 years
Corporate bonds	3,519	265	—	—	2,587	223,287
Long-term borrowings	31,050	62,100	—	—	—	149,162
Obligations under lease transactions	3,369	2,650	2,021	1,482	1,138	4,238
Total	37,938	65,015	2,021	1,482	3,725	376,688

As of March 31, 2020

(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	Over 5 years
Corporate bonds	37,390	3,725	361	—	—	227,490
Long-term borrowings	319,258	32,868	49,849	—	—	100,000
Obligations under lease transactions	2,576	2,962	2,310	1,833	1,030	6,021
Total	359,225	39,555	52,521	1,833	1,030	333,511

Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Unrealized gains (losses) included in income	**70,114**	31,176

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2021			As of March 31, 2020		
		Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Those with fair value exceeding the carrying amount	Domestic debt securities	**3,574,497**	**4,307,169**	**732,671**	4,377,309	5,291,043	913,733
	Foreign securities	**51,750**	**56,600**	**4,849**	41,434	45,557	4,123
	Subtotal	**3,626,248**	**4,363,770**	**737,521**	4,418,744	5,336,600	917,856
Those with fair value not exceeding the carrying amount	Domestic debt securities	**1,487,630**	**1,403,102**	**(84,527)**	673,813	648,663	(25,149)
	Foreign securities	**337**	**334**	**(3)**	223	223	—
	Subtotal	**1,487,968**	**1,403,437**	**(84,530)**	674,036	648,886	(25,149)
Total		**5,114,216**	**5,767,207**	**652,991**	5,092,780	5,985,487	892,707

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2021			As of March 31, 2020		
		Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Those with fair value exceeding the carrying amount	Domestic debt securities	**250,749**	**258,436**	**7,686**	637,716	669,633	31,916
	Subtotal	**250,749**	**258,436**	**7,686**	637,716	669,633	31,916
Those with fair value not exceeding the carrying amount	Domestic debt securities	**1,944,149**	**1,823,872**	**(120,277)**	1,222,098	1,201,058	(21,040)
	Subtotal	**1,944,149**	**1,823,872**	**(120,277)**	1,222,098	1,201,058	(21,040)
Total		**2,194,898**	**2,082,308**	**(112,590)**	1,859,815	1,870,691	10,876

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2021			As of March 31, 2020		
		Fair value shown on balance sheet	Cost	Unrealized gains (losses)	Fair value shown on balance sheet	Cost	Unrealized gains (losses)
Those with fair value exceeding the cost	Domestic debt securities	**3,049,295**	**2,708,962**	**340,332**	3,186,381	2,769,396	416,984
	Domestic equity securities	**2,441,399**	**493,762**	**1,947,636**	1,881,839	459,550	1,422,288
	Foreign securities	**4,266,561**	**3,847,323**	**419,237**	3,111,673	2,860,620	251,052
	Others (Note2)	**671,434**	**611,432**	**60,001**	570,597	530,410	40,186
	Subtotal	**10,428,689**	**7,661,481**	**2,767,207**	8,750,490	6,619,978	2,130,512
Those with fair value not exceeding the cost	Domestic debt securities	**366,370**	**369,809**	**(3,438)**	465,720	469,360	(3,639)
	Domestic equity securities	**21,241**	**24,017**	**(2,776)**	74,568	82,976	(8,408)
	Foreign securities	**434,855**	**444,221**	**(9,365)**	1,395,451	1,475,784	(80,332)
	Others (Note3)	**753,092**	**772,031**	**(18,938)**	818,409	833,475	(15,066)
	Subtotal	**1,575,560**	**1,610,080**	**(34,520)**	2,754,149	2,861,596	(107,447)
Total		**12,004,250**	**9,271,562**	**2,732,687**	11,504,640	9,481,575	2,023,065

Note: 1. Available-for-sale securities whose fair value cannot be measured reliably are not included in the table above.
2. "Others" includes items as follows :
• Negotiable certificates of deposit which are presented as Cash and bank deposits on the consolidated balance sheet
As of March 31, 2021: fair value 53 million yen, cost 53 million yen, unrealized gains 0 million yen
• Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
As of March 31, 2021: fair value 661,299 million yen, cost 604,722 million yen, unrealized gains 56,577 million yen
As of March 31, 2020: fair value 560,000 million yen, cost 521,958 million yen, unrealized gains 38,041 million yen
3. "Others" includes items as follows :
• Negotiable certificates of deposit which are presented as Cash and bank deposits on the consolidated balance sheet
As of March 31, 2021: fair value 33,213 million yen, cost 33,213 million yen
As of March 31, 2020: fair value 9,353 million yen, cost 9,353 million yen
• Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
As of March 31, 2021: fair value 711,830 million yen, cost 729,970 million yen, unrealized losses (18,140) million yen
As of March 31, 2020: fair value 802,259 million yen, cost 816,814 million yen, unrealized losses (14,554) million yen

5. Bonds held to maturity that were sold

None.

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)			FY2019 (April 1, 2019–March 31, 2020)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	**43,239**	**315**	**3,170**	1,659	108	—
Foreign securities	**—**	**—**	**—**	1,205	117	4
Total	**43,239**	**315**	**3,170**	2,865	226	4

7. Available-for-sale securities that were sold

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)			FY2019 (April 1, 2019–March 31, 2020)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	**652,676**	**1,759**	**2,027**	1,011,952	21,003	1,750
Domestic equity securities	**112,291**	**84,914**	**278**	112,648	78,225	404
Foreign securities	**682,408**	**40,140**	**19,908**	819,478	43,169	10,564
Others	**131,032**	**3,816**	**3,959**	275,917	4,980	2,597
Total	**1,578,408**	**130,631**	**26,173**	2,219,997	147,379	15,315

Note: "Others" includes items as follows :
• Negotiable certificates of deposit which are presented as Cash and bank deposits on the consolidated balance sheet
Fiscal year 2020: proceeds 925 million yen
Fiscal year 2019: proceeds 34 million yen
• Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
Fiscal year 2020: proceeds 130,106 million yen, gains 3,816 million yen, losses 3,959 million yen
Fiscal year 2019: proceeds 275,883 million yen, gains 4,980 million yen, losses 2,597 million yen

8. Securities on which impairment losses were recognized

Impairment losses were recognized as follows :

• Available-for-sale securities with fair value
Fiscal year 2020: 22,546 million yen (Domestic equity securities 243 million yen, Foreign securities 18,043 million yen, Others 4,259 million yen)
Fiscal year 2019: 30,060 million yen (Domestic equity securities 21,460 million yen, Foreign securities 5,053 million yen, Others 3,546 million yen)

• Available-for-sale securities whose fair value cannot be measured reliably
Fiscal year 2020: 778 million yen (Domestic equity securities 129 million yen, Foreign securities 648 million yen)
Fiscal year 2019: 63 million yen (Domestic equity securities 63 million yen)

In principle, impairment loss on a security with fair value is recognized when the fair value is below its cost by 30% or more.

Money Trusts

1. Money trusts held for trading purposes

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Unrealized gains (losses) included in income	**376**	99

2. Money trusts held to maturity

None.

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

None.

Derivative Transactions

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

1. Derivative transactions to which hedge accounting is not applied

(1) Foreign currency-related instruments

(Yen in millions)

		As of March 31, 2021				As of March 31, 2020			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Currency futures								
	Short	2,254	—	—	—	1,927	—	—	—
	Long	821	—	—	—	873	—	—	—
Over-the-counter transactions	Foreign exchange forwards								
	Short	617,790	590	(7,307)	(7,307)	554,872	—	1,429	1,429
	Long	76,282	—	1,396	1,396	179,463	—	(75)	(75)
	Currency swaps								
	Pay foreign/Rec. yen	12,435	12,435	88	88	12,435	12,435	1,136	1,136
	Pay foreign/Rec. foreign	37,616	—	3,635	3,635	45,008	—	(1,597)	(1,597)
Total		—	—	(2,187)	(2,187)	—	—	893	893

Note: 1. The fair value of currency futures is based on the closing prices at major exchanges.
2. The fair value of foreign exchange forwards is mainly based on the prices calculated using forward prices, or prices quoted by counterparties.
3. The fair value of currency swaps is mainly based on prices quoted by external vendors.

(2) Interest rate-related instruments

(Yen in millions)

		As of March 31, 2021				As of March 31, 2020			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Interest rate futures								
	Short	184	—	—	—	17,341	—	—	—
	Long	17,268	—	—	—	1,737	—	—	—
Over-the-counter transactions	Interest rate swaps								
	Rec. fix/Pay float	1,182,434	1,055,888	65,667	65,667	1,510,149	1,439,332	131,746	131,746
	Rec. float/Pay fix	1,116,136	1,023,715	(63,758)	(63,758)	1,295,487	1,208,210	(117,720)	(117,720)
	Rec. float/Pay float	4,992	4,992	(127)	(127)	270,677	5,485	427	427
Total		—	—	1,781	1,781	—	—	14,453	14,453

Note: 1. The fair value of interest rate futures is based on the closing prices at major exchanges.
2. The fair value of interest rate swaps is mainly based on present values determined by discounting estimated future cash flows at interest rates at the end of period, or prices quoted by external vendors.

(3) Equity-related instruments

(Yen in millions)

		As of March 31, 2021				As of March 31, 2020			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Equity index futures								
	Short	24,052	—	(711)	(711)	6,977	—	(168)	(168)
	Long	5,518	—	—	—	2,179	—	—	—
Over-the-counter transactions	Equity index options								
	Short	149,168	—			111,722	—		
		[9,422]	[—]	24,808	(15,385)	[5,487]	[—]	14,241	(8,754)
	Long	197,602	1,500			163,099	3,000		
		[19,630]	[592]	43,041	23,411	[15,687]	[1,166]	29,829	14,141
Total		—	—	67,138	7,314	—	—	43,902	5,218

Note: 1. The fair value of equity index futures is based on the closing prices at major exchanges.
2. The fair value of equity index options is mainly based on prices quoted by external vendors.
3. For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(4) Bond-related instruments

(Yen in millions)

		As of March 31, 2021				As of March 31, 2020			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Bond futures								
	Short	8,367	—	121	121	5,112	—	(158)	(158)
	Long	15,251	—	15	15	152	—	0	0
Over-the-counter transactions	Bond over-the-counter options								
	Short	327,355	—			352,007	—		
		[1,709]	[—]	2,072	(363)	[2,312]	[—]	3,184	(872)
	Long	327,355	—			352,007	—		
		[1,390]	[—]	1,614	223	[2,231]	[—]	3,404	1,173
Total		—	—	3,823	(2)	—	—	6,430	142

Note: 1. The fair value of bond futures is based on the closing prices at major exchanges.
2. The fair value of bond over-the-counter options is based on prices quoted by external vendors.
3. For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(5) Commodity-related instruments

(Yen in millions)

		As of March 31, 2021				As of March 31, 2020			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Commodity futures								
	Short	12,202	—	—	—	871	—	—	—
	Long	990	—	—	—	327	—	—	—
Total		—	—	—	—	—	—	—	—

Note: The fair value of commodity futures is based on the closing prices at major exchanges.

