

Tokio Marine Group Business Strategy

May 27, 2021



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◆ Abbreviations used in this material

TMNF :	Tokio Marine & Nichido Fire Insurance Co., Ltd.
NF :	Nisshin Fire & Marine Insurance Co., Ltd.
TMNL :	Tokio Marine & Nichido Life Insurance Co., Ltd.
PHLY:	Philadelphia
DFG:	Delphi
TMHCC:	Tokio Marine HCC
TMK:	Tokio Marine Kiln

I

Review of Previous Mid-Term Business Plan

Review of Previous MTP (Quantitative)

Achieved the plan despite facing various issues including natural catastrophes and COVID-19 through steadily boosting our capabilities

Sustainable profit growth

Enhance capital efficiency

Enhance shareholder return

Previous MTP Adjusted net income: 3-7% CAGR

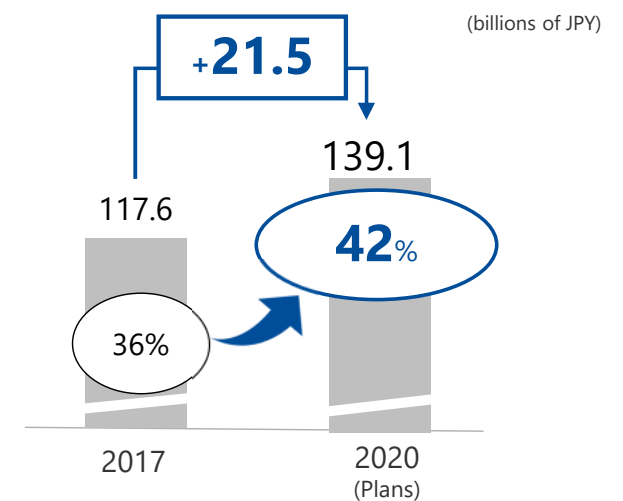
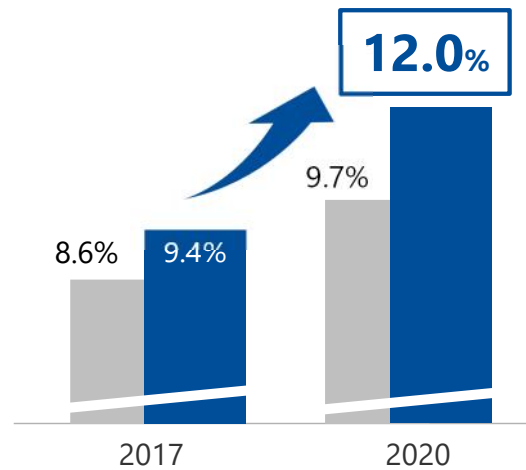
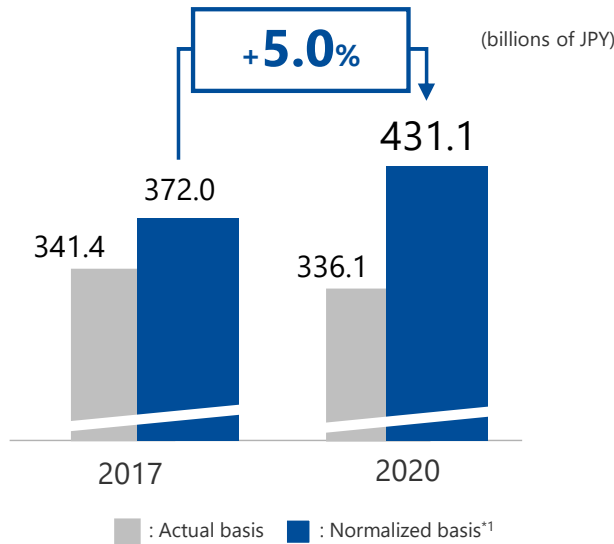
Previous MTP Adjusted ROE: 10% or higher

- Previous MTP
- Sustainably increase dividends along with profit growth
 - Gradually increase the payout ratio towards future vision of the Group

Adjusted net income

Adjusted ROE

Total dividends/payout ratio*2



*1: Excluding the impact of COVID-19, natural catastrophes over annual average, and adjusted the market condition (FX and stock price) to the same level as at the end of Mar. 2018.

*2: Payout ratio to 5-year average adjusted net income

Review of Previous MTP (Enhancement of Global Management Team)

Management team overcame various issues and further enhanced global management capabilities



Natural catastrophes

COVID-19

Social Inflation

Low interest rates

Group CEO / CCO Culture

C-Suite includes overseas top management

CFO Financial	CWO Wellness
CSSO Strategy and Synergy	CLCO Legal and Compliance
CRO Risk	CITO Information Technology
CDO Digital	CISO Information Security
CRSO Retention Strategy	CSUO Sustainability
CIO Investment	CDIO Diversity & Inclusion
CHRO Human Resources	







Overseas top management

	Donald Sherman Co-CIO
	Christopher Williams Co-CRSO Co-Head of International Business

Utilization of Global Committee, etc.

- ERM Committee
- International Executive Committee (IEC)
- Digital Round Table
- Global Retention Strategy Committee (GRSC)
- Global Investment Strategy Committee (GISC)
- Global Information Technology Committee
- Sustainability Committee

Appropriate application of expertise on global basis

TMK CEO  Brad Irick (Transferred from TMHCC)	Specialty  Philippe Vezio (Transferred from TMHCC to TMAAsia)
Legal / HR  Caryn Angelson (Additional posts: TMNAS and TMHD)	Cyber Insurance  Daljitt Barn
Reinsurance  Barry Cook	Reserving  Daniel Thomas

- Retention / reinsurance strategy by GRSC
- Global joint purchase of reinsurance programs

- Post-COVID strategy established by Post-COVID Task Force

- Increased reserves based on detailed review by the Reserves Committee
- Forward-looking rate increase and limit reduction

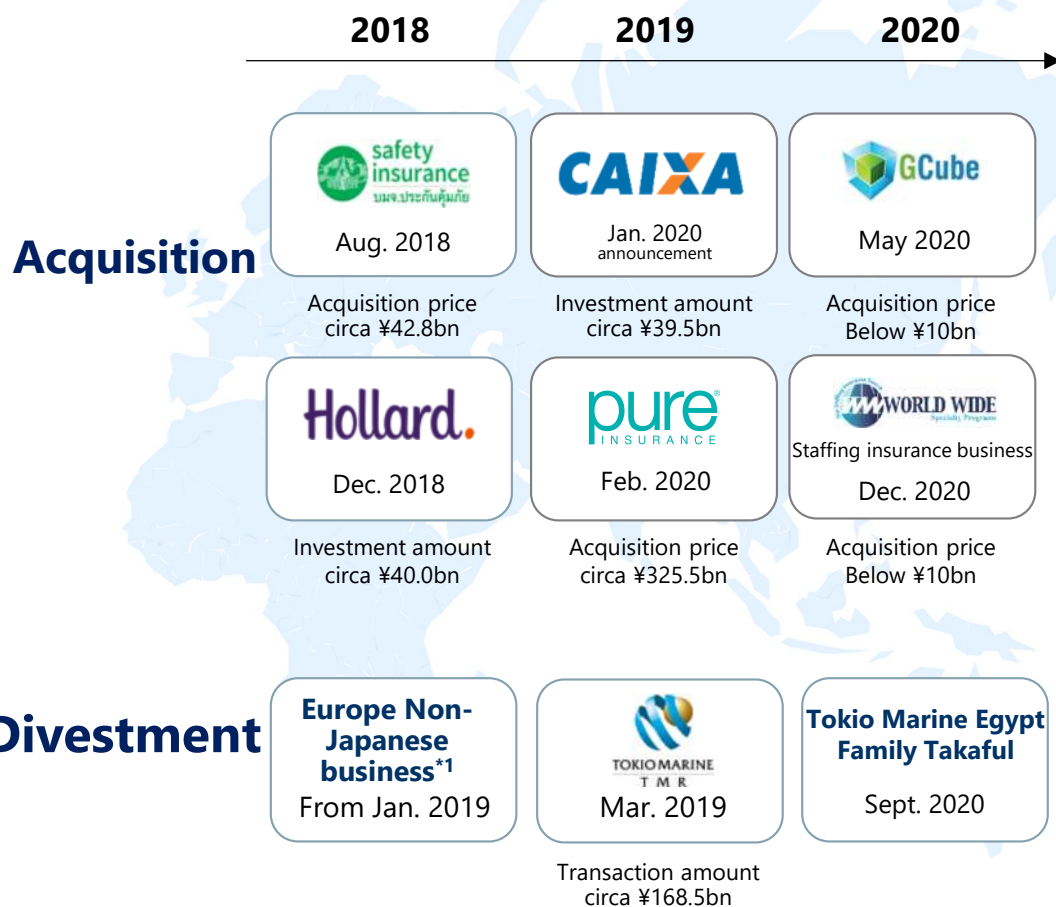
- Investment synergies through GISC

Even stronger management team

Review of Previous MTP (Optimization of Insurance Portfolio)

- Insurance portfolio performance management is our core strength
- Conduct forward-looking reviews and invest in growth areas to optimize our diversified portfolio

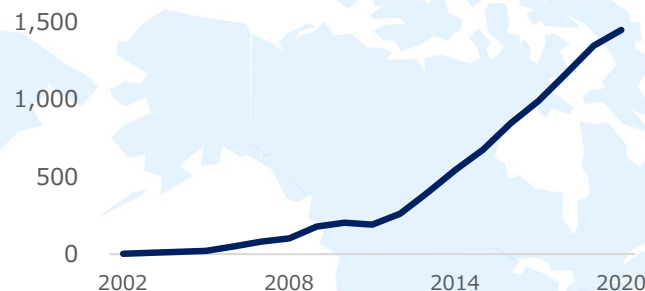
Portfolio optimization initiatives



(Reference) Results of past portfolio management

International Insurance: Cumulative profit*2

(billions of JPY)

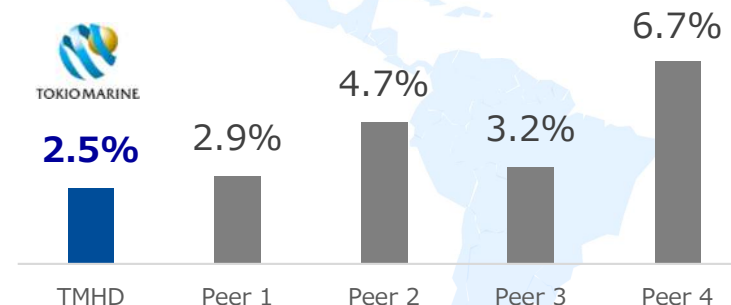


Results of five major acquisitions since 2008*3

Total acquisition cost: ¥2.1 trillion

Cumulative profit: ¥1.1 trillion

Impact of COVID-19 related losses on premium*4



*1: UK non-Japanese business and some unprofitable non-Japanese businesses in other European regions (continue Lloyd's business)

*2: Business unit profit basis.

*3: TMK, PHLY, DFG, TMHCC, Pure. Cumulative profit on business unit profit basis from time of acquisition up to FY2020.

*4: Ratio of net incurred losses for COVID-19 in FY2020 to net premiums earned in FY2019.

TMHD's figure is on non-compulsory insurance basis. Net incurred loss excludes domestic auto insurance result which had a large loss ratio improvement effect from COVID-19. Peers are Allianz, AXA, Chubb, and Zurich. (Source) D&P research



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Strategy and Current Positioning

Milestones and Strategy

With the fast and planned implementation of management strategy, achievement of the medium- to long-term target (milestone) is within view



Milestone
Adjusted net income: Over ¥500bn
Adjusted ROE: About 12%
Payout Ratio: Global Peer Level*

*: Payout ratio of global peers is currently circa 50%.

Strong Group franchise

Established top-class businesses in Japan and overseas through portfolio optimization together with internal growth

Region	Position	Strength
Japan	Continue generating stable income as a No.1 company in both top-line and bottom-line results	<p>Above-market top-line growth (+0.6pt)^{*1}</p> <p>Below-market expense ratio (-2.5pt)^{*2}</p>
Overseas	World-class status centered on specialty areas and achieved a high level of stable profitability	<p>US: Stable C/R that outperforms peers (-7.0pt)^{*3}</p>
		<p>UK: C/R that outperforms peers (-5.2pt)^{*4}</p>
	Strong position in high growth potential markets to capture growth	<p>Top-line growth (+2.2pt) that exceeds fast growing markets^{*5}</p>

*1: 2010-2019 CAGR

*2: 2019

*3: 2015-2020 average

*4: 2015-2020 average

*5: 2015-2019 average

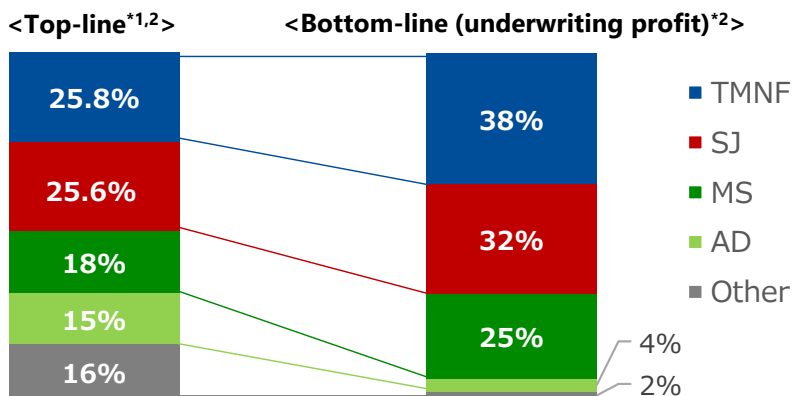
See pages 9-10 for details

(Reference) Positioning of Domestic Non-life Insurance

Continue generating stable income as a No.1 company in both top-line and bottom-line results

No.1 in top-line and bottom-line

Average FY2017-2019 (market share of each company)

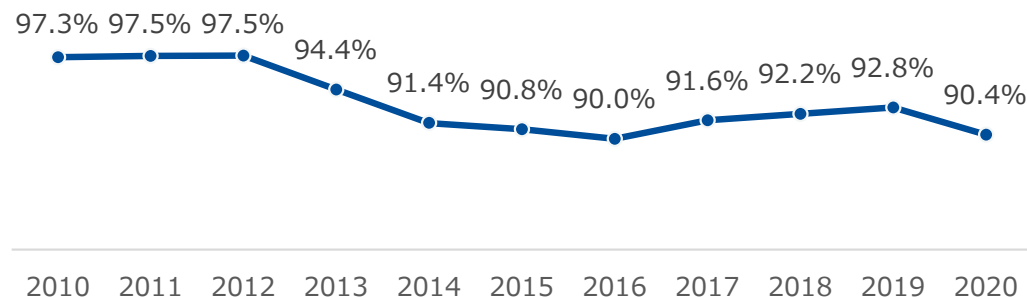


Stable profitability for more than a decade

<Combined Ratio^{*4}>

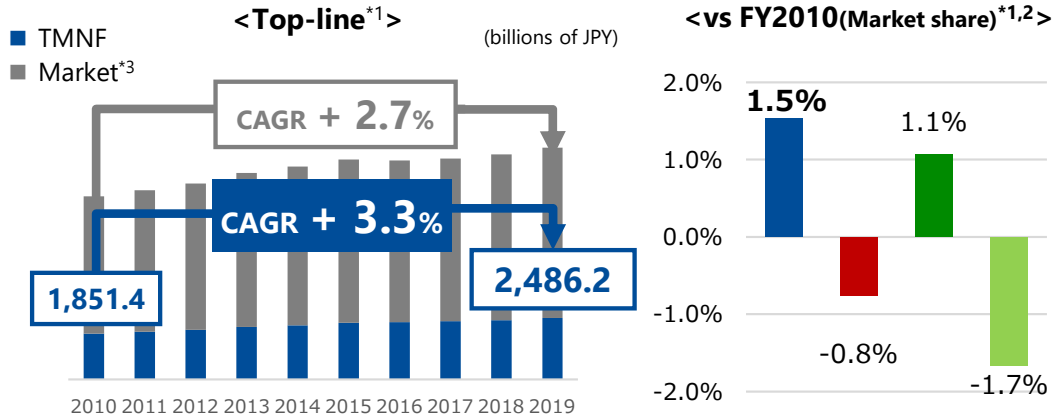
FY2010-2020
Average: 92.9%

FY2016-2020
Average: 91.4%

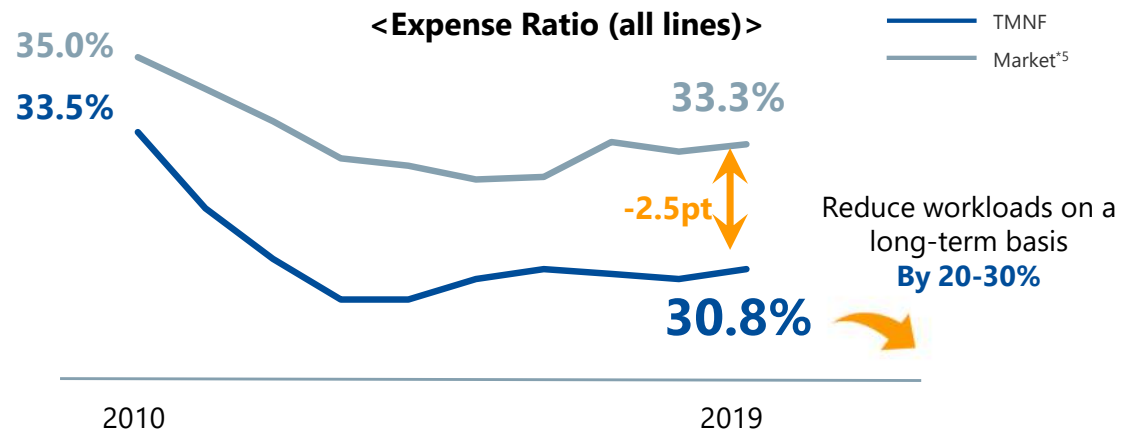


*4: Natural catastrophes normalized to an average annual level

Top-line growth outperforming the market



Superior business efficiency



*1: Direct net premiums written
*2: Total of the members of The General Insurance Association of Japan. Source: Website of the General Insurance Association of Japan, company websites
*3: Total of the members of The General Insurance Association of Japan. Source: Website of the General Insurance Association of Japan, Insurance Statistics (Sompo Toukeigo)

*5: Total of the members of The General Insurance Association of Japan (excluding TMNF). Source: Website of the General Insurance Association of Japan

(Reference) Positioning of International Insurance

- **Developed markets: World-class status centered on specialty areas and achieved a high level of stable profitability**
- **Emerging markets: Strong position in high growth potential markets to capture growth**

Developed markets

Emerging markets

US Commercial*1

Top 10
Leading Player
in Specialty Market

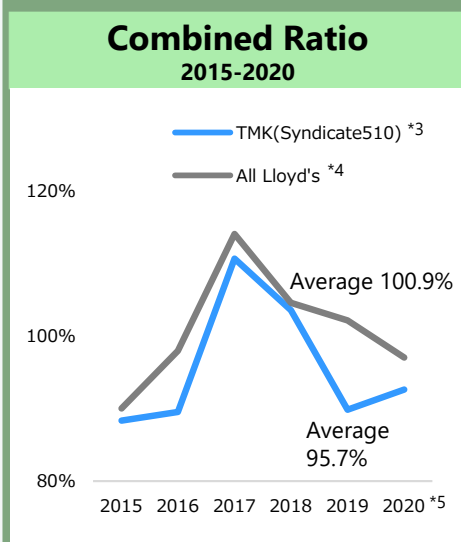
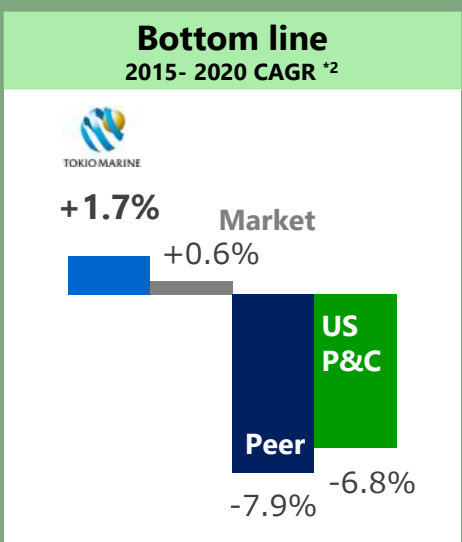
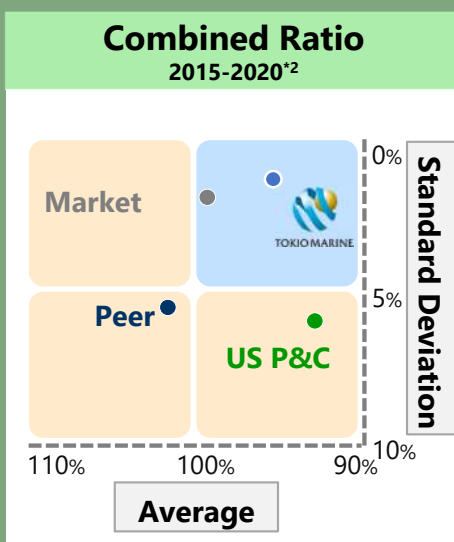
UK Lloyd's

Leading Player

Emerging markets total

Top line*6
2015-2019 CAGR

+9.8%
(vs Market +2.2 pt)



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

*1: US Commercial P&C direct premiums written in FY2020 (Source) S&P Global

*2: Tokio Marine's C/R is total C/R of North America. Bottom line is after-tax profit of PHLI, DFG, TMHCC, and Pure on a local financial accounting basis. C/R and bottom-line of the below are those of their US P&C business.

Market: All US non-life insurers

Peer: Median of Allianz, AXA, Chubb, and Zurich

US P&C: Median of non-insurers selected by Tokio Marine whose main business is US Commercial and market capitalization at or above ¥4 trillion (Chubb, Travelers, and AIG) (Source) S&P Global

*3: Local management accounting basis

*4: (Source) Lloyd's Annual Report

*5: Excluding the impact of COVID-19

*6: Non-life premiums: NWP for TMHD and GWP for Market (Source) Swiss Re

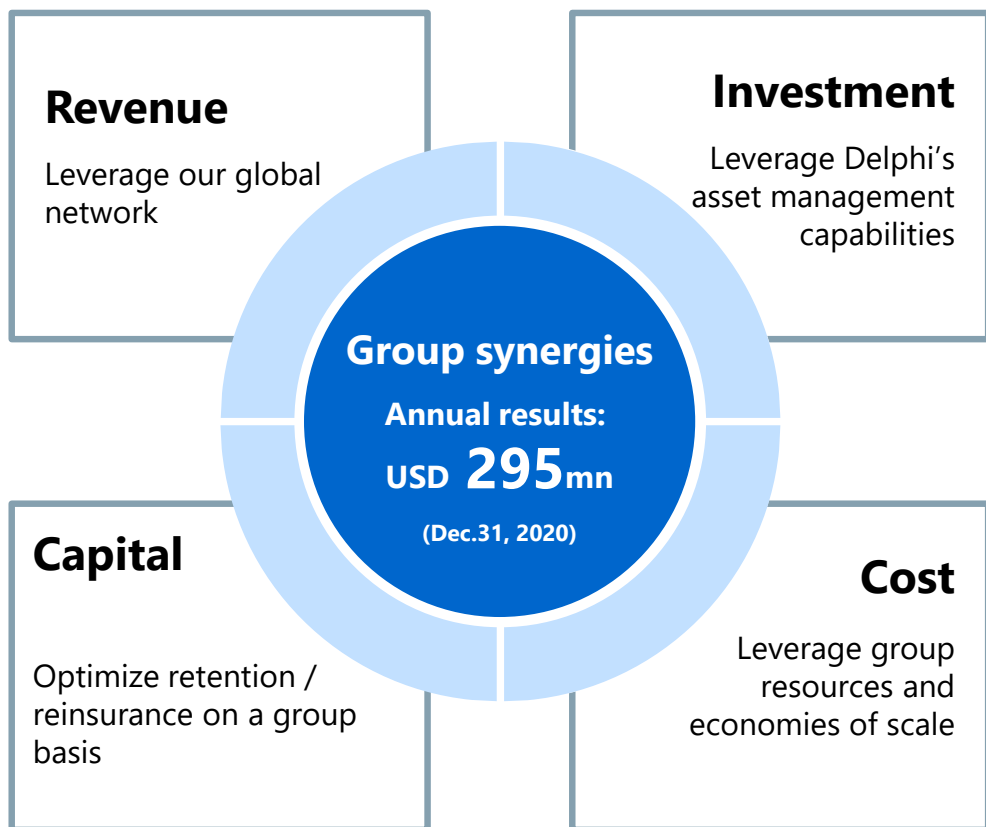
*7: Source: Brazil: SUSEP; Thailand: local insurance rating organization

*8: On a local currency basis

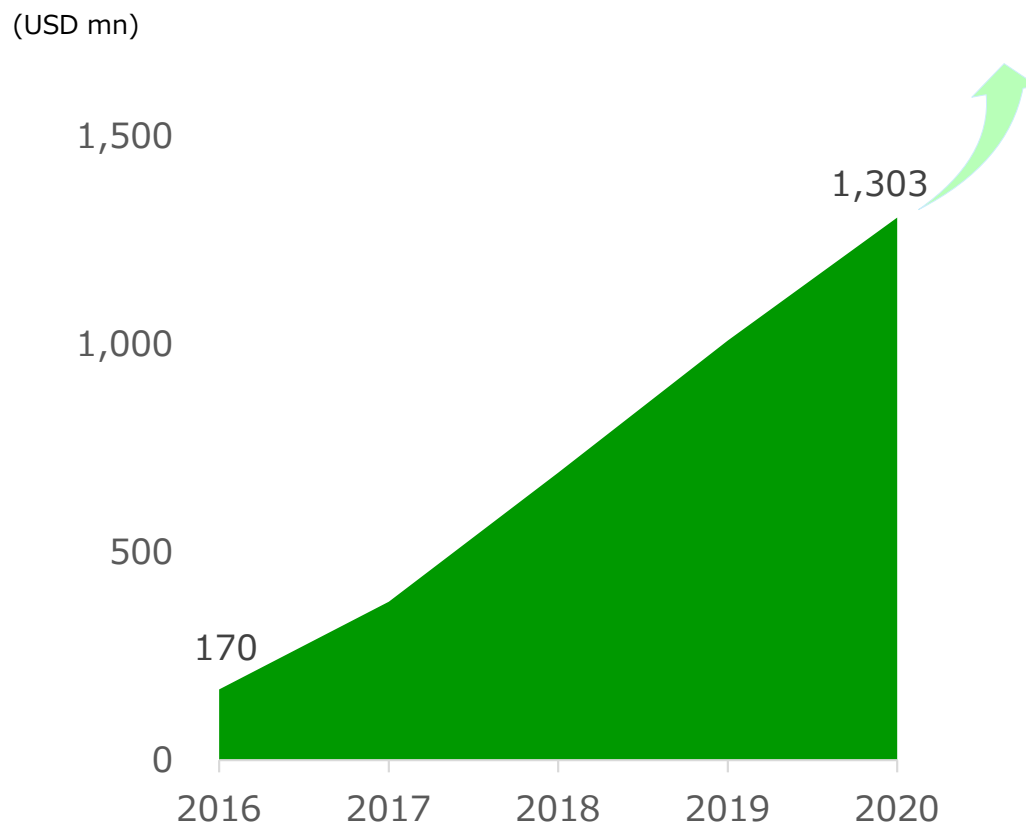
Group Synergy

The strong global franchise enables Tokio Marine Group to create various synergies by leveraging on each Group company's network and expertise

Group synergies



Impact on profits from Group synergies (cumulative)

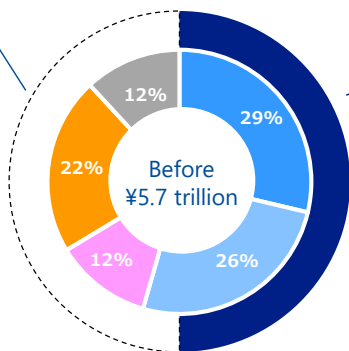


Risk Diversification and Growth

Diversify risks and sustainably expand business

Risk diversification

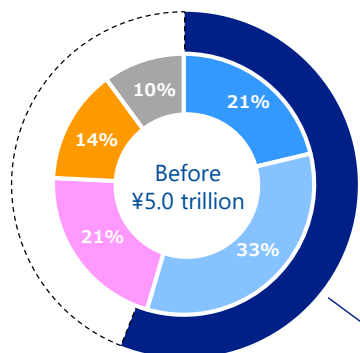
FY2020 Diversification effects **50%**



Risk after diversification

¥2.9 trillion

FY2014 Diversification effects **44%**



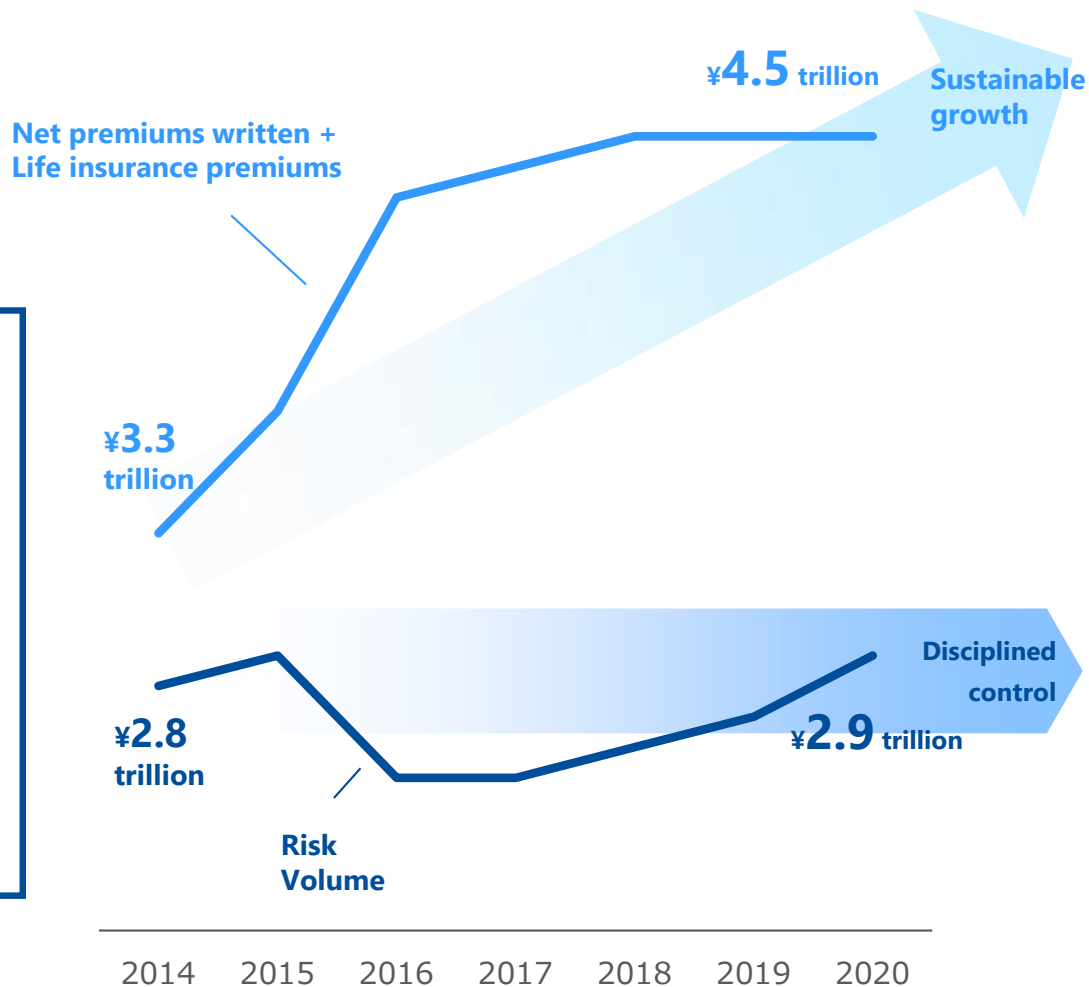
Risk after diversification

¥2.8 trillion

- **Domestic non-life (underwriting)**
Control of nat-cat risk
- **Domestic non-life (investment)**
Reduction of business-related equities risk
- **Domestic life**
Control of interest rate risks
Shift to protection-type products
- **International insurance**
Diversification improvements with business expansion

■ Others: Financial and General businesses, FX risk derived from net capital investments, etc.

