To Be a **Good Company**

Tokio Marine Group Business Strategy

November 24, 2022

TOKIO MARINE

Tokio Marine Holdings

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◆ Abbreviations used in this material

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

◆ "Normalized basis" in the material generally refers to the definition where natural catastrophes are adjusted to average level (other adjustments will be stated in the text)

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Key Messages

EPS Growth with Confidence	◆ FY2022 adjusted net income projection is revised downward by -JPY150.0bn to JPY400.0bn due to transient effects including COVID-19 loss in Taiwan and natural catastrophes, etc. However, our underlying capabilities are steadily improving with adjusted net income of JPY560.0bn (+9% YoY) on a normalized basis* ◆ With strong latest performance, maintain ability to achieve top-class EPS growth among global peers through implementation of appropriate measures against the volatile business environment ◆ With the "further confidence", realize world's top-class EPS growth and lift the level of ROE equivalent to global peers
DPS Growth with Disciplined Capital Policy	◆ Maintain DPS growth underpinned by and consistent with EPS growth. Maintain JPY100 DPS for FY2022 (+18% YoY, JPY300 before stock split) and continue to increase DPS for FY2023 and beyond based on growth in moving average of source of dividends and increase in dividend payout ratio (48.5% in FY2022 original plan, 50% in FY2023) (No decrease in dividends, in principle) ◆ Strong ESR as of end of September 2022 is in the middle of our target range at 122%. Originally announced JPY100.0bn share buybacks for FY2022 will be maintained (JPY50.0bn already executed) and buyback of remaining JPY50.0bn has been approved
High-Quality Management	◆ Global risk diversification is the cornerstone of our strategy, and we pride ourselves in achieving profit growth through controlling and optimizing the risks for 20 years ◆ Execute high ROI M&A transactions that contribute to risk diversification and synergy effects based on determination of intrinsic value of the target. Large-scale M&A require patience and steady market intelligence activities (in the meantime, expanded to Canada, exited Highland and run-off TMK reinsurance business) ◆ As a result of further efforts, considering acceleration of divestment to the tune of JPY120~130bn in FY2023 and to about 1.5X current level from FY2024 for business-related equities. Use funds and capital generated with discipline to achieve world's top-class EPS growth and ROE improvement

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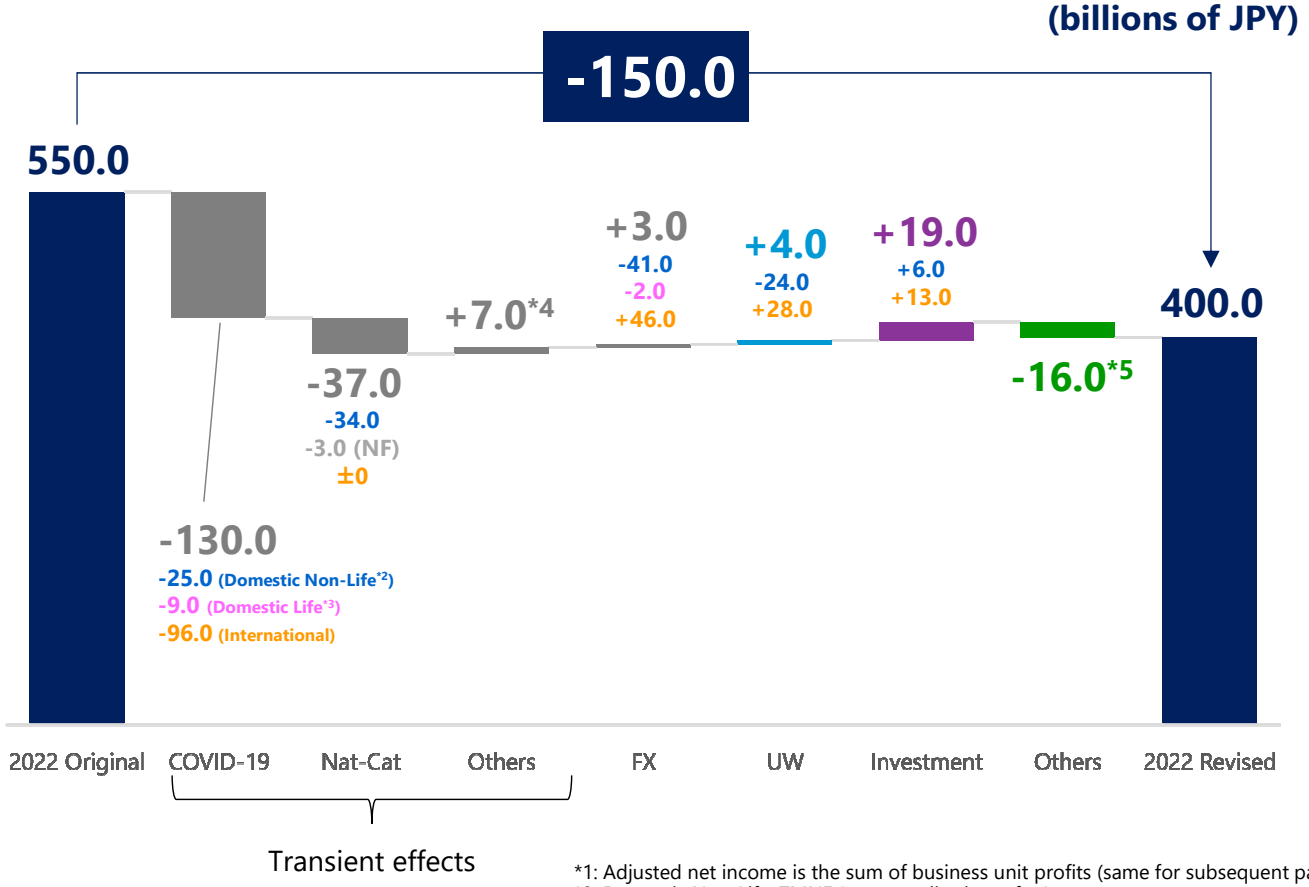
*: See *4 on P4 for revised contents

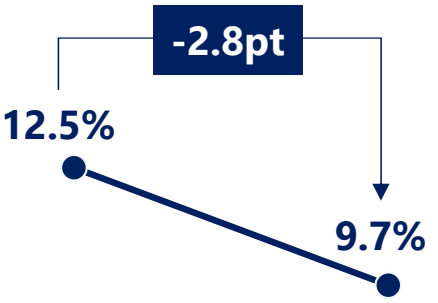
FY2022 Results and Analysis (Actual Basis)

- **FY2022 adjusted net income projection is revised downward by -JPY150.0bn to JPY400.0bn due to transient effects (-JPY160.0bn) including COVID-19 loss in Taiwan and mainly domestic natural catastrophes, etc.**

Adjusted Net Income*1



(Reference) Adjusted ROE



[Adjusted Net Assets*6]

Adjusted net assets for Mar. 31, 2023 are projected to decrease due to;
- Decrease in unrealized gains/losses on bonds due to interest rate hikes, etc. -JPY0.8tn
- Increase in net assets for overseas entities due to depreciation of JPY: +JPY0.5tn

2022 Original | 2022 Revised

*1: Adjusted net income is the sum of business unit profits (same for subsequent pages)
*2: Domestic Non-Life: TMNF (same applies hereafter)
*3: Domestic Life: TMNL (same applies hereafter)
*4: Mainly due to FX between foreign currencies +11.0, business-related equities +5.0 (for part of sale exceeding JPY100.0bn), war -11.0, capital gains in North America -9.0, South African floods -3.0, and rounding
*5: Mainly due to domestic life and rounding
*6: Average balance of Mar. 31, 2022 and Mar. 31, 2023

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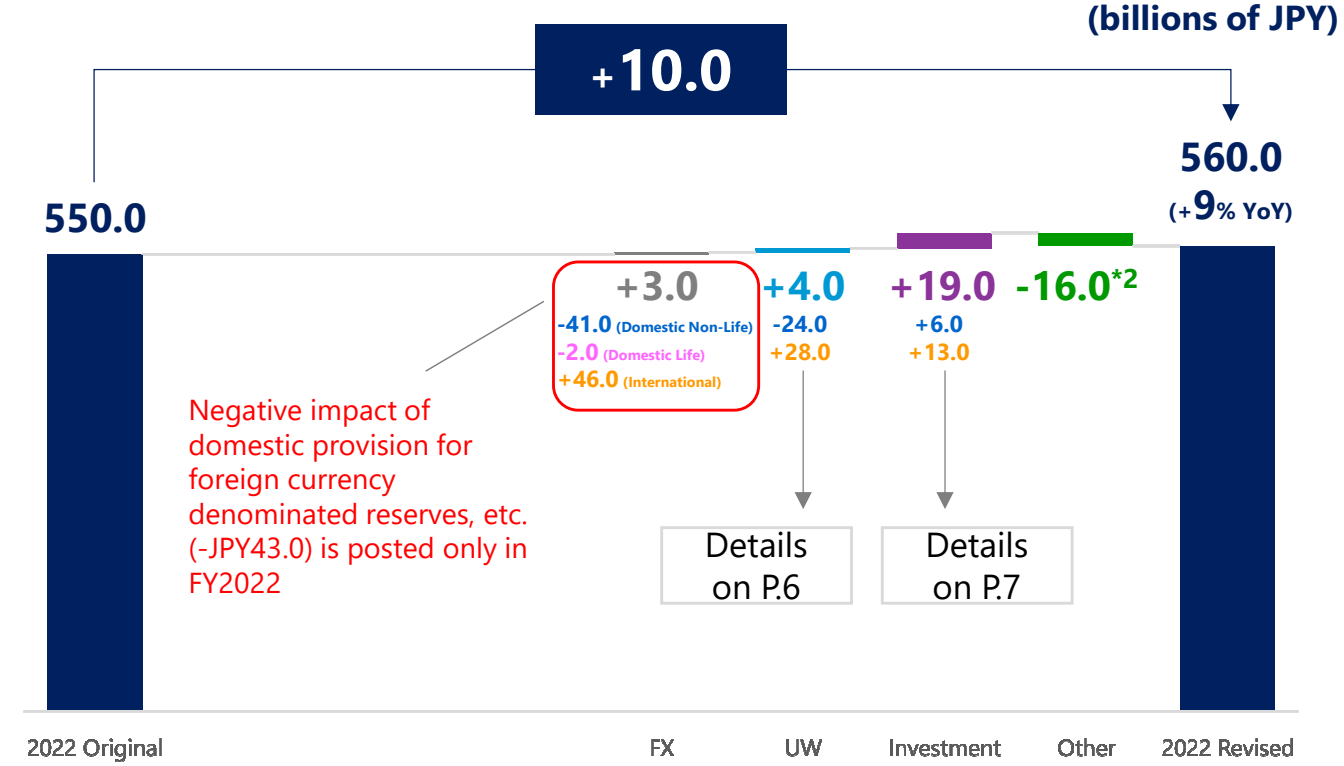
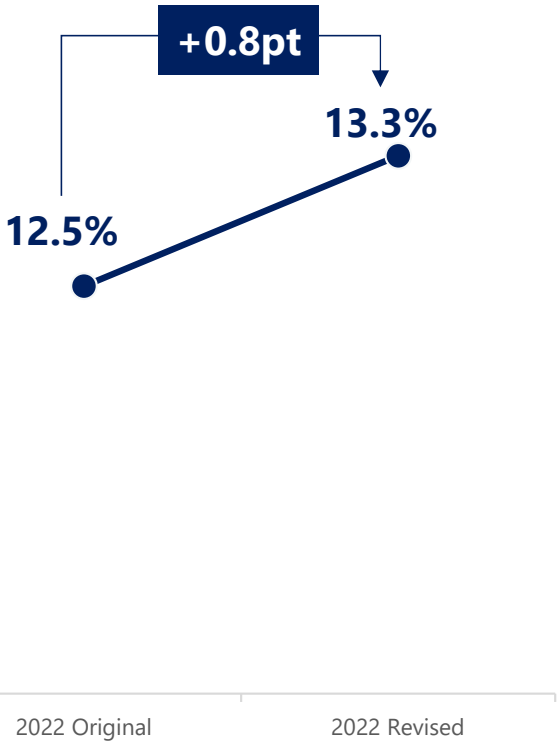
FY2022 Results and Analysis (Normalized Basis)

- **Underlying capabilities are steadily improving with normalized profit excluding transient effects at JPY560.0bn (+9% YoY)**
- **Impact of the depreciation of JPY on FY2022 results will be limited to +JPY3.0bn with the increase in overseas profits (+JPY46.0bn) to offset domestic transient losses (-JPY43.0bn for provision for foreign currency denominated loss reserves, etc.); however, it will become a factor for upswing in FY2023 profit (assuming same FX rate[*1])**

Adjusted Net Income



(Reference) Adjusted ROE[*3]



*1: FX rate as of Sep. 30, 2022 at JPY144.8/$ used for this page
*2: Mainly due to domestic life and rounding
*3: Adjusted net assets used for calculating ROE is the sum of net assets on actual basis and the difference between actual and normalized adjusted net income

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Business/Environment Analysis and Sustainable EPS Growth (Underwriting)

- **With strong recent performance, continue underwriting profit growth by implementing appropriate measures against the volatile business environment (inflation, natural catastrophe, COVID-19, and war risk, etc.)**

Issues and Impact on FY2022 Results

Economic / social inflation

- Impact of economic inflation is **minimal** due to specialty line focused portfolio, etc. (P.10, 12)
- Impact of social inflation is **minimal** due to measures taken by PHLY from 4 years ago, etc. (Continue to take pro-active measures, P.11)

Natural catastrophe

- **-JPY37.0bn*** **(Japan -JPY37.0bn, overseas ±JPY0.0)**

COVID-19

- **-JPY130.0bn*** **(of which Taiwan accounted for -JPY96.0)**

War

- **War risk basically not covered**
- **Impact of Russia/Ukraine limited to -JPY11.0bn**

Our Strategies

Japan Overseas Group

- Maintain/increase margin through rate increases, etc. (Overseas P.8, domestic fire P.16, 44, domestic auto P.43)
- Improve profitability with portfolio management (P.9)
- Contribution from M&A (P.14, 15)
- Improve C/R, E/R (P.18)
- Expansion of specialty insurance (P.20)
- Management with global risk diversification (P.30, 31)

*: vs original projections (after tax), excluding FX

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Business/Environment Analysis and Sustainable EPS Growth (Investment)

- **Maintained strong performance exceeding plan under volatile investment environment. Continued ability to achieve increase in stable investment income with long-term, predictable liability cashflows that can tolerate liquidity risk and the highly specialized and experienced investment team**
- **As a result of further efforts, considering acceleration of divestment to the tune of JPY120~130bn in FY2023 and to about 1.5X current level from FY2024 for business-related equities**

Issues and Impact on FY2022 Results		Our Strategies (■Japan ■Overseas ■Group)
Rising Interest Rate / Widening Credit Spread	■ **c. +JPY1.0bn*** **(c. +JPY25.0bn in income gains, c. -JPY24.0bn in capital losses)**	■ Investment that can absorb short-term market fluctuation and find investment opportunity (P.21 - 23)
Stock market volatility	■ **+JPY5.0bn* (sale of business-related equities)**	■ Accelerate sale of business-related equities (P.33)

*: vs original projections (after tax), excluding FX

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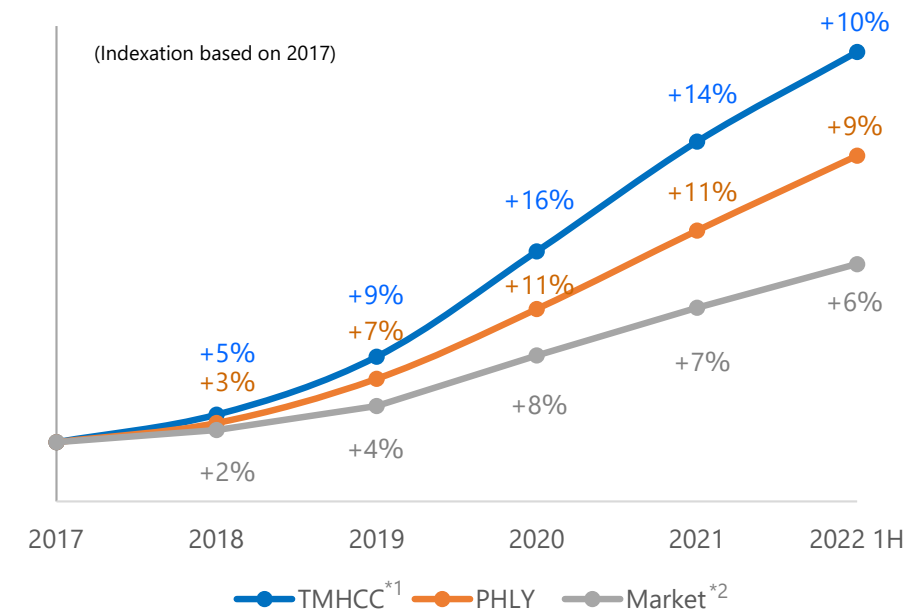
[International] Forward Looking Rate Increases

- **Achieving above market rate increase not only covering loss-costs with forward-looking rate increase leveraging on our strength**

Rate Increase
(% are YoY rate increase)



Our Strength

TOKIO MARINE HCC

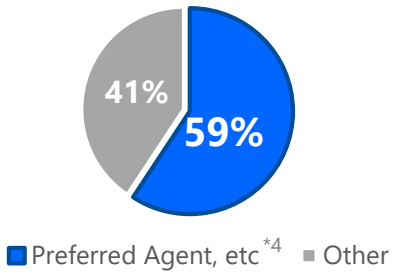
Highly Competitive Advantage

- Highly specialized underwriting and claims service expertise built as a specialty insurance company since establishment in 1974
- Trusted by customers/brand recognition
- Strong price negotiation as the market leader

PHILADELPHIA INSURANCE COMPANIES

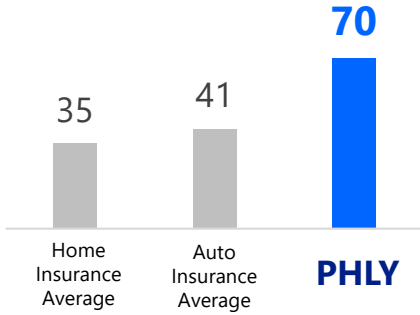
Strong Agent/Broker Network*3

- Strong relationship with leading agents/brokers that enables disciplined underwriting



Net Promoter Score*5

- Provide superior expertise and high-quality products and services that meet customers' needs



*1: Excluding A&H, Surety, Credit
*2: Source: Willis Towers Watson
*3: PHLY's FY2021 new business sources (GWP)
*4: PHLY's Preferred Agents and equivalent brokers
*5: Indicator to measure customer loyalty and their willingness to use products/services continuously. 2021 data for PHLY
Source: Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

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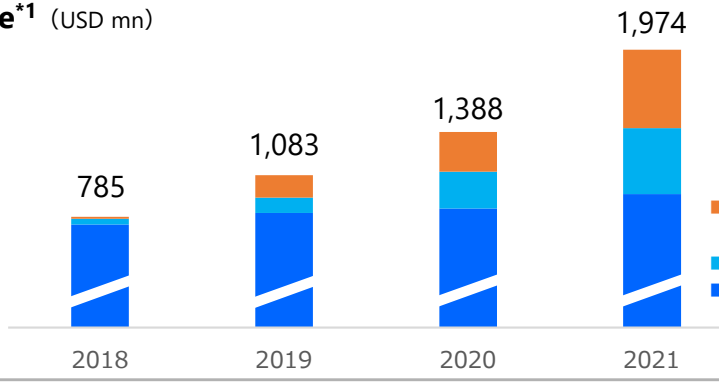
[International] Improve Profitability through Portfolio Management

- **Achieving sustainable expansion of portfolio profitability by risk selection that capture market hardening opportunities together with bolt-on M&A and disciplined underwriting**

TOKIO MARINE HCC — Expand profitable segment

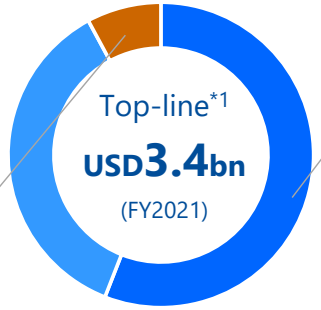
TMHCC International Segment
Top-line*1 (USD mn)



Bolt-on M&A	Qdos		GCube
Launched/ Established	Surety	Marine Liability	Delegated Property Marine Cargo

PHILADELPHIA INSURANCE COMPANIES — Portfolio management based on profitability

Implement more disciplined UW to low profitable segment
Tier 3
(YoY NWP change -18%)

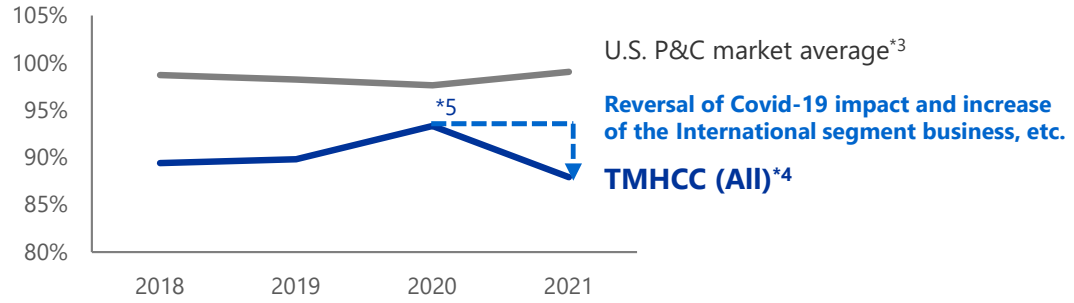


Expand Tier 1 which is highly profitable (YoY NWP change +10%)

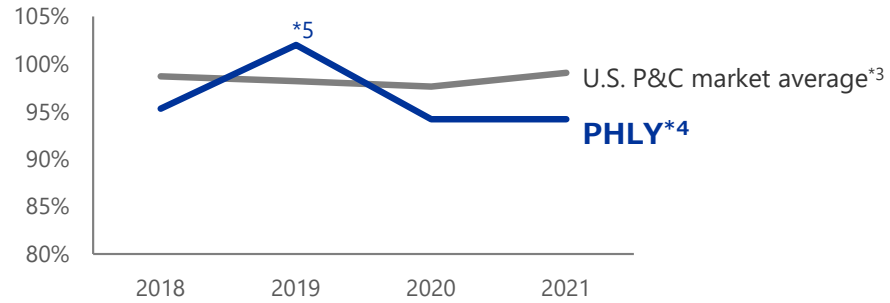
Tier 1
Tier 2
Tier 3

Tiering all products into Tier 1 – 3 based on profitability
Disciplined UW approach on each Tiers would lead to enhance portfolio profitability

(Reference) Combined Ratio



(Reference) Combined Ratio



*1: TMHCC is GWP and PHLY is NWP
*2: Written premium generated from business investment and Bolt-on M&A which were launched/acquired in/after 2018
*3: Source: S&P Capital IQ
*4: Local management accounting basis.
*5: TMHCC's 2020 and PHLY's 2019 figures are temporary increased due to Covid-19 impact and aggressively strengthened carried reserves to account for social inflation, respectively

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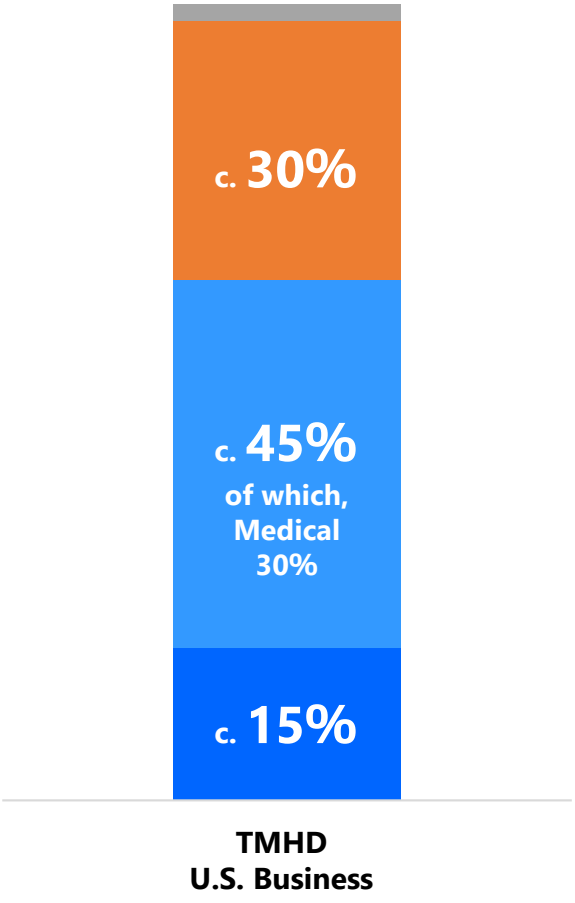
[International] Reference: Inflation Resilience

- **Resilience against economic/social inflation is enhanced**
- **Continue to take pro-active measures to manage rapid environment change**

Loss Reserve by Estimated Inflation Type*1

■ Cost of Goods and Services ■ Medical & Wages ■ Social Inflation ■ Other



Our Measurements

Social Inflation

✓ Resilience against social inflation has been enhanced with forward-looking initiatives (Please see next page)

Economic Inflation (Medical/Wages)

✓ Impact to Excess WC and Medical Stop Loss by medical cost and wages increase are also controlled by increased rates and SIR*2 amount (Please see P.12)

Economic Inflation (COGS)

✓ Rate increases cover loss cost increase due to economic inflation (P.8)

✓ Relatively resilient structure against economic inflation as our business focus on specialty insurance (less property and auto insurance)

*1: Loss reserve by LoB as of FY2021 multiplied/weighted average by each LoB's exposure to inflation type
(Source) S&P Capital IQ
Dowling & Partners, LLC IBNR Weekly
*2: Self Insured Retention

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[International] Reference: Inflation Resilience (Social Inflation)

PHLY's Strength*1

Ability to avoid impact

Disciplined underwriting

- **Take proactive actions** to identify policies with higher risk of performance deterioration in advance and review underwriting details non-renew or declinature, etc.
- Significant reduction of high limit policies which have limits ≥ $10M that is vulnerable to litigation

  Over 90% of all in-force policies*2 have **limits ≤ $5M**

Reduction of litigation

- **c.60% reduction***3 of number of litigation with early settlement initiatives

Ability to mitigate impact

Robust portfolio

- **Significant reduction** of unprofitable policies (P.9)
- Rate increases cover loss cost increase due to economic inflation (P.8)

*1: PHLY initiatives that are relatively more affected by social inflation are demonstrated in this slide
*2: Umbrella insurance with high limits
*3: Compare to 2020 Q2 when PHLY started the settlement acceleration

TMHD International Business Strength

Ability to prepare for impact

Enhanced reserves

- Set as early as in FY2019 the provisions for the past loss reserve and it is taken down since FY2020, which reserve is in continuously **adequate position**

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[International] Reference: Inflation Resilience (Medical / Wage Inflation)

	Impact		Initiatives
	Existing Business: Prior Year Loss Reserves	New Business: Loss Cost	
Medical stop-loss (Short-tail)	→ Short-tail with **limited impact**	↗ Increase with rising medical costs and wages	■ **Pro-active rate increases** expecting rise in loss cost from inflation (P.8) ■ Continue **pro-actively increasing SIR*** ; appropriately control the impact on excess from rise in total cover due to inflation
Excess workers compensation (Long-tail)	**Impact of Wage Inflation :** → Coverage is calculated based on the wage at time of accident (before inflation) and inflation adjustment is required only in some states, resulting in **limited impact** **Impact of Medical Cost Inflation :** → **Minimal impact** from recent inflation, monitor the development		