(6) Others

(Yen in millions)

		As of March 31, 2021				As of March 31, 2020			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Over-the-counter transactions	Natural catastrophe derivatives								
	Short	28,096	4,339			30,313	16,121		
		[1,969]	[291]	701	1,267	[1,967]	[853]	2,145	(177)
	Long	21,070	4,000			19,000	15,000		
		[888]	[65]	110	(777)	[452]	[333]	23	(428)
	Weather derivatives								
	Short	15	—			13	—		
		[2]	[—]	0	1	[1]	[—]	0	0
	Others								
	Short	20,700	20,700			21,912	21,912		
		[2,380]	[2,380]	876	1,503	[2,519]	[2,519]	1,172	1,347
	Long	9,734	9,734			10,708	10,708		
		[1,071]	[1,071]	893	(177)	[1,133]	[1,133]	970	(163)
Total		—	—	2,584	1,817	—	—	4,313	578

Note: 1. The fair value of natural catastrophe derivatives is measured using internal valuation models or based on option premiums.
2. The fair value of weather derivatives is measured based on weather conditions, contract periods, and other contractual components.
3. The fair value of others is measured using internal valuation models.
4. For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

2. Derivative transactions to which hedge accounting is applied

(1) Foreign currency-related instruments

(Yen in millions)

		Hedged items	As of March 31, 2021 Principal amount	Over 1 year	Fair value	As of March 31, 2020 Principal amount	Over 1 year	Fair value
Deferred hedges	Foreign exchange forwards Short	Investment in subsidiaries	**254,364**	**—**	**(12,852)**	237,105	—	(3,086)
Fair value hedges	Foreign exchange forwards Short	Available-for-sale securities	**973,931**	**—**	**(34,764)**	1,016,214	—	(6,565)
	Currency swaps Pay foreign/Rec. yen	Available-for-sale securities	**13,297**	**13,297**	**(1,069)**	12,632	11,678	(631)
Assignment accounting	Currency swaps Pay foreign/Rec. yen	Bonds held to maturity	**12,316**	**12,316**	**(Note 3)**	12,316	12,316	(Note 3)
Total			**—**	**—**	**(48,686)**	—	—	(10,284)

Note: 1. The fair value of foreign exchange forwards to which deferred hedges and fair value hedges are applied is based on forward prices.
2. The fair value of currency swaps to which fair value hedges is applied is based on prices quoted by external vendors.
3. As the currency swaps to which assignment accounting is applied are accounted for as an integral part of Bonds held to maturity which are treated as hedged item, the fair value of the currency swaps is included in the fair value of the Bonds held to maturity.

(2) Interest rate-related instruments

(Yen in millions)

		Hedged items	As of March 31, 2021 Principal amount	Over 1 year	Fair value	As of March 31, 2020 Principal amount	Over 1 year	Fair value
Deferred hedges	Interest rate swaps Rec. fix/Pay float	Insurance liabilities	**227,900**	**227,900**	**20,229**	92,100	92,100	16,335
Total			**—**	**—**	**20,229**	—	—	16,335

Note: The fair value of interest rate swaps is based on present values determined by discounting estimated future cash flows at interest rates at the end of period.

Retirement Benefits

1. Outline of retirement benefit plans

The Company and some consolidated subsidiaries have defined benefit plans and defined contribution plans.

Tokio Marine & Nichido has an unfunded lump-sum payment retirement plan covering substantially all employees. The corporate pension plan is a defined benefit corporate pension plan and a defined contribution pension plan. The benefits of the corporate pension plan and lump-sum payment retirement plan are based on the points which each employee acquired through service.

Additionally, some domestic consolidated subsidiaries have an employee retirement trust.

2. Defined benefit plan

(1) Changes in retirement benefit obligations

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Beginning balance	**543,633**	538,873
Service costs	**18,886**	19,413
Interest costs	**3,662**	3,852
Actuarial (gains) losses arising in current year	**(3,559)**	29,407
Benefit payments	**(21,965)**	(22,362)
Past service costs (credits) arising in current year	**(917)**	(16,646)
Decrease due to partial termination of retirement benefit plans	**—**	(9,059)
Others	**(1,536)**	154
Ending balance	**538,203**	543,633

Note: Some companies use the simplified method in calculation of retirement benefit obligations.

(2) Changes in plan assets

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Beginning balance	**300,544**	302,099
Expected return on plan assets	**1,112**	1,616
Actuarial gains (losses) arising in current year	**(14,196)**	9,219
Employer contribution	**10,105**	6,639
Benefit payments	**(9,622)**	(9,327)
Decrease due to partial termination of retirement benefit plans	**—**	(9,788)
Others	**(493)**	85
Ending balance	**287,449**	300,544

(3) Reconciliation of retirement benefit obligations and plan assets with net defined benefit liabilities and assets

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Funded retirement benefit obligations	**307,237**	310,764
Plan assets	**(287,449)**	(300,544)
	19,788	10,220
Unfunded retirement benefit obligations	**230,965**	232,868
Asset ceiling adjustments	**129**	166
Net liabilities recognized on the balance sheet	**250,883**	243,255
Net defined benefit liabilities	**254,274**	245,966
Net defined benefit assets	**(3,391)**	(2,710)
Net liabilities recognized on the balance sheet	**250,883**	243,255

Note: "Asset ceiling adjustments" represents adjustments to reflect certain limits on the recording of net defined benefit assets at overseas consolidated subsidiaries applying the accounting standard Employee Benefits (IAS 19).

(4) Retirement benefit expenses

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Service costs	**18,886**	19,413
Interest costs	**3,662**	3,852
Expected return on plan assets	**(1,112)**	(1,616)
Amortization of actuarial losses (gains)	**6,434**	4,169
Amortization of past service costs (credits)	**(2,122)**	75
Others	**22**	276
Retirement benefit expenses	**25,770**	26,171

(5) Remeasurements of defined benefit plans included in Other comprehensive income
Remeasurements of defined benefit plans (before tax effect) consist of the following:

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Past service costs	**(1,204)**	16,722
Actuarial differences	**(4,241)**	(16,049)
Others	**302**	45
Total	**(5,143)**	718

(6) Remeasurements of defined benefit plans included in Accumulated other comprehensive income
Remeasurements of defined benefit plans (before tax effect) consist of the following:

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
Unrecognized past service costs (credits)	**(15,339)**	(16,544)
Unrecognized net actuarial losses (gains)	**34,319**	30,381
Total	**18,980**	13,836

(7) Plan assets
a. Components of plan assets
Percentages by major categories of plan assets are as follows:

(%)

	As of March 31, 2021	As of March 31, 2020
Debt securities	**91**	93
Equity securities	**2**	1
Cash and bank deposits	**0**	0
Life insurance company general accounts	**4**	3
Others	**3**	2
Total	**100**	100

Note: The retirement benefit trusts established for the corporate pension plan and the lump-sum payment retirement plan account for 2% of total plan assets as of March 31, 2021, and 2% of total plan assets as of March 31, 2020.

b. Calculation of long-term expected rate of return on plan assets
The long-term expected rate of return on plan assets is determined through consideration of present and expected allocation of plan assets and long-term expected rate of returns on the various types of assets in plan assets.

(8) Actuarial assumptions
Principal actuarial assumptions are as follows:

(%)

	As of March 31, 2021	As of March 31, 2020
Discount rate	**0.1–0.8**	0.2–0.7
Long-term expected rate of return on plan assets	**0.3–1.2**	0.4–1.2

3. Defined contribution pension plans

The contributions of the Company and its consolidated subsidiaries to the defined contribution pension plan are as follows:

(Yen in millions)

FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
9,831	8,369

Investment Property

1. Some consolidated subsidiaries own office buildings and land mainly in Tokyo, Osaka, and Nagoya, of which some properties are leased. The carrying amount shown on the consolidated balance sheet, its change during the year and the fair value at the end of the fiscal year of these investment properties are as follows:

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Carrying amount shown on the consolidated balance sheet		
Beginning balance	**64,894**	58,417
Change during the year	**19,437**	6,476
Ending balance	**84,331**	64,894
Fair value at the end of the fiscal year	**193,746**	155,629

Note: 1. Carrying amount shown on the consolidated balance sheet is the acquisition cost after the deduction of accumulated depreciation and accumulated impairment losses.
2. For the fiscal year 2020, the increase is mainly due to the acquisition of real estate properties of 20,399 million yen, the decrease is mainly due to depreciation of 1,877 million yen. For the fiscal year 2019, the increase is mainly due to the acquisition of real estate properties of 8,737 million yen, the decrease is mainly due to depreciation of 1,726 million yen.
3. Fair value at the end of the fiscal year is primarily based on appraisals by qualified independent valuers.

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

(Yen in millions)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Rental income	**7,865**	8,102
Direct operating expenses	**5,885**	5,984
Net amount	**1,979**	2,117
Others (Gains and losses on disposal by sales, etc.)	**(233)**	(1,296)

Note: Rental income is included in Interest and dividends. Direct operating expenses such as depreciation, repairs and maintenance, insurance costs, and taxes are included in Operating and general administrative expenses. Others, such as gains and losses on disposal by sales and impairment losses, is included in Extraordinary gains or Extraordinary losses.

Stock Options

1. Expenses related to stock options on the consolidated statement of income

(Yen in millions)

	FY2020 **(April 1, 2020–March 31, 2021)**	FY2019 (April 1, 2019–March 31, 2020)
Loss adjustment expenses	**114**	158
Operating and general administrative expenses	**498**	640

2. Details of stock options

(1) Details of stock options

	Stock options (July 2020)	Stock options (July 2019)	Stock options (July 2018)
Title and number of grantees (Note 1)	Directors of the Company: 13 Executive officers of the Company: 12 Directors of the Company's consolidated subsidiaries: 15 Executive officers of the Company's consolidated subsidiaries: 48	Directors of the Company: 12 Executive officers of the Company: 13 Directors of the Company's consolidated subsidiaries: 17 Executive officers of the Company's consolidated subsidiaries: 52	Directors of the Company: 13 Executive officers of the Company: 17 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 49
Number of stock options (Note 2)	Common stock: 143,500 shares	Common stock: 160,100 shares	Common stock: 160,400 shares
Grant date	July 14, 2020	July 9, 2019	July 10, 2018
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 15, 2020 to June 30, 2021	From July 10, 2019 to June 30, 2020	From July 11, 2018 to June 30, 2019
Exercise period (Note 5)	From July 15, 2020 to July 14, 2050	From July 10, 2019 to July 9, 2049	From July 11, 2018 to July 10, 2048

	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)
Title and number of grantees (Note 1)	Directors of the Company: 13 Executive officers of the Company: 12 Directors of the Company's consolidated subsidiaries: 15 Executive officers of the Company's consolidated subsidiaries: 51	Directors of the Company: 11 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 51	Directors of the Company: 10 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 46
Number of stock options (Note 2)	Common stock: 159,900 shares	Common stock: 178,400 shares	Common stock: 160,000 shares
Grant date	July 11, 2017	July 12, 2016	July 14, 2015
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 12, 2017 to June 30, 2018	From July 13, 2016 to June 30, 2017	From July 15, 2015 to June 30, 2016
Exercise period (Note 5)	From July 12, 2017 to July 11, 2047	From July 13, 2016 to July 12, 2046	From July 15, 2015 to July 14, 2045

	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)
Title and number of grantees (Note 1)	Directors of the Company: 10 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 34	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 24 Executive officers of the Company's consolidated subsidiaries: 30
Number of stock options (Note 2)	Common stock: 193,800 shares	Common stock: 202,100 shares	Common stock: 262,500 shares
Grant date	July 8, 2014	July 9, 2013	July 10, 2012
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Requisite service period	From July 9, 2014 to June 30, 2015	From July 10, 2013 to June 30, 2014	From July 11, 2012 to June 30, 2013
Exercise period (Note 5)	From July 9, 2014 to July 8, 2044	From July 10, 2013 to July 9, 2043	From July 11, 2012 to July 10, 2042

	Stock options (July 2011)	Stock options (July 2010)	Stock options (July 2009)
Title and number of grantees (Note 1)	Directors of the Company: 11 Executive officers of the Company: 7 Directors of the Company's consolidated subsidiaries: 22 Executive officers of the Company's consolidated subsidiaries: 31	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 22 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 32	Directors of the Company: 11 Audit & Supervisory Board Members of the Company: 5 Executive officers of the Company: 5 Directors of the Company's consolidated subsidiaries: 23 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 32
Number of stock options (Note 2)	Common stock: 222,100 shares	Common stock: 238,600 shares	Common stock: 213,300 shares
Grant date	July 12, 2011	July 13, 2010	July 14, 2009
Vesting conditions	(Note 4)	(Note 3)	(Note 3)
Requisite service period	From July 13, 2011 to June 30, 2012	From July 14, 2010 to June 30, 2011	From July 15, 2009 to June 30, 2010
Exercise period (Note 5)	From July 13, 2011 to July 12, 2041	From July 14, 2010 to July 13, 2040	From July 15, 2009 to July 14, 2039