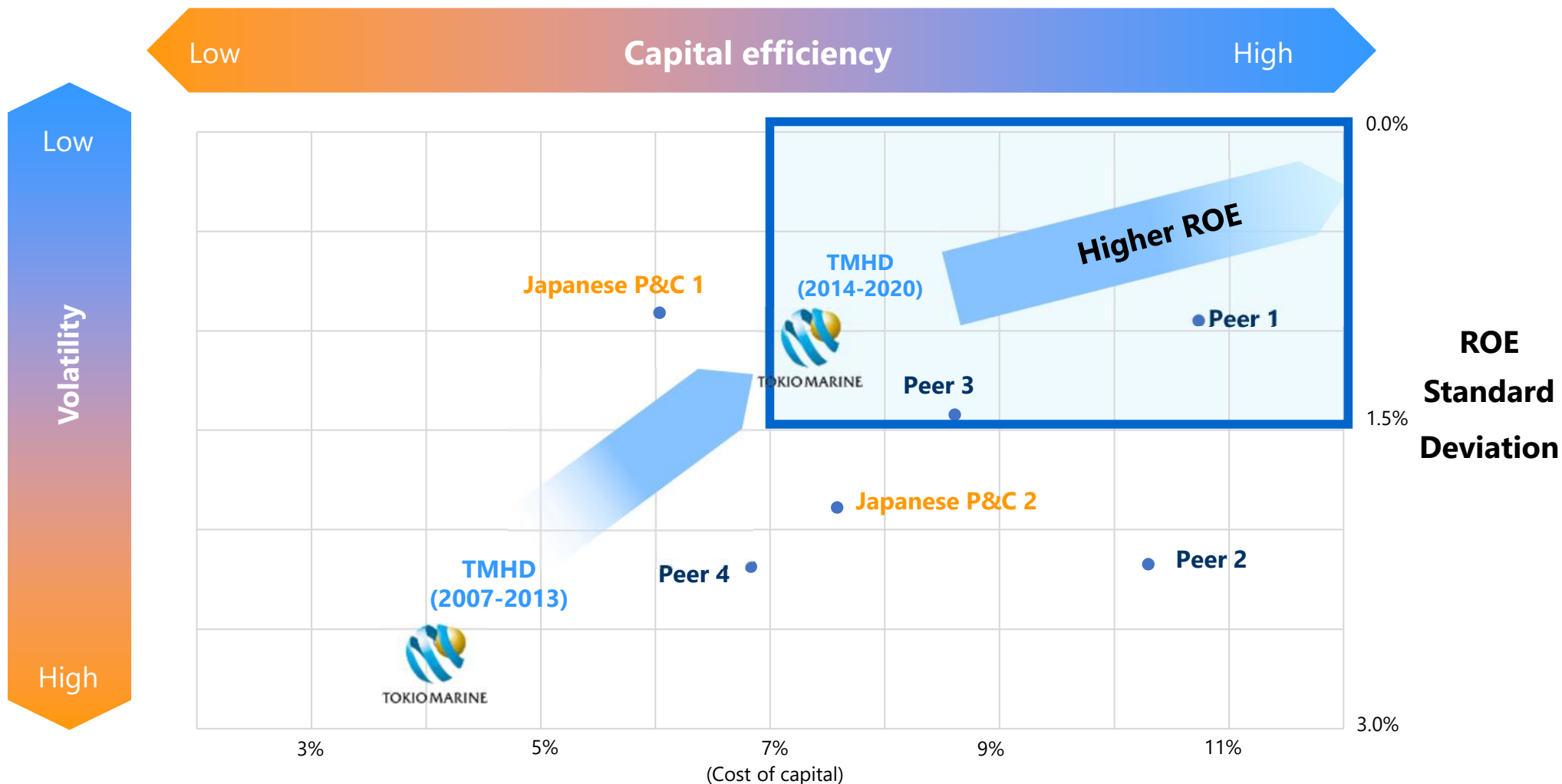
Trends of premiums and risks*



*: ESR risk (99.95% VaR, after tax basis)

Stable ROE Improvement

By enhancing profitability and risk diversification, ROE has stably increased to peer level



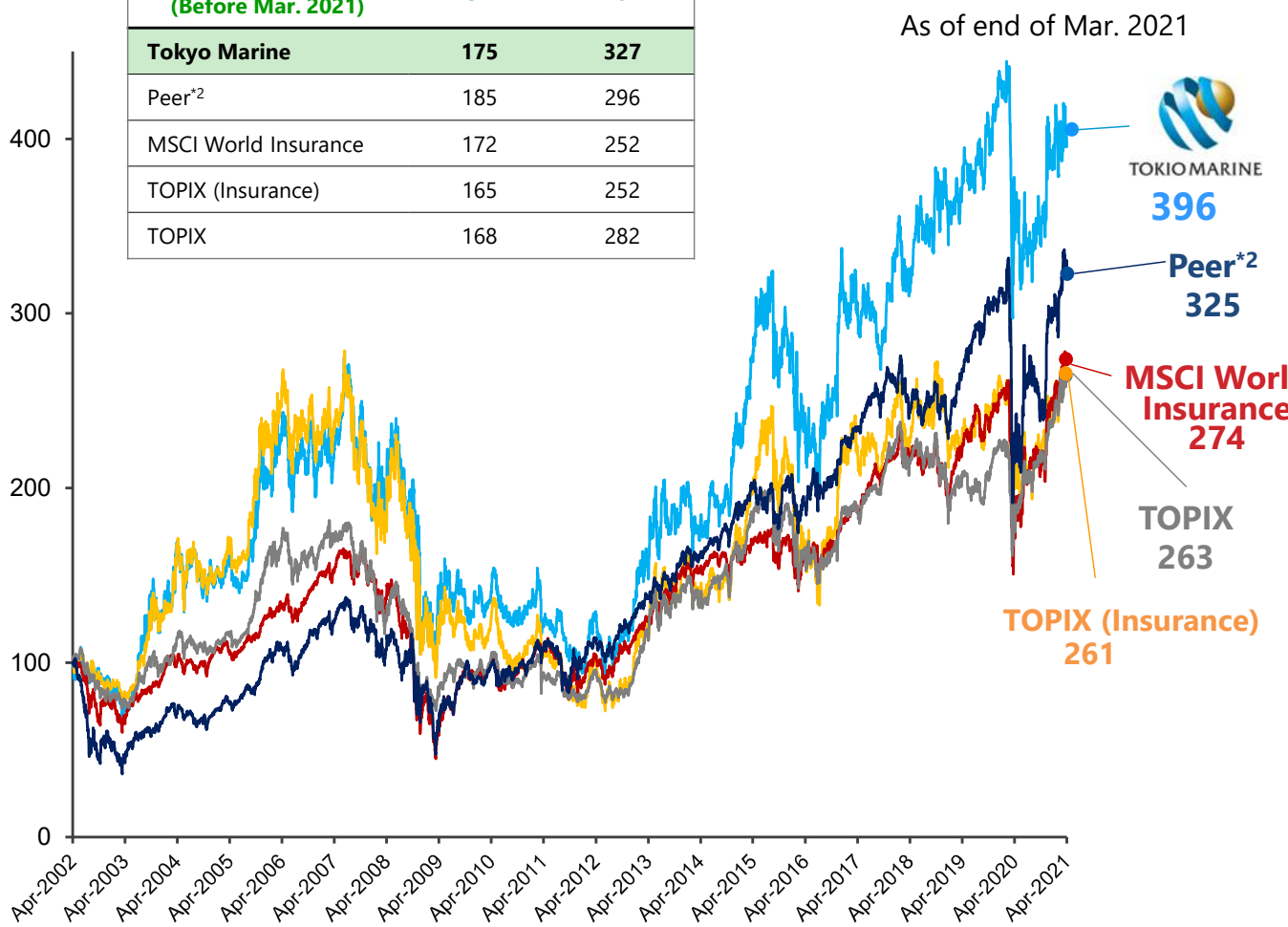
ROE: Financial accounting basis.
 Figures for other companies are 2014-2020 averages. (2017 of AXA is excluded).
 Peer: Allianz, AXA, Chubb, Zurich Source: Bloomberg

Strong Track Record

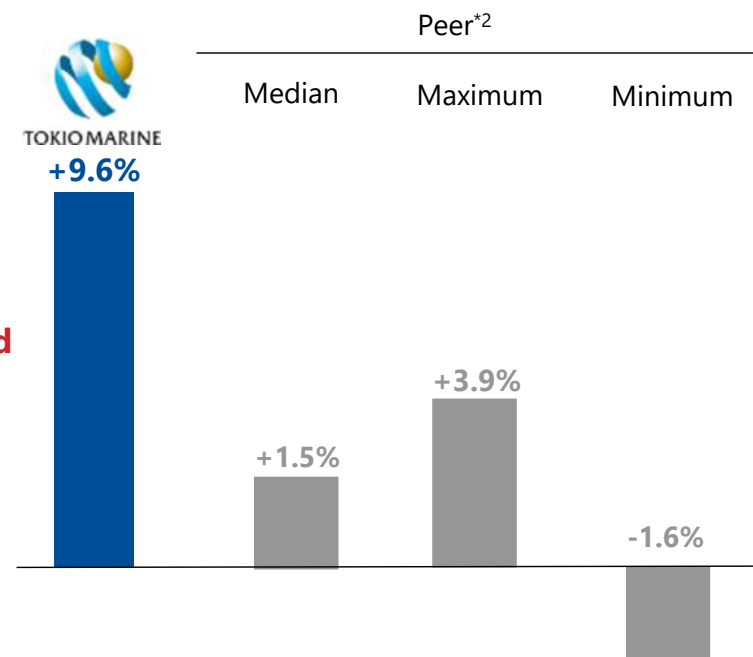
Resulted in TSR and EPS above-market and our peers

TSR*1

Performance (Before Mar. 2021)	5Y	10Y
Tokyo Marine	175	327
Peer*2	185	296
MSCI World Insurance	172	252
TOPIX (Insurance)	165	252
TOPIX	168	282



EPS*3 CAGR (2010-2020)



Source: Bloomberg

*1: Total Shareholder Return (TSR): Capital return after reinvesting dividends. Stock price indexed at 100 as of April 1, 2002.

*2: Allianz, AXA, Chubb, Zurich * 3. Financial accounting basis

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III

Management and Sustainability



Our Purpose (Why do we exist?)

- Since our founding, our purpose has been to “protect our customers and society in times of need,” and by contributing to resolution of various social issues that change with the eras, we have achieved sustainable long-term growth
- Our business is resolution of social issues

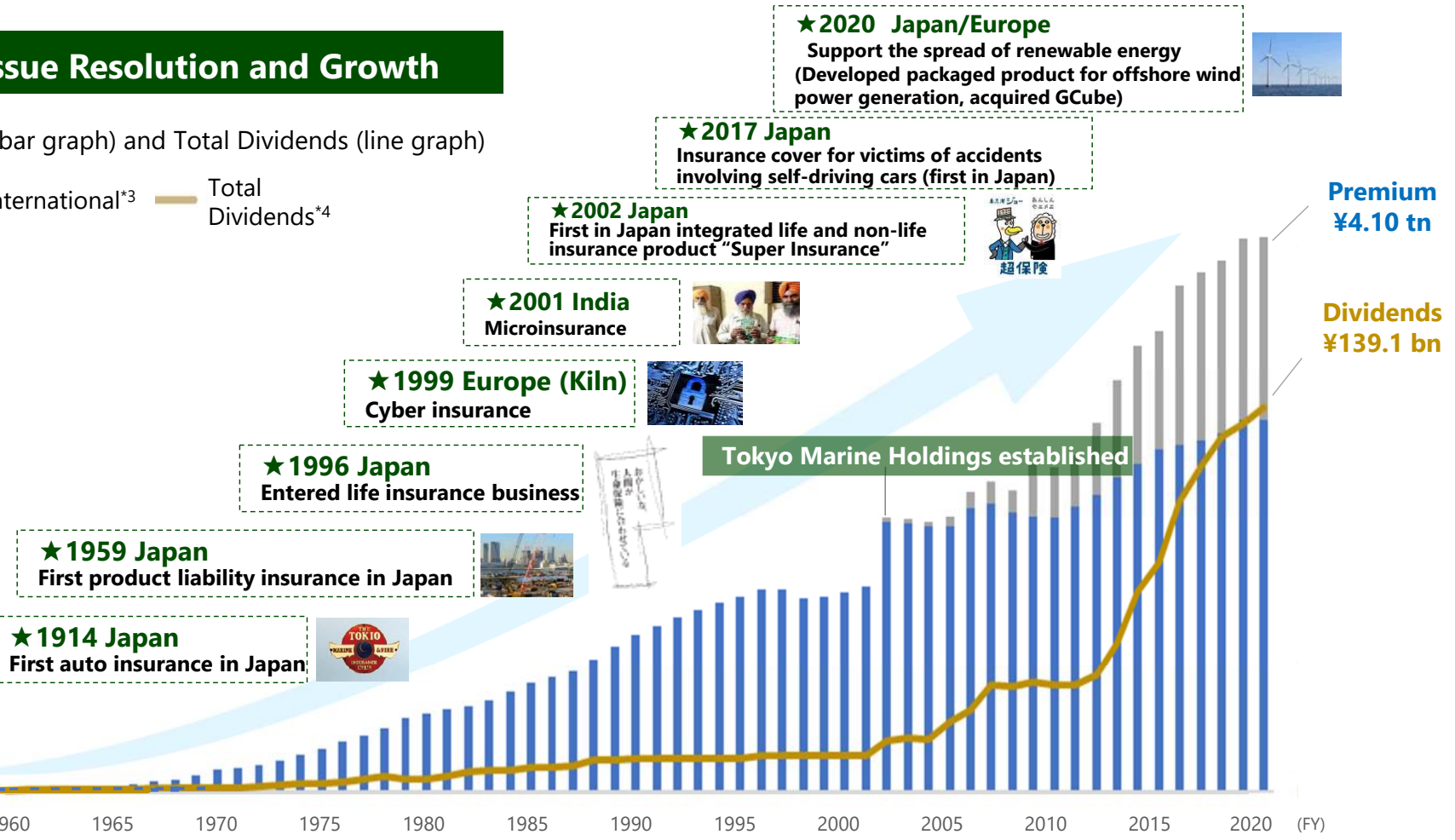
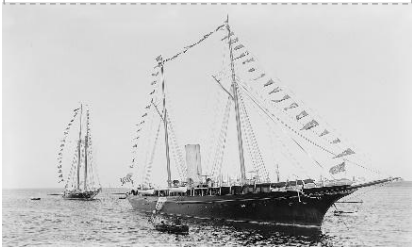
History of Social Issue Resolution and Growth

Direct Net Premiums Written*1 (bar graph) and Total Dividends (line graph)

■ Domestic Non-Life*2 ■ International*3 — Total Dividends*4

Founded as the first insurance company in Japan

Contributed to the development of Japan's economy and society by protecting trade cargo from maritime accidents through marine insurance



Premium
¥4.10 tn

Dividends
¥139.1 bn

★1914 Japan
First auto insurance in Japan

★1959 Japan
First product liability insurance in Japan

★1996 Japan
Entered life insurance business

★1999 Europe (Kiln)
Cyber insurance

★2001 India
Microinsurance

★2002 Japan
First in Japan integrated life and non-life insurance product "Super Insurance"

★2017 Japan
Insurance cover for victims of accidents involving self-driving cars (first in Japan)

★2020 Japan/Europe
Support the spread of renewable energy (Developed packaged product for offshore wind power generation, acquired GCube)

Tokyo Marine Holdings established

*1. Excludes deposit premiums from policyholders *2. Shows premiums from Tokio Marine from FY2001 and prior, and combined premiums from Tokio Marine & Nichido and Nisshin Fire, etc. from FY2002 onward *3. Shows premiums from FY2002 onward when Tokio Marine Holdings was established *4. Does not include one-time dividends provided as capital level adjustment

Our Purpose (What are we aiming for?)

- **Contribute to the realization of sustainable society and simultaneously enhance our social value and economic value (profit growth) by circulating business-oriented social issue resolution initiatives**
- **Established Group Sustainability Officer and Sustainability Committee (consisting of CEO and C-suite) in April 2021 to accelerate our initiatives**

Values provided to the stakeholders and Materiality

Our Vision

Materiality

For Customers

- Contributing to the realization of healthy and enriched lives of our customers by delivering safety and security and by supporting them in challenges that lead to the future

- Promote climate actions
- Support people’s healthy lives
- Enhance disaster resilience
- Support and create digital-oriented innovations, etc.

For Society

- Contributing to creating a sustainable society where can live in safety and security, and take on any challenges

For Shareholders / Investors

- Sustainable growth of shareholder returns
- Working to gain the trust of shareholders / investors and improve corporate value through appropriate disclosure and constructive dialogue

- Disclosures in a timely, appropriate and transparent manner

For Employees

- Contributing to employees’ high performance by providing opportunities to work brightly and vibrantly and through engagement

- Promote and penetrate D&I

For Future Generations



- Passing on a sustainable environment to the future generations

- Promote climate actions
- Educate and raise awareness of children, etc.

Our Purpose (How will we do it?)




- Derivation of 4 medium- to long-term core themes from materiality
- Create value through steady implementation

Economic value **Social value** : Main elements improved with the initiatives

Stakeholders	 For Customers		For Society 	
Materiality (★Core themes)	Promote climate actions(★)	Support people’s healthy lives(★)	Enhance disaster resilience(★)	Support and create digital-oriented innovations
Core Initiatives	<ul style="list-style-type: none"> • Provide and develop insurance & service that promotes use of renewable energy (Established Group-wide “Green Transformation Task Force” to accelerate the initiative) 	<ul style="list-style-type: none"> • Disseminate / promote health management supporting service further • Develop / provide new healthcare service and support asset formation / saving needs to cope with longevity risk (products / services) 	<ul style="list-style-type: none"> • Products and services that support disaster prevention / reduction and early recovery • Invest in business that works on establishing resilient environment • Support formulation of Business Continuity Plan (BCP) in collaboration with local governments and companies • Build a sustainable fire insurance system 	<ul style="list-style-type: none"> • New products and services using digital technology, etc. • Protection for increasing cyber risks (products / services) • Products and services for development of corporations such as SME support
Values Created	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #003366; color: white; padding: 2px;">Economic value</div> <div style="background-color: #006633; color: white; padding: 2px;">Social value</div> </div> <ul style="list-style-type: none"> • Initiatives related to renewable energy, etc.: see page 27 	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #003366; color: white; padding: 2px;">Economic value</div> <div style="background-color: #006633; color: white; padding: 2px;">Social value</div> </div> <ul style="list-style-type: none"> • Response to demands for health care services, asset formulation and savings, etc.: see pages 27, 31, 40, 57 	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #003366; color: white; padding: 2px;">Economic value</div> <div style="background-color: #006633; color: white; padding: 2px;">Social value</div> </div> <ul style="list-style-type: none"> • Contribution to disaster prevention / reduction and early recovery, and building sustainable fire insurance system, etc.: see pages 28, 40 	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #003366; color: white; padding: 2px;">Economic value</div> <div style="background-color: #006633; color: white; padding: 2px;">Social value</div> </div> <ul style="list-style-type: none"> • Products and services using digital technology, protection against cyber risks, and initiatives to support SMEs, etc.: see pages 27, 40

Our Purpose (How will we do it?)

Economic value **Social value** : Main elements improved with the initiatives

Stakeholders	For Shareholders / Investors 	For Employees 	For Future Generations 	
Materiality (★ Core themes)	Disclosures in a timely, appropriate and transparent manner	Promote and penetrate D&I(★)	Promote climate actions(★)	Educate and raise awareness of children
Core Initiatives	<ul style="list-style-type: none"> Promote appropriate disclosure practices by enhancing intelligence including TCFD-related matters 	<ul style="list-style-type: none"> Promote diversity / disseminate D&I culture Share best practice across the Group Make efforts to improve operations though human rights due diligence, etc. 	<ul style="list-style-type: none"> Realize carbon neutral through engagement with investees / customers, etc. Reduce CO2 emission in Group operation (RE100 certification, etc.) Mangrove planting / forest preservation activities 	<ul style="list-style-type: none"> Green lessons Disaster prevention lessons Lessons on managing risks and the future
Values Created	<p>Economic value Social value</p> <ul style="list-style-type: none"> Enhance disclosures aligned with the TCFD recommendation and implement appropriate measures based on NGFS Sustainable growth of shareholder returns <ul style="list-style-type: none"> [Medium- to long-term target] ➤ Adjusted Net Income: Over ¥500bn ➤ Adjusted ROE: About 12% ➤ Primary means of shareholder return is dividends, which will be sustainably increased along with profit growth 	<p>Social value</p> <ul style="list-style-type: none"> Annual culture & value survey Female managers: FY2030 30% of managers in TMNF are female D&I promotion: see page 21 	<p>Social value</p> <ul style="list-style-type: none"> Reduction of our greenhouse gas (CO2/GHG) emissions: FY2030 -60% reduction (Compared to FY2015) Ratio of renewable energy usage to total electricity consumption: FY2030 100% to renewable energy at major buildings/facilities Continue to achieve carbon-neutral* (achieved for seven consecutive years) Cumulative economic value of mangrove planting by FY2038 is expected to exceed ¥300bn <p><small>*: Related to our business activities (Scope 1+2+3 (Category 1,3,5,6))</small></p>	<p>Social value</p> <ul style="list-style-type: none"> 100% total participation ratio for social contribution activities <div style="border: 1px dashed gray; padding: 5px;"> <p>Green lessons:</p> <ul style="list-style-type: none"> About 870 lessons About 57,000 participants (Total as of end of Mar. 2021) <p>Disaster prevention lessons:</p> <ul style="list-style-type: none"> About 810 lessons About 55,000 participants (Total as of end of Mar. 2021) </div>

※See page 75 for the list of climate change related initiatives; page 82 for international initiatives; page 83 for external evaluation; and page 84 for ESG X SDGs

People and Culture as the Foundation

- In an era of uncertainty, promotion of diversity is critical to resolve increasingly complex social issues
- Unite diverse talents with shared corporate culture

Promotion of Diversity & Inclusion

Established Group Diversity & Inclusion Officer (**CDIO**) and **Diversity Council** chaired by the CEO in April 2021



CDIO Nabeshima

Nationality

- Excellent talent who join the Group through overseas M&A, are appointed to positions such as Group Co-Heads and global committee leaders

Gender

- Tokio Marine Group Women's Career College was established in to assist female Group employees in voluntary career planning, and to ensure that women are active in their workplaces
- Female sub-leader ratio: 54.9% (TMNF, as of April 1, 2021)
- Female corporate officer ratio: 11.5% (TMNF, as of April 1, 2021)



Generation

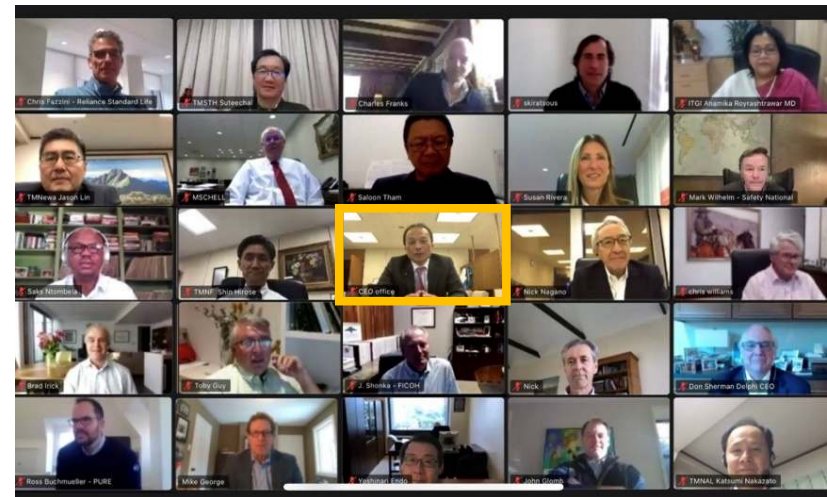
- An in-house venture program to support employees including young talent who are eager to innovate, relaxation of side job rules
- Turnover ratio*1: 2.0% (TMNF, FY2020)

*1: Calculated based on voluntary resignation, excluding resignation for mandatory age, etc.

*2: FY2020 survey result (total for domestic and overseas Group companies and HD)

Spreading the core identity

- CEO held a remote world tour during the pandemic
- By penetrating the corporate culture, engrave our corporate purpose in all acts from individual action to management decision making (essence of governance)



Remote world tour by CEO Komiya (CEO Meeting)

Creation of Exciting and Rewarding Work Environment

Culture & value survey*2 (84% response ratio)

4.3 points out of 5
(Group Attachment)

IV

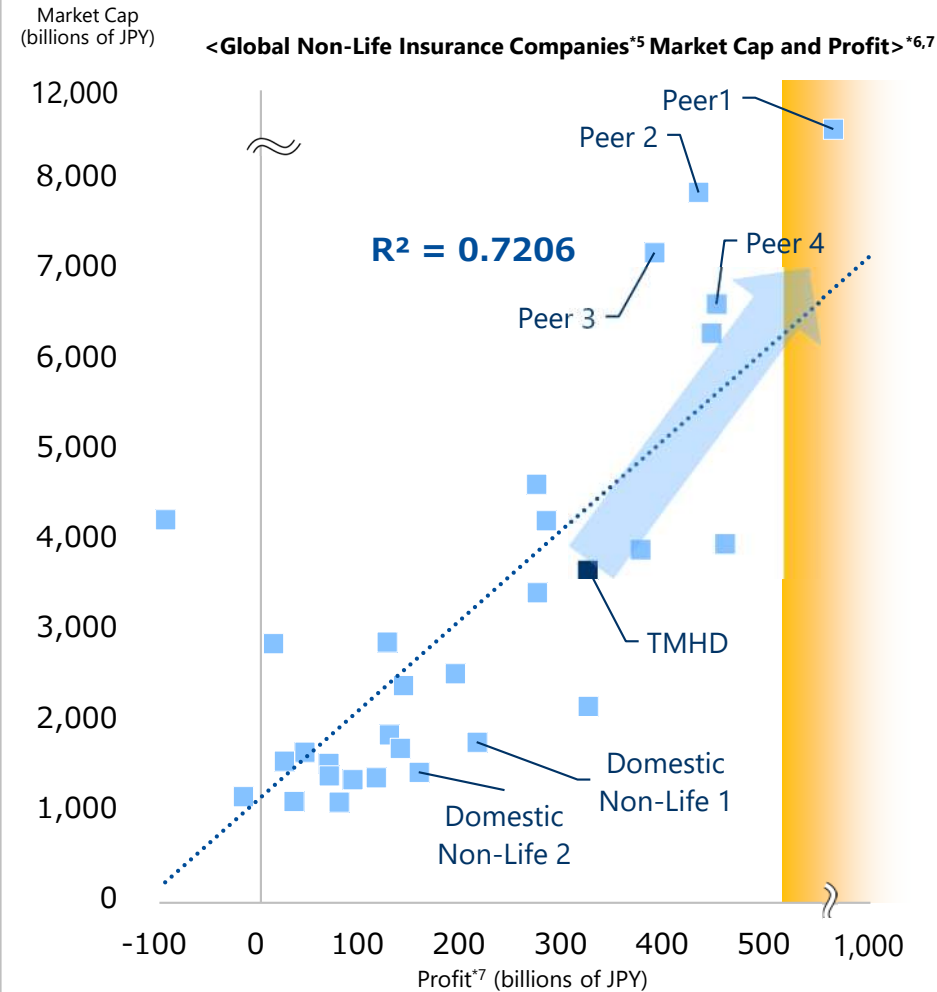
New Mid-Term Business Plan

New MTP (Target KPIs)

Steadily implement strategy to achieve medium- to long-term target

	Medium- to long-term target	FY2023 Projection	FY2020	Previous MTP Target
Adjusted net income	Over ¥500bn	CAGR: 3-7%	¥446bn*1	CAGR: 3-7% (circa ¥400-450bn)
Adjusted ROE	around 12%	around 12%	11.5%*1	10% or higher
Shareholder return				
Payout ratio*2	On par with Global Peers*3	40% or higher	40%	35% or higher
Capital level adjustment	Flexible execution	Flexible execution	¥50bn	Flexible execution

(Reference) Positioning of the Milestone "adjusted net income of over ¥500bn"



*1: Based on new definition (natural disasters normalized to an average annual level, excluding impact of COVID-19 and FX) to be applied to new MTP.

Based on the previous definition applied to previous MTP, adjusted net income is ¥431.1bn (+5.0% CAGR) and adjusted ROE is 13.1%.

*2: Payout ratio is on the five-year average adjusted net income. Based on original projections.

*3: Payout ratio of global peers is currently circa 50%.

*4: Set maximum amount (threshold) for small- to medium-sized business investment and capital level adjustment (FY2021 budget is ¥100.0bn)

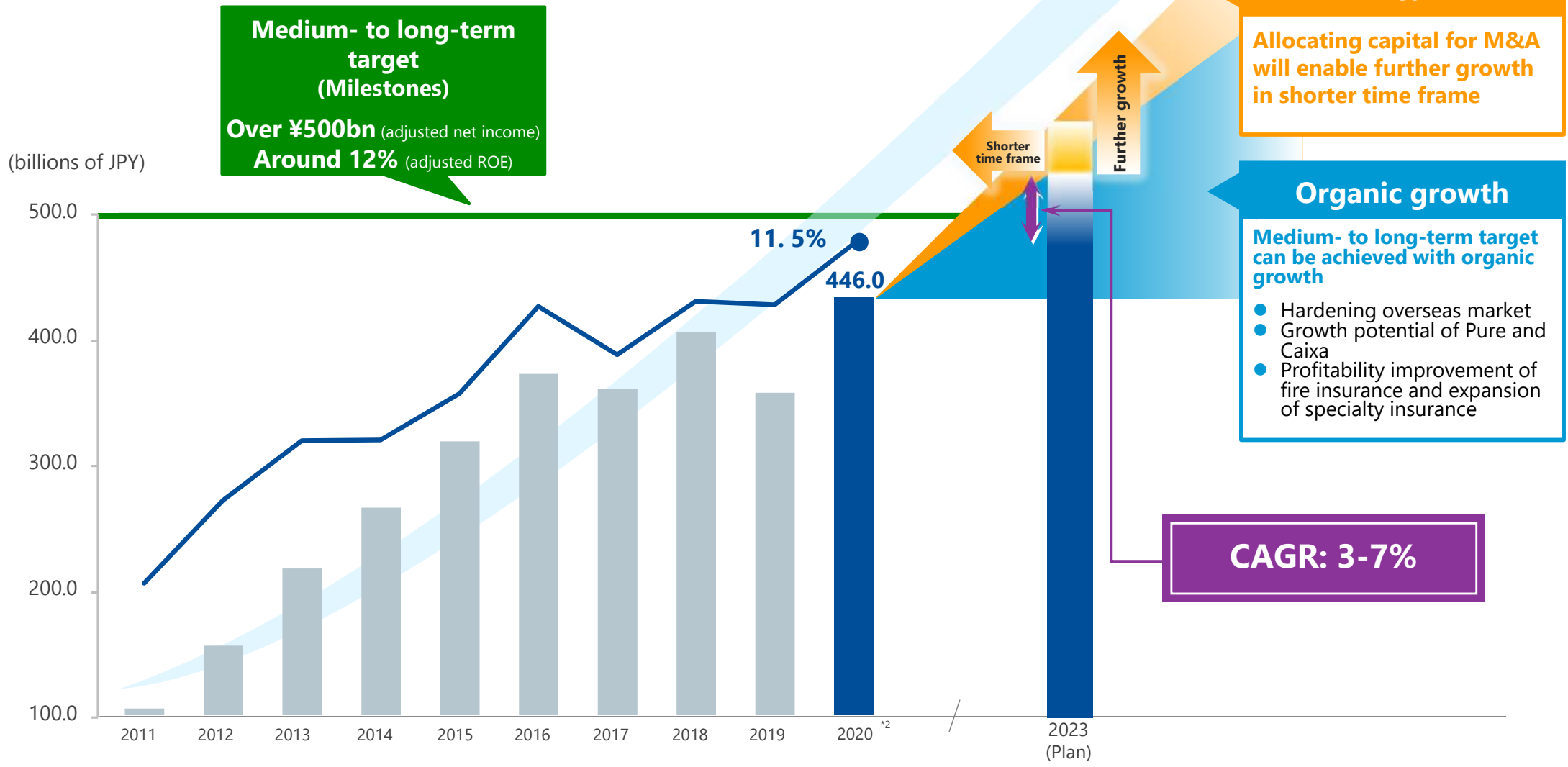
*5: Plotted top 30 companies in terms of market cap mainly engaged in non-life insurance business

*6: FX and market cap as of April 20, 2021

*7: 2018-2020 average. Adjusted net income based on company disclosure for domestic non-life including TMHD. Others are based on financial accounting (IFRS, USGAAP, etc.)

New MTP (Profit Growth)

[Adjusted Net income/Adjusted ROE (normalized basis)*1]



*1: Natural catastrophes are normalized to an average annual level, and the impact of reinstatement premiums is excluded for 2018 and 2019.

*2: FY2020 is based on new definition (see page 88) adjusted basis excluding the impact of COVID-19 and FX. Under the previous definition adjusted basis, adjusted net income is ¥423.0bn and adjusted ROE is 11.2%

Strategic Direction of New MTP

To realize our long-term vision, enhance capabilities through business model reform and improving profitability of the insurance business

Long-term vision

A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide
 - Our timeless endeavor to be a Good Company -

Our aspirations for the long-term vision

Win-Win situation with Stakeholders

Glocal X Synergy

Growth and stable high profit
 (Medium- to long-term target of over ¥500.0bn adjusted net income/around 12% adjusted ROE)

2+1 Growth Strategy

New Markets X New Approach

- Precisely respond to the quickly changing customer needs and implement products/services and channel strategies reflecting the market

Enhance profitability of insurance business

- Acknowledge issues including intensified natural catastrophes and low interest rates while utilizing business opportunities presented by hardening of premiums and digitalization to enhance profitability of insurance business

+

Business investment for the next growth stage

Technology - Mission Driven -

Human Resources

- Expert talent development
- Global talent/management development
- Diversity & Inclusion

Business Platform

Group Integrated Management

- Sharing of best practice
- Synergy inducing system
- Global management framework

ERM

- Risk Culture -

Corporate Culture

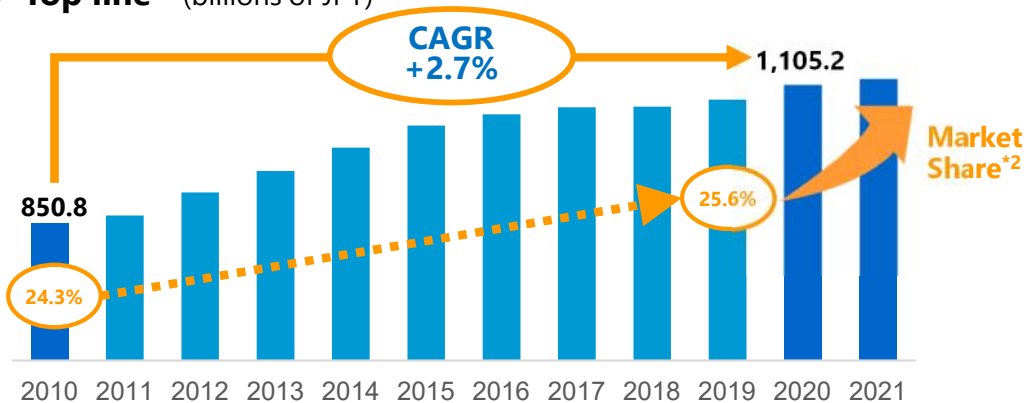
- To Be a Good Company
- Resolution of issues for society/customers
- Robust and agile organization

Presence in Auto Insurance Market (Strengthening competitiveness in existing market)

Generate stable income by steadily increasing market share with increased coverage that meets the needs of our customers

Steady growth of market share

- **Top line***1 (billions of JPY)



	TMNF	SJ	MS	AD
2010-2019 Growth Rate (%)	126.7	113.6	120.2	111.8

- **No.1 in premiums on managerial accounting basis for FY2020, achieving growth despite the pandemic**

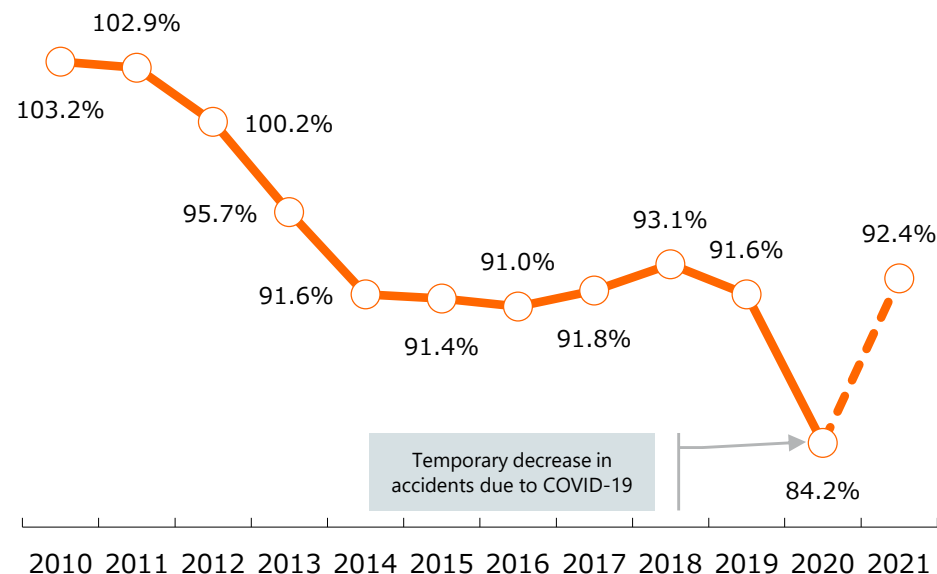
	TMNF	SJ	MS	AD
Premiums (managerial accounting basis, billions of JPY)	1,115.4	1,098.5	690.5	704.6
YoY Change (%)	102.6	100.4	102.2	103.2

- **Continue to increase market competitiveness**

Increase market competitiveness by increasing coverage (such as new DAP*3), implementation of early contacting, and enhancement of digital customer contact points

Generate sustainable stable income

- **Combined Ratio***4 (Private insurance E/I basis)



- **Continue to generate stable income**

Generate sustainable stable income by flexibly adjusting premium rates based on loss cost, etc.