*: Self Insured Retention

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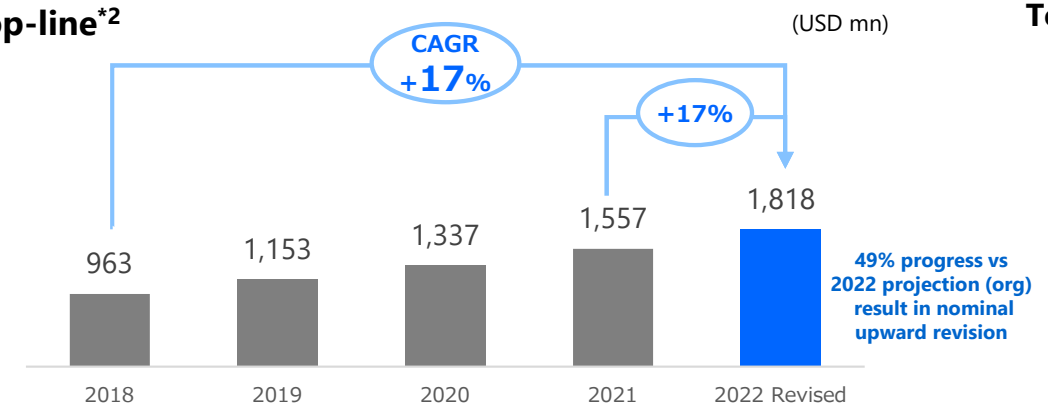
[International] Contribution from M&A (Developed Markets)

- **Steadily realizing contribution from M&A transactions. Accelerate contribution from M&A which is expected to be continuous and high growth**

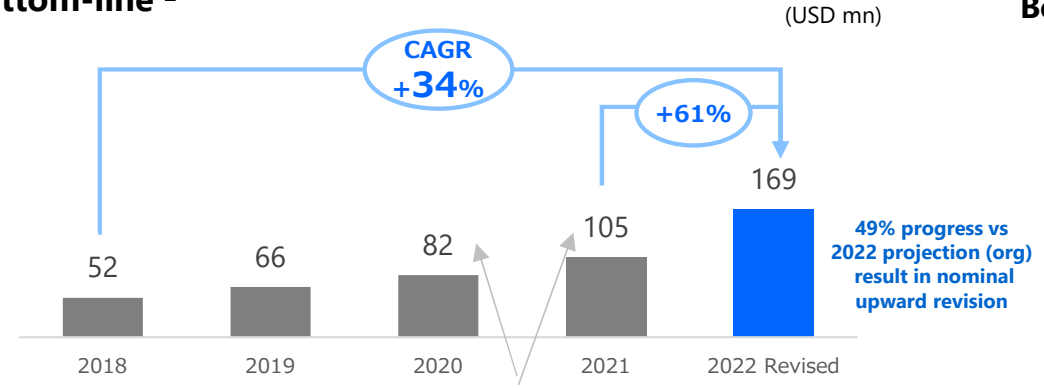
Pure: North American HNW Market

- 1H results is slightly revised upward the original projection as well as steadily realizing contribution from M&A
- Achieve high growth with tail wind from North American HNW market growth (over 9% CAGR between 2019-2028)

Top-line*2



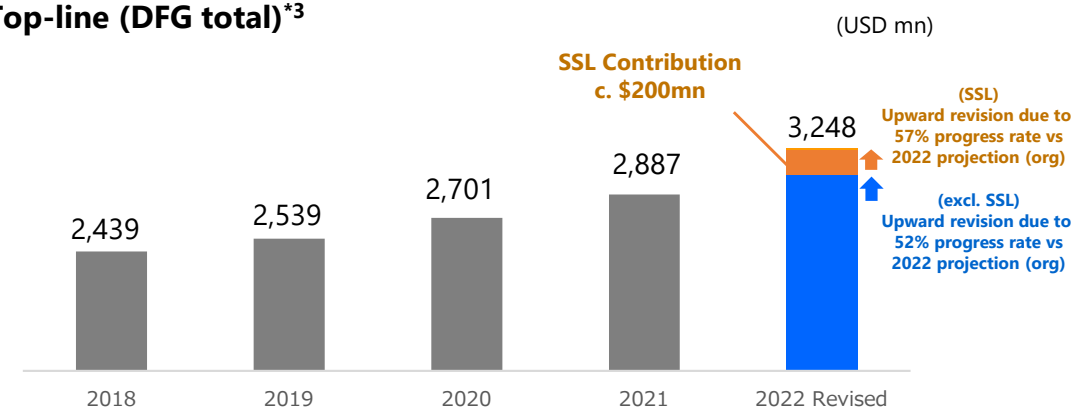
Bottom-line*2



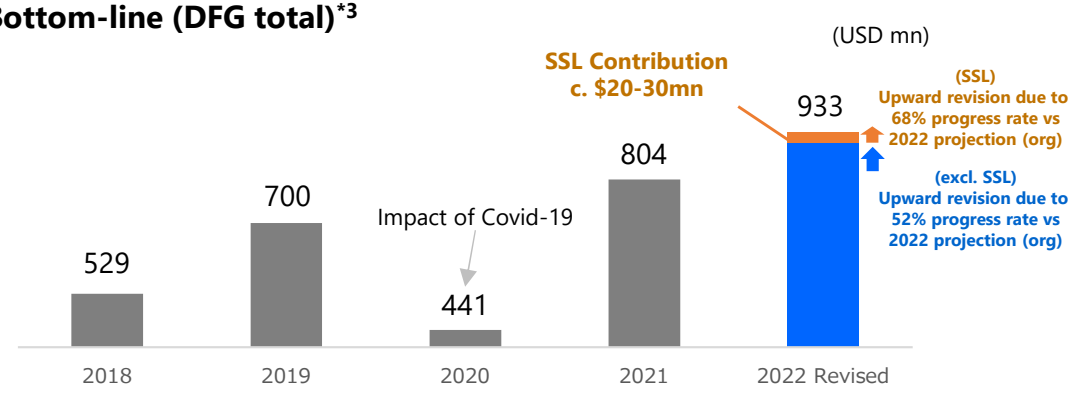
SSL: U.S. Paid Family Leave Insurance Market

- Contribution from M&A is showing more progress than the original plan as 2022 projection has been revised upward
- PMI with DFG*1 is in good progress. Continue to achieve stable growth driven by cross-selling with RSL*1 and lower E/R

Top-line (DFG total)*3



Bottom-line (DFG total)*3



*1: Reliance Standard Life Insurance (DFG's life insurance subsidiary)
*2: Top-line: Premiums under management company, Bottom-line: Local financial accounting net profit
*3: Top-line: NWP, Bottom-line: Local financial accounting net profit

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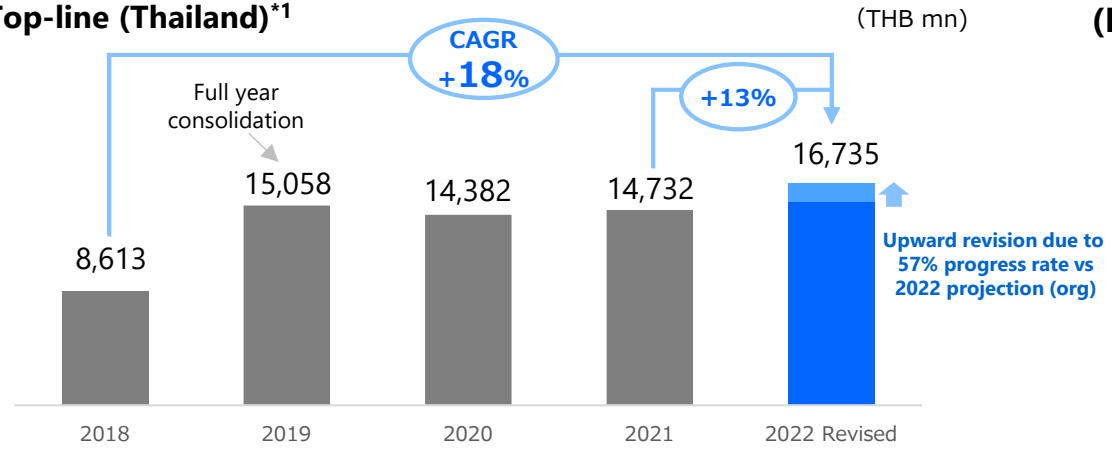
[International] Contribution from M&A (Emerging Markets)

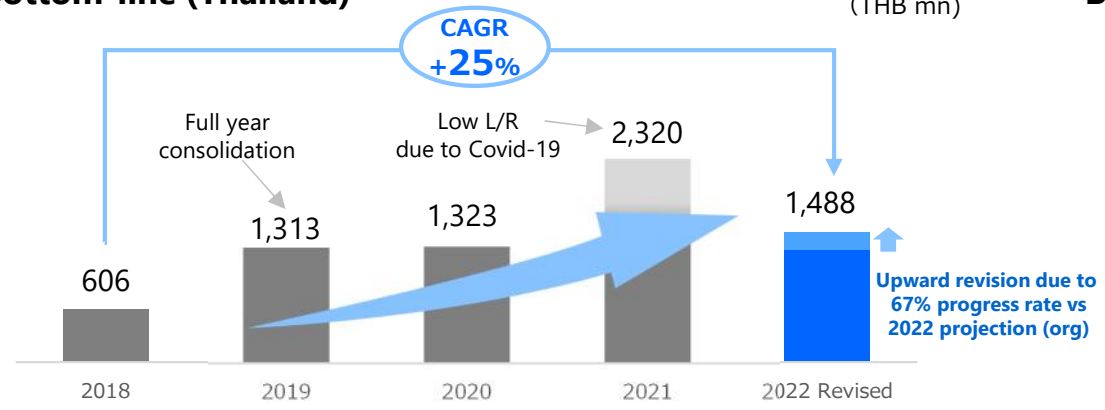
Safety: Thailand Local Market

- Contribution from M&A is showing more progress than the original plan as 2022 projection has been revised upward
- Achieving continuous profitability with Safety's effective operation and wide network, etc. in addition to further expansion of market share in the main auto insurance business

Top-line (Thailand)*1



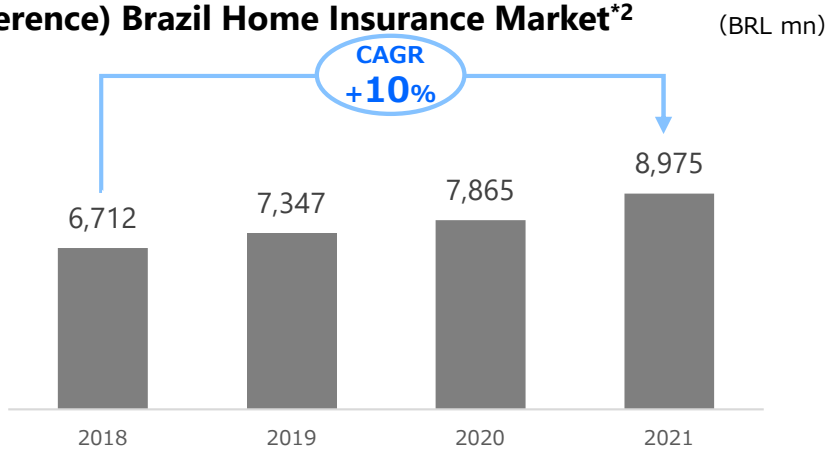
Bottom-line (Thailand)*3



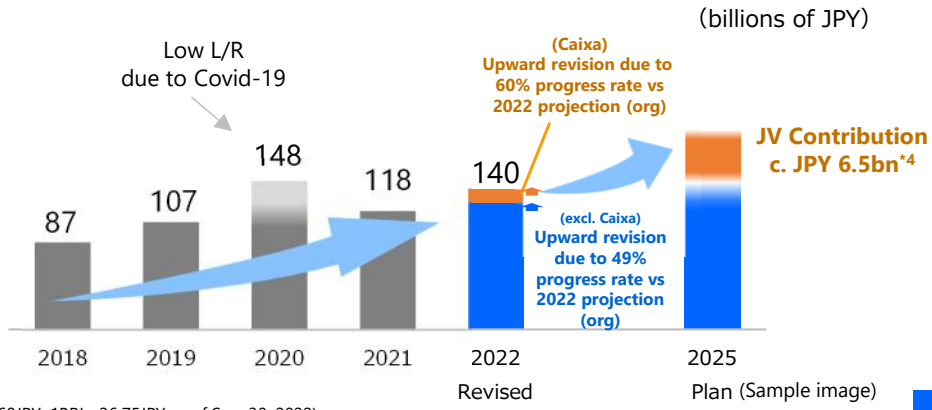
Caixa: Brazil Mortgage Market

- 1H results is on schedule to the original 2022 projection
- Capture growth of mortgage market in Brazil (2018-2021 CAGR: +10.0%) through JV with dominant Caixa bank to realize growth

(Reference) Brazil Home Insurance Market*2



Bottom-line (South & Central America)*3



*1: NWP
*2: Source: Brazilian insurance regulator SUSEP
*3: Business unit profit (FX rate 1THB=3.68JPY, 1BRL=26.75JPY as of Sep. 30, 2022)
FX rate as of Sep. 30, 2022 is applied to all period for the South and Central America's bottom-line
*4: Before amortization of intangible fixed assets

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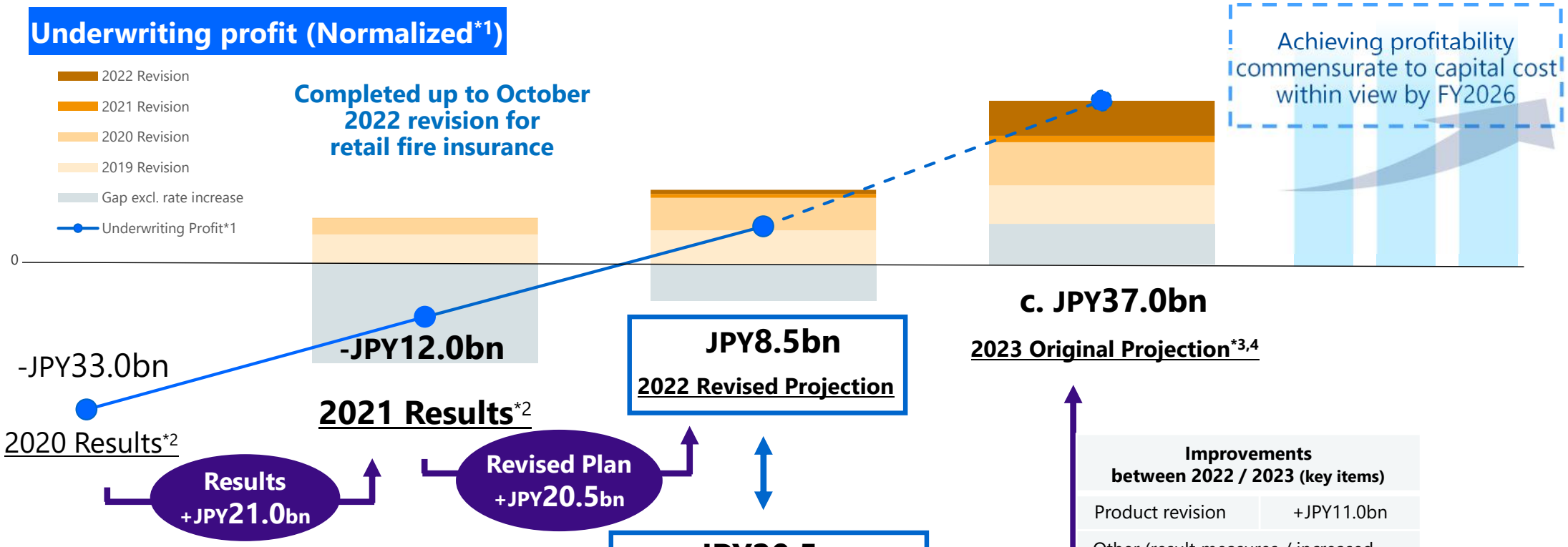
[Domestic Non-Life] Profitability Improvement for Fire Insurance

- **Measures under current MTP for +JPY45.0bn profit improvement (vs 2020 / current projection c. +JPY70.0bn) are making steady progress**
- **Original projections for FY2022 revised downwards by -JPY12.0bn due to impact of increase in small natural catastrophes, etc. However, making steady profitability improvement including with product revision, and making progress ahead of original plan to achieve profitability commensurate to capital cost**

Underwriting profit (Normalized*1)



Factors for Revision of FY2022 Projections (key items)	
Increase in domestic small natural catastrophes	-JPY6.0bn
Increase in large overseas losses	-JPY3.0bn
Increase in agency commissions due to increased premiums	-JPY2.0bn

(All of the above expected to return to average annual level in FY2023)

Improvements between 2022 / 2023 (key items)	
Product revision	+JPY11.0bn
Other (result measures / increased premiums, etc.)	

*1: Assuming average annual level of impact from natural catastrophes and excluding the impact of COVID-19 and FX (after tax/estimation)
Also exclude impact of South African floods (c. JPY3.0bn) for FY2022

*2: Deduct FX from underwriting profits (normalized) stated on May 2022 IR presentation, P.14

*3: Projection as of May 2022 IR presentation

*4: FY2023 underwriting profits may be affected by hardening of reinsurance market

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[Domestic Non-Life] Improvement of C/R and E/R

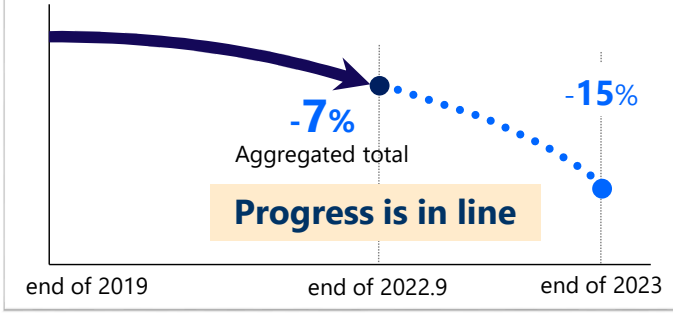
- **Reduced internal administration by leveraging on digital technologies. In addition to direct reduction of administration cost, reallocate the workforce to increasing activity on topline expansion & profitability improvement, achieve C/R of around 92% during current MTP period and E/R in 31% range during next MTP period**
- **Reduction of internal administration is in line with plan at c. -7% (vs FY2019)**

Invest in digitalization to improve business efficiency

Investment
c. JPY40.0bn
(aggregated total for FY2021-FY2023)

Expected Impact
-15% reduction of internal administration*1 (end of FY2023)
=-JPY20.0-25.0bn p.a. equivalent

Progress
Reduction of internal administration (vs end of FY2019)



	FY2023 (Plan)	FY2026 (Plan)
1. Reduction of internal admin cost	Prioritize resource investment for increasing strategy execution —	Reduction of internal administration cost (FY2026) c. -10.0bn
2. Increase strategy execution		
(1) Top-line expansion	Specialty insurance growth (P.20/45) +JPY100.0bn or more Profit contribution c. +JPY10.0bn*2	Across Lines Additional +1% to CAGR Profit contribution: c. +JPY15.0bn*2
(2) L/R improvement	Profitability improvement in Fire (P.16/44) Loss Prevention, product revision, etc. Profit contribution: c. +JPY37.0bn*2.3	Profitability improvement in Fire Securing profitability commensurate to capital cost in view c. +JPY37.0bn + more*2.3
(3) Create new profit opportunity	Expand to disaster prevention / Loss mitigation business (See P.73)	Business alliance with Kokumin Kyosai co-op (see P.19) Profit contribution: c. +JPY6.0bn*4
E/R (private insurance)	Prioritize resource investment for increasing strategy execution	31% range
C/R (private insurance)	around 92%	Maintain stable low C/R

*1: Reduction % is virtually calculated comparing actual result as of 2019 *2: Total business unit profit contribution including reduction of internal administration (vs 2020, after tax, estimates) *3: Normalized basis with natural catastrophes adjusted to the average annual level and excl. COVID-19 impact *4: Bottom line impact by collecting labor and IT related costs

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(Reference) Promotion of New Fee Business (Business Alliance in Claims Service Area)

- **Started business alliance with Kokumin Kyosai co-op in the area of claims service area**
- **Expected bottom line impact of c. +JPY6.0bn from FY2025 by collecting labor and IT related costs, etc.**
- **Aim to expand fee business including into other lines and areas**

こくみん共済 coop
全国労働者共済生活協同組合連合会

June 2020-May 2021 Results

	Fire Mutual Aid	Auto Mutual Aid	Life Mutual Aid	Pension Mutual Aid
Number of Policies (thousand)	6,220	2,180	11,370	790
Mutual Aid Premium (billions of JPY)	106.5	86.2	276.6	64.5

東京海上日動

Utilize management resources

- ✓ Disclosure intellectual property / expertise
- ✓ Invest human capital generated by reduction of internal administration
- ✓ Investment / lend working capital, etc.

Investment ratio: 20%

Investment ratio: 80%

NEW

Kyodo Jimu Chosa Service K.K.

Develop and offer mutual aid proceeds payment system

Consignment of part of auto mutual aid loss adjustment business, etc.

Increase / develop other business utilizing the knowledge acquired through insurance business

Expected results

こくみん共済 coop

- ✓ Fundamental reform of loss adjustment, reduce operation cost
- ✓ Improve convenience of members and policyholders, etc.

東京海上日動

- ✓ Create new fee business model / revenue opportunity
- ✓ Further improve business efficiency

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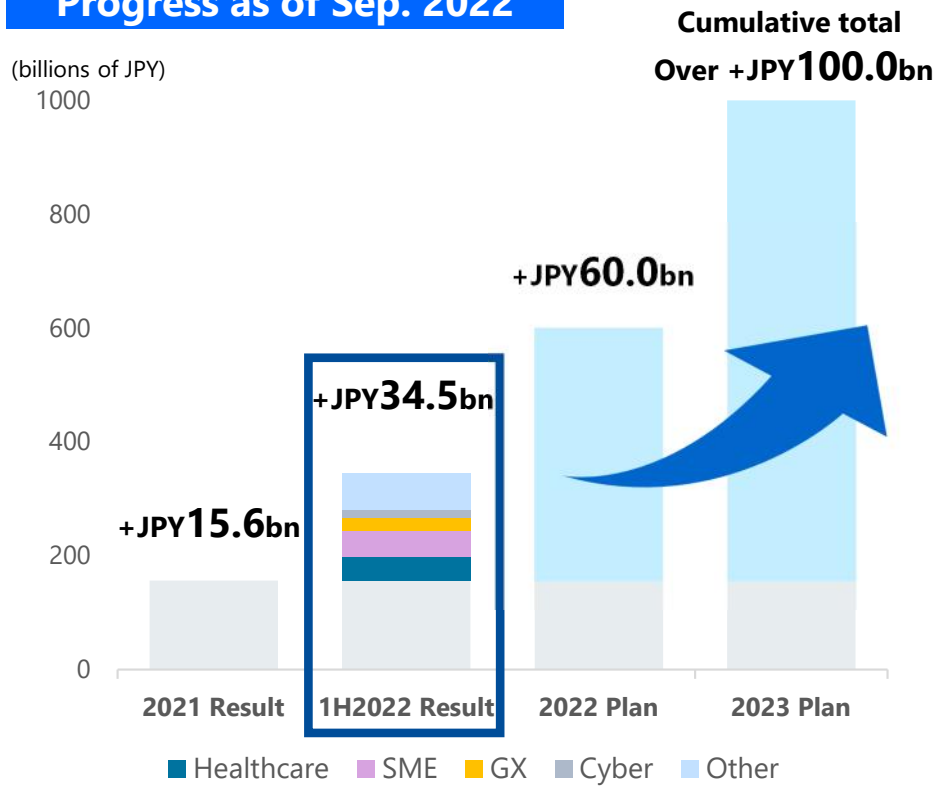
[Domestic non-life] Growth of Specialty Insurance

- **Achieved cumulative total of +JPY34.5bn increase in specialty insurance as of Sep. 30, 2022 vs 3Y plan of JPY100.0bn. Further accelerate growth with maximum leverage on promotion framework and products / services established in the first year of current MTP**
- **Firmly capture the ever-growing specialty insurance in market in Japan - an advanced country in terms of experiencing social issues**

Progress as of Sep. 2022



Area	Sep. 2022 result
[4 priority areas of social issues] Healthcare SME GX Cyber	+JPY28.7bn*1
Other (New risks, etc.)	+JPY5.8bn*2
Total	**+JPY34.5bn*3**

Steadily accelerating revenue increase

(+JPY15.6bn in FY2021 to +JPY18.9bn in 1H2022)

▶ **Achieve over +JPY100.0bn 3Y cumulative total revenue increase**

*1: Managerial accounting basis *2: Includes difference between managerial accounting and net premiums written *3: Net premiums written

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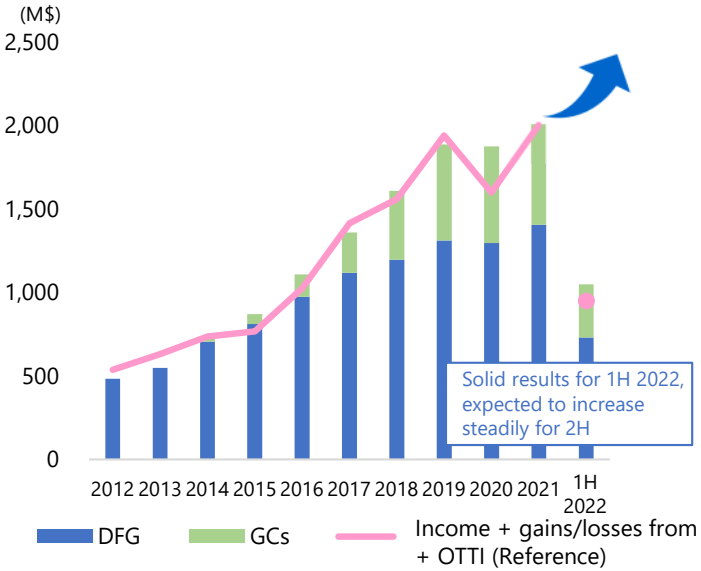
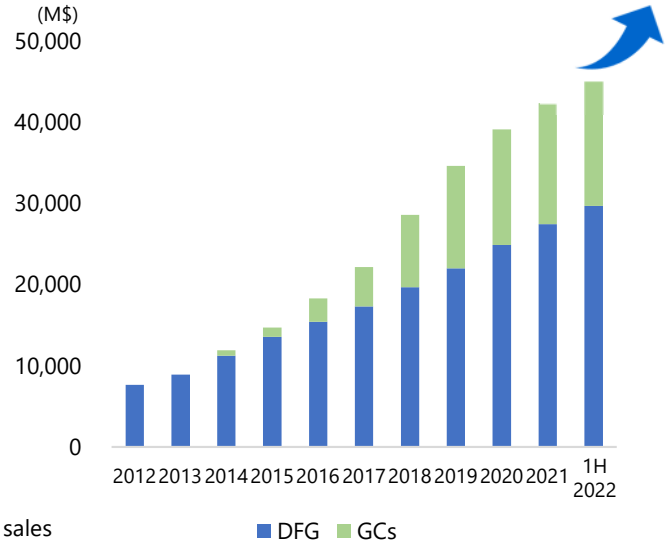
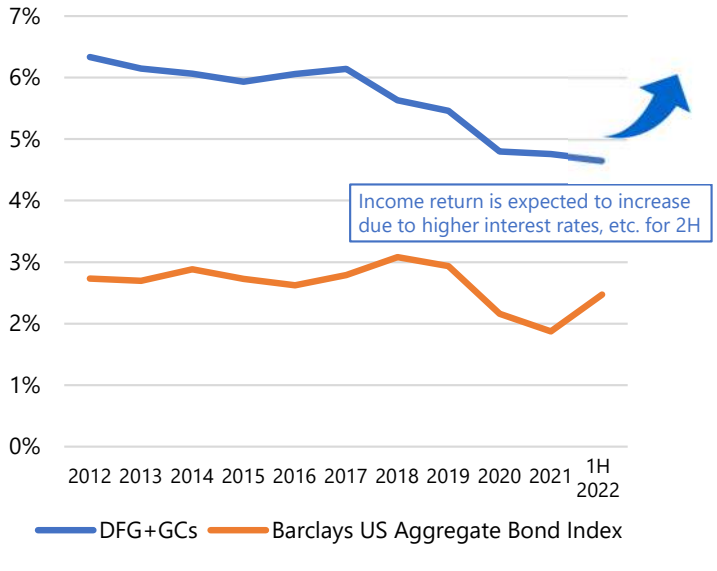
[International] DFG's Credit Management Capabilities (1)