	Stock options (August 2008)	Stock options (July 2007)
Title and number of grantees (Note 1)	Directors of the Company: 13 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 26 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 12 Executive officers of the Company's consolidated subsidiaries: 27	Directors of the Company: 12 Audit & Supervisory Board Members of the Company: 5 Directors of the Company's consolidated subsidiaries: 19 Audit & Supervisory Board Members of the Company's consolidated subsidiaries: 8 Executive officers of the Company's consolidated subsidiaries: 21
Number of stock options (Note 2)	Common stock: 122,100 shares	Common stock: 86,700 shares
Grant date	August 26, 2008	July 23, 2007
Vesting conditions	(Note 3)	(Note 3)
Requisite service period	From August 27, 2008 to June 30, 2009	From July 24, 2007 to June 30, 2008
Exercise period (Note 5)	From August 27, 2008 to August 26, 2038	From July 24, 2007 to July 23, 2037

Note: 1. The number of directors of the Company's consolidated subsidiaries and executive officers of the Company's consolidated subsidiaries exclude those concurrently serving as directors of the Company and executive officers of the Company.
2. The number of stock options is converted into the number of equivalent shares.
3. Stock options are vested on the grant date. If directors, executive officers, or Audit & Supervisory Board Members of the Company or the Company's subsidiaries retire or resign from their position before the end of service period, the number of exercisable stock options is calculated by the following formula:
Exercisable stock options = Stock options allotted × Months of service from July in the fiscal year of grant to the month of retirement / 12
Remaining stock options expire after the retirement date, and cannot be exercised after that date.
4. Stock options are vested on the grant date. If directors or executive officers of the Company or the Company's subsidiaries retire or resign from their position before the end of service period, the number of exercisable stock options is calculated by the following formula:
Exercisable stock options = Stock options allotted × Months of service from July in the fiscal year of grant to the month of retirement / 12
Remaining stock options expire after the retirement date, and cannot be exercised after that date.
5. Stock options can only be exercised within ten days from the day following the retirement or resignation from the position of directors, executive officers, or Audit & Supervisory Board Members of the Company or the Company's consolidated subsidiaries.

(2) Figures relating to stock options

The number of stock options that existed in the fiscal year 2020 is converted into the number of equivalent shares and listed.

(a) Number of stock options

	Stock options (July 2020)	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)
Stock options before vesting (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	—	33,800	—	—	—	—
Granted	143,500	—	—	—	—	—
Forfeited	—	8,200	—	—	—	—
Vested	111,400	25,600	—	—	—	—
Outstanding at the end of the year	32,100	—	—	—	—	—
Exercisable stock options (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	—	126,300	122,000	94,100	85,100	51,600
Vested	111,400	25,600	—	—	—	—
Exercised	—	26,600	34,100	33,000	28,400	17,000
Forfeited	—	—	—	—	—	—
Outstanding at the end of the year	111,400	125,300	87,900	61,100	56,700	34,600

	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)	Stock options (July 2010)	Stock options (July 2009)
Stock options before vesting (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding at the end of the year	—	—	—	—	—	—
Exercisable stock options (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	42,500	23,100	20,500	14,700	3,900	2,600
Vested	—	—	—	—	—	—
Exercised	16,400	11,000	10,800	8,100	2,500	2,000
Forfeited	—	—	—	—	—	—
Outstanding at the end of the year	26,100	12,100	9,700	6,600	1,400	600

	Stock options (August 2008)	Stock options (July 2007)
Stock options before vesting (converted into the number of equivalent shares)		
Outstanding at the beginning of the year	—	—
Granted	—	—
Forfeited	—	—
Vested	—	—
Outstanding at the end of the year	—	—
Exercisable stock options (converted into the number of equivalent shares)		
Outstanding at the beginning of the year	1,200	300
Vested	—	—
Exercised	900	—
Forfeited	—	—
Outstanding at the end of the year	300	300

(b) Price information

(Yen)

	Stock options (July 2020)	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)
Exercise price (Note)	100	100	100	100	100
Average share price at exercise	—	4,753	4,756	4,754	4,767
Fair value on the grant date	430,300	523,700	500,700	455,100	337,700

	Stock options (July 2015)	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Exercise price (Note)	100	100	100	100	100
Average share price at exercise	4,765	4,758	4,747	4,729	4,722
Fair value on the grant date	500,800	310,800	332,600	181,900	219,500

	Stock options (July 2010)	Stock options (July 2009)	Stock options (August 2008)	Stock options (July 2007)
Exercise price (Note)	100	100	100	100
Average share price at exercise	4,771	4,771	4,771	—
Fair value on the grant date	234,400	237,600	353,300	491,700

Note: Exercise price per one stock option

3. Valuation technique used for the estimated fair value of stock options

The valuation technique used for the estimated fair value of stock options granted in July 2020 in the fiscal year 2020 is as follows:

(1) Valuation technique: Black-Scholes Model

(2) Assumptions

	Stock options (July 2020)
Expected volatility (Note 1)	24.61%
Expected lives (Note 2)	2 years
Expected dividends (Note 3)	237.50 yen per share
Risk-free interest rate (Note 4)	(0.13)%

Note: 1. Calculated based on the share prices from July 15, 2018 to July 14, 2020
2. Calculated based on the average period of service of directors
3. Calculated based on the average amount of annual dividends paid in the fiscal year 2019 and the fiscal year 2020
4. Based on yields of Japanese government bonds for a term corresponding to the expected lives

4. Estimate of vested number of stock options

Only the actual number of forfeited stock options is considered because of the difficulty in rationally estimating the number of stock options that will be forfeited in the future.

Per Share Information

(Yen)

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Net assets per share	**5,285.10**	4,832.05
Net income per share–Basic	**232.13**	369.74
Net income per share–Diluted	**231.97**	369.45

Note: Calculations of "Net income per share–Basic" and "Net income per share–Diluted" are based on the following figures.

	FY2020 (April 1, 2020–March 31, 2021)	FY2019 (April 1, 2019–March 31, 2020)
Net income per share–Basic		
Net income attributable to owners of the parent (Yen in millions)	**161,801**	259,763
Amount not attributable to common shareholders (Yen in millions)	**—**	—
Net income attributable to owners of the parent related to common stock (Yen in millions)	**161,801**	259,763
Average number of shares outstanding (In thousand shares)	**697,006**	702,541
Net income per share–Diluted		
Adjustment of net income attributable to owners of the parent (Yen in millions)	**—**	—
Increased number of common stock (In thousand shares)	**505**	565
Increased number of stock acquisition rights (In thousand shares)	**505**	565

Notes to Consolidated Financial Statements

Business Combinations and Other Matters

1. Business combination by acquisition

The Company acquired 100% of the outstanding shares of Acorn Advisory Capital L.P. and six other companies ("Acorn"), which are asset management companies in U.S., through the Company's wholly owned subsidiary Delphi Financial Group, Inc. ("DFG").

(1) Outline of the business combination

a. Name of the acquirees
Acorn Advisory Capital L.P. and six other companies

b. Business
Asset management business

c. Objective of the business combination
The acquisition will allow DFG to strengthen the asset management skills by insourcing Acorn's investment function and expertise.

d. Date of the business combination
December 31, 2020

e. Form of the business combination
Share purchase of which the consideration is cash

f. Company name after the business combination
Acorn Advisory Capital L.P. and six other companies

g. Voting rights acquired through the business combination
100%

h. Primary reasons for determination of controlling company
DFG is the controlling company, as DFG acquired 100% of voting rights of Acorn.

(2) Period for which the acquirees' operating results are included in the consolidated statement of income of the Company
As the Company uses the acquirees' financial statements as of the date of the business combination for consolidation purposes, the acquirees' operating results are not included in the consolidated statement of income for the fiscal year 2020.

(3) Acquisition cost and breakdown by class of consideration

Consideration for Acorn's shares acquired	Cash	41,125 million yen
Acquisition cost		41,125 million yen

(4) Description and amount of major acquisition-related cost

Advisory fee	199 million yen

(5) Amount, reason for recognition, period and method of amortization of goodwill

a. Amount of goodwill
39,207 million yen

b. Reason for recognition of goodwill
The acquisition cost of the acquirees, which was calculated by taking into account projections of the acquirees' future revenue as of the valuation date, exceeded the net amount of assets acquired and liabilities assumed, and the difference is recognized as goodwill.

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

(6) Amount of assets acquired and liabilities assumed on the date of the business combination

Total assets:	3,783 million yen
Total liabilities:	1,864 million yen

(7) Allocation of acquisition cost
The Company provisionally accounted for the business combination based on relevant information available as of March 31, 2021, because the purchase price allocation has not been completed within a short period from the date of the business combination.

2. Finalization of provisional accounting treatment for business combination

On February 7, 2020, HCC Insurance Holdings, Inc., a consolidated subsidiary of the Company, acquired Privilege Underwriters, Inc.. The purchase price allocation accounted for on a provisional basis for the fiscal year 2019 was completed in the fiscal year 2020. There is no significant revision to the initial allocation of the purchase price.

Subsequent Events

On June 28, 2021 the Company's board of directors resolved repurchases of its own shares, pursuant to Article 156 of the Companies Act which is applicable in accordance with Article 165, paragraph 3 of the Companies Act, as detailed below.

1. Reason for the repurchase of shares
The Company intends to repurchase its own shares in order to implement flexible financial policies.
2. Class of shares to be repurchased
Common stock of the Company
3. Aggregate number of shares to be repurchased
Up to 7,500,000 shares
4. Aggregate purchase price of shares
Up to 30 billion yen
5. Period in which repurchases may be made
From July 1, 2021 through August 31, 2021

Supplementary Schedule

(Schedule of corporate bonds)

Issuer	Series	Issue date	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Coupon (%)	Collateral	Maturity date
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4th Unsecured Bond	Sep. 20, 2000	10,000	—	2.78	N/A	Sep. 18, 2020
	First series of domestic subordinated unsecured bonds with interest deferral option and early redemption option	Dec. 24, 2019	200,000	200,000	0.96	N/A	Dec. 24, 2079
	FX Linked Coupon Bond	Aug. 9, 2007	100	—	0.00	N/A	Jun. 19, 2020
Delphi Financial Group, Inc.	Subordinated Bond in USD	May 23, 2007	18,781 (USD 171,423 thousand)	17,758 (USD 171,578 thousand)	3.41–5.10	N/A	May 1, 2067
	Straight Bond in USD	Jan. 20, 2010	27,441 (USD 250,473 thousand)	—	7.88	N/A	Jan. 31, 2020
Privilege Underwriters Reciprocal Exchange	Surplus Note	Jun. 13, 2007 to Jan. 18, 2018	14,213 (USD 129,735 thousand)	12,839 (USD 124,052 thousand) [3,519]	0.66–7.84	N/A	Jul. 31, 2021 to Jan. 18, 2028
Total		—	270,536	230,597 [3,519]	—	—	—

Note: 1. The figures denoted with ( ) in the columns for beginning balance and ending balance are the amounts denominated in foreign currency.
2. The figures denoted with [ ] in the columns for ending balance are the amounts of corporate bonds to be redeemed within 1 year.
3. Principal amounts to be redeemed within 5 years after the closing date 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
3,519	265	—	—	2,587

(Schedule of borrowings)

	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Average interest rate (%)	Maturity date
Short-term borrowings	5,695	25,810	1.7	—
Long-term borrowings to be repaid within 1 year	319,446	31,039	1.0	—
Obligations under lease transactions to be repaid within 1 year	2,324	3,191	4.9	—
Long-term borrowings other than those to be repaid within 1 year	182,689	211,262	1.3	Dec. 9, 2022 to Nov. 30, 2043
Obligations under lease transactions other than those to be repaid within 1 year	12,911	10,941	3.5	Jan. 1, 2022 to Oct. 6, 2031
Total	523,067	282,245	—	—

Note: 1. Average interest rate is calculated based on the interest rate as of the end of the fiscal year and the outstanding principal amount.
2. The above amount is included in Other liabilities in the consolidated balance sheet.
3. Repayment schedule of long-term borrowings and lease obligations to be repaid within 5 years (excluding the amount to be repaid within 1 year) after the closing date is as follows:

(Yen in millions)

	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years
Long-term borrowings	62,100	—	—	—
Lease obligations	2,650	2,021	1,482	1,138

(Schedule of asset retirement obligations)
Detailed information is omitted due to its immateriality.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tokio Marine Holdings, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Tokio Marine Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of March 31, 2021, and the consolidated statement of income and consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In determining key audit matters, we considered the Group's global business environment, operations and business strategies, as well as industry specific accounting treatment and practices. As a result, from among those matters that required significant attention in our audit, we have determined the following items to be key audit matters.

- Estimates of outstanding claim reserves of major subsidiaries
- Valuation of goodwill and other intangible fixed assets related to the acquisition of Privilege Underwriters, Inc. ("Pure")
- Valuation of illiquid securitized products and commercial real estate loans

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Estimates of outstanding claim reserves of major subsidiaries

Key audit matter description	How our audit addressed the key audit matter
The Group consolidates a number of domestic and overseas subsidiaries which are engaged in the domestic non-life insurance, the domestic life insurance and the international insurance businesses. As industry specific accounting items for the insurance business, Insurance liability - Outstanding claims ("outstanding claim reserves") of ¥3,157,123 million (14.3% of total liabilities) is recorded on the consolidated balance sheet as of March 31, 2021, and a Provision for outstanding claims of ¥262,454 million is recorded in the consolidated statement of income for the year then ended. As described in the Notes "Significant Accounting Estimates," outstanding claim reserves are liabilities estimated as the amount of claims deemed to have resulted in an obligation under an insurance contract that have not yet been paid. Outstanding claim reserves are estimated through the use of various methods, including statistical techniques using historical payment experience. The selection of these methods and various assumptions, such as loss development factors, requires significant management judgment. In particular, estimates of outstanding claim reserves for those products whose payments often require an extended period of time from the occurrence of an accident to its resolution ("long tail products") involve a high degree of estimation uncertainty. The majority of the outstanding claim reserves for long tail products are recorded by Tokio Marine & Nichido Fire Insurance Co., Ltd., HCC Insurance Holdings, Inc. ("HCC"), Delphi Financial Group, Inc. ("Delphi") and Philadelphia Consolidated Holding Corp. Given the significance to the consolidated statement of financial position, the reserves for long tail products of such major subsidiaries mentioned above required particular attention in our audit. Accordingly, we have determined the estimates of outstanding claim reserves for long tail products of major subsidiaries is a key audit matter.	We have performed the following audit procedures, among others, with respect to the estimates of outstanding claim reserves of major subsidiaries. Our audit procedures included work performed by the auditors of the major subsidiaries based on instructions from us and under our supervision: ・Evaluated the design and operating effectiveness of relevant internal controls at major subsidiaries including, among others: – Approval of methods and assumptions used in estimates of outstanding claim reserves – Retrospective review analysis, which compares the initial estimates of outstanding claim reserves with the subsequent actual payments ・In order to verify the accuracy and completeness of the underlying data used in the estimates of outstanding claim reserves, such as historical payment experience, we reconciled the underlying data with the information generated from the claim systems. ・In order to verify the appropriateness of methods and assumptions used in the estimates of outstanding claim reserves, as well as to evaluate the adequacy of the estimated amounts, we performed the following procedures with the assistance of actuarial experts who belong to member firms of the PwC global network: – Evaluated the reasonableness of management's judgments on the selection of methods by inquiring with management and reviewing the analysis performed by management's actuarial experts – Assessed the significant assumptions used by management, such as loss development factors, and performed retrospective review analyses which compared previous estimates of outstanding claim reserves with the subsequent actual payments. – Developed an auditor's point estimate and range of outstanding claim reserves, and evaluated whether management's estimate was within that range

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Valuation of goodwill and other intangible fixed assets related to the acquisition of Pure	
Key audit matter description	How our audit addressed the key audit matter
The Group pursues strategic mergers and acquisitions ("M&A") in addition to sustainable organic growth in the international insurance market in order to achieve growth for the entire Group and further diversify the Group's portfolio. As a result of strategic M&A, Goodwill of ¥485,682 million and Other intangible fixed assets of ¥463,821 million were recorded on the consolidated balance sheet as of March 31, 2021. These include goodwill and other intangible fixed assets ("goodwill and other intangibles") related to Pure, which the Group acquired through its U.S. subsidiary, HCC, in February 2020: ・ Goodwill: ¥163,910 million at the date of acquisition, amortization period of 15 years ・ Other intangible fixed assets (mainly policyholder relationships and broker relationships): ¥242,639 million at the date of acquisition, primary amortization period of 15 years Goodwill and other intangibles are amortized over the estimated useful life; however, an impairment loss is required to be recognized if the book value is no longer recoverable due to a decline in profitability. As described in the Notes "Significant Accounting Estimates," the Group assesses, for each reporting unit, whether impairment indicators exist such as deterioration in the latest operating results and future prospects, significant negative deviation compared to the business plan at the time of acquisition, or significant adverse changes in the business environment including market conditions. If impairment indicators are identified and recognition of an impairment loss is deemed necessary, the book value of goodwill and other intangibles shall be reduced to the recoverable amount and an impairment loss shall be recorded. Pure has achieved rapid growth by specializing in the U.S. high net worth insurance market. Upon acquisition, the valuation of Pure was based in part on the assumption that high growth will continue in the future, and the purchase price as well as the amount of goodwill and other intangibles were determined accordingly. In this respect, a high degree of uncertainty is involved in assessing whether the high growth assumed at the time of the acquisition will be realized over the amortization period and, therefore, the assessment of whether impairment indicators exist requires significant management judgment. Due to the significance of the balance, and as it may have a material impact on the Group's consolidated statement of income if an impairment loss occurs, goodwill and other intangibles related to the acquisition of Pure required particular attention in our audit. In the current fiscal year, no impairment losses of goodwill and other intangibles related to the acquisition of Pure were recorded. Accordingly, we have determined the valuation of goodwill and other intangibles related to the acquisition of Pure is a key audit matter.	We have performed the following audit procedures, among others, with respect to the valuation of goodwill and other intangibles related to the acquisition of Pure. Our audit procedures included the work performed by HCC's auditors based on instructions from us and under our supervision: ・ Evaluated the design and operating effectiveness of relevant internal controls at HCC, the direct parent company of Pure, including, among others: – Assessment of whether impairment indicators existed for each reporting unit through comparative analysis of budgets versus actuals and confirmation of whether there are conditions that indicate a significant adverse change in the business environment ・ In order to verify the appropriateness of management's assessment of whether impairment indicators exist, the following procedures were performed: – Confirmed whether actual results for the current fiscal year had significantly deviated negatively compared to the business plan at the time of acquisition, assuming that high growth will continue. This analysis was performed with regard to key performance indicators of Pure such as underwriting income and income before income taxes, as well as significant assumptions such as attrition rates of policyholder relationships and broker relationships, which are the basis for the calculation of other intangible fixed assets. – Through inquiries of management and review of minutes of the board of directors meetings, confirmed whether there had been significant adverse changes in the business environment surrounding Pure, including market conditions and competitive conditions, as well as whether significant changes to its business strategy are planned. ・ In order to verify the accuracy of the information used in the assessment of whether impairment indicators exist, reconciled key performance indicators of Pure for the current fiscal year to the audited financial information.

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Valuation of illiquid securitized products and commercial real estate loans	
Key audit matter description	How our audit addressed the key audit matter
As described in the Notes "Information on Financial Instruments," the core operation of the Group is its insurance business, and it invests utilizing cash inflows mainly arising from insurance premiums. Specifically, primarily through Asset Liability Management ("ALM"), the Group controls interest rate risk associated with insurance liabilities while assuming a certain degree of credit risk by investing in bonds with high credit ratings. At the same time, the Group endeavours to ensure medium-to-long-term earnings by diversifying risks and asset management approaches in Japan and overseas through the utilization of a wide range of products including foreign securities and alternative investments. As part of the diversification of asset management approaches described above, the Group invests in securitized products such as collateralized loan obligations ("CLOs") and commercial real estate and other loans ("CRE loans"). Many of these financial instruments are less liquid than other financial instruments held by the Group and require sophisticated asset management capabilities. As a result, Delphi, a U.S. subsidiary, is the Group's primary investor in these financial instruments, both for itself and for other companies in the Group. On the consolidated balance sheet, securitized products are included mainly as part of Monetary receivables bought (consolidated balance sheet amount: ¥1,377,728 million, 5.3% of total assets), and CRE loans are included as part of Loans (consolidated balance sheet amount: ¥1,626,615 million, 6.3% of total assets), and the balance of these financial instruments are significant. Among the illiquid financial instruments mentioned above, securitized products do not have observable market prices and are valued using models. Impairment losses are to be recognized when there is an other-than-temporary decline in fair value. CRE loans are measured at amortized cost but impairment losses are recognized when certain criteria are met to reflect the recoverability of principal and interest. Determining the fair value and assessing potential impairment of these illiquid financial instruments involves a high degree of estimation uncertainty due to the limited observable market data. In addition, as described in the Notes "Significant Accounting Estimates", the models applied to estimate fair value are complex, and the selection of various assumptions, such as yield curves, or the assessment of impairment require significant management judgment. Therefore, it required particular attention in our audit. Accordingly, we have determined the valuation of the illiquid securitized products and CRE loans is a key audit matter.	We have performed the following audit procedures, among others, with respect to the valuation of illiquid securitized products and CRE loans. Our audit procedures included work performed by Delphi's auditors based on instructions from us and under our supervision. ・ Evaluated the design and operating effectiveness of relevant internal controls at Delphi including, among others: – Verification of fair value information obtained from external vendors or asset managers – Approval of the assessment of whether impairment criteria have been met ・ In order to verify the appropriateness of fair values and recognition of impairment of securitized products, the following procedures were performed. – Compared the fair values, which were independently obtained from reliable external vendors or independently calculated with the assistance of valuation experts who belong to a member firm of the PwC global network, with those adopted by management, and evaluated whether any difference between them was within a reasonable range – Verified the appropriateness of management's impairment assessment by inquiring with management, reviewing the results of management's assessment of impairment and examining the sales record of securitized products with unrealized losses after the fiscal year-end date ・ In order to verify the appropriateness of recognition of impairment of CRE loans, the following procedures were performed: – Inquired with management, reviewed the results of management's assessment of impairment and examined any indication of an increase in the credit risk of a borrower such as loan modifications or delinquencies of principal and interest

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Masahiko Nara

Masahiko Nara
Designated Engagement Partner
Certified Public Accountant

August 6, 2021

Solvency Margin Ratio (Unaudited)

Sufficiency of solvency of insurance holding company and its subsidiaries, etc. to fulfill payment obligations such as insurance claims

Tokio Marine Holdings' solvency margin ratio (consolidated)

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**5,828,058**	5,064,907
Shareholders' equity less adjusting items	**955,539**	891,439
Reserve for price fluctuation	**128,006**	118,071
Contingency reserve	**59,927**	57,854
Catastrophe loss reserve	**1,041,989**	972,525
General allowance for doubtful accounts	**2,964**	1,973
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**2,447,869**	1,838,462
Unrealized gains (losses) on land	**263,397**	250,588
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	**(19,187)**	(14,213)
Excess of premium reserve, etc.	**302,741**	312,273
Subordinated debt, etc.	**300,000**	300,000
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	**—**	—
Total margin of Small Amount and Short Term Insurers	**406**	299
Deductions	**145,434**	178,267
Others	**489,837**	513,898
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2+R_2^2)}+R_3+R_4)^2+(R_5+R_6+R_7)^2}+R_8+R_9$	**1,300,045**	1,197,647
General insurance risk on non-life insurance contracts (R_1)	**374,354**	367,085
Life insurance risk (R_2)	**31,951**	31,391
Third sector insurance risk (R_3)	**44,779**	43,714
Insurance risk of Small Amount and Short Term Insurers (R_4)	**10**	9
Assumed interest rate risk (R_5)	**23,209**	24,747
Minimum guarantee risk on life insurance contracts (R_6)	**2,206**	2,501
Asset management risk (R_7)	**880,380**	765,263
Business administration risk (R_8)	**32,515**	30,178
Catastrophe risk on non-life insurance contracts (R_9)	**268,884**	274,192
(C) Solvency margin ratio on a consolidated basis [(A)/{(B) × 1/2}] ×100	**896.5%**	845.8%

Note: "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 issued by the Financial Services Agency in 2011.

Solvency margin ratio (consolidated)

1. Most subsidiaries in Tokio Marine Group engage in non-life insurance business, life insurance business and Small Amount and Short Term insurance business. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance groups to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, or a significant decline in value of assets held by insurance groups.

2. (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance company groups in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates) which is calculated in accordance with the Insurance Business Act.

3. "Risks that exceed normal estimates" is composed of risks described below.
   (1) General insurance risk on non-life insurance contracts, life insurance risk, third sector insurance risk and insurance risk of Small Amount and Short Term Insurers: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk on non-life insurance contracts.
   (2) Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
   (3) Minimum guarantee risk on life insurance contracts: risk that value of assets related to the minimum guarantee for benefits of insurance contracts, which are managed as a separate account, fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
   (4) Asset management risk: risk that the prices of retained securities and other assets fluctuate in excess of normal estimates.
   (5) Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
   (6) Catastrophe risk on non-life insurance contracts: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan Typhoon or overseas major catastrophe occurs.

4. Subsidiaries that were excluded from the scope of consolidation in preparation of the consolidated financial statements due to immateriality were included within the calculation of the consolidated solvency margin ratio.

5. Solvency of insurance company groups in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. price fluctuation reserve, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land, etc.

6. Solvency margin ratio on a consolidated basis is one of the objective indicators used by the regulatory authority to supervise corporate groups headed by an insurance holdings company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

Sufficiency of solvency of major domestic subsidiaries to fulfill payment obligations such as insurance claims

Solvency margin ratio (non-consolidated) for Tokio Marine & Nichido Fire Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**5,222,262**	4,681,376
Shareholders' equity less adjusting items	**1,343,538**	1,383,131
Reserve for price fluctuation	**109,013**	102,874
Contingency reserve	**6,623**	6,213
Catastrophe loss reserve	**981,590**	913,540
General allowance for doubtful accounts	**256**	196
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**1,933,277**	1,424,499
Unrealized gains (losses) on land	**243,088**	230,253
Excess of policyholders' contract deposits	**—**	—
Subordinated debt, etc.	**200,000**	200,000
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	**—**	—
Deductions	**—**	—
Others	**404,874**	420,667
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**1,264,478**	1,148,493
General insurance risk (R_1)	**202,622**	192,865
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**17,226**	18,765
Asset management risk (R_4)	**1,054,330**	933,404
Business administration risk (R_5)	**28,394**	25,922
Catastrophe risk (R_6)	**145,538**	151,065
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**825.9%**	815.2%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency Margin Ratio (Unaudited)

Solvency margin ratio (non-consolidated)

1. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, a significant decline in value of assets held by insurance companies.

2. (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance companies in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates), which is calculated in accordance with the Insurance Business Act.

3. "Risks that exceed normal estimates" is composed of risks described below.
   (1) (General) insurance risk, third sector insurance risk: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk.
   (2) Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
   (3) Minimum guarantee risk: risk that value of assets related to the minimum guarantee for benefits of insurance contracts, which are managed as a separate account, fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
   (4) Asset management risk: risk that prices of retained securities and other assets fluctuate in excess of normal estimates.
   (5) Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
   (6) Catastrophe risk: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan typhoon occurs.

4. Solvency of insurance companies in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. reserve for price fluctuation, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land, etc.

5. Solvency margin ratio is one of the objective indicators used by the regulators to supervise insurance companies. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

Solvency margin ratio (non-consolidated) for Nisshin Fire & Marine Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**146,730**	144,640
Shareholders' equity less adjusting items	**57,977**	51,999
Reserve for price fluctuation	**1,924**	1,732
Contingency reserve	**—**	—
Catastrophe loss reserve	**58,342**	57,981
General allowance for doubtful accounts	**59**	51
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**20,271**	27,604
Unrealized gains (losses) on land	**2,462**	1,902
Excess of policyholders' contract deposits	**—**	—
Subordinated debt, etc.	**—**	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	**—**	—
Deductions	**—**	—
Others	**5,693**	3,368
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**22,935**	25,936
General insurance risk (R_1)	**14,196**	13,598
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**811**	874
Asset management risk (R_4)	**7,199**	10,371
Business administration risk (R_5)	**565**	649
Catastrophe risk (R_6)	**6,068**	7,640
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,279.4%**	1,115.3%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for E. design Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**13,491**	8,401
Shareholders' equity less adjusting items	**11,434**	7,397
Reserve for price fluctuation	**—**	—
Contingency reserve	**—**	—
Catastrophe loss reserve	**2,056**	1,004
General allowance for doubtful accounts	**0**	0
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Excess of policyholders' contract deposits	**—**	—
Subordinated debt, etc.	**—**	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	**—**	—
Deductions	**—**	—
Others	**—**	—
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**4,637**	4,585
General insurance risk (R_1)	**4,169**	4,115
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**—**	—
Asset management risk (R_4)	**419**	450
Business administration risk (R_5)	**146**	145
Catastrophe risk (R_6)	**300**	300
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**581.8%**	366.4%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for Tokio Marine & Nichido Life Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**819,872**	848,903
Shareholders' equity less adjusting items	**158,664**	158,605
Reserve for price fluctuation	**17,069**	13,464
Contingency reserve	**53,304**	51,641
General allowance for doubtful accounts	**362**	407
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions × 90%	**221,818**	240,250
Unrealized gains (losses) on land × 85%	**—**	—
Excess of continued Zillmerized reserve	**302,741**	312,273
Subordinated debt, etc.	**100,000**	100,000
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	**(113,357)**	(117,601)
Deductions	**—**	—
Others	**79,269**	89,862
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	**114,658**	111,964
Insurance risk (R_1)	**16,673**	16,672
Third sector insurance risk (R_8)	**6,725**	6,472
Assumed interest rate risk (R_2)	**5,170**	5,107
Minimum guarantee risk (R_7)	**2,206**	2,501
Asset management risk (R_3)	**102,151**	99,277
Business administration risk (R_4)	**2,658**	2,600
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,430.1%**	1,516.3%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency Margin Ratio (Unaudited)

Solvency margin ratio (non-consolidated) for Tokio Marine Millea SAST Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**1,525**	1,495
Total net assets excluding deferred assets, etc.	**1,441**	1,413
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**8**	6
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders excluding dividends for following period	**—**	—
Future profit	**—**	—
Tax effect	**75**	75
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**101**	97
Insurance risk	**27**	25
General insurance risk (R_1)	**6**	5
Catastrophe risk (R_4)	**21**	19
Asset management risk (R_2)	**78**	75
Business administration risk (R_3)	**2**	2
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**3,002.8%**	3,070.9%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Solvency margin ratio (non-consolidated) for Tokio Marine West SAST Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2020
(A) Total amount of solvency margin	**1,440**	1,069
Total net assets excluding deferred assets, etc.	**1,118**	851
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**4**	3
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders excluding dividends for following period	**—**	—
Future profit	**—**	—
Tax effect	**317**	214
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**77**	69
Insurance risk	**19**	17
General insurance risk (R_1)	**4**	3
Catastrophe risk (R_4)	**14**	13
Asset management risk (R_2)	**60**	54
Business administration risk (R_3)	**1**	1
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**3,716.5%**	3,077.9%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Market Consistent Embedded Value (MCEV) (Unaudited) Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL) (Unaudited)

About MCEV

The current Japanese financial accounting standards focus on conservativeness and have the limitation that the profits generated from life insurance business are generally undervalued shortly after underwriting contracts in terms of the valuation and assessment of performance of life insurance business.

Embedded values (EV) are calculated as the total of the "adjusted net worth" and the "value of in-force." EV is designed to address the limitations of the financial accounting standards in order to facilitate an appropriate evaluation of value and improve performance assessment, considering the actual situation of the business performance.

While there have been various methodologies for calculation of EV, the European Insurance CFO Forum released its MCEV Principles, the European Insurance CFO Forum Market Consistent Embedded Value Principles, in June 2008, to enhance the consistency of valuation standards and unify the standards for disclosures. TMNL has been disclosing its EV in compliance with the MCEV Principles to enhance the disclosure since the fiscal year ended March 31, 2015.

MCEV as of March 31, 2021

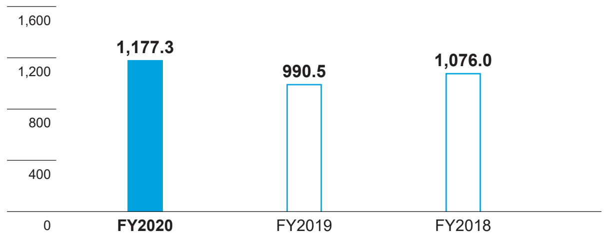
1. MCEV as of March 31, 2021

MCEV of TMNL as of March 31, 2021, was 1,177.3 billion yen, a increase of 186.8 billion yen from the previous fiscal year end (March 31, 2020), mainly due to economic variances of (128.2) billion yen.MCEV consisted of 854.6 billion yen of adjusted net worth and (322.7) billion yen of value of in-force.

(Billions of yen)

	FY2020	FY2019	FY2018
Adjusted net worth	**854.6**	1,113.0	1,119.5
Value of in-force	**322.7**	(122.4)	(43.5)
MCEV at fiscal year-end	**1,177.3**	990.5	1,076.0
New business value	**55.0**	37.3	59.5

MCEV at Fiscal Year-End



2. Change in MCEV

During FY2020, the change in MCEV (before dividends paid) was (205.2) billion yen, which was an increase on 275.6 billion yen from the previous fiscal year change in MCEV (FY2019). This was mainly due to economic variances of (132.4) billion yen resulting from a rise in yen interest rates in FY2020, and rebound from the yen interest rate declined in the previous year, compared to economic variances of (128.2) billion yen in FY2019. (For details on the changes, refer to "Reconciliation Analysis of MCEV from the End of FY2019.")

(Billions of yen)

	FY2020	FY2019
Change in MCEV (Before dividends paid)	**205.2**	(70.3)
(Reference) Change in MCEV (Before dividends paid and excluding economic variances)	**76.9**	62.0

Market Consistent Embedded Value (MCEV) (Unaudited) Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL) (Unaudited)

Reconciliation Analysis of MCEV from the End of FY 2019

The table below shows the reconciliation analysis of MCEV as of March 31, 2021 with the MCEV as of March 31, 2020.

(Billions of yen)

	MCEV
Opening MCEV (MCEV as of March 31, 2020)	990.5
(1) Dividends paid	(18.4)
Adjusted opening MCEV	972.1
(2) New business value	55.0
(3) Expected existing business contribution (risk-free rate)	23.8
(4) Expected existing business contribution (in excess of risk-free rate)	10.0
(5) Actuarial experience variances	(20.6)
(6) Actuarial assumption changes	8.7
(7) Other operating variances	(0.1)
(8) Operating MCEV earnings ((2)–(7))	76.9
(9) Economic variances	128.2
(10) Other non-operating variances	—
Total MCEV earnings (before dividends paid)	205.2
Closing MCEV (MCEV as of March 31, 2021)	1,173.3

Sensitivity Analysis

The impacts of changing specified assumptions underlying the MCEV are as follows.
Sensitivity analysis of change in MCEV

(Billions of yen)

Assumption	Change in assumption	MCEV	Change in amount	Rate of change
Base case: MCEV at the end of March 2021	No change	1,177.3	—	—
(1) Interest rates	50bp decrease	1,088.5	(88.8)	(7.5%)
	50bp increase	1,174.3	(3.0)	(0.3%)
	Swap	1,030.0	(147.2)	(12.5%)
	Ultimate fwd rate	1,529.0	351.6	29.9%
(2) Stock/real estate market values	10% decrease	1,173.4	(3.9)	(0.3%)
(3) Stock/real estate implied volatility	25% increase	1,174.5	(2.8)	(0.2%)
(4) Interest swaption implied volatility	25% increase	1,143.2	(34.0)	(2.9%)
(5) Maintenance expenses	10% decrease	1,219.1	41.7	3.5%
(6) Surrender and lapse rates	×0.9	1,137.5	(39.7)	(3.4%)
(7) Mortality rates	Death protection products: ×0.95	1,196.7	19.3	1.6%
	A&H products and annuity products: ×0.95	1,162.4	(14.9)	(1.3%)
(8) Morbidity rates	×0.95	1,255.5	78.1	6.6%
(9) Required capital	Solvency margin ratio of 200%	1,177.3	—	—
(10) Foreign exchange rates	10% appreciation of JPY	1,176.4	(0.9)	(0.1%)

Assumptions

1. Risk-Free Rates

We have used government bond yields as of the end of March 2021.
The Company has made sets to the method of 1-year forward rate of government bonds in the 41st year and thereafter, assuming that adjustments were carried out based on the past yield fluctuations in the 40-year spot rate.We have adjusted and used Bloomberg's government bond yields as our data source.The government bond yields (spot rates) for key terms are shown below.

JPY

Term	End of March 2021	End of March 2020
1 year	(0.12%)	(0.14%)
5 years	(0.09%)	(0.12%)
10 years	0.11%	0.04%
20 years	0.51%	0.35%
30 years	0.70%	0.45%
40 years	0.71%	0.44%
50 years	0.80%	0.53%

The sensitivity analysis in P.186 presented the impact of changing the extrapolation of JPY-interest rates beyond the 40th year to use an ultimate forward rate (UFR) method. This UFR method entails setting the JPY ultimate forward rate to 3.8%, extrapolating rates from year 30,and applying the Smith-Wilson method so that forward rates from the 31st year onwards approach to the UFR in 30 years. This method was established with reference to the global Insurance Capital Standard (ICS) currently in development by the International Association of Insurance Supervisors (IAIS). Representative JPY interest rates are as follows:

JPY

Term	End of March 2021
1 year	(0.12%)
5 years	(0.09%)
10 years	0.11%
20 years	0.51%
30 years	0.70%
40 years	1.15%
50 years	1.64%

We have not included a liquidity premium in the risk-free rates given that definitions in the MCEV Principles are not clear and generally accepted practice has not yet been established. Negative interest rates are not floored at zero.

2. Insurance Assumptions

Assumptions	Basis of assumptions
Mortality and morbidity rates	Mortality and morbidity rates are developed based on claims experience of the latest 1–3 years, in principle, by type of protection, policy year, attained age, and other attributes. For policy years with no experience data, assumptions are developed with reference to industry data. We have reflected improvement trends for mortality rates and improving trends or deteriorating trends for A&H morbidity rates of some benefits. The projection period for which these trends are reflected is limited to 5 years.
Surrender and lapse rates	Surrender and lapse rates are developed based on the experience of the most recent year, in principle, by line of business, premium mode, and policy year.
Renewal rates	Renewal rates are developed based on past experience. Policies for which renewals are projected are A&H products, whose impact is large due to a high number of limited term in-force policies. For the sake of simplicity, we have not reflected future renewals for some riders.
Operating expense rates	Operating expense rates are developed from past experience based on the ratio (unit cost) of overall actual operating expenditures to the policy count or the premium separately for acquisition and maintenance expenses. Some of the operating expense rates were adjusted by removing one-off costs which are not ordinarily expected to be incurred in future periods. The removed one-off cost is 600 million yen, which is tied primarily to a portion of system development costs. And with regard to system development costs for policy acquisition and maintenance, and the information technology device costs for policy maintenance, the average amount incurred over the past five years is reflected in the corresponding unit costs. An increase due to inflation is reflected in future maintenance expenses. Corporate administration costs paid to the parent company are reflected in unit costs. Other than this, there is no look-through effect with regards to other companies within the Tokio Marine Group that needs to be reflected.
Effective tax rate	The effective tax rate is set as follows: Fiscal 2020 and thereafter: 28.0%
Consumption tax rate	The consumption tax rate is set as follows: Fiscal 2020 and thereafter: 10%
Inflation rate	With reference to the break-even inflation rate from the most recently issued inflation index-linked government bond and the past Consumer Price Index (CPI), as well as the impact of the consumption tax increase and other factors, inflation rates are set as shown below. MCEV as of March 31, 2021: 0.2%
Policyholder dividend	For products with interest dividends paid every 5 years, dividend rates are set based on the interest rate level in future periods using the method consistent with the one applied to determine the most recent dividend results.
Reinsurance	Reinsurance premiums are recorded as expenses and reinsurance claims are recorded as profit to reflect the fact that the Company cedes mortality risks on death protection insurance, third sector risks on third sector and part of the minimum guarantee risks of variable annuities. Reinsurance premiums and reinsurance claims are based on reinsurance agreements.

Caveats

Embedded values are calculated using various assumptions about the drivers of future results and the risks and uncertainties inherent in those results; future experience may deviate, possibly materially, from that underlying the forecasts used in the EV calculation. Also, the actual market value is determined as a result of informed judgments of investors and may differ materially from an embedded value. As such, embedded values should be used with sufficient caution.

Tokio Marine Holdings and Its Subsidiaries

(As of March 31, 2021)

Description of Business

Tokio Marine Group is engaged in domestic non-life insurance, domestic life insurance, international insurance, and financial and general businesses.

In addition, Tokio Marine Holdings is a specified listed company. Due to the specified listed company designation, the *de minimis* standard for insider trading regulations is determined on a consolidated basis.

The following is a diagram of businesses as of March 31, 2021.

Business Diagram

Note: ◎indicates consolidated subsidiaries; △indicates equity-method affiliates

Tokio Marine Holdings, Inc.

Domestic Non-Life Insurance Business
- ◎ Tokio Marine & Nichido Fire Insurance Co., Ltd.
- ◎ Nisshin Fire & Marine Insurance Co., Ltd.
- ◎ E. design Insurance Co., Ltd.
- ◎ Tokio Marine Millea SAST Insurance Co., Ltd.

Domestic Life Insurance Business
- ◎ Tokio Marine & Nichido Life Insurance Co., Ltd.

International Insurance Business
- ◎ Tokio Marine North America, Inc.
- ◎ Philadelphia Consolidated Holding Corp.
- ◎ Delphi Financial Group, Inc.
- ◎ HCC Insurance Holdings, Inc.
- ◎ Privilege Underwriters, Inc.
- ◎ Tokio Marine Kiln Group Limited
- ◎ Tokio Marine Asia Pte. Ltd.
- ◎ Tokio Marine Life Insurance Singapore Ltd.
- ◎ Tokio Marine Seguradora S.A.
- △ IFFCO-TOKIO General Insurance Company Limited

Financial and General Businesses
- ◎ Tokio Marine Asset Management Co., Ltd.

Major Subsidiaries

(As of March 31, 2021)

Company name	Date of incorporation	Paid-in capital	Ratio of Tokio Marine Holdings' voting rights[1] (%)	Ratio of Tokio Marine Holdings' subsidiaries' voting rights[2] (%)	Location	Major business
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Mar. 20, 1944[3]	JPY101,994 million	100	0	Tokyo, Japan	Domestic non-life insurance
Nisshin Fire & Marine Insurance Co., Ltd.	June 10, 1908	JPY20,389 million	100	0	Tokyo, Japan	Domestic non-life insurance
E. design Insurance Co., Ltd.	Jan. 26, 2009	JPY29,303 million	95.2	0	Tokyo, Japan	Domestic non-life insurance
Tokio Marine & Nichido Life Insurance Co., Ltd.	Aug. 6, 1996	JPY55,000 million	100	0	Tokyo, Japan	Domestic life insurance
Tokio Marine Millea SAST Insurance Co., Ltd.	Sept. 1, 2003	JPY895 million	100	0	Yokohama, Japan	Domestic non-life insurance
Tokio Marine Asset Management Co., Ltd.	Dec. 9, 1985	JPY2,000 million	100	0	Tokyo, Japan	Financial and general businesses
Tokio Marine North America, Inc.	June 29, 2011	USD0 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance
Philadelphia Consolidated Holding Corp.	July 6, 1981	USD1 thousand	0	100	Bala Cynwyd, Pennsylvania, U.S.A.	International insurance
Delphi Financial Group, Inc.	May 27, 1987	USD1 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance
HCC Insurance Holdings, Inc.	Mar. 27, 1991	USD1 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance
Privilege Underwriters, Inc.	Jan. 5, 2006	USD0 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance
Tokio Marine Kiln Group Limited	July 11, 1994	GBP1,010 thousand	0	100	London, U.K.	International insurance
Tokio Marine Asia Pte. Ltd.	Mar. 12, 1992	SGD1,250,971 thousand THB542,000 thousand ZAR5,000,000 thousand	0	100	Singapore, Singapore	International insurance
Tokio Marine Life Insurance Singapore Ltd.	May 21, 1948	SGD36,000 thousand	0	85.7	Singapore, Singapore	International insurance
Tokio Marine Seguradora S.A.	June 23, 1937	BRL2,236,833 thousand	0	98.5	Sao Paulo, Brazil	International insurance
Affiliate accounted for by the equity method						
IFFCO-TOKIO General Insurance Company Limited	Sept. 8, 2000	INR2,742,183 thousand	0	49	New Delhi, India	International insurance

1 The ratio of voting rights of said subsidiaries held by Tokio Marine Holdings to total voting rights
2 The ratio of voting rights of said subsidiaries held by Tokio Marine Holdings' subsidiaries to total voting rights
3 Founded on August 1, 1879
(Note) Due to the review of materiality standards, the 18 subsidiaries and others listed in this table for the previous fiscal year are not listed.

Worldwide Network of Tokio Marine Group

(As of March 31, 2021)

Tokio Marine Group operates a worldwide network that spans 46 countries and regions. The Group has built a structure that can respond to the diverse needs of customers in each country, beginning with companies setting up overseas operations, as well as overseas travelers.

North America

United States
- ■ New York, New Jersey, Los Angeles, Chicago, Atlanta, Honolulu, Philadelphia, Bala Cynwyd, St. Louis, Houston, Dallas, and San Francisco
- □ Tokio Marine North America, Inc. (New York and Bala Cynwyd)
- □ TMNA Services, LLC (New York, Bala Cynwyd, and New Jersey)
- □ Tokio Marine America (New York, New Jersey, Los Angeles, Chicago, Atlanta, Houston, Nashville, Dallas, and San Francisco)
- □ TM Claims Service, Inc. (New York, Los Angeles, Honolulu, and Dallas)
- □ First Insurance Company of Hawaii, Ltd. (Honolulu)
- □ Philadelphia Insurance Companies (Bala Cynwyd and others)
- □ Delphi Financial Group, Inc. (New York)
- □ Reliance Standard Life Insurance Company (Philadelphia and others)
- □ Safety National Casualty Corporation (St. Louis and others)
- □ Tokio Marine HCC (Houston and others)
- □ Privilege Underwriters, Inc. (White Plains and others)

Guam Northern Marianas
- ■ Guam
- □ Tokio Marine Pacific Insurance Limited (Guam)

Canada
- ■ Toronto, Vancouver, and Montreal
- ● Toronto, Vancouver, and Montreal

Central & South America

Mexico
- ■ Mexico City
- □ Tokio Marine HCC México Compañía Afianzadora, S.A. de C.V. (Mexico City and others)
- □ Tokio Marine Compañía de Seguros, S.A. de C.V. (Mexico City and others)

Colombia
- ○ Tokio Marine Compañía de Seguros, S.A. de C.V. (Bogotá)

Brazil
- ■ São Paulo
- □ Tokio Marine Seguradora S.A. (São Paulo and others)
- □ XS3 Seguros S.A. (São Paulo)

Paraguay
- □ La Rural S.A. de Seguros (Asunción and others)

Europe, Africa & Middle East

United Kingdom
- ■ London
- □ Tokio Marine Kiln Group Limited (London)
- □ Tokio Marine HCC (London, Birmingham, Bridgend, Bristol, Leicester, and Manchester)
- □ TM Claims Service Europe Ltd. (London)

France
- ■ Paris
- ○ Tokio Marine Europe S.A. (Paris, Lyon, Bordeaux, Colmar, and Nantes)

Germany
- ■ Dusseldorf
- ○ Tokio Marine Europe S.A. (Dusseldorf, Munich, and Frankfurt)

Netherlands
- ■ Amsterdam
- ○ Tokio Marine Europe S.A. (Amsterdam)
- ○ TM Claims Service Europe Ltd. (Amsterdam)

Belgium
- ■ Brussels
- ○ Tokio Marine Europe S.A. (Brussels)

Luxembourg
- □ Tokio Marine Europe S.A. (Luxembourg)

Italy
- ■ Milan
- ○ Tokio Marine Europe S.A. (Milan)

Spain
- ■ Barcelona
- ○ Tokio Marine Europe S.A. (Barcelona)

Norway
- ○ Tokio Marine Europe S.A. (Oslo)

Denmark
- ○ Tokio Marine Europe S.A. (Hellerup)

Russia
- ■ Moscow
- □ Tokio Marine Risk Management Rus, LLC (Moscow)

Switzerland
- ○ Tokio Marine HCC (Zurich)

Ireland
- ○ Tokio Marine Europe S.A. (Kildare)

Egypt
- ■ Cairo
- □ Tokio Marine Egypt General Takaful Company (Cairo, Alexandria and others)

U.A.E.
- ■ Dubai
- □ Tokio Marine Middle East Limited (Dubai)
- ◆ Al Futtaim Development Services Company (L.L.C.) (Dubai and Abu Dhabi)

Saudi Arabia
- ■ Riyadh, Jeddah
- □ Alinma Tokio Marine Company (Riyadh, Jeddah, and Al Khobar)

Turkey
- □ Allianz Sigorta A.S. (Istanbul)
- □ Allianz Hayat ve Emeklilik A.S. (Istanbul)

South Africa and sub-Saharan countries*
- ■ Johannesburg
- □ Hollard Insurance Group

* Mozambique, Zambia, Botswana, Namibia, Ghana, and Lesotho

Asia & Oceania

Korea
- ■ Seoul
- ● Seoul

People's Republic of China
- ■ Beijing, Shanghai, Guangzhou, Suzhou, and Hangzhou
- □ The Tokio Marine & Nichido Fire Insurance Company (China) Limited (Beijing, Shanghai, Guangzhou, Suzhou, and Hangzhou)

Hong Kong
- ■ Hong Kong
- □ The Tokio Marine and Fire Insurance Company (Hong Kong) Limited (Hong Kong)

Taiwan
- ■ Taipei
- □ Tokio Marine Newa Insurance Co., Ltd. (Taipei and others)

Philippines
- ■ Manila
- □ Malayan Insurance Company, Inc. (Manila and others)

Vietnam
- ■ Hanoi and Ho Chi Minh City
- □ Tokio Marine Insurance Vietnam Company Limited (Hanoi and others)

Thailand
- ■ Bangkok
- □ Tokio Marine Safety Insurance (Thailand) Public Company Limited (Bangkok and others)
- □ Tokio Marine Life Insurance (Thailand) Public Company Limited (Bangkok and others)

Malaysia
- ■ Kuala Lumpur
- □ Tokio Marine Insurans (Malaysia) Berhad (Kuala Lumpur and others)
- □ Tokio Marine Life Insurance Malaysia Bhd. (Kuala Lumpur and others)

Singapore
- ■ Singapore
- □ Tokio Marine Asia Pte. Ltd. (Singapore)
- □ Tokio Marine Insurance Singapore Ltd. (Singapore)
- □ Tokio Marine Life Insurance Singapore Ltd. (Singapore)
- □ TM Claims Service Asia Pte. Ltd. (Singapore)

Brunei
- ○ Tokio Marine Insurance Singapore Ltd. (Bandar Seri Begawan)
- ○ Tokio Marine Life Insurance Singapore Ltd. (Bandar Seri Begawan)

Indonesia
- ■ Jakarta
- □ PT Asuransi Tokio Marine Indonesia (Jakarta and others)
- □ PT Tokio Marine Life Insurance Indonesia (Jakarta and others)

India
- ■ New Delhi, Mumbai, and Chennai
- □ IFFCO-TOKIO General Insurance Company Limited (New Delhi and others)
- □ Edelweiss Tokio Life Insurance Company Limited (Mumbai and others)

Myanmar
- ■ Yangon
- ● Yangon
- □ Grand Guardian Tokio Marine General Insurance Company Limited (Yangon)

Cambodia
- ■ Phnom Penh

Australia
- ■ Sydney and Melbourne
- □ Tokio Marine Management (Australasia) Pty. Ltd. (Sydney and Melbourne)

New Zealand
- ● Auckland

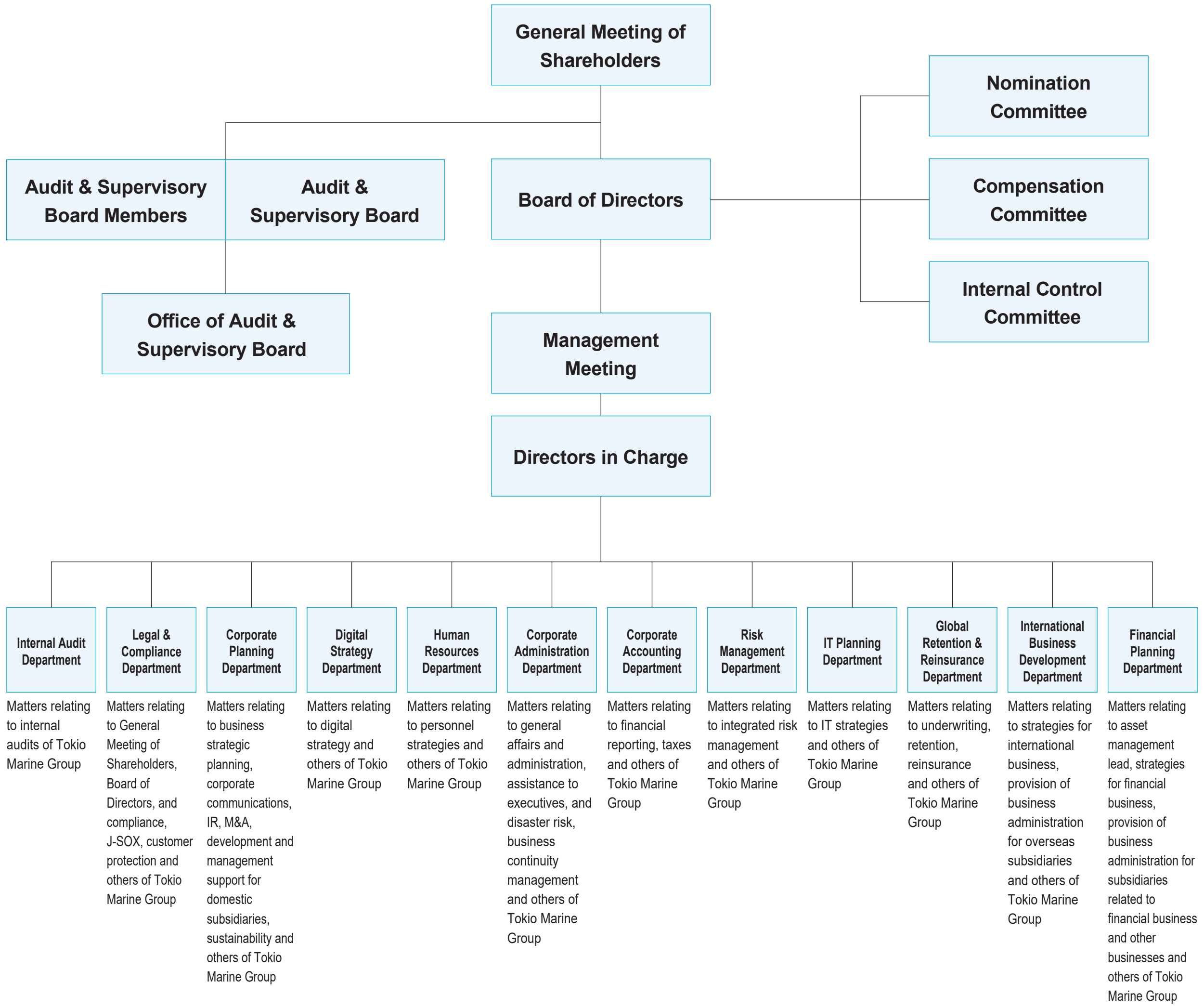
Locations of overseas bases: 46 countries and regions
Number of Japanese employees positioned overseas: 308
Number of locally hired employees: Approx. 33,000
Number of claims agents: Approx. 250 (including subagents)

- ■ Cities where employees of Tokio Marine & Nichido are dispatched/Representative and Liaison Offices of Tokio Marine & Nichido
- ● Branches of Tokio Marine & Nichido
- ◆ Underwriting Agents of Tokio Marine & Nichido
- □ Group Companies & Investing Companies of Tokio Marine Group
- ○ Branches of Tokio Marine Group Companies

Corporate Overview

Organizational Chart

(As of April 1, 2021)



Employees

(As of March 31, 2021)

Number of employees	811
Average age of employees	43.7 years old
Average length of service of employees	18.1 years

Note: Most employees of Tokio Marine Holdings are seconded from its subsidiaries. Average length of service includes the years of service at these subsidiaries.

Facilities

Overview of Capital Investment

Tokio Marine Group makes capital investments to improve customer services and streamline workflows. The following is a breakdown of capital investment in the fiscal year ended March 31, 2021.

Business segment	Amount (Yen in millions)
Domestic non-life insurance	62,014
Domestic life insurance	5,021
International insurance	51,724
Financial and general businesses	985
Total	119,746

Status of Major Facilities

The following are the major facilities of Tokio Marine Holdings and its consolidated subsidiaries.

Tokio Marine Holdings

(As of March 31, 2021)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m^2)	Buildings	Movables	Software		
Tokio Marine Holdings	**Headquarters** (Chiyoda-ku, Tokyo)	Holding company	— (—)	126	96	640	811	—

Domestic subsidiaries

(As of March 31, 2021)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m^2)	Buildings	Movables	Software		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo) including each Service Dept., Tokyo Corporate Division, Tokyo Automobile Division, Commercial Lines Claims Dept. 1, Claims Service Dept. 2, Tokyo Automobile Claims Service Dept., Marketing Promotion Dept. (Governmental), Government Sector Dept. 1&2, Health Care & Welfare Institution Sector Dept., Group Account Marketing Dept., and Financial Institutions Dept. and overseas branches.	Domestic non-life insurance	34,379 (65,883)	25,796	16,755	45,478	4,090	841
	Hokkaido Hokkaido Branch (Chuo-ku, Sapporo) and 6 other branches	Domestic non-life insurance	831 (6,165)	984	486		674	450
	Tohoku Sendai Branch (Aoba-ku, Sendai) and 9 other branches	Domestic non-life insurance	2,510 (10,250)	3,208	805		1,041	238
	Kanto Tokyo Chuo Branch (Minato-ku, Tokyo) and 32 other branches	Domestic non-life insurance	7,940 (12,844)	6,558	2,279		3,854	2,290
	Tokai/Hokuriku Aichi Minami Branch (Naka-ku, Nagoya) and 27 other branches	Domestic non-life insurance	3,305 (11,000)	8,071	1,374		2,344	1,005
	Kansai Osaka Minami Branch (Chuo-ku, Osaka) and 24 other branches	Domestic non-life insurance	5,506 (9,782)	4,903	1,739		2,280	1,637
	Chugoku/Shikoku Hiroshima Branch (Naka-ku, Hiroshima) and 14 other branches	Domestic non-life insurance	2,465 (7,237)	3,092	865		1,313	783
	Kyushu Fukuoka Chuo Branch (Hakata-ku, Fukuoka) and 13 other branches	Domestic non-life insurance	5,511 (9,964)	7,954	999		1,580	231

Domestic subsidiaries

(As of March 31, 2021)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Nisshin Fire & Marine Insurance Co., Ltd.	**Head Office** (Chiyoda-ku, Tokyo)	Domestic non-life insurance	10,169 (21,402)	7,650	1,150	1,761	2,166	1,197
E. design Insurance Co., Ltd.	**Headquarters** (Shinjuku-ku, Tokyo)	Domestic non-life insurance	— (—)	125	112	10,288	289	240
Tokio Marine & Nichido Life Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Domestic life insurance	— (—)	379	644	4,896	2,244	1,210
Tokio Marine Millea SAST Insurance Co., Ltd.	**Headquarters** (Nishi-ku, Yokohama)	Domestic non-life insurance	— (—)	12	53	97	103	84
Tokio Marine Asset Management Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Financial and general businesses	— (—)	354	176	133	332	375

Overseas subsidiaries

(As of March 31, 2021)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine North America, Inc. and 1 other Group company	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance	— (—)	1	693	2,522	400	479
Philadelphia Consolidated Holding Corp. and 6 other Group companies	**Headquarters** (Bala Cynwyd, Pennsylvania, U.S.A.)	International insurance	— (—)	628	783	9,420	1,967	1,605
Delphi Financial Group, Inc. and 31 other Group companies	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance	369 (71,876)	2,448	2,411	12,270	2,769	2,086
HCC Insurance Holdings, Inc. and 63 other Group companies	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance	434 (63,600)	2,612	5,386	4,784	3,474	2,426
Privilege Underwriters, Inc. and 5 other Group companies	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance	— (—)	219	284	4,020	885	471
Tokio Marine Kiln Group Limited and 27 other Group companies	**Headquarters** (London, U.K.)	International insurance	— (—)	5,378	905	1,472	773	—
Tokio Marine Asia Pte. Ltd.	**Headquarters** (Singapore, Singapore)	International insurance	— (—)	—	56	27	82	11
Tokio Marine Life Insurance Singapore Ltd.	**Headquarters** (Singapore, Singapore)	International insurance	1,620 (214)	795	192	597	232	1
Tokio Marine Seguradora S.A.	**Headquarters** (São Paulo, Brazil)	International insurance	186 (4,660)	955	491	152	2,069	33

Notes: 1. All of the above facilities are for business use.
2. Movables include leased assets.
3. Some buildings are being leased.
4. In addition to the above, main leased facilities are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m2)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Osaka Tokio Marine Nichido Building (Chuo-ku, Osaka)	4,106 (5,584)	2,392
	Tokio Marine Nichido Building Shinkan (Chiyoda-ku, Tokyo)	0 (2,498)	1,781
	Sino Omiya South Wing (Omiya-ku, Saitama)	3,748 (2,614)	2,777
	Otemachi First Square (Chiyoda-ku, Tokyo)	19 (1,276)	1,980
	Minato Mirai Business Square (Nishi-ku, Yokohama)	2,645 (1,650)	1,492

5. In addition to the above, main company-owned housing and facilities for employee's fringe benefits are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m2)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Shakujii Sports Center (Nerima-ku, Tokyo)	1,752 (8,465)	2,092
	Tama Sogo Ground (Hachioji-shi, Tokyo)	6,705 (53,000)	589
	Tateshina Sanso (Chino-shi, Nagano Pref.)	16 (6,700)	482
Nisshin Fire & Marine Insurance Co., Ltd. Co., Ltd.	Talk Heim Nisshin (Kita-ku, Saitama)	381 (3,529)	359

New Facility Construction and Elimination Schedule

As of March 31, 2021, the schedule for new construction and elimination of major facilities is as follows.

(1) New facilities

Company name Facility name	Location	Business segment	Description	Scheduled investment		Financing method	Start and completion schedule	
				Total (Yen in millions)	Amount already paid (Yen in millions)		Start	Completion
Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tentative name) Tokio Marine Nichido Building	Chiyoda-ku, Tokyo	Domestic non-life insurance	Reconstruction	T.B.D.	1,045	Self - financing	T.B.D.	T.B.D.

(2) Renovation

None planned

(3) Sale

None planned

Stock Information

Stock and Shareholder Information

Stock Information (As of July 1, 2021)
Stock issued by Tokio Marine Holdings is common stock and the total number of authorized shares is 3.3 billion shares with the total number of shares outstanding at 697,500 shares.

a. The Ordinary General Meeting of Shareholders is held within three months of the end of each fiscal year.
b. Accounting period: Ends March 31
c. Share registrar: The Mitsubishi UFJ Trust and Banking Corporation
d. Record date: Ordinary General Meeting of Shareholders: March 31
Year-end dividend: March 31
Interim dividend: September 30
e. Public notice will be electronically published. (http://www.pronexus.co.jp/koukoku/8766/8766.html)
However, in the event that public notice cannot be electronically published due to an accident or other compelling reason, a notification shall be published in the Tokyo issue of the *Nihon Keizai Shimbun*.
f. Number of shares constituting one unit: 100
g. Stock listing: Tokyo Stock Exchange

Matters for the General Meeting of Shareholders
The 19th General Meeting of Shareholders was held on June 28, 2021. The items reported and the proposals acted upon were as follows:

Items reported
1. Business report, consolidated financial statements and the audit reports on consolidated financial statements prepared by the independent auditor and the Audit & Supervisory Board, respectively, for the fiscal year 2020 (April 1, 2020 to March 31, 2021)
2. Non-consolidated financial statements for fiscal year 2020 (April 1, 2020 to March 31, 2021)

Proposals acted upon
1. Appropriation of Surplus
2. Election of 14 Directors
3. Change in Remuneration, etc. for Directors

The proposals have been approved as proposed.

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

In accordance with the above policy, and considering various factors, the Company paid 100 yen per share as a year-end cash dividend for fiscal year 2020. As 100 yen per share was paid as an interim cash dividend (an ordinary dividend), the total amount of annual cash dividends (ordinary dividends) was 200 yen per share for fiscal year 2020. This is an increase of total annual cash dividends (ordinary dividends) of 10 yen per share from 190 yen per share paid for the previous fiscal year.

In the fiscal years 2018, 2019, and 2020, in addition to the ordinary dividends, the Company also paid one-time dividends (70 yen per share, 35 yen per share, and 35 yen per share respectively) for capital level adjustment.

Capital

Date	Equity capital
April 2, 2002	¥150 billion
March 31, 2021	¥150 billion

Stock Ownership Distribution

As of March 31, 2021, the number of shareholders was 102,097. The percentage of major stock ownership was 40.82% and 32.83% for financial institutions and foreign shareholders, respectively.

a. Types of shareholders (As of March 31, 2021)

Category	Number of shareholders	Number of shares	Shareholding ratio (%)
Government/Local government	2	8,080	0.00
Financial institutions	240	284,691,657	40.82
Financial instruments firms	62	43,574,311	6.25
Other domestic companies	1,563	45,629,354	6.54
Foreign shareholders	1,013	229,001,803	32.83
Individuals and others	99,216	90,367,820	12.96
Treasury stocks	1	4,226,975	0.61
Total	102,097	697,500,000	100.00

b. Breakdown by region (As of March 31, 2021)

Category	Number of shareholders	Shareholder ratio (%)	Number of shares	Shareholding ratio (%)
Hokkaido	1,528	1.50	1,895,170	0.27
Tohoku	2,558	2.51	3,796,599	0.54
Kanto	49,725	48.70	407,460,491	58.42
Chubu	15,340	15.02	22,962,939	3.29
Kinki	20,997	20.57	22,020,106	3.16
Chugoku	3,956	3.87	3,146,609	0.45
Shikoku	2,326	2.28	2,478,125	0.36
Kyushu	4,637	4.54	4,620,753	0.66
Overseas and others	1,030	1.01	229,119,208	32.85
Total	102,097	100.00	697,500,000	100.00

c. Breakdown by number of shares held (As of March 31, 2021)

Category	5,000 units or more	1,000 units or more	500 units or more	100 units or more	50 units or more
Number of shareholders	158	258	195	1,371	2,383
Composition ratios to total number of shareholders (%)	0.15	0.25	0.19	1.34	2.33
Number of shares	534,591,983	56,600,061	13,522,552	25,078,147	15,533,861
Composition ratios to total number of shares (%)	76.64	8.11	1.94	3.60	2.23

Category	10 units or more	5 units or more	1 unit or more	Less than 1 unit	Total
Number of shareholders	19,180	15,822	41,397	21,333	102,097
Composition ratios to total number of shareholders (%)	18.79	15.50	40.55	20.89	100.00
Number of shares	35,775,646	9,012,431	7,024,255	361,064	697,500,000
Composition ratios to total number of shares (%)	5.13	1.29	1.01	0.05	100.00

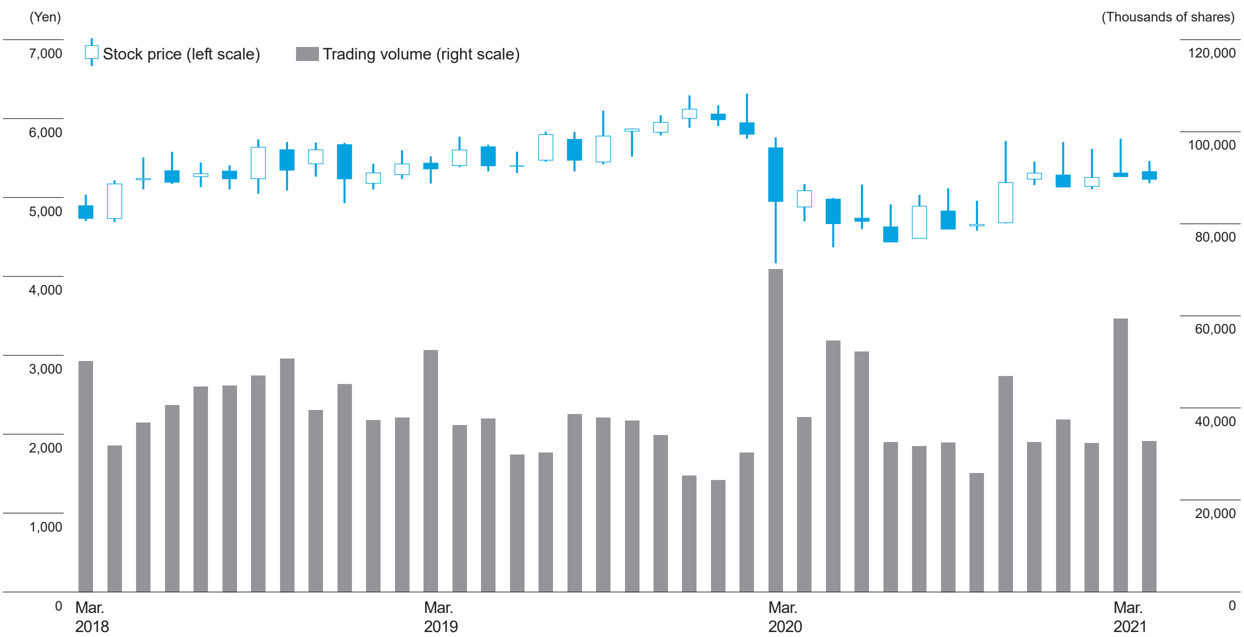
Stock Information

Top 10 Shareholders

(As of March 31, 2021)

Shareholders	Address	Number of shares held (Thousand shares)	Composition ratios to total number of shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	72,177	10.41
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	47,842	6.90
Meiji Yasuda Life Insurance Company (Custodian: Custody Bank of Japan, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	14,990	2.16
Barclays Securities Japan Limited	31F Roppongi Hills Mori Tower, 10-1, Roppongi 6-chome, Minato-ku, Tokyo	12,591	1.82
Custody Bank of Japan, Ltd. (Trust Account 7)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	12,081	1.74
SSBTC CLIENT OMNIBUS ACCOUNT (Custodian: Tokyo branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo)	11,355	1.64
STATE STREET BANK WEST CLIENT - TREATY 505234 (Custodian: Mizuho Bank, Ltd. Settlement & Clearing Services Division)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku, Tokyo)	10,085	1.45
Custody Bank of Japan, Ltd. (Trust Account 5)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	10,024	1.45
Tokai Nichido Employee Stock Ownership Plan	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	9,962	1.44
The Master Trust Bank of Japan, Ltd. (Retirement Benefits Trust Account for Mitsubishi Corporation)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	9,632	1.39

Stock Price Range and Trading Volume



TOKIO MARINE

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