*1: Net premiums written

*2: Direct net premiums written Source: Insurance Statistics (Sonpo Toukeigo) Vol.4864

*3: Drive Agent Personal (DAP). A product using original driving recorder with communications function that provides accident prevention and collision response services.

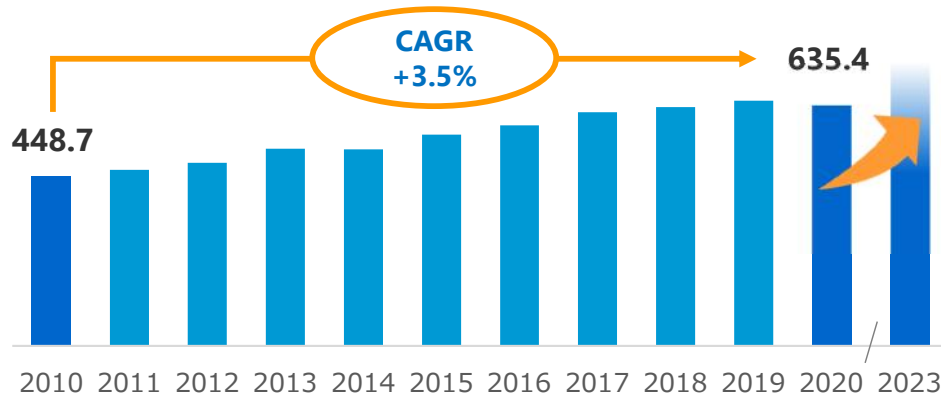
*4: C/R = E/I loss ratio + W/P expense ratio

Specialty Insurance Growth (Creation of New Markets)

Realize over ¥100bn revenue increase in 3 years by resolving social issues and strongly drive the growth of domestic non-life

Specialty insurance growth potential

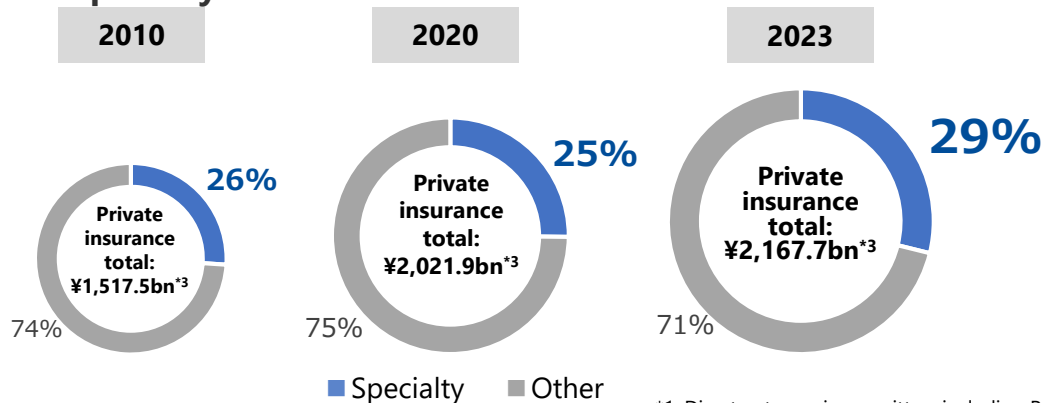
- **Top line*1** (billions of JPY): **Growth driven by SME and health care**



C/R	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	97%	90%	91%	96%	91%	92%	90%	91%	89%	95%*2	91.4%

(FY2010-2020 average: 92.2%, FY2016-2020 average: 91.4%)

- **Transform business line portfolio with growth of specialty insurance**



Creation of new markets

- **Realize high growth with speedy implementation of measures and PDCA**

Health care
+¥20-30bn*4

- Respond to higher health awareness and the need for balancing treatment (nursing care) and work
- Increase revenue for wide area public sector/corporate workplace with new sales model and digital application procedures

SME
+¥15-25bn*4

- Current market size of about ¥400bn*5
- Premiums*6 increased more than fourfold in 10 years
- Increase revenue by strengthening alliance with commerce and industry associations and improving product appeal

Offshore Wind
Around +¥5bn*4

- Global market size in 2030: ¥200bn
- Establish "GX*7 Office" in June 2021
- Increase revenue by enhance Group-based initiatives including utilization of the abundant expertise of GCube

Cyber insurance
Around +¥5bn*4

- Current market size of about ¥180bn (according to research firm)
- Double digit increase in our premiums each fiscal year
- Increase revenue by capturing stronger risk awareness and revised Personal Information Protection Law (2022)

Other New risks, etc.
+¥20-30bn*4

- Increase revenue with coverage for various new risks including M&A, local government related area, etc.
- Create new market by leveraging on the strength of core data company Tokio Marine dR to be launched in July 2021

*1: Direct net premiums written, including P.A. *2: Temporary rise in C/R due to specific contract *3: Net premiums written, including P.A. for specialty
*4: Net premiums written during 3 year new MTP period *5: Estimated from public data and actual sales of our packaged products for SMEs
*6: Our packaged product for SMEs *7: Green Transformation

Profitability Improvement of Fire Insurance (Enhance Profitability of Insurance Business)

In addition to fire insurance rate revision, contribute to building a society resilient to catastrophes through product review; enhancement of underwriting; and initiatives on disaster prevention and reduction, and secure profitability matching the capital cost (3-year profitability improvement of over ¥26.0bn)

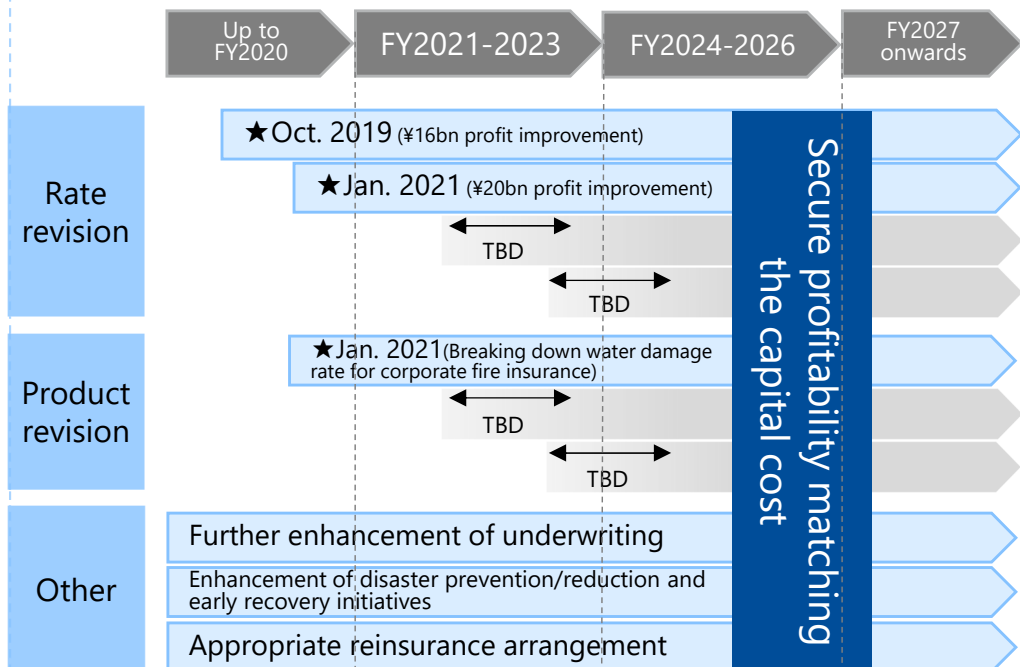
Profitability improvement of fire insurance

Issues

Increase in natural catastrophes and water leak damage in aging buildings

Our action

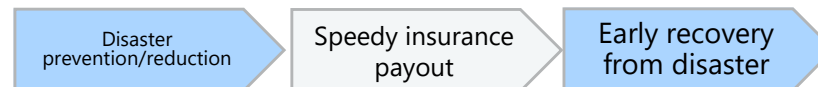
Implement comprehensive measures to secure profitability matching the capital cost



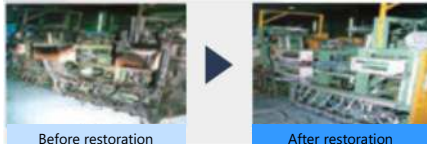


Reinsurance arrangement

- Preparation for once-in-centuries capital events
- However, perpetually cedants will lose the amount of reinsurer's margin; mainly focus on risk diversification, with earnings coverage determined based on economic rationale

From Payer to Partner



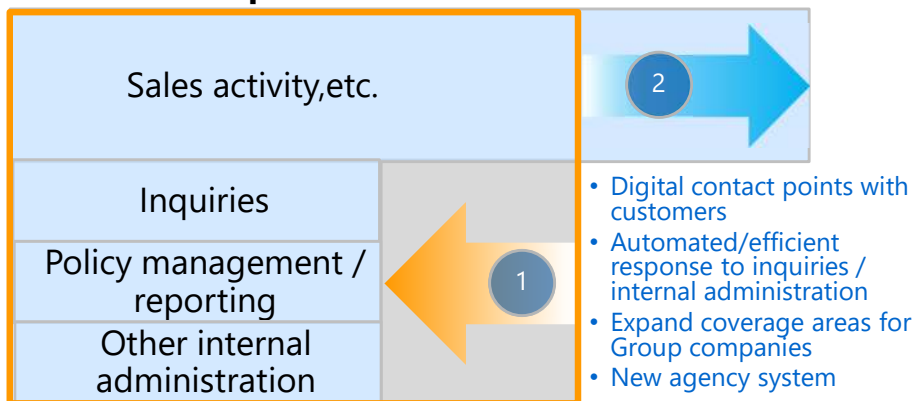
- **[Disaster prevention/reduction] Flooding risk projection system**
Visualize at-risk area with real time flooding area projection to support local government decision making at time of heavy rains. Minimize damage to local residents to reduce loss ratio

- **[Disaster prevention/reduction] Total assist fire insurance x Red Feather Disaster prevention/reduction program**
Donate part of the expenses saved with online contracts/policies. Donations will be used for disaster prevention/reduction activities and recovery support in the customers' community, leading to reduction of loss ratio

- **[Early restoration] Restoration by BELFOR**
Utilize advanced cleaning technology of a disaster recovery specialist. Support early business reopening to reduce loss ratio


Initiatives to Improve Combined Ratio (Enhance Profitability of Insurance Business)

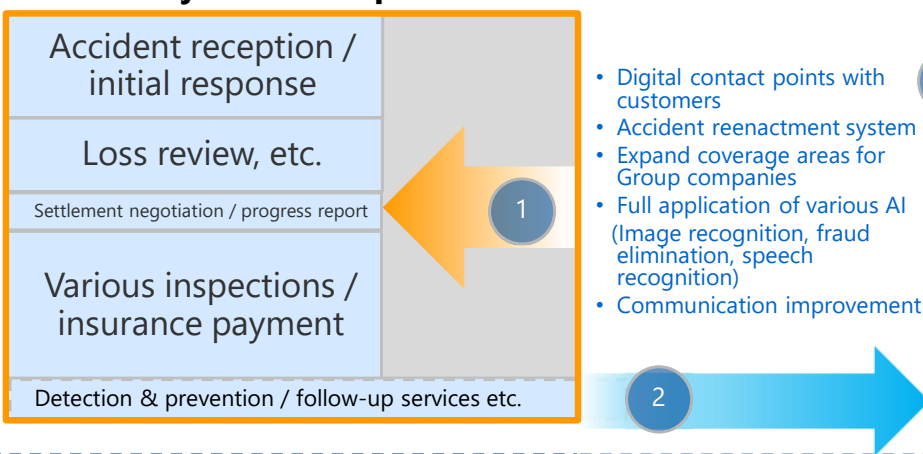
- Invest about ¥40bn during the next 3 years mainly in new agency systems and advanced AI application to reduce internal administration
- Use the time generated for improving productivity including top line growth to improve C/R by 1.0pt

Initiatives to improve business efficiency

● Business expenses



● Loss adjustment expenses



Expected effects

- 1
- Reduce internal administration
→ **Improve expense ratio / loss ratio**
- [Effects of reduced internal administration]
- FY2023 -15%**
(Equivalent to ¥20-25bn p.a.)
- FY2026 -20-30%**
(Equivalent to ¥30-50bn p.a.)

- 2
- Time generated by leveraging on strength of human communication and full utilization of digital tools:
 - Promote sales
→ **Contribute to top line**
 - Provide safety in preparation and recovery
→ **Contribute to top line**
 - **Improve loss ratio**

Key Profitability improvement Initiatives

Profitability improvement of fire
(See Page 28)

FY2023 C/R improvement of 1.0pt*
(FY2020 results: 93.2% → FY2023 projection: 92.2%)

Key contributions to top line

Specialty insurance growth
(See Page 27)

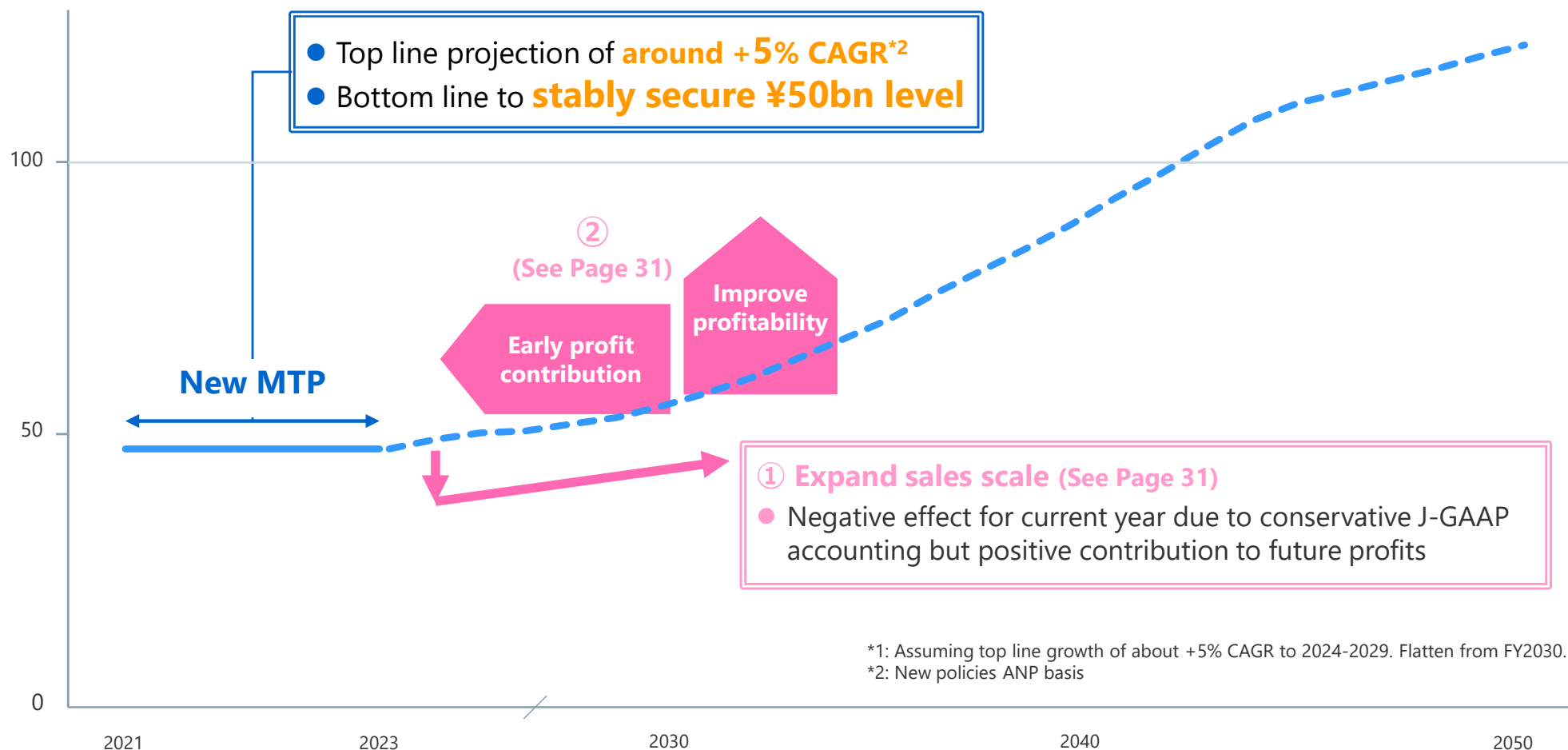
*: Private insurance. For FY2020, impact of natural disasters normalized to average annual level, and the impact of temporary deterioration in losses from COVID-19 and overseas contracts are excluded

Risk Diversification and Long-Term Growth Drivers

- Continue to grow by “facing the social issues in the 100-year life era and protecting the customers’ lives”
- Long-term profit level exceeds ¥100bn to contribute to our long-term growth and risk diversification

TMNL profit growth curve*1 (image)

Business Unit Profit
(billions of JPY)



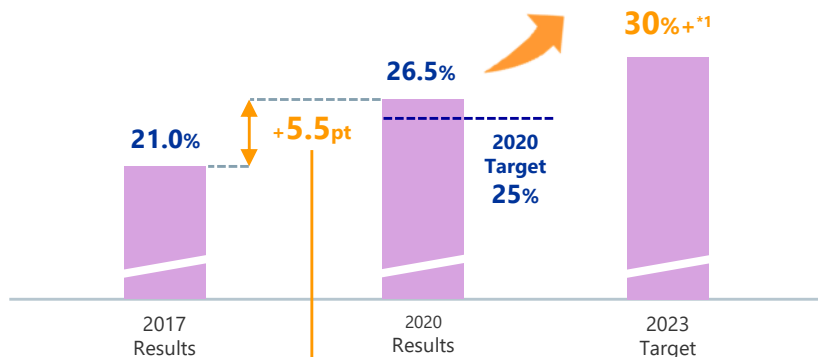
Strategies to be Incorporated in the New MTP Period

By offering innovative products with integrated business model for life and non-life, contribute to resolution of social issues such as extension of healthy life expectancy and asset life, and accelerate our profit growth

① Expand sales scale

- Focus on growth areas of **seniors, healthcare, and asset formulation**
- Further promote **cross-sell with integrated business model for life and non-life** using Super Insurance to **TMNF customer base** to improve **ratio of the number of policies with either life or third sector to 30% or higher**

<Super Insurance: Ratio of the number of policies with either life or third sector>



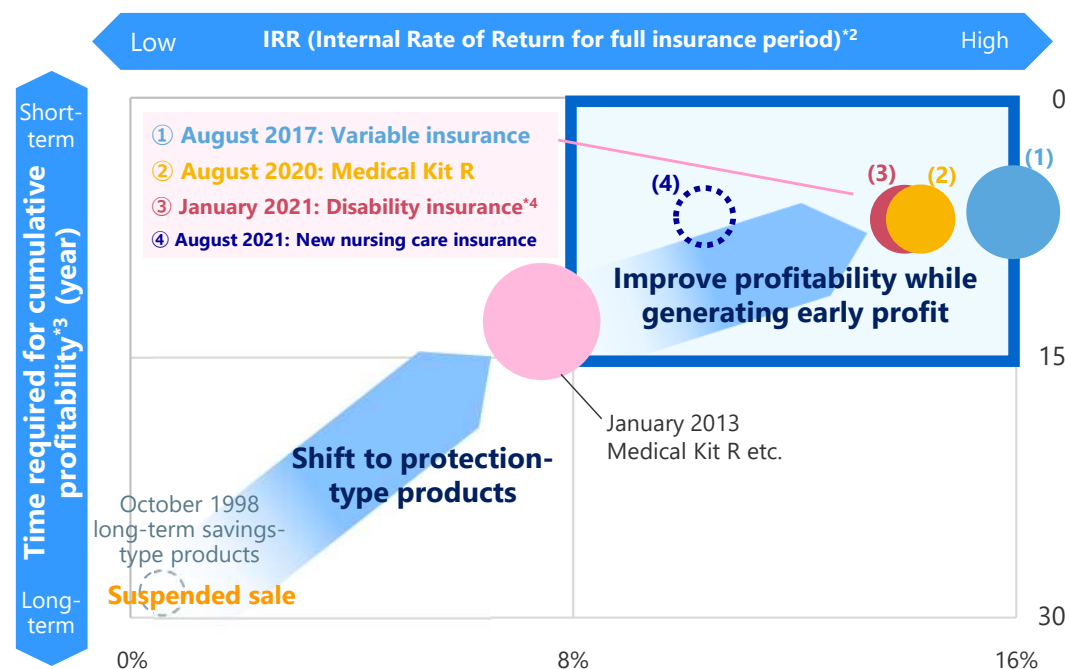
[Sample of improving ratio of the number of policies with either life or third sector]

Medical Kit Yell (Medical insurance with relaxed underwriting criteria, August 2020)

- Deep cultivation of **TMNF senior customers** with significant room for development
- Big data analysis achieved **improved product appeal and ease of sales**
 - Relaxed underwriting standard for seniors with preexisting conditions or concerns over health and simplify sales administration
 - Industry top level price competitiveness for seniors and strong coverage / services
- In the 8 months from launch, secured **industry leading sales scale** at **about 50,000 policies** (second only to the mega hit product "Medical Kit R")

② Improve profitability and accelerate profit contribution

- Mainly introduce products with **high profitability that makes early profit contribution**
- Unique and competitive **new product in nursing care area to be launched in August 2021**



*1: 35% or higher for TNP / TQ agents

*2: IRR indicates profitability as expected returns on expenses for the entire insurance period on financial accounting basis (FY2016 for long-term savings-type products, FY2020 for others)

*3: Time required for cumulative profits on financial accounting basis to turn positive

Size of the bubble indicates new policies ANP for the product (FY2020, FY2021 projection for (4))

*4: Includes household income protection with death benefit

International Insurance Strategy

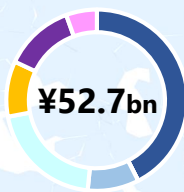
Achieve +9% CAGR through growth strategies in developed and emerging markets

Business Unit Profits*1

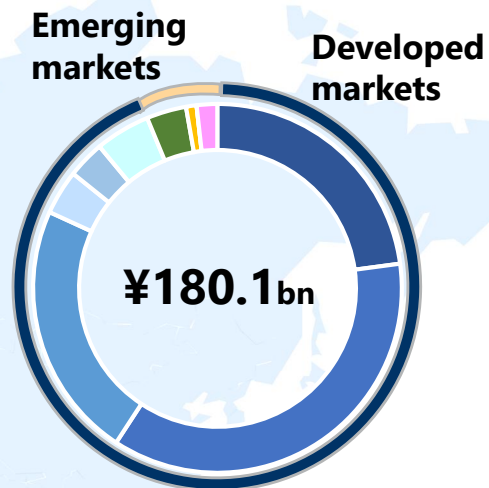
- Philadelphia
- Delphi
- TMHCC
- Pure
- Europe
- Central & South America
- Asia
- Reinsurance
- Life

¥3.5bn

2002



2010



2020

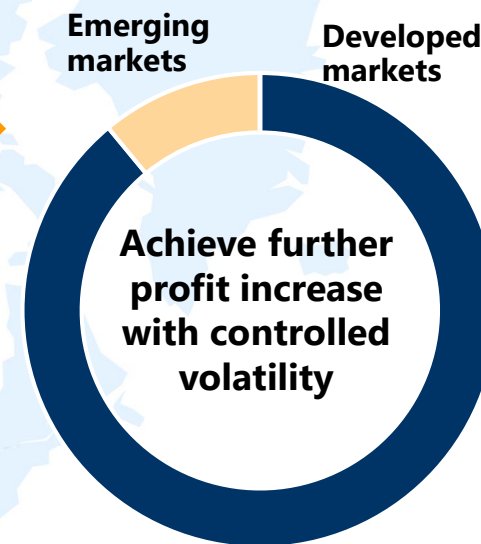
CAGR circa 9%

Developed markets

- New risk taking
- Maintain underwriting discipline
- Rates increase
- Efficient operation
- Growth of Pure
- Continue bolt-on M&A

Emerging markets

- Capture market growth
- Growth of Caixa, etc.



2023

Strengths

- Well-balanced business portfolio / strong specialty franchise
- Well-disciplined underwriting / adequate risk control
- Strong governance / integrated Group management / Group synergy

*1: 2020 and 2023 profits are calculated using FX rate as of Mar 31, 2021.

For 2010, profit is calculated before adjustment relating to natural catastrophes in 1Q 2011.

For 2020, natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

Developed Markets Strategy (Further Increase Underwriting Profits)

Implement three strategies to achieve profit growth of around 6% CAGR

(1) Increase Underwriting Profits

Contribution image
✓ ✓ ✓

Maintain strict underwriting discipline

- Improved the quality of portfolio during the previous MTP period through rigorous efforts to reduce unprofitable business lines
- Constant effort to maintain a healthy underwriting portfolio by closely monitoring profitability and other market trends including social inflation

Premium rates increases

- Leverage strengths of each group company and achieve rate increase exceeding loss cost

<FY2020 results>

PHLY*1: +circa 11%, TMHCC *1,2: +circa 15%, TMK: +circa 10%

*1: See page 61 for rate increases of main lines

*2: Excluding A&H, Surety and Credit

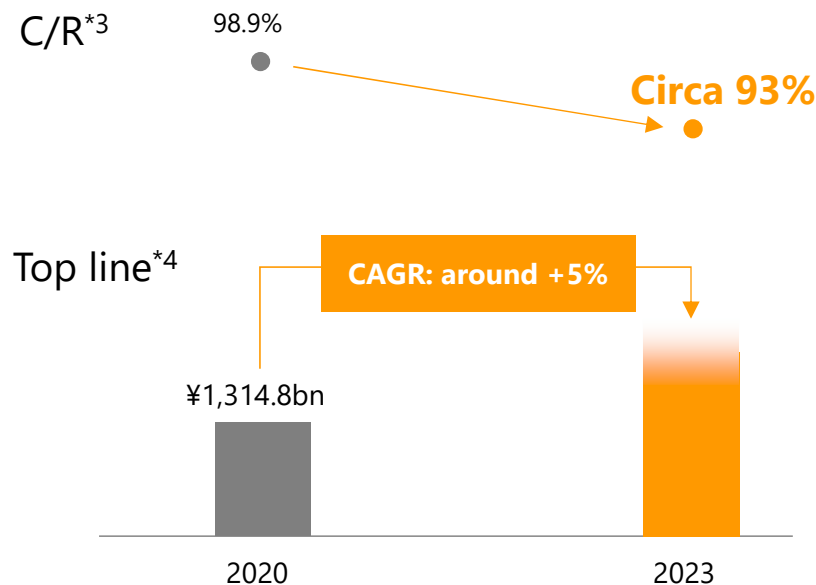
New risk-taking

- Opportunistic new risk taking (e.g., lines with the improved profitability due to market hardening)

Improve operational efficiency

- Promote administrative process improvement in each group company

- Increase underwriting profits by improving combined ratio and top-line growth



*3: North America + Europe segments. Include policies with high C/R such as DFG's excess workers' compensation and life insurance. 2020 is actual figure. Adjusted base normalizing natural catastrophes and excluding the impact of COVID-19 is 93.3%.

*4: Total NPW of North America and Europe segments. FX rate is as of Mar. 31, 2021.

Developed Markets Strategy (Growth Area Investment)

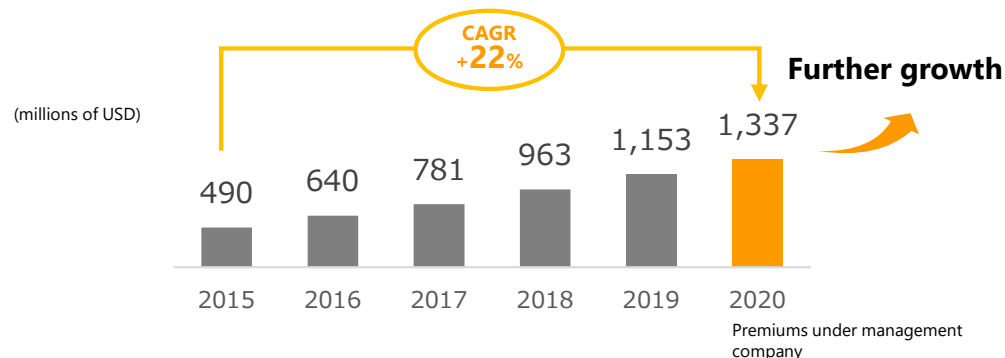
(2) Pure's growth

Contribution image
✓ ✓ ✓

- Achieve over 20% profit growth through rating upgrade and further expansion of synergies in addition to the existing strong growth capability

Growth acceleration with AM Best rating upgrade

(Apr. 2021: A→A+)



New premium per year grew from around \$160mn to \$200mn following the rating upgrade in August 2018 (A-→A), and similar effect is expected for the current upgrade

Further expansion of synergies

- New business relation with PHL's leading agents
- Introduce RSL's blue-chip company clients to PURE
- Joint marketing to agents in Hawaii by Pure and FICOH in Hawaii
- Joint development of cyber insurance products with TMHCC for individual clients

(3) Bolt-on M&A

Contribution image
✓ + α
(Case-by-case)

- More than 60 successful bolt-on M&As, and will continue our successful track record
- Improve the quality of bolt-on M&A through TMHD's proactive governance



Acquired by DFG in Apr. 2021
(Acquisition price: circa ¥19.8bn)

- Paid Family Leave insurance market is expected to **grow nationwide in US in the future**
- **Top 3 in NY market** (our estimate), and **after-tax profit is expected to be ¥1.5 to ¥2bn**. Cross-selling synergy with DFG is expected

- Become a **leading company** in the U.S. staffing insurance business
- **Establish overwhelming competitiveness in highly profitable markets**



Acquired by PHL in Dec. 2020
(Acquisition price: below ¥10.0bn)

Emerging Markets Strategy

Implement growth strategies to capture strong growth potentials and to further diversify risks, thereby aiming to achieve a CAGR of 10% or more and developing pillars for future growth

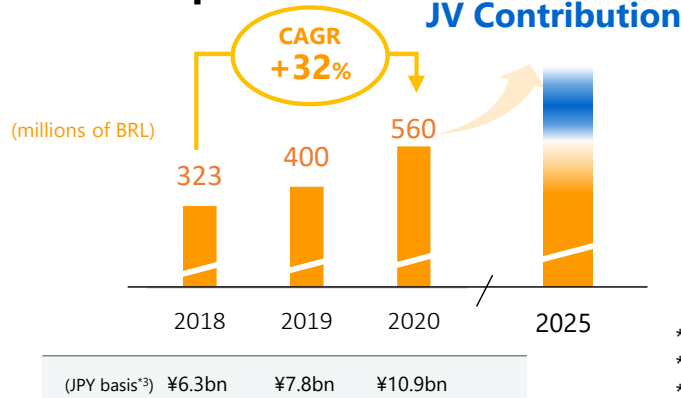
Establish JV with Caixa Bank and accelerate growth

Contribution image
✓

- TMSR has increased profitability for the mainstay auto insurance, **achieving profit growth of over 30% CAGR**
- Started operation of insurance JV with Caixa Bank for portfolio diversification and further growth in Feb. 2021
- Aim **circa ¥6.5bn in after-tax profit*2 in FY2025 (based on our 25% stake)**

TMSR after-tax profit

CAIXA
JV Contribution



Brazil Home Insurance Market*1

2020 Home insurance market premium	\$1.5bn
2015-2020 Home insurance market CAGR	+7.5%

(Reference) Further expansion of mortgage market in Brazil

Circa 25 million of housing demand is expected based on new housing demand of 16.9 million by 2040 as well as current housing gap

*1: Source: Brazilian insurance regulator SUSEP
*2: Exchange rate at time of publication
*3: Exchange rate as of end of Mar. 2021

Further utilize IFFCO's network and Group know-how

Contribution Image
✓



- Utilize IFFCO's **nationwide 36,000** branch network for sales of auto, medical, and agricultural insurance
- Utilize **IFFCO's branch network to expand sales in rural areas where the number of middle-income earners is expected to grow**, and promote utilizing Tokio Marine Group's know-how (U/W and digital)
- **In FY2023, aim to double the profit after tax compared to FY2020 to about ¥4.5bn (based on our 49% stake)**

Indian market*4

2020 Non-life insurance market premium	\$27.2bn
2015-2020 Non-life insurance market CAGR	+15.6%

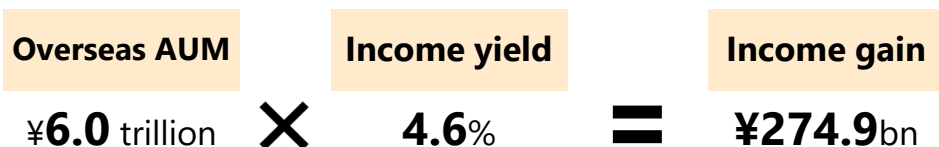
*4: Source: General Insurance Council, IRDAI

Asset Management Strategy in the Low Interest Rate Environment

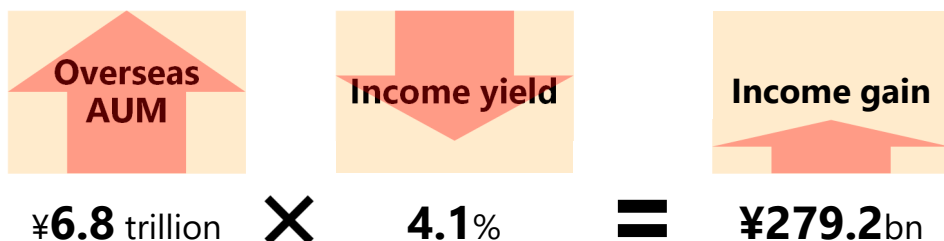
Given the anticipated lengthening of the low interest rate environment, increase investment income utilizing the ability to spot good investment targets in the credit market

New MTP outlook (overseas investment*1)

[FY2020 Results]



[FY2023 plan]