- **DFG has to date achieved increased investment income at a pace exceeding the market and is currently maintaining strong performance**
- **Select investees depending on the investment environment based on "held-to-maturity investment style" backed by long-term and stable nature of investment funds**

Stable growth in investment income (DFG-managed*) = **Increase in AUM on the back of growing business and assets managed by DFG (DFG-managed*)** × **Higher income return than index**







*: Assets managed by DFG for key GCs (TMNF, TMNL, NF, PHLY, TMAIC, TMHCC)

(Reference) 1H 2022 investment action examples

- As the U.S. entered the monetary tightening phase, DFG preferred variable rate assets and increased CRE loans in particular
- As the weight of variable rate assets increased, DFG controlled duration by increasing investment in high-rating (AA to A) long-term municipal bonds
- For CRE loans, DFG avoided the office sector due to the likely increase in risks following workstyle changes post-COVID and focused on sectors which were expected to enjoy stable demand such as multi-dwelling properties, warehouses, and logistics facilities

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[International] DFG's Credit Management Capabilities (2)

- **Long-term and predictable liability cashflows which accept liquidity risks and the highly specialized and experienced investment team are the strength and uniqueness of DFG's asset management. These factors will likely result in highly reproducible returns in the future**
- **Continue increasing stable returns through investments requiring expertise with an awareness of risk-return performance**

Strength and uniqueness of DFG investment team

Long-term, predictable liability cashflows

- Long-term and predictable insurance liability cashflows accept liquidity risks (tolerating short-term market fluctuations and earning long-term, stable excess profit)

Investment team with highly reproducible returns

- Team experienced numerous market cycles including the GFC and COVID-19, and produced stable returns throughout the crisis
- Hands-on management involvement ranging from the selection of outside asset managers to development of investment strategies

Donald Sherman
DFG CEO

Stephan Kiratsous
DFG CFO

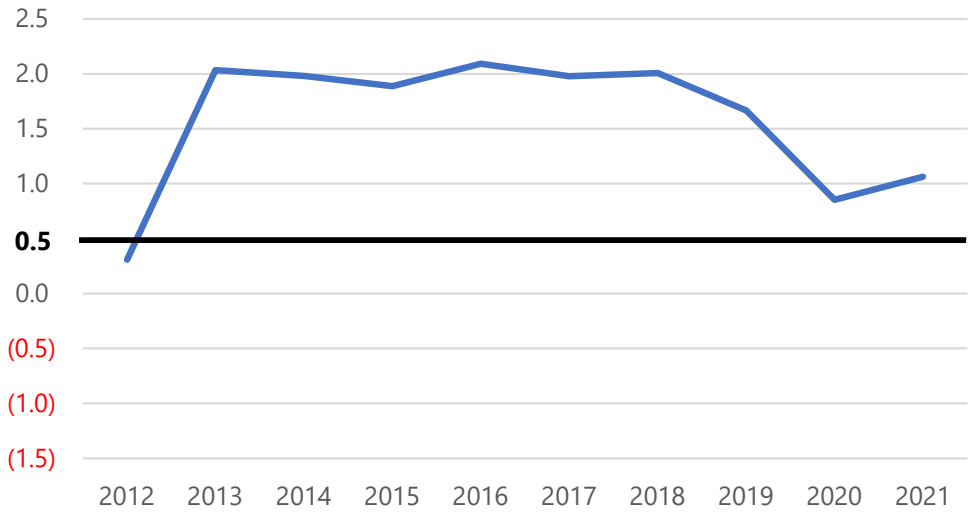
Vincent Kok
DFG CIO

- Execute agile asset allocation according to the investment environment by data gathering and analysis leveraging broad network
- Contribute to profit through highly specialized investments such as CLO and CRE loans (see P.71)

DFG's investment portfolio incorporating Tokio Marine's risk management

- Tokio Marine Group's risk management framework is embedded in DFG from its management to front-line asset managers
- Control the entire portfolio's credit risk within a certain limit with an awareness of risk-return optimization in allocation

<Maintained high information ratio*>



*: Excess return on benchmark (Barclays US Aggregate Bond Index) / 5Y average volatility
Larger figures present higher excess returns on risk. 0.5 or above is generally deemed to be excellent

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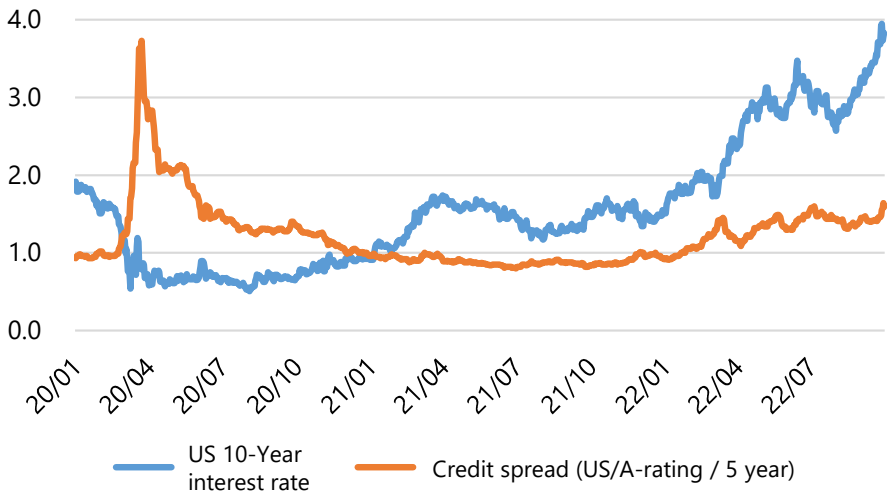
[International] DFG's Credit Management Capabilities (3)

- **Current rises in US interest rates / credit spreads will basically likely have a positive impact**

View on the impact of rising interest rates and widening credit spreads in U.S.

<US interest rate and credit spread>

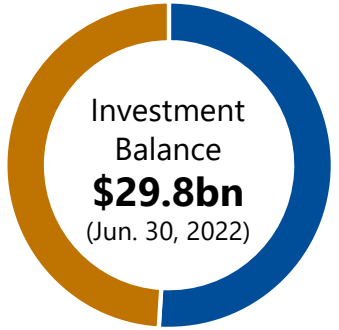


- Most of investment assets are evaluated using FVOCI (whose market value fluctuations are not recognized on PL); their impairment loss will thus only have a limited impact on PL (the amount of impairment losses have so far stayed within the plan)
- In addition, assets can be "held to maturity," which limits the long-term impact of any temporary impairment loss by offsetting with subsequent investment income, etc.

Rising US Interest Rate

Variable rate assets

About 50%



Positive impact on investment income
(Investment income growth through reinvestment in higher fixed rate assets is also expected)

Widening Credit Spread

- Regarding the cycle of an economy as a chance to invest in the well-priced assets backed by the long-term and stable nature of investment funds
- Flexibly rebalance investment portfolio in timely and prompt manner during risk-off phase and without legacy assets with significant unrealized losses
- Stable investment during temporary widening of credit spreads with timely and appropriate credit risk control through Tokio Marine Group's risk management framework

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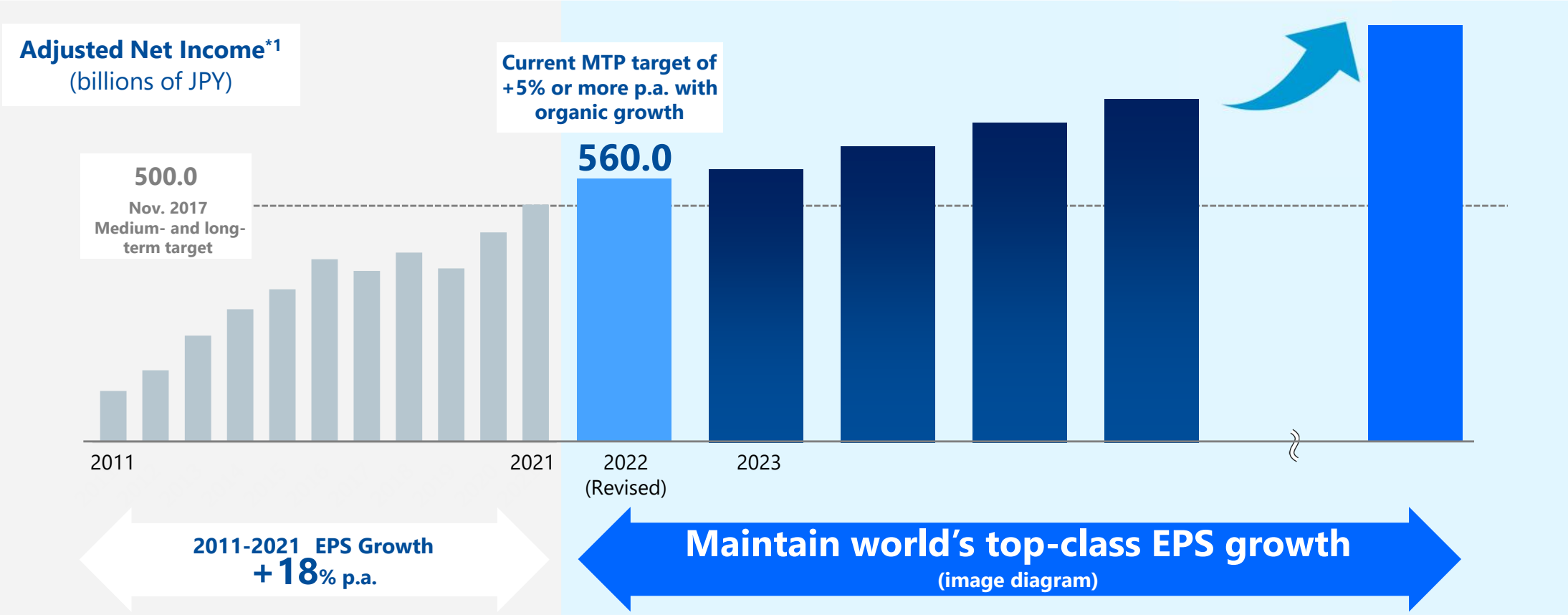
EPS Growth (Adjusted Net Income)

- **On the back of "further confidence" described above (P.6-23), continue to achieve the world's top-class EPS growth**



(Reference) Peer EPS Growth*2		Period
Peer 1	5-7% or more	2022-2024 target
Peer 2	3-7%	2021-2023 target
Peer 3	(undisclosed)	-
Peer 4	5% or more (OG)	2020-2022 target

*1: Normalized natural catastrophes to an average annual level and excluding the impact of COVID-19 for 2020; additionally, capital gains in North America, etc., capital gains from sale of business-related equities (for part of sale exceeding JPY100.0bn), and FX between foreign currencies for 2021; additionally, war and South African floods for 2022

*2: Peers: Allianz, AXA, Chubb, Zurich Source: Company data

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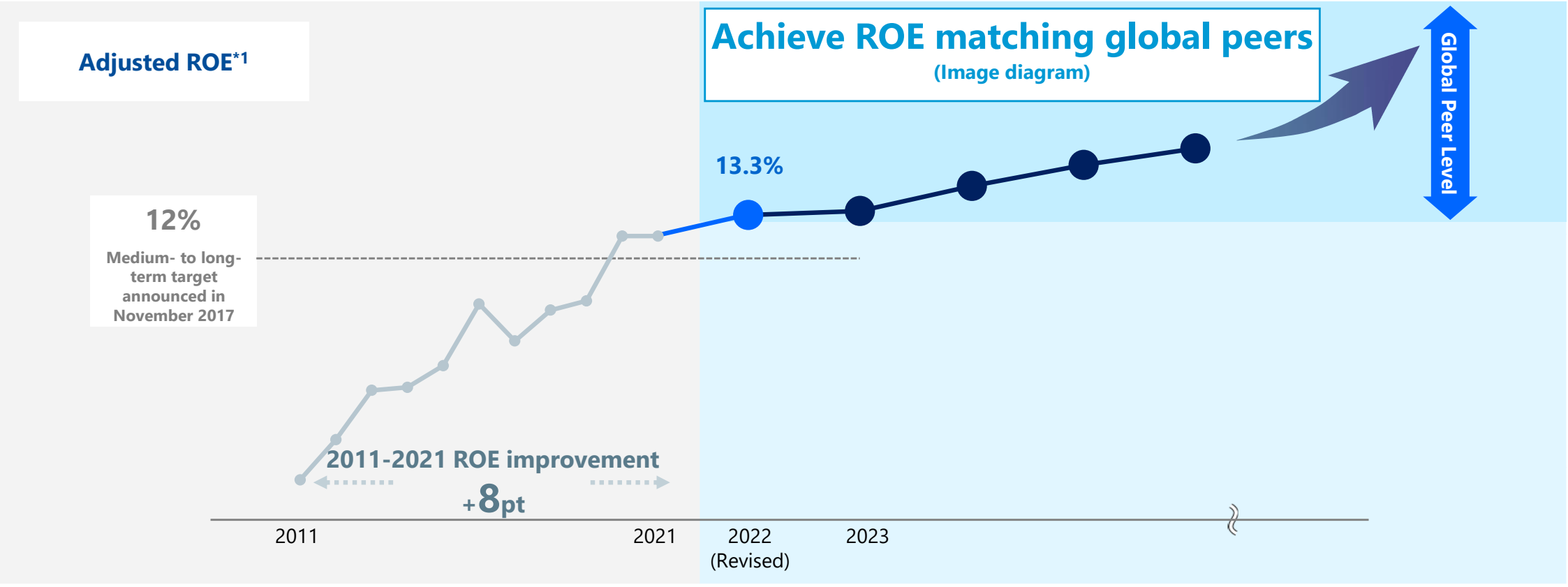
Adjusted ROE

- **Lift the level of adjusted ROE equivalent to global peers**



*1: The numerator for calculating EPS is adjusted to normalized natural catastrophes to an average annual level and excluding the impact of COVID-19 for 2020; additionally, capital gains in North America, etc., capital gains from sale of business-related equities (for part of sale exceeding JPY100.0bn), and FX between foreign currencies for 2021; additionally, war and South African floods for 2022

*2: Peers: Allianz, AXA, Chubb, Zurich
For Peers, disclosed ROE as their KPI is adjusted to the tangible basis to align it with TMHD's adjusted ROE.
Source: Estimated by TMHD using company data.

(Reference) Peer ROTE*2		Period
Peer 1	13.1% or more	2022-2024 target
Peer 2	Around 15.2%	2021-2023 target
Peer 3	Around 17.3%	2023 Outlook
Peer 4	16.5% or more	2020-2022 target

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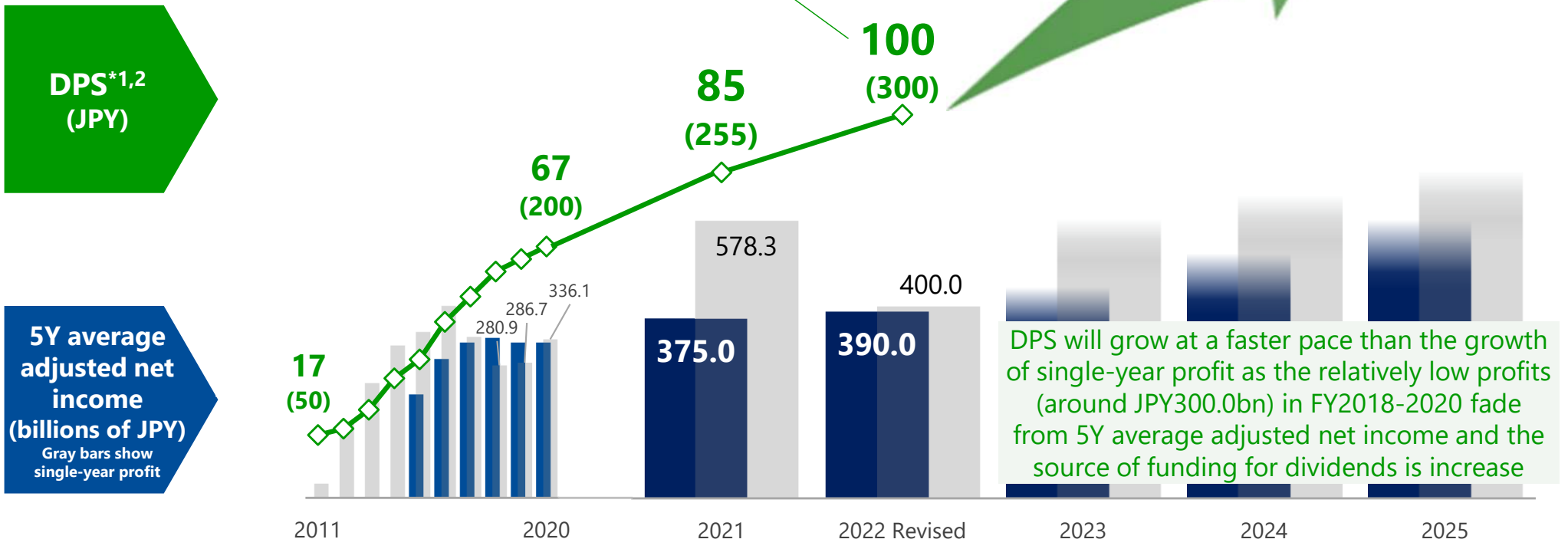
DPS Growth with Confidence

- **Maintain DPS growth underpinned by and consistent with EPS (profit) growth**
- **Maintain JPY100 DPS for FY2022 (+18% YoY, JPY300 before stock split) and continue increasing DPS from FY2023 onward based on growth in moving average of source of dividends and increase in dividend payout ratio (FY2022 original: 48.5% → FY2023: 50%) (In principle, no decrease in dividends)**

- **Maintain original plan (+18% YoY)**
- **11th consecutive dividend increase expected**



*1: DPS is calculated by 5Y average adjusted net income × payout ratio / number of shares
*2: Figures in brackets are before stock split (split into three shares) in October 2022

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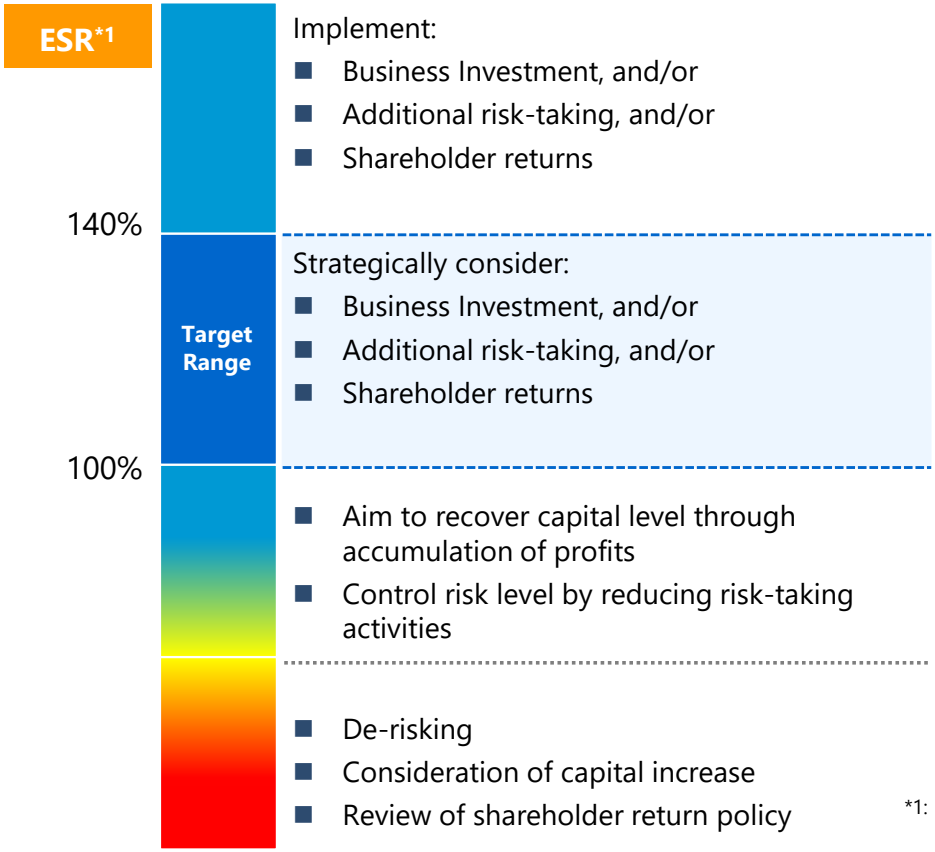
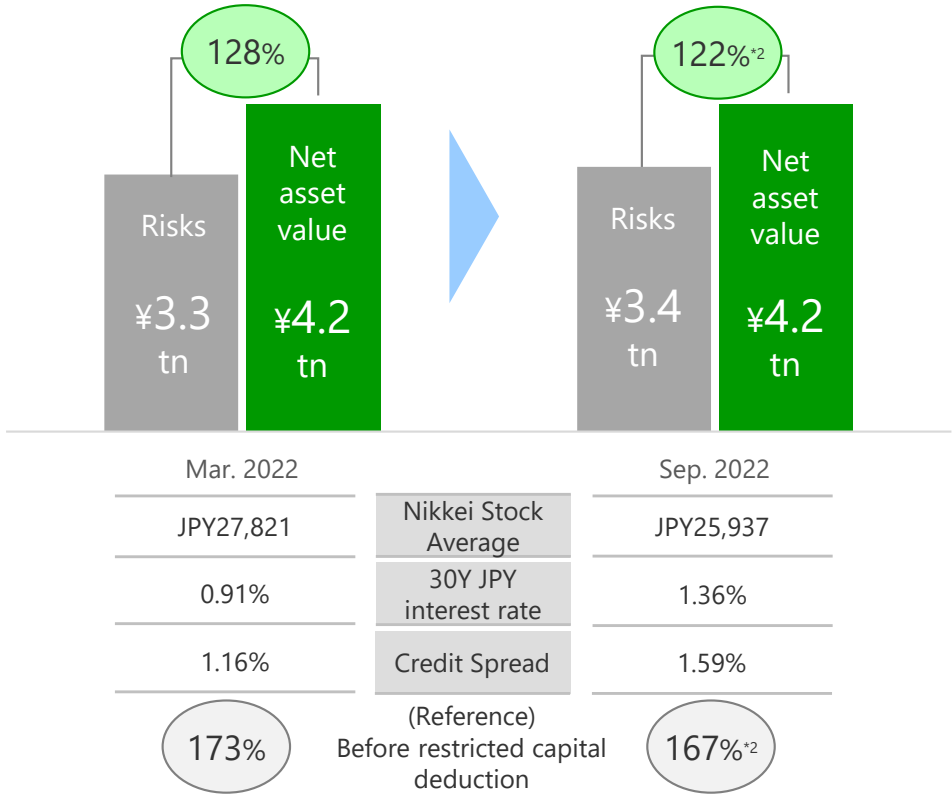
Sufficient Capital Stock and Disciplined Capital Policy

- **ESR*1 as of end of Sep. 2022 is in the middle of our target range at 122%. As before, no intention to accumulate unnecessary capital and will continue to invest in businesses that contribute to improving ROE and execute buyback**
- **Originally announced JPY100.0bn buyback for FY2022 will be maintained (JPY50.0bn has been executed) and buyback of remaining JPY50.0bn has been approved**

Target Range



ESR*1



*1: Economic Solvency Ratio (Risk is calculated using a model based on 99.95% VaR (AA credit rating equivalent)).
Net asset value of overseas subsidiaries shows the balance as of three months earlier (Dec. 31, 2021 and Jun. 30, 2022)
See P.80 for sensitivity
*2: ESR after the JPY50.0bn buyback is 121% (165% before restricted capital deduction)
ESR after Taiwan COVID-19 loss in 2H is 120% (164% before restricted capital deduction)

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Update on Impact of COVID-19 in Taiwan

- **Net loss of -JPY53.9bn (our share) was reported in 2Q for the impact of COVID-19 in Taiwan, and considering the increase in infection rate, projected full-year net loss is -JPY91.0bn (our share) (Sale of the COVID-19 insurance policy (1-year coverage) was suspended on February 15, 2022)**

	FY2022 claims projection (TMNewa 100% basis)	Estimated infection rate	Net loss to be recognized by TMHD (our share, after tax)
August Projection	-JPY134.8bn	30%*1	-JPY53.9bn*2 (of which, COVID-19 loss is -JPY57.2bn)
Revised Projection	-JPY207.7bn	44%*1 *Infection rate as of end of October 2022 was 32.1%	-JPY91.0bn*2 (of which, COVID-19 loss is -JPY96.0bn)

*1: Includes certain level of risk buffer, with the projection rate of Taiwan
*2: Includes underwriting profits, etc., other than COVID-19 losses

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Impact of Hurricane Ian

- **Estimated net incurred losses related to Hurricane Ian for the Group is approx. JPY33.0bn (approx. JPY25.0bn after tax)**
- **Our North American business is diversified around specialty lines and our losses are relatively small comparing our market share in North America**

Net incurred losses related to Hurricane Ian

Our share of net incurred losses		Market share of our North American business*2
0.4%	<	1.3%

= TMHD net incurred losses approx. JPY33.0bn / Estimated industry net incurred losses*1 USD56.5bn

(Reference) Past net incurred losses for global natural catastrophes*3

(USD bn)

Rank	Date	Reg.	Event	Net Incurred Losses
1	Aug. 2005	US	Hurricane Katrina	90
2	Mar. 2011	JP	Great East Japan EQ	42
3	Sep. 2017	US	Hurricane Irma	37
4	Aug. - Sep. 2021	US	Hurricane Ida	36
5	Oct. 2012	US	Hurricane Sandy	35
6	Aug. 2017	US	Hurricane Harvey	33
7	Sep. 2017	US	Hurricane Maria	33
8	Aug. 1992	US	Hurricane Andrew	31
9	Jan. 1994	US	Northridge EQ	28
10	Sep. 2008	US	Hurricane Ike	23

*1: Mean estimate of net incurred losses for the industry by major vendors, etc. ($56.5bn)
RMS: $53bn-$74bn, AIR: $42bn-57bn, KCC: $63bn, D&P: $40bn-$60bn
Source: Dowling & Partners, LLC IBNR Weekly

*2: Based on FY2021 direct net premiums written
Source: SNL Financial

*3: Ranking as of end of FY2021
Source: Aon

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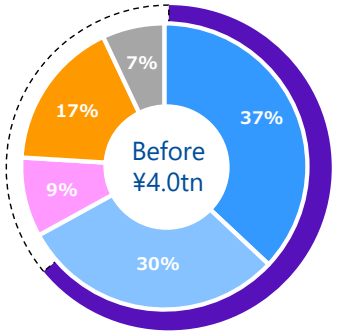
Global Risk Diversification (1)

- **Global risk diversification is the cornerstone of our strategy, and we pride ourselves in achieving profit growth through controlling and optimizing the risks for 20 years**

Risk diversification

FY2012 Diversification effect **36%**

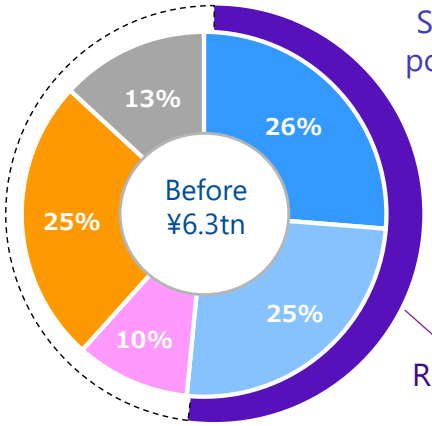


Domestic non-life (underwriting)
Domestic non-life (investment)
Domestic life
International
Others

Risk after diversification **¥2.6tn**

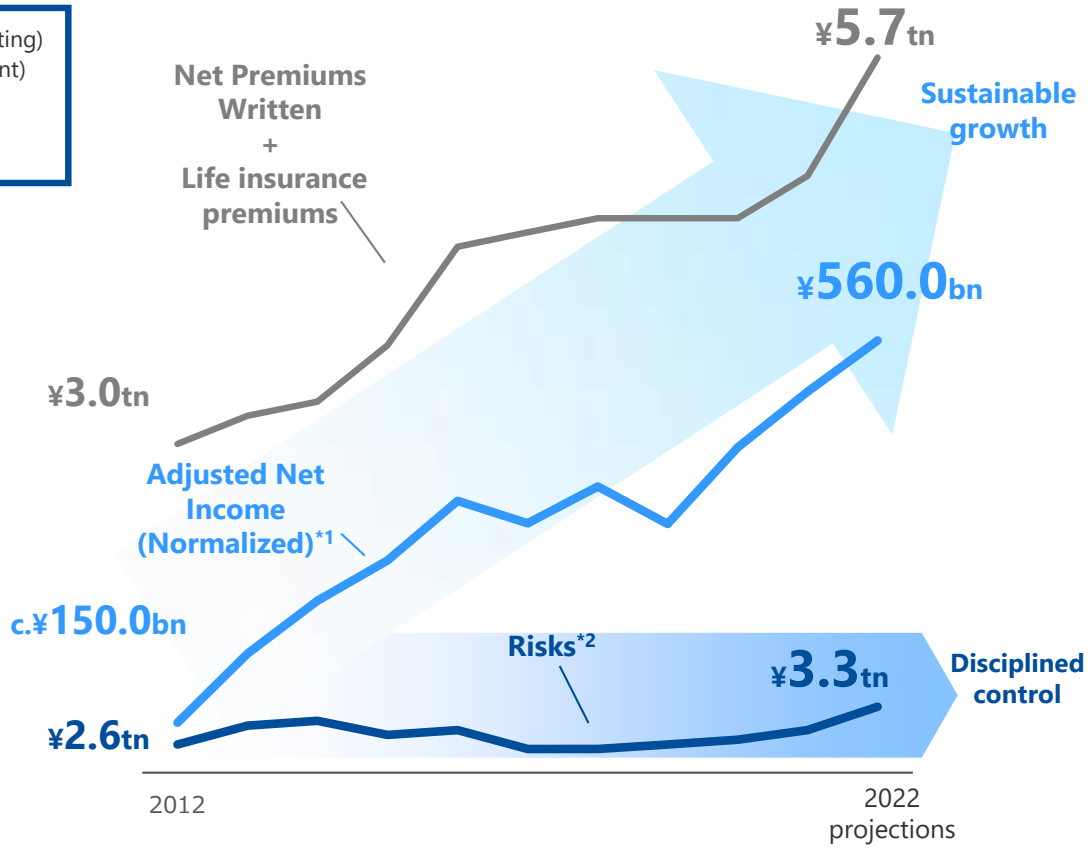
See next page for risk portfolio diversification record

FY2022 Diversification effect **48%**



Risk after diversification **¥3.3tn**

Trends of adjusted net income*1 and risks*2



*1: For 2020, excluding COVID-19 impact. For 2021, excluding capital gains in North American entities and FX, and for 2022 excluding war and South African floods as well
*2: ESR risk (99.95% VaR, after tax, original projection basis)

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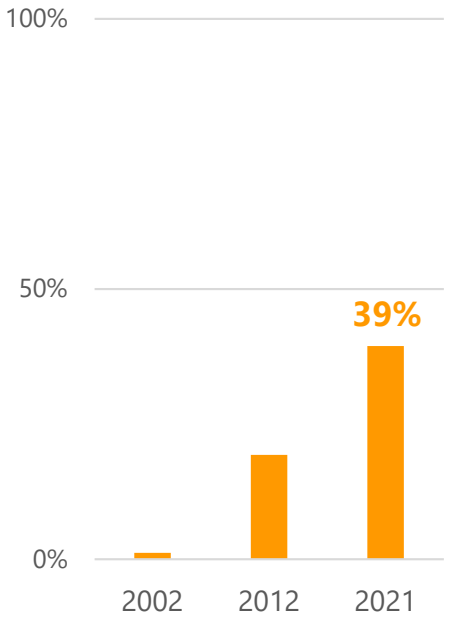
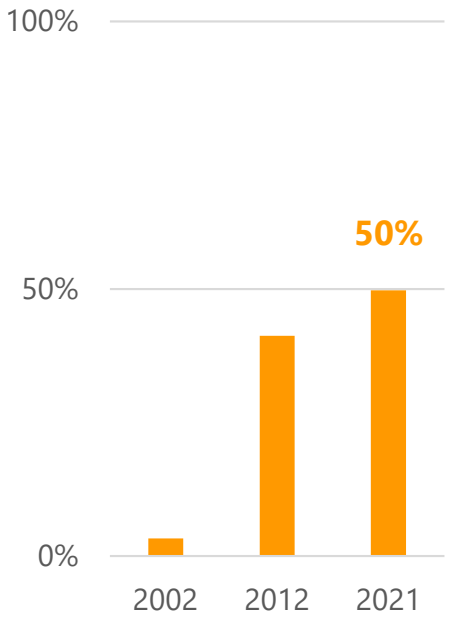
Global Risk Diversification (2)

Risk diversification with expansion of int'l business

International business: premium contribution*1

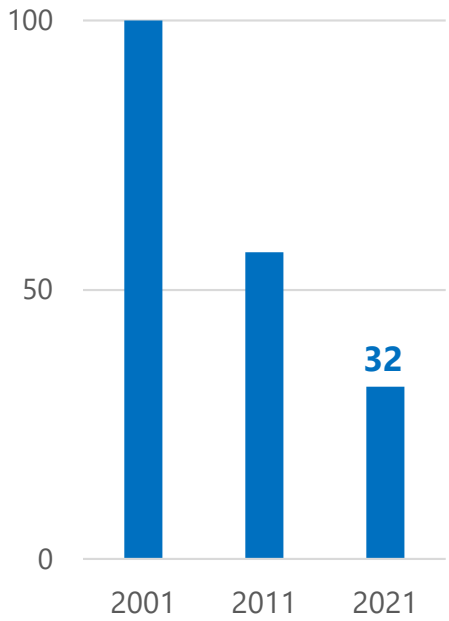


International business: profit contribution*2

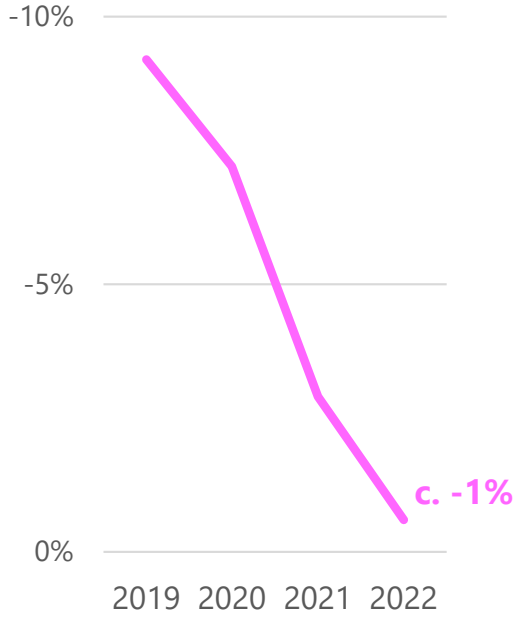


Reduction and control of risks

TMNF: Book value of business-related equities*3



Interest rate impact*4



*1: Direct net premiums written

*2: Business Unit Profits

*3: Indexed to 2001 as 100

*4: Declining rate on ESR (before deducting restricted capital) with interest rate down by -50bp

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Disciplined In/Out Strategy

- **Select and execute only high ROI M&A transactions with synergy effects that contribute to risk diversification based on determination of intrinsic value of the target. Continue patiently looking for opportunities to execute large-scale M&As. Focus on Market Intelligence activities. (Establishment of new Canadian business and exit from Highland and TMK reinsurance business, as part of this strategy)**

Strict acquisition criteria

Target (Three principles of M&A)

- Cultural fit
- High profitability
- Solid business model

Hurdle rate

- Cost of capital (7%)
- + Risk premium
- + Country interest rate spread

M&A / New Establishment IN

Kiln	Philadelphia Insurance Companies	DELPHI	HCC	pure INSURANCE	TOKIO MARINE CANADA
Mar. 2008	Dec. 2008	May 2012	Oct. 2015	Feb. 2020	**Jun. 2022**

(Reference) Forward-looking and disciplined portfolio review

Divestment / Run-off OUT

Europe Non-Japanese business*1	TOKIO MARINE TMR	Egypt Takaful Life	Highland*2	TMK reinsurance business
Jan. 2019	Mar. 2019	Sep. 2020	**Aug. 2022**	**Sep. 2022 Run-off**

*1: UK non-Japanese business and part of non-Japanese business in continental Europe with low profitability (continue Lloyd's business)
*2: Construction insurance agency, part of Tokio Marine Highland (former WNC) Group owned by TMK

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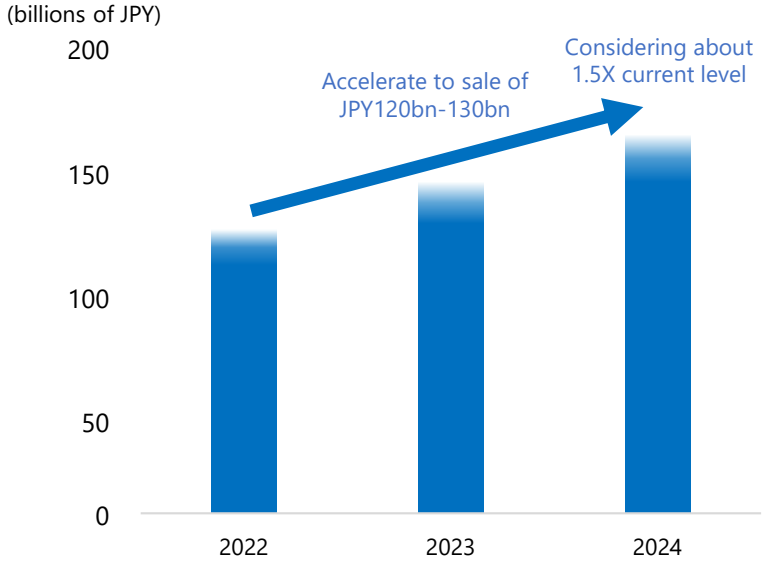
Accelerate Reduction of Business-related Equities and Improve ROE

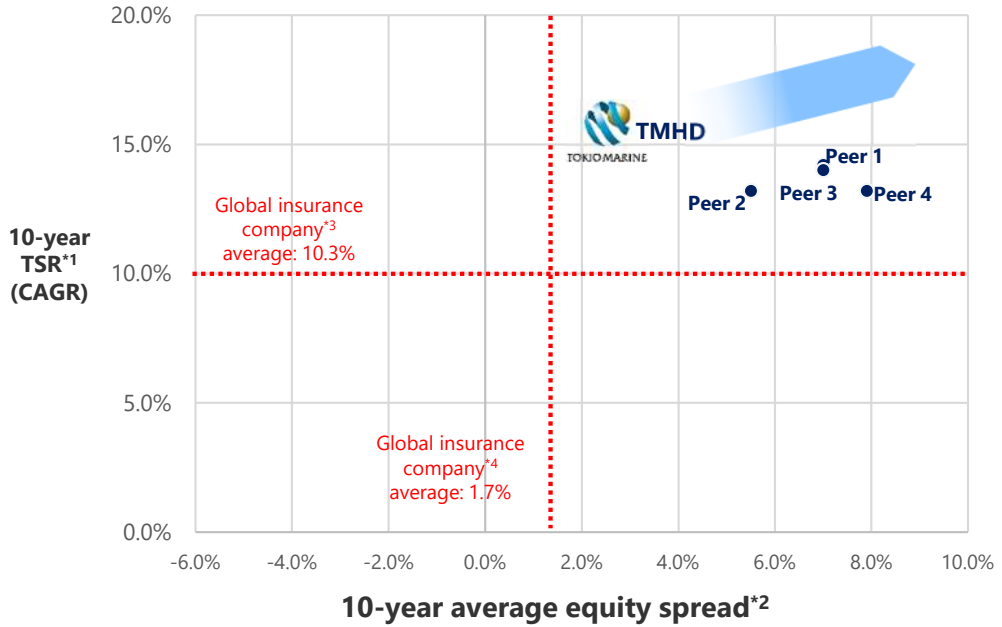
- **As a result of further efforts, considering acceleration of divestment to the tune of JPY120~130bn in FY2023 and to about 1.5X current level from FY2024 for business-related equities**
- **Use the capital and funds generated from this initiative with discipline: execute good-quality investment and risk-taking transactions that contribute to Tokio Marine's corporate value enhancement and, in the absence of such opportunities, execute shareholder returns and improve ROE (and equity spread) in addition to achieving the world's top-class EPS growth**

Accelerate reduction of business-related equities

TMNF divestment of business-related equities (image)



ROE (and equity spread) expansion



Peer: Allianz, AXA, Chubb, Zurich
*1: CAGR between April 1, 2012 and March 31, 2022
*2: Calculated with ROTE - Capital Cost
Tokio Marine ROTE uses adjusted ROE. Capital cost for the five companies calculated as CAPM (=risk free rate + β x market risk premium) with 6% market risk premium
*3: TSR of MSCI World Insurance Index *4: Average for 172 global listed insurance companies

(Reference) TMHD equity spread
2012 - 2021: 2.7%
First five years (2012-2016): 1.6% Second five years (2017-2021): 3.8%

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FY2022 KPI Targets

- **Underlying capabilities are steadily improving with normalized (excluding transient effects) adjusted net income at JPY560.0bn (+JPY10.0bn vs May 2022 target)**

		Announced in May 2022	Revised in Nov. 2022 (Normalized*5; actual in parentheses)
Adjusted Net Income		JPY550.0bn	JPY560.0bn (JPY400.0bn)
Business Unit Profits etc.	Domestic Non-Life*1 (See P.42-50 for details)	JPY173.0bn	JPY114.0bn excl. FX JPY155.0bn (JPY52.0bn)
	Domestic Life*2 (See P.51-54 for details)	JPY42.0bn	JPY36.0bn excl. FX JPY38.0bn (JPY27.0bn)
	International (See P.55-68 for details)	JPY263.0bn	JPY350.0bn excl. FX JPY304.0bn (JPY250.0bn)
	Other*3	JPY72.0bn	JPY60.0bn (JPY71.0bn)

	Announced in May 2022	Revised in Nov. 2022 (Normalized*5; actual in parentheses)
Adjusted ROE	12.5%	13.3% (9.7%)
Shareholder Returns		
Dividend Payout Ratio*4	48.5%	51.6%
Capital Level Adjustment	JPY100.0bn (Approved first JPY50.0bn in May 2022)	JPY100.0bn

*1: Domestic Non-Life: TMNF (same applies hereafter)
*2: Domestic Life: TMNL (same applies hereafter)
*3: Other domestic non-life, financial and other businesses, and sales of business-related equities not included in business unit profits, etc. (same applies hereafter)
*4: vs. 5Y average adjusted net income
*5: Normalized natural catastrophes to an average annual level and excluding the impact of COVID-19, capital gains in North America, etc., capital gains from sale of business-related equities (for part of sale exceeding JPY100.0bn), FX, war, and South African floods (same applies hereafter)

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Progress of Current MTP

- **Steady progress under current MTP driven by overseas (domestic non-life is also making progress in line)**
- **Continue to realize shareholder returns and growth expected as world's top-class P&C insurer**

	Mid-Term Business Plan (2021-2023)	Progress (revised Nov. 2022, excl. transient effects*3)
Adjusted Net Income	CAGR +3-7%*1	CAGR +7%
Business Unit Profits, etc.		
Domestic Non-Life (See P.42-50 for details)	CAGR +6% or more	CAGR +5%
Domestic Life (See P.51-54 for details)	Stably secure JPY50.0bn level	JPY38.0bn
International (See P.55-68 for details)	CAGR around +9%	+21% CAGR
Others	About JPY70.0bn	JPY60.0bn

	Mid-Term Business Plan (2021-2023)	Progress Repost of P.36 (revised Nov. 2022, normalized)
Adjusted ROE	around 12%	13.3%
Shareholder Returns		
Dividend Payout Ratio*2	50%	51.6%
Capital Level Adjustment	Flexible execution	JPY100.0bn

*1: At the IR presentation in May 2021, we explained that we expected OG to be 5% or more
*2: vs. 5Y average adjusted net income
*3: Revised 2022 projections (normalized basis) excluding FX

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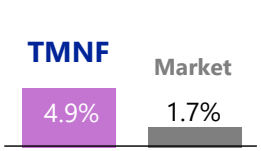
Conglomerate Premium

- **Group synergies are realized in addition to the top-level stand-alone value in each region. Steadily capture inorganic growth opportunities that contribute to increasing corporate value**
- **Realize conglomerate premium based on the business portfolio building abilities**

Domestic Non-Life

<Bottom-line*1>

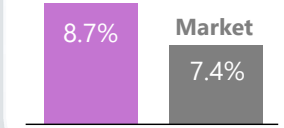


<Top-line*1>

M/S **No.1**

International (North America)

<Bottom-line*2>



<Top-line*2>

M/S **No.12**

Group Synergies

Annual profit contribution:

USD **397** mn

(Jun. 30, 2022)

Revenue | Investment | Capital | Cost

M&A (P.14,15,32)

Selection of companies that will continue growing after acquisition

+

Deal execution

+

PMI

Pre- and post-incident area (P.73)

Vast data and strong analysis

+

Strategic alliance with outside experts

Stand-alone Value + Group Synergies + Inorganic Growth

*1: Bottom-line: Business unit profit for TMHD, market is the financial accounting profit of General Insurance Association of Japan members
Source: General Insurance Association of Japan website
Top-line: FY2021, NWP basis Source: Company data

*2: Bottom-line: Local financial accounting profit for TMHD, market is the financial accounting profit of North American non-life insurance companies Source: S&P Capital IQ
Top-line: FY2021, DWP basis, North American non-life commercial lines Source: S&P Capital IQ

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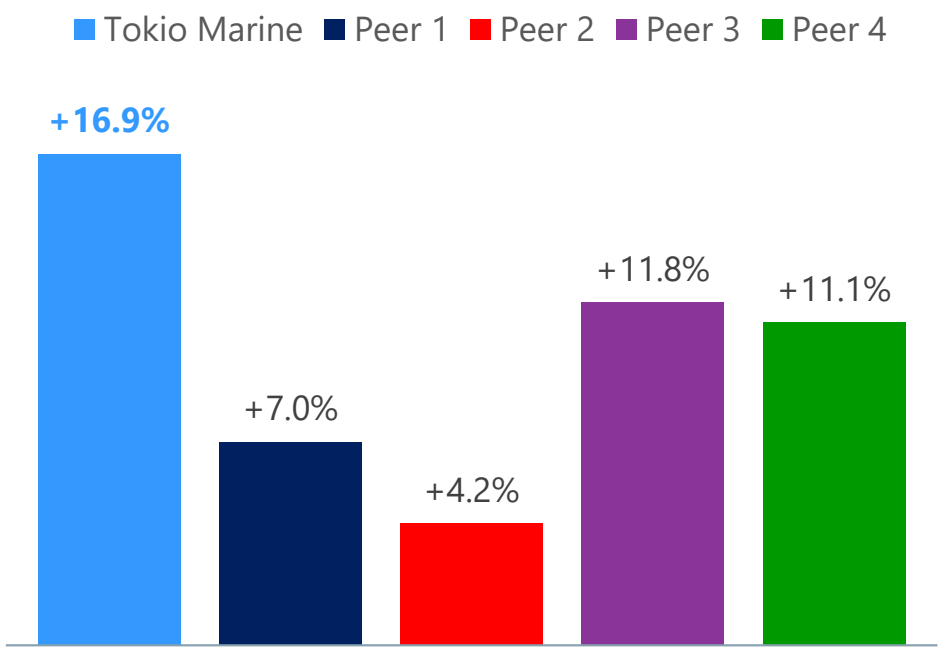
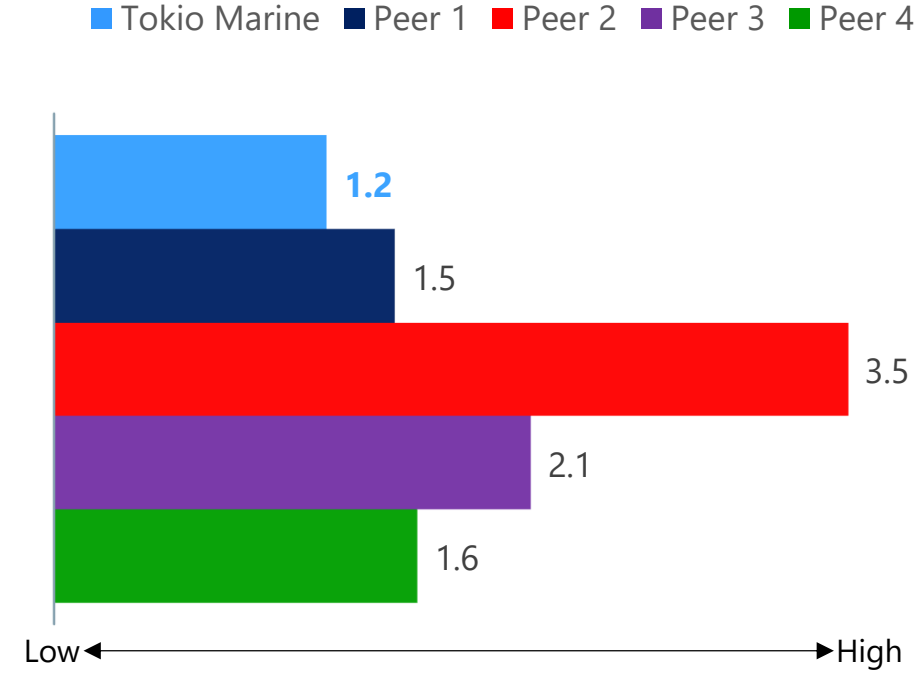
World's Top-Class Stable EPS Growth

- **Delivering EPS growth with controlled volatility as a result of global risk diversification (significant transient effects for FY2022 controlled to within 30% of our profit)**

EPS Growth (2017-2021 CAGR)



EPS Growth Volatility (2017- 2021)



EPS: Profit in numerator is adjusted net income for Tokio Marine and KPI for peers
Volatility: Coefficient of variation
Peer: Allianz, AXA, Chubb, Zurich Source: Company data, Bloomberg

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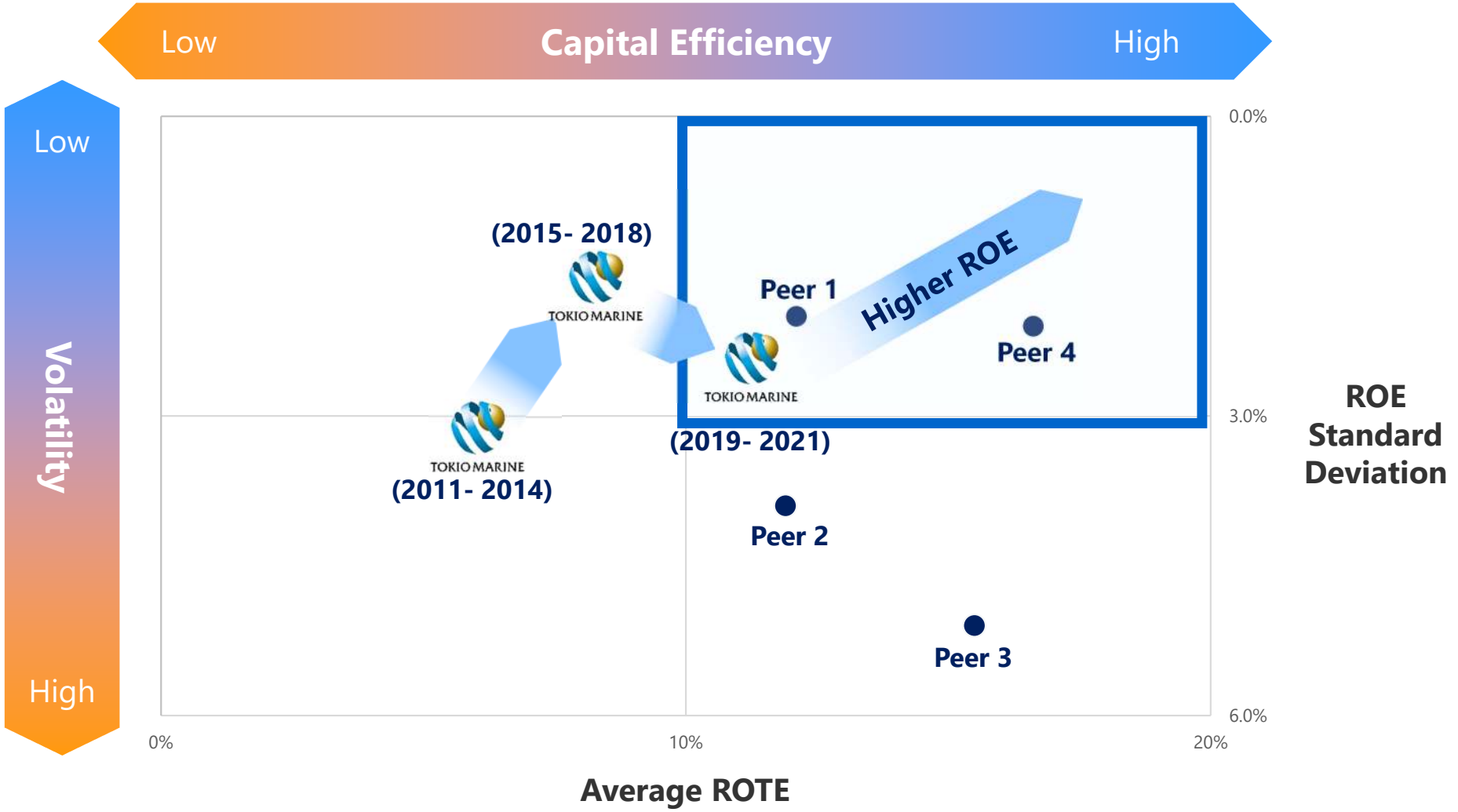
Stable ROE Improvement

- **As with EPS growth, ROE is improving with controlled volatility**



ROTE: Adjusted ROE for TMHD, 2019-2021 average on financial accounting basis for peers
Peer: Allianz, AXA, Chubb, Zurich

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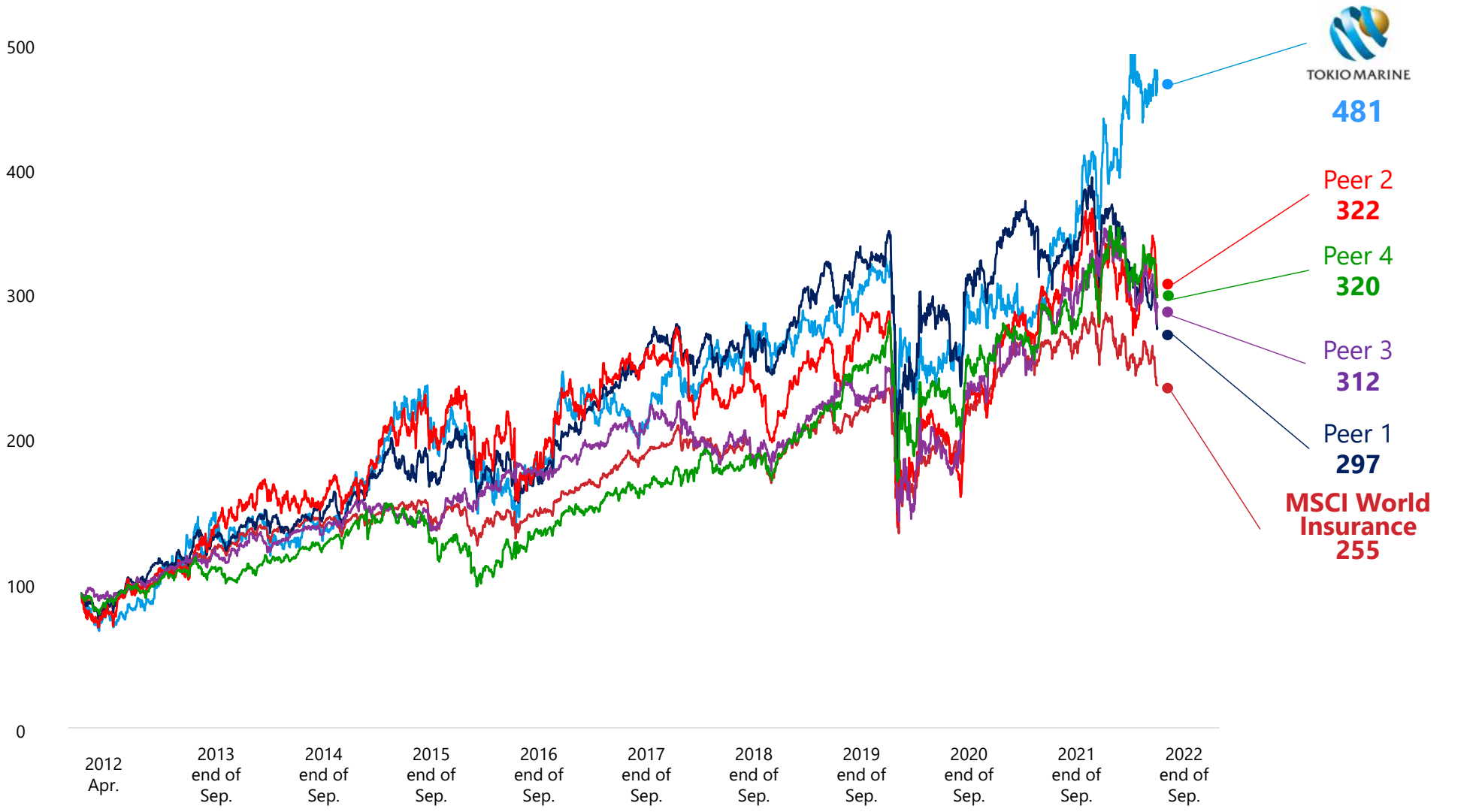
Global Comparison of TSR (10 years)

As of end of Sep. 2022



*: Total Shareholder Return (TSR): Capital return after reinvesting dividends. Stock price indexed at 100 as of April 1, 2012.
Peer: Allianz, AXA, Chubb, Zurich

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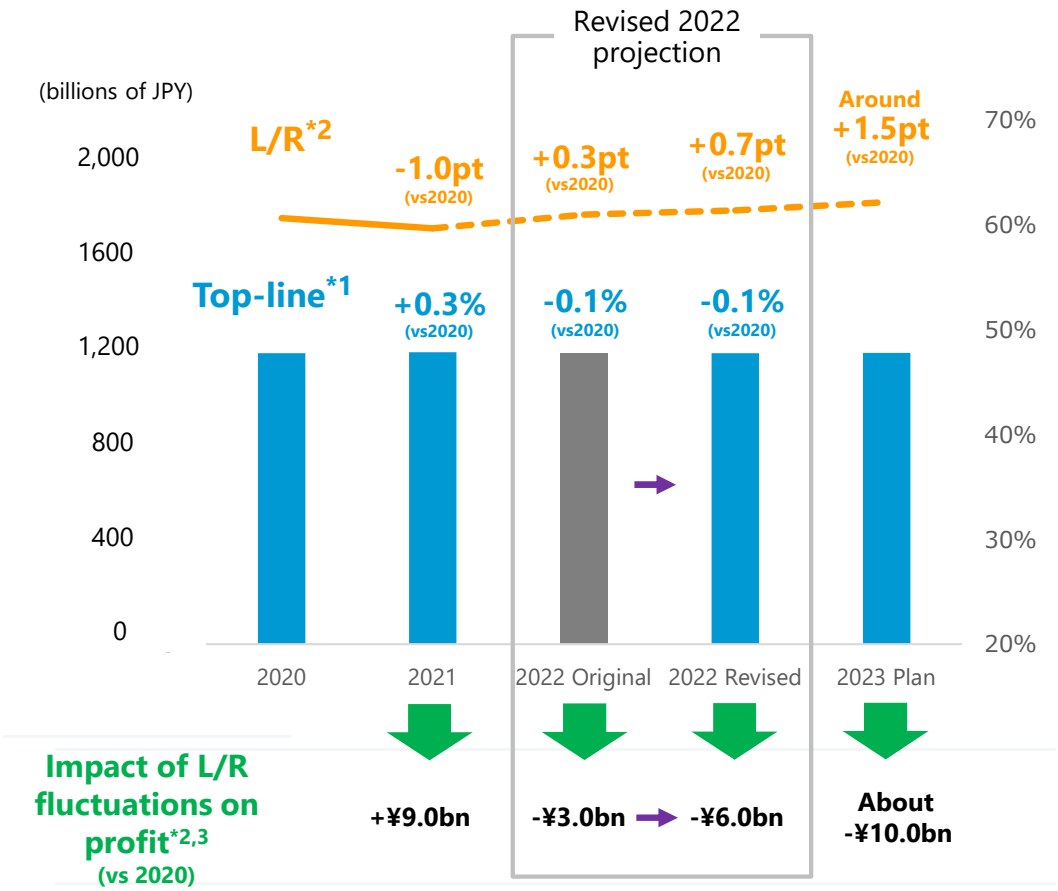
[Progress of Current MTP] Maintaining Profit from Auto Insurance

- **Offset the impact of rate decreases by expanded coverage so that the profit decline is limited to around -JPY10.0bn; revise the 2022 projection (normalized basis) downward by -JPY3.0bn given the current increase in loss costs**
- **No change to MTP as the above trend will be reversed to a certain degree by increasing the ratio of new and existing policies with a rider and by further enhancing profitability improvement efforts**



Key Measures	Progress Status
[Top-line*1] **Increase market share** ● Expand coverage through product revisions ● Establish early contacts ● Strengthen digital contact points for customers	**2022 projection** **Original projection almost unchanged** ● Maintain original projection as steady progress in coverage expansion, etc. is expected to continue in 2H (Reference) 1H 2022 indicators (YoY change) • NF unit price*4: -0.4% (original projection: -0.7%) • Number of NF: +0.0% (original projection: -0.3%) **Progress against current MTP** ● Progressing smoothly
【Impact of L/R fluctuations on profit*2,3】 **Generate sustainable and stable earnings** ● Initiatives to improve profitability ● Flexible review of premium levels in light of loss costs	See P.43 **2022 projection** **Vs original projection: -¥3.0bn** ● Revised downward reflecting current slowing of accident frequency decline and rising severity **Progress against current MTP** ● No change to MTP as we catch up through increasing the ratio of new and existing policies with a rider and further enhancement to profitability improvement efforts

*1: NPW
*2: The impact of natural catastrophes is assumed to be the average annual level and the impact of COVID-19 is deducted (Normalized basis).
*3: After tax; estimation
*4: Premiums on a managerial accounting basis

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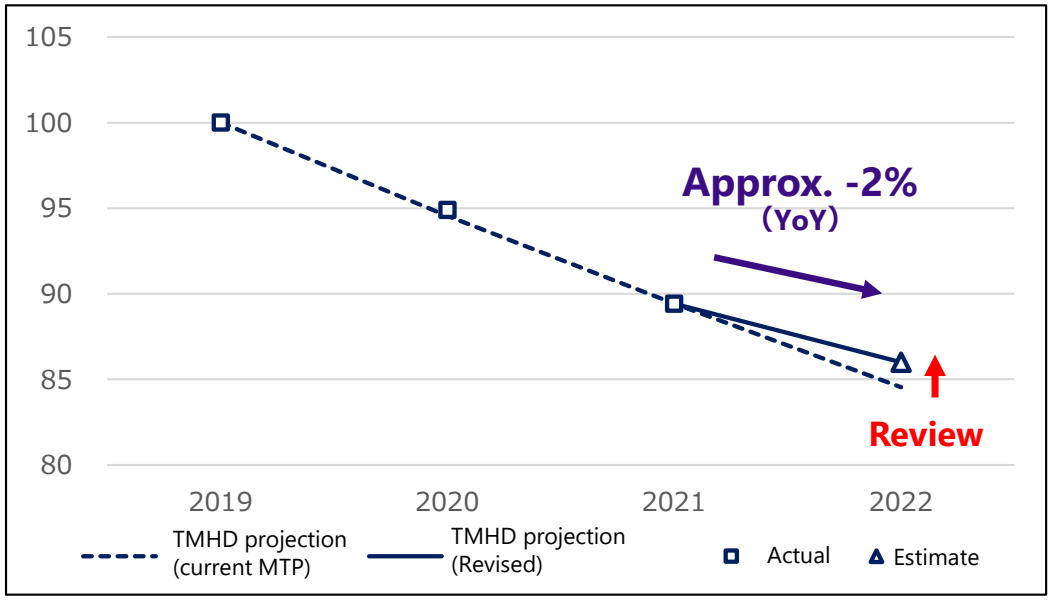
(Reference) Auto Insurance: Accident Frequency and Severity Trend

- **Review the accident frequency and severity assumptions used in current MTP based on the recent trend of accidents and insurance payouts**
- **While inflation has had no notable impact on severity, continue monitoring closely**

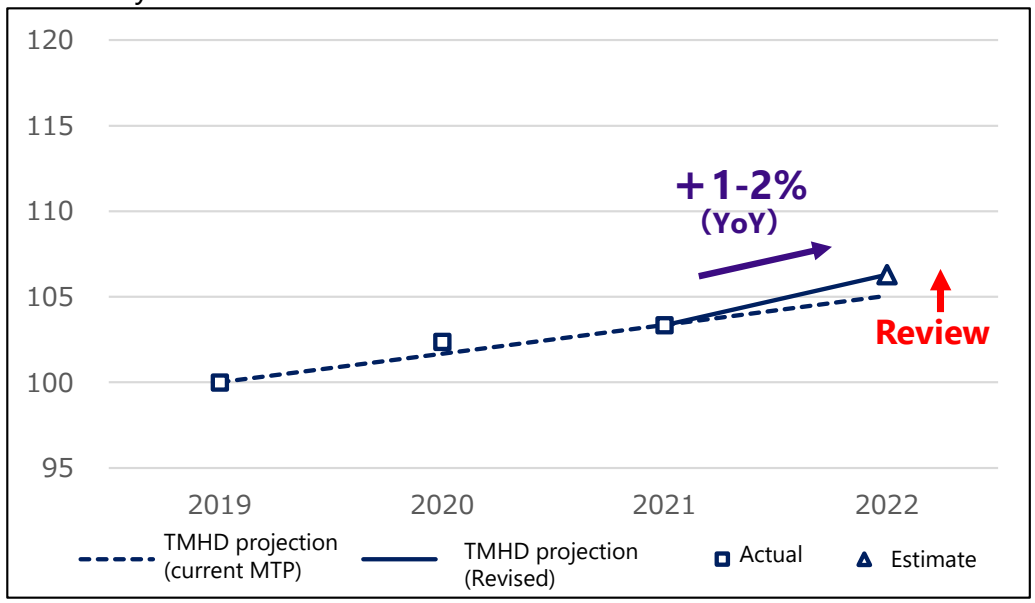
Frequency *1,2

- Review the anticipated downward trend of accident frequency based on the occurrence of accidents in 1H FY2022
- Still anticipate a decline of approx. 2% a year, although the pace of decline is slower than the assumption used for current MTP



Severity *2

- Currently, severity of vehicle and property damages is increasing at a pace faster than the assumption in current MTP
- Inflation has had no notable impact to date; continue monitoring closely



- Continue aiming to achieve current MTP by reversing the above trend to a degree through increasing the ratio of new/existing contracts with a rider and further enhancement to profitability improvement initiatives
- Expect stable and solid profit generation through a review of premium levels based on the loss cost trend and flexible product revisions

*1: The impact of natural catastrophes is assumed to be the average annual level and the impact of COVID-19 is deducted (Normalized basis).
*2: Indexed to FY2019 as 100

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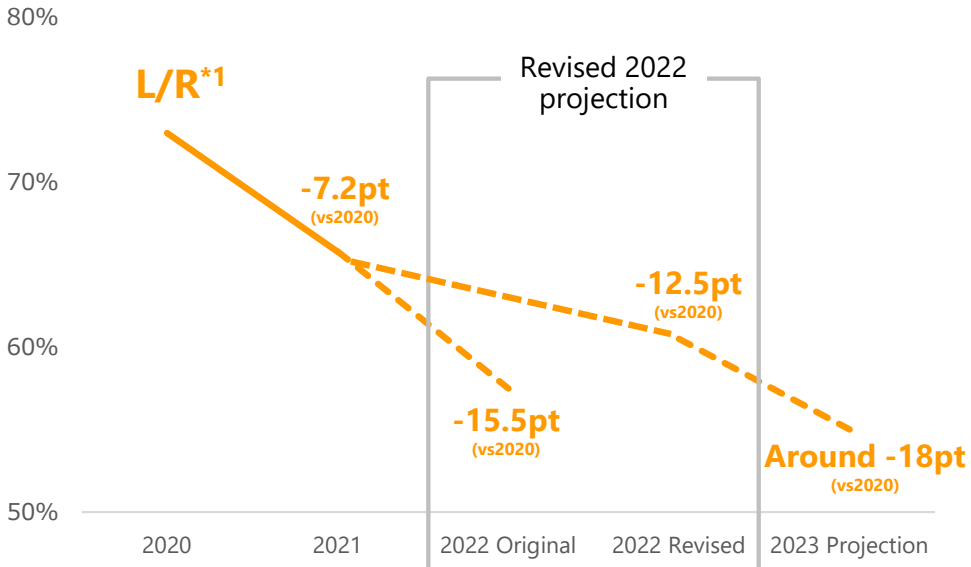
[Progress of Current MTP] Improvement in Profit from Fire Insurance

- **Improve business unit profit by over +JPY45.0bn through rate revision, etc.**
- **Revise original 2022 projection (normalized basis) downward by -JPY12.0bn mainly reflecting an increase in small natural catastrophes in Japan**
- **Anticipate better-than-expected profit improvement (currently +JPY70.0bn) thanks to smooth progress in product revisions, etc.**



	2021	2022 Original	2022 Revised	2023 Projection
Profit impact (vs2020)*1,2,3	+¥21.0bn	+¥53.5bn	→+¥41.5bn	About +¥70.0bn
Of which, impact of rate revision*2,4	+¥6.0bn	+¥12.0bn	+¥12.0bn	About +¥23.0bn

Key Measures	Progress Status
Rigorous profit improvement ● Rate/product revisions ● Enhancement of underwriting ● Disaster prevention and mitigation and early recovery efforts ● Appropriate reinsurance arrangements Potentially "secure profitability commensurate to capital cost" earlier than the projected timeline of around FY26-27	**2022 projection** **Profit improvement*1,2: +JPY41.5bn cumulatively (down JPY12.0bn from original projection)** ● Revise the original projection downward by -JPY12.0bn reflecting the impact of one-time factors (increases in small natural catastrophes in Japan and large losses compared to the average year), although the underlying trend is strong with the actualization of the impact of product/rate revisions **Progress against current MTP** ● Continue forecasting cumulative profit improvement of about +JPY70.0bn as of FY2023 as the above one-time factors in FY2022 are expected to subside to average annual levels ● Duly take care of potential impact of reinsurance market that is in the hardening environment

*1: The impact of natural catastrophes is assumed to be the average annual level and the impact of COVID-19 is deducted. In addition, the impact of floods in South Africa (c. JPY3.0bn) is deducted in FY2022.
*2: After tax; estimation *3: Inflation's impact has been reflected on projection.
*4: Cumulative value of the profit improvement impact actualized in the relevant year from product revisions, etc.

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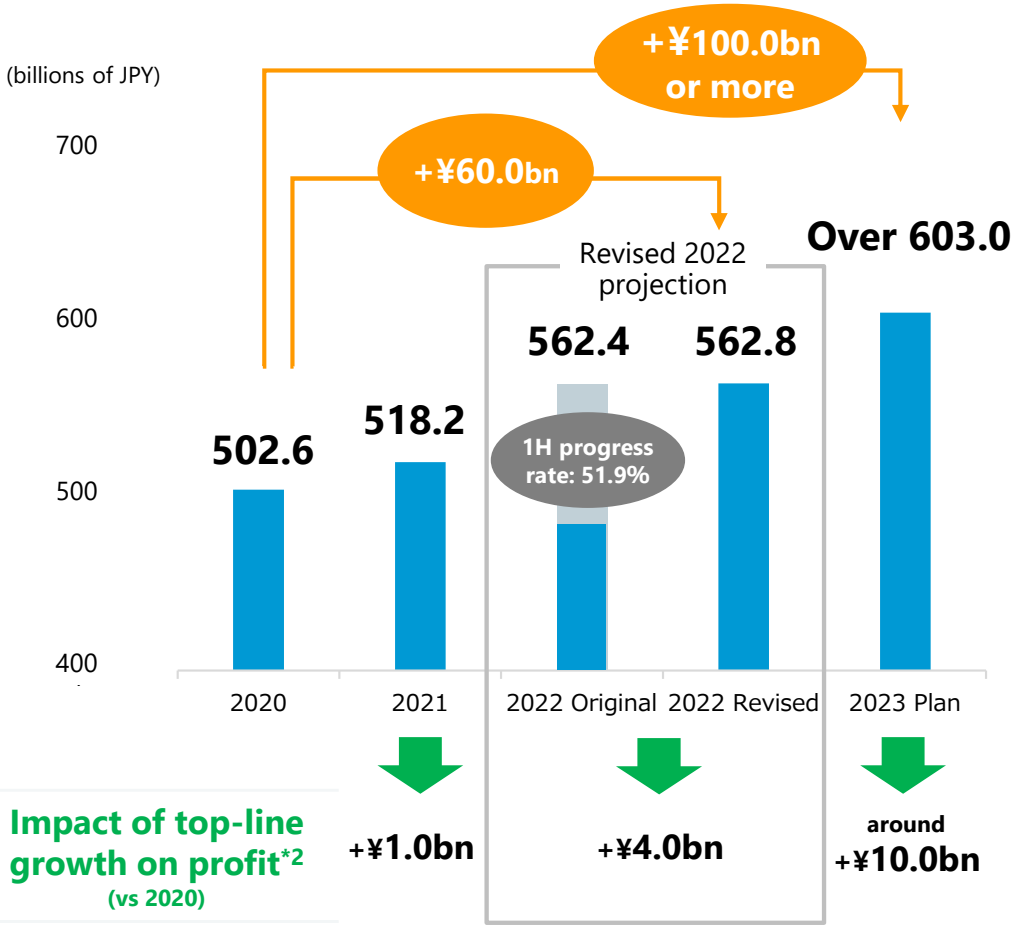
[Progress of Current MTP] Growth of Specialty Insurance

- **Increase revenue by over +JPY100.0bn and business unit profit by around +JPY10.0bn through solving social issues**
- **Steady progress in 1H 2022 with top-line*1 increasing +JPY18.9bn YoY (progress rate against original projection: 51.9%); continue aiming to achieve MTP accelerating initiatives mainly in four priority areas**



*1: NPW; including P.A.
*2: After tax; estimation

Key Measures	Progress Status
Increase top-line with profitability <Initiatives in four priority areas of social issues>	**[Top-line*1]** **2022 projection** **Original projection almost unchanged**

Healthcare
- Use digital tools to switch group contracts and raise joining rate
- Rigorously promote GLTD, which is a growth market

SME
- Promote additional coverage based on exclusive packaged products for SMEs
- Promote insurance riders that contribute to B2B and B2C service sales

GX
- Steadily underwrite large projects (offshore/onshore wind power); develop/roll out new products
- Develop/roll out new solutions to support corporate TCFD disclosures

Cyber
- Active sales promotion in all branches using expanded emergency hotline service
- Strong sales to a wide range of companies nationwide including SMEs

- Made steady progress mainly in four priority areas posting revenue growth of +JPY18.9bn
- Expect to almost achieve the revenue growth plan in the original projection

Progress against current MTP
- Revenue growth speed is steadily accelerating (2021 full-year +JPY15.6bn →1H 2022 +JPY18.9bn)
- Create new markets to achieve further growth using data-driven products, etc. mainly in four priority areas

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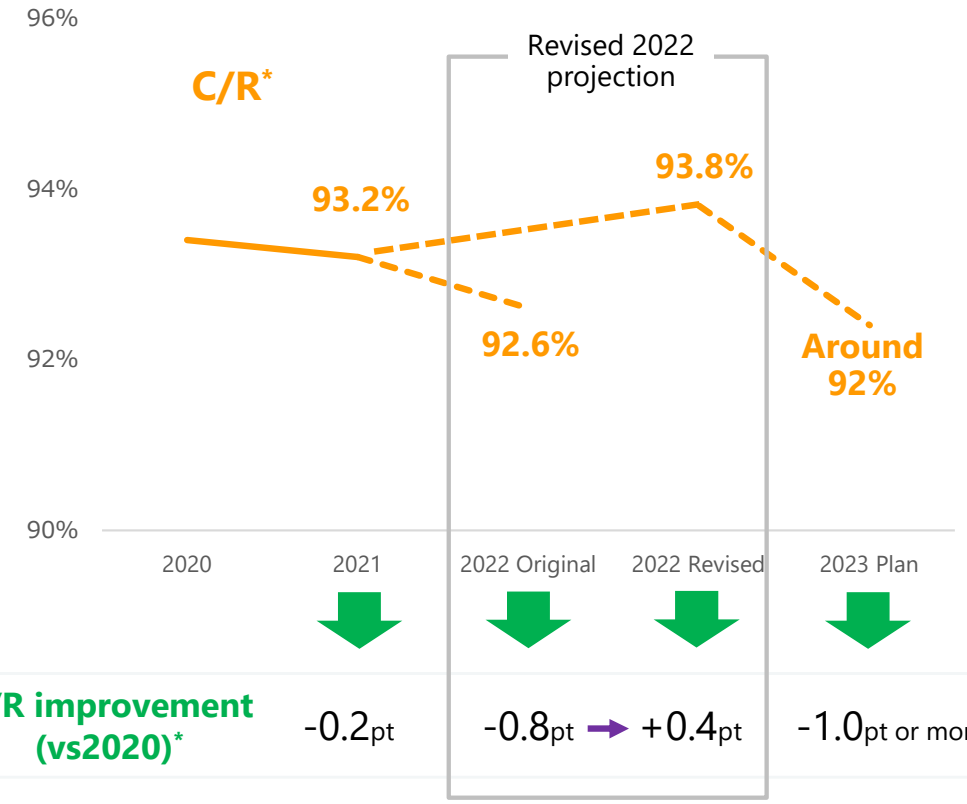
[Progress of Current MTP] Initiatives to Improve C/R

- **Invest about JPY40.0bn in DX to rigorously reduce internal administration. Reallocate the workforce to improve productivity, incl. top-line increase, and improve C/R* by over 1.0pt**
- **Revise the original 2022 projection upward by +1.2pt to 93.8% to reflect worsening L/R in fire, specialty, etc. No change to current MTP as we expect various measures to start having an impact incl. growth of specialty insurance and revenue improvement of fire insurance**



Key Measures

Rigorously reduce internal administrative work through thorough use of digital technology

Promote digital-based contract procedures

<Realize a fully paperless mechanism>

- Introduce Smart Share Box for digital uploading and cloud storage of contract documents (from Oct. 2022)
- Introduce electronic signatures for corporate contracts (from Oct. 2022)

Automate insurance payout process

- Roll out to all branches a full automation system (STP) to conduct initial procedures to insurance payouts online (from Aug. 2022)
- Misconduct detection by AI and improve digital tool functions (from Aug. 2022)

Progress Status

2022 projection

C/R: 93.8% (revised upward by +1.2pt)

- Steady progress in internal administration reduction, achieving a -7% reduction as of Sep. 30, 2022 against the target -15% reduction by end of FY2023
- Revise 2022 full-year projection upward to 93.8% reflecting higher-than-average annual large losses in fire and specialty, worsening of L/R due to greater frequency and severity of auto accidents, etc.

Progress against current MTP

- Despite revision to 2022 projection, no change to current MTP as we expect top-line to continue increasing around specialty, profitability to improve mainly in fire, and business expenses to be controlled with discipline

*: The impact of natural catastrophes is assumed to be the average annual level and the impact of COVID-19 is deducted. In addition, the impact of floods in South Africa (c. JPY3.0bn) is deducted in FY2022.

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(Reference) Building open DX Infrastructure through IT Infrastructure Reforms

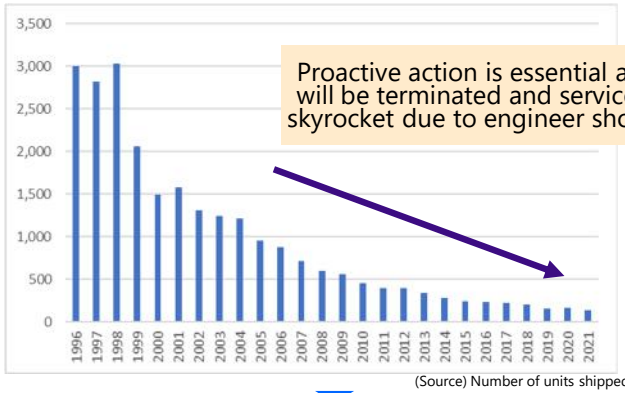
- **The open infrastructure[*1] initiative is designed to rebuild our IT infrastructure to support future evolution of our business model and promotion of DX, in addition to continuing our business and control increasing costs with an eye on the service termination risk of our existing systems**
- **Support efforts to solve social issues and achieve sustainable growth through flexible and advanced system cooperation and data usage**

1. Business continuation and cost increase control

Challenges of existing (mainframe) system

- ✓ Continuous and significant rise in service fees (cumulative entrenched cost)
- ✓ Service termination risk anticipated in around 2030-2035

Mainframe units shipped in Japan



(Source) Number of units shipped is supplied by JEITA

Solution: open system infrastructure

Organize/simplify former system; introduce latest technology from overseas, etc.

Invest in open system (move away from mainframe system)	Investment impact (Curve future costs)
Approx. **JPY100.0bn** (Cumulative total for FY21-30)	Approx. **-JPY180.0bn** (Cumulative total for FY21-30)

2. Evolution of business model (business impact)

New business model/business impact using rebuilt open infrastructure (example)

Shorter product development period

- ✓ Speedy product development (reduce development period by about -25%)
- ✓ Quickly customize products for individual groups and value chains

Data-based product/service development

- ✓ Develop data-driven products
- ✓ Reflect real-time data analysis results using external data and IoT devices in products and services

Evolution of sales/contract methods linked to PF, etc.

- ✓ Use API to speedily and flexibly work with PF/MH[*2], companies and organizations
- ✓ Build a structure in a short time to enable users to buy insurance while purchasing products on e-commerce sites

Advancement to data marketing

- ✓ Make personalized, advanced recommendations using AI
- ✓ Advanced targeting through integrated management and use of all data

Support our efforts to solve social challenges and realize sustained growth

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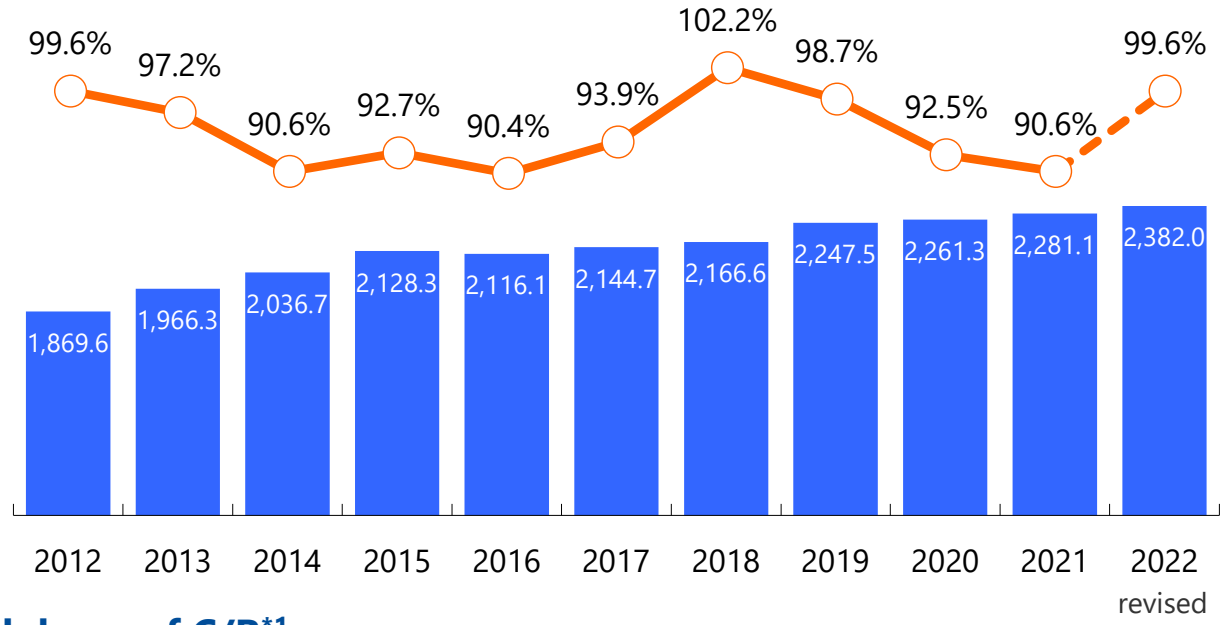
*1:An initiative to replace a system structure to move away from the mainframe system that has been used since the 1980s toward a cloud service, which has become a global standard, to flexibly adapt to business and technological evolution and to fully utilize data. *2: PF=Platformer, MH=Market holder

[Basic Information] TMNF

Changes in net premiums written (all categories; billions of JPY) and C/R*1 (private insurance E/I basis)



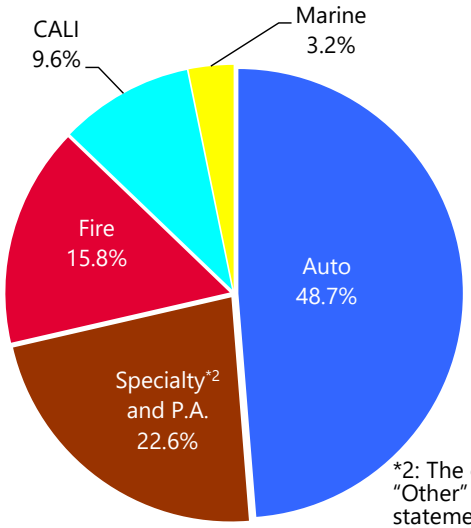
Breakdown of C/R*1 (private insurance E/I basis)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 revised	vs original projection
C/R*1	**99.6%**	**97.2%**	**90.6%**	**92.7%**	**90.4%**	**93.9%**	**102.2%**	**98.7%**	**92.5%**	**90.6%**	**99.6%**	**+7.2pt**
E/I loss ratio	**66.8%**	**65.0%**	**58.5%**	**60.1%**	**57.7%**	**61.4%**	**70.0%**	**66.3%**	**60.8%**	**58.1%**	**66.9%**	**+7.4pt**
(Nat-cat, annual average basis)	64.7%	62.2%	59.2%	58.2%	57.3%	59.1%	59.9%	60.4%	58.7%	59.4%	64.7%	+5.2pt
W/P expense ratio	**32.8%**	**32.2%**	**32.2%**	**32.6%**	**32.7%**	**32.5%**	**32.3%**	**32.4%**	**31.6%**	**32.5%**	**32.7%**	**-0.2pt**

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

Composition by category

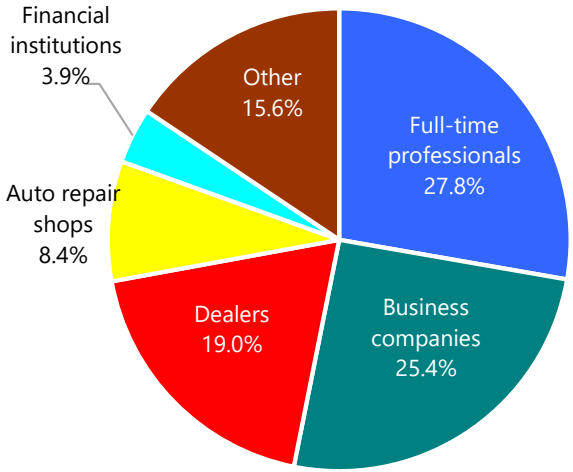
(FY2021: on a net premiums written basis)



*2: The category for "Other" on financial statements

Composition by channel

(FY2021: premiums on a managerial accounting basis)



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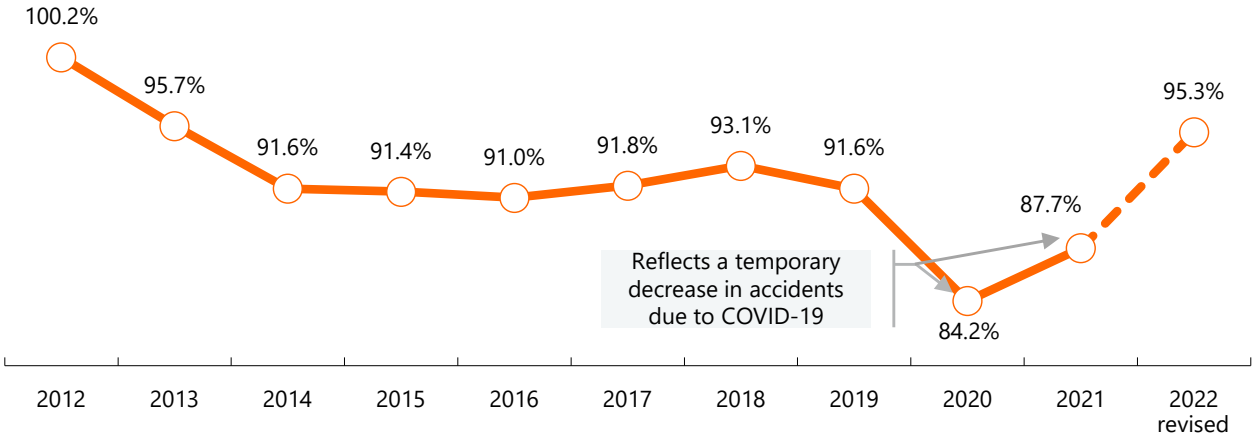
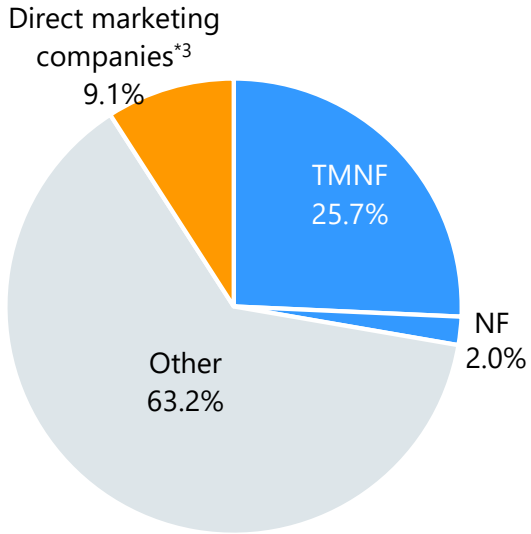
[Basic Information] TMNF

C/R in auto insurance*1 (private insurance E/I basis)



Auto insurance market share*2

(FY2021: on a direct net premiums written basis)



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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 revised	vs original projection
C/R*1	**100.2%**	**95.7%**	**91.6%**	**91.4%**	**91.0%**	**91.8%**	**93.1%**	**91.6%**	**84.2%**	**87.7%**	**95.3%**	**+2.4pt**
E/I loss ratio	**69.4%**	**65.3%**	**61.1%**	**60.5%**	**60.2%**	**60.8%**	**62.3%**	**60.8%**	**54.3%**	**56.8%**	**63.4%**	**+2.4pt**
(Nat-cat, annual average basis)	69.3%	64.4%	61.2%	60.4%	60.5%	60.6%	61.0%	60.0%	54.6%	57.3%	61.5%	+0.5pt
W/P expense ratio	**30.8%**	**30.4%**	**30.5%**	**30.9%**	**30.8%**	**31.0%**	**30.9%**	**30.8%**	**29.9%**	**30.8%**	**31.9%**	**-**

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

*2: (Source) Insurance No. 4960

*3: Included are: Sony, AXA, Mitsui Direct, Saison, Sonpo 24, SBI, E.design and Zurich

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[Basic Information] Progress of Automated Driving Technology

● **Auto insurance market will gradually shrink due to the progress of automated driving technology, but expectations for insurers as part of social infrastructure will rise against the backdrop of the increasing sophistication of automobiles and the complexity of liability relationships**

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

➢ Progress in Autonomous Driving Technology

<Autonomous driving level>	<Driver>	<Government target (private vehicles)>
Level 0 (zero autonomous)	Human	
Level 1 (driving support)		
Level 2 (partially autonomous)		
Level 3 (conditional autonomous)	System	From Mar. 2021, autonomous driving on **expressways**[*1]
Level 4 (highly autonomous)		By 2025, autonomous driving on **expressways**[*1]
Level 5 (fully autonomous)		**TBD**

➢ No significant changes to claim cost for the time being

Claim cost = **Accident Frequency** ↘ × **Severity** ↗

- **Lower accident frequency** ↘
- **Higher severity (price per claim)** ↗
  (Higher repair expense unit price due to expensive parts ↗)

➢ Average car ownership: 9 years

Replacement of all vehicles will take **more than 15 years** [*2]

Current auto insurance adapted to autonomous driving

➢ Maintain the liability of automobile operator during autonomous driving

Operator liability to be maintained up to Level 4[*3]; no change to the usefulness of the current auto insurance

➢ System for speedy victim relief without payment by policy holders

Achieve prompt victim relief under a special contract[*4] in case of accidents where operator liability is not applied or in cases where a responsible party is unclear, such as cyber risk

[*4] Apr. 2017: Launched coverage riders for victim relief expenses [First in industry]
Apr. 2021: Accidents during autonomous driving have no impact on the grade rating system [First in industry]

Rising expectations for insurance companies as social infrastructure

➢ Expectations toward insurance companies to grow further

Fulfill roles as *social infrastructure*, leveraging the strengths of non-insurance companies with a nationwide office network and extensive non-life insurance service experience, to eliminate concerns about a delay in victim reliefs amid the progress in driverless driving technologies

➢ Initiatives anticipating the future spread of Level 5

New

Jan. 2022: Formed a capital and business alliance with May Mobility
Oct. 2022: Launched an additional rider for the insured such as the developer of driverless vehicles
Will continue working on developing products and services that contribute to victim reliefs to help realize a safe and secure autonomous driving society with an eye on the future spread of Level 5

*1: Based on our data, insurance payment for expressway accidents comprise about 3% of all accidents. *2: Public-Private ITS Initiative / Roadmap 2020
*3: Mar. 2018, MLIT Research Group on Liability for Accident Compensation concerning Autonomous Driving

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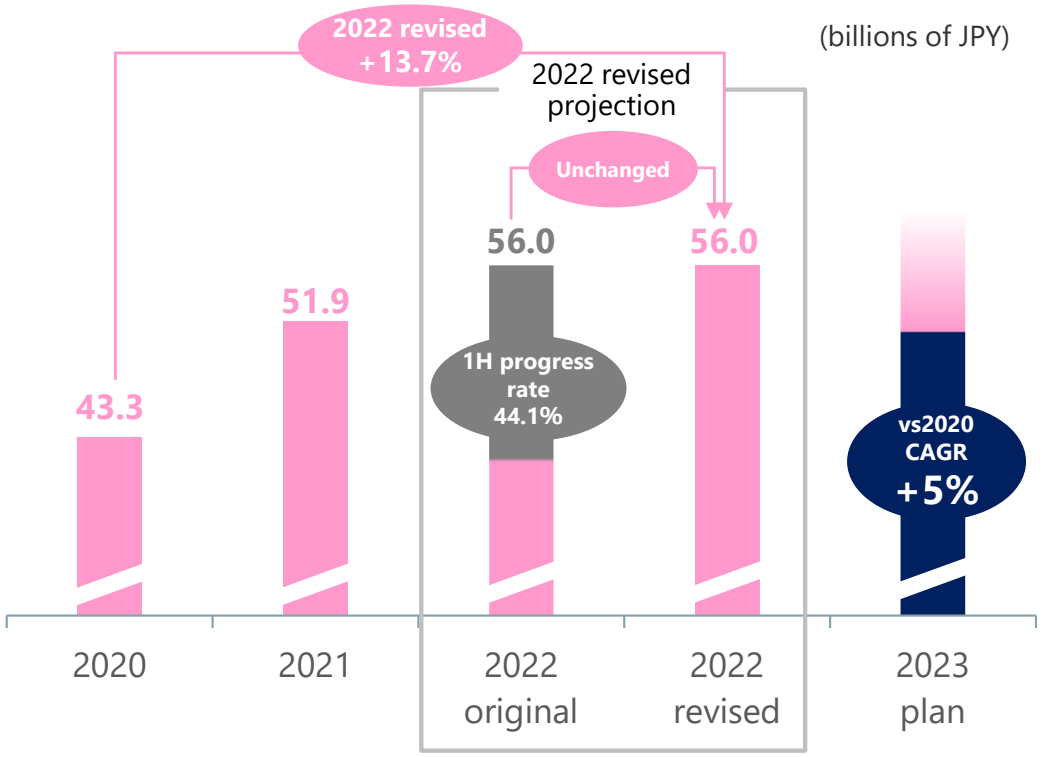
[Progress of Current MTP] Top-line KPI

- **Expand sales volume by focusing on growth areas and promoting cross-selling of life and non-life products**
- **No change to original projection of 2022 top-line at JPY56.0bn, CAGR from 2020 will be +13.7%, going beyond the plan (CAGR +5%)**

<Top Line (Annualized Premium of New Policies)>



Key Measures	Progress Status
Top-line growth ● Focus on growth areas[*1] - Seniors - Healthcare - Asset formulation ● Promote cross-selling of life and non-life products	**2022 projection** Maintain original projection ● 1H progress rate is 44.1% ● Maintain original projection anticipating the impact of August product revisions (protection-type products, installment variable insurance) <Reference> - Top-line increase in growth areas (YoY) Seniors/Healthcare: +6% Asset formulation: +22% - Cross-selling of life and non-life products Continue promoting cross-selling through the launch of new products such as cancer insurance launched in Feb. 2022 **Progress against current MTP** CAGR +13.7% vs 2020 ● Going beyond the plan <Reference> - Top-line increase in growth areas (CAGR of 2022 revised projection vs 2020 result) Seniors/healthcare: +29% Asset formulation: +39% - Cross-selling of life and non-life products Cross-selling ratio[*2]: 28.4% (+1.9% vs Mar 31, 2021) Progressing as planned toward achieving current MTP's goal of cross-selling ratio of 30% or more

*1: [Seniors / Health care]
Medical insurance with relaxed underwriting criteria, whole life nursing care insurance with lower surrender benefits, fixed time insurance (with a rider for no cancellation refund) (from May 2021), nursing care annuity insurance (from Aug. 2021), cancer treatment support insurance, cancer treatment insurance (from Feb. 2022)
[Asset formulation] Installment variable insurance
*2: Super insurance: ratio of the number of Super Insurance with either life or third sector coverage

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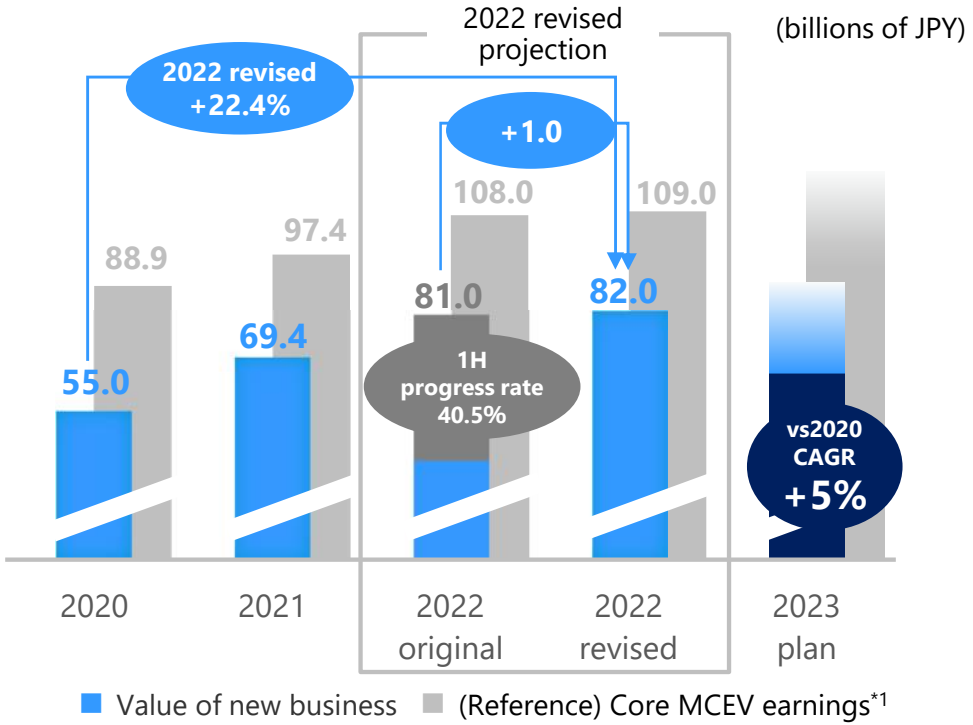
[Progress of Current MTP] Bottom-line KPI

- **[Economic Value Basis (Value of New Business)] 2022 revised projection is significantly greater than the plan with the projected CAGR of +22.4%**
- **[Financial Accounting Basis (Business Unit Profits)] Reflecting an increase in hedge costs, etc., 2022 projection (excluding transient effects) is revised downward by -JPY4.0bn from original projection. Current MTP aims to stably secure around JPY50.0bn, 2023 plan will be also expected to fall short of the plan due to higher first year costs for strong top-line, increasing hedging costs, etc.**

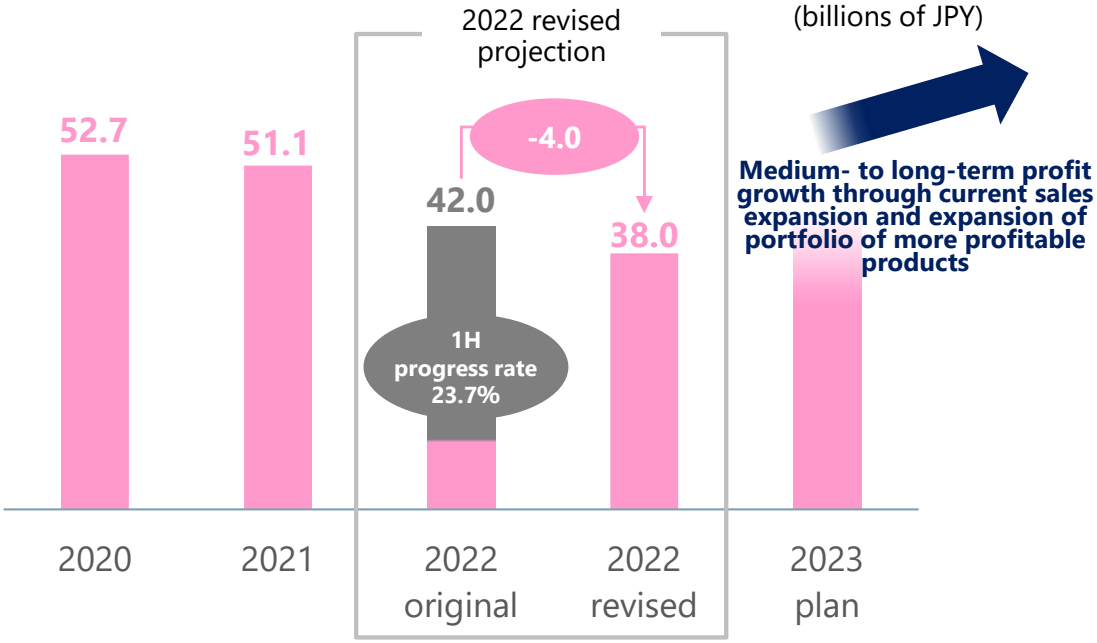
Economic Value Basis (Value of New Business)

- 1H 2022 result was JPY32.8bn (progress rate: 40.5%)
- 2022 projection is revised upward by +JPY1.0bn due to improved profitability resulting from higher interest rates (progressing faster than CAGR +5% projected in current MTP)



Financial Accounting Basis (Business Unit Profits*2)

- 1H 2022 result was JPY9.9bn (progress rate: 23.7%)
- 2022 projection excluding transient effects is revised downward by -JPY4.0bn from original projection



*1: Value of new business + contribution from value of in-force
*2: Revised 2022 projection excludes the impact of COVID-19 and FX fluctuations

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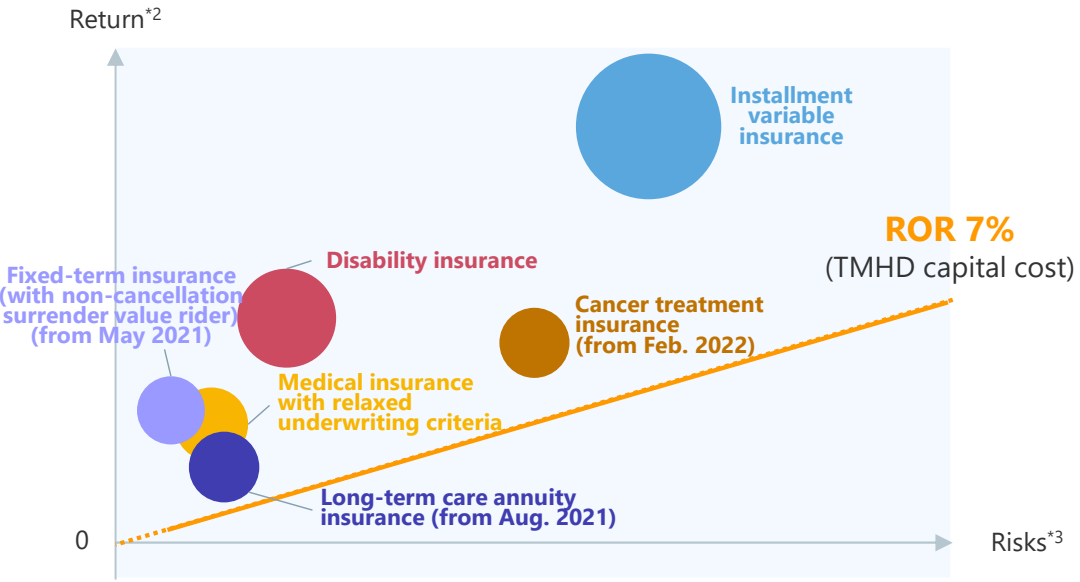
[Progress of Current MTP] Improve Profitability and Accelerate Profit Contribution

- **Current MTP aims to accelerate future profit growth by focusing on products with high ROR and IRR that will promptly contribute to profits**
- **Steady progress was made in 1H 2022 through sales expansion of highly profitable core products. Continue promoting current MTP strategy and improve ROR and IRR and shorten PBP**

Improvement of ROR

- Current mainstay products have small interest rate risk, securing **ROR above capital cost** (TMNL total: 21%)

ROR for TMNL's main products*1 (image)

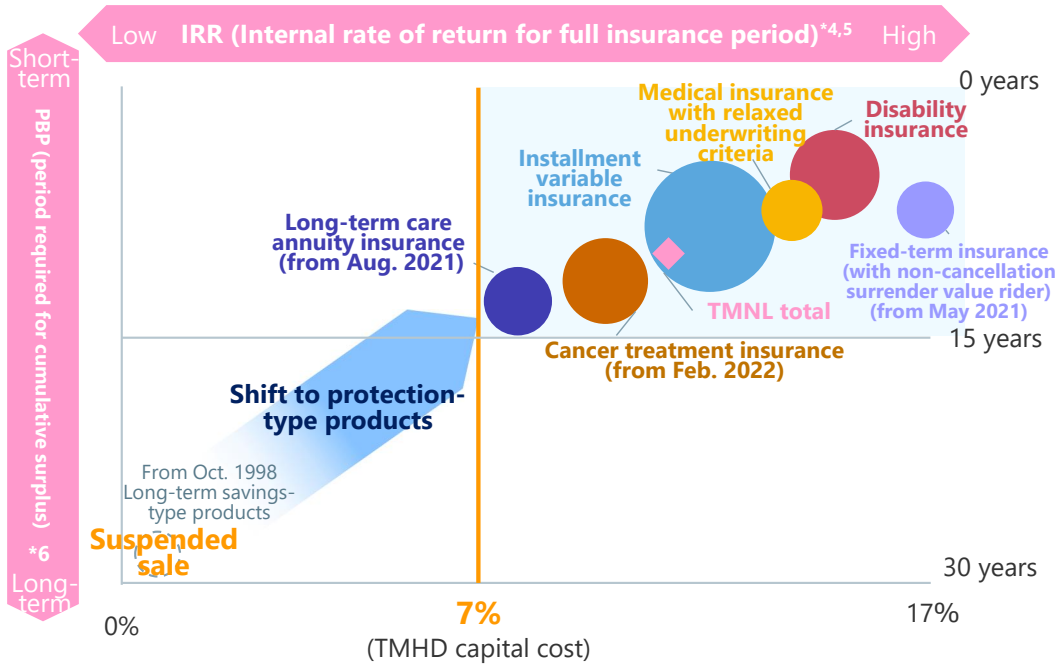


*1: The size of the bubble indicates annualized premium of new policies (2022 projections)
*2: Value of new business and future release of cost relating to non-hedgeable risks (2022 projections)
*3: Sum of the present value of required capital for each future fiscal year (2022 projections)

Improvement of IRR and shortening of PBP

- TMNL's total IRR improved to over 10% and PBP to less than 10 years

(Image)



*4: Profitability as expected return on cost for the entire insurance period on financial accounting basis
*5: The size of the bubble indicates annualized premium of new policies (2022 projection)
*6: Payback Period (period until the cumulative profit on financial accounting basis to turn positive) (Figures in the above chart are 2016 results for long-term saving-type products and 2022 projections for other products.)

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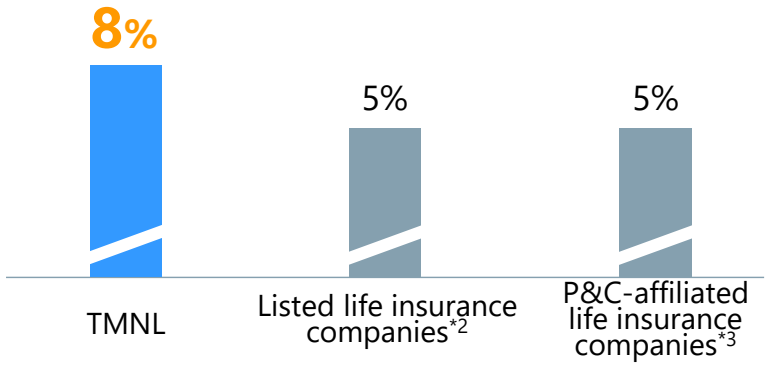
Capital Efficiency

- **Capital efficiency is among the highest in domestic peers both on the financial accounting basis and economic value basis**

Core ROEV*1 (economic value basis; FY2021 results)

- Increase the value of new business in core ROEV numerator with expansion of sales scale along with portfolio transformation
- Limit the interest rate sensitivity of the denominator by reducing interest rate risk

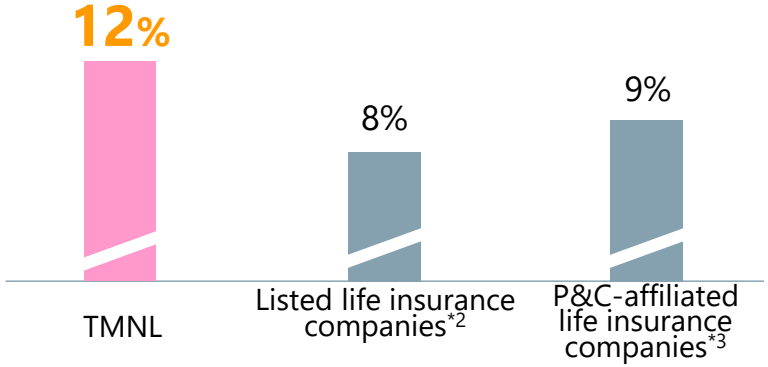


<Changes in risk amount in domestic life (99.95% VaR, UFR not applied)>

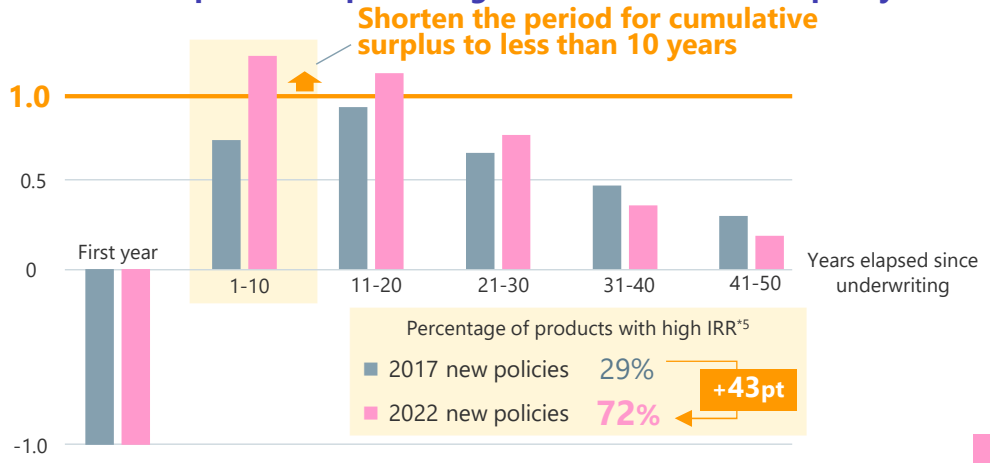
	End-March 2019		End-March 2022
Total risk amount	JPY970bn	Interest rate risk reduced	JPY640bn
of which, interest rate risks	JPY570bn		JPY150bn

Adjusted ROE*4 (financial accounting basis; FY2021 results)

- Accelerate the growth of the numerator by expanding and accelerating profit contribution through further product portfolio transformation
- As a result, ensure stable double-digit level of capital efficiency



<J-GAAP-based profit as a percentage of initial cost of new policy>



*1: Numerator = value of new business + contribution from value of in-force policies (risk-free); Denominator = EV balance
*2: Dai-ichi Life, Taiyo Life, Daido Life, and Sony Life
Taiyo Life is excluded from average adjusted ROE due to the impact of reinsurance
*3: Sompo Japan Himawari Life Insurance and Mitsui Sumitomo Aioi Life Insurance
*4: Numerator (adjusted net income) = net income + provision for contingency reserve and price fluctuation reserve (only TMNL deducts gains or losses on sales or valuation of ALM bonds, etc.)
Denominator (adjusted net asset) = net assets + contingency reserve + price fluctuation reserve
*5: On annualized premium of new policies basis for products indicated on p.53, except business insurance

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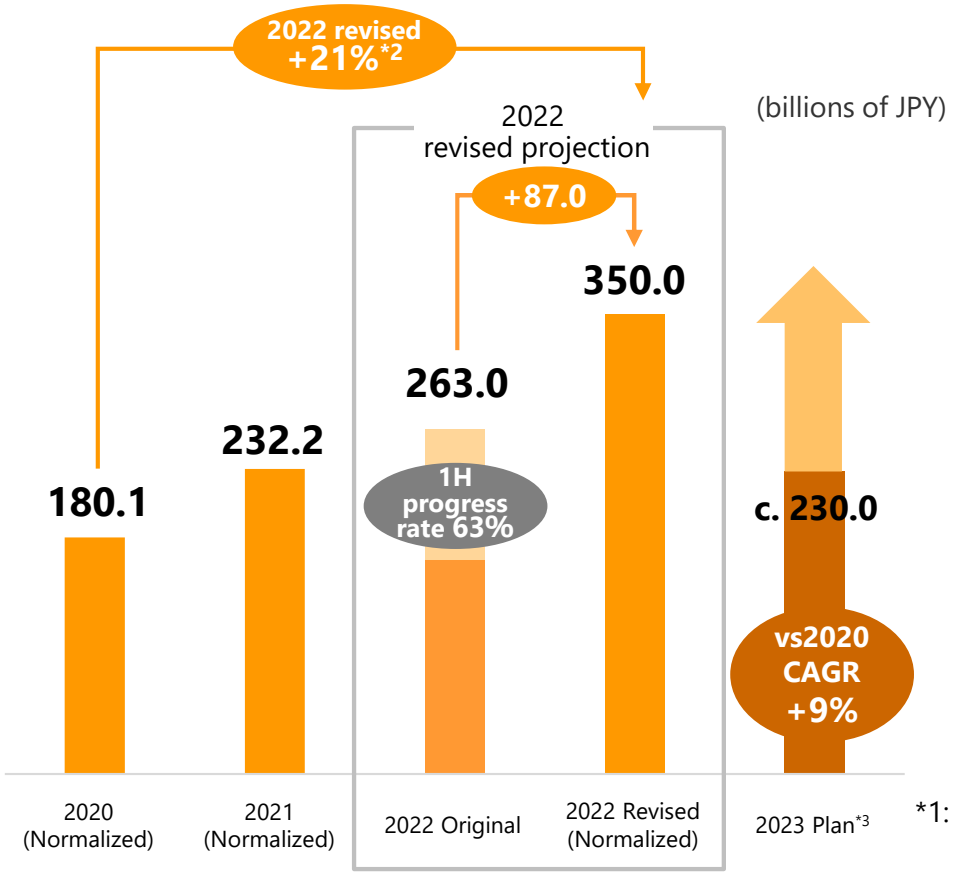
[Progress of Current MTP] Overview of International Insurance Strategy

- **Current MTP aims to achieve +9% CAGR (c. +JPY50.0bn) through growth strategies in developed and emerging markets**
- **Revise 2022 projection (normalized basis) upward by +JPY87.0bn from original projection reflecting current strong underwriting and investment performance; CAGR from 2020 will be +21% (c. +170.0bn), significantly overperforming the plan**

Business Unit Profits*1



Key Measures	Progress Status
Advanced Markets ● Increase underwriting profits (increase margin and volume) ● Pure's growth ● Increase investment income **Emerging Markets** ● Capture market growth	**2022 projection** **+JPY87.0bn vs original projection** ● The underlying tone is strong for both underwriting and investment mainly in developed markets; 1H progress rate is 63%, significantly exceeding original projection ● Revise projection upward due to the above **Progress against current MTP** ● Significantly overperforming the plan as a result of the steady implementation of the initiatives listed in the left-hand side

*1: The 2020 figure is adjusted for the impact of natural catastrophes and COVID-19, etc. The 2021 figure is adjusted for natural catastrophes, capital gains in North America, etc. Revised 2022 projection is adjusted for the impact of COVID-19 in Taiwan, Russian-Ukraine war, capital gains in North America, etc.
*2: FX rate is as of Mar. 31, 2021
*3: Plan created in 2020

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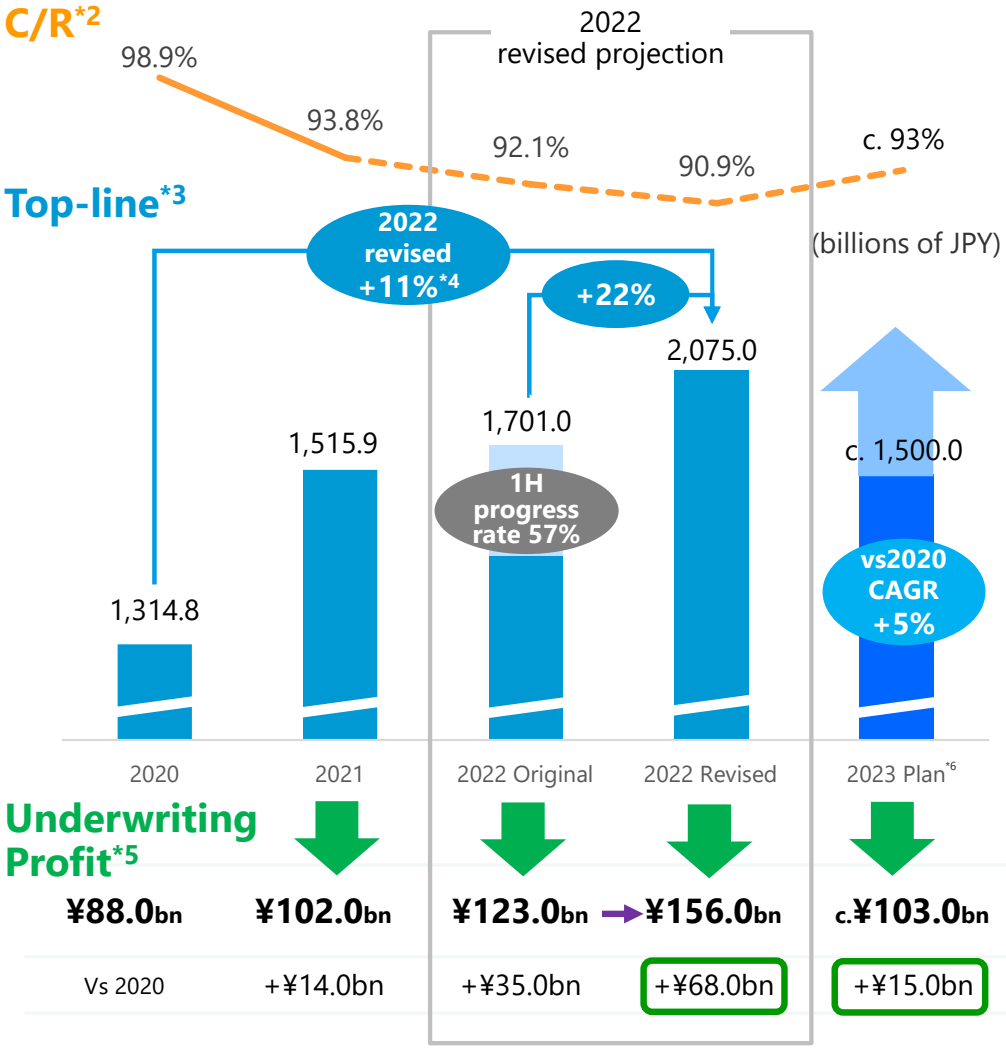
[Progress of Current MTP] Increase Underwriting Profits

Developed Markets

- **Current MTP aims to increase underwriting profit by +JPY15.0bn (before tax)*1 by pursuing top-line growth while maintaining favorable C/R**
- **Revise 2022 projection (normalized basis) upward by +JPY33.0bn from original projection reflecting improved profitability and top-line growth; the revised projection is +JPY68.0bn larger than the 2020 result and significantly greater than the plan**



Key Measures	Progress Status
Top-line growth ● Rate increases ● New risk-taking ● Bolt-on M&A	**2022 projection** +22% vs original projection ● 1H progress rate is strong at 57% mainly thanks to rate increases based on loss costs and expansion of businesses that meet profitability target ● Revise projection upward reflecting strong 1H results **Progress against current MTP** ● Exceeding the plan with steady actualization of the impact of bolt-on M&As
Maintain strong profitability ● Maintain strict underwriting discipline ● Improve operation efficiency	**2022 projection** C/R -1.2pt vs original projection ● 1H C/R was favorable against original projection mainly thanks to rate increases and underwriting expansion in more profitable segments ● Revise projection upward **Progress against current MTP** ● Steady progress in profitability increase through portfolio management and efficiency improvement measures in each GC

*1: Business Unit Profit basis
*2: North America + Europe segments. Include policies with high C/R such as DFG's excess workers' compensation and life insurance.
C/R excluding one-time factors are: 93.3% (2020 actual), 93.0% (2021 actual), and 90.2% (2022 revised projection)
*3: Total NPW of North America and Europe segments. For 2020 and 2023, FX rate is as of Mar. 31, 2021
*4: FX rate is as of Mar. 31, 2021
*5: Estimated with top-line x (1-C/R) (before tax). Adjusted C/R in *2 above is used for 2020, 2021, and 2022 revised projection, excluding FX rate impact
*6: Plan created in 2020

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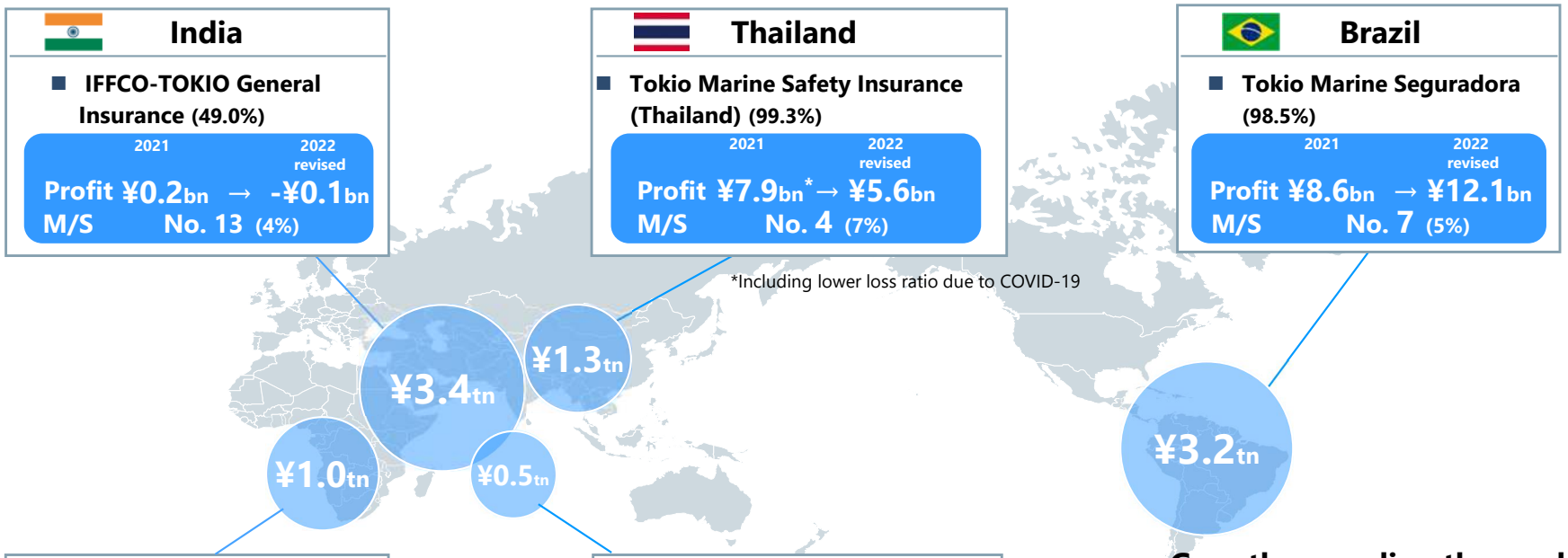
[Progress of Current MTP] Emerging Markets Strategy

Emerging Markets

- **Current MTP aims to achieve CAGR of +10% or higher**
- **2022 revised projection (normalized) is far exceeding projections, as current performance is strong at CAGR of +31%[*1] vs 2020 result**

<Our major P&C business network in emerging countries>



<Growth exceeding the market>

<Non-Life Premiums[*3]>

2016-2021 CAGR

8.3%

vs Market **+0.5pt**

Profits: Business unit profits
M/S: Source: AXCO, IRDAI, IPRB、SUSEP, Swiss Re, FSCA Financial Sector Conduct Authority
Figures in brackets by the company name: Ownership ratio as of Mar. 2022
Figures in circles: GWP as of FY2021 Source: Swiss Re

*1: FX rate is as of Mar. 31, 2021.
*2: M/S of P&C business. (2020)
*3: NWP for TMHD, GWP for market Source: Swiss Re

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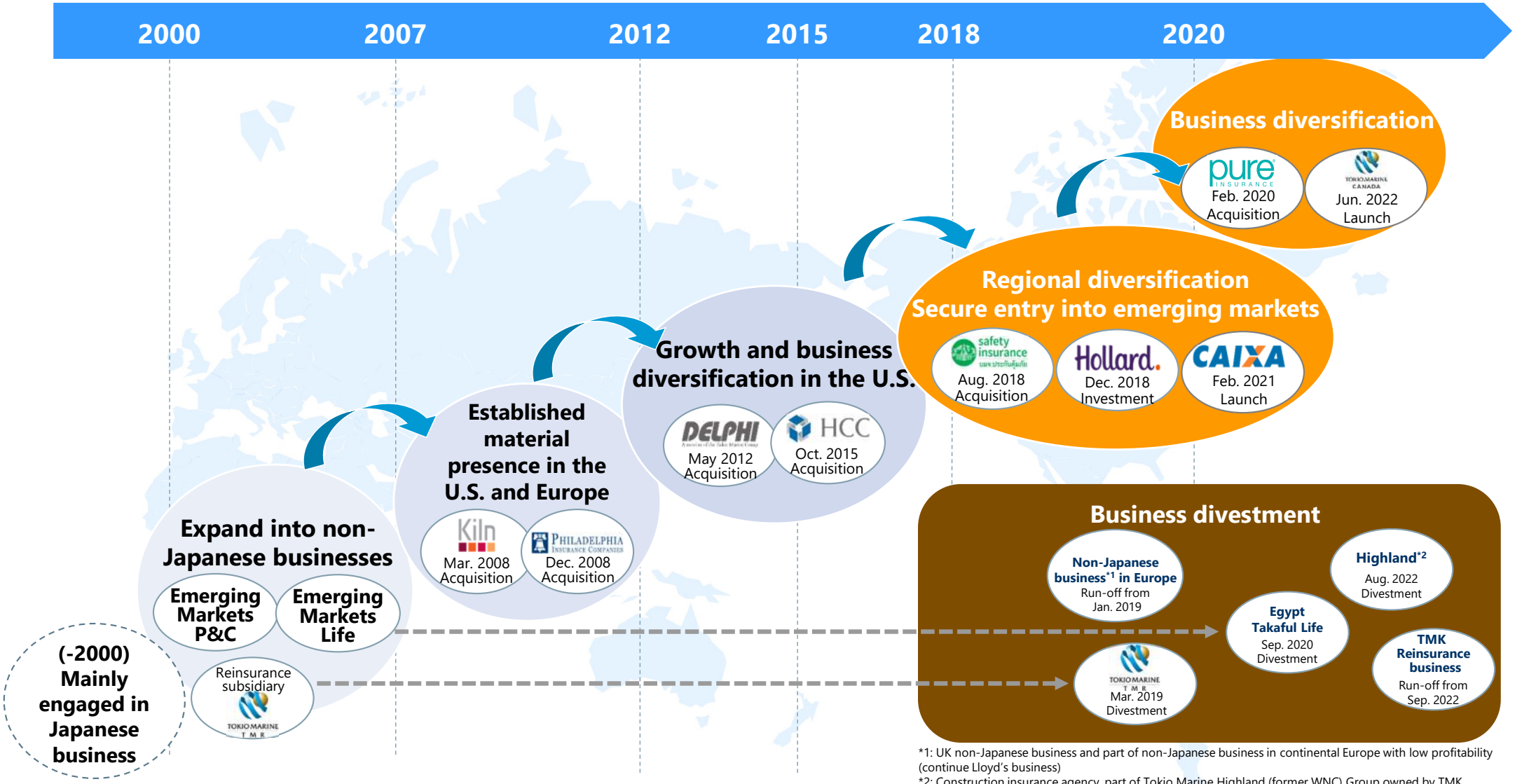
[Basic Information] M&A Transactions

- **Building a strong franchise by acquiring blue chip companies with solid business model**
- **Driving optimization of business portfolio by determining core and non-core businesses**



*1: UK non-Japanese business and part of non-Japanese business in continental Europe with low profitability (continue Lloyd's business)
*2: Construction insurance agency, part of Tokio Marine Highland (former WNC) Group owned by TMK

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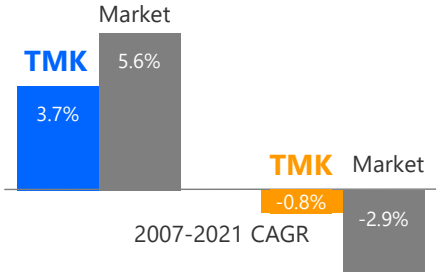
Track Record of M&A (Inorganic Growth)

- **Five subsidiaries acquired with large M&A has kept outperforming market growth after joining our Group**
- **ROI is significantly above TMHD capital cost (7%) at 16.1%**

Growth after joining Group*1

TOKIO MARINE KILN

<Top-line>



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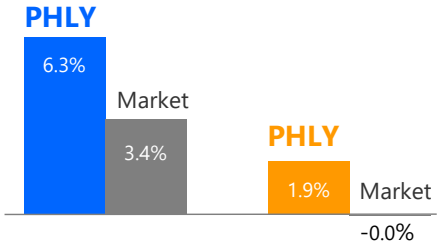
PHILADELPHIA INSURANCE COMPANIES

<Top-line>



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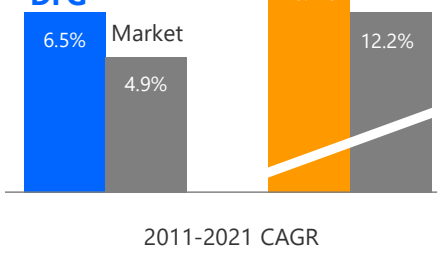
DELPHI
A member of the Tokio Marine Group

<Top-line>



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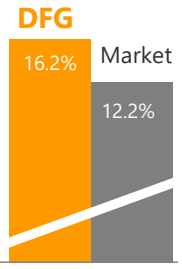

TOKIO MARINE HCC

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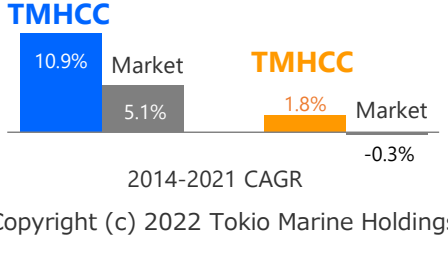

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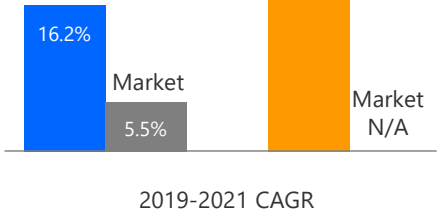
pure INSURANCE

<Top-line>



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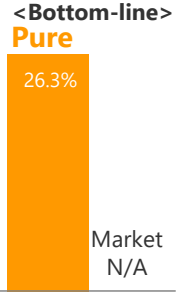
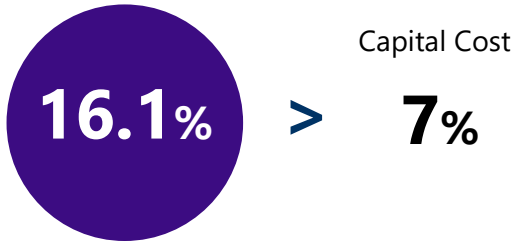


ROI for large-scale M&A*2



*1: TMHD top-line/bottom-line is local financial accounting basis, Pure's top-line is the premiums under management company
Market for TMK: all Lloyd's companies, Other: North American non-life insurance
Source: Lloyd's Annual Report, S&P Capital IQ

*2: ROI was calculated by using the sum of business unit profits under FY2022 revised projection as numerator and the sum of acquisition amounts as denominator.
(Different formula from ROE (=RoR / ESR) which reflects risk diversification effect, etc.)

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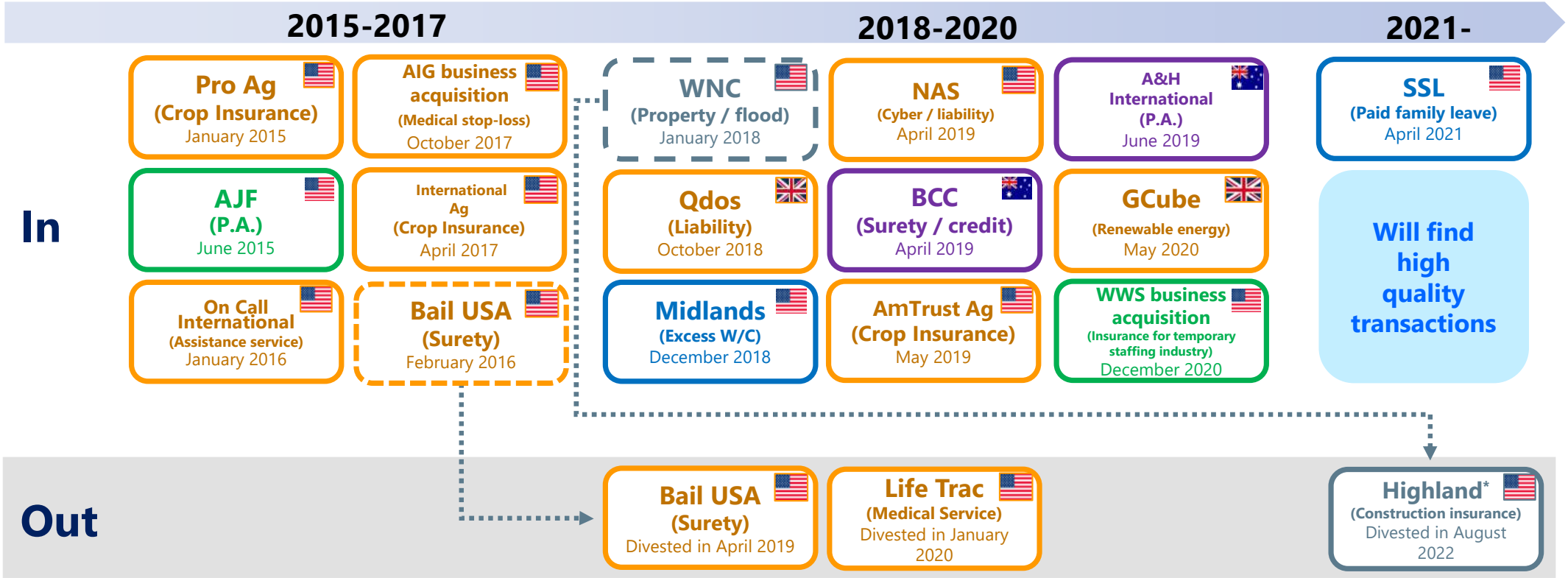
Track Record of Bolt-on M&A

- **Room for bolt-on M&A transactions with familiar businesses**
- **Transfer oversea GC's expertise to the other GCs to make it our strength and steadily execute transactions**

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 taking the future business environment into consideration



*: Construction insurance agency, part of Tokio Marine Highland (former WNC) Group owned by TMK

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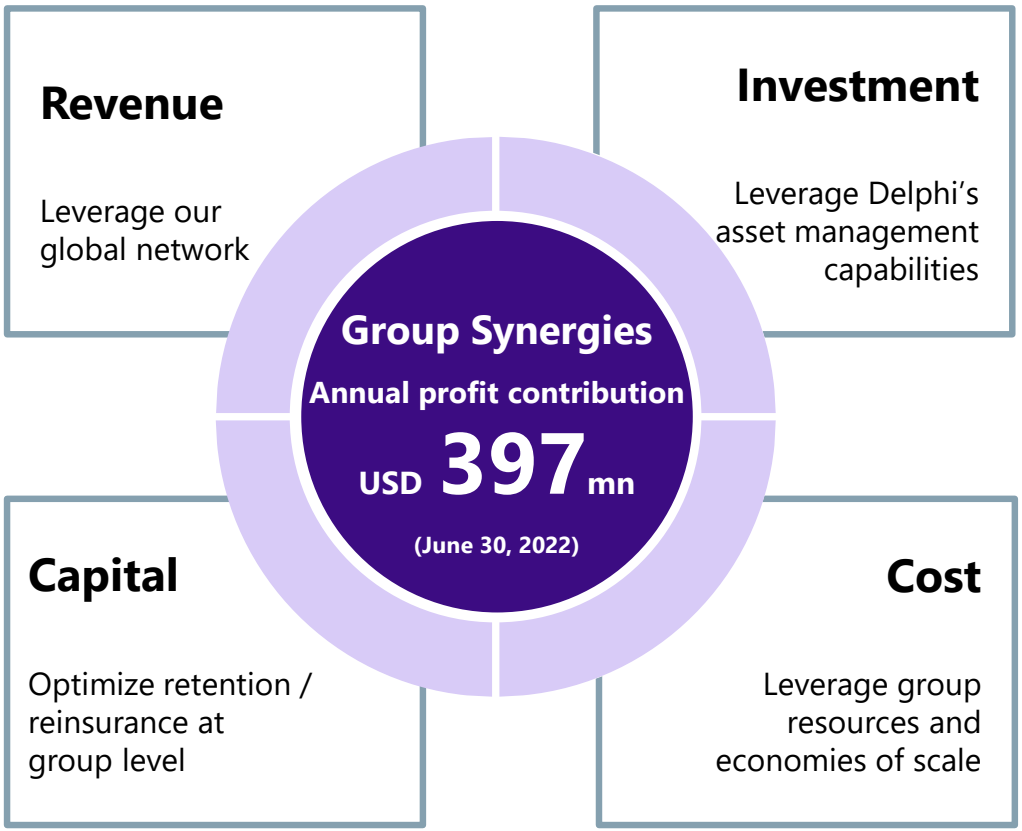
Group Synergies

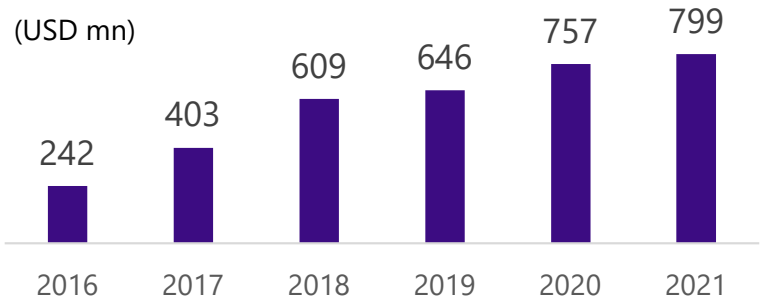
- **Continuously increased synergies in the four areas to achieve USD397mn annual profit contribution**



Reference: Example of revenue synergy

Cross-selling	Cross-sell reference to TMNF customers
Joint Approach	Joint approach for mega-events and large corporations
Regional Expansion	Lateral expansion of specialty products
Strategic Use of Group Asset	Leverage group capital, intellectual/human capital, and network

Revenue Synergy (direct premiums written)



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[Basic Information] PHLY

PHILADELPHIA INSURANCE COMPANIES
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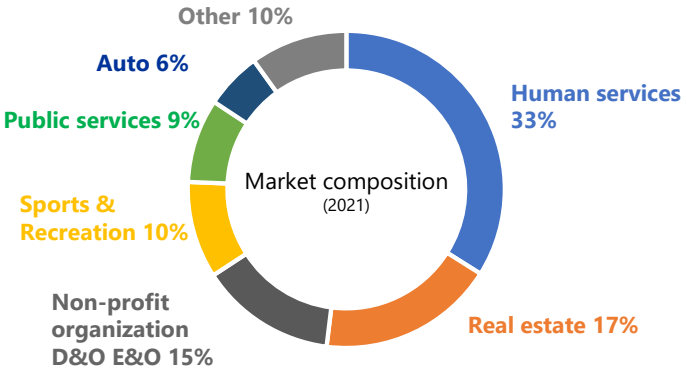
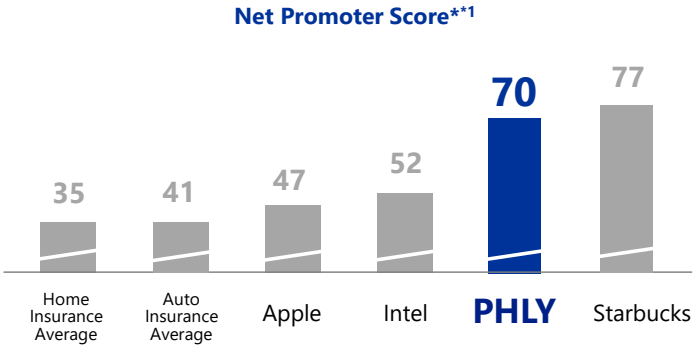
Build competitive edge focusing on niche markets

What's PHLY

■ **Focus on niche markets**



■ **Strong customer loyalty**



*1: Indicator to measure customer loyalty and their willingness to use products/services continuously. It shows how likely a customer recommends a brand to others.
PHLY: 2021 data.
Source: Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

Current Focus

■ **Steady profit growth while managing social inflation*2** (See P.8,11)

Rate Increases	Rate increases above loss-cost (see right)
Enhance disciplined underwriting	Enhanced disciplined underwriting by tiering strategy, reduce limits, etc.
Mitigate inflation risks	Accelerated settlements and reduced lawsuits by c. 60%
Reference: reserves provision	Set as early as in FY2019 the provisions for the past reserve ($273m) *No significant increase in provisions since then

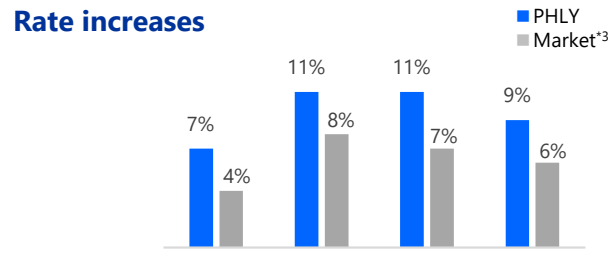
*2: Social inflation refers to skyrocketing compensatory awards resulting from aggressive litigation practices, plaintiff-friendly jury composition, and other trends.

■ **Enhance resilience against nat-cat risk in light of Texas winter storm**

✓ Promote rates increase, non-renew or declinature, improvement of underwriting terms, etc., in Texas

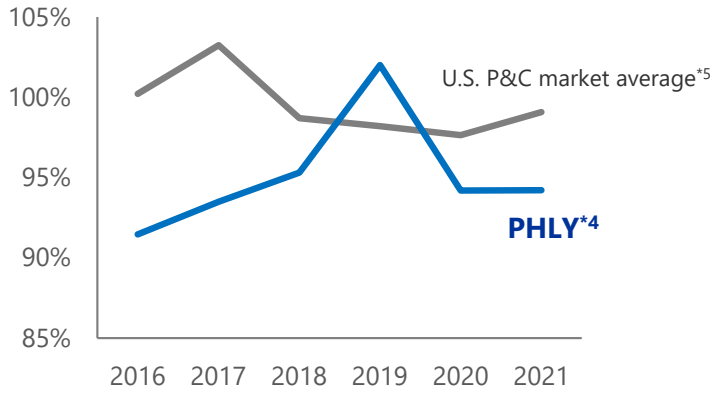
Results

■ **High renewal ratio and rate increases**



Renewal ratio	2019	2020	2021	2022 1H
PHLY	89.6%	86.2%	90.1%	91.6%

■ **Favorable combined ratio**



*3: Source: Willis Towers Watson
*4: Local management accounting basis. 2019 temporary increase due to increase in past reserve provision
*5: Source: S&P Capital IQ

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[Basic Information] DFG

DELPHI
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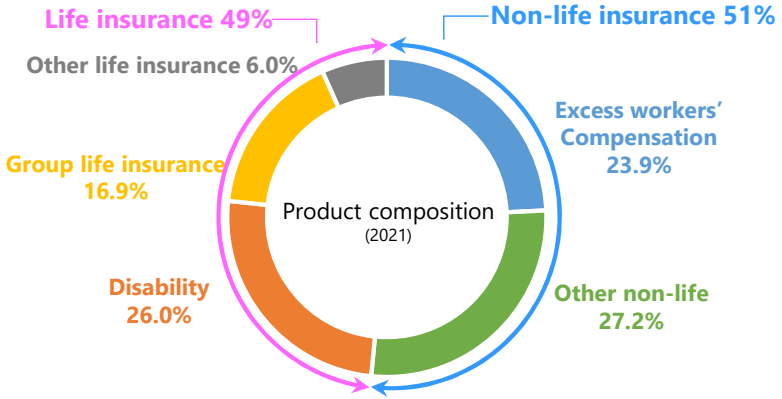
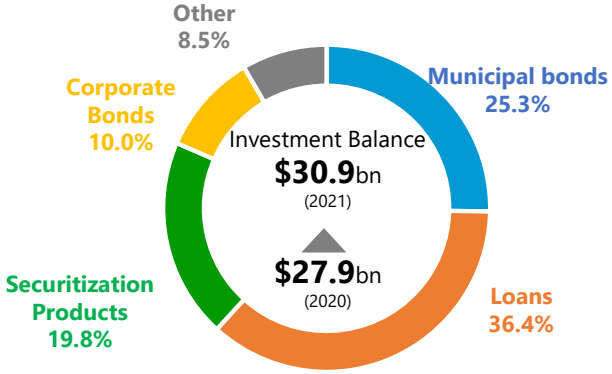
Maintain U/W profit and expand investment income leveraging its strengths

What's DFG

■ **Strength in employee benefits and retirement products/services**



■ **Growing AUM and diversified investment portfolio**



In addition to the above, managing $15.8bn of Group company entrusted assets

Current Focus

■ **Enhance underwriting**

✓ Increased rates for excess W/C and self-insurance amount to mitigate the effect of current inflation

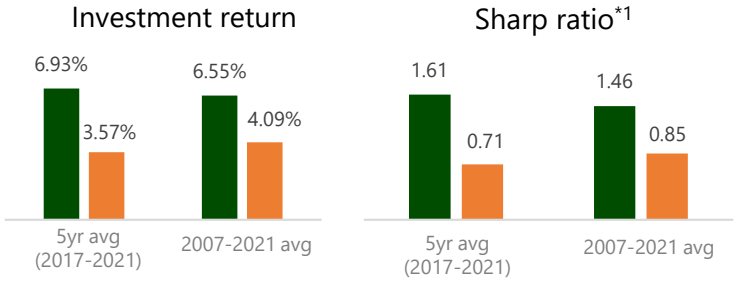
■ **Response to changes in environment including rising interest rates**

✓ Utilize DFG's strength in abilities to gather and analyze information to develop flexible portfolio according to investment environment

✓ Currently securing high return by increasing variable interest products and products with high yield requiring expertise

⇒ See P.21-23

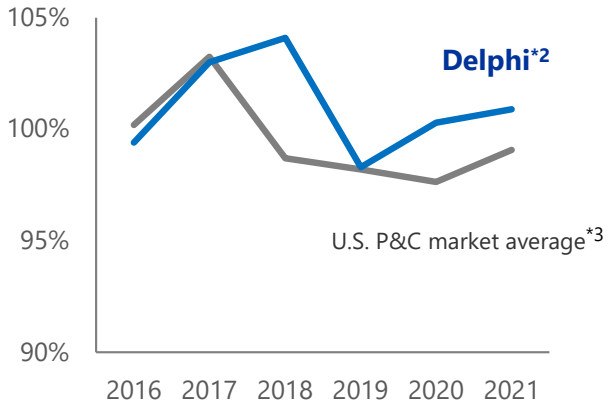
<Track record vs. index>



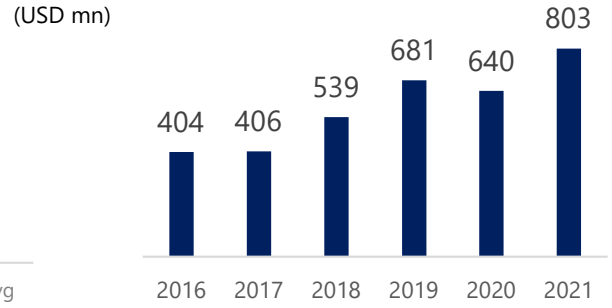
*1: Measures excess return per unit of risk. Calculated as "(Investment return – risk free rate) / Volatility". Risk free rate: LIBOR6M

Results

■ **Combined ratio**



■ **Strong profit*4 growth**



*2: Local management accounting basis. Temporary increase due to review of reserves in 2018. Includes impact of COVID-19 for 2020 and 2021
*3: Source: S&P Capital IQ
*4: Business unit profits - capital gains/losses (after tax)

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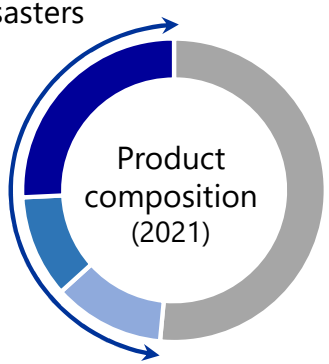
[Basic Information] TMHCC

Global leader in specialty insurance with over 48 years of deep technical expertise

What's TMHCC

Highly profitable and well-balanced business portfolio

- ✓ Built a diversified specialty portfolio through organic growth, green field operations and bolt-on M&As (more than 60 acquisitions)
- ✓ Underweight exposure to natural cat disasters



Less dependent on the P&C market cycles

About 48%

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

Other

About 52%

- D&O
- Property
- Aviation
- Energy & Marine, etc.

Current Focus

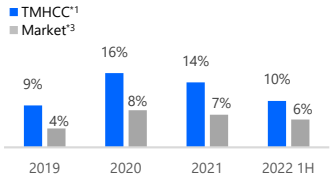
Latest bolt-on M&As

GCube (May 2020)
- UK Cover holder with over 25 years of market expertise in renewable energy business
- Aim to improve profitability while promoting creation of a sustainable future

AmTrust Ag (May 2019)
- A US-based Crop Managing General Agent of AmTrust Group
- Aim to improve profitability through business combination

NAS (Apr. 2019)
- A US-based Cyber Specialist Managing General Agent
- Pioneer in cyber market with credible portfolio for informed underwriting management

Rate Increases*1



- ✓ Aim to cover for loss cost increases
- ✓ Address current inflation risk through rate increases particularly for MSL*2 and increased self-insured retention amount

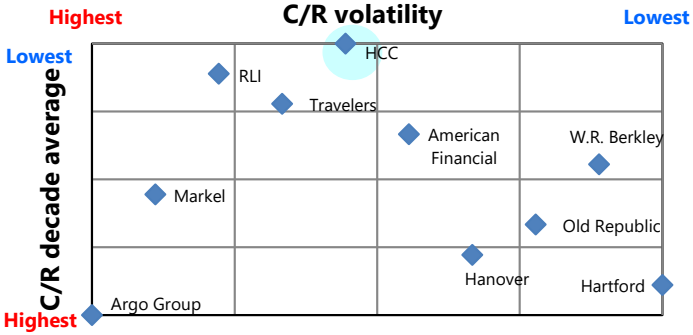
Additional risk-taking

- ✓ Favorable growth above rate increases

Energy & Marine (incl. Renewables), Int'l Casualty & A&H & Surety/Credit, Aviation, Property, Financial Lines, Travel, Guaranty, Event Cancellation, Disability, Public Risks etc.

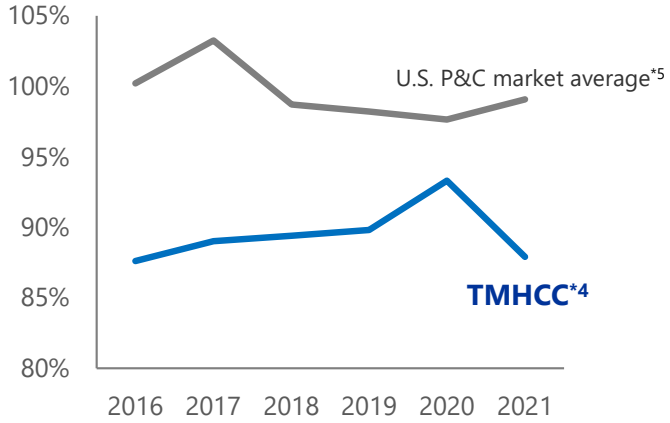
Results

Stable profitability



Source: Created by Tokio Marine from company reports and Dowling & Partners Analysis (based on data through Dec. 31, 2021)

Favorable combined ratio



*1: Excluding A&H, Surety, Credit
*2: Medical stop-loss
*3: Source: Willis Towers Watson
*4: Local management accounting basis
*5: Source: S&P Capital IQ

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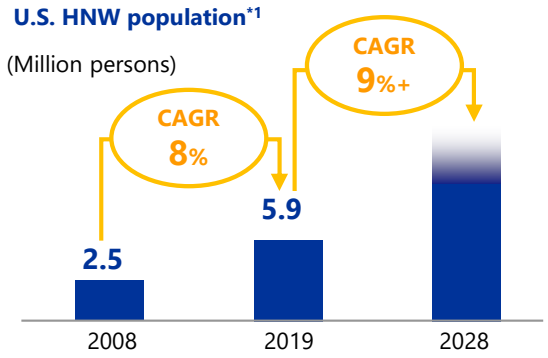
[Basic Information] Pure

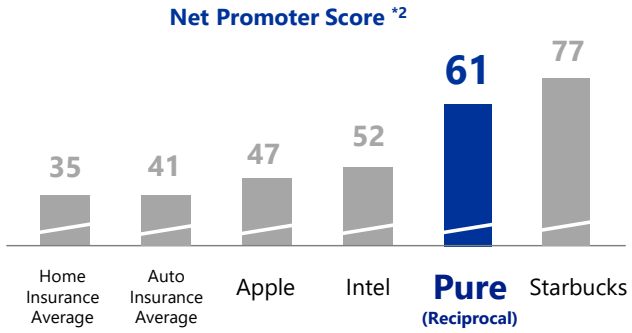
Specialty insurance group focused on the U.S. High Net Worth insurance market

What's Pure

■ **Focus on HNW market with high growth potential**



■ **Strong customer loyalty**



Current Focus

■ **Business Expansion**

- ✓ Expand customer base
- ✓ Enhance cross-sell efforts
- ✓ Expand to Canada

■ **Rate Increase & Value Up**

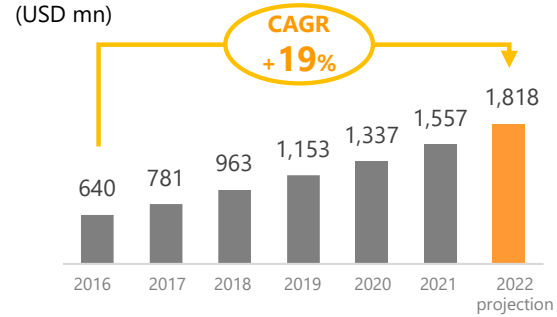
- ✓ Align with market conditions

■ **Expansion of synergies**

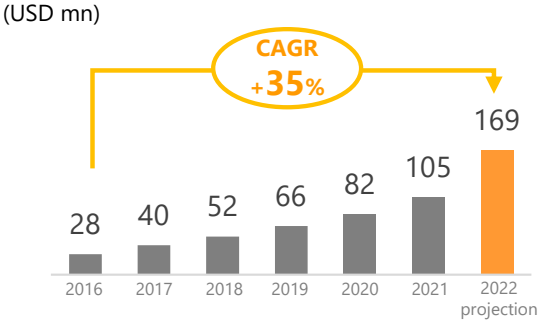
- ✓ New business relation with PHLY's leading agents holding HNW clients
- ✓ Joint marketing to agents in Hawaii with Hawaiian subsidiary FICOH
- ✓ Joint development of cyber insurance products with TMHCC for individual clients

Results

■ **Strong top-line*3 growth**



■ **Strong profit*4 growth**



*1: 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
*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.
Pure: 2021 data
Source: Customer GURU, NICE Satmetrix 2022
Consumer Net Promoter Benchmark Study
*3: Premiums under management company
*4: Local financial accounting profit

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[Basic Information] TMK

Top class player in Lloyd's market

What's TMK

■ **One of the largest underwriting capacity in Lloyd's market**

(GBP mn)

Ranking	Company	2021 GWP*1
1	Beazley	3,524
2	Brit	2,465
3	QBE	1,895
4	Hiscox	1,756
5	TMK	1,706

*1: Total GWP of syndicates managed by Managing Agents
Source: S&P Capital IQ

■ **Superior expertise**

✓ Focus on Lloyd's specialty lines in North America, Asia, etc.

✓ Innovation and product development for new risk-taking with Lloyd's

Current Focus

■ **Return to focus on Lloyd's Business**

Through the following initiatives, reduce volatility and maintain / improve profitability

✓ Focus on growing Lloyd's specialty businesses with superior risk-adjusted returns and existing underwriting expertise

✓ Rebalance product portfolio to have less dependence on property and be diversified, and drastically remediate underperforming businesses

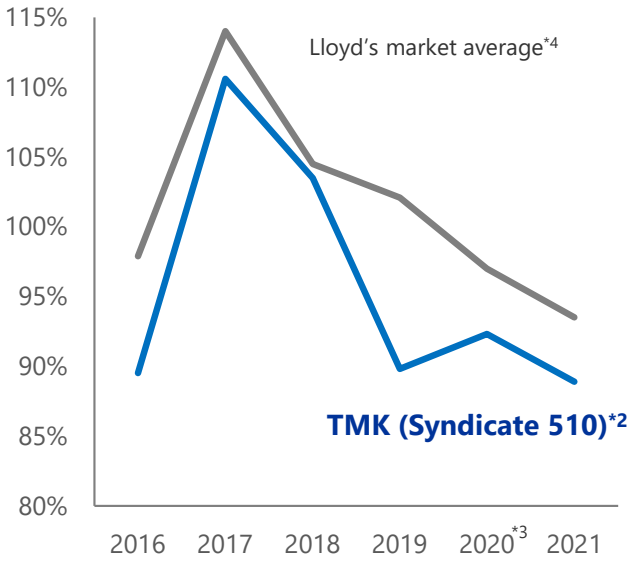
✓ Flexibly review business portfolio including divestment of Highland and run-off of reinsurance business, etc.

✓ Rate increases, capturing the hardening market

✓ Review and strengthen reinsurance program

Results

■ **Favorable combined ratio**



*2: Local management accounting basis
*3: Excluding the impact of COVID-19
*4: Source: Lloyd's Annual Report 2021

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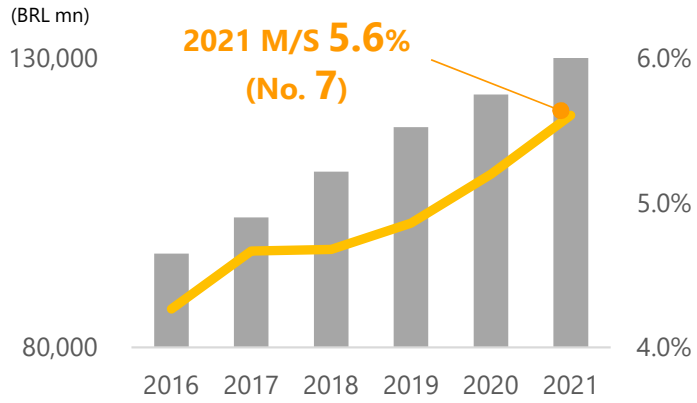
[Basic Information] TMSR

TOKIO MARINE SEGURADORA

Highly competitive in the largest market in Latin America leveraging cutting-edge DX

What's Seguradora

■ **Growing market *1(bar chart) and growing market share *2 (line chart)**



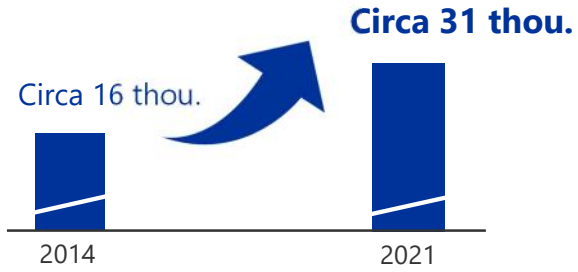
■ **Provide products and services that match the demand**

- ✓ Simplify auto insurance premium calculation using SNS data, etc., installation of sign language interpretation function on company website
- ✓ Enhance service quality by providing inhouse contact center of roadside assistance service
- ✓ Utilize wireless technology to reduce auto theft risk and develop specialized products

*1: GWP Source: Swiss Re
*2: Source: SUSEP

Current Focus

■ **Expanding the number of brokers**



■ **Caixa JV**

- ✓ Launched JV with Caixa Bank in Feb. 2021 and achieved favorable progress
- ✓ Sell highly profitable housing insurance and aim at circa JPY6.5bn*3 after-tax profit in FY2025

■ **Countermeasures for inflation**

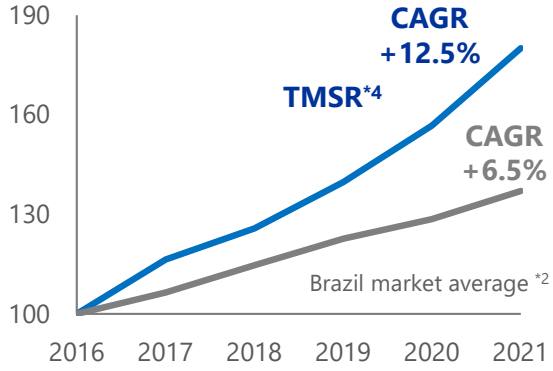
- ✓ Mitigate the effect of current sharp inflation through increasing rates and deductibles to cover for loss-cost, and expanding investment income from inflation-linked bonds, etc.

*3: Exchange rate at the end of Sep. 2022; before amortization of intangible fixed assets

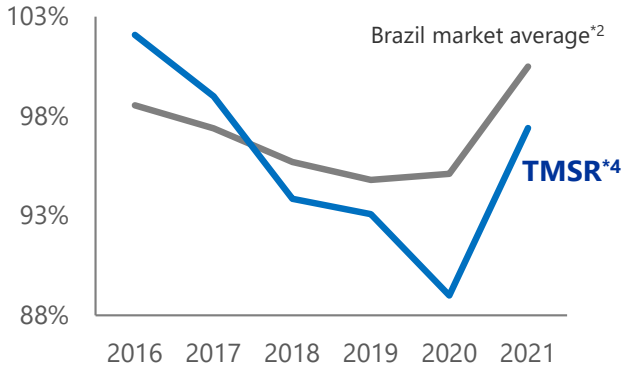
Results

■ **Growth exceeding the market**

Growth rate of gross premiums with 2016 set as 100



■ **Favorable combined ratio**



*4: Local management accounting basis

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[Basic information] International Insurance (Results by Region)

Net Premiums Written (billions of JPY)	2021	2022 Projection			2023
	Actual	Original ①	Revised ②	Changes ②−①	Plan*5
North America*1	1,378.9	1,544.0	1,893.0	349.0	
Philadelphia	396.0	437.0	532.0	95.0	
Delphi	332.0	384.0	470.0	86.0	
TMHCC	561.9	619.0	764.0	145.0	
Europe*2	136.9	156.0	182.0	26.0	
South & Central America	128.8	171.0	242.0	71.0	
Asia & Oceania	196.2	221.0	250.0	29.0	
Middle East & Africa	34.6	41.0	41.0	-	
Total Non-Life*3	**1,875.6**	**2,133.0**	**2,608.0**	**475.0**	
Life	**104.9**	**105.0**	**136.0**	**31.0**	
Total	**1,980.6**	**2,238.0**	**2,744.0**	**506.0**	**c. 2,000.0**

Applied FX rