



2015

REPORT AND ACCOUNTS

For the year ended 31st March 2015

Toa Re's advanced capabilities are founded on the accumulated skills and experience of its professional staff.

 The Toa Reinsurance Company, Limited



ToaRe Mission Statement

Providing Peace of Mind

Toa Re aims to realize its mission by

working with society and applying the principles of fairness and integrity to all aspects of our business

offering long-term, solid support to our clients by supplying reinsurance products and services that enable them to maintain stable operations

striving to further the interests of our shareholders and keeping them fully informed at all times

respecting the creativity of our employees and valuing their contributions

conserving the environment and contributing to the community

Profile

The Toa Reinsurance Company, Limited (Toa Re), was established in 1940. With the reinsurance market evolving and customers' needs expanding, we have recognized the importance of being able to provide a diverse line of life and non-life reinsurance products to lead the market as Japan's primary professional reinsurer. Toa Re is based in Tokyo with subsidiaries in New Jersey and Graubünden (Switzerland). Increasing demand for reinsurance products in Asian countries prompted us to expand our operations in that region and establish branch offices in Singapore, Kuala Lumpur and Hong Kong.

In acknowledgment of Toa Re's outstanding financial profile, credit rating agencies Standard & Poor's Financial Services LLC, A.M. Best Company, Inc. and Japan Credit Rating Agency, Ltd., have assigned Toa Re ratings of A+, A+ and AA+, respectively. As of 31st March 2015, the Toa Re Group boasted total assets of ¥689.6 billion. Net premiums written during the fiscal year ended 31st March 2015, totaled ¥208.9 billion.

Contents

Message from the President	> 2
Consolidated Financial Highlights	> 4
Non-Consolidated Financial Highlights	> 5
Corporate History	> 6
Worldwide Network	> 7
Toa Re America	> 8
Basic Policy on Internal Controls	> 9
Corporate Governance Structure	> 12
Risk Management Structure	> 13
Compliance Structure	> 14
Inspection and Audit Structure	> 15
Declaration of Protection of Personal Data	> 16
Corporate Social Responsibility (CSR)	> 18
Review of Operations	> 22
Consolidated Summary of Underwriting	> 23
Consolidated Summary of Investments	> 24
Consolidated Financial Statements	> 25
Organization	> 48
Board of Directors / Corporate Data	> 49

Notes:

All U.S. dollar figures in this report have been converted from yen, for convenience only, at the rate of ¥120.17=US\$1, which prevailed on 31st March 2015.

When truncating figures and rounding off percentages, no attempt was made to reconcile totals and breakdowns. Minor discrepancies may therefore be found when individual numbers are added together and compared with the totals shown.

All premiums shown are net of profit commissions.

Message from the President

Operating Environment

During fiscal 2014, the year ended 31st March, 2015, the Japanese economy remained on a moderate recovery trend. Although the consumption tax increase weakened personal consumption somewhat, business fixed investment trended upward, reflecting an improvement in corporate profits.

In the non-life insurance industry in Japan, net premium income and profit trended upward mainly owing to strong sales of fire and casualty insurance policies, while also benefiting from the revision of insurance premium rates and insurance products for automobile insurance.

In the life insurance industry in Japan, net premium income trended upward supported by buoyant sales of savings-type insurance products and medical insurance policies.

In the reinsurance market, the large amount of capital flowing from financial markets into the reinsurance market and the profitable performance of reinsurance companies contributed to further softening of reinsurance premium rates and intensified competition among reinsurers.

In these circumstances, in accordance with the “Forward 2014” medium-term management plan launched in 2012, the Toa Re Group implemented initiatives to realize the corporate vision articulated in the plan. “Utilizing sophisticated expertise and intelligence (E&I), we provide peace of mind with high-quality solutions and services with the goal of being a growing profitable global reinsurance group trusted by all stakeholders.”

Strategic Vision for Future Growth of the Toa Re Group “Re TOA RE 2017”

As the business environment becomes increasingly challenging, the Toa Re Group is putting in place risk-based management centering on enterprise risk management (ERM) to enhance corporate value of the Group as a whole and achieve sustainable growth.



Based on this recognition, the Toa Re Group formulated a new medium-term management plan covering the three years from fiscal 2015 to fiscal 2017 named “Re TOA RE 2017” and launched it in April this year. In this plan, we set specific targets for soundness, profitability, and growth. All officers and staff of the Toa Re Group will make a concerted effort to achieve the goals of “Re TOA RE 2017” while tackling various issues over the next three years.

The Toa Re Group is committed to contributing to society by fulfilling its mission as a reinsurance company “Providing Peace of Mind,” as articulated in the ToaRe Mission Statement.

A handwritten signature in black ink, which appears to read 'Tomoatsu Noguchi'.

Tomoatsu Noguchi
President and Chief Executive

Medium-Term Management Plan “Re TOA RE 2017”

The Toa Re Group launched its new medium-term management plan “Re TOA RE 2017” in April 2015. In “Re TOA RE 2017”, we articulated our medium to long term vision and set clear numerical targets for the Group as a

whole. Implementation of the business strategies and enhancement of the management foundation will lead to achievement of the numerical targets and ultimately the realization of the vision.

Overview of “Re TOA RE 2017”

Re TOA RE 2017 (3-year Plan)

Medium to Long Term Vision

Corporate Vision

A reinsurance group that keeps being selected by clients among the world and that is developing together with them

Strategic Policies

- Promote group-based risk and capital management
- Provide high-quality solutions and services
- Build a business portfolio optimized on a global basis

Group Numerical Targets

Soundness

Capital level consistent with a rating of “AA” or higher

Profitability

Adjusted ROE

Growth

Percentage increase in net premiums written

Basic Business Strategies

Clients & Marketing	Provide optimum reinsurance solutions that meet client needs Provide high-quality client services
Business Portfolio	Diversify and optimize the reinsurance portfolio Promote an ALM strategy that takes insurance liability characteristics into account

Management Foundation

ERM	Strengthen group-based governance Increase ERM sophistication to enhance soundness and improve profitability
ICT/Operational Processes	Nurture people who are well capable of implementing Group strategy and build expertise and intelligence Upgrade to sophisticated operating infrastructure that supports Group strategy
CSR	Implement compliance with a fair, good faith code of conduct Continuously contribute to society through community-based activities

Medium to Long Term Vision

“Re TOA RE 2017” sets up such an ideal status of an enterprise group as a reinsurance group that keeps being selected by clients among the world and that is developing together with them.

As our operating environment has been challenging and the situation will continue for the time being, we must therefore act with an even greater awareness of client perspective. Simultaneously, we always develop our business from a group and a global perspective so that our group can achieve sustainable growth.

Group Numerical Targets

Consider the numerical targets of “Re TOA RE 2017”. As shown in the chart, they are cumulative 3 years goals set with Soundness, Profitability, and Growth in mind.

Although these 3 guidelines are closely related, we place the highest priority on Soundness among the 3 numerical targets of “Re TOA RE 2017” with the basic policy for pursuing and realizing the stable and steady profit in every fiscal year.

Basic Business Strategies/Management Foundation

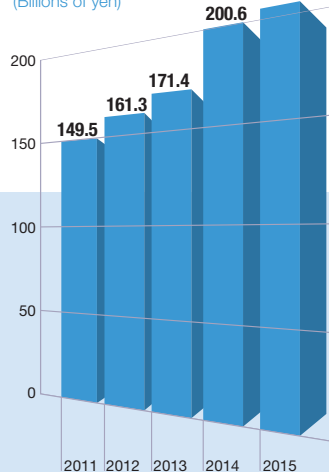
“Basic Business Strategies” and “Management Foundation” hold the key to achieving our numerical targets and eventually making “Medium to Long Term Vision” come true. “Basic Business Strategies” is composed of “Clients & Marketing” and “Business Portfolio”, which describes overall group strategies for achieving our vision and numerical targets. “Management Foundation” is made up the three categories of “ERM”, “ICT/Operational Process” and “CSR” that are the foundation (infrastructure) for carrying out “Basic Business Strategies”. And “Management Foundation” also presents overall group initiatives we must reinforce to enhance our group management fundamentals.

Consolidated Financial Highlights

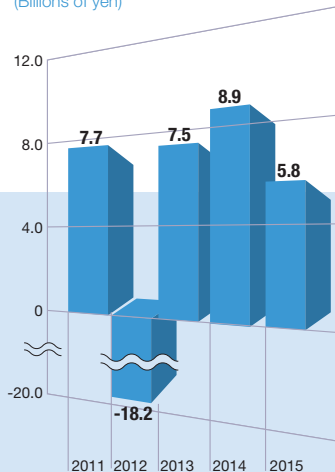
The Toa Reinsurance Company, Limited and Subsidiaries
For the years ended 31st March

	Millions of yen					Thousands of U.S. dollars
	2015	2014	2013	2012	2011	2015
For the fiscal year						
Ordinary income	¥ 246,264	¥ 246,820	¥ 234,064	¥ 271,516	¥ 179,275	\$2,049,296
Net premiums written	208,962	200,655	171,489	161,363	149,566	1,738,886
Ordinary profit (loss)	19,112	10,122	13,111	(7,664)	10,194	159,041
Net income (loss)	5,805	8,910	7,597	(18,268)	7,731	48,306
At fiscal year-end						
Total net assets	199,334	160,289	125,052	93,523	126,138	1,658,766
Total assets	689,631	640,539	598,319	588,494	581,558	5,738,795
Per share data						
Shareholders' equity	¥2,146.33	¥1,745.65	¥1,377.70	¥1,032.92	¥1,393.15	\$ 17.860
Net income (loss)	62.94	97.56	83.89	(201.76)	85.38	0.523
Key ratios						
Shareholders' equity ratio	28.90%	25.02%	20.90%	15.89%	21.69%	
Return on equity (ROE) ratio	3.23	6.25	6.95	-16.63	5.87	

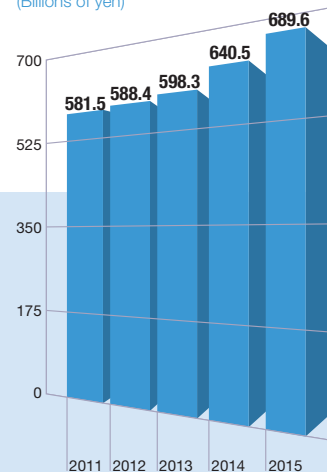
Net Premiums Written
(Billions of yen)



Net Income
(Billions of yen)



Total Assets
(Billions of yen)



Non-Consolidated Financial Highlights

The Toa Reinsurance Company, Limited
For the years ended 31st March

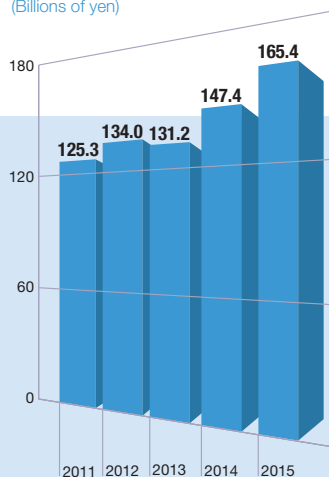
	Millions of yen					Thousands of U.S. dollars
	2015	2014	2013	2012	2011	2015
For the fiscal year						
Net premiums written	¥ 165,497	¥ 147,420	¥ 131,203	¥ 134,079	¥ 125,354	\$1,377,190
Underwriting profit (loss)	(2,231)	(9,743)	(2,935)	(38,076)	(2,877)	(18,565)
Interest and dividends income	13,557	9,507	7,382	11,279	8,479	112,815
Ordinary profit (loss)	11,569	(372)	8,369	(7,060)	4,647	96,271
Net income (loss)	2,634	1,722	4,489	(15,522)	3,807	21,918
At fiscal year-end						
Invested assets	419,704	386,915	393,035	409,570	383,869	3,492,585
Total assets	489,561	468,875	474,907	497,910	482,194	4,073,903
Underwriting reserves	180,979	165,277	148,334	157,634	226,694	1,506,024
Capital stock	5,000	5,000	5,000	5,000	5,000	41,607
Total net assets	125,359	103,153	95,057	79,094	106,545	1,043,180

	Yen					U.S. dollars
	2015	2014	2013	2012	2011	2015
Per share data						
Shareholders' equity	¥1,349.80	¥1,123.40	¥1,047.24	¥ 873.56	¥1,176.75	\$ 11.232
Declared dividends	7.00	7.00	7.00	7.00	7.00	0.058
Net income (loss)	28.56	18.86	49.57	(171.43)	42.05	0.237

	Percent				
	2015	2014	2013	2012	2011
Key ratios					
Net loss ratio	79.38%	91.43%	107.96%	97.47%	59.20%
Net expense ratio	22.78	23.19	28.85	29.43	30.24
Return on investment	4.12	2.91	2.11	3.35	2.56
Shareholders' equity ratio	25.61	22.00	20.02	15.89	22.10
Return on equity (ROE) ratio	2.31	1.74	5.16	-16.72	3.43
Payout ratio	24.51	37.12	14.12	—	16.65

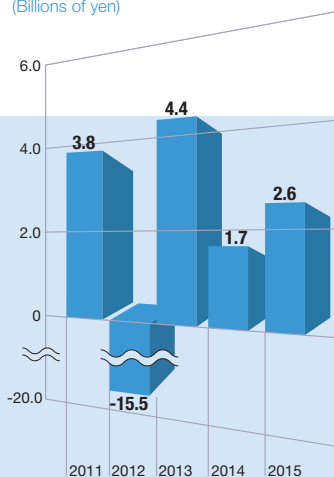
Net Premiums Written

(Billions of yen)



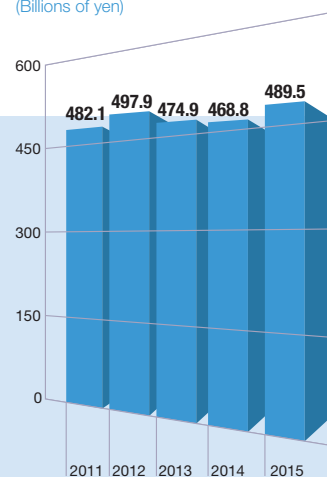
Net Income

(Billions of yen)



Total Assets

(Billions of yen)



Corporate History

1940	10	Established as The Toa Fire and Marine Reinsurance Company, Limited, capitalized at ¥50 million.
1945	4	Ceased business as a reinsurance company due to the establishment of a government reinsurance agency.
	4	Became a direct insurance company, changing our name to The Toa Fire and Marine Insurance Company, Limited.
	6	Started direct insurance business at branches in Tianjin and Shanghai.
	8	Decreased capital to ¥25 million from ¥50 million.
1947	4	Re-established as a reinsurance company.
1948	2	Changed name back to The Toa Fire and Marine Reinsurance Company, Limited.
1952	4	Started to transact overseas reinsurance business.
1953	4	Increased capital to ¥50 million from ¥25 million.
1962	3	Increased capital to ¥100 million from ¥50 million.
1971	10	Increased capital to ¥200 million from ¥100 million.
1974	10	Increased capital to ¥500 million from ¥200 million.
1975	4	Opened representative office in London.
1977	10	Increased capital to ¥750 million from ¥500 million.
1979	4	Opened representative office in Hong Kong.
	7	Held "Reinsurance Seminar of Toa (RST) Vol. 1."
	12	Established The Toa-Re Insurance Company (U.K.) Limited.
1980	10	Increased capital to ¥1,000 million from ¥750 million.
	11	Launched the "JTT" (Jump To Ten) management plan.
1982	4	Opened representative office in New York.
	10	Established The Toa Reinsurance Company of America. (Consolidated subsidiary)
1986	10	Increased capital to ¥2,000 million from ¥1,000 million.
1988	4	Launched the "Challenge 50" management plan.
1991	4	Launched the "Action 21" management plan.
1995	10	Increased capital to ¥5,000 million from ¥2,000 million.
1997	2	Obtained approval to begin offering life reinsurance products.
	9	Opened branch office in Singapore.
	9	Received "Reinsurance Company of the Year" award.
	12	Acquired all outstanding stock in M&G Re America and merged it with The Toa Reinsurance Company of America.
1998	3	Obtained additional approval to offer a complete range of life reinsurance products.
1999	1	Opened branch office in Kuala Lumpur.
	4	Changed name to The Toa Reinsurance Company, Limited.
	6	Opened branch office in Hong Kong.
2000	7	Obtained approval to handle non-life co-operative reinsurance.
	11	Opened representative office in Taipei.
2001	4	Launched "Progress 21" medium-term management plan.
2002	1	Established The Toa 21st Century Reinsurance Company Limited. (Consolidated subsidiary)
	4	Obtained approval to handle life co-operative reinsurance.
2003	3	Sold The Toa-Re Insurance Company (U.K.) Limited.
2006	4	Launched "PROCEED 2008" medium-term management plan.
2009	4	Launched "Crescendo 2011" medium-term management plan.
2012	4	Launched "Forward 2014" medium-term management plan.
2015	4	Launched "Re TOA RE 2017" medium-term management plan.



1941: Head office



1962: New head office opened (at the site of the present head office)



The Toa Reinsurance Co. of America



The present head office

Worldwide Network



Branches

Singapore

50 Raffles Place #26-01, Singapore Land Tower, Singapore 048623
Telephone: 65-6220-0123
Facsimile: 65-6222-5383

Kuala Lumpur

28th Floor, UBN Tower, 10, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia
Telephone: 60-3-2732-5911
Facsimile: 60-3-2732-5915

Hong Kong

Room 801, 8th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong
Telephone: 852-2865-7581
Facsimile: 852-2865-2252

Subsidiaries

U.S.A.

The Toa Reinsurance Company of America
177 Madison Avenue, P.O. Box 1930, Morristown, NJ 07962-1930, U.S.A.
Telephone: 1-973-898-9480
Facsimile: 1-973-898-9495

The Toa Reinsurance Company of America (Agricultural Office)
18301 Von Karman Avenue, Suite 310, Irvine, CA 92612, U.S.A.
Telephone: 1-949-474-1420
Facsimile: 1-949-474-1612

Canada

The Toa Reinsurance Company of America (Toronto branch)
55 University Avenue, Suite 1700, P.O. Box 53 Toronto, Ontario, M5J 2H7, Canada
Telephone: 1-416-366-5888
Facsimile: 1-416-366-7444

Switzerland

The Toa 21st Century Reinsurance Company Ltd.
Quaderstrasse 8, 7000 Chur, Graubünden, Schweiz

Representative Offices

U.K.

5th Floor, 107 Leadenhall Street, London, EC3A 4AF, U.K.
Telephone: 44-20-3705-3040
Facsimile: 44-20-3705-3043

U.S.A.

177 Madison Avenue, P.O. Box 1930, Morristown, NJ 07962-1930, U.S.A.
Telephone: 1-973-898-9816
Facsimile: 1-973-539-2483

Taiwan

4F-2, No. 128, Section 3, Min Sheng East Road, Taipei 10596, Taiwan, R.O.C.
Telephone: 886-2-2715-1015
Facsimile: 886-2-2715-1628



2014 Results and 2015 Forecast

The U.S. economy continues on a slow growth path. Real GDP grew 2.2% in 2014 but decreased at an annualized rate of 0.7% in the first quarter of 2015. The U.S. stock market continues its upward climb. The U.S. unemployment rate has improved to 5.5% in May 2015; although the measurement of under employment remains high at 10.8%. As of May 2015 there was no change over the last twelve months in the Consumer Price Index (for all items including food and energy).

A.M. Best Co. estimates that net written premium for the U.S. property and casualty industry increased 4.4% in 2014, the fifth consecutive year of growth for the industry. Policyholders' surplus increased 3.3% during 2014: 10.5% was from net income plus unrealized capital gains, offset by 5.4% from withdrawn capital plus shareholder dividends and 1.8% from other change. Net investment yield was 3.3% and the combined ratio was 97.4%. Current accident year catastrophe losses contributed 4.0 points to the combined ratio, about 1.9 points less than the previous six year average. After adjusting for favorable loss development from prior years, the 2014 accident year combined ratio was 99.5%.

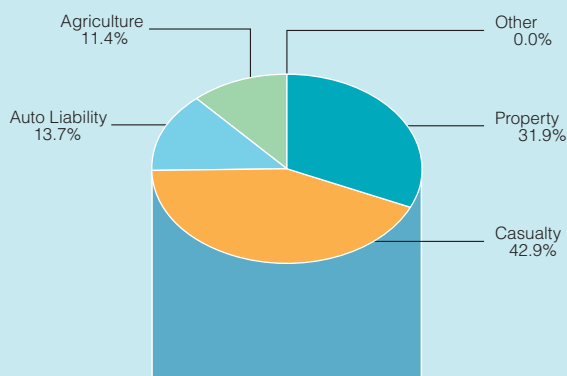
Non-life reinsurance renewal activity in North America has been very competitive since January 1, 2014 because of abundant reinsurance capacity and the formation of several new specialty reinsurers. This has resulted in increased merger activity among reinsurers. Standard & Poor's and A.M. Best have negative outlooks for the global reinsurance industry.

Toa Re America's 2014 gross premiums written decreased 12.5% from 2013. Toa Re America had a GAAP combined ratio of 89.8% for 2014. The combined ratio excluding the impact of foreign exchange was 92.9%. Property catastrophe activity contributed 0.3 points to the combined ratio. U.S. GAAP net income was \$71.0 million and net cash flow from operations was \$36.7 million for 2014. For the year, the market value of Toa Re America's cash and invested assets increased by \$41.8 million or 2.6%. Toa Re America's fixed income portfolio (79.8% of invested assets) had an overall gross return of 6.68% while equities had a return of 8.25% for 2014. Shareholders' equity increased \$51.9 million (7.3%) to \$766.3 million during 2014, primarily from net income and unrealized fixed income gains offset by foreign exchange losses and a \$21.0 million dividend paid to Toa Re (Japan) in March, 2014.

Toa Re America's strategic focus on regional and specialty clients insulates the Company somewhat from the intense competition in the North American reinsurance market. Conservative risk management will continue to limit the Company's exposure to natural catastrophes thereby reducing the volatility of underwriting results.

Toa Re America's forecast for 2015 anticipates that underwriting remains profitable, although gross written premium will only increase slightly because of competitive conditions. The Toa Re America team has built an exceptional franchise in North America and is firmly positioned to offer significant and stable capacity and mutually beneficial reinsurance solutions to our clients.

Gross Premiums by Class



Financial Highlights

Years ended 31st December	U.S. GAAP Thousands of U.S. dollars		Percentage Change
	2014	2013	
Summary of Operations			
Gross Premiums Written	\$ 420,777	\$ 480,802	-12.5%
Net Premiums Written	351,469	403,087	-12.8
Pre-Tax Net Income	101,444	104,410	-2.8
After-Tax Net Income	71,050	71,094	-0.1
Balance Sheets			
Total Assets	1,904,788	1,901,262	0.2
Total Liabilities	1,138,484	1,186,877	-4.1
Total Shareholders' Equity	766,304	714,385	7.3
Cash Flows			
Net Cash from Operations	36,792	87,963	-58.2

Basic Policy on Internal Controls

The Company shall establish systems to ensure appropriateness of the operations (“internal control”) of the Company and its subsidiaries (“the Group”), as described below, in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act.

1. System for ensuring compliance of execution of duties by directors and employees with laws and regulations and the Company’s Articles of Incorporation

- (1) The Company shall establish basic compliance policies, action guidelines and compliance rules through the board of directors as the basis for systems ensuring legal compliance in accordance with Toa Re’s mission of “Providing Peace of Mind.”
- (2) The Company shall establish the Compliance Committee chaired by the president and composed of committee members, including an external lawyer. In addition, the Company shall appoint department managers as compliance officers and establish the Compliance Steering Committee composed of such officers. The Compliance Committee shall be responsible for corporate-wide promotion of compliance and formulation of measures for ensuring effectiveness of compliance systems, and the Compliance Steering Committee shall be responsible for promotion and implementation of compliance.
- (3) The Company shall establish the Internal Audit Department independent of organizations subject to internal audit and shall establish the Compliance Department as an organization responsible for supervising compliance.
- (4) In the event that officer or employee of the Company detects inappropriate conduct, he/she shall follow the prescribed reporting procedures in accordance with the compliance rules. Moreover, the Company shall establish an internal contact within the Compliance Department for facilitation of prevention and detection of inappropriate conduct in house and consultation regarding laws and regulations. Furthermore, the Company shall establish an internal whistleblower system to enable direct report by officers and employees of the Company to the Compliance Committee. The Compliance Department shall investigate the details of any report, formulate measures to prevent recurrence in cooperation with the relevant department, and report to the Compliance Committee. The Compliance Committee shall instruct improvements to the relevant department (s) based on the details of the report by the Compliance Department.
- (5) The Company shall, through the board of directors, formulate a compliance program, which is an annual action program concerning compliance, and shall execute compliance education and other compliance activities in accordance with such program.
- (6) In the event that any breach of laws and regulations and/or the Articles of Incorporation, significant unjustifiable conduct, or any matter that may cause significant damage to the Company is detected concerning the Group’s operations, the directors and the chief audit executive of the Company shall report such fact

to the Audit & Supervisory Board Members. When an Audit & Supervisory Board Member receives a report of such fact or detects such fact by himself/ herself, he/she shall report to the Audit & Supervisory Board, and, based on discussion, report to the board of directors or provide proposals, advice or recommendations to directors for remediation, as necessary.

- (7) The Company shall firmly and systematically deal with antisocial forces that are a threat to public order and security in cooperation with lawyers, law enforcement agencies, and other relevant institutions. The Company shall have no relationship and no transactions (including those through affiliates) with any antisocial force and shall not engage in any surreptitious deal therewith or provision of funds thereto.

2. System governing the storage and management of information relating to the execution of duties by directors

The Company shall retain and store the information relating to the execution of duties by directors, either in writing or in electromagnetic record, in accordance with the document management rules determined by the board of directors. Directors and the Audit & Supervisory Board Members shall have access to these documents whenever they so desire.

3. Rules and other systems governing management of risk of losses

- (1) The Company shall establish a basic policy and rules concerning integrated risk management in order to appropriately manage risk associated with the Group’s business operation.
- (2) In accordance with the policy and rules mentioned in the preceding paragraph, the Company shall put in place a structure for implementation of appropriate risk management, including establishment of a department for integrated risk management and departments responsible for individual risk categories and determining of necessary procedures. The Management Planning Department shall report the situation regarding risk and risk management to the board of directors in accordance with the internal rules.
- (3) The Internal Audit Department of the Company shall formulate the internal audit plan in accordance with the internal audit charter and perform internal audits concerning the situation of risk management in each risk control department. An officer responsible for the Internal Audit Department shall report the results of internal audits to the executive management committee and to the board of directors.

4. System for ensuring efficient execution of duties by directors

- (1) As the basis for the system for ensuring efficient execution of duties by directors, the Company shall hold meetings of the board of directors periodically in accordance with the regulations of the board of directors and, as necessary, extraordinarily.
- (2) Regarding significant matters concerning management policies and management strategies, the Company shall discuss them at the executive management committee, which meets periodically in accordance with the executive management committee rules, and a decision on such matters shall be made by the board of directors, reflecting the deliberation at the executive management committee.
- (3) The Company shall, through the board of directors, decide persons in charge of execution of operations and their responsibilities to be specified in the internal rules.
- (4) The Company shall formulate a corporate business plan to be shared by directors and employees in accordance with the above-mentioned decision-making structure and communicate it to all officers and employees by means of internal management meetings held semiannually, etc.
- (5) The Company shall, through the board of directors, periodically review the results of each department's activities for achievement of targets in accordance with the business plan described in the preceding paragraph and shall establish a system that contributes to enhancement of operating efficiency throughout the Company by promoting continuous improvement, including utilization of IT contributing to enhancement of operating efficiency, and removal or reduction of factors impeding efficiency enhancement.

5. System for ensuring the appropriateness of operations throughout the Group

- (1) The Company shall appoint officers responsible for business segments of the Group, who will have authority and responsibility for establishing systems for ensuring the appropriateness of operations, including the compliance structure. Such officers shall report to the board of directors periodically concerning the situation regarding operation of each segment and the status of risk management.
- (2) The Company shall have its subsidiaries report their business result, financial conditions, and other important information to the Company periodically, depending on the size and the importance of the subsidiary to the Group, in accordance with the internal rules and guidelines, etc.
- (3) The Company shall have its subsidiaries report matters discussed at their important meetings to the Company, depending on the size and the importance of the subsidiary to the Group.
- (4) To ensure an appropriate risk management within the Group, the Company shall establish systems based

on the size and the importance of its subsidiaries to the Group. The Management Planning Department shall report the situation regarding risk and risk management to the board of directors in accordance with the internal rules.

- (5) The Company shall formulate the whole Group's mid-term business plan based on the size and the importance of the subsidiaries to the Group. In addition, the Company shall determine the Group's priority management objectives and business plans, etc. for each business year and shall, through the board of directors, periodically review the results of activities for achievement of those objectives and plans, etc.
- (6) In case of a compliance violation at any of its subsidiaries, the Company shall have such subsidiary report on such violation to the Company.
- (7) To ensure the appropriateness of operations of the subsidiaries, the Company shall have the relevant organizations at the head office execute ongoing management concerning operations of the subsidiaries and shall conduct internal audits of the subsidiaries depending on the size and the importance of the subsidiary to the Group.

6. System for ensuring the reliability of the financial reporting

The Company shall establish a system necessary for ensuring the appropriateness and reliability of the financial reporting of the whole Group in accordance with the rule of internal control over financial reporting.

7. Matters concerning employees who provide assistance to the Audit & Supervisory Board Members and the independence of such employees from directors

- (1) In the case where the Audit & Supervisory Board Members request to appoint employees which provide assistance to them, the Company shall appoint such employees and obtain consent from the full-time Audit & Supervisory Board Members. When such employees perform operations of the Audit & Supervisory Board, they shall follow instructions and orders from the Audit & Supervisory Board Members. Regarding such instructions and orders, the employees shall not be subject to instructions and orders from the board of directors or directors, etc.
- (2) In making decisions on personnel transfers and evaluations, and disciplinary action, etc. concerning such employees, the Company shall obtain consent from the full-time Audit & Supervisory Board Members.

8. System for reporting to the Audit & Supervisory Board Members applicable to directors

- (1) System for reporting to the Audit & Supervisory Board Members applicable to directors and employees of the Company

- a. In the event that any breach of laws or regulations and/or the Articles of Incorporation, significant unjustifiable conduct, or any matter that may cause significant damage to the Company is detected concerning the Group's operations, our directors shall report such fact to the Audit & Supervisory Board.
 - b. The Audit & Supervisory Board Members of the Company shall have access to major managerial decision documents, reports and other significant documents concerning execution of operations and shall have the right to request directors or other personnel to provide a report and/or explanation, as necessary.
 - c. The Internal Audit Department of the Company shall refer the internal audit plan, reports on the results of internal audits, and other documentation to the Audit & Supervisory Board Members in accordance with the internal audit charter. In addition, the Internal Audit Department shall cooperate with the Audit & Supervisory Board Members through those activities.
- (2) System for reporting to the Company's Audit & Supervisory Board Members applicable to directors, auditors, and employees who execute operations of the subsidiaries, and those who received report from them
- a. The Group's officers and employees shall make a report in a prompt and appropriate manner when they are required by the Audit & Supervisory Board Members of the Company to report on matters concerning the execution of operations.
 - b. In the event that an officer or an employee of the Group detects any matter that may cause significant damage to the Company or its subsidiaries, such as breach of laws and regulations, he/she shall promptly perform the prescribed reporting procedures in accordance with the related rules and shall report to the Audit & Supervisory Board Members of the Company under the prescribed system.
 - c. The Internal Audit Department, the Compliance Department, and the department for risk management of the subsidiaries, etc. of the Company shall report the status of internal audits, compliance, and risk management, etc. of the Group to the Audit & Supervisory Board Members of the Company in a timely manner.
 - d. The department for management of whistle-blowing shall report the status of whistle-blowing from officers and employees of the Group to the Audit & Supervisory Board Members of the Company in a timely manner.
- (3) The rules of the Group specify that officers and employees of the Group may blow the whistle to the Audit & Supervisory Board Members of the Company. In addition, dismissal or other unfavorable treatment due to such whistle-blowing shall be prohibited.

9. Matters concerning policies on the handling of expenses or debts resulting from the execution of the duties by the Audit & Supervisory Board Members, including procedures for the advance payment or indemnification of expenses, etc.

- (1) If the Audit & Supervisory Board Members make requests to the Company for the advance payment of expenses, etc. with respect to the execution of their duties in accordance with the Companies Act, the Company shall have the relevant departments discuss such request, and except in cases where it proves that the expense or debt relating to such request is not necessary for the execution of the duties by such Audit & Supervisory Board Members, it shall pay such expense or debt promptly.
- (2) If the Audit & Supervisory Board requests the hiring of its own outside experts (lawyer, certified public accountant, etc.) who will serve as advisors to the Audit & Supervisory Board Members, the Company shall bear the expenses except in cases where it proves that such hiring is not necessary for the execution of the duties by such Audit & Supervisory Board Members.
- (3) In order to pay expenses, etc. resulting from the execution of the duties by the Audit & Supervisory Board Members, the Company shall set a certain amount of budget every year.

Corporate Governance Structure

To ensure swift decision-making and risk management in response to the fast-evolving business environment, the Company implements the corporate governance described below.

1. Management structure and outside officers

The Company employs a Audit & Supervisory Board Member system and at present has nine directors, of whom three are “outside directors” as defined in Article 2 Paragraph 15 of the Companies Act, and four Audit & Supervisory Board Members, of whom two are “outside auditors” as defined in Article 2 Paragraph 16 of the Companies Act.

2. Structures for execution and supervision

The Company holds a meeting of the board of directors once every month as a rule, and an extraordinary meeting of the board of directors, whenever necessary. At a meeting of the board of directors significant matters are reported and resolutions are made on such matters. Audit & Supervisory Board Members attend each meeting of the board of directors, too. This enables Audit & Supervisory Board Members to continually monitor the performance of directors’ concerning execution.

Chief actuaries appointed by the board of directors are involved in actuarial matters, and submit written opinions to the board of directors in each fiscal term, verifying matters specified in the Insurance Business Law.

The Audit & Supervisory Board meets once every month as a rule, and additionally whenever necessary. At meetings of the Audit & Supervisory Board significant matters concerning audits reported by the auditors are discussed and resolutions are made on such matters.

3. Internal audit structure

With regard to internal audits, the Internal Audit Department performs internal audits under the authorization of the board of directors and reports the results of internal audits periodically to the board of directors and other relevant organizations. The Internal Audit Department provides recommendations and, based on the results of internal audits, makes proposals to audited organizations. The progress of improvement is monitored, as necessary, with the aim of ensuring an effective internal audit structure.

4. Cooperation between Audit & Supervisory Board Members and the Internal Audit Department

Audit & Supervisory Board Members and the Internal Audit Department exchange information on the situation regarding each audit and cooperate to facilitate audits.

5. Compliance structure

The Company has established the Compliance Committee, which is chaired by the president and consists of four members, including an external lawyer, and the Compliance Steering Committee composed of department managers. Based on the Compliance Program drawn up by the Board of Directors for each fiscal year, the Company is enhancing the Group-wide compliance structure.

The Company has also set up and runs an in-house help desk and an in-house whistle-blower system for the reporting of inappropriate conduct in the Group.

6. Risk management structure

Using quantitative and qualitative approaches, the company executes integrated risk management by classifying risks to be managed and by specifying the departments in charge in accordance with the risk management policy and risk management rules established by the board of directors.

The board of directors deliberates and makes decisions on material matters concerning risk management and receives reports from risk management departments periodically and, additionally, whenever necessary concerning the situation regarding risk. Thus, systems and structures are put in place that enable the Company’s directors to grasp the situation regarding risk throughout the Company.

The Company continues to upgrade its risk management structure in response to changes in the business environment and the situation regarding risk.

7. Involvement of third parties (lawyers, accounting auditors, etc.)

The Company consults external lawyers concerning significant legal matters and compliance issues whenever necessary. Also, the Company consults the accounting auditors about significant accounting issues, in addition to the usual accounting audits, whenever necessary.

Risk Management Structure

Risk Management Policy

In line with the changes reshaping the business environment, Toa Re has exposure to increasingly complex and diverse risks. Positioning risk management as a critically important task for management, the Company has put in place the policy and rules concerning risk management established by the board of directors. Based on such policy and rules, we select, clarify, and assess risks and control them in an appropriate manner with the objective of enhancing financial soundness and profitability. Prompted by the recognition that risk management is a key to enhancing enterprise value, we are continually upgrading our risk management.

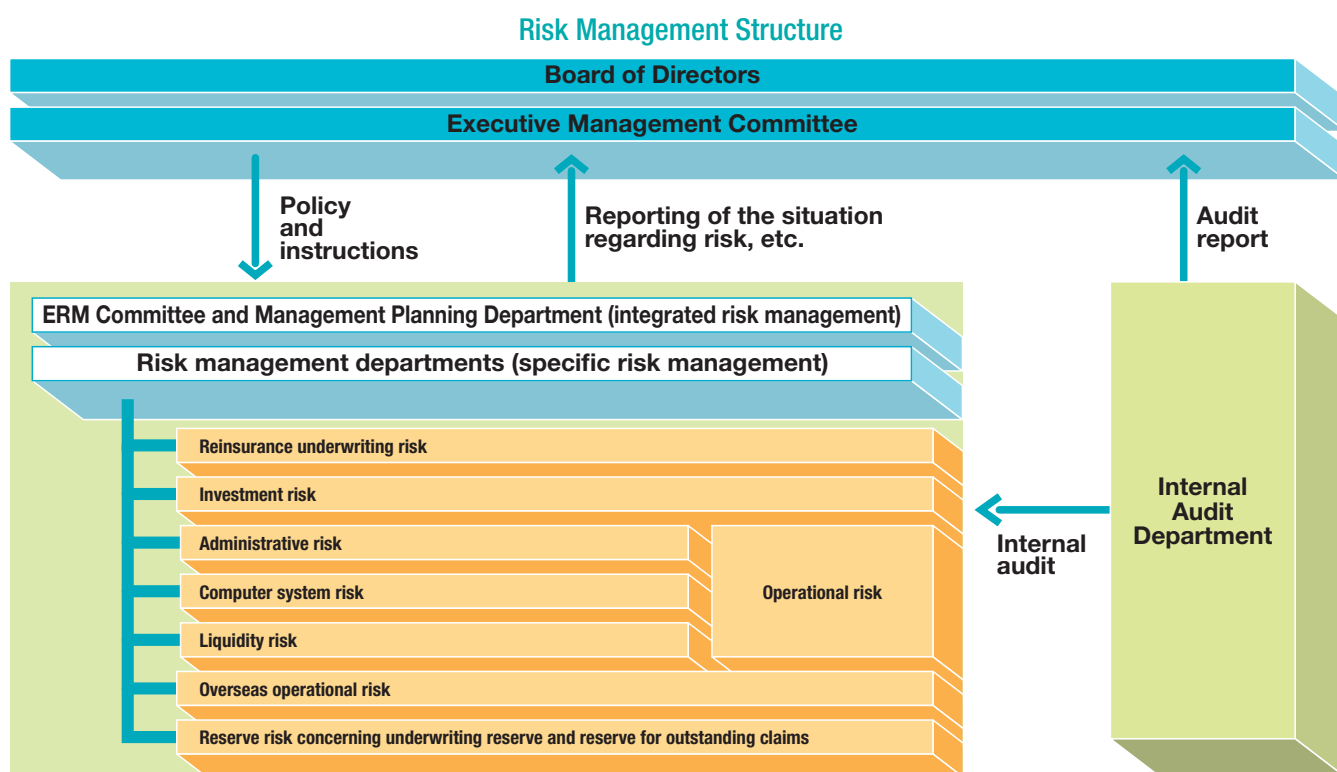
Major Risks and Their Management

In accordance with the risk management policy established by the board of directors, the board of directors has also established rules on enterprise risk management (ERM), which is a process involving the continuous enhancement of corporate value, and individual risk management rules. Moreover, the board of directors deliberates and makes decisions on material matters concerning risk management and receives reports from risk management departments periodically and, additionally, whenever necessary on the situation regarding risk. Thus, systems and structures are put in place that

enable the Company's directors to grasp the situation regarding risk throughout the Company.

Risks are classified into reinsurance underwriting risk, investment risk, operational risk, overseas operational risk, and reserve risk concerning underwriting reserve and reserve for outstanding claims. Each of these risks is handled by a specific risk management department in order to respond to them. Each department in charge manages specific risks in accordance with the risk management rules and manuals. The ERM Committee and the Management Planning Department execute corporate-wide control and work to upgrade the structure.

In addition to quantitative assessment and management of major risks, the Company measures the integrated risk amount of reinsurance underwriting risk, investment risk, etc., using a stochastic approach for risk-amount monitoring and risk-return assessment. Moreover, based on scenarios, such as the occurrence of a major earthquake or a great decline in the stock market, that would have significant impacts on operations of a reinsurance company, the Company assesses and analyzes by means of stress tests the extent and the degree of impact on the Company of such risks that exceed any normal projection and utilizes the results of the tests for verification of capital adequacy.



Compliance Structure

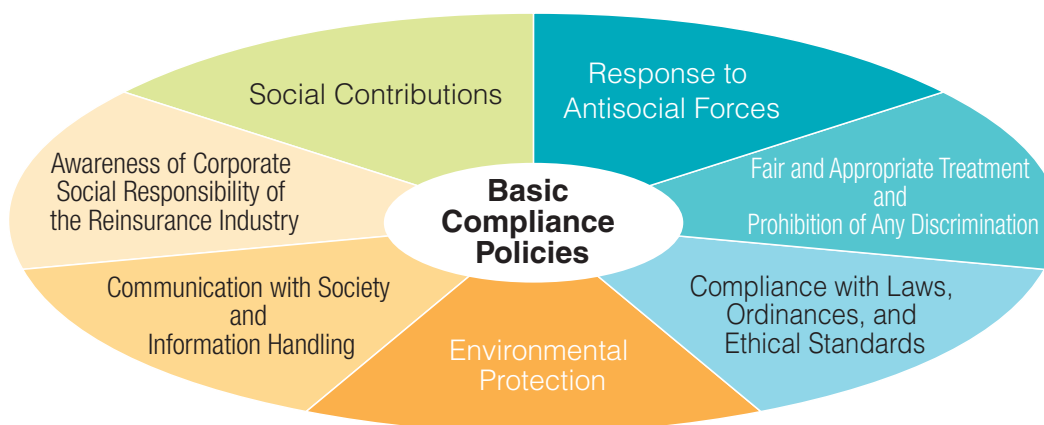
Basic Compliance Policies and Compliance Structure

In the non-life insurance industry, which is an important element of public infrastructure, companies are required to comply with laws and regulations and demonstrate high ethical standards in every aspect of their professional conduct. The business of Toa Re, the only full-line comprehensive reinsurance company headquartered in Japan, is based on globally accepted, free and fair business practices, and moreover, on strict compliance with the laws and regulations and the high ethical standards that constitute the essential foundation for those practices.

Our company has never received any administrative order.

1. Basic Compliance Policies and Code of Conduct

Toa Re has established the Basic Compliance Policies, which articulate the Company's mission expressed by its motto "Providing Peace of Mind," and the Code of Conduct to ensure that the policies are put into practice.



2. Compliance Structure

(1) History of Toa Re's promotion of compliance

AUG. 2000 The Basic Compliance Policies is established.

SEP. 2000 The Compliance Department is established.

APR. 2001 Code of Conduct, the Compliance Program and the Rules of Compliance are established. The Compliance Manual is formulated and distributed to all officers and employees.

AUG. 2002 The Compliance Manual for the three overseas branches is formulated.

APR. 2003 The Information Security Policy is established.

MAR. 2004 The Compliance Handbook is prepared and distributed to all officers and employees.

APR. 2005 The Privacy Policy and the Personal Information Handling Rules are established.

MAR. 2009 The Rules concerning the Act on Prevention of Transfer of Criminal Proceeds are established.

JUN. 2009 The Conflict of Interest Management Policy and the Conflict of Interest Management Rules are established. The Basic Policy for the Anti-Social Forces is established.

APR. 2011 The Compliance Manual is published on the intranet.

JUN. 2012 The Handling of Antisocial Forces Rules is established.

DEC. 2014 The Outsourcing Management Rules are established.

MAY 2015 The Whistle-blowing Rules are established.

(2) Compliance Structure and Activities

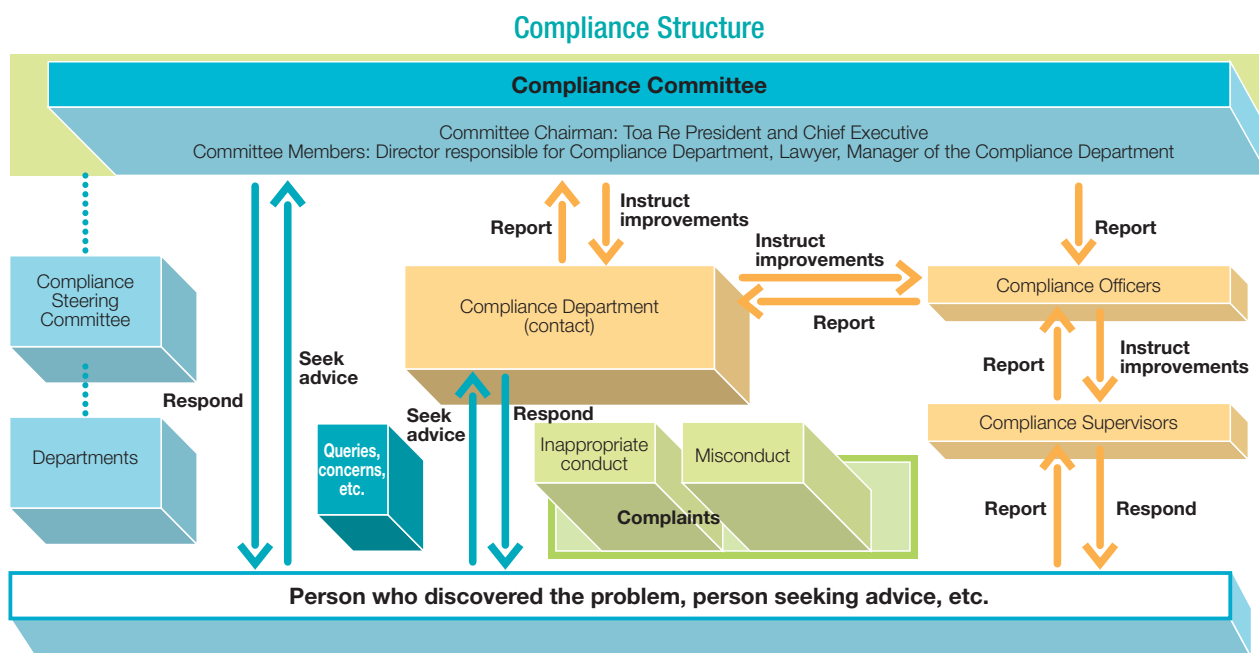
The Company has established the Compliance Committee, which is chaired by the president and whose members include an external lawyer. In addition, the Company has established the Compliance Steering Committee comprising department managers who are appointed as compliance officers. Each department assigns a person to serve as a compliance supervisor, in order to promote compliance activities as a whole organization.

Each fiscal year, the Board of Directors establishes the Compliance Program, a concrete compliance implementation plan, and on the basis of the program the Company conducts education and training and engages in other compliance activities.

Putting in place similar systems at overseas branches and subsidiaries, the Company is striving to strengthen compliance throughout the Group.

(3) Whistle-blower system

The Company has established points of contact for employees etc. to report or seek consultation and advice about any unlawful conduct in the Toa Re Group. The Company has put in place a system for reporting to the Compliance Committee and the Board of Directors to enable swift implementation of corrective measures. The Company has also put in place a system to ensure reporting to the Financial Services Agency if a matter reported is deemed unlawful.



Inspection and Audit Structure

Toa Re is required to undergo inspection by the Inspection Bureau of the Financial Services Agency pursuant to the Insurance Business Law. The Company is also required to receive accounting audits by independent auditors. There are two types of in-house audits: audits defined by the Companies Act conducted by Audit & Supervisory Board Members and internal audits conducted by the Internal Audit Department in accordance with the internal rules.

Declaration of Protection of Personal Data

Compliance with the Act for Protection of Personal Data

The Company considers the management of information assets such as customer information, company information, and information systems to be an important management task.

Furthermore, attendant on the full-scale enforcement of the Act for Protection of Personal Data in April 2005 and in light of the importance of personal information protection,

to increase public trust in the non-life insurance industry the Company has established the Privacy Policy presented below in accordance with the fundamental requirement of complying with the Act for Protection of Personal Data and other relevant laws, ordinances, and guidelines. The Company has also put in place internal regulations, including the Personal Information Handling Regulations, and is working to ensure the proper use and secure management of personal information.

Privacy Policy

The Toa Reinsurance Company's Handling of Personal Information

In light of the importance of protecting private information and to increase public trust in the non-life insurance industry, we, Toa Re, shall comply with the Act for Protection of Personal Data and other relevant laws, ordinance, and guidelines, strive to ensure that personal information obtained from other insurance companies and other sources is properly used and managed, maintain the accuracy and confidentiality of personal information, and implement appropriate measures for the secure management of personal information.

The Company will conduct education and training for its employees so as to ensure that personal information is handled properly. The Company will also continuously work to improve the handling of personal information by, from time to time, reviewing and improving the handling of personal information, and implement appropriate measures to ensure that personal information is securely handled.

1. Acquisition of Personal Information

The Company collects personal information through individuals' contract data, accounts, schedules and other documentation provided by other insurance companies in a lawful and proper manner to the extent necessary for the conduct of business.

2. Purposes of Use of Personal Information

The Company receives personal information from other insurance companies to the extent necessary for the purposes of use described below in order to contribute to the management stability and the expansion of the scope of underwriting of other insurance companies through reinsurance. The Company may modify a purpose of use described below only to the extent reasonably deemed to have significant relevance to the original purpose of use. In such cases, the Company will officially announce the details of the modification on its website or by other means. The Company will not use personal information for any other purpose.

- Reinsurance contract underwriting examinations
- The execution of reinsurance contracts or the provision of incidental services
- Payment of reinsurance claims
- The maintenance or management of reinsurance contracts
- Other matters incidental to the Company's business

3. Items of Personal Information Collected

The personal information collected is information necessary for the conclusion of reinsurance contracts or the payment of reinsurance claims.

4. Provision of Personal Information to Third Parties

The Company shall not provide personal data it has collected to any third party except in accordance with laws or ordinances.

5. Outsourcing of Handling of Personal Data

When outsourcing the handling of personal data to external institutions within the scope necessary for achievement of the purposes of use, the Company applies criteria for selection of institutions to which the handling is to be outsourced, checks in advance the personal information management systems of the institutions, and carries out necessary supervision of the institutions, including monitoring of the institutions' business execution after outsourcing of handling of personal data.

6. Handling of Credit Information

The Company will not use information provided by any credit information organization (which means any organization that collects information regarding individuals' ability to repay debts and provides such information to the Company) regarding individuals' ability to repay debts for any purpose other than investigating the individuals' ability to repay debts.

7. Handling of Sensitive Information

The Company will not collect, use, or provide to any third party any personal information regarding political views, faith (which means religion, philosophy, or creed), membership in a labor union, race or ethnicity, ancestry or domicile by birth, healthcare or sexual life, or criminal record.

8. Notification, Disclosure, Correction, or Cessation of Use of Personal Data in Accordance with the Act for Protection of Personal Data

The Company responds appropriately and promptly when it receives requests for notification, disclosure, correction, or cessation of use of personal data.

9. Summary of Measures to Ensure the Secure Management of Personal Data

The Company has established the Personal Information Handling Regulations and other rules to prevent any divulgence or loss of or damage to personal data handled by the Company and to ensure that personal data is otherwise securely managed and has implemented security measures, including the establishment of a structure for enforcing security management measures based on those rules and regulations. When handling personal information, the Company always implements appropriate measures to ensure personal information is accurate and current.

Corporate Social Responsibility (CSR)

Positioning environmental protection and contribution to the community as essential elements of the ToaRe Mission Statement, we are striving to promote initiatives to fulfill our Corporate Social Responsibility (CSR). In accordance with “Re TOA RE 2017”, our medium-term management plan launched in April 2015, the entire Group will implement various measures concerning CSR to realize our corporate vision.

Initiatives for Customers

Toa Re holds various reinsurance seminars and workshops in Japan and overseas to improve communication and share knowledge with our customers.

Seminar of Toa Elementary Program (STEP)

Every year, Toa Re holds STEP, a seminar for junior staff working in direct non-life insurance companies in Japan (generally, with less than one year of experience). The STEP curriculum incorporates numerous case studies involving trainee participation and straightforward explanations of fundamental principles of reinsurance and practices. The seminar is appreciated by participating companies as valuable training of practical benefit in business.



STEP-2014 (June 2014)

Non-life Insurance and Reinsurance Seminars

In October 2014, our business partners from Asia visited Japan accompanied by about 30 of their clients. Toa Re held a seminar for them on the Japanese non-life insurance market, automobile liability insurance, and earthquake insurance for private residences. For clients in Asia, we intend to continue holding various seminars corresponding to local needs in order to deepen our fruitful relationships with them and contribute to the sound development of the reinsurance industry in the region.



Life Insurance and Reinsurance Seminars

As one aspect of our services for clients in Japan and overseas, we hold various customized seminars designed to meet the needs of individual companies.

In fiscal 2014, we held seminars on such themes as medical underwriting, financial underwriting, overseas insurance markets, and the Japanese insurance market. These seminars were well received by our clients.

We intend to continue holding various seminars and making presentations in order to offer clients insights and information on life insurance and reinsurance, which will help them accomplish their objectives, while also contributing to the development of the market.



STEP LIFE

Every year, we hold STEP LIFE, a training program on medical underwriting for employees of direct life insurance companies in Japan who are engaged in underwriting. In fiscal 2014, we held this program once in August and once in September with the participation of many direct life insurance companies and co-operatives.

We consider it important to offer our clients the knowledge of our medical directors and underwriters concerning medical underwriting, such as the basics of medical underwriting and explanation of diseases, not only as a customer service but also as an initiative that will raise the level of underwriting in Japan. We intend to continue to offer STEP LIFE while progressively enriching its content.



STEP LIFE-2014

Reinsurance Seminar of Toa (RST)

The objective of Reinsurance Seminar of Toa (RST) is to deepen the relationships with clients by enhancing mutual understanding. Toa Re invites major clients, mainly from Asian countries, and presents lectures on Japan's insurance market, while also providing opportunities to experience Japanese culture and to get to know Toa Re.

The non-life program included lectures on insurance products in Japan and reinsurance of risks as well as lectures on non-life insurance markets and risk management, reflecting the needs of participants.

The life program consisted of lectures offering overviews of the life insurance market and life reinsurance as well as on medical underwriting, development of simplified

issue insurance products, and risk management.

These programs were highly appreciated by the participants because of the quality of the expertise offered.



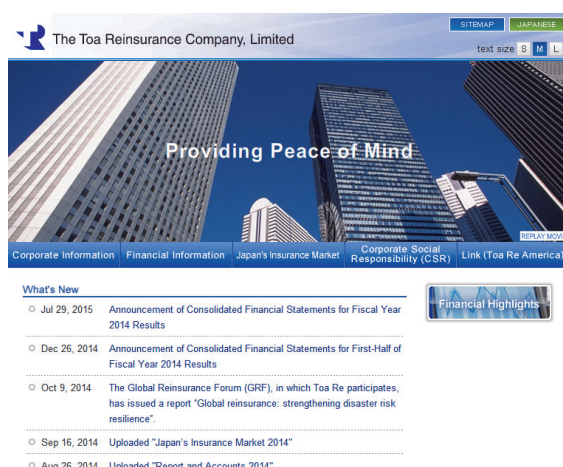
RST-2014 (September 2014)

Initiatives for Shareholders

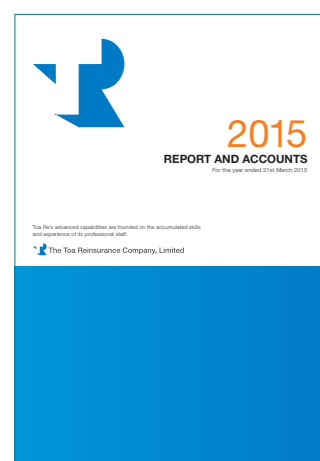
Toa Re continues to build a stable management-base as a strategic objective. A major part of this effort focuses on reinforcing the solid relationships we have with our shareholders.

We are stepping up our investor relations activities. For example, we meet with our shareholders after our Ordinary General Meeting of Shareholders to report on the closing of our financial accounts. Furthermore, we make every effort to respond quickly to inquiries from our shareholders. In this way, we hope to build on the long-term relationships of trust we enjoy with our shareholders. (The latest Consolidated Financial Statements are available on our corporate website. <http://www.toare.co.jp/english/index.htm>)

WEB SITE <http://www.toare.co.jp/english/index.htm>



REPORT AND ACCOUNTS



Initiatives for Employees

It is our belief that a strong framework encourages employees both in their work and in achieving their personal self-development goals. We have in place performance appraisal and salary systems which provide a fair evaluation of employees' abilities and performance.

To help employees achieve a healthy work-life balance, we have introduced child and nursing care leave systems together with shorter working hours for employees with young children. We aim to create a workplace environment where employees are encouraged to make full use of these systems. We also provide welfare programs and various other programs for our employees.

Toa Re's greatest asset is its human resources. The personal growth of our employees underpins our ability as a reinsurance service provider to enhance the value of the products and services that we provide to customers and for the benefit all our stakeholders.

We strive to develop employees who are not only equipped with professional expertise but also with a sense of humanity and responsibility. Our employees are committed to making use of their experiences and knowledge for the benefit of society and customers. Toa Re puts in place various systems to foster excellent human resources while striving to cultivate a vigorous corporate culture that encourages employees to embrace challenges.

Environmental Protection and Social Contribution Activities

Our environmental protection activities are focused on the mitigation of global warming, an issue with profound implications for the insurance business.

We also engage in social contribution activities to support the realization and continuation of "peace of mind" and development of communities and society in Japan and around the world as a good corporate citizen.

Hereafter, we continue to improve such activities to contribute to lower environmental burden for preservation our environment. Toa Re also facilitates employees to understand and to get interested in social contribution activities.

ECONOSAURUS 2015 Eco-Calendar

To raise the environmental awareness of as many people as possible, we distribute the Eco-Calendar to children at public elementary schools in Chiyoda-ku, where Toa Re's head office is located, as well as to our customers.

The ECONOSAURUS Eco-Calendar is a fun way to learn about the environmental impact of activities of our daily lives. By keeping a record on the Eco-Calendar of the amounts of electricity, gas and water consumed, one can calculate the corresponding amounts of emissions of carbon dioxide, a substance said to lead to global warming. The Eco-Calendar shows the environmental friendliness of one's household based on self-assessment and encourages one to do better.



ECONOSAURUS 2015 Eco-Calendar



Lectures on Environmental Issues

To contribute to protection of the global environment, Toa Re and the Non-Life Insurance Institute of Japan have been jointly holding a series of lectures on environmental issues.

In fiscal 2014, Mr. Goro Takahashi, Professor of the Faculty of Modern Chinese Studies and Director of the International Center for Chinese Studies of Aichi University, gave a lecture on food safety.



2014 Lecture (October 28, 2014)

New Types of Food Contamination—Current Risks on the Table We Need to Know

Book Donations

Wishing to inspire children to take an informed interest in environmental issues, Toa Re donates books on environmental themes to the eight public elementary schools in Chiyoda-ku every year on Earth Day (April 22).



Books donated on Earth Day 2015

Participation in TABLE FOR TWO

We participate in TABLE FOR TWO (TFT), a program simultaneously addressing issues concerning hunger in developing countries and obesity and lifestyle-related diseases in developed countries.

If TFT lunches are purchased at our cafeteria, by setting aside a certain amount as donation, a portion of the total amount will be used to provide school lunches for children in developing countries.

Vending Machines with Donation Function

Since September 2013, vending machines at Toa Re Head Office allow anyone purchasing a drink to be a part of our social contribution program through TABLE FOR TWO.

3% of sales from the vending machines with the donation function are donated and used for school lunches for children in developing countries.



Review of Operations

The Toa Reinsurance Company, Limited, and Subsidiaries
For the years ended 31st March 2015 and 2014

Underwriting Income and Expenses

Underwriting income for the consolidated fiscal year decreased ¥1,745 million year on year to ¥227,428 million, mainly owing to a decrease in reversal of outstanding claims. Meanwhile, underwriting expenses for the consolidated fiscal year decreased ¥10,242 million year on year to ¥213,767 million, mainly owing to decreases in net claims paid and provision for underwriting reserves. As a result, underwriting income after deducting underwriting expenses amounted to ¥13,661 million for the year under review, an increase of ¥8,497 million year on year.

Investment Income and Expenses

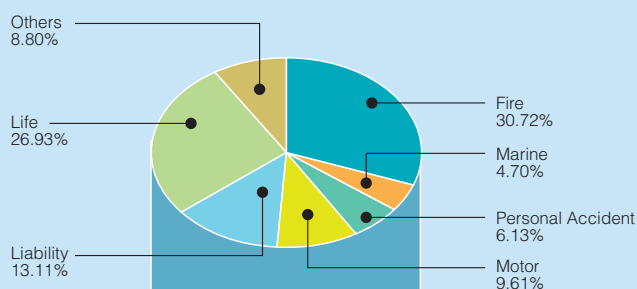
Investment income for the consolidated fiscal year increased ¥1,379 million year on year to ¥18,623 million, mainly owing to increases in interest and dividends income, and gain on sales of securities. Meanwhile, investment expenses decreased ¥171 million year on year to ¥958 million, mainly owing to decreases in loss

on sales of securities, and loss on derivatives. As a result, investment income after deducting investment expenses amounted to ¥17,664 million, an increase of ¥1,551 million year on year. The return on investment (income yield) decreased 0.07 percentage points to 2.70%.

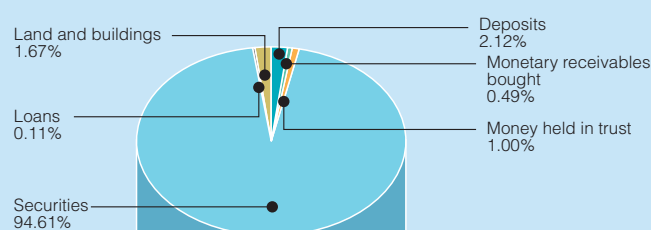
Ordinary Profit

Ordinary profit or loss is calculated by deducting underwriting, investment, operating and general administrative expenses, and other ordinary expenses from underwriting, investment, and other ordinary income. For the consolidated fiscal year, ordinary profit amounted to ¥19,112 million, an increase of ¥8,990 million year on year. After accounting for extraordinary loss and current and deferred income taxes, net income for the consolidated fiscal year amounted to ¥5,805 million, a decrease of ¥3,104 million year on year.

Net Premiums Written by Class as of the end of March, 2015



Invested Assets as of the end of March, 2015



Consolidated Summary of Underwriting

The Toa Reinsurance Company, Limited and Subsidiaries
For the years ended 31st March 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Fire			
Net premiums written	¥ 64,187	¥ 63,374	\$ 534,134
Net claims paid	56,542	71,061	470,516
Net loss ratio	88.09%	112.13%	
Marine			
Net premiums written	9,824	10,337	81,750
Net claims paid	7,912	9,424	65,840
Net loss ratio	80.54%	91.17%	
Personal Accident			
Net premiums Written	12,812	8,695	106,615
Net claims Paid	11,641	7,693	96,871
Net loss ratio	90.86%	88.48%	
Motor			
Net premiums written	20,076	21,197	167,063
Net claims paid	14,489	13,850	120,570
Net loss ratio	72.17%	65.34%	
Liability			
Net premiums written	27,393	26,398	227,952
Net claims paid	12,379	11,566	103,012
Net loss ratio	45.19%	43.82%	
Life			
Net premiums written	56,275	51,009	468,294
Net claims paid	45,553	41,555	379,071
Net loss ratio	80.95%	81.47%	
Others			
Net premiums written	18,391	19,644	153,041
Net claims paid	12,173	12,382	101,298
Net loss ratio	66.19%	63.03%	
Total			
Net premiums written	¥208,962	¥200,655	\$1,738,886
Net claims paid	160,692	167,535	1,337,205
Net loss ratio	76.90%	83.49%	

Consolidated Summary of Investments

The Toa Reinsurance Company, Limited and Subsidiaries
For the years ended 31st March 2015 and 2014

• Invested Assets

	Millions of yen		Percentage of total		Thousands of U.S. dollars
	2015	2014	2015	2014	2015
Deposits	¥ 12,828	¥ 11,815	1.86%	1.85%	\$ 106,748
Monetary receivables bought	2,999	1,999	0.43	0.31	24,956
Money held in trust	6,072	5,918	0.88	0.92	50,528
Securities	573,798	513,472	83.20	80.16	4,774,885
Loans	671	699	0.10	0.11	5,583
Land and buildings	10,113	10,261	1.47	1.60	84,155
Total	606,484	544,167	87.94	84.95	5,046,883
Total assets	¥689,631	¥ 640,539	100.00%	100.00%	\$5,738,795

• Securities

	Millions of yen		Percentage of total		Thousands of U.S. dollars
	2015	2014	2015	2014	2015
Government bonds	¥ 63,916	¥ 58,531	11.14%	11.40%	\$ 531,879
Municipal bonds	4,323	4,477	0.75	0.87	35,974
Corporate bonds	79,502	76,191	13.86	14.84	661,579
Stocks	98,750	71,641	17.21	13.95	821,752
Foreign securities	322,981	294,592	56.29	57.37	2,687,700
Other securities	4,324	8,039	0.75	1.57	35,982
Total	¥573,798	¥513,472	100.00%	100.00%	\$4,774,885

• Interest and Dividend Income

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash in bank	¥ 28	¥ 16	\$ 233
Monetary receivables bought	1	0	8
Money held in trust	27	29	224
Securities	12,808	12,107	106,582
Loans	14	20	116
Land and buildings	71	67	590
Subtotal	12,950	12,241	107,764
Others	173	165	1,439
Total	¥13,124	¥ 12,407	\$109,211

• Overseas Investment

	Millions of yen		Percentage of total		Thousands of U.S. dollars
	2015	2014	2015	2014	2015
Foreign currency					
Foreign bonds	¥266,874	¥ 238,277	79.73%	78.61%	\$2,220,803
Foreign stocks	31,736	27,869	9.48	9.19	264,092
Others	16,158	23,065	4.83	7.61	134,459
Subtotal	314,770	289,213	94.04	95.41	2,619,372
Yen					
Nonresident loans	100	100	0.03	0.03	832
Foreign bonds	13,207	10,116	3.94	3.34	109,902
Others	6,648	3,701	1.99	1.22	55,321
Subtotal	19,956	13,917	5.96	4.59	166,064
Total	¥334,726	¥ 303,130	100.00%	100.00%	\$2,785,437

Consolidated Financial Statements

Consolidated Balance Sheets

The Toa Reinsurance Company, Limited and Subsidiaries
As of 31st March 2015 and 2014

• ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Cash and deposits	¥ 12,829	¥ 11,815	\$ 106,757
Monetary receivables bought	2,999	1,999	24,956
Money held in trust	6,072	5,918	50,528
Securities (Notes 4(2) and (4))	573,798	513,472	4,774,885
Loans (Note 4(3))	671	699	5,583
Tangible fixed assets (Note 4(1))			
Land	6,755	6,724	56,212
Buildings	3,357	3,536	27,935
Leased assets	237	167	1,972
Other tangible fixed assets	168	145	1,398
	10,519	10,575	87,534
Intangible fixed assets			
Software in progress	473	—	3,936
Other intangible fixed assets	1	1	8
	474	1	3,944
Other assets			
Foreign reinsurance accounts receivable	35,698	36,646	297,062
Rest of other assets	21,642	18,585	180,094
	57,340	55,232	477,157
Deferred tax assets	25,000	40,914	208,038
Less: Allowance for doubtful accounts	(75)	(89)	(624)
Total assets	¥689,631	¥640,539	\$5,738,795

• LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Liabilities			
Underwriting funds			
Outstanding claims	¥224,281	¥228,704	\$1,866,364
Underwriting reserves	196,412	182,390	1,634,451
	420,694	411,095	3,500,823
Corporate bonds	30,000	30,000	249,646
Other liabilities	23,688	25,376	197,120
Net defined benefit liabilities	6,738	5,568	56,070
Accrued retirement benefits for directors	164	132	1,364
Reserve under the special law			
Reserve for price fluctuation	8,027	7,795	66,797
	8,027	7,795	66,797
Deferred tax liabilities	983	281	8,180
Total liabilities	490,296	480,250	4,080,019
Net assets			
Shareholders' equity			
Capital stock	5,000	5,000	41,607
Capital surplus	21	0	174
Retained earnings	108,346	103,293	901,606
Treasury stock	(4,324)	(4,961)	(35,982)
	109,043	103,332	907,406
Accumulated other comprehensive income			
Net unrealized gains on available-for-sale securities, net of tax	78,661	55,049	654,581
Net foreign currency translation adjustments	12,549	2,289	104,427
Remeasurements of defined benefit plans	(920)	(382)	(7,655)
	90,290	56,957	751,352
Total net assets	199,334	160,289	1,658,766
Total liabilities and net assets	¥689,631	¥640,539	\$5,738,795

The accompanying notes are an integral part of the statements.

Consolidated Statements of Income

The Toa Reinsurance Company, Limited and Subsidiaries
For the years ended 31st March 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Ordinary income and expenses:			
Ordinary income			
Underwriting income			
Net premiums written	¥208,962	¥200,655	\$1,738,886
Investment income on deposit premiums	231	216	1,922
Reversal of outstanding claims	17,059	27,899	141,957
Other underwriting income	1,173	402	9,761
	227,428	229,173	1,892,552
Investment income			
Interest and dividends income	13,097	12,378	108,987
Gain on money held in trust	161	247	1,339
Gain on sales of securities	5,469	4,618	45,510
Gain on redemption of securities	114	207	948
Other investment income	12	7	99
Transfer of investment income on deposit premiums	(231)	(216)	(1,922)
	18,623	17,243	154,972
Other ordinary income	213	403	1,772
	246,264	246,820	2,049,296
Ordinary expenses			
Underwriting expenses			
Net claims paid	160,692	167,535	1,337,205
Commissions and brokerage (Note 5 (1))	40,388	38,476	336,090
Provision for underwriting reserves	12,679	17,991	105,508
Other underwriting expenses	5	5	41
	213,767	224,009	1,778,871
Investment expenses			
Loss on sales of securities	676	731	5,625
Impairment losses on securities	17	62	141
Loss on redemption of securities	90	93	748
Loss on derivatives	—	93	—
Other investment expenses	174	149	1,447
	958	1,130	7,972
Operating and general administrative expenses (Note 5 (1))	10,799	9,931	89,864
Other ordinary expenses			
Interest expenses	1,602	1,602	13,331
Loss on bad debts	0	9	0
Other expenses	23	14	191
	1,626	1,626	13,530
	227,152	236,697	1,890,255
Ordinary profit	¥ 19,112	¥ 10,122	\$ 159,041

The accompanying notes are an integral part of the statements.

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Extraordinary income and loss:			
Extraordinary income			
Gain on disposal of fixed assets	¥ —	¥ 0	\$ —
	—	0	—
Extraordinary loss			
Loss on disposal of fixed assets	4	3	33
Provision for reserve under the special law			
Provision for reserve for price fluctuation	231	227	1,922
	235	230	1,955
Income before income taxes	18,877	9,891	157,085
Income taxes:			
Current	3,000	4,416	24,964
Deferred	10,070	(3,434)	83,797
	13,071	981	108,770
Income before minority interests	5,805	8,910	48,306
Net income	¥ 5,805	¥ 8,910	\$ 48,306

The accompanying notes are an integral part of the statements.

Consolidated Statements of Comprehensive Income

The Toa Reinsurance Company, Limited and Subsidiaries
For the year ended 31st March 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Comprehensive income			
Income before minority interests	¥ 5,805	¥ 8,910	\$ 48,306
Other comprehensive income			
Net unrealized gains on available-for-sale securities, net of tax	23,611	8,311	196,479
Net foreign currency translation adjustments	10,259	18,396	85,370
Remeasurements of defined benefit plans, net of tax	(538)	—	(4,476)
Total other comprehensive income (Note 6 (1))	33,333	26,707	277,382
	¥39,139	¥35,617	\$325,696
(Breakdown)			
Comprehensive income attributable to owners of the parent	¥39,139	¥35,617	\$325,696
Comprehensive income attributable to minority interests	—	—	—

The accompanying notes are an integral part of the statements.

Consolidated Statements of Changes in Shareholders' Equity

The Toa Reinsurance Company, Limited and Subsidiaries
For the years ended 31st March 2015 and 2014

For the year ended 31st March 2015

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥5,000	¥ 0	¥103,293	¥(4,961)	¥103,332
Cumulative effects of changes in accounting policies			(109)		(109)
Restated balance	5,000	0	103,183	(4,961)	103,222
Changes during the period					
Dividends from retained earnings			(642)		(642)
Net income			5,805		5,805
Disposal of treasury stock		21		636	658
Transfer of loss on disposal of treasury stock					—
Net changes in items other than shareholders' equity					
Total changes during the period	—	21	5,162	636	5,821
Balance at the end of the period	¥5,000	¥21	¥108,346	¥(4,324)	¥109,043
	Accumulated other comprehensive income				
	Net unrealized gains on available-for-sale securities, net of taxes	Net foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at the beginning of the period	¥55,049	¥ 2,289	¥(382)	¥56,957	¥160,289
Cumulative effects of changes in accounting policies					(109)
Restated balance	55,049	2,289	(382)	56,957	160,179
Changes during the period					
Dividends from retained earnings					(642)
Net income					5,805
Disposal of treasury stock					658
Transfer of loss on disposal of treasury stock					—
Net changes in items other than shareholders' equity	23,611	10,259	(538)	33,333	33,333
Total changes during the period	23,611	10,259	(538)	33,333	39,154
Balance at the end of the period	¥78,661	¥12,549	¥(920)	¥90,290	¥199,334

The accompanying notes are an integral part of the statements.

Thousands of U.S. dollars (Note 1(2))

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	\$41,607	\$ 0	\$859,557	\$(41,283)	\$859,881
Cumulative effects of changes in accounting policies			(907)		(907)
Restated balance	41,607	0	858,641	(41,283)	858,966
Changes during the period					
Dividends from retained earnings			(5,342)		(5,342)
Net income			48,306		48,306
Disposal of treasury stock		174		5,292	5,475
Transfer of loss on disposal of treasury stock					—
Net changes in items other than shareholders' equity					
Total changes during the period	—	174	42,955	5,292	48,439
Balance at the end of the period	\$41,607	\$174	\$901,606	\$(35,982)	\$907,406

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains on available-for-sale securities, net of taxes	Net foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	\$458,092	\$ 19,048	\$(3,178)	\$473,970	\$1,333,852
Cumulative effects of changes in accounting policies					(907)
Restated balance	458,092	19,048	(3,178)	473,970	1,332,936
Changes during the period					
Dividends from retained earnings					(5,342)
Net income					48,306
Disposal of treasury stock					5,475
Transfer of loss on disposal of treasury stock					—
Net changes in items other than shareholders' equity	196,479	85,370	(4,476)	277,382	277,382
Total changes during the period	196,479	85,370	(4,476)	277,382	325,821
Balance at the end of the period	\$654,581	\$104,427	\$(7,655)	\$751,352	\$1,658,766

The accompanying notes are an integral part of the statements.

For the year ended 31st March 2014

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	¥5,000	¥ 0	¥ 95,020	¥(5,599)	¥ 94,421
Cumulative effects of changes in accounting policies					—
Restated balance	5,000	0	95,020	(5,599)	94,421
Changes during the period					
Dividends from retained earnings			(635)		(635)
Net income			8,910		8,910
Disposal of treasury stock		(2)		638	636
Transfer of loss on disposal of treasury stock		2	(2)		—
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	8,272	638	8,910
Balance at the end of the period	¥5,000	¥ 0	¥103,293	¥(4,961)	¥103,332
	Accumulated other comprehensive income				
	Net unrealized gains on available-for-sale securities, net of taxes	Net foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at the beginning of the period	¥46,738	¥(16,106)	¥ —	¥30,631	¥125,052
Cumulative effects of changes in accounting policies					—
Restated balance	46,738	(16,106)	—	30,631	125,052
Changes during the period					
Dividends from retained earnings					(635)
Net income					8,910
Disposal of treasury stock					636
Transfer of loss on disposal of treasury stock					—
Net changes in items other than shareholders' equity	8,311	18,396	(382)	26,325	26,325
Total changes during the period	8,311	18,396	(382)	26,325	35,236
Balance at the end of the period	¥55,049	¥ 2,289	¥(382)	¥56,957	¥160,289

The accompanying notes are an integral part of the statements.

Consolidated Statements of Cash Flows

The Toa Reinsurance Company, Limited and Subsidiaries
For the years ended 31st March 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Cash flows from operating activities			
Income before income taxes	¥ 18,877	¥ 9,891	\$ 157,085
Depreciation and amortization	352	343	2,929
Increase (decrease) in outstanding claims	(17,059)	(27,899)	(141,957)
Increase (decrease) in underwriting reserves	12,679	17,991	105,508
Increase (decrease) in allowance for doubtful accounts	(11)	(194)	(91)
Increase (decrease) in accrued retirement benefits for directors	32	(267)	266
Increase (decrease) in accrued bonuses for employees	21	(4)	174
Increase (decrease) in net defined benefit liabilities	(112)	(150)	(932)
Increase (decrease) in reserve for price fluctuation	231	227	1,922
Interest and dividends income	(13,097)	(12,378)	(108,987)
Loss (gain) on securities	(4,806)	(3,945)	(39,993)
Interest expenses	1,602	1,602	13,331
Foreign exchange loss (gain)	(467)	180	(3,886)
Loss (gain) on tangible fixed assets	4	3	33
Loss (gain) on money held in trust	(161)	(247)	(1,339)
Decrease (increase) in other assets (other than investing and financing activities)	1,490	2,946	12,399
Increase (decrease) in other liabilities (other than investing and financing activities)	(2,427)	(8,157)	(20,196)
Others, net	33	27	274
Subtotal	(2,819)	(20,029)	(23,458)
Interest and dividends received	15,101	13,937	125,663
Interest paid	(1,602)	(1,602)	(13,331)
Income taxes paid	(4,859)	(1,771)	(40,434)
Income taxes refund	—	169	—
Net cash provided by (used in) operating activities	5,820	(9,297)	48,431
Cash flows from investing activities			
Net decrease (increase) in deposits	(145)	(14)	(1,206)
Increase in money held in trust	—	(1,000)	—
Purchases of securities	(118,380)	(122,305)	(985,104)
Proceeds from sales or redemption of securities	102,392	143,152	852,059
Loans made	(501)	(30)	(4,169)
Proceeds from collection of loans	528	530	4,393
Total of net cash provided by (used in) investment transactions	(16,106)	20,332	(134,026)
Total of net cash provided by (used in) operating activities and investment transactions	(10,286)	11,035	(85,595)
Purchase of tangible fixed assets	(92)	(76)	(765)
Proceeds from sales of tangible fixed assets	—	0	—
Purchase of intangible fixed assets	(437)	—	(3,636)
Net cash provided by (used in) investing activities	(16,636)	20,256	(138,437)
Cash flows from financing activities			
Dividends paid	(642)	(635)	(5,342)
Repayment for lease liabilities	(82)	(58)	(682)
Proceeds from disposal of treasury stock	658	636	5,475
Net cash provided by (used in) financing activities	(66)	(57)	(549)
Effect of exchange rate changes on cash and cash equivalents	2,127	2,273	17,699
Net increase (decrease) in cash and cash equivalents	(8,755)	13,174	(72,855)
Cash and cash equivalents at the beginning of the period	29,757	16,583	247,624
Cash and cash equivalents at the end of the period (Note 8(1))	¥ 21,001	¥ 29,757	\$ 174,760

The accompanying notes are an integral part of the statements.

Notes to the Consolidated Financial Statements

1. Basis of Presenting the Consolidated Financial Statements

- (1) The accompanying consolidated financial statements of The Toa Reinsurance Company, Limited (the "Company") and its subsidiaries (collectively, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to both application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The accompanying consolidated financial statements incorporate certain reclassifications and rearrangements in order to present them in a form that is more familiar to readers outside Japan.

- (2) Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥120.17 = US\$1, the rate of exchange on 31st March 2015, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled in U.S. dollars at this rate or any other rate.
- (3) Fractional amounts of less than ¥1 million or \$1 thousand have been rounded down. Accordingly, the totals in yen and US dollars do not necessarily agree with the sum of the individual amounts.

2. Principal Matters for Preparation of Consolidated Financial Statements

- (1) Scope of Consolidation

A. Consolidated Subsidiaries

Of the Company's subsidiaries, two subsidiaries are consolidated. The names of the consolidated subsidiaries are as follows:

- The Toa Reinsurance Co. of America
- The Toa 21st Century Reinsurance Co., Ltd.

B. Non-consolidated Subsidiary

The other subsidiary is a small-scale operation, in terms of total assets, ordinary profit (loss), net income (loss) for the year and retained earnings, and is excluded from the scope of consolidation, due to its insignificant effect on the consolidated financial statements of the Company. The name of the non-consolidated subsidiary is as follows:

- Sundai Company, Limited.

- (2) Application of the Equity Method

The effect of the non-consolidated subsidiary on the net income (loss) for the year and the retained earnings is negligible and, accordingly, this company is not accounted for by the equity-method.

- (3) Fiscal Years of Consolidated Subsidiaries

The fiscal year ends of both consolidated subsidiaries are 31st December. Since the differences in the fiscal year ends do not exceed three months, financial statements as of the fiscal year end of each subsidiary are used in preparing the consolidated financial statements. As for significant transactions occurring between that date and the date of

the Company's fiscal year end, necessary adjustments are made upon consolidation.

- (4) Significant Accounting Policies

A. Financial Instruments

- (a) Stocks of Non-consolidated Subsidiaries not Accounted for by the Equity-Method
Stocks of non-consolidated subsidiaries not accounted for by the equity-method are recorded at cost determined by the moving-average method.

(b) Securities

Available-for-sale securities with fair value are carried at fair value based on the prices prevailing in the market on the balance sheet date. Unrealized gains or losses, net of tax are included in a separate component of net assets. Cost of sales is calculated using cost determined by the moving-average method. Available-for-sale securities extremely difficult to measure fair value are recorded at cost or amortized cost determined by the moving-average method.

(c) Money Held in Trust

Securities included in money held in trust are carried at fair value.

(d) Derivatives

Derivatives are carried at fair value with changes in fair value.

B. Depreciation Method for Fixed Assets

(a) Tangible Fixed Assets (Except for Leased Assets)

Depreciation of tangible fixed assets (except for leased assets) held by the Company is calculated by the declining balance method based on estimated useful lives.

However, the depreciation of buildings, except for their attached facilities, acquired on or subsequent to 1st April 1998, is calculated by the straight-line method.

Depreciation of property and equipment held by consolidated subsidiaries is calculated by the straight-line method.

(b) Leased Assets

Depreciation of leased assets held by the Company with regard to finance leases for which ownership does not transfer to the lessees is calculated by the straight-line method over a period up to the length of the relevant lease contracts with no residual value.

C. Accounting Policies for Major Reserves

(a) Allowance for Doubtful Accounts

The Company books an allowance for doubtful accounts, in accordance with the standard for self-assessment of assets and rules for write-offs and provisions, as follows:

- (i) For debts of debtors who are legally bankrupt (due to bankruptcy, special liquidation or suspension of service at clearing houses, etc.) or virtually bankrupt, a reserve is provided based on the amount that remains after anticipated proceeds from the disposal of collateral and the recovery of debt through guarantees are deducted from the debt balances.

- (ii) For debts of debtors who are likely to become bankrupt, a reserve is provided based on the amount considered to be necessary to cover the amount that remains after anticipated proceeds from the disposal of collateral and the recovery of

debt through guarantees are deducted from the debt balances. This reserve amount is based on an overall judgment regarding the solvency status of each debtor.

- (iii) For debts other than those described above, a reserve is provided for an amount determined by multiplying debt balances by the default rate, which is computed based on historical loan loss experience in certain previous period.

All debts are assessed by each asset management department of the Company in accordance with the standard for asset self-assessment. The allowance for doubtful accounts mentioned above is computed based on the result of this assessment. These results are audited by the Internal Audit Department which is independent from each department.

- (b) **Accrued Retirement Benefits for Directors**
Accrued retirement benefits for directors are provided on the basis of the estimated amounts to be paid, based on internally established rules.

- (c) **Reserve for Price Fluctuation**
The Company books a reserve for price fluctuation in accordance with Article 115 of the Insurance Business Law to provide for contingent losses caused by price fluctuation on stocks and other investments.

D. Retirement Benefits

- (a) **Method of Attributing Expected Retirement Benefits to Periods**
In calculating retirement benefit obligations, the method of attributing the expected retirement benefits to the period ended 31st March 2015 is mainly based on the benefit formula method.

- (b) **Method for Amortizing Actuarial Differences and Prior Service Costs**
The Company fully amortizes actuarial differences in the following fiscal year.
The consolidated subsidiaries amortize prior service costs using the straight-line method over the average remaining service period of employees at the time of occurrence (9.2 through 9.4 years).

E. Hedge Accounting

With regard to forward foreign exchange contracts utilized to hedge future foreign exchange risk associated with financial assets and liabilities denominated in foreign currencies, the Company applies the allocation method. As the forward foreign exchange contract meets the required condition to apply the allocation method, the Company omits the hedge accounting effectiveness testing. The allocation method requires foreign currency assets and liabilities to be recorded using the corresponding foreign exchange contract rates.

F. Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, deposits able to be withdrawn on demand and short-term investments with original maturities of three months or less and which have minimal risk of fluctuation in value.

G. Other Significant Accounting Policies

Consumption Tax Accounting Treatment

Consumption tax is accounted for separately from the transactions subject to such tax. However, the consumption tax on certain expenses, such as operating and general administrative expenses, is included in those expenses. Non-deductible consumption tax on the purchase of assets is included in "Rest of other assets" and amortized evenly over a period of five years.

3. Changes in Accounting Policies

Regarding the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, issued on 17th May 2012, hereinafter the "Accounting Standard for Retirement Benefits") and the "Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, issued on 26th March 2015, hereinafter the "Guidance on Retirement Benefits"), the Company applied the provisions stated in the main clause of paragraph 35 of the Accounting Standard for Retirement Benefits and in the main clause of paragraph 67 of the Guidance on Retirement Benefits from the fiscal year ended 31st March 2015. Accordingly, the Company reviewed its method of calculating retirement benefit obligations and service costs and changed the mainly attribution method for projected retirement benefits from the straight-line attribution method to the benefit formula method. Also, the Company changed the method for determining the discount rate from the use of the number of years approximate to the average remaining service period of employees as bond maturity, which is the basis of determining the discount rate, to the use of a single weighted average discount rate reflecting the estimated timing and amount of benefit payments.

The application of the Accounting Standard for Retirement Benefits and the Guidance on Retirement Benefits is subject to the transitional accounting treatment set forth in paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the change in calculation method for retirement benefit obligations and service costs is included in retained earnings at the beginning of the fiscal year ended 31st March 2015.

As a result, net defined benefit liabilities increased by ¥158 million (\$1,314 thousand) and retained earnings is decreased by ¥109 million (\$907 thousand) at the beginning of the fiscal year ended 31st March 2015. Also, ordinary profit and income before income taxes for the fiscal year ended 31st March 2015 decreased by ¥20 million (\$166 thousand), respectively.

Additionally, the financial impact of this application on per share information is described in "18. Per Share Information".

4. Notes to the Consolidated Balance Sheets

- (1) The amounts of accumulated depreciation and advanced depreciation of tangible fixed assets are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	(Note 1(2))
Accumulated depreciation	¥9,137	¥8,584	\$76,033
Advanced depreciation	29	29	241

- (2) The carrying amounts of equity investments in a non-consolidated subsidiary are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Securities	¥10	¥10	\$83

- (3) Impaired Loans

There is no balance of impaired loans, including loans to borrowers under bankruptcy proceedings, overdue loans, loans past due for three months or more and loans with altered lending conditions, as of 31st March 2015 and 2014.

The definitions of impaired loans are as follows:

- A. "Loans to borrowers under bankruptcy proceedings" are non-accrual loans (excluding loans written off) for which circumstances apply as stated in Article 96, paragraph 1, subparagraph 3 or Article 96, paragraph 1, subparagraph 4 of the Implementation Ordinances for the Corporation Tax Law (Government Ordinance No. 97, 1965) which have no prospects for recovery or repayment of principal or interest, or for which payment of principal or interest has not been received for a substantial period, or for other reasons.
- B. "Overdue loans" are those loans on which accrued interest income has not been recognized, excluding loans to borrowers under bankruptcy proceedings and excluding loans for which interest payments have been rescheduled with the objective of assisting these borrowers in management restructuring.
- C. "Loans past due for three months or more" are those loans for which payments of principal or interest has not been received for a period of three months or more, beginning with the next day following the last due date for such payments, and are not included in loans to borrowers under bankruptcy proceedings or non-accrual past due loans.
- D. "Loans with altered lending conditions" are those loans for which the Company has provided more favorable terms and conditions than those contained in the original loan agreement (including reducing interest rates, rescheduling interest and principal payments, or the waiving of claims on the borrowers) to the borrowers with the aim of providing restructuring assistance and support. Such loans exclude loans to borrowers under bankruptcy proceedings, non-accrual past due loans and loans past due for three months or more.

- (4) The carrying amounts of assets pledged as collateral are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Securities	¥34,225	¥32,051	\$284,804

These securities are pledged to deposit for overseas operations and to establish letters of credit.

5. Notes to the Consolidated Statements of Income

- (1) The significant components of business expenses are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Commissions, net of reinsurance	¥40,388	¥38,476	\$336,090

Business expenses are the total of "Operating and general administrative expenses" and "Commissions and brokerage" in the consolidated statements of income.

6. Notes to the Consolidated Statements of Comprehensive Income

- (1) Reclassification Adjustments and Income Tax Effects of Other Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Net unrealized gains (losses) on available-for-sale securities, net of tax:			
Gains (losses) arising during the period	¥36,570	¥16,255	\$304,318
Reclassification adjustments	(4,829)	(3,945)	(40,184)
Before income tax effect adjustments	31,740	12,309	264,125
Income tax effects	(8,128)	(3,998)	(67,637)
Net unrealized gains (losses) on available-for-sale securities, net of tax	23,611	8,311	196,479
Net foreign currency translation adjustments:			
Gains (losses) arising during the period	8,973	17,764	74,669
Reclassification adjustments	570	159	4,743
Before income tax effect adjustments	9,544	17,923	79,420
Income tax effects	715	472	5,949
Net foreign currency translation adjustments	10,259	18,396	85,370
Remeasurements of defined benefit plans, net of tax:			
Gains (losses) arising during the period	(748)	—	(6,224)
Reclassification adjustments	(79)	—	(657)
Before income tax effect adjustments	(828)	—	(6,890)
Income tax effects	290	—	2,413
Remeasurements of defined benefit plans, net of tax	(538)	—	(4,476)
Total other comprehensive income	¥33,333	¥26,707	\$277,382

7. Notes to the Consolidated Statements of Changes in Shareholders' Equity

For the year ended 31st March 2015

- (1) Detailed Information for Outstanding Shares and Treasury Stock

	(Thousand shares)			
	Number of shares as of 1st April 2014	Number of shares increased during the period	Number of shares decreased during the period	Number of shares as of 31st March 2015
Outstanding shares				
Common stock	100,000	—	—	100,000
Total	100,000	—	—	100,000
Treasury stock				
Common stock	8,178	—	1,050	7,128
Total	8,178	—	1,050	7,128

The number of shares decreased during the period in common treasury stock is 1,050 thousand shares, as a result of disposal by third party allotment.

(2) Detailed Information for Cash Dividends
Dividends paid

	Type of shares	Total dividends	Dividend per share	Dividend record date	Effective date
General meeting of shareholders on 27th June 2014	Common stock	¥642 million \$5,342 thousand (Note 1(2))	¥7 \$0.06 (Note 1(2))	31st March 2014	30th June 2014

Of dividends with record date within the fiscal year ended 31st March 2015, dividends with the effective date after 31st March 2015

	Type of shares	Total dividends	Source of dividends	Dividend per share	Dividend record date	Effective date
General meeting of shareholders on 26th June 2015	Common stock	¥650 million \$5,409 thousand (Note 1(2))	Retained earnings	¥7 \$0.06 (Note 1(2))	31st March 2015	29th June 2015

For the year ended 31st March 2014

(1) Detailed Information for Outstanding Shares and Treasury Stock

	(Thousand shares)			
	Number of shares as of 1st April 2013	Number of shares increased during the period	Number of shares decreased during the period	Number of shares as of 31st March 2014
Outstanding shares				
Common stock	100,000	—	—	100,000
Total	100,000	—	—	100,000
Treasury stock				
Common stock	9,231	—	1,053	8,178
Total	9,231	—	1,053	8,178

The number of shares decreased during the period in common treasury stock is 1,053 thousand shares, as a result of disposal by third party allotment.

(2) Detailed Information for Cash Dividends
Dividends paid

	Type of shares	Total dividends	Dividend per share	Dividend record date	Effective date
General meeting of shareholders on 27th June 2013	Common stock	¥635 million	¥7	31st March 2013	28th June 2013

Of dividends with record date within the fiscal year ended 31st March 2014, dividends with the effective date after 31st March 2014

	Type of shares	Total dividends	Source of dividends	Dividend per share	Dividend record date	Effective date
General meeting of shareholders on 27th June 2014	Common stock	¥642 million	Retained earnings	¥7	31st March 2014	30th June 2014

8. Notes to the Consolidated Statements of Cash Flows

(1) Reconciliations of the balance of cash and cash equivalents at the end of the period to the amounts shown in the consolidated balance sheets are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Cash and deposits	¥ 12,829	¥ 11,815	\$ 106,757
Monetary receivables bought	2,999	1,999	24,956
Securities	573,798	513,472	4,774,885
Time deposits with original maturities of more than three months	(202)	(56)	(1,680)
Securities other than cash equivalents	(568,422)	(497,473)	(4,730,148)
Cash and cash equivalents	¥ 21,001	¥ 29,757	\$ 174,760

(2) Cash flows from investing activities include those related to insurance business.

9. Leases

Future lease payments due under non-cancelable operating leases are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Within one year	¥0	¥2	\$0
Over one year	—	0	—
Total	¥0	¥3	\$0

10. Financial Instruments

(1) Outline of Financial Instruments

A. Policy for Financial Instruments

The Company underwrites non-life reinsurance (such as Fire, Marine, Personal accident, Motor, General liabilities reinsurance) and life reinsurance. The Company invests in financial instruments paying attention to adequate safety, liquidity and profitability, as a funding source of the reinsurance claims to be paid securely and promptly.

The Company maintains Enterprise Risk Management system to control investment risk, to keep adequate solvency in case of the risk occurrence.

Additionally, in order to further strengthen financial foundation, the Company substantially enhanced capital adequacy by issuing subordinated notes with an established equity content level recognized by major rating companies.

B. Types of Financial Instruments and Related Risk

The Company holds financial instruments mainly for the purpose of investment and business cooperation. Main components of the instruments are bonds, stocks and investment trust funds, which are exposed to price risk due to market fluctuation (interest rate, foreign exchange rate and stock price), and credit risk of the issuers.

Derivatives utilized by the Company are forward foreign exchange contracts. Forward foreign exchange contracts are utilized for hedging fluctuation risk in future foreign exchange rates, regarding to redemptions and interests arising from foreign bonds.

Derivatives are only taken out with counterparties or referenced entities with a suitable credit rating.

Loans are exposed to credit risk due to breach of contracts.

Subordinated notes issued by the Company are exposed to market risk due to interest-rate fluctuation.

C. Risk Management for Financial Instruments

The board of directors establishes risk management policies and internal rules for investment, and defines risk management methodologies, process and which department to be responsible for risk managements. The department in charge performs the risk managements in accordance with the policies and the rules, and condition of the risk is reported to the board regularly or properly, to enable the board to recognize the actual condition of the risk.

Foreign subsidiaries establish investment policies and manage the risk in accordance with the policies, and hold investment committee and other meetings regularly to discuss condition of risk management and future investment policies. The third party investment management arrangements are made in accordance with the investment guidelines and compliance with the guidelines is monitored.

Internal audit department performs internal audit under internal audit plan regarding to condition of risk management mentioned above.

(a) Market risk management

(i) Interest rate fluctuation risk management

The department in charge analyzes risk amount by "Value at Risk" (hereafter VaR), sensitivity analysis for interest rate and other methods. Compliance with the rules is monitored and reported to the board regularly.

(ii) Foreign exchange risk management

The department in charge analyzes risk amount by VaR of foreign bonds, sensitive analysis and other methods. Compliance with the rules is monitored, and foreign exchange risk (offsetting foreign currency assets and liabilities) is recognized by the department in charge of integrated risk management, and reported to the board regularly.

(iii) Price fluctuation risk management

The department in charge analyzes risk amount by VaR, sensitive analysis for market and other methods. Compliance with the rules is monitored and reported to the board regularly.

(b) Credit risk management

With respect to credit risk of bond issuer and the referenced entities' credit in credit derivatives, the department in charge regularly recognizes market conditions, financial condition, credit information and fair value. For loans, the department in charge performs credit management by extending credit assessment, determining when to obtain collateral and guarantees, on individual debtor basis. Compliance with the rules is reported to the board regularly.

(c) Liquidity risk management

The Company performs appropriate fund management, and management for liquidity risk by holding assets with adequate liquidity, and obtaining committed lines of credit from several financial institutions. Liquidity risk is monitored by the department in charge, and reported to the board regularly.

D. Supplementary Explanation for the Fair Value of Financial Instruments.

The fair value of financial instruments includes market price and price measured reasonably by the Company if market price is not available. Measurement for price of financial instruments depends on certain assumptions, the use of different assumptions could result in a different price.

(2) Fair Value of Financial Instruments

The amount on consolidated balance sheets, fair value and unrealized gain (loss) of financial instruments as of 31st March 2015 and 2014 are as follows. Financial instruments extremely difficult to measure fair value are not included in the table. Also please see note (b) below.

As of 31st March 2015	Millions of yen		
	Amount on consolidated balance sheet	Fair value	Unrealized gain (loss)
Cash and deposits	¥ 12,829	¥ 12,829	¥ —
Securities			
Available for sale	570,226	570,226	—
Total assets	¥583,055	¥583,055	¥ —
Corporate bonds	¥ 30,000	¥ 30,188	¥ 188
Total liabilities	¥ 30,000	¥ 30,188	¥ 188

As of 31st March 2015	Thousands of U.S. dollars (Note 1(2))		
	Amount on consolidated balance sheet	Fair value	Unrealized gain (loss)
Cash and deposits	\$ 106,757	\$ 106,757	\$ —
Securities			
Available for sale	4,745,161	4,745,161	—
Total assets	\$4,851,918	\$4,851,918	\$ —
Corporate bonds	\$ 249,646	\$ 251,210	\$ 1,564
Total liabilities	\$ 249,646	\$ 251,210	\$ 1,564

As of 31st March 2014	Millions of yen		
	Amount on consolidated balance sheet	Fair value	Unrealized gain (loss)
Cash and deposits	¥ 11,815	¥ 11,815	¥ —
Securities			
Available for sale	505,833	505,833	—
Total assets	¥517,649	¥ 517,649	¥ —
Corporate bonds	¥ 30,000	¥ 30,215	¥ 215
Total liabilities	¥ 30,000	¥ 30,215	¥ 215

(Notes)

(a) Measuring method for fair value of financial instruments

(i) Assets

Cash and deposits

Fair value of cash and deposits is deemed as book value since it is scheduled to be settled in a short period of time and fair value approximates book value.

Securities

Fair value of stocks is based on market quoted price. Fair value of bonds is based on quoted price, price released by Japan Securities Dealers Association, price quoted by counterparties and price provided by financial institutions. Fair value of investment trust funds is based on publicly announced price or unit price provided by financial institution. With respect to investment in partnership, partnership's property is measured at fair value if available, and then the part of the Company's share is recorded to balance sheets.

(ii) Liabilities

Corporate bonds

Fair value of corporate bonds is calculated by financial institution as the amount of future cash flow discounted at the risk free rate for the corresponding period, considering the factors of market environment and other similar securities with an established equity content level.

- (b) Financial instruments extremely difficult to measure fair value are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Foreign bonds	¥ 3	¥ 3	\$ 24
Other securities	1,800	6,500	14,978
Non-listed stocks	1,767	1,135	14,704
Total	¥ 3,571	¥ 7,638	\$ 29,716

Above mentioned financial instruments where there are no available market prices and extremely difficult to measure fair value, are not subject to disclosure of fair value.

- (c) The redemption schedules as of 31st March 2015 and 2014 for monetary receivables and available-for-sale securities with maturities are as follows:

	Millions of yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	¥ 12,828	¥ —	¥ —	¥ —
Securities				
Available-for-sale securities with maturities				
Government bonds	16,310	44,580	1,700	—
Municipal bonds	—	4,170	—	—
Corporate bonds	16,003	56,408	3,600	—
Foreign securities	39,245	110,545	62,743	53,182
Total	¥ 84,388	¥ 215,704	¥ 68,044	¥ 53,182

	Thousands of U.S. dollars (Note 1(2))			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	\$ 106,748	\$ —	\$ —	\$ —
Securities				
Available-for-sale securities with maturities				
Government bonds	135,724	370,974	14,146	—
Municipal bonds	—	34,700	—	—
Corporate bonds	133,169	469,401	29,957	—
Foreign securities	326,579	919,905	522,118	442,556
Total	\$ 702,238	\$ 1,794,990	\$ 566,231	\$ 442,556

	Millions of yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	¥ 11,815	¥ —	¥ —	¥ —
Securities				
Available-for-sale securities with maturities				
Government bonds	10,290	39,090	7,800	—
Municipal bonds	121	2,652	1,500	—
Corporate bonds	10,800	49,921	11,803	—
Foreign securities	32,236	111,524	55,762	40,417
Total	¥ 65,263	¥ 203,188	¥ 76,865	¥ 40,417

- (d) The repayment schedules as of 31st March 2015 and 2014 for corporate bonds are as follows:
-
- As of 31st March 2015

	Millions of yen					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	—	—	—	—	¥ 30,000

	(Thousands of U.S. dollars (Note 1(2)))					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	—	—	—	—	\$ 249,646

As of 31st March 2014

	Millions of yen					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	—	—	—	—	¥ 30,000

11. Investments in Securities

- (1) There are neither trading securities nor held-to-maturity securities.
- (2) Information regarding available-for-sale securities with fair value as of 31st March 2015 and 2014 is as follows:

	Millions of yen		
	Fair value	Cost	Unrealized gain (loss)
Securities for which fair value exceeds their cost			
Government, municipal and corporate bonds	¥135,682	¥130,127	¥ 5,555
Stocks	96,024	19,628	76,395
Foreign securities	270,805	239,257	31,548
Others	1,528	1,506	22
Subtotal	504,041	390,519	113,521

	Millions of yen		
	Fair value	Cost	Unrealized gain (loss)
Securities for which fair value does not exceed their cost			
Government, municipal and corporate bonds	12,059	12,086	(26)
Stocks	958	998	(40)
Foreign securities	52,172	53,748	(1,576)
Others	3,994	3,999	(5)
Subtotal	69,184	70,833	(1,649)
Total	¥573,226	¥461,353	¥111,872

	Thousands of U.S. dollars (Note 1(2))		
	Fair value	Cost	Unrealized gain (loss)
Securities for which fair value exceeds their cost			
Government, municipal and corporate bonds	\$1,129,083	\$1,082,857	\$ 46,226
Stocks	799,067	163,335	635,724
Foreign securities	2,253,515	1,990,987	262,528
Others	12,715	12,532	183
Subtotal	4,194,399	3,249,721	944,670
Securities for which fair value does not exceed their cost			
Government, municipal and corporate bonds	100,349	100,574	(216)
Stocks	7,972	8,304	(332)
Foreign securities	434,151	447,266	(13,114)
Others	33,236	33,277	(41)
Subtotal	575,717	589,439	(13,722)
Total	\$4,770,125	\$3,839,169	\$ 930,947

*Available-for-sale securities which are extremely difficult to measure fair value are not included in the above table.

**Commercial papers classified as "Monetary receivables bought" in the consolidated balance sheet are included in "Others" above.

As of 31st March 2014	Millions of yen		
	Fair value	Cost	Unrealized gain (loss)
Securities for which fair value exceeds their cost			
Government, municipal and corporate bonds	¥128,136	¥123,848	¥ 4,288
Stocks	70,505	17,638	52,867
Foreign securities	220,927	195,294	25,632
Others	1,538	1,528	10
Subtotal	421,109	338,310	82,799
Securities for which fair value does not exceed their cost			
Government, municipal and corporate bonds	11,063	11,072	(8)
Stocks	—	—	—
Foreign securities	73,660	76,318	(2,657)
Others	1,999	1,999	—
Subtotal	86,724	89,390	(2,666)
Total	¥507,833	¥427,700	¥ 80,132

*Available-for-sale securities which are extremely difficult to measure fair value are not included in the above table.

**Commercial papers classified as "Monetary receivables bought" in the consolidated balance sheet are included in "Others" above.

(3) Sales of securities classified as available-for-sale and the aggregate gain and loss are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Proceeds from sales			
Government, municipal and corporate bonds	¥ 657	¥ 9,405	\$ 5,467
Stocks	1,169	—	9,727
Foreign securities	43,837	50,507	364,791
Others	—	197	—
Total	¥ 45,664	¥ 60,110	\$ 379,995
Gain on sales			
Government, municipal and corporate bonds	¥ 117	¥ 77	\$ 973
Stocks	71	—	590
Foreign securities	5,279	4,540	43,929
Others	—	—	—
Total	¥ 5,469	¥ 4,618	\$ 45,510
Loss on sales			
Government, municipal and corporate bonds	¥ —	¥ 62	\$ —
Stocks	8	—	66
Foreign securities	667	666	5,550
Others	—	2	—
Total	¥ 676	¥ 731	\$ 5,625

(4) Securities for which Impairment Losses Are Recognized

For the year ended 31st March 2015, the Company recognized impairment losses regarding available-for-sale securities with fair value (Stocks) in the amount of ¥8 million (\$66 thousand) in the consolidated statement of income. Consolidated subsidiaries recognized impairment losses regarding available-for-sale securities with fair value (Foreign securities) in the amount of ¥8 million (\$66 thousand) in the consolidated statement of income.

For the year ended 31st March 2014, the Company recognized impairment losses regarding available-for-sale securities with fair value (Foreign securities) in the amount of ¥3 million in the consolidated statement of income. Consolidated subsidiaries recognized impairment losses regarding available-for-sale securities with fair value (Foreign securities) in the amount of ¥58 million in the consolidated statement of income.

In principle, impairment losses on available-for-sale securities with fair value held by the Company are recognized when the fair value has declined by 30% or more of their book value. Impairment losses on available-for-sale securities with fair value held by consolidated subsidiaries are recognized when the fair value has declined below their book value and the decline in fair value is deemed to be other than temporary.

12. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Net unrealized gains (losses) recognized for the fiscal year	¥ 76	¥ (241)	\$ 632

- (2) Money Held in Trust for Being Held to Maturity
None.
- (3) Money Held in Trust Not for Trading Purposes or Not Being Held to Maturity
None.

13. Derivatives

None.

14. Retirement Benefits

(1) Outline of Retirement Benefit Plans

The Company and consolidated subsidiaries have funded and unfunded defined retirement benefit plans covering substantially all employees.

For defined benefit retirement plans, the benefit based on an employee's salary and years of service are paid in the form of lump-sum payment and pension.

For lump-sum payment retirement plans which are all unfunded plans, the benefit based on an employee's salary and years of service are paid in the form of lump-sum payment.

(2) Defined Benefit Plan

A. Changes in the retirement benefit obligations during the period

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Retirement benefit obligations			
at the beginning of the period	¥ 12,219	¥ 10,061	\$ 101,680
Cumulative effects of changes in accounting policies	158	—	1,314
Restated balance	12,377	10,061	102,995
Service cost	603	570	5,017
Interest cost	345	328	2,870
Actuarial differences	628	(821)	5,225
Benefit paid	(338)	(319)	(2,812)
Others	850	2,399	7,073
Retirement benefit obligations at the end of the period	¥ 14,466	¥ 12,219	\$ 120,379

B. Changes in the plan assets during the period

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Plan assets at the beginning of the period	¥ 6,651	¥ 5,615	\$ 55,346
Expected return on plan assets	203	129	1,689
Actuarial differences	70	81	582
Employer contributions	723	719	6,016
Benefit paid	(284)	(272)	(2,363)
Others	362	376	3,012
Plan assets at the end of the period	¥ 7,728	¥ 6,651	\$ 64,308

C. Reconciliations of retirement benefit obligations and plan assets to net defined benefit liabilities and assets recognized in the consolidated balance sheets at the end of the period

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Retirement benefit obligations for funded plan	¥ 11,973	¥ 10,368	\$ 99,633
Plan assets	(7,728)	(6,651)	(64,308)
	4,245	3,717	35,324
Retirement benefit obligations for unfunded plan	2,492	1,850	20,737
Net amount of liabilities (assets) recognized in the consolidated balance sheets	¥ 6,738	¥ 5,568	\$ 56,070
Net defined benefit liabilities	¥ 6,738	¥ 5,568	\$ 56,070
Net amount of liabilities and assets recognized in the consolidated balance sheets	¥ 6,738	¥ 5,568	\$ 56,070

D. Components of retirement benefit cost

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Service cost	¥ 603	¥ 570	\$ 5,017
Interest cost	345	328	2,870
Expected return on plan assets	(203)	(129)	(1,689)
Amortization of actuarial differences	(81)	(239)	(674)
Amortization of prior service costs	1	1	8
Retirement benefit cost for defined benefit plan	¥ 665	¥ 532	\$ 5,533

E. Remeasurements of defined benefit plans included in other comprehensive income

Components of remeasurements of defined benefit plans included in other comprehensive income before tax effect are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Prior service costs	¥ 1	¥ —	\$ 8
Actuarial differences	(639)	—	(5,317)
Others	(190)	—	(1,581)
Total	¥ (828)	¥ —	\$ (6,890)

F. Remeasurements of defined benefit plans included in accumulated other comprehensive income

Components of remeasurements of defined benefit plans included in accumulated other comprehensive income before tax effect are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Unrecognized prior service costs	¥ (2)	¥ (4)	\$ (16)
Unrecognized actuarial differences	(1,420)	(590)	(11,816)
Total	¥ (1,423)	¥ (595)	\$ (11,841)

G. Plan assets

(a) Major Components of plan assets

Percentages of total plan assets by major categories are as follows:

	2015	2014
Bonds	22%	20%
Stocks	13	12
General accounts	63	66
Others	2	2
Total	100%	100%

(b) Determination of long-term expected rate of return

The long-term expected rate of return on plan assets has been estimated based on the current and anticipated allocation to each asset class and the current and anticipated long-term rates of returns on assets held in each category.

H. Actuarial assumptions

Major actuarial assumptions (based on weighted average) are as follows:

	2015	2014
Discount rate	Mainly 1.5%	Mainly 2.0%
Long-term expected rate of return	Mainly 1.3%	Mainly 1.0%

15. Deferred Tax

(1) Major Components of Net Deferred Tax Assets

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Deferred tax assets			
Underwriting reserves	¥ 29,265	¥ 28,239	\$ 243,529
Tax loss carryforwards	14,762	17,555	122,842
Outstanding claims	12,360	15,442	102,854
Reserve for price fluctuation	2,315	2,399	19,264
Others	4,944	4,524	41,141
Subtotal of deferred tax assets	63,649	68,160	529,657
Valuation allowance	(5,007)	(1,105)	(41,665)
Total deferred tax assets	58,642	67,054	487,992
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	(33,212)	(25,083)	(276,375)
Others	(1,412)	(1,338)	(11,750)
Total deferred tax liabilities	(34,625)	(26,422)	(288,133)
Net deferred tax assets	¥ 24,016	¥ 40,632	\$ 199,850

(2) The reconciliations of the statutory income tax rate to the effective income tax rate for the years ended 31st March 2015 and 2014 are as follows:

	2015	2014
Statutory income tax rate of the Company	30.8%	33.3%
(Adjustments)		
Valuation allowance	20.7	(44.8)
Effect of changes in the tax rate	19.9	15.8
Non-taxable revenue such as dividends received	(13.5)	(14.8)
Elimination of dividends received from consolidated subsidiaries	9.9	8.2
Undistributed profits of foreign subsidiaries	—	13.1
Others	1.4	(0.9)
Effective income tax rate of the Companies	69.2%	9.9%

(3) Impact of Changes in the Corporate Tax Rate, etc.

Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) on 31st March 2015, a reduction of Corporation Tax, etc. has been enforced from the fiscal year beginning on or after 1st April 2015. Accordingly, the effective statutory income tax rate used to calculate deferred tax assets and deferred tax liabilities will change from 30.8% used previously, to 28.9% for temporary differences expected to be reversed in the fiscal year beginning on or after 1st April 2015.

As a result as of and for the year ended 31st March 2015, deferred tax assets after offsetting deferred tax liabilities decreased by ¥1,975 million (\$16,435 thousand), underwriting reserves decreased by ¥57 million (\$474 thousand), net unrealized gains on available-for-sale securities, net of tax increased by ¥1,748 million (\$14,546 thousand), deferred income taxes increased by ¥3,723 million (\$30,981 thousand) and net income decreased by ¥3,665 million (\$30,498 thousand).

Additionally, for fiscal years beginning on or after 1st April 2015, the use of tax loss carryforwards will be limited to the equivalent of 65% of taxable income before the application of loss carried forward and for fiscal years beginning on or after 1st April 2017, the use of tax loss carryforwards will be limited to the equivalent of 50% of taxable income before the application of loss carried forward. As a result, deferred tax assets decreased by ¥4,313 million (\$35,890 thousand) and net income decreased by ¥4,313 million yen (\$35,890 thousand) as of and for the year ended 31st March 2015.

16. Segment Information

(1) Outline of Reportable Segments

The Companies' reportable segments are components of the Companies about which separate financial information is available that is evaluated regularly by the management in deciding how to allocate resources and in assessing performance.

Our reportable segments are "The Toa Reinsurance Company, Limited (hereinafter Toa)", "The Toa Reinsurance Co. of America (TRA)" and "The Toa 21st Century Reinsurance Co., Ltd (TTFC)".

The Companies' business is assuming reinsurance, and within the company TRA is in charge of North America area, Toa and TTFC are in charge of others in the main.

(2) Measurement of Sales, Profit or Loss, Assets, Liabilities, and Other Items for Each Reportable Segment

Accounting policies of each reported segment are in a manner consistent with that in the "Significant Accounting Policies"

Profit of each reportable segment shown in the following table represents "Net income".

Inter-segment revenues are measured on the basis of market transactions on arm's length terms.

(3) Application of Accounting Standard for Retirement Benefits, etc.

Regarding the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, issued on 17th May 2012, hereinafter the "Accounting Standard for Retirement Benefits") and the "Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, issued on 26th March 2015, hereinafter the "Guidance on Retirement Benefits"), the Company applied the provisions stated in the main clause of paragraph 35 of the Accounting Standard for Retirement Benefits and in the main clause of paragraph 67 of the Guidance on Retirement Benefits from the fiscal year ended 31st March 2015. Accordingly, the Company reviewed its method of calculating retirement benefit obligations and service costs and changed the mainly attribution method for projected retirement benefits from the straight-line attribution method to the benefit formula method. Also, the Company changed the method for determining the discount rate from the use of the number of years approximate to the average remaining service period of employees as bond maturity, which is the basis of determining the discount rate, to the use of a single weighted average discount rate reflecting the estimated timing and amount of benefit payments.

As a result, profit of "Toa" segment decreased by ¥14 million (\$116 thousand), compared to results calculated by the previous method.

(4) Information about Sales, Profit or Loss, Assets, Liabilities, and Other Items on Each Reportable Segment

For the year ended 31st March 2015

	Millions of yen			
	Reportable segments			Total
	Toa	TRA	TTFC	
Sales				
Sales to external customers	¥164,519	¥ 44,598	¥ (155)	¥208,962
Inter-segment sales or transfers	978	(7,624)	5,628	(1,017)
Total	165,497	36,974	5,473	207,945
Profit by reportable segments	2,634	7,474	1,598	11,707
Assets by reportable segments	489,561	220,453	50,798	760,813
Liabilities by reportable segments	364,201	128,075	10,519	502,796
Other items				
Depreciation	287	64	—	352
Interest and dividends income	13,557	4,871	737	19,166
Interest expenses	1,602	—	—	1,602
Extraordinary loss	234	0	—	235
Provision for reserve under the special law	231	—	—	231
Income tax expense	8,699	3,197	420	12,317

	Thousands of U.S. dollars (Note 1(2))			
	Reportable segments			Total
	Toa	TRA	TTFC	
Sales				
Sales to external customers	\$1,369,052	\$ 371,124	\$ (1,289)	\$1,738,886
Inter-segment sales or transfers	8,138	(63,443)	46,833	(8,463)
Total	1,377,190	307,680	45,543	1,730,423
Profit by reportable segments	21,918	62,195	13,297	97,420
Assets by reportable segments	4,073,903	1,834,509	422,717	6,331,139
Liabilities by reportable segments	3,030,714	1,065,781	87,534	4,184,039
Other items				
Depreciation	2,388	532	—	2,929
Interest and dividends income	112,815	40,534	6,132	159,490
Interest expenses	13,331	—	—	13,331
Extraordinary loss	1,947	0	—	1,955
Provision for reserve under the special law	1,922	—	—	1,922
Income tax expense	72,389	26,603	3,495	102,496

* Sales represent "Net premiums written".

For the year ended 31st March 2014

	Millions of yen			
	Reportable segments			Total
	Toa	TRA	TTFC	
Sales				
Sales to external customers	¥153,827	¥ 46,803	¥ (178)	¥200,452
Inter-segment sales or transfers	(6,406)	(7,937)	16,423	2,079
Total	147,420	38,865	16,244	202,531
Profit by reportable segments	1,722	6,854	1,857	10,435
Assets by reportable segments	468,875	191,115	48,895	708,886
Liabilities by reportable segments	365,722	115,826	11,889	493,438
Other items				
Depreciation	279	64	—	343
Interest and dividends income	9,507	4,574	723	14,804
Interest expenses	1,602	—	—	1,602
Extraordinary income	0	—	—	0
Gain on disposal of fixed assets	0	—	—	0
Extraordinary loss	230	—	—	230
Provision for reserve under the special law	227	—	—	227
Income tax expense	(2,325)	3,212	488	1,375

*Sales represent "Net premiums written".

(5) Reconciliations of Total Reportable Segments Amount to Amount Presented in Financial Statements and Descriptions of Reconciliations

A. Sales

	Millions of yen		Thousands of U.S. dollars (Note 1(2))	
	2015	2014	2015	
Total of reportable segments	¥207,945	¥202,531	\$1,730,423	
Elimination of inter-segment transactions	1,017	(2,079)	8,463	
Other adjustments	—	203	—	
Sales in consolidated financial statements	¥208,962	¥200,655	\$1,738,886	

*Sales represent "Net premiums written".

B. Profit

	Millions of yen		Thousands of U.S. dollars (Note 1(2))	
	2015	2014	2015	
Total of reportable segments	¥11,707	¥10,435	\$97,420	
Elimination of inter-segment transactions	(5,902)	(1,525)	(49,113)	
Net income in consolidated financial statements	¥ 5,805	¥ 8,910	\$48,306	

C. Assets

	Millions of yen		Thousands of U.S. dollars (Note 1(2))	
	2015	2014	2015	
Total of reportable segments	¥760,813	¥708,886	\$6,331,139	
Elimination of inter-segment transactions	(71,182)	(68,346)	(592,344)	
Total assets in consolidated financial statements	¥689,631	¥640,539	\$5,738,795	

D. Liabilities

	Millions of yen		Thousands of U.S. dollars (Note 1(2))	
	2015	2014	2015	
Total of reportable segments	¥502,796	¥493,438	\$4,184,039	
Elimination of inter-segment transactions	(12,500)	(13,188)	(104,019)	
Total liabilities in consolidated financial statements	¥490,296	¥480,250	\$4,080,019	

E. Other items

	Millions of yen		Thousands of U.S. dollars (Note 1(2))
	2015	2014	2015
Interest and dividends income			
Total of reportable segments	¥19,166	¥14,804	\$159,490
Adjustments*	(6,069)	(2,426)	(50,503)
Amounts in consolidated financial statements	¥13,097	¥12,378	\$108,987
Income tax expense			
Total of reportable segments	¥12,317	¥ 1,375	\$102,496
Adjustments*	753	(393)	6,266
Amounts in consolidated financial statements	¥13,071	¥ 981	\$108,770

* Adjustment represents "elimination of inter-segment transactions".

(6) Related Information

For the year ended 31st March 2015

A. Information about revenue derived from its products or services

	Millions of yen							
	Fire	Marine	Personal Accident	Motor	General Liabilities	Life	Others	Total
Sales to external customers	¥64,187	¥9,824	¥12,812	¥20,076	¥27,393	¥56,275	¥18,391	¥208,962

	Thousands of U.S. dollars (Note 1(2))							
	Fire	Marine	Personal Accident	Motor	General Liabilities	Life	Others	Total
Sales to external customers	\$534,134	\$81,750	\$106,615	\$167,063	\$227,952	\$468,294	\$153,041	\$1,738,886

* Sales represent "Net premiums written".

B. Information by geographic area

(a) Sales

Millions of yen			
Japan	United States	Others	Total
¥110,624	¥53,809	¥44,529	¥208,962

Thousands of U.S. dollars (Note 1(2))			
Japan	United States	Others	Total
\$920,562	\$447,773	\$370,550	\$1,738,886

* Sales are classified by country based on the geographic area of customers.

** Sales represent "Net premiums written".

(b) Tangible fixed assets

Millions of yen		
Japan	Others	Total
¥9,505	¥1,013	¥10,519

Thousands of U.S. dollars (Note 1(2))		
Japan	Others	Total
\$79,096	\$8,429	\$87,534

C. Information about major customers

None.

For the year ended 31st March 2014

A. Information about revenue derived from its products or services

	Millions of yen							
	Fire	Marine	Personal Accident	Motor	General Liabilities	Life	Others	Total
Sales to external customers	¥63,374	¥10,337	¥8,695	¥21,197	¥26,398	¥51,009	¥19,644	¥200,655

* Sales represent "Net premiums written".

B. Information by geographic area
(a) Sales

Millions of yen			
Japan	United States	Others	Total
¥116,180	¥51,373	¥33,102	¥200,655

* Sales are classified by country based on the geographic area of customers.

** Sales represent "Net premiums written".

(b) Tangible fixed assets

Millions of yen		
Japan	Others	Total
¥9,612	¥962	¥10,575

C. Information about major customers
None.

(7) Information about Impairment Losses on Fixed Assets by Reportable Segments
None.

(8) Information about Amortization of Goodwill and Carrying Amount by Reportable Segments
None.

(9) Information about Gains on Negative Goodwill by Reportable Segments
None.

17. Related Party Transactions

There are no material transactions with related parties to report for the fiscal years ended 31st March 2015 and 2014.

18. Per Share Information

	Yen		U.S. dollars (Note 1(2))
	2015	2014	2015
Net assets per share	¥2,146.33	¥1,745.65	\$17.86
Net income per share	62.94	97.56	0.52

* There are no potential common shares, therefore diluted net income per share is not described.

** Basis for computing net income per share is as follows:

	For the fiscal year ended 31st March 2015	For the fiscal year ended 31st March 2014
Net income (Millions of yen)	¥ 5,805	¥ 8,910
Amounts not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to common shareholders (Millions of yen)	¥ 5,805	¥ 8,910
Average number of common shares outstanding for the year (Thousand shares)	92,231	91,328

***As described in "Change in Accounting Policies", the application of the Accounting Standard for Retirement Benefits and the Guideline on Retirement Benefits is subject to the transitional accounting treatment set forth in paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net assets per share decreased by ¥1.34 (\$0.01) and net income per share decreased ¥0.16 (\$0.00) for the fiscal year ended 31st March 2015.

19. Significant Subsequent Events after Balance Sheet Date

The Company has resolved to transfer the treasury stock by third party allotment for the purpose of the capital adequacy at the general shareholders' meeting held on 26th June 2015.

The details of the resolution are as follows:

- (1) Type of the shares to be transferred
Common stock
- (2) Number of the shares to be transferred
5,000,000 shares (the upper limit)
- (3) Transfer price
¥647 per share (the lower limit)

The Board of Directors of the Company has been delegated on the decision of specific conditions regarding this transfer.

Related Information to the Consolidated Financial Statements

1. The Details of Corporate Bonds

Issuer	Series	Issue Date	As of 1st April 2014	As of 31st March 2015	Coupon (%)	Collateral	Maturity
The Toa Reinsurance Company, Limited	Toa Reinsurance #1 Step-up Callable Subordinated Notes (only for Qualified Institutional Investors)	21st March 2012	¥30,000 million \$249,646 thousand (Note 1(2))	¥30,000 million \$249,646 thousand (Note 1(2))	5.34	None	20th July 2062

(Note) There is no amount to mature within 5 years after 31st March 2015.

2. The Details of Borrowings

	Millions of yen		Average interest rate (%)	The term of repayment
	As of 1st April 2014	As of 31st March 2015		
Lease liabilities due in 1 year or less	¥ 61	¥101	—	—
Lease liabilities (except for those due in 1 year or less)	113	149	—	From 1st April 2016 to 30th November 2020
Total	¥174	¥251	—	—

	Thousands of U.S. dollars (Note 1(2))		Average interest rate (%)	The term of repayment
	As of 1st April 2014	As of 31st March 2015		
Lease liabilities due in 1 year or less	\$ 507	\$ 840	—	—
Lease liabilities (except for those due in 1 year or less)	940	1,239	—	From 1st April 2016 to 30th November 2020
Total	\$1,447	\$2,088	—	—

(Notes)

- (a) The above amount is included in “Other liabilities” in the consolidated balance sheet.
- (b) “Average interest rate” on lease liabilities is not stated above because lease liabilities in the consolidated balance sheet are recognized without deducting lease interest included in the total lease charges.
- (c) The repayment for the lease liabilities (except for those due in 1 year or less) scheduled within 5 years following the consolidated balance sheet date are as follows:

	(Millions of yen)			
	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
Lease liabilities	¥89	¥43	¥15	¥1

	(Thousands of U.S. dollars (Note 1(2)))			
	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
Lease liabilities	\$740	\$357	\$124	\$8

3. The Details of Asset Retirement Obligations

None.

About Independent Auditors

Independent auditors for the year ended 31st March 2015 were Ernst & Young ShinNihon LLC.

Independent Auditors' Report

The Board of Directors
The Toa Reinsurance Company, Limited

We have audited the accompanying consolidated financial statements of The Toa Reinsurance Company, Limited and its consolidated subsidiaries, which comprise the consolidated balance sheet as of 31st March 2015, and the consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Toa Reinsurance Company, Limited and consolidated subsidiaries as of 31st March 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

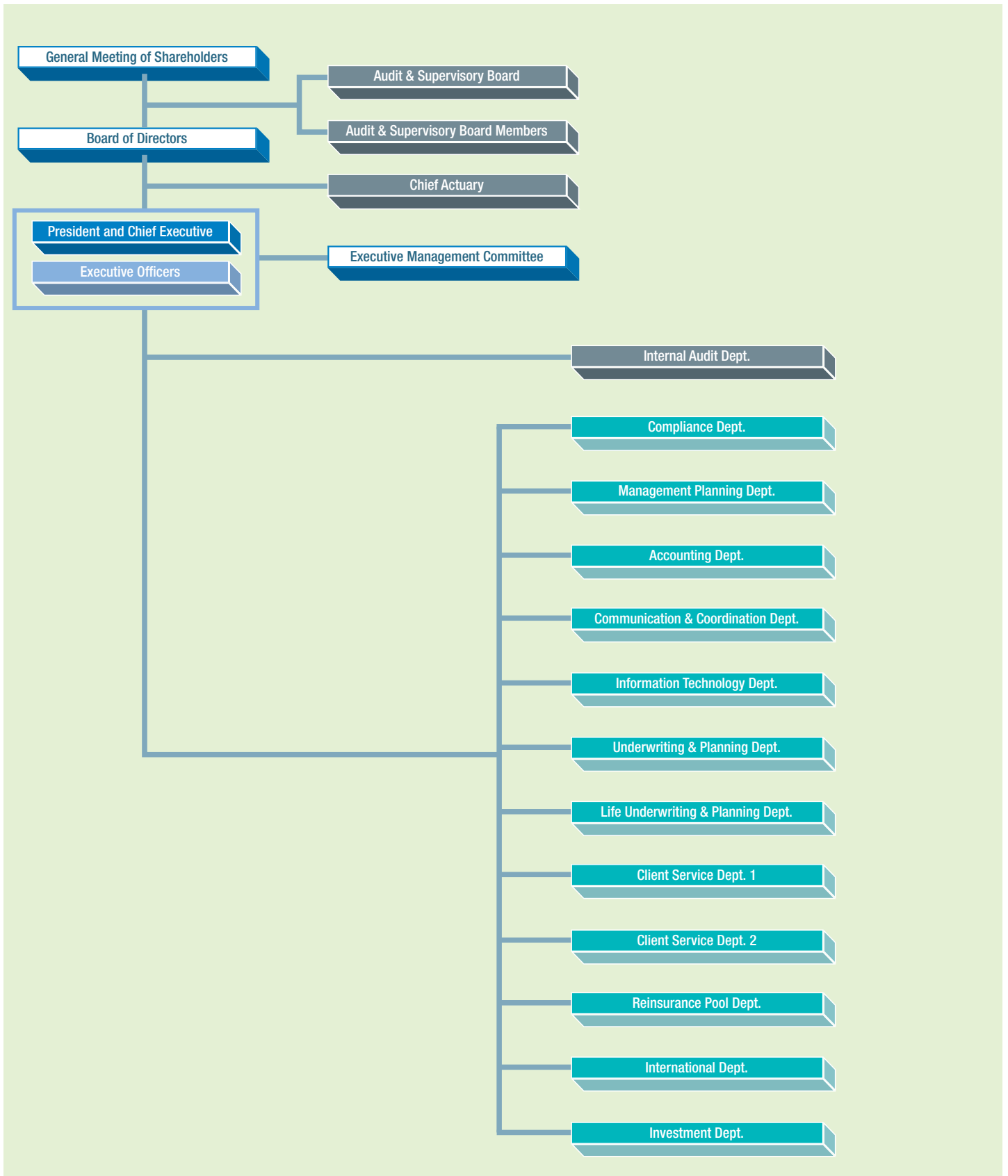
We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1(2).

Ernst & Young ShinNihon LLC

26th June 2015
Tokyo, Japan

Organization

The Toa Reinsurance Company, Limited
As of 30th June 2015



Board of Directors

The Toa Reinsurance Company, Limited
As of 30th June 2015

PRESIDENT AND CHIEF EXECUTIVE

Tomoatsu Noguchi

MANAGING DIRECTORS

Tetsuro Kanda
Toshiyuki Sugawara

DIRECTORS

Kazuhiro Oura
Masaaki Matsunaga
Hironori Mishina
Ryosaku Minato
Hiromi Asano
Daisuke Kuyama

AUDIT & SUPERVISORY BOARD MEMBERS

Katsumi Deguchi
Yutaka Okazaki
Jun Kimura
Kazuyoshi Ozeki

Corporate Data

The Toa Reinsurance Company, Limited
As of 31st March 2015

HEAD OFFICE

6, Kanda-Surugadai 3-chome,
Chiyoda-ku, Tokyo 101-8703, Japan
Telephone: 81-3-3253-3171
Facsimile: 81-3-3253-1208
URL: <http://www.toare.co.jp>

DATE ESTABLISHED

15th October 1940

NUMBER OF SHARES OF COMMON STOCK

Authorized: 400,000,000
Issued: 100,000,000

PAID-IN CAPITAL

¥ 5,000 million

TOTAL ASSETS

¥ 489,561 million

NUMBER OF EMPLOYEES

329

LINES OF BUSINESS

Reinsurance of the following:
Fire Insurance
Marine Insurance
Transit Insurance
Personal Accident Insurance
Voluntary Automobile Insurance
Compulsory Automobile Liability Insurance
General Liability Insurance
Shipowners' Liability Insurance for Passengers' Personal Accident
Workers' Accident Compensation Liability Insurance
Aviation Insurance
Credit Insurance
Guarantee Insurance (including Surety Bond)
Glass Insurance
Machinery Insurance
Contractors' All Risks Insurance
Atomic Energy Insurance
Movables Comprehensive Insurance
Theft Insurance
Windstorm and Flood Insurance
Boiler and Turbo-Set Insurance
Livestock Insurance
Miscellaneous Pecuniary Loss Insurance
Life Insurance
Pet Insurance