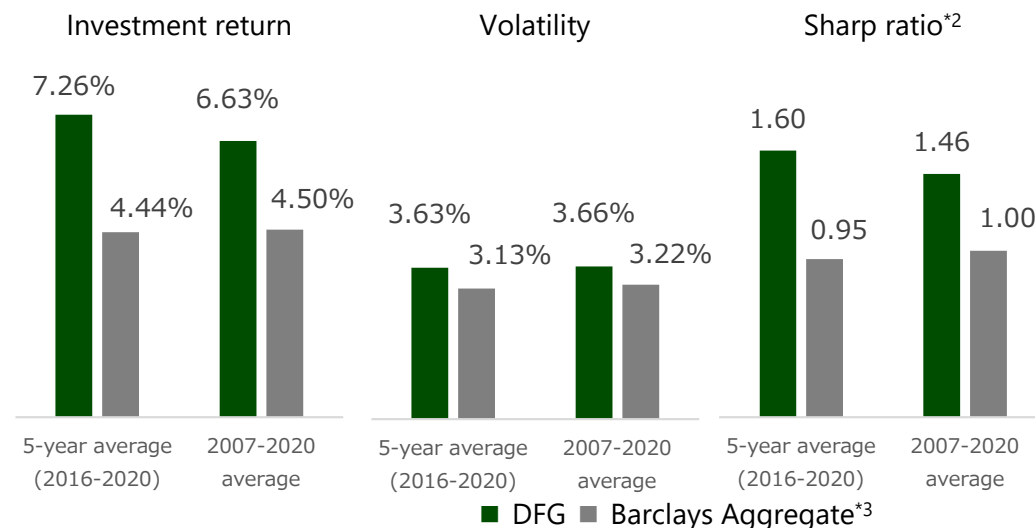
- Steadily increase AUM through DFG's own growth and increase in assets entrusted by other GCs

- Despite the current uptick in interest rates, interest rates are expected to remain historically low levels
- While closely monitoring the risk of rewidening of credit spread, **control low income yield and increase investment income, by utilizing DFG investment team's ability to spot good investment opportunities**

(Reference) Strength of DFG investment team

- Flexibly rebalance investment portfolio in accordance with economic condition by leveraging DFG's excellent research and robust analysis by utilizing broad network
 - e.g., at the timing of fire-sale during the COVID-19 crisis, a valuable investment opportunity was brought in by DFG's network, analyzed and made decision in overnight, etc.
- Team has produced stable returns compared to index

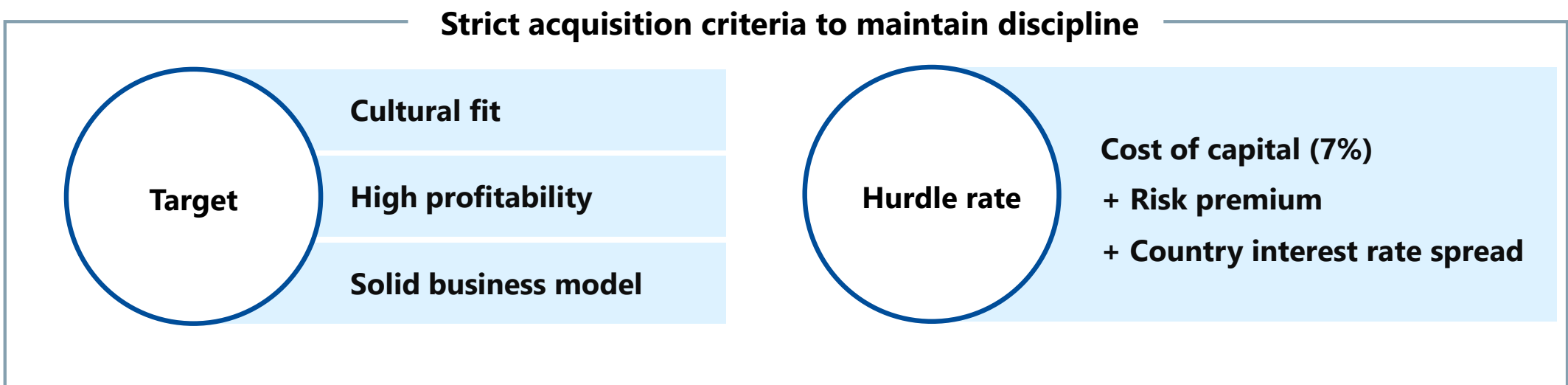
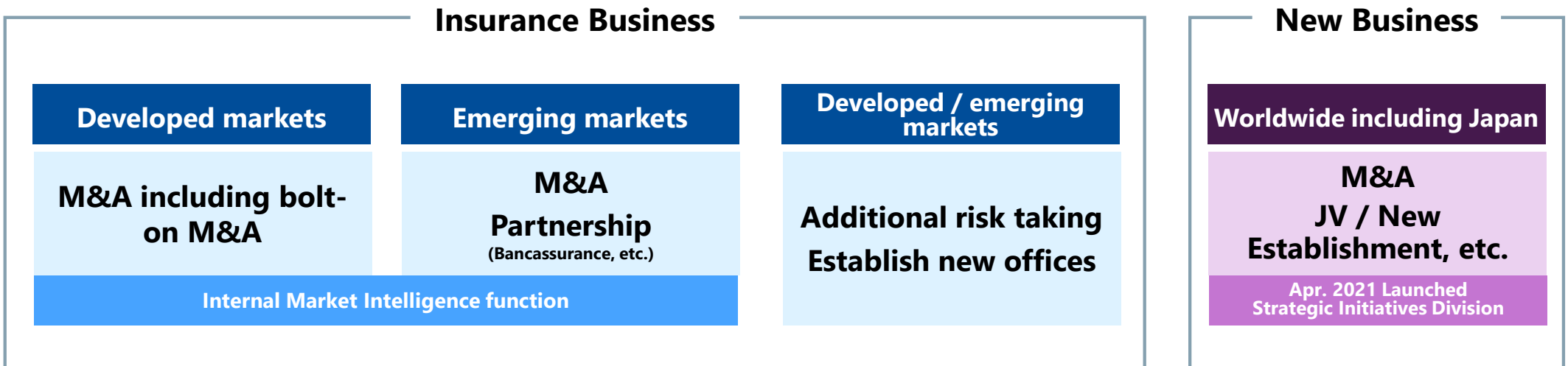
<Track record vs. index>



*1: Assets of U.S. 5 major GCs (DFG, PHLI, FICOH, TMAIC, TMHCC) + Assets entrusted by domestic 3 GCs.
 *2: Measures excess return per unit of risk. Calculated as "(Investment return - risk-free rate) / Volatility".
 Risk free rate: LIBOR3M
 *3: Bloomberg Barclays US Aggregate Bond Index

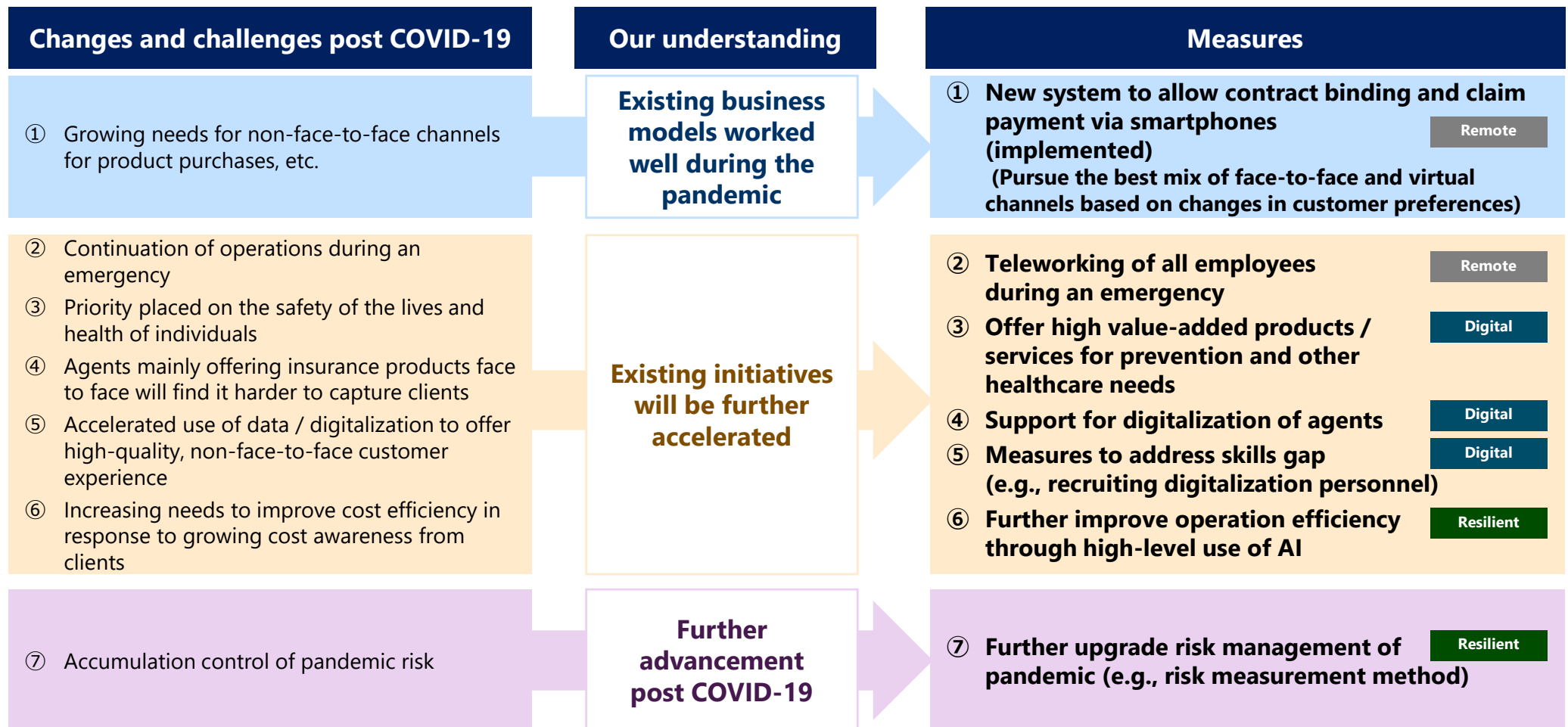
Pursue Optimal Portfolio

- Capture further growth and pursue business diversification through various strategic options including entry to new businesses
- Make portfolio review and decision in a disciplined manner



Post COVID-19 Strategy

- A task force including overseas top executives has identified changes and challenges post COVID-19, and reviewed strategies
- The review results are incorporated into respective Group companies' strategies to capture next growth opportunities



Refer to page 76 for the values we have offered to our stakeholders during the COVID-19 pandemic

Digitalization Strategy (Productivity Improvement)

Use technology and data to radically improve productivity

Step toward productivity improvement

- ① **Radically reduce internal administration** through effective use of technology, data, operation process reforms and workstyles

Japan	Overseas
<p><Marketing></p> <ul style="list-style-type: none"> ▶ Automation / streamlining of inquiry response and internal administration <p><Claims></p> <ul style="list-style-type: none"> ▶ Voice mining using AI ▶ Reenactment of accidents <p><Workstyle reform></p> <ul style="list-style-type: none"> ▶ Further promote paperless operation 	<p><Marketing></p> <ul style="list-style-type: none"> ▶ Client inquiry response and product recommendation by chatbot <p><Claims></p> <ul style="list-style-type: none"> ▶ AI fraud detection <p><Workstyle reform></p> <ul style="list-style-type: none"> ▶ Establish "RPA library" each GC can utilize to share RPA know-how

TMNF: **Reduce internal administration by 20-30%** by the end of FY2026
(equivalent to ¥30-50bn cost reduction a year)

Asia: Aim to **reduce internal administration by 8-10%** over the medium- to long-term
(equivalent to ¥2bn cost reduction a year)

- ② Use the hours saved to promote sales and to offer peace of mind pre and post incident, allowing **top line growth and loss ratio improvement**
- ③ **Achieve productivity improvement (improve C/R)** as a result

Case Study

Internalization of core insurance function **led to the internal accumulation of core technology know-how** and **reduction of internal administration**

■ Internal development of AI to analyze and propose telephone conversation tips

- In April 2021, **we developed proprietary AI** that analyze telephone conversation contents using voice mining technology for our claims service. **Currently applying for a patent.**
- A trial run began in March 2021 for auto accidents. A rollout to all branches is scheduled by the end of FY2021.
- **It significantly reduces the time spent on inputting the contents of telephone conversations** that has been done after each call.



■ Rollout of accident reenactment system

- Currently rolling out a system for AI to reenact auto accidents using videos obtained from drive recorders, etc. and automatically calculate liabilities between parties based on the circumstance of accidents and damage to vehicles
- **Quicker settlement improves client satisfaction and reduces our workload**
- **Won the Nikkei Superior Products and Services Award** by Nikkei Inc. in January 2021

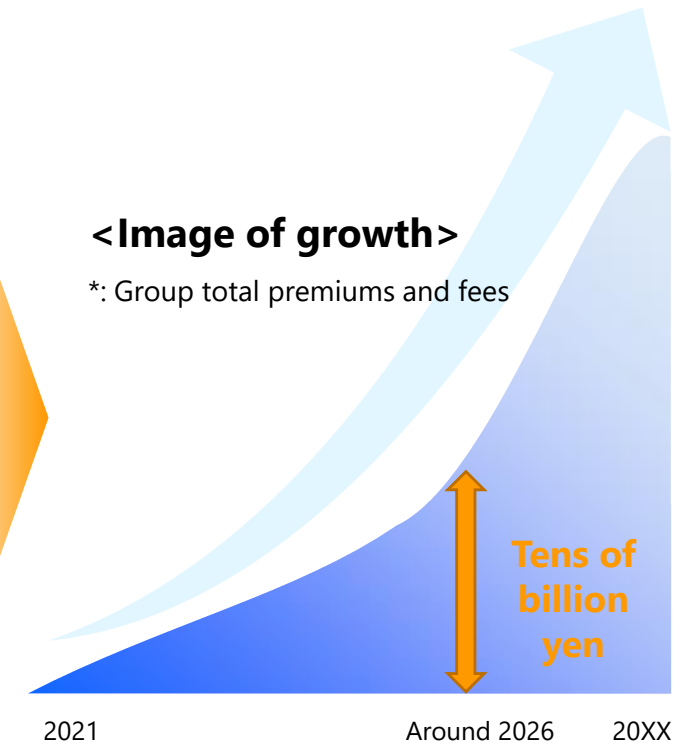
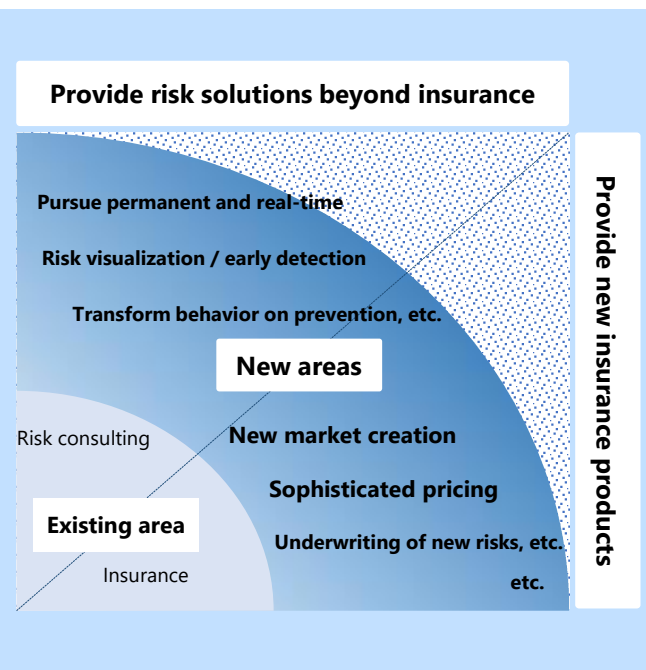


Digital Strategy (Creation of New Value)

By utilizing data to enable various risk-taking and risk solutions, promote realization of growth in the new stage for each Group company. At the same time, pursue business investment opportunities

Growth in new areas

- Apply sophisticated data analysis, etc. to increasingly diverse and complex set of risks **to develop and implement products and risk solutions that undertake new risks and create new markets**
- E.g., **enhance initiatives in areas of safety in preparation and recovery in the areas of health care, cyber risks, and disaster prevention / reduction**
- Realize growth in the new stage by **evolving to a ready partner that always supports the customers in times of need**



Tokio dR

Launch of core data company Tokio Marine dR

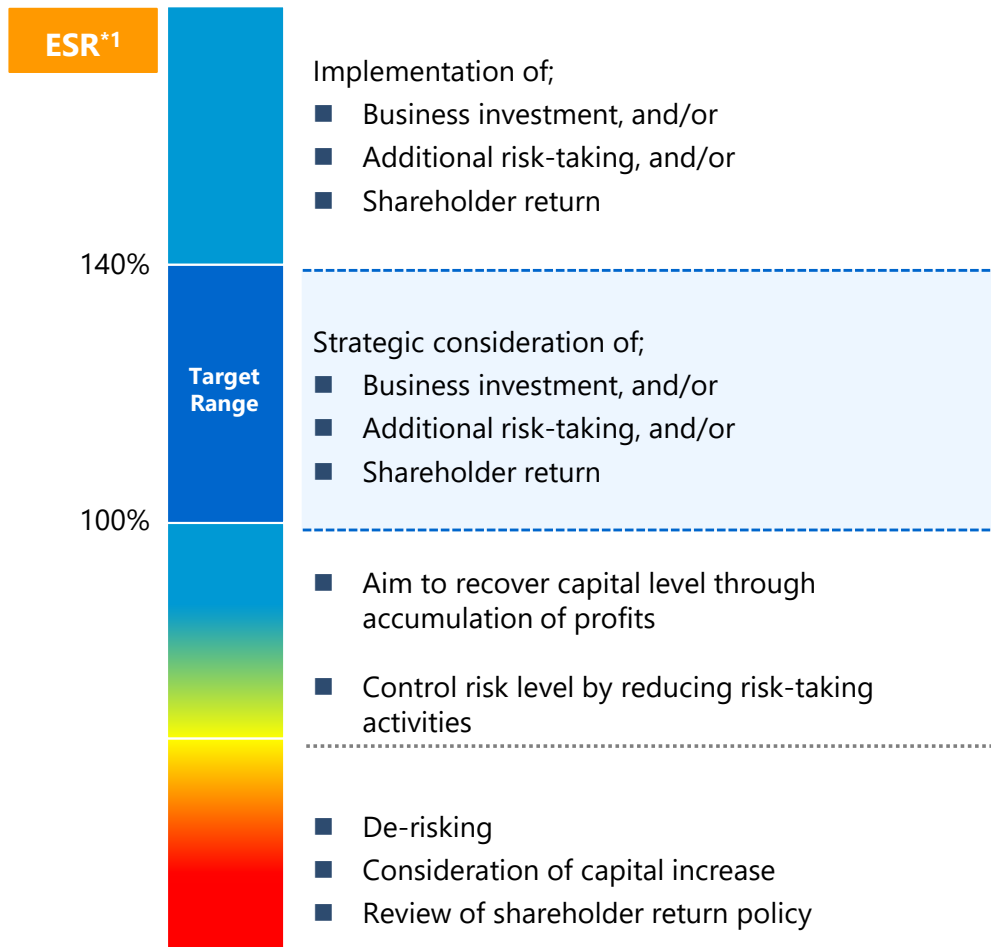
Data strategy is positioned as the pillar of new growth strategy, and the Group's **core data compny Tokio Marine dR** is to launch in July 2021

By strengthening Group data analysis and solution development capacities, accelerate **new data driven product and risk solution development** by each Group company

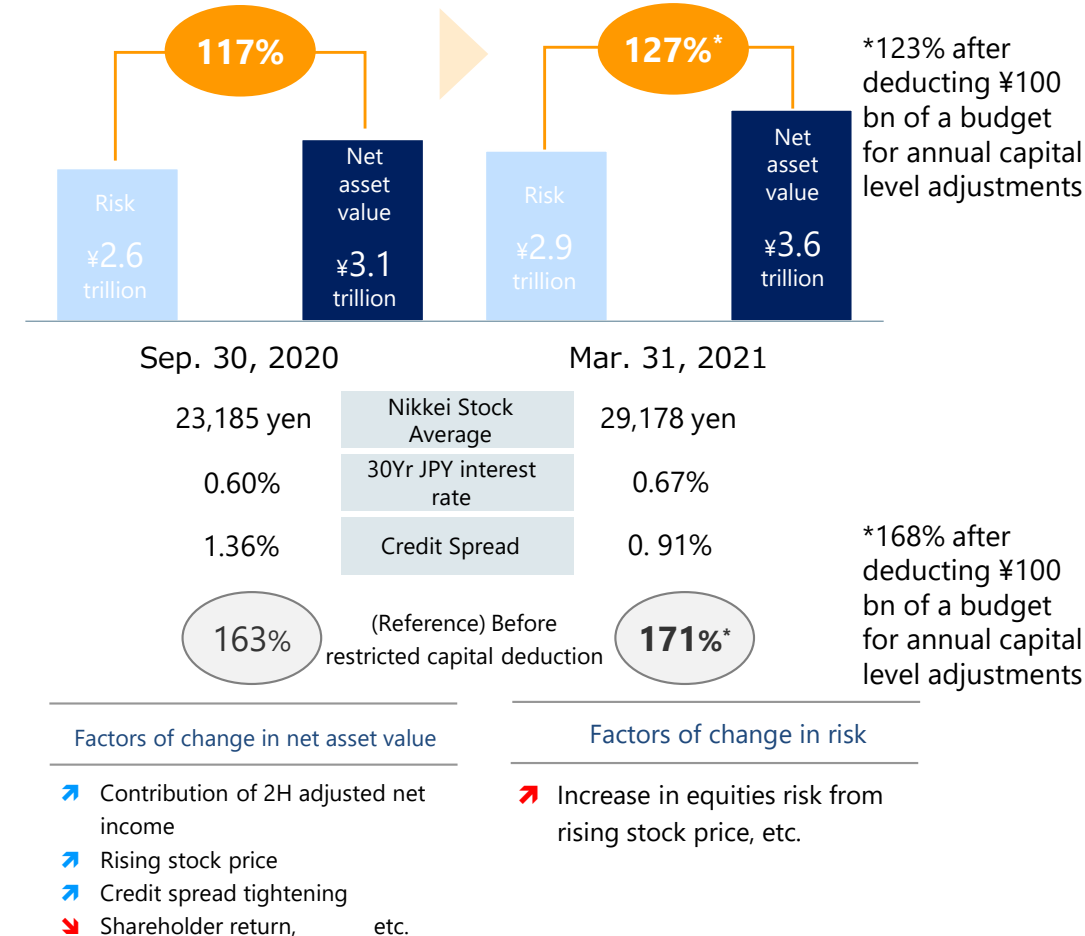
Disciplined Capital Policy (ESR)

- Revised ESR so that the ability to make investment and provide shareholder return can be shown in an easier-to-understand manner (excluded restricted capital)
- Current ESR is at an appropriate level
- Growth investment will be prioritized towards the medium- to long-term goal, but disciplined shareholder return will be executed if we do not see an appropriate investment opportunity

Target range under new ESR model



ESR*2



Disciplined Capital Policy (Shareholder Return)

- Primary means of shareholder return is dividends, which will be sustainably increased along with profit growth
- A budget for annual capital level adjustment is set at ¥100bn (FY2021) to ensure greater transparency

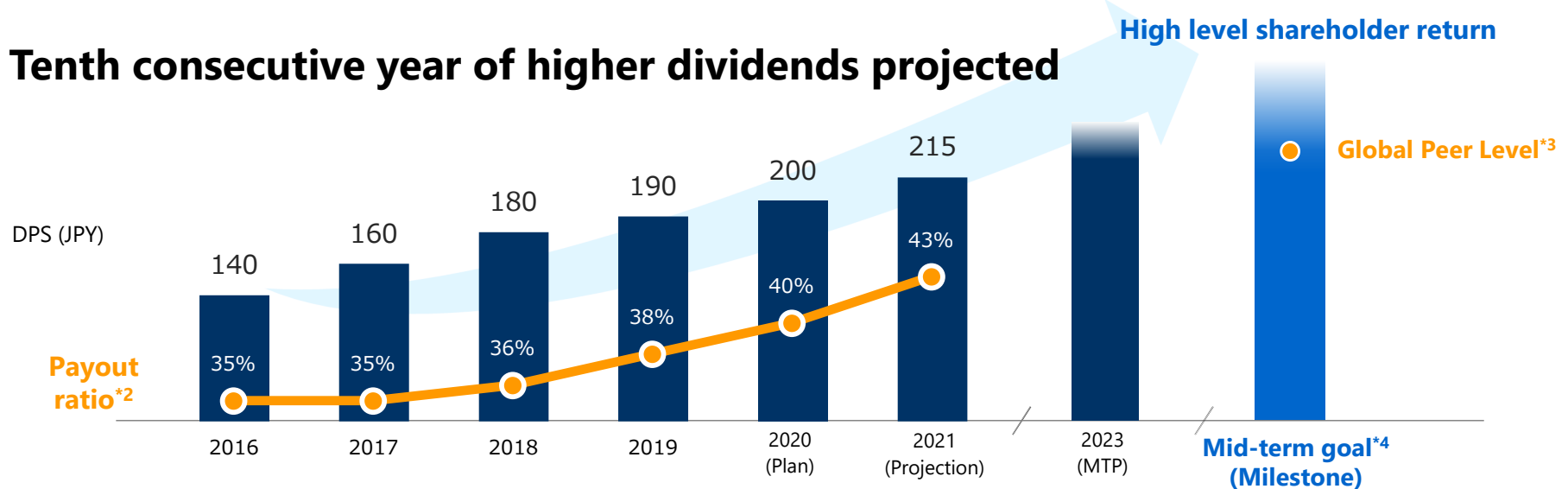
Dividends

- Primary means of shareholder return is dividends, which will be sustainably increased along with profit growth
- Payout ratio is at or above 40% of average adjusted net income^{*1}, and upon achievement of the mid-term goal, the ratio^{*2} shall be increased to levels on par with global peers^{*3}

Capital level adjustment

- A budget for annual capital level adjustment is set to ensure greater transparency
- The budget is set at ¥100bn for FY2021. As our policy is to prioritize growth investment, the amount will be aggregated with the amount of small- and medium-size growth investment (large M&A shall be executed separately, including recycling of existing investments)

Tenth consecutive year of higher dividends projected



Total dividends (billions of JPY)	105.3	117.6	128.0	133.0	139.1	149.0 ^{*5}
Capital level adjustment ^{*6} (share buybacks, etc.) (billions of JPY)	50.0	150.0	125.0	50.0	50.0	100.0 ^{*7}

*1: 5-year average of adjusted net income.
 *2: Payout ratio based on the original projection basis.
 *3: Payout ratio of global peers is currently circa 50%.
 *4: Adjusted net income of over ¥500.0bn, around 12% adjusted ROE
 *5: The figure for 2021 (projection) is before reflecting share buybacks.
 *6: Total amount approved by the announcement date of financial results of each fiscal year. The figure for 2018 includes one-time dividends of circa 50.0bn yen and those for 2019 and 2020 include of circa 25.0bn yen, respectively.
 *7: FY2021 (projection) is the total amount of small- to medium-sized business investment and capital level adjustment (guideline)

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Review of Previous MTP..... **P.45**

- Impacts of COVID-19
- Impacts of Natural Catastrophes
- Review of Previous MTP (Each Business)

New MTP..... **P.48**

- FY2021 Projections
- New MTP (Each Business)
- Enhance Digital Strategy Platform
- ESR and Sensitivity
- Further Growth with Flexible Capital Strategy

Basic Information (Each Business).. **P.53**

- Domestic Non-Life (TMNF)
- Domestic Non-Life (E.design Insurance)
- Progress in Autonomous Driving Technology
- Domestic Life (TMNL)
- International Insurance
- Group Asset Management

ESG..... **P.75**

- Initiatives on Climate Change
- Response to COVID-19
- Management Resource Development
- Cyber Security
- Governance System
- Participation in International Initiatives
- External Evaluation
- ESG x SDGs

Data..... **P.85**

- Impact of FX Rate Change on the Group's Financial Results
- Tokio Marine Holdings Key Statistics
- Return to Shareholders
- Definition of Terms

COVID-19 impacts on underwriting and investment improved from FY2020 projection to negative impact of ¥63.0bn

		Impacts on adjusted net income (billions of JPY; estimates)		
		FY2020 Projection (November projection)	FY2020 Results	Key Details
Domestic Non-Life	Underwriting	+24.0	+24.3	<ul style="list-style-type: none"> Fall in net incurred losses in auto and P.A. insurance Increased provision of underwriting result for the first year in auto insurance
	Investment	-4.0	-1.5	<ul style="list-style-type: none"> Lower dividends income Impairment losses in stock holdings *Less decrease in dividends income from FY2020 projection
International	Underwriting	-65.0	-62.1	<ul style="list-style-type: none"> Net incurred losses from Event Cancellation, BI and trade credit insurance
	Investment	-34.0	-26.7	<ul style="list-style-type: none"> Decrease in income gains due to lower interest rates, etc. Losses on valuation and sale of stocks, default losses on credit risk assets *Losses on valuation of stocks improved from FY2020 projection due to improved stock prices
Domestic Life		+3.0	+3.1	<ul style="list-style-type: none"> Decrease in hedge costs due to the contraction in interest rate differentials between Japan and overseas
Total		-76.0	-63.0	*Plus and minus of the figures in above table correspond to positive and negative to profit respectively

■ Net incurred losses relating to natural catastrophes (business unit profit basis, billions of JPY)

	FY2019 Results	FY2020 Results	YoY Change*1	Adjusted FY2020 Projection	FY2021
Before tax					
Domestic Non-Life	174.7	100.4	-74.2	86.5	74.0
International	21.1	35.7	+14.6	42.0	52.0
Total	195.8	136.2	-59.6	128.5	126.0
After tax*2					
Domestic Non-Life	125.9	72.4	-53.5	62.3	53.3
International	16.8	28.2	+11.3	33.0	40.0
Total	142.7	100.6	-42.1	95.3	93.3

■ Major natural catastrophes in Japan in FY2020 *Natural catastrophes larger than a certain size listed

Gross incurred losses*3

Heavy rains in July 2020	¥32.4bn
Typhoon Haishen	¥30.6bn

*1 "+" means a negative for profits, while "-" means a positive for profits

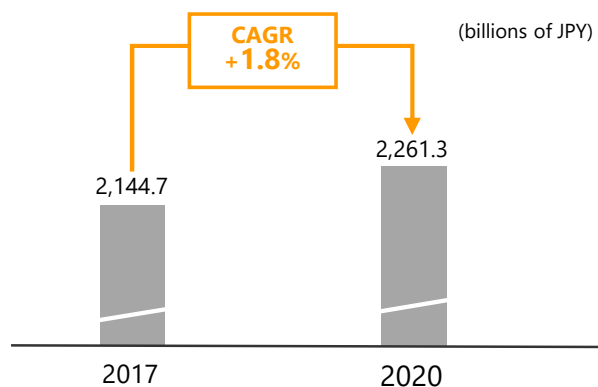
*2 After-tax figures are estimates

*3 Before tax and total of Domestic Non-life

Domestic Non-Life (TMNF)

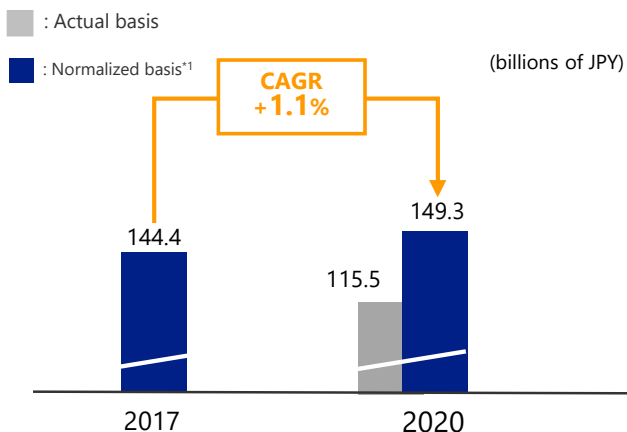
Net premiums written

Plan **CAGR: +1% or more**



Business unit profit

Plan **CAGR: +1% or more**

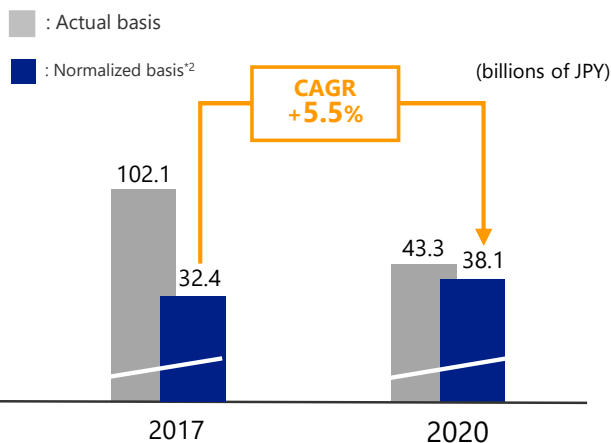


*1: Based on new definition and natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

Domestic Life (TMNL)

New Policies ANP

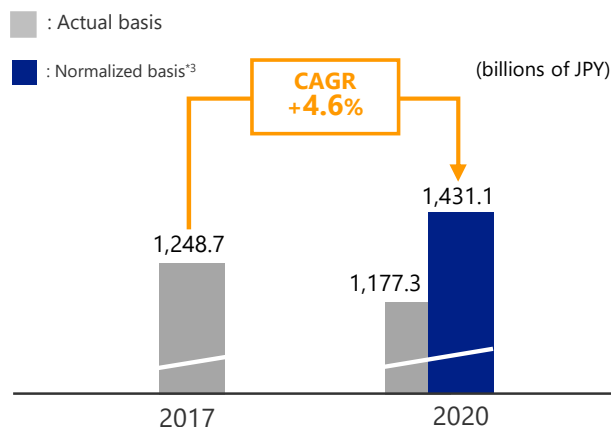
Plan **CAGR: +1% or more**



*2: Excluding corporate insurance

Business unit profit (increase in MCEV)

Plan **MCEV Growth CAGR: +4% or more**

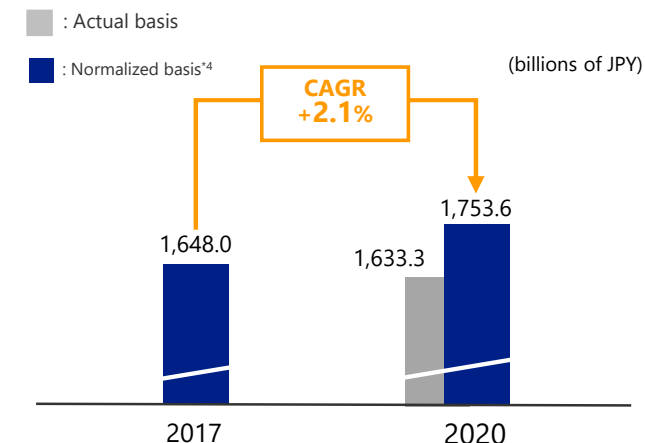


*3: Sum of FY2017 MECV and the total of "new business value and existing business contribution" between FY2018 and FY2020

International

Net premiums written

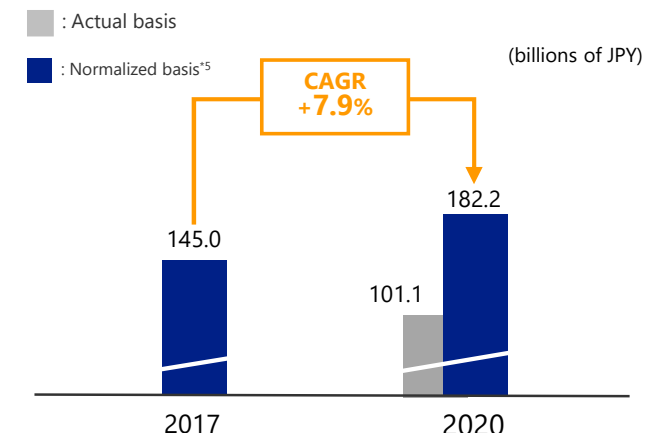
Plan **CAGR: around +5%**



*4: Excluding the impact of FX

Business unit profit

Plan **CAGR: around +11%**



*5: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 and FX are excluded.

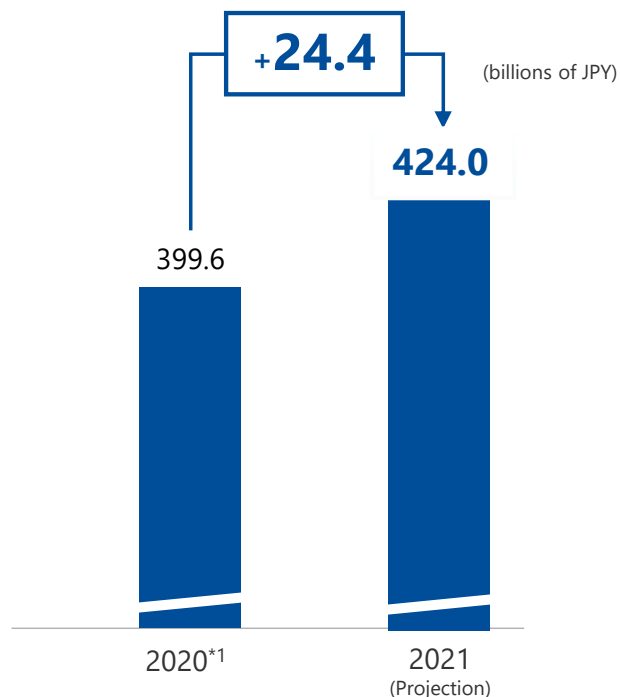
Top line

Bottom line

**Profit is projected to increase due to the reversal effect of COVID-19 impacts, etc.
Projected to an increase in dividends for the tenth consecutive period**

Sustainable profit growth

■ Adjusted net income



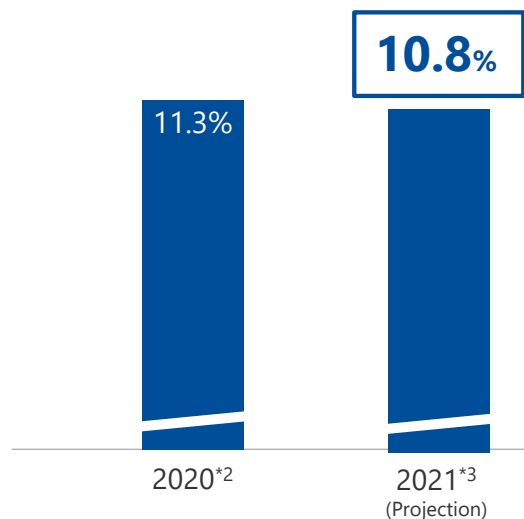
*1: Based on new definition. Impact of nat-cat underwriting reserves and provisions of underwriting result for the first year deducted from FY2020 actual figure of ¥336.1bn stated on page 3

*2: Based on new definition. Impact of nat-cat underwriting reserves and provisions of underwriting result for the first year deducted from FY2020 actual figure of 9.7% stated on page 3

*3: Due to improved market environment, etc., adjusted net assets in the denominator is expected to increase

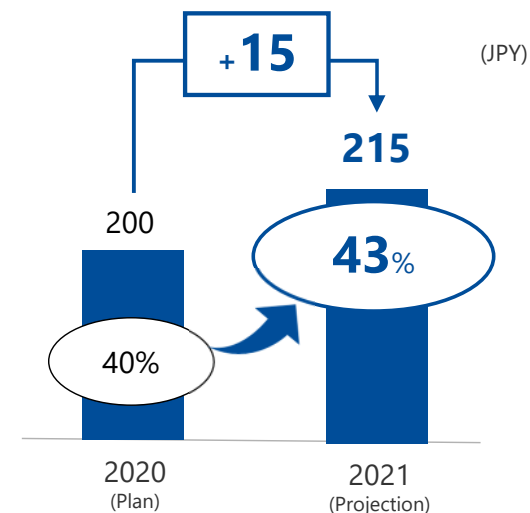
Enhance capital efficiency

■ Adjusted ROE



Enhance shareholder return

■ Dividend per share / payout ratio*4



*4: Payout ratio is based on the five-year average adjusted net income. Based on original projections.

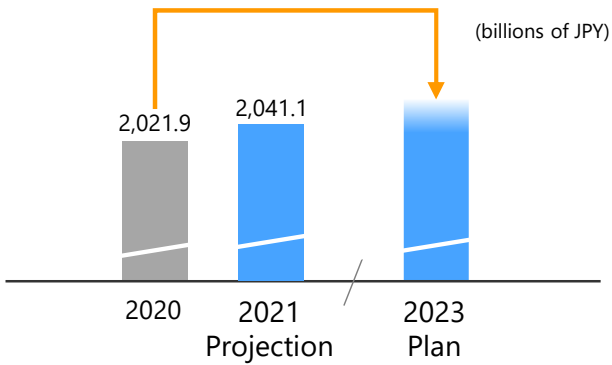
■ Capital level adjustment

- FY2021 budget is set at ¥100bn
- The amount to be aggregated with small- and medium-sized growth investments

Domestic Non-Life (TMNF)

Net premiums written (Private insurance)

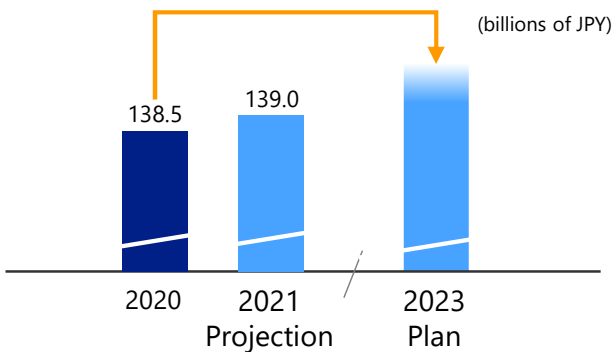
Plan **CAGR: +2% or more**



Business unit profit

Plan **CAGR: +6% or more**

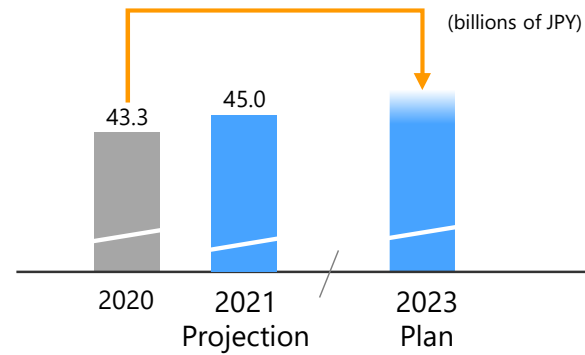
Normalized basis^{*1}



Domestic Life (TMNL)

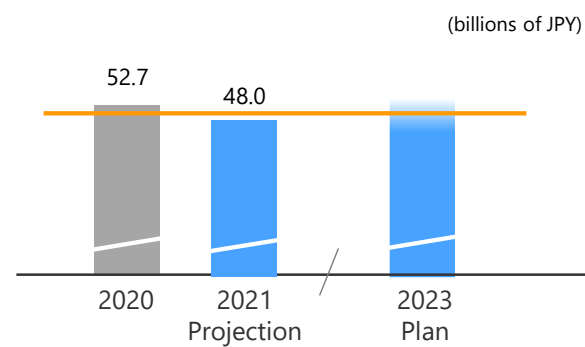
New Policies ANP

Plan **CAGR: around +5%**



Business unit profit^{*2}

Plan **Stably secure ¥50bn level**

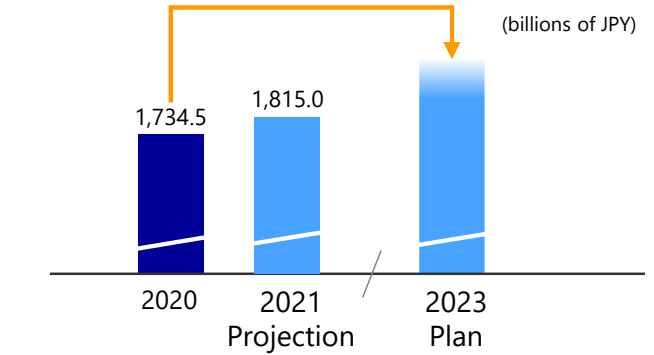


International

Net premiums written

Plan **CAGR: around +5%**

Normalized basis^{*3}

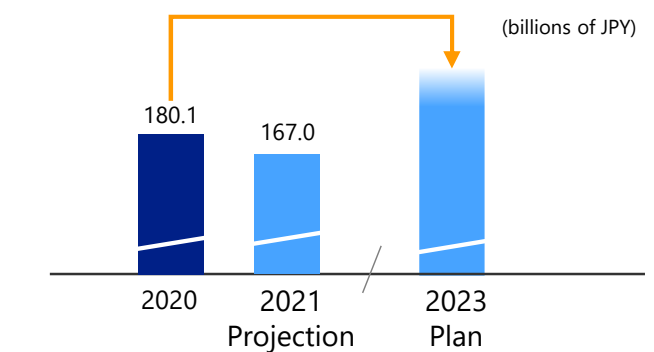


*4: Excluding the impact of FX

Business unit profit

Plan **CAGR: around +9%**

Normalized basis^{*3}



*1: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

*2: Revised to net income based KPIs from FY2021

*3: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 and FX are excluded.

Enhance competitiveness by global lateral deployment of knowledge based on enhancement of collaboration with diverse partners and digital development system

Cooperation with diverse partners



- Conducting various demonstrations since capital & business alliance in Jul. 2018. Listed on NASDAQ in Feb. 2021



- As part of strategic alliance under consideration, participating in reinsurance program



- Entered into capital & business alliance in Nov. 2020 to develop new products / services in the health care area



- Joint-development of universal consulting service for disabled employees and senior citizens to resolve social issues

Enhance digital development system / digital resource development

G/D Lab.

Promoting agile development with new digital hub (250 staffs) established in Ginza, Tokyo

Data Science Hill Climb

Original program aiming at data scientist development (under supervision by Professor Yutaka Matsuo of the University of Tokyo)

Tokio Marine Innovation Program

Materialize employee's ideas to generate innovation

G/D Lab.



Laterally deploy knowledge through 7 Labs



London Established in Apr. 2020

- Daljitt Barn appointed as Global Head of Cyber Risk to supervise the area
- Research and identification of start-ups

Tokyo

- Supervise global labs
- Research on latest technologies and business model trends

Silicon Valley

- Research / identify start-ups
- Support DX for group companies in North America

NY Established in Jul. 2020

- Research / identify start-ups
- Support DX for group companies in North America



Singapore

- Research / identify digital technologies and the new business models
- Support DX for group companies in Asia

Taipei

- Research / identify digital technologies and the new business models

São Paulo

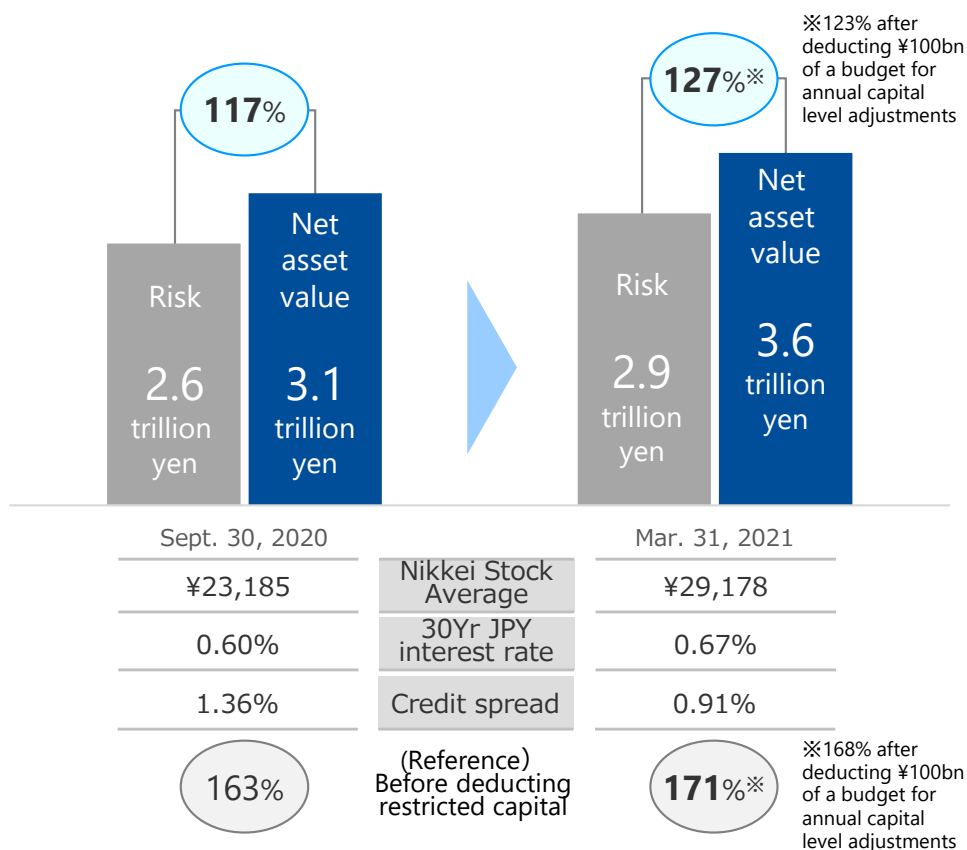
- Create / develop new business models and services

Established in Jan. 2021

“Digital Round Table”
Periodic meeting of domestic and overseas digital managers to promote development of digital products / services and business process improvement

ESR as of March 31, 2021 was 127% (within the target range) reflecting profit contributions in 2H, rises in stock prices and shareholder return, etc.

ESR*1



Factors changing net asset value

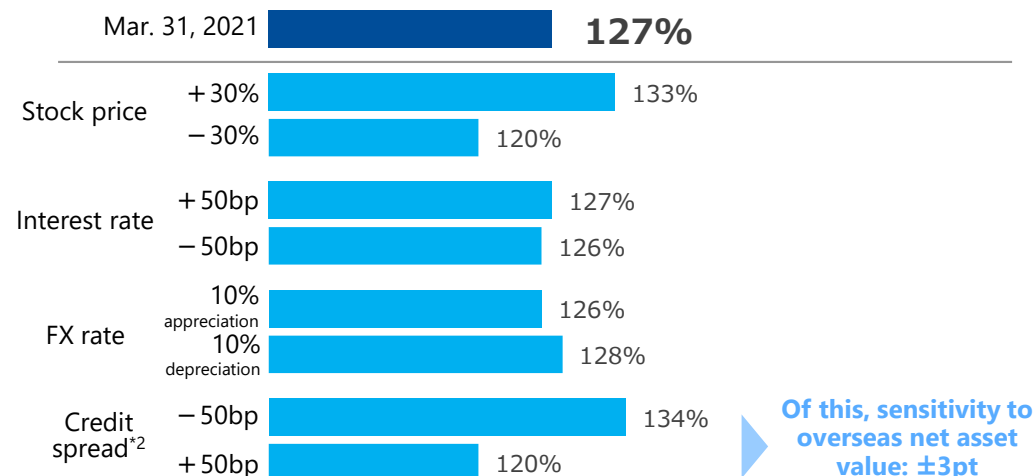
- ➔ 2H adjusted net income contribution
- ➔ Higher stock prices
- ➔ Tighter credit spreads
- ➔ Shareholder return, etc.

Factors changing risk

- ➔ Increase in equity risk caused by higher stock prices, etc.

*1: Net asset value of overseas subsidiaries shows the balance as of three months earlier (June 30, 2020 and Dec. 31, 2020).

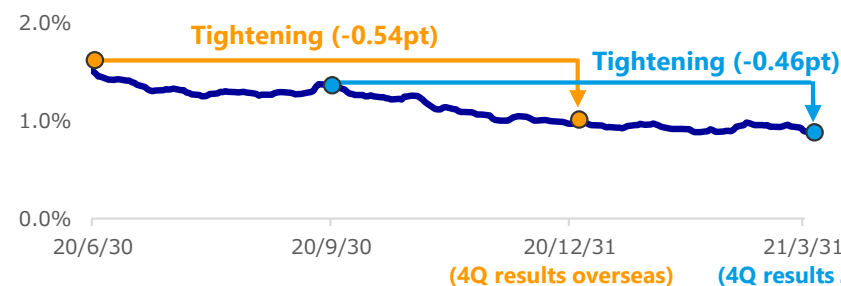
ESR Sensitivity (based on parallel shift)



Stock price: Continue to sell business-related equities
 Interest rate: Control the impact of interest rate fluctuations through ALM
 FX rate: Limited impact on ESR
 Credit: Allow risk-taking within the risk limits

*2: Due to different consolidated accounting periods adopted by overseas subsidiaries (refer to *1), the period of credit spread fluctuations reflected on ESR differ.

<Credit spread of U.S. corporate bonds>

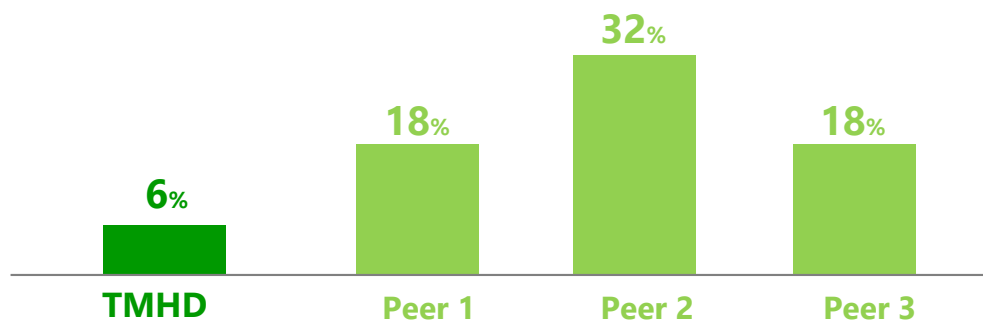


Further Growth with Flexible Capital Strategy

Utilize hybrid capital to realize further growth strategy including M&A
 Avoid dilution and maintain appropriate capital to achieve long-term ROE enhancement



Ratio of hybrid in ESR capital (net asset value)*

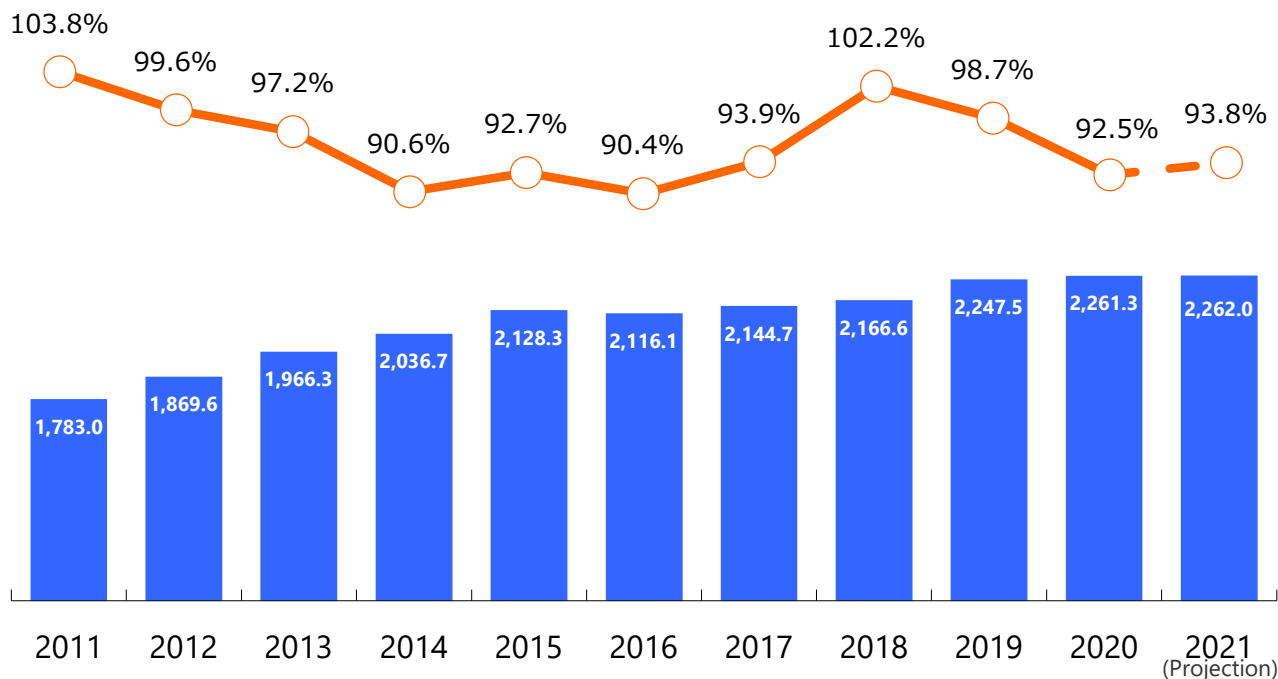


(Reference)
 Summary of hybrid bond used for Pure Group acquisition

- Issue amount: ¥200bn
- Currency: JPY
- Coupon: 0.96% p.a. (Fixed until December 24, 2029)
- Maturity: 60 years (early redemption permissible from December 24, 2029)

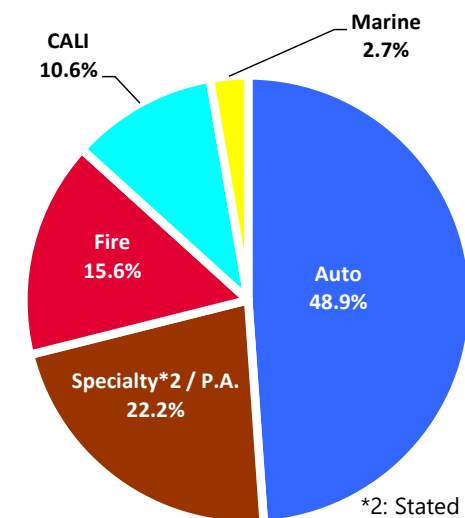
Basic Information: Domestic Non-Life (TMNF)

Trends of net premiums written (all lines; billions of yen) and C/R*1 (private insurance E/I basis)



Premium composition by line

(FY2020 net premiums written basis)



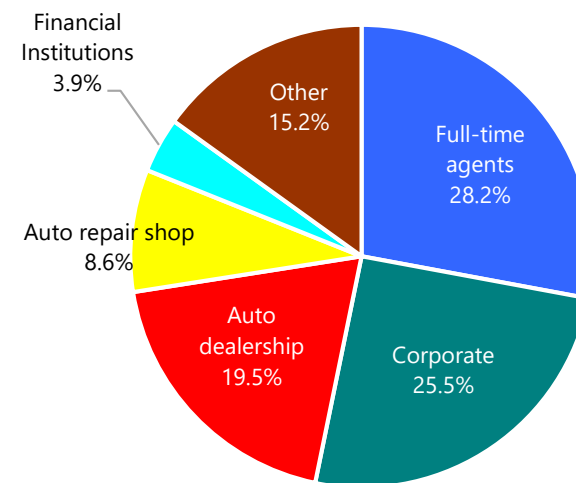
*2: Stated as "Others" in financial reports

Breakdown of C/R*1 (private insurance E/I basis)

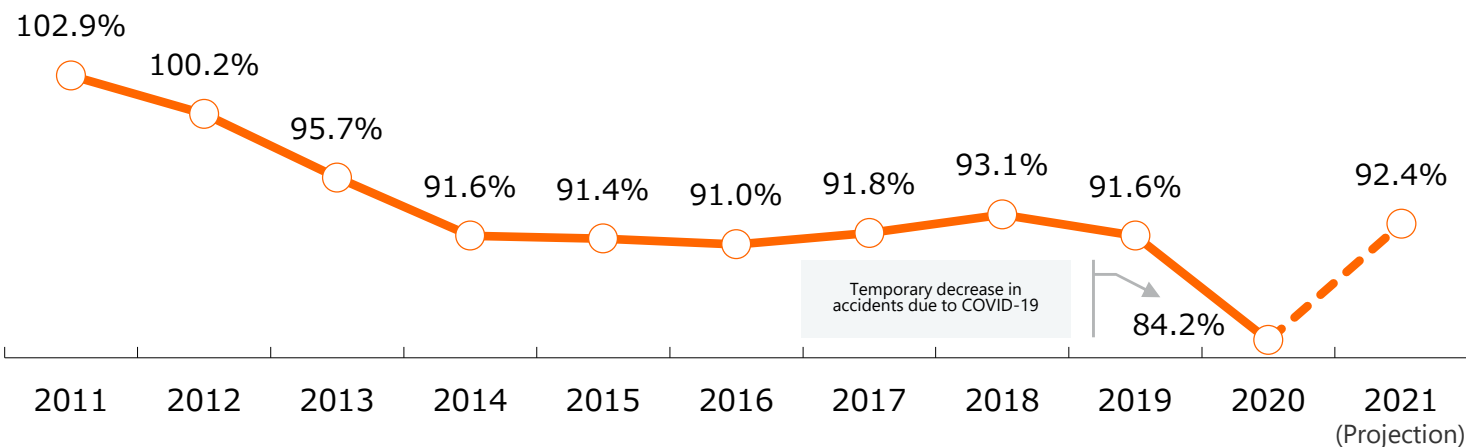
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Projection)
C/R*1	103.8%	99.6%	97.2%	90.6%	92.7%	90.4%	93.9%	102.2%	98.7%	92.5%	93.8%
E/I loss ratio	69.8%	66.8%	65.0%	58.5%	60.1%	57.7%	61.4%	70.0%	66.3%	60.8%	60.7%
(nat-cat normalized to an average annual level basis)	63.5%	64.7%	62.2%	59.2%	58.2%	57.3%	59.1%	59.9%	60.4%	58.7%	60.7%
W/P expense ratio	34.0%	32.8%	32.2%	32.2%	32.6%	32.7%	32.5%	32.3%	32.4%	31.6%	33.1%

Premium composition by sales channel

(FY2020 managerial accounting basis)

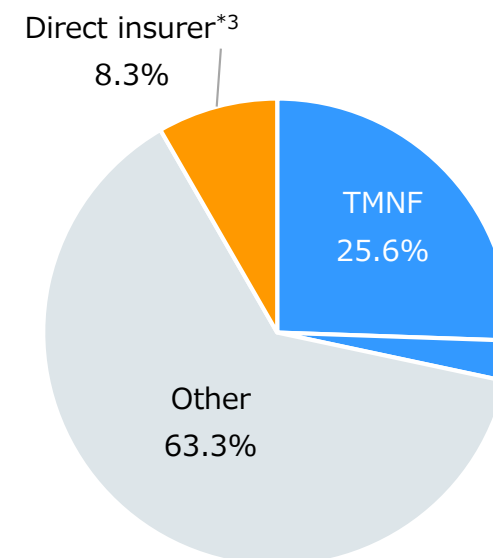


● Trends of C/R*¹ (private insurance E/I basis) in Auto insurance



● Auto Insurance Market Share*²

(FY2019 direct net premiums written basis)



● Breakdown of C/R*¹ (private insurance E/I basis) in Auto insurance

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Projection)
C/R*¹	102.9%	100.2%	95.7%	91.6%	91.4%	91.0%	91.8%	93.1%	91.6%	84.2%	92.4%
E/I loss ratio	70.7%	69.4%	65.3%	61.1%	60.5%	60.2%	60.8%	62.3%	60.8%	54.3%	61.1%
(normalized to an average annual level basis)	70.3%	69.3%	64.4%	61.2%	60.4%	60.5%	60.6%	61.0%	60.0%	58.7%	61.1%
W/P expense ratio	32.2%	30.8%	30.4%	30.5%	30.9%	30.8%	31.0%	30.9%	30.8%	29.9%	31.4%

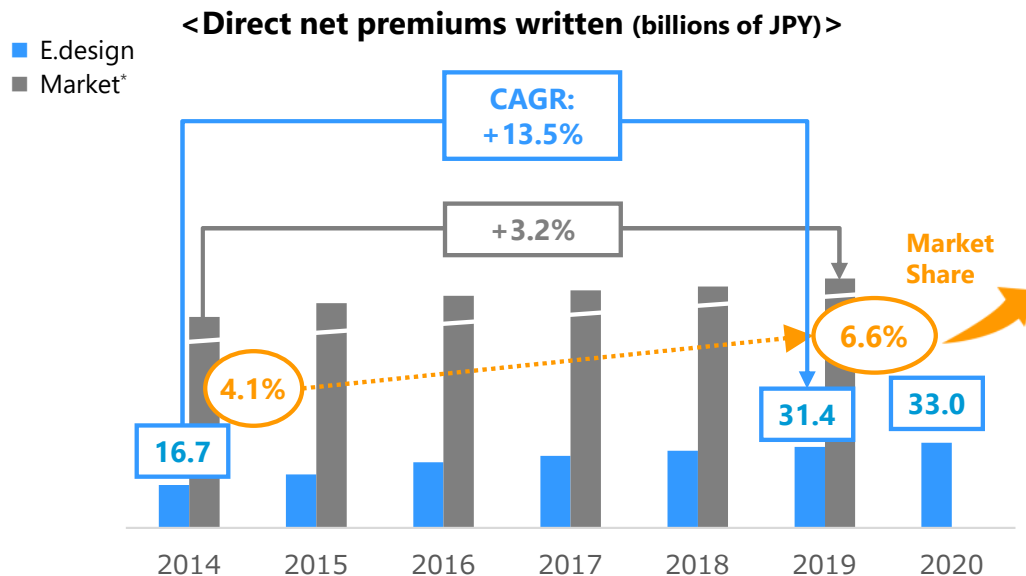
*1: C/R = E/I loss ratio + W/P expense ratio

*2: Source: Insurance Statistics (Sonpo Vol.4864)

*3: Companies include Sony, American Home, AXA, Mitsui Direct, Saison, Sompo 24, SBI, E.design, Zurich.

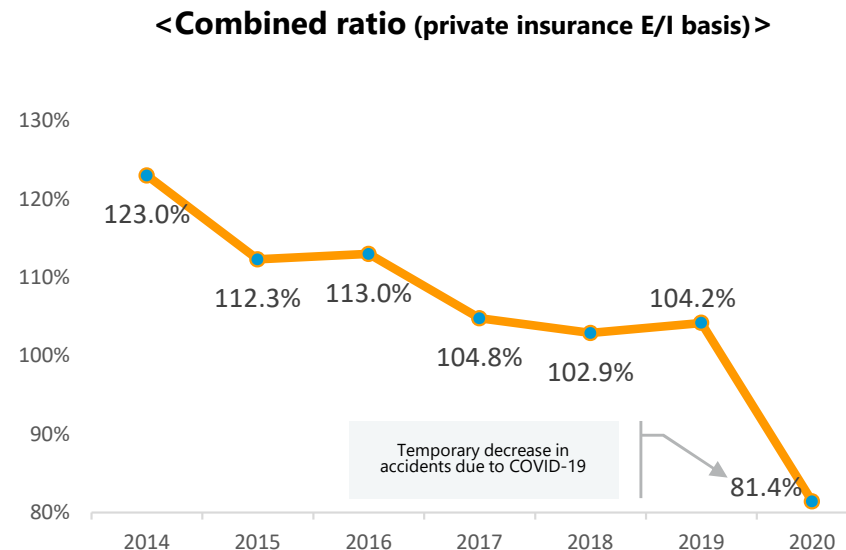
Steady growth by creating new experiences for customers in direct sales market

Strong growth in the direct sales market



*: Sony, American Home, AXA, Mitsui Direct, Saison, Sompo 24, SBI, E.design, Zurich
(Source: Insurance Statistics (Sonpo Toukeigo), company websites)

Profitability improved while pursuing growth



Glowing external reviews



One-click insurance premium quote for auto insurance

30 clicks → 1 click

In the past, obtaining a quote for insurance required around 30 clicks. E.design has narrowed down questions and **created a new customer experience** where a quote can be obtained with just one click



An award established in 2016 by Charlton, a media group with offices in Singapore, Hong Kong and Philippines, that recognizes outstanding insurance companies in Asia for their cutting-edge innovation, and offering products, services, or initiatives with impact on the insurance industry



Complete Insurance Guide
Ranked No.1 in the Auto insurance ranking



Ranked No.1 for seven consecutive years in the auto insurance ranking chosen by experts



Won the highest rating of 3-stars in the non-life insurance industry for "Customer Service" and "Support Portal" (Eighth consecutive year for the latter)

Auto insurance market will contract gradually with the progress in autonomous driving technology, etc., but expectations rise for insurance companies as social infrastructure against the backdrop of advance of automobiles and complex liabilities

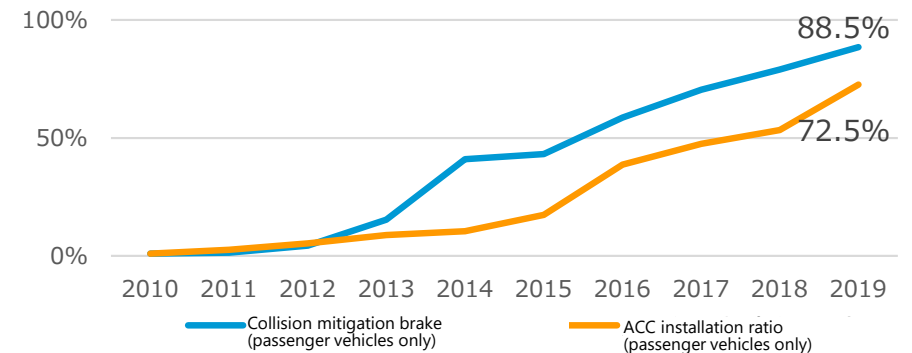
Autonomous driving technology is making certain progress but universal deployment will take considerable time (short-time changes are limited)

➤ Progress in Autonomous Driving Technology

<Level of Autonomous Driving> <Driver> <Government Target (private vehicles)>

Level of Autonomous Driving	Driver	Government Target (private vehicles)
Level 0 (zero autonomous)	System Human	
Level 1 (driving support)		
Level 2 (partially autonomous)		
Level 3 (conditional autonomous)		by 2020, autonomous driving on expressways *1
Level 4 (highly autonomous)		by 2025, autonomous driving on expressways *1
Level 5 (fully autonomous)		TBD

➤ ASV installation ratio for new cars*2



➤ **Average car ownership: 9 years**
Replacement of all vehicles will take **more than 15 years***3

Rising expectations for insurance companies as social infrastructure

➤ Current positioning of auto insurance

Operator liability to be maintained up to Level 4 for initial migration period to provide quick relief to victims*4

➤ Our initiatives

April 2017: Launched coverage riders for expenses for saving victims [First in industry]

April 2021: Auto accidents during autonomous driving have no impact on the grade rating system for non-fleet auto insurance [First in industry]

No significant changes to claims cost for the time being

$$\text{Claims cost} = \text{Accident frequency} \downarrow \times \text{Insurance unit price} \uparrow$$

➤ **Lower accident frequency** ↘

➤ **Higher insurance unit price** ↗

- Higher repair expense unit price due to expensive parts ↗
- Possible increase in assessment cost ↗

*1: Based on our data, insurance payment for expressway accidents comprise about 3% of all accidents

*2: Based on MLIT Survey on Penetration of ASV Technology, Dec. 2020

*3: Public-Private ITS Initiative / Roadmaps 2020.

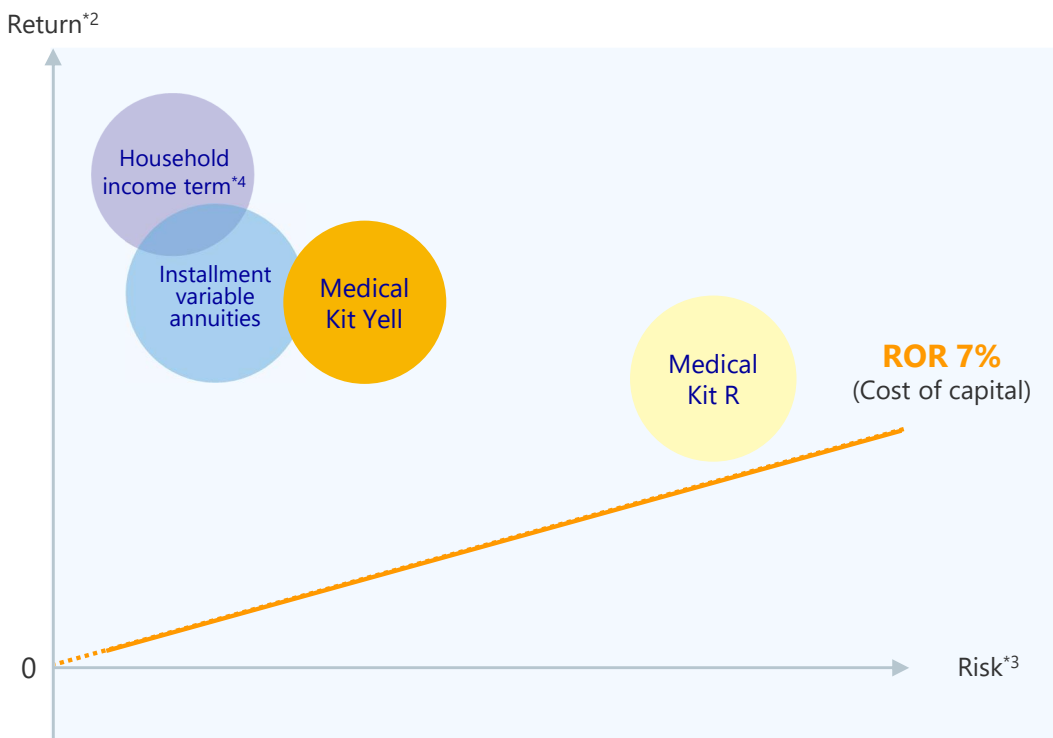
*4: Mar. 2018, MLIT Research Group on Liability for Accident Compensation concerning Autonomous Driving

Maintain growth exceeding the market by focusing on profitable “protection-type products and installment variable annuities” and implementing unique product strategy. Consequently, increase new business value by “around 5% CAGR” in new MTP

Focus on profitable “protection-type products and installment variable annuities”

- Mainstay product for TMNL secured **RoR above capital cost (7%)**

TMNL mainstay product risk/return*1 (image)

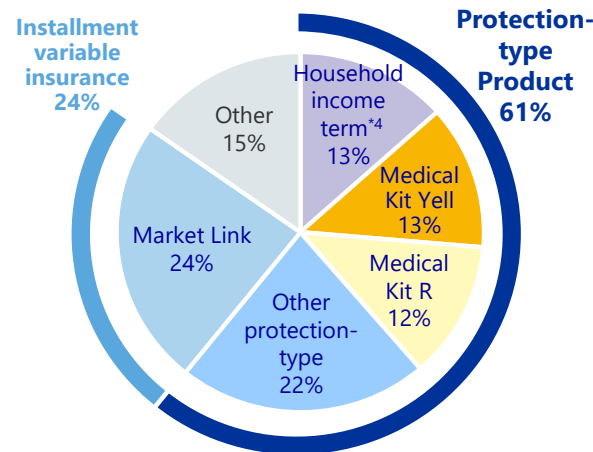


*1: Size of the bubble indicates new policies ANP for the product (FY2020 results)
 *2: Value of new business and future release of cost of non-hedgeable risks (FY2020 results)
 *3: Sum of necessary capital for future fiscal years (Mar. 31, 2021)
 *4: Includes disability insurance
 *5: CAGR (2014-2019) of number of in-force policies for protection-type products and YoY % of number of new policies in FY2019 for variable insurance
 *6: Medical, cancer and fixed-term insurance for protection-type products, fixed-term for variable insurance
 Source: Insurance Statistics (Seimei Hoken Toukeigo), the Life Insurance Association of Japan website
 *7: In addition to instance of death, fixed coverage provided for reduced income throughout insurance period in case of inability to work caused by the five diseases

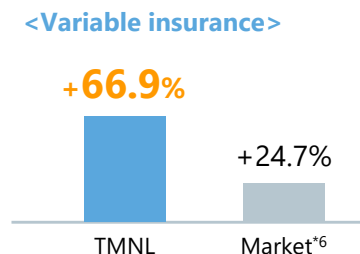
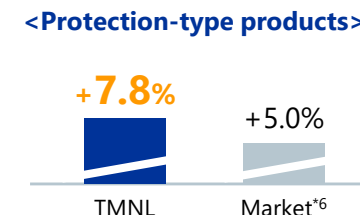
Growth exceeding the market

- Unique products in focus area to achieve **growth exceeding the market**

TMNL product portfolio (FY2020 New Policies ANP ¥43.3 bn)



TMNL growth capacity*5



Numerous unique products supporting strong growth

Household income term

First in Japan*7 insurance for inability to work

Medical Kit R

First in Japan medical insurance that returns unused insurance

Installment variable annuities

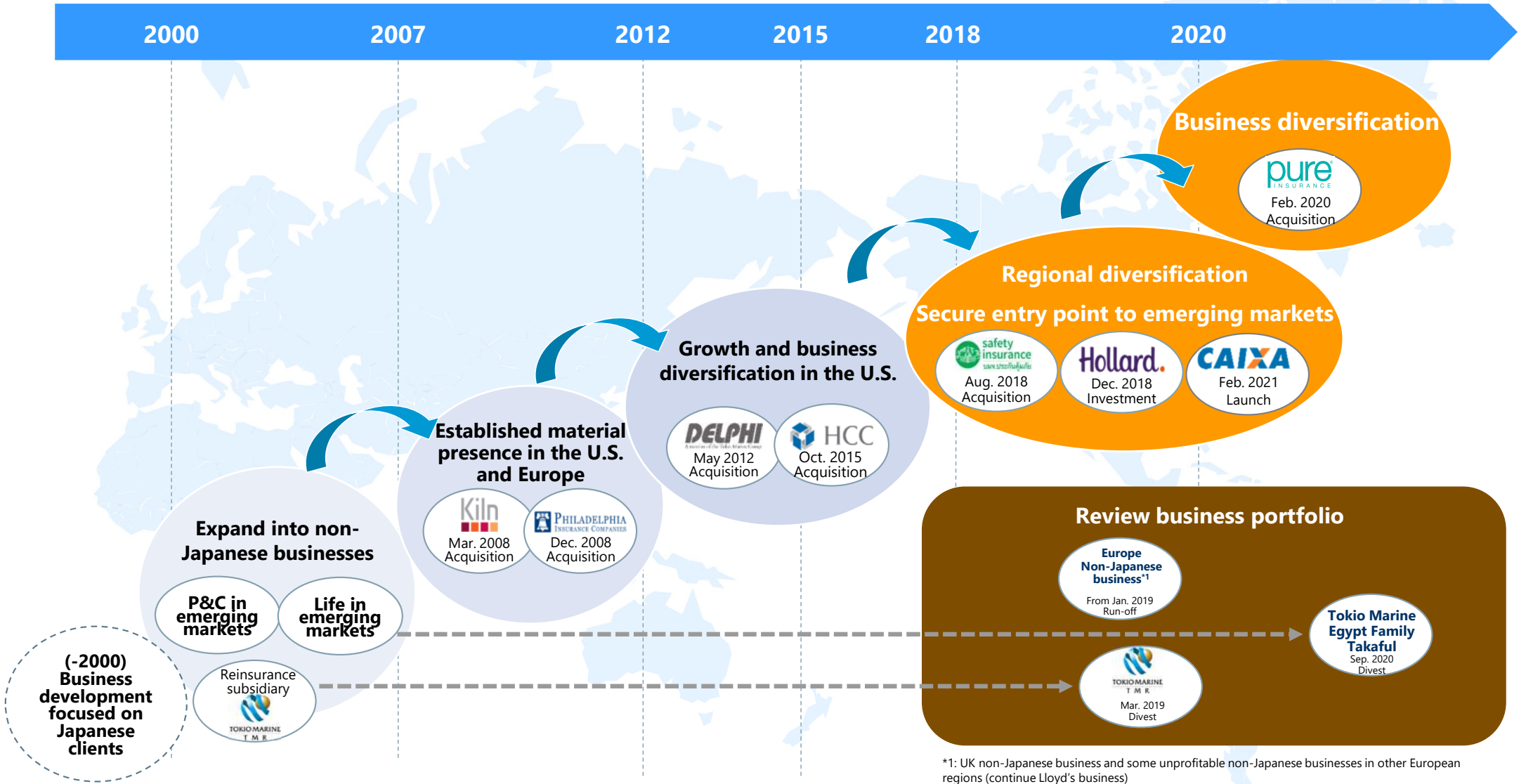
Reduce investment risk with long-term diversified investment

Control of interest rate risks

- With strict ALM, **hedge ratio improved to about 95%** as of March 31, 2021

Basic Information: International Insurance (M&A Transactions)

Creating strong franchise by acquiring blue chip companies with strong business model
 In recent years, promoting selection and diversification of business to optimize business portfolio



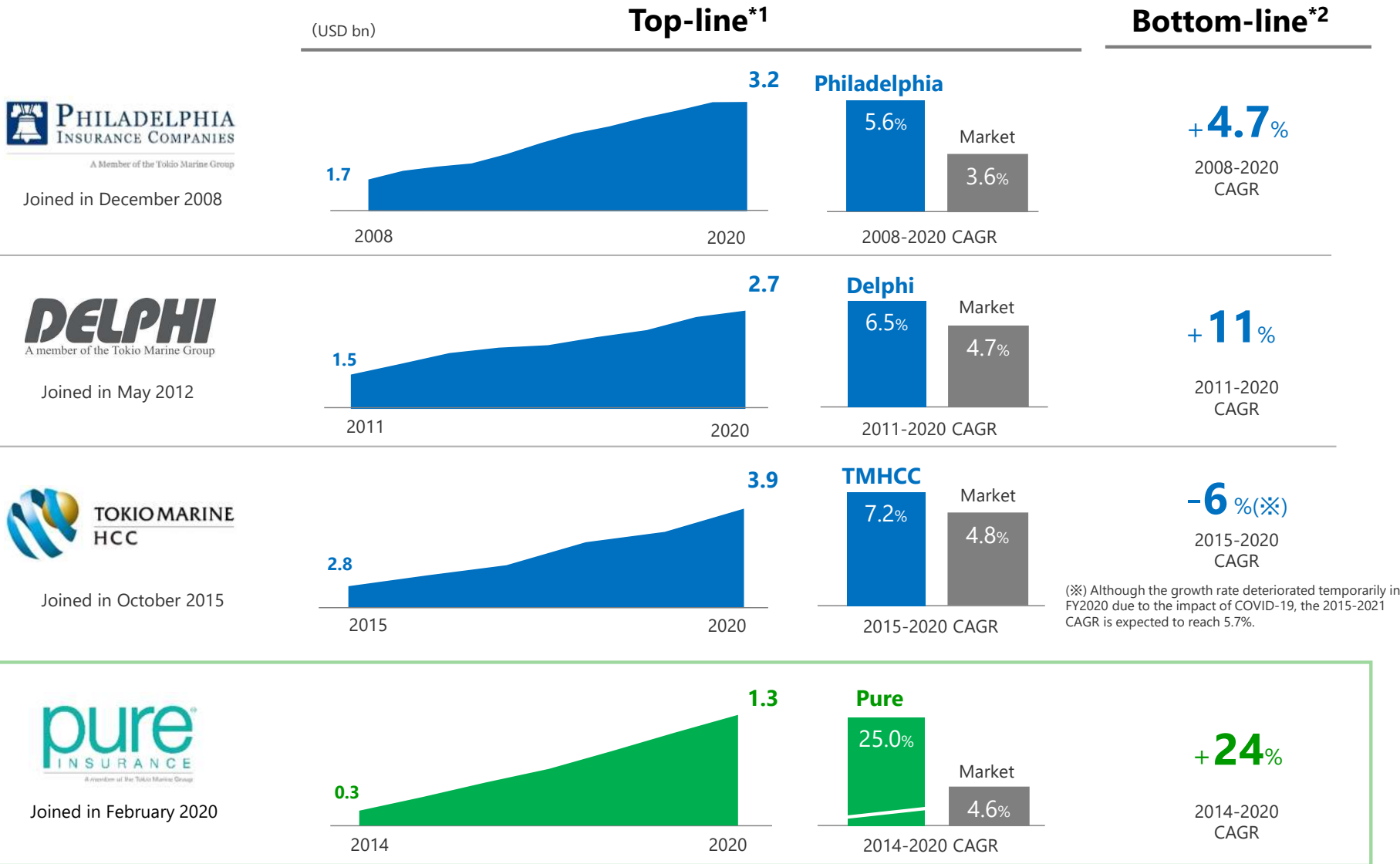
*1: UK non-Japanese business and some unprofitable non-Japanese businesses in other European regions (continue Lloyd's business)

The three U.S. companies exceeded market growth after joining the Tokio Marine Group We will achieve further growth with the acquisition of Pure

Achieved high growth after joining the Group



**Joined in 2020
Will achieve further growth**

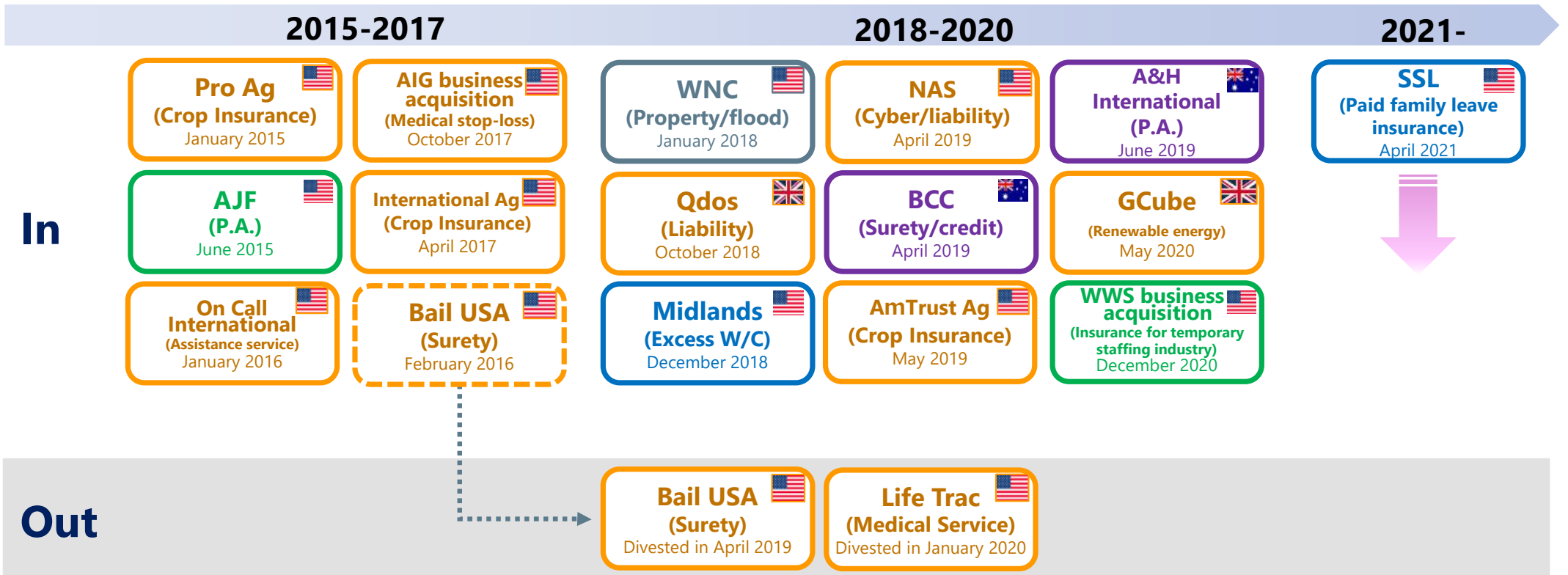


Basic Information: International Insurance (Bolt-on M&As)

Execute strategic bolt-on M&As leveraging our international group companies' insight and experience

Advantages of bolt-on M&A

- High success rate** : In-depth understanding based on a long-term business relationship
- Accumulated know-how** : Experience of executing over 60 bolt-on M&As
- Disciplined M&A** : Strategic portfolio adjustment forecasting the future business environment



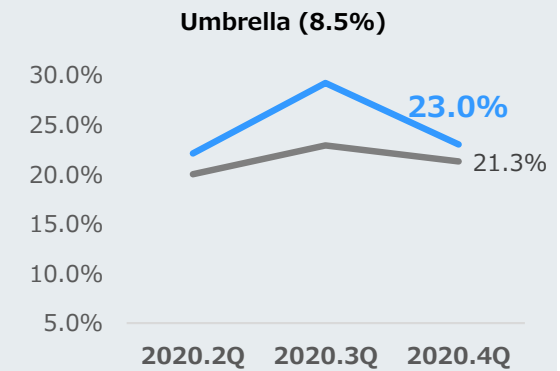
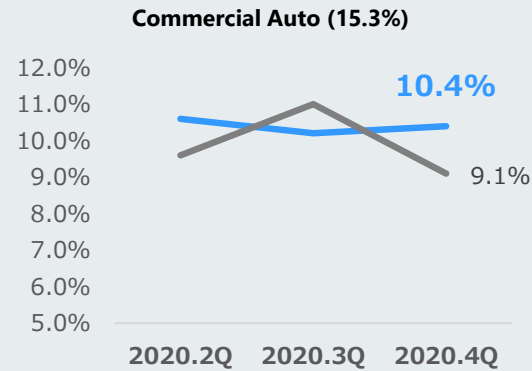
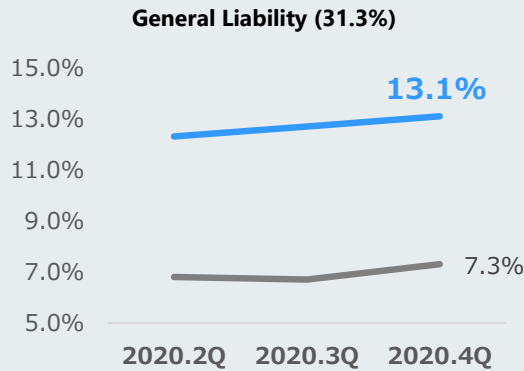
Colors represent the acquiring companies: TMHCC TMK PHL DFG TMMA (Australia)

Key lines have realized rate increases above hardening market Aim to achieve higher profitability

Figures in the brackets show the share in FY2020 premiums

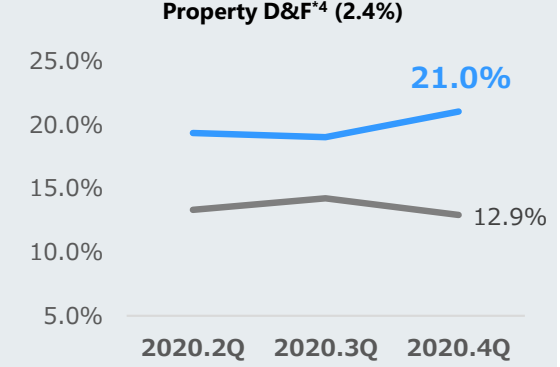
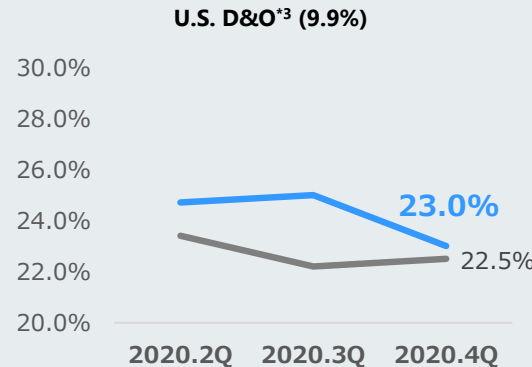
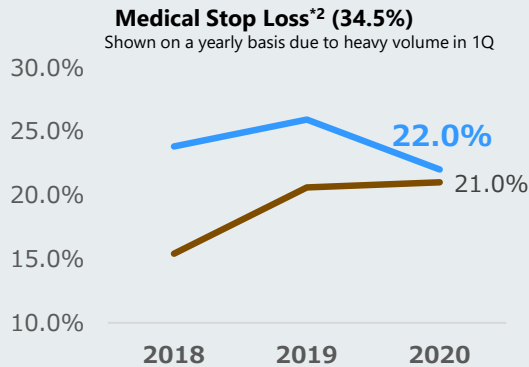


PHLY
Market*1



TMHCC
Market*1

For Medical Stop Loss, estimated loss cost (Leveraged Trend) is used because there is no market data



*1: U.S. Commercial P&C Market (Excluding Medical Stop Loss & U.S. D&O)
Source: COMMERCIAL PROPERTY/ CASUALTY MARKET INDEX Q4/2020,
The Council of Insurance Agents & Brokers

*2: TMHCC: Effective rate change basis including higher deductible effect
Market: Estimated loss cost (Leveraged Trend)

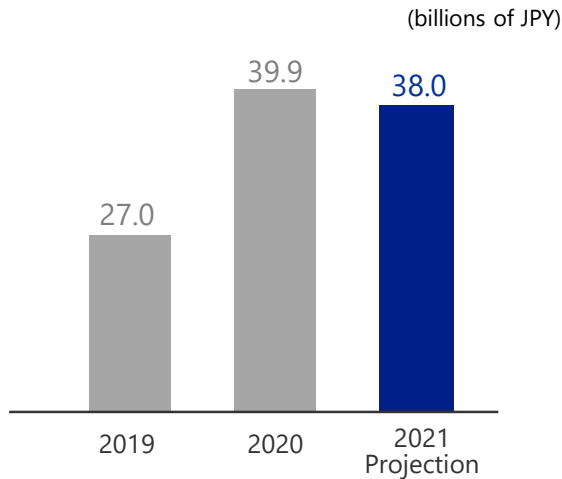
*3: Market: Public Primary D&O, Source: Aon

*4: Market: Rate increase data for "Property" line total



A Member of the Tokio Marine Group

Business unit profit*1

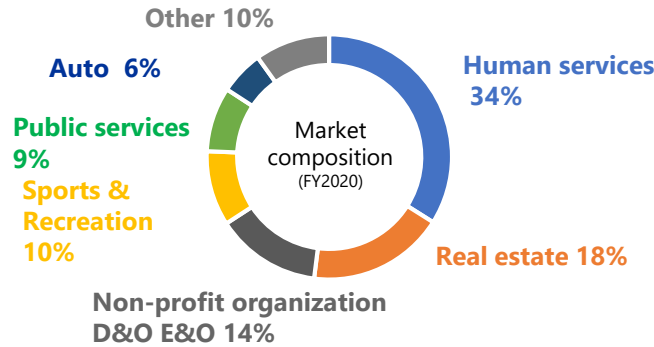


FX RATE (USD/JPY)	2019	2020	2021 Projection
	19.12E	20.12E	21.3E
	109.5 yen	103.5 yen	110.7 yen

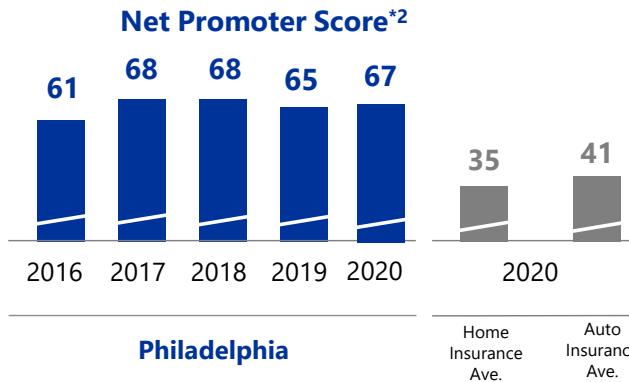
*1: 2019: Including the impact of reserve provision due to social inflation (-¥23.1bn)

Strategies

Focus on niche markets



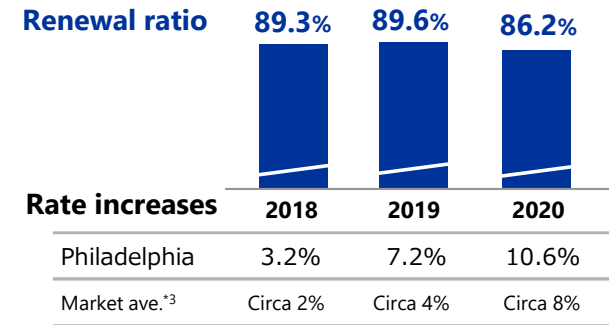
Strong customer loyalty



*2: Indicator to measure customer loyalty and their willingness to use products/services continuously. It shows how likely a customer recommends a brand to others.
Source: NICE Satmetrix 2020 Consumer Net Promoter Benchmark Study

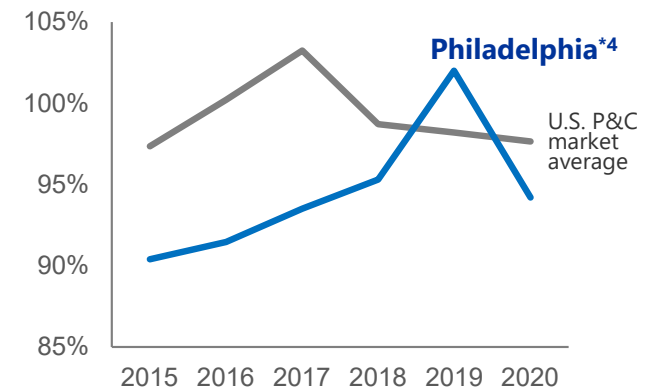
Results

High renewal ratio and rate increases



*3: Source: Willis Towers Watson

Combined ratio

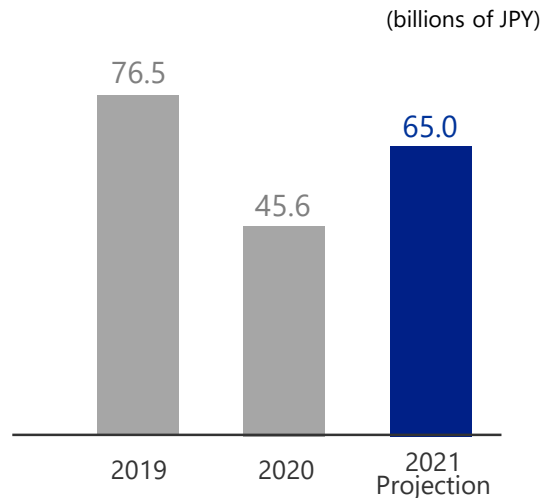


*4: Local management accounting basis. 2019 shows a one-time increase due to the past reserve provision.



A member of the Tokio Marine Group

Business unit profit*1

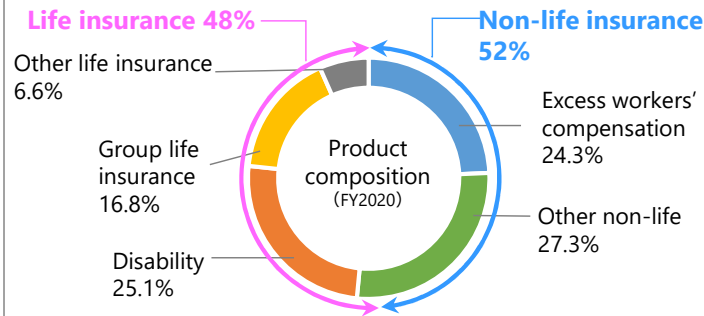


FX RATE (USD/JPY)	2019	2020	2021 Projection
	19.12E	20.12E	21.3E
	109.5 yen	103.5 yen	110.7 yen

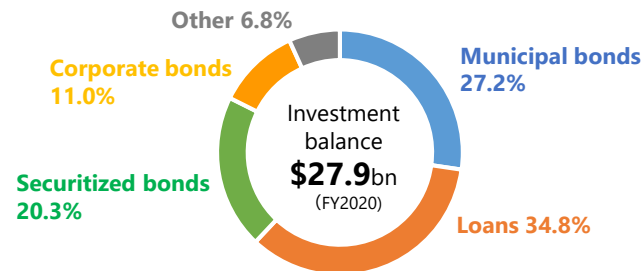
*1: 2020: Including the COVID-19 impact

Strategies

Strength in employee benefits and retirement products/services



Diversified investment portfolio

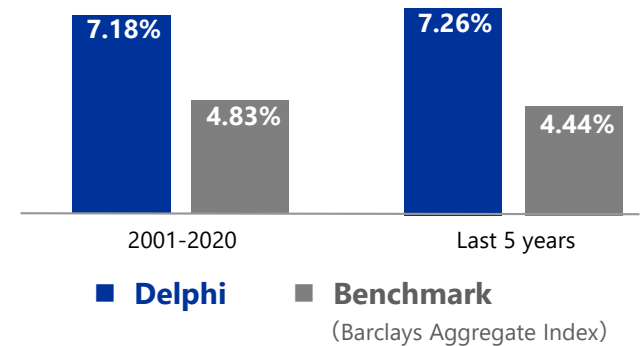


- Abilities to gather and analyze information, leveraging its extensive networks such as external investment managers
- Cautiously balance the investment portfolio, reflecting changes in financial environments

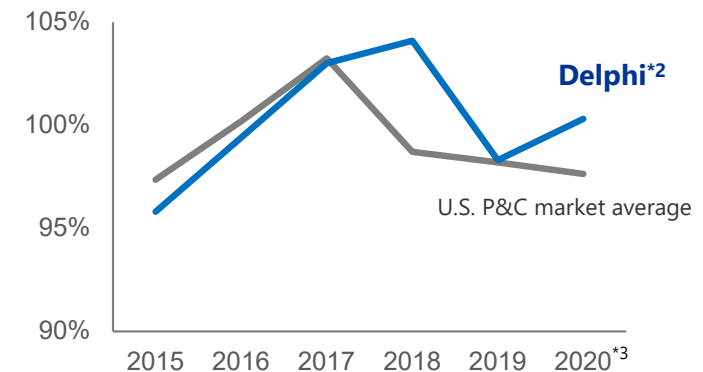
Results

High investment returns

Average results compared with the market



Combined ratio

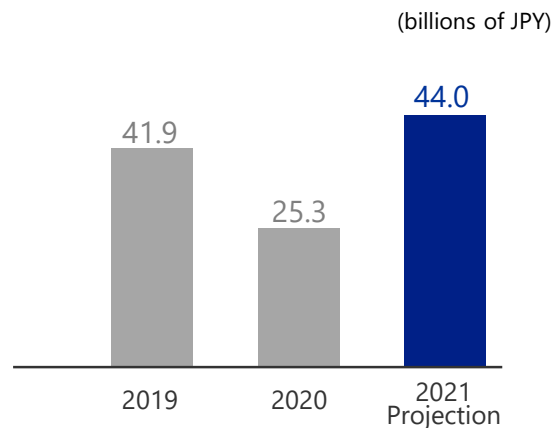


*2: Local management accounting basis. 2018 shows a one-time increase due to reserve adjustments

*3: 2020: Including the COVID-19 impact



Business unit profit*1



FX RATE (USD/JPY)	2019	2020	2021 Projection
	19.12E	20.12E	21.3E
	109.5 yen	103.5 yen	110.7 yen

*1: 2019: Including the impact of deteriorating loss ratios in crop insurance from unstable weather and other factors and in medical stop-loss from rising medical costs

2020: Including the COVID-19 impact

Strategies

Bolt-on M&A to reinforce our strengths



(Apr. 2019)

- A US-based Managing General Agent, which mainly offers cyber and professional indemnity insurance
- Wholly owned in order to capture high profitability and growth potential



AmTrust Ag
(May 2019)

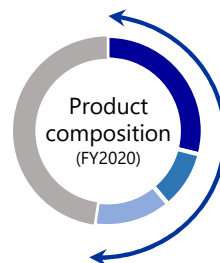
- A US-based Crop Managing General Agent of AmTrust Group
- Aim to improve profitability through business expansion



(May 2020)

- A UK insurance agent handling insurance in the area of renewable energy business
- Aim to improve profitability while promoting creation of a sustainable future through insurance business

Specialty insurance that are less dependent on the P&C market cycles

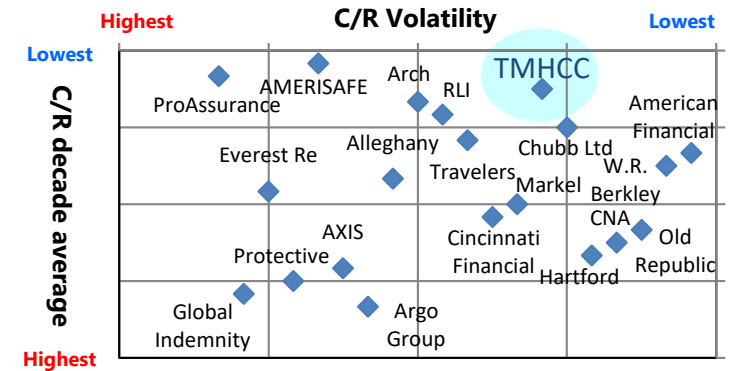


Circa 52%

- Medical stop-loss
- Crop
- Surety, etc.

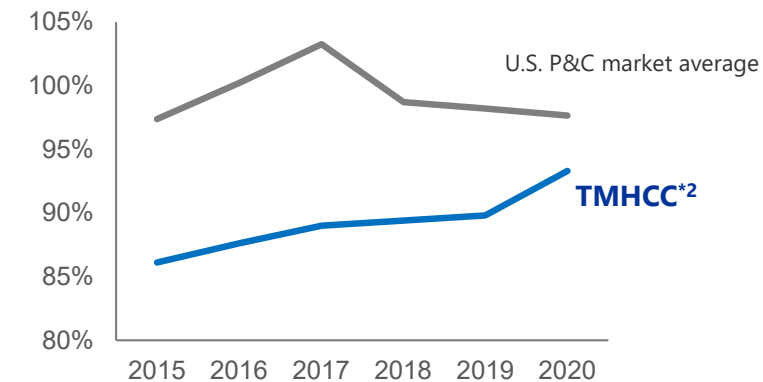
Results

Stable profitability



Source: Created by Tokio Marine from Company Reports, Dowling & Partners Analysis (based on data through Dec. 31, 2020)

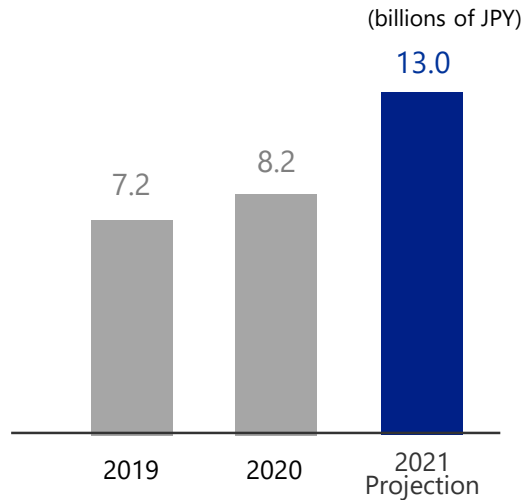
Combined ratio



*2: Local management accounting basis



Business unit profit*1

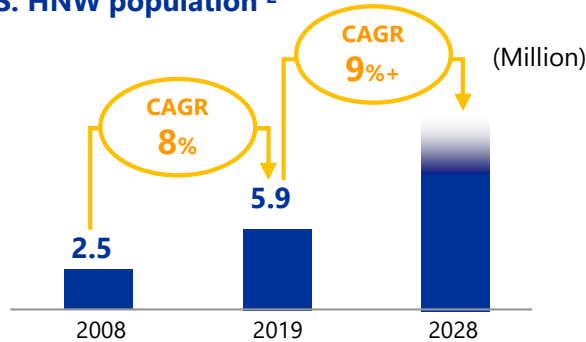


FX RATE (USD/JPY)	2019	2020	2021 Projection
	19.12E	20.12E	21.3E
	109.5 yen	103.5 yen	110.7 yen

*1: 2019: After-tax profit on a local accounting basis
2020 & 2021 projection: Business unit profit

Strategies (Pure Reciprocal Exchange)

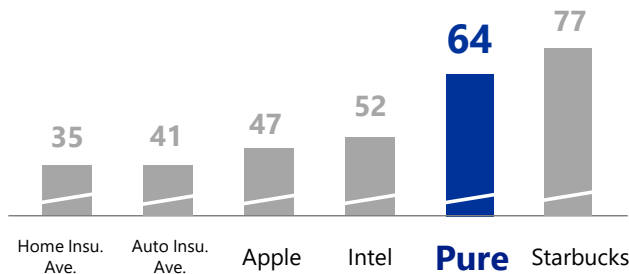
- Focus on HNW market with high growth potential
- U.S. HNW population*2



*2: Estimated from past 10-year growth of U.S. HNW population (i.e., population with investable asset of more than USD 1M) etc. based on data from Capgemini, BMI, and Euro monitor

- Strong customer loyalty

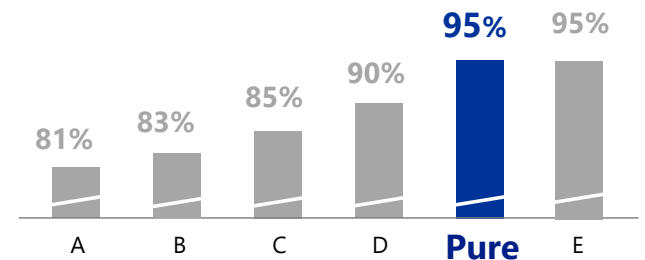
Net Promoter Score*3



*3: Indicator to measure customer loyalty and their willingness to use products/services continuously. It shows how likely a customer recommends a brand to others
Source: Customer GURU, NICE Satmetrix 2020 Consumer Net Promoter Benchmark Study

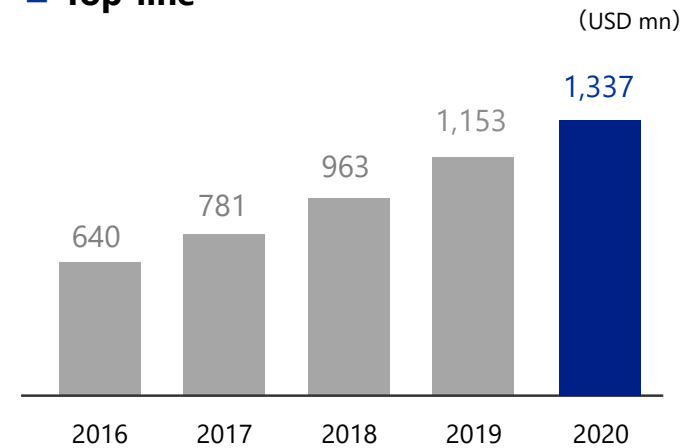
Results (Pure Reciprocal Exchange)

- Top tier renewal ratio in the U.S. P&C industry*4



*4: 2020 result. A-E are all major players. Source: Company disclosure materials

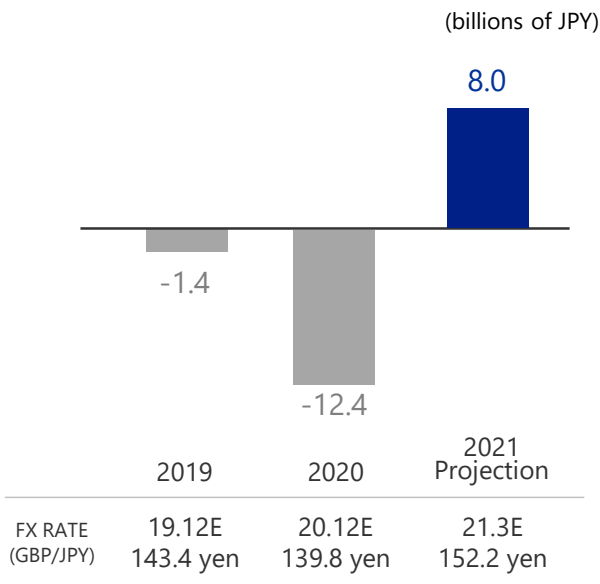
- Top-line*5



*5: Premiums under management company



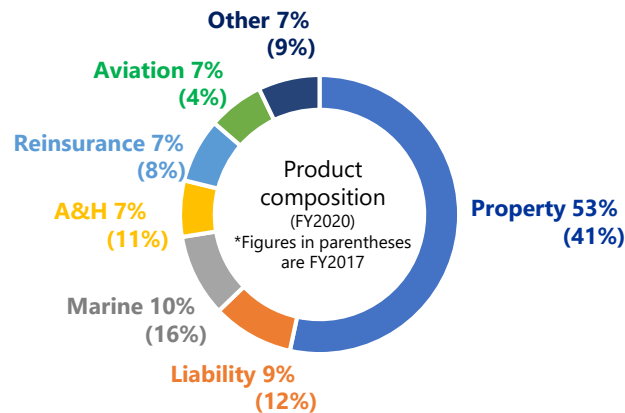
Business unit profit*1



*1: 2019: Including the impact of large losses at TMK non-Lloyd's operation
2020: Including the COVID-19 impact

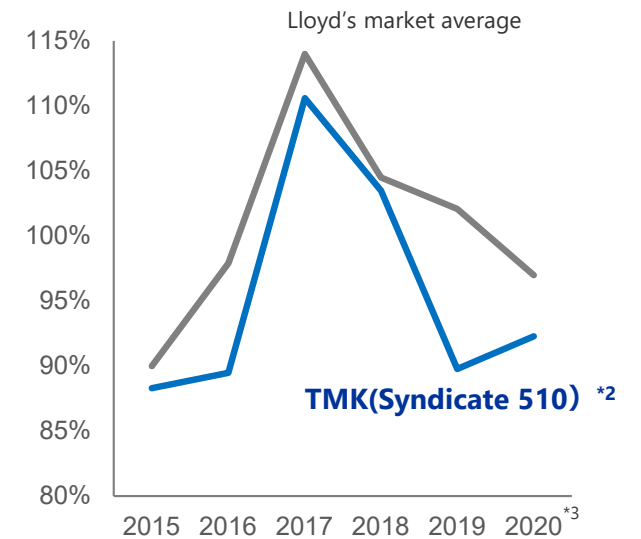
Strategies

- Restructuring of European operations**
 - Announced restructuring the European operations in June 2019 for TMK to focus on businesses in Lloyd's
 - Narrow down underwriting of unprofitable lines such as A&H and marine
 - Focus on underwriting Lloyd's specialty lines such as property insurance in the U.S., U.K., Asia, etc.
- Underwriting products in Lloyd's**



Results

Combined ratio

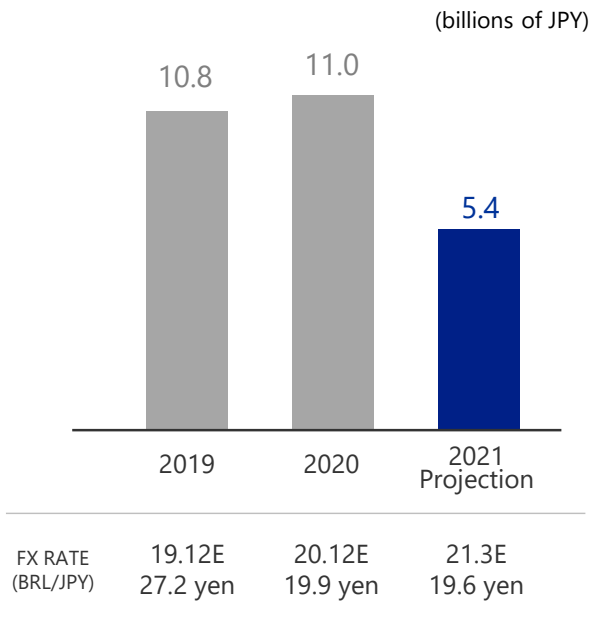


*2: Local management accounting basis

*3: Excluding the COVID-19 impact



Business unit profit*1



*1: 2020: Including positive impacts such as a drop in auto accidents due to COVID-19 and a one-time increase in investment gains

Strategies

Expanding the number of brokers



- Provide systems and contact centers to support sales activities of brokers

Product & service strategies

[Auto]

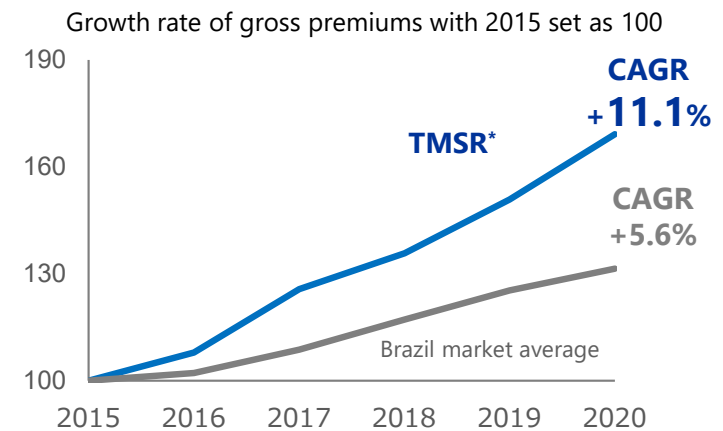
- Realize growth with profitability by flexibly adjusting premium rates
- Utilize wireless technology to reduce theft risk and develop specialized products
- Enhance service quality by providing in-house contact center of road assistance service

[Fire]

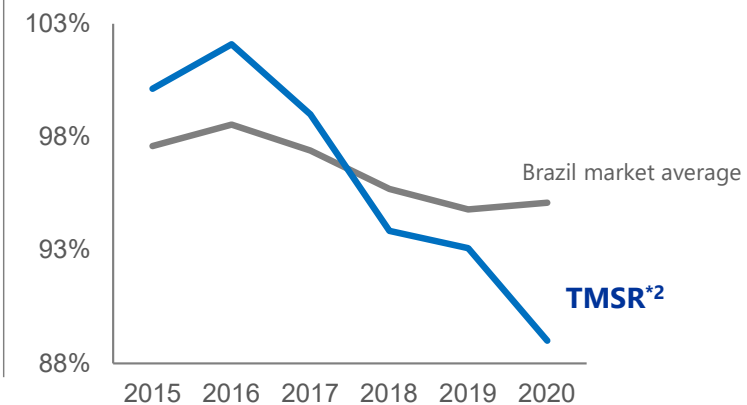
- Sell highly profitable housing insurance through a JV with Caixa Bank

Results

Growth exceeding the market



Combined ratio



*2: Local management accounting basis

Basic Information: International Insurance (Results by Region)

Net Premiums Written (billions of JPY)	2019	2020	YoY		2021 Projection
	Actual	Actual	YoY Changes	YoY %	Original
North America ^{*1}	1,124.0	1,095.8	- 28.1	-2.5%	1,235.0
Philadelphia	369.2	336.4	- 32.8	-8.9%	365.0
Delphi	278.2	279.5	1.3	0.5%	311.0
TMHCC	399.1	413.5	14.4	3.6%	482.0
Europe ^{*2,3}	196.1	130.9	-	-	142.0
South & Central America	136.0	105.6	- 30.4	-22.4%	113.0
Asia & Oceania	184.5	174.3	- 10.2	-5.5%	194.0
Middle East & Africa ^{*3}	-	33.1	-	-	36.0
Total Non-Life ^{*4}	1,649.5	1,539.9	- 109.6	-6.6%	1,720.0
Life	92.0	93.3	1.3	1.5%	95.0
Total	1,741.6	1,633.3	- 108.2	-6.2%	1,815.0

Business Unit Profits (billions of JPY)	2019	2020	YoY		2021 Projection
	Actual	Actual	YoY Changes	YoY %	Original
North America ^{*1}	147.2	116.3	- 30.8	-21.0%	149.0
Philadelphia	27.0	39.9	12.8	47.7%	38.0
Delphi	76.5	45.6	- 30.9	-40.4%	65.0
TMHCC	41.9	25.3	- 16.5	-39.6%	44.0
Europe ^{*2,3}	2.2	- 12.4	-	-	8.0
South & Central America	10.8	10.9	0.1	0.9%	6.0
Asia & Oceania	16.6	- 6.0	- 22.7	-136.2%	14.0
Middle East & Africa ^{*3}	-	0.6	-	-	1.0
Total Non-Life ^{*4}	179.0	97.3	- 81.7	-45.6%	173.0
Life ^{*5}	12.9	- 0.5	-	-	- 5.0
Pure	-	8.2	8.2	-	13.0
Total ^{*6}	179.5	91.6	- 78.3	-43.7%	167.0

Applied FX rate	2019	2020	2021
	Actual	Actual	Projection
	Dec 31, 2019	Dec 31, 2020	Mar 31, 2021
USD / JPY	¥109.5	¥103.5	¥110.7
GBP / JPY	¥143.4	¥139.8	¥152.2
Brazilian Real / JPY	¥27.2	¥19.9	¥19.6

*1: North American figures include European business of TMHCC, but do not include North American business of TMK.

*2: European figures include North American business of TMK, but do not include European business of TMHCC.

*3: European figures for 2019 include Middle East & Africa.

*4: Total Non-Life figures include some life insurance figures of composite overseas subsidiaries.

*5: 2020 and 2021 figures are based on new definitions.

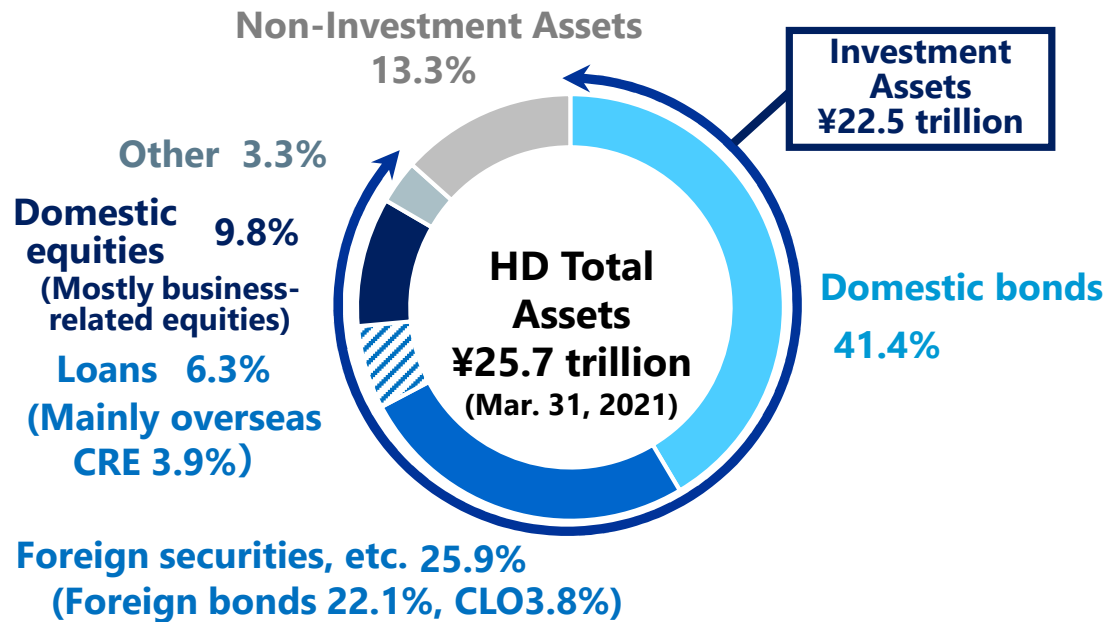
*6: After adjustment of head office expenses

C/R	2019	2020	2021 Projection
North America ^{*1}	97.5%	96.0%	95.7%
Philadelphia	102.8%	94.7%	96.3%
Delphi	98.3%	100.3%	101.8%
TMHCC	89.8%	93.4%	89.7%
Europe ^{*2,3}	97.4%	111.8%	93.7%
South & Central America	93.5%	89.6%	96.0%
Asia & Oceania	95.8%	111.3%	96.4%
Middle East & Africa ^{*3}	-	97.2%	96.0%
Total Non-Life ^{*4}	97.0%	99.8%	96.2%
Life	-	-	-
Pure	-	-	-
Total	97.0%	99.8%	96.2%

Basic Information: Group Asset Management (Policy)

Secure long-term and stable investment income under a policy reflecting the characteristics of insurance liabilities with ALM at the core

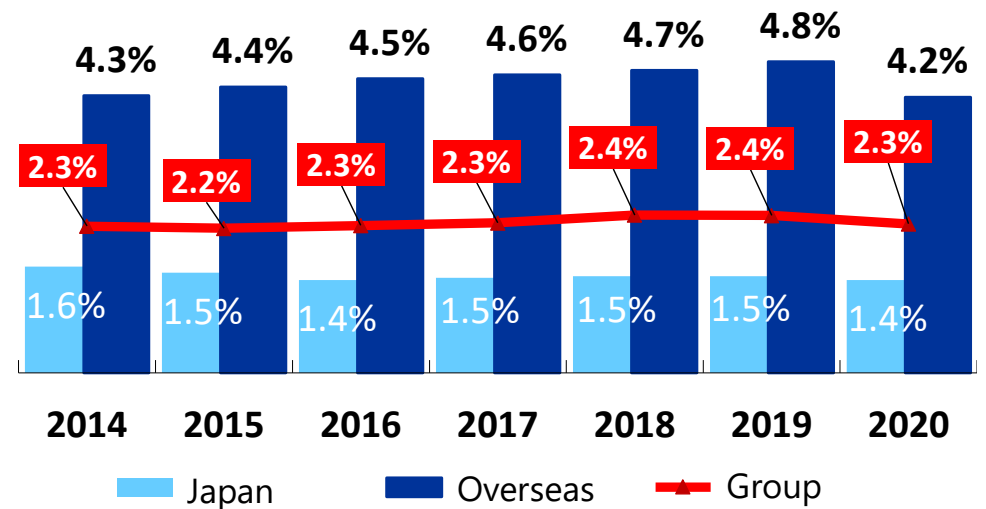
Investment Portfolio (Mar. 31, 2021)



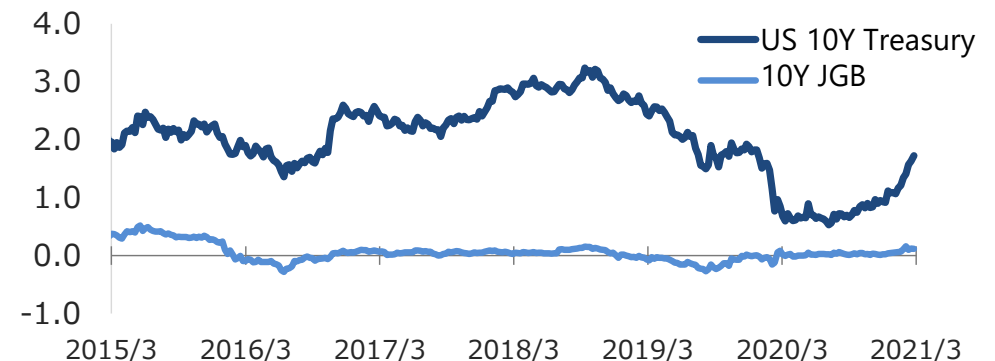
- Domestic bonds:** Enhance ALM based on insurance liabilities
- Foreign securities, etc. / Loans:** Profit contribution by asset diversification
- Domestic equities:** Mainly business-related equities

Secure stable yield

<Group's income yield>



(Reference) Open Market Rates



Each risk is managed within the ERM framework from an overall Group perspective
Aim at profit contribution by taking credit risks under appropriate risk control

Control of interest rate risk

- Control of interest rate risk with appropriate ALM in each country/entity
- For domestic life, interest rate risk is managed by matching asset and liability interest rate sensitivity rather than by using duration, which lacks the concept of volume (about 95% hedge ratio, Mar. 31, 2021)

Control of FX risk

- Each country/entity mainly makes investments in own currency corresponding to insurance liabilities
- Foreign currency denominated assets are fully hedged using currency options and derivatives

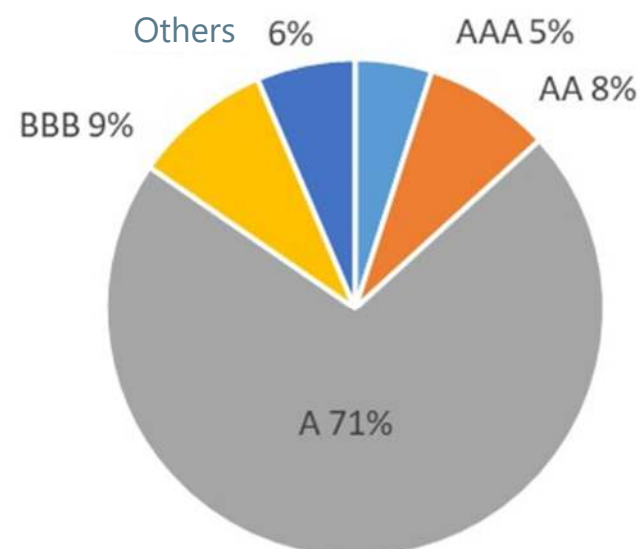
Control of equities risk

- Continue to reduce business-related equities to improve capital efficiency

Control of credit risk

- Take certain credit risk mainly with highly rated bonds
- Diversify domestic and overseas risks and investment methods
- Leverage the strengths of DFG for appropriate integrated risk control and risk taking in US/Japan
- HD engaged in cautious monitoring including risk limit management, etc.

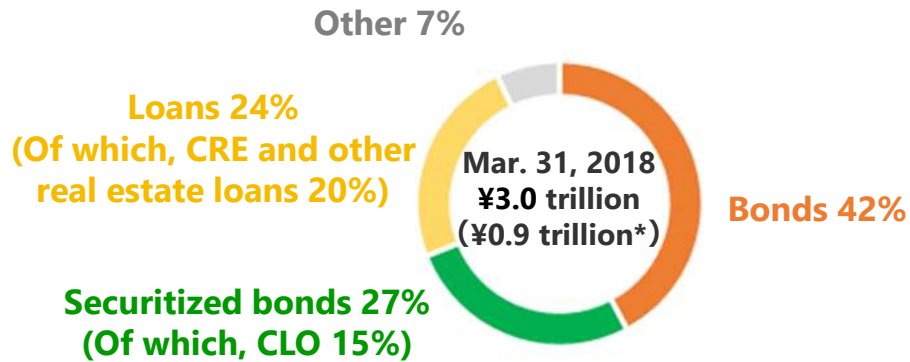
Bonds and similar assets by rating (Mar. 31, 2021)



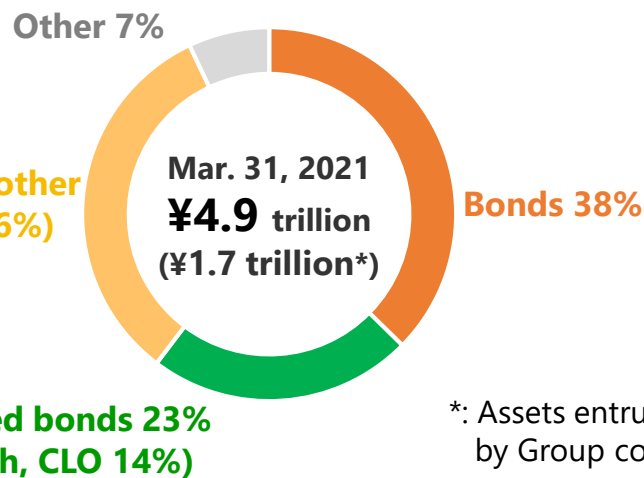
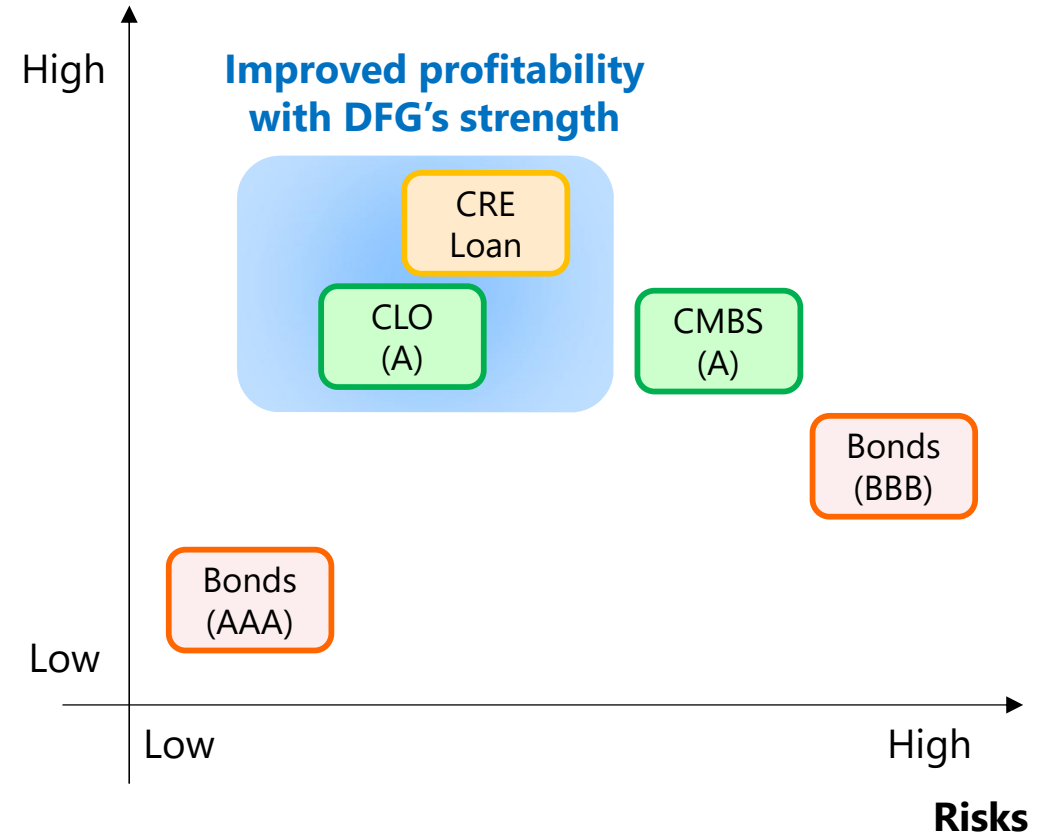
Aim to improve profitability with allocation based on return on risk among similar investment assets that generate profit from credit risk

DFG Investment Portfolio (including assets entrusted by Group companies)

Risk/return ratio for key assets



Returns



*: Assets entrusted by Group companies
FX rate is as of Mar. 31, 2021

Invest in CLO, leveraging DFG's strong expertise and abundant experience

CLO investment (Mar. 31, 2021)

Balance	Circa ¥980bn
Main asset management entity	DFG
Currency	USD
Insurance liabilities	USD*1
Underlying assets	Corporate loans
Average rating	A

*1: Includes some JPY denominated insurance liabilities with FX risk hedged

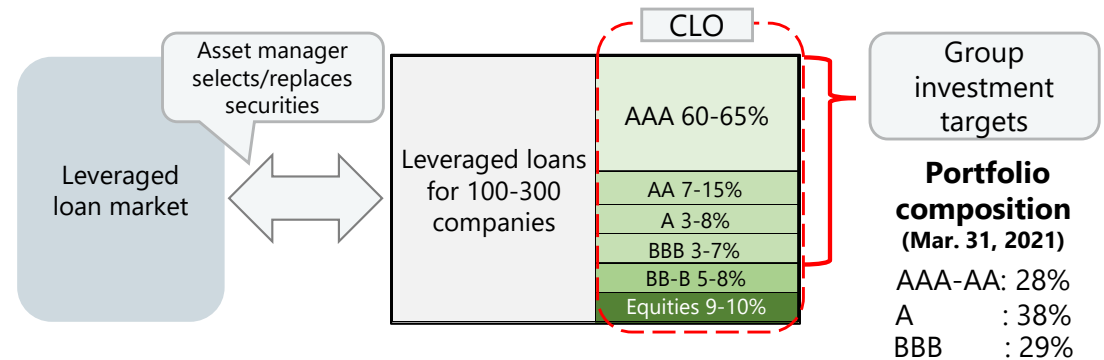
DFG's strength in CLO investment

- Insurance liabilities allow holding to maturity
- Data gathering network built over the years
- Expertise to accurately capture the CLO tranche structure from contracts
- Detailed risk management (monthly monitoring, stress testing based on conservative scenarios, strong checks on outside managers*2)

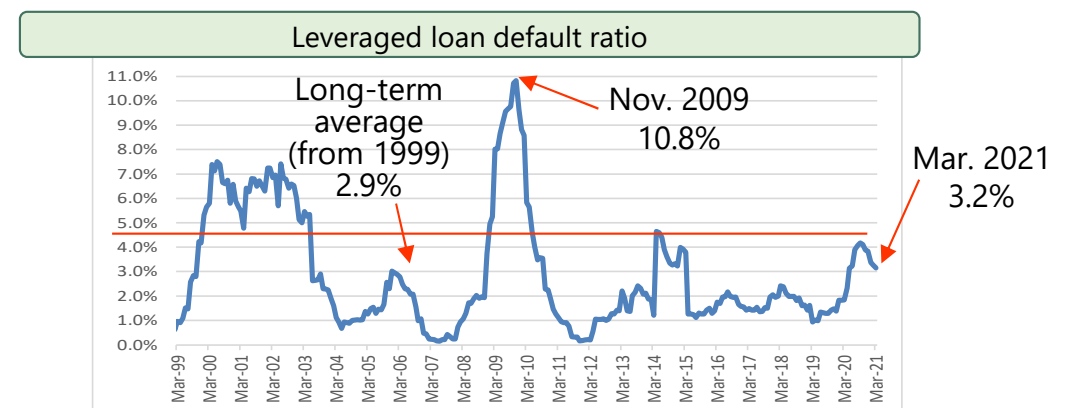
*2: Asset manager for replacing underlying assets

CLO investment scheme and status

- The Group mainly holds CLOs rated BBB or above which are unlikely to default at present
- Stress testing indicates that CLOs rated BBB or above will not incur losses unless in case of 3 consecutive years of 10% or more default ratio



- Default ratio of corporate loans underlying CLOs was on the rise, but the upward trend has slowed with the default ratio of 3.2% as of March 2021



Invest in CRE loans, strictly selecting prime transactions, based on close cooperation between DFG and outside managers

CRE loan investment (Mar. 31, 2021)

Balance	Circa ¥1,010bn
Main asset management entity	DFG
Currency	USD
Insurance liabilities	USD*1
Loan to Value*2	Circa 60%
Main property category	Office Rental housing Hotel

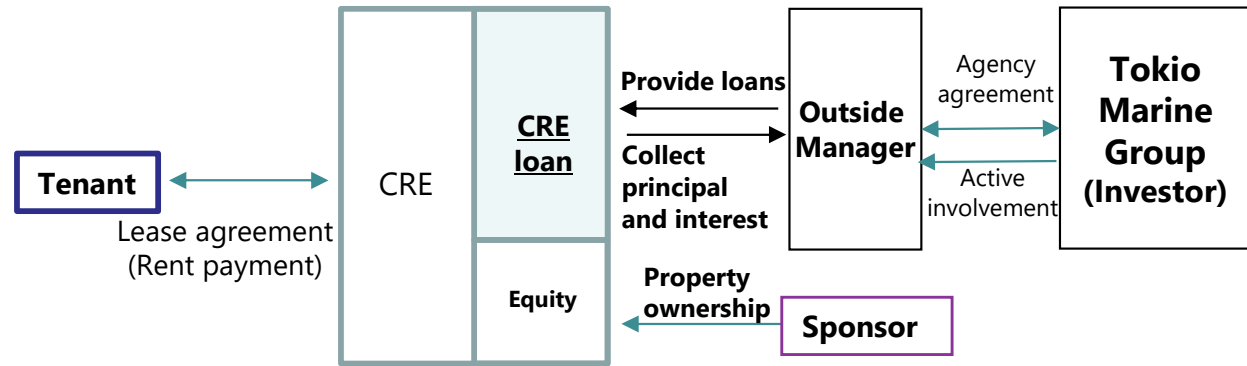
*1: Includes some JPY denominated insurance liabilities with FX risk hedged
 *2: Loan balance / collateral value

DFG's strength in CRE loans

- Active involvement in decision making by attending the outside manager's investment committee (careful investment process and monitoring)
- Active collection activities (workout) for underperforming loans possible as the sole lender

CRE loan investment scheme and status

- Invest in real estate strictly selected with consideration of LTV and ease of attachment and collection, based on the outside manager's broad network (TMHD has right to veto)
- Short average holding period of about 3 years. Easy to change sectors after maturity
- Diversified investment without concentrating in specific regions/sectors

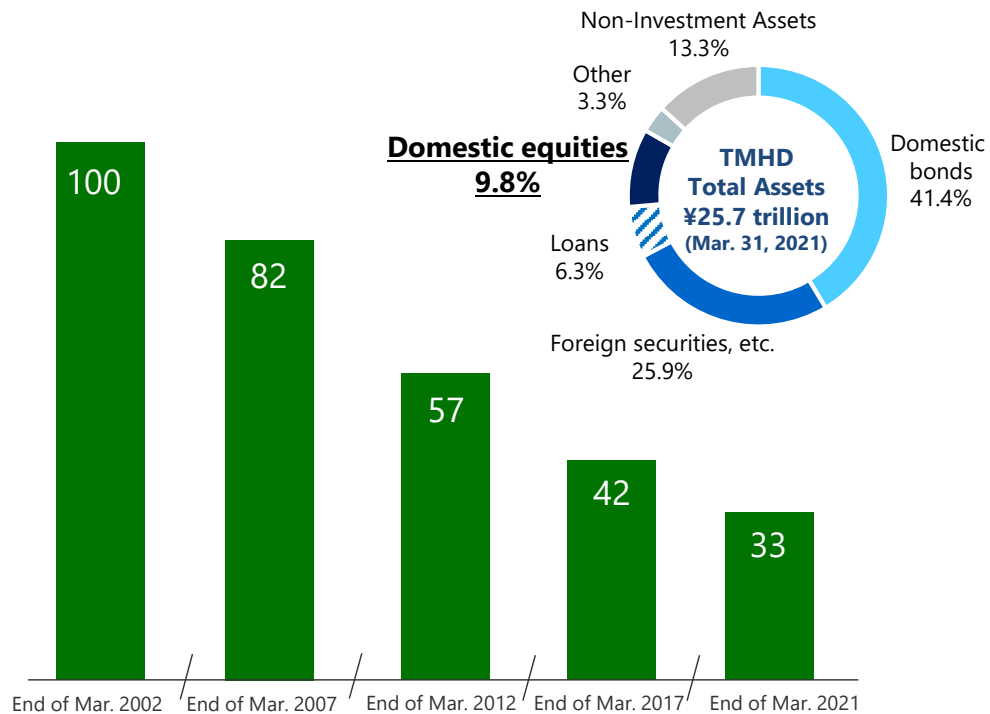


- Some interest deferral request has been made due to the impact of COVID-19, but the appropriateness of payment plans has been confirmed through negotiation with the sponsors
- New investments are limited to multi-family housing, warehouses and logistics facilities, etc., which are less affected by COVID-19 (shift of portfolio target sectors)

Ongoing efforts to reduce business-related equities from the perspective of capital efficiency improvement

- Book value of business-related equities declined to 33% from Mar. 31, 2002 through steady actions
- Sold total amount of circa ¥2.3 trillion*¹ since FY2002
- In the new mid-term business plan, we will also plan to sell ¥100 billion or more a year

Book value of business-related equities*²



*1: Market price at the time of sale

*2: Indexed to the end of Mar. 2002 as 100

Sales amount

- **Previous Mid-Term business plan (2018-2020)**
Plan: Sell ¥100.0 billion or more each year
Result: Sold ¥100.0 billion or more each year

Fiscal year	Sales amount
2018	¥107.0bn
2019	¥107.0bn
2020	¥106.0bn
3-year total	¥320.0bn

- **New Mid-Term business plan (2021-2023)**
Plan: Continue selling ¥100.0 billion or more each year

- **Squarely face the issue of climate change as an insurance company, an institutional investor and a global leader, and actively engage in creating environment and society where people may live in comfort**
- **Accelerate efforts as shown by our climate change policies and initiatives announced in Sept. 2020*1**

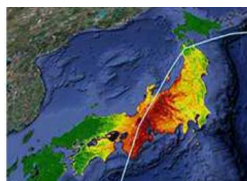
Efforts as an insurance company

■ Support of victims through insurance (quick insurance payment, etc.)



- Utilization of leading-edge technologies in all processes up to insurance payment (e.g., satellite images, drones)
- Earthquake index insurance (first in Japan), hurricane index insurance (first in U.S.)
- Support early business reopening with disaster recovery specialist (BELFOR)

■ Contribute to creation of a disaster resilient society (disaster prevention & reduction, recovery & reconstruction)



- Sophisticated risk survey and disaster reduction measures using drones
- TRC to provide disaster education and training services
- Support municipal and corporate BCP preparation
- Distribute information on disaster prevention / reduction utilizing video and expertise, etc.
- Consider creating a sustainable fire insurance system

■ Contribute to sustainable global environment (control global warming)



- Actively offer insurance and services to clean energy business
- Encourage wider use of environmentally-friendly drones
- M&A strategy incorporating ESG perspectives (GCube)
- In principle, not provide new insurance underwriting to coal-fired power generation projects

Efforts as an institutional investor



- Tokio Marine & Nichido and Tokio Marine Asset Management are signatories of PRI
- Promotion of ESG investment and lending (ESG engagement, investment decisions with consideration to ESG)
- Origination of funds supporting clean energy business, investment in green bonds
- In principle, not provide new financing for coal-fired power generation projects

Commitment as a global leader



- Lead discussions on "Climate Change and Emerging Environmental Topics" as joint-chair of WG
- Lead discussions on disaster risk finance program at APEC "Disaster Risk Finance and Insurance Solutions" WG
- As a founding member of TCFD, lead TCFD discussions in Japan and overseas to enhance disclosure
- Achieved carbon-neutral*2 for seven consecutive years

*1: "Our Climate Strategy," Sept. 28, 2020
https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf

*2: Based on emissions from our business activities (Scopes 1+2+3 (Categories 1, 3, 5 & 6))

We delivered stakeholder values through our efforts to prevent the spread of infection and to secure safety of employees, while maintaining our function as social infrastructure and making a wide range of social contribution including donations

<Efforts for Stakeholders>

Customers



Made claims payment of about ¥40bn for FY2020*

- Overseas, mainly for event cancellation and business interruption insurance payments
- In Japan, coverage was mainly for diseases but gradually extended coverage
 - Extended coverage for riders explicitly covering communicable diseases
 - Relaxed facility requirements for hospital admission
 - Online medical consultations
 - Introduce healthcare worker insurance
 - Include communicable disease coverage to business interruption clause for all Super Business Insurance from Jan. 2021

Society



Active social contribution in Japan and overseas

- Provided or donated masks and protective clothing to medical institutions and other facilities
- Group companies worldwide made donations reflecting the conditions and needs for support in each region
- TMHD set aside a budget for the Group of ¥1bn for donations and added 50% to the amount donated by Group companies
- Donations by the entire Group to various organizations reached over ¥1.1bn

Employees



Significant reduction in ratio of people working at the office under the work-from-home policy, prioritizing the safety of employees and their families

- Up to 70% of employees in Japan and 100% overseas worked from home
- In addition to distributing masks and increasing work hour flexibility, made alternative work arrangements for pregnant women and employees with preexisting diseases as priority reflecting their intentions

Shareholders



Increased dividends for the ninth consecutive period in FY2020 on the back of steady growth in capabilities

- Excluding the impact of COVID-19, etc., adjusted net income and adjusted ROE were ¥431.1bn and 12.0% for FY2020
- The payout ratio for FY2020 was 42% of the five-year average adjusted net income (Mid-Term business plan: 35% or higher)

*: Impact of COVID-19 on underwriting profit (after tax) in FY2020

Resource development programs for all levels to enhance sustainability of Group management

Global Executive Program

- Program for senior managers from Japan and overseas
- Spending time together in a difficult environment, build strong relationships of trust between participants and increase Group-wide synergies



Hard training scene on the coast of Samoa



Onboard accommodation

Middle Global Leadership Development Program

- Middle management training for overseas employees
- Visit Tohoku area affected by the Great East Japan Earthquake and Tsunami to understand the actions and emotions at the time of the disaster, and experience the significance of insurance and a "Good Company"
- Make a presentation to the management on Group synergy, and increase actual synergies



Visiting areas affected by the Great East Japan Earthquake



Management presentation

Management Academy

- Training for mid / young leaders in Japan
- Experience the process of creating a new business to improve the innovative mind and skills required for management



Debate on a new business proposal



Final presentation

Management School

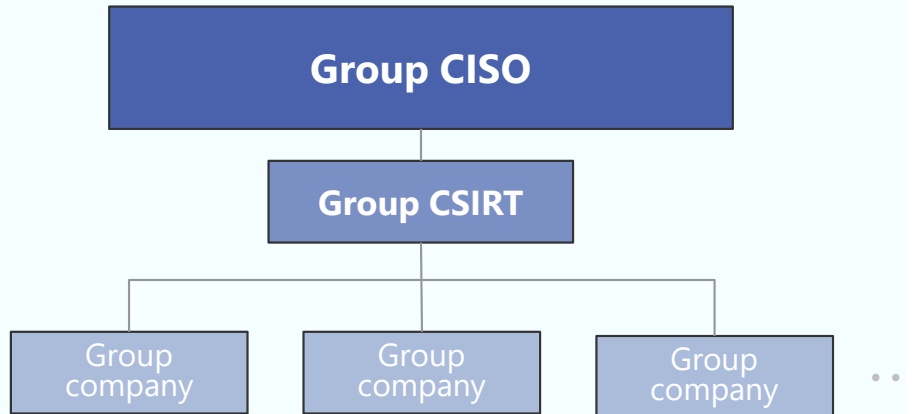
- Training for young leaders in Japan
- Nine-month extensive global leadership training program
- Acquire broad perspectives and abilities for reform required for management through many hands-on programs



Discussion on leadership

Cyber risk is identified as a “significant risk,” and Group CISO to oversee Group security management

Group Framework



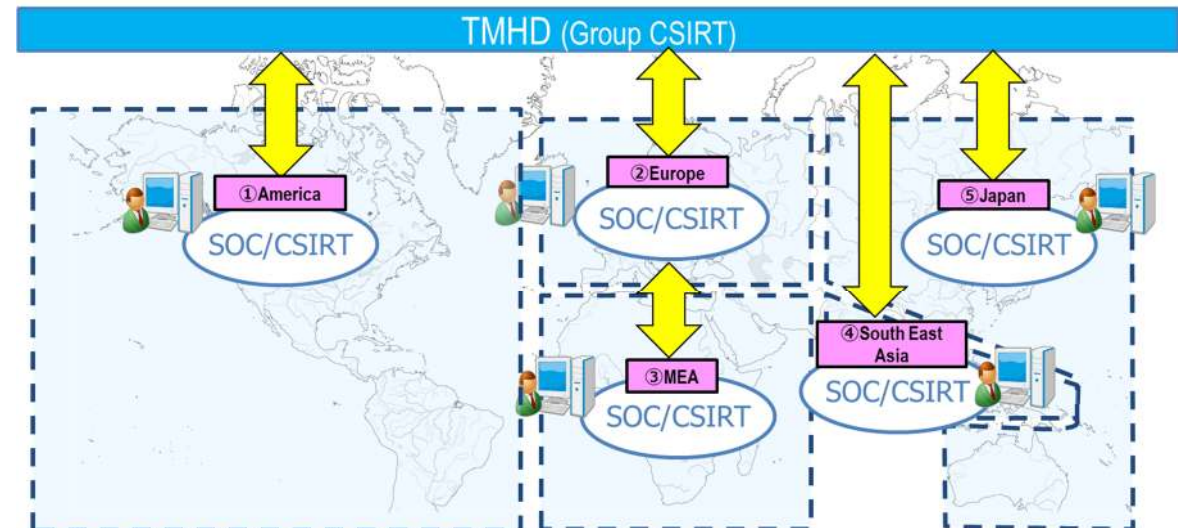
Measures by TMHD

- Set common KPI to confirm the status of overall Group security operation and make periodic report on results of monitoring, etc., to the management
- Build Group-wide security management framework
- Enhance cyber security for outsourcers
- Establish various manuals and other documents to prepare for security event
- Respond to ever more sophisticated and complex new threats
Various cyber drills with participation by Group CISO and CRO, penetration tests at high level and for remote work environment

Group-wide security management framework

- Group-wide measures are most effective against cyber attacks in terms of efficiency and effectiveness
- In case of an attack, quick and accurate response is necessary regardless of time difference

- Built a framework dividing global offices into five regions, with cooperation between TMHD and regional headquarters
- Security monitoring has been integrated and enhanced for each region, with defense lines working to identify cyber attacks



(*) SOC : Security Operation Center CSIRT : Computer Security Incident Response Team










Hybrid institutional design built on the Board of Directors which makes high-quality decisions utilizing the insights and expertise of outside officers and is supported by the Nomination Committee and Compensation Committee with a transparent decision-making process

<Governance System After the 2021 General Meeting of Shareholders (Scheduled)>

	Board of Directors	Audit & Supervisory Board
Role	Make decisions on important matters relating to execution of the Group's business and supervise the performance of individual Directors	Audit the performance of Directors
	High-quality decision-making leveraging diversity	Give advice / recommendations from multifaceted perspectives
Structure	Ratio of Independent Directors 43% (6 out of 14)	Ratio of outside members 60% (3 out of 5)
	Nomination Committee	Compensation Committee
Role	<ul style="list-style-type: none"> Deliberate on the appointment and dismissal of CEO, Directors, Audit & Supervisory Board Members, Executive Officers, etc. and report to the Board of Directors Deliberate on a succession plan for CEO and oversee the development of successor candidates 	<ul style="list-style-type: none"> Deliberate on policies concerning evaluation of performance of Directors, Executive Officers, etc., compensation system and level of compensation for Directors and Executive Officers, and determination of their compensation, and report to the Board of Directors
	Ensure transparency	
Structure	Number of outside officers 6 out of 8 Chairperson is selected from outside officers	Number of outside officers 6 out of 7 Chairperson is selected from outside officers

ESG: Skill Matrix of Outside Officers

Build effective corporate governance system balancing the skills of diverse outside officers such as international experience which is the most important attribute for the Group's management

Position	Name	Major concurrent post	Skills and experiences							
			Corporate management	Finance & Economy	Accounting	Legal & Compliance	Human resources	Governance & Risk Management	Technology	International experience
Directors	Akio Mimura 	Senior Advisor, Honorary Chairman of Nippon Steel Corporation	●	●				●		●
	Masako Egawa 	Specially Appointed Professor, Graduate School of Business Administration, Hitotsubashi University	●	●	●			●		●
	Takashi Mitachi 	Senior Advisor of The Boston Consulting Group	●	●	●			●	●	●
	Nobuhiro Endo 	Chairman of the Board of NEC Corporation	●	●					●	●
	Shinya Katanozaka 	President & CEO, Representative Director of ANA HOLDINGS INC.	●	●			●	●		●
	Emi Osono* 	Professor, Graduate School of Business Administration, Hitotsubashi University	●	●	●			●		●
Audits	Akinari Horii 	Director and Special Advisor of The Canon Institute for Global Studies		●	●			●		●
	Akihiro Wani 	Lawyer		●	●	●		●		●
	Nana Otsuki 	Executive Officer and Chief Analyst of Monex, Inc.		●	●			●		●

*: To be appointed in the Ordinary General Meeting of Shareholders in 2021.

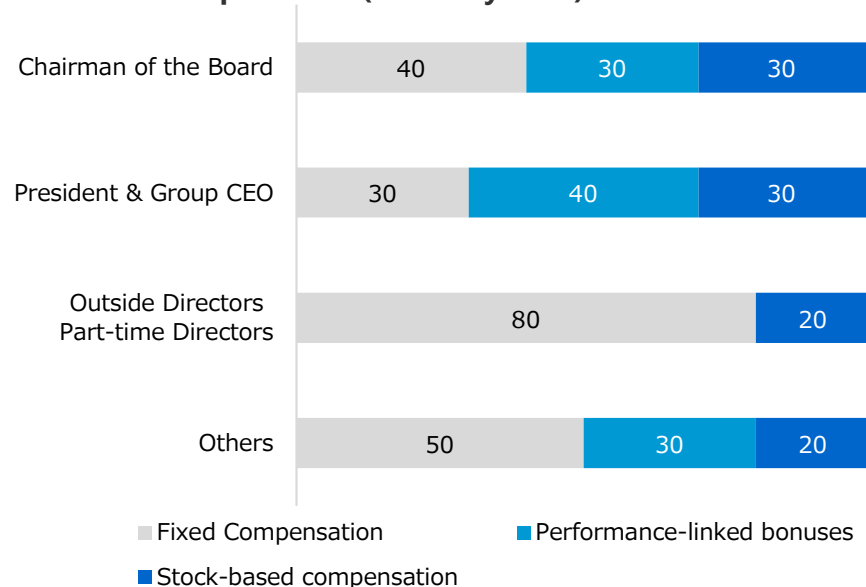
Compensation system for Directors is linked to performance and stock price to give incentive for sustainable growth

Continue to consider compensation system that contributes to improving corporate value

Compensation System for Directors

- Consists of fixed compensation, performance-linked bonuses, and stock-based compensation
- In principle, ratio of performance-linked bonuses and stock-based compensation increases in conjunction with the rank of Directors
- Stock-based compensation is scheduled to change from stock options to stock delivery trust from July 2021 after obtaining approval at the general meeting of shareholders

<Ratios of Compensation (from July 2021)>



<Performance-linked bonuses>

- Linked to the individual target and company target (adjusted within a range of 0% to 200% depending on the level of accomplishment of targets)
- Increase the incentive of Directors to improve performance

Individual Target

- Decided based on coefficients linked to the degree of accomplishment of previously set individual performance targets
- Medium- and long-term strategical targets ^{*1} are introduced from FY2021 to raise the incentive to improve medium- and long-term corporate value

^{*1}: Further globalization and enhancement of functions of management, enhancement of human resources and organizations, etc.

Company Target

Decided based on coefficients linked to the degree of accomplishment against annual adjusted net income and adjusted ROE targets set in the Mid-term business plan ^{*2}

^{*2}: Certain changes are made to the indicators used for calculating the bonuses of Directors responsible for international business to reflect the results of this business

<Stock-based compensation (stock delivery trust)>

- Increase the link between compensation and our stock price to have Directors share the benefits and risks of stock price movements with shareholders
- Raise Directors' incentive to improve corporate value over the medium- and long-term

Participate in various international initiatives and conduct surveys, researches and proposals in order to solving social issues. Also, contribute to achieve SDGs by solving social issues utilizing our expertise in insurance and risk consulting

Initiatives Tokio Marine Group is participating in



UN Global Compact

- Expressed continuous support since becoming a signatory in 2005
- Participated in "Disaster Risk Reduction Working Group", "Reporting Study Group", etc. in FY2019



Principles for Responsible Investment

- In Tokio Marine Group, Tokio Marine & Nichido and Tokio Marine Asset Management became signatories to promote responsible and sustainable investment



United Nations Environment Programme Finance Initiative (UNEP FI)

- Participating as the Board Member for Asia of the UNEP FI Insurance Commission
- Lead discussion on disaster risk finance program at APEC "Disaster Risk Finance and Insurance Solutions" WG



Principles for Sustainable Insurance

- Became a signatory in 2012 as a drafting committee member. Joined the PSI TCFD Insurer Pilot Working Group in FY2018 to promote the creation of a framework for climate-related information disclosure in line with TCFD recommendations

Principles For Financial Action for the 21st century



IDF



Japan Sustainable Investment Forum



UNISDR Private Sector Alliance for Disaster Resilient Societies



The Geneva Association



ClimateWise



Asia-Pacific Financial Forum



CDP



Task Force on Climate - related Financial Disclosures



Eco First



COOL CHOICE



30% Club Japan



Tokio Marine Group has promoted ESG (Environment, Society and Governance) through our business activities and has received numerous awards and praises in Japan and overseas

SRI/ESG indices including Tokio Marine Group

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



FTSE4Good



S&P/JPX
Carbon
Efficient
Index



FTSE Blossom
Japan



CDP



included in
**Ethisibel
Sustainability Index**
EXCELLENCE Global

Corporate ESG
Performance
RATED BY
ISS ESG Prime

Awards received in Japan



- Received the SDGs Strategy / Economic Value Award at the Second Nikkei SDGs Management Grand Prix, for realizing the synergy of enhancement of corporate value and contribution to SDGs at high level



- TMHD was selected as one of the 2021 Health & Productivity Stocks (6 consecutive years) as well as an Excellent Enterprise of Health and Productivity Management / Large Enterprise Category together with 11 Group companies, of which six were recognized as White 500 enterprise

Awards received overseas



- Selected as a 2019 Climate Change A List company by the international non-profit environmental organization CDP



- Our overseas Group companies were selected as one of the "Best Places to Work in Insurance" in the U.S. and one of the "Best Workplaces for Women" in Brazil

Awards related to disclosure



- Selected as Nadeshiko Brand in FY2013, FY2015, FY2017, and FY2018 (selected as a Semi-Nadeshiko Brand in FY2019 and FY2020)



- Commended as a model example of financial institution initiative for revitalizing regional economies for five consecutive years



- Received Top Award for Excellence in Corporate Disclosure in Insurance / Securities industry category and third place (of all sectors) in Disclosure to Individual Investors category



- Our Integrated Annual Report 2020 received an Award for Excellence at the Nikkei Annual Report Awards

ESG Category		Initiative Theme	Relevant Sustainable Development Goals																	
Please refer to pages 81, 84, and 85 in the Integrated Annual Report 2020 for details			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
E		Promote environmental management												●	●					
		Preserve biodiversity				●		●					●	●	●	●	●			
		Promote development of clean energy						●	●		●				●	●	●			
		Provide environmental awareness				●		●					●		●	●	●			
S		Make society resilient to natural disasters	●			●				●	●		●		●				●	
		Create society based on health and longevity			●					●			●							
		Respond to technological progress and changes in automotive lifestyle			●	●						●		●	●					
		Address the increase in foreign visitors to Japan											●		●					
		Eliminate poverty in society	●	●							●		●							
		Realize an inclusive society			●	●	●				●		●	●					●	●
		Develop industrial foundations	●		●	●					●	●	●	●						●
		Increase employee motivation			●	●					●	●	●							
	G		Enhance corporate governance					●			●									●
			Implement internal controls										●							●
		Practice risk management								●			●						●	

Impact of FX Rate Change on the Group's Financial Results

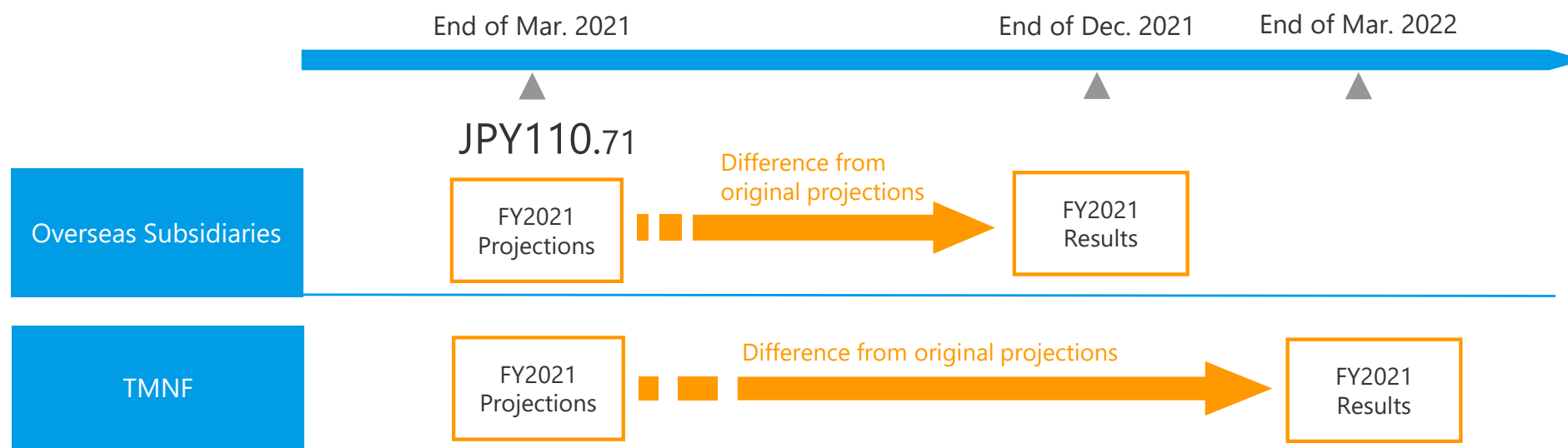
- Estimated impact of the appreciation of JPY to USD by 1 yen*1

Impact on net income on financial accounting basis*2		Impact on adjusted net income*2	
<ul style="list-style-type: none"> Decrease in overseas subsidiaries profit: <ul style="list-style-type: none"> Decrease in profit from local subsidiaries Decrease in amortization of intangible fixed assets and goodwill Change in reserves for foreign currency denominated outstanding claims and FX derivatives income at TMNF: 	circa -¥0.8bn circa +¥1.5bn	<ul style="list-style-type: none"> Decrease in overseas subsidiaries profit: <ul style="list-style-type: none"> (Of the factors stated in the left, amortization of intangible fixed assets and goodwill has no impact as it is added back to adjusted net income) Change in reserves for foreign currency denominated outstanding claims and FX derivatives income at TMNF: 	circa -¥1.6bn circa +¥1.5bn
Total:	circa +¥0.7bn	Total:	circa -¥0.1bn

*1: Assumes the FX rate of each currency changes by the same margin as USD.

*2: Estimated impact on the FY2020 results on an after-tax basis.

- Reference: applied FX rate (USD/JPY)



Tokio Marine Holdings Key Statistics



		FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Financial accounting basis	Net income (billions of yen) ^{*1}	23.1	128.4	71.9	6.0	129.5	184.1	247.4	254.5	273.8	284.1	274.5	259.7	161.8
	Shareholders' equity after tax (billions of yen)	1,627.8	2,169.0	1,886.5	1,839.6	2,340.7	2,712.7	3,578.7	3,484.7	3,542.1	3,805.1	3,574.2	3,372.1	3,664.0
	EPS (yen)	29	163	92	7	168	239	323	337	363	382	383	369	232
	BPS (yen)	2,067	2,754	2,460	2,399	3,052	3,536	4,742	4,617	4,722	5,245	5,058	4,832	5,285
	ROE	1.1%	6.8%	3.5%	0.3%	6.2%	7.3%	7.9%	7.2%	7.8%	7.7%	7.4%	7.5%	4.6%
	PBR	1.16	0.96	0.90	0.95	0.87	0.88	0.96	0.82	0.99	0.90	1.06	1.02	0.99
KPI	Adjusted net income (billions of yen)	-	-	-	30.7	163.1	243.7	323.3	351.9	406.7	341.4	280.9	286.7	336.1
	Adjusted net assets (billions of yen)	-	-	-	2,301.6	2,746.5	3,172.5	4,103.4	3,599.3	3,812.4	4,086.4	3,763.1	3,240.9	3,466.6
	Adjusted EPS (yen)	-	-	-	40	212	317	423	466	539	459	391	408	482
	Adjusted BPS (yen)	-	-	-	3,001	3,580	4,135	5,437	4,769	5,082	5,633	5,325	4,643	5,000
	Adjusted ROE	-	-	-	1.3%	6.5%	8.2%	8.9%	9.1%	11.0%	8.6%	7.2%	8.2%	9.7%
	Adjusted PBR	-	-	-	0.76	0.74	0.75	0.83	0.80	0.92	0.84	1.01	1.07	1.05
Business Unit Profits ^{*2} (billions of yen)	Domestic non-life insurance business	5.1	46.2	20.4	-26.1	48.3	34.0	122.5	126.0	167.6	144.3	18.9	25.9	127.9
	Domestic life insurance business	-57.2	52.0	27.5	15.9	110.3	104.5	139.8	-188.1	373.5	98.4	-158.6	-70.3	205.2
	International insurance business	20.8	76.5	24.8	-11.9	69.2	136.9	145.5	131.8	169.5	144.1	176.2	179.5	101.1
	Financial and general businesses	-21.1	-9.4	-0.7	2.6	-18.7	2.5	4.0	7.3	6.6	7.2	6.8	5.3	7.3
Sales of business-related equity holdings (billions of yen)	50	95	187	206	115	109	112	122	117	108	107	107	106	
		2009/3E	2010/3E	2011/3E	2012/3E	2013/3E	2014/3E	2015/3E	2016/3E	2017/3E	2018/3E	2019/3E	2020/3E	2021/3E
Adjusted number of issued and outstanding shares ^{*3} (thousands of shares)		787,562	787,605	766,820	766,928	767,034	767,218	754,599	754,685	750,112	725,433	706,557	697,870	693,273
Market capitalization (billions of yen)		1,926.8	2,118.3	1,789.3	1,827.1	2,039.2	2,383.9	3,438.0	2,878.6	3,536.2	3,541.9	3,807.0	3,474.9	3,672.3
Share price (yen)		2,395	2,633	2,224	2,271	2,650	3,098	4,539	3,800	4,696	4,735	5,362	4,950	5,265
Percentage change		-34.9%	9.9%	-15.5%	2.1%	16.7%	16.9%	46.5%	-16.3%	23.6%	0.8%	13.2%	-7.7%	6.4%
(Reference) TOPIX		773.66	978.81	869.38	854.35	1,034.71	1,202.89	1,543.11	1,347.20	1,512.60	1,716.30	1,591.64	1,403.04	1,954.00
Percentage change		-36.2%	26.5%	-11.2%	-1.7%	21.1%	16.3%	28.3%	-12.7%	12.3%	13.5%	-7.3%	-11.8%	39.3%

*1: From FY2015: The figure is "Net income attributable to owners of the parent"

*2: Until FY2014: The figures are "Adjusted earnings" (Former KPI), domestic life insurance business is presented on TEV (Traditional Embedded Value) basis

*3: All figures exclude the number of treasury shares held from the total number of the shares issued

Return to Shareholders

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 Projections
Dividends per share	48yen	50yen	50yen	50yen	55yen	70yen	95yen	110yen	140yen	160yen	180yen	190yen	200yen	215yen
Dividends total	38.0bn yen	39.4bn yen	38.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	72.2bn yen	83.0bn yen	105.3bn yen	117.6bn yen	128.0bn yen	133.0bn yen	139.1bn yen	149.0bn yen ^{*3}

Capital level adjustment ^{*1} (share buybacks, etc.)	50.0bn yen	-	50.0bn yen	-	-	-	50.0bn yen	-	50.0bn yen	150.0bn yen	125.0bn yen	50.0bn yen	50.0bn yen	TBD
Total distributions to shareholders	88.0bn yen	39.4bn yen	88.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	122.2bn yen	83.0bn yen	155.3bn yen	267.6bn yen	253.0bn yen	183.0bn yen	189.1bn yen	TBD

Adjusted net income				30.7bn yen	163.1bn yen	243.7bn yen	323.3bn yen	351.9bn yen	406.7bn yen	341.4bn yen	280.9bn yen	286.7bn yen	336.1bn yen	424.0bn yen
Average adjusted net income	Adjusted net income was adopted as a new KPI in FY2015. (Figures from FY2011 to FY2014 were calculated as a reference)							220.0bn yen	295.0bn yen	330.0bn yen	340.0bn yen	330.0bn yen	330.0bn yen	345.0bn yen ^{*4}
Payout ratio ^{*2}								38%	36%	36%	38%	40%	42%	43%

<Reference : Financial accounting basis>

Net income (Consolidated)	23.1bn yen	128.4bn yen	71.9bn yen	6.0bn yen	129.5bn yen	184.1bn yen	247.4bn yen	254.5bn yen	273.8bn yen	284.1bn yen	274.5bn yen	259.7bn yen	161.8bn yen	315.0bn yen
Payout ratio	165%	31%	54%	639%	33%	29%	29%	33%	39%	42%	47%	51%	86%	47%
Total shareholder return ratio	381%	31%	123%	639%	33%	29%	49%	33%	57%	94%	92%	70%	117%	TBD

*1: Total amount approved by the announcement date of financial results of each fiscal year. The figures include one-time dividends of circa ¥50.0bn in FY2018 and circa ¥25.0bn in FY2019 and FY2020, respectively.

*2: Payout ratio to average adjusted net income.

*3: Before reflecting share buybacks.

*4: The average adjusted net income for FY2021 is calculated by applying new definitions (adjustments to provisions for natural catastrophe UW reserves and underwriting results for the first year) to past results.

Definitions of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

*Definition been partially revised from FY2021 to enhance transparency and comparability (parts highlighted in yellow)

$$\begin{aligned}
 \text{Adjusted net income}^{*1} &= \text{Net income (consolidated)}^{*2} + \text{Provision for catastrophe loss reserves}^{*3} + \text{Provision for contingency reserves}^{*3} + \text{Provision for price fluctuation reserves}^{*3} + \text{Provision}^{*3} \text{ for nat-cat underwriting reserves}^{*3,4} + \text{Provision for underwriting result for the first year} \\
 &\quad - \text{Gains or losses on sales or valuation of ALM}^{*5} \text{ bonds and interest rate swaps} + \text{Amortization of goodwill and other intangible fixed assets} - \text{Gains or losses on sales or valuation of fixed assets and business investment equities} - \text{Other extraordinary gains / losses, valuation allowances, etc.} \\
 \text{Adjusted net assets}^{*1} &= \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} + \text{Natural catastrophe underwriting reserves}^{*4} + \text{UW reserves related to underwriting result for the first year} \\
 \text{Adjusted ROE} &= \frac{\text{Adjusted net income}}{\text{Adjusted net assets (average balance basis)}} - \text{Goodwill and other intangible fixed assets}
 \end{aligned}$$

*1: Each adjustment is on an after-tax basis.

*2: Net income attributable to owners of the parent in the consolidated financial statements.

*3: In case of reversal, it is subtracted from the equation.

*4: Unearned fire insurance premiums corresponding to large natural catastrophe risk.

*5: ALM: Asset Liability Management. Excluded since it is a counter-balance of ALM related liabilities.

*6: For the overseas life insurance companies, Business Unit Profit is calculated by using the definition in Other businesses.

Definition of Business Unit Profits

● Non-life insurance business

$$\text{Business Unit Profits}^{*1} = \text{Net income} + \text{Provision for catastrophe reserves}^{*3} + \text{Provision for price fluctuation reserves}^{*3} + \text{Provision for natural catastrophe underwriting reserves}^{*3,4} + \text{Provision for underwriting result for the first year}$$

● Life insurance business^{*6}

$$\text{Business Unit Profits}^{*1} = \text{Net income} + \text{Provision for contingency reserves}^{*3} + \text{Provision for price fluctuation reserves}^{*3} - \text{Gains or losses on sales or valuation of ALM}^{*5} \text{ bonds and interest rate swaps} - \text{Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities} - \text{Other extraordinary gains / losses, valuation allowances, etc.}$$

● Other businesses

Net income determined in accordance with financial accounting principles

$$- \text{Gains or losses on sales or valuation of ALM}^{*5} \text{ bonds and interest rate swaps} - \text{Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities} - \text{Other extraordinary gains / losses, valuation allowances, etc.}$$

Definition of Net Asset Value

$$\text{Net Asset Value}^{*1} = \text{Net assets (consolidated)} + \text{Catastrophe reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} - \text{Goodwill and other intangible fixed assets} - \text{Planned distribution to shareholders} + \text{Value of life insurance policies in force} + \text{Others}$$

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*To Be a **Good Company***



TOKIO MARINE

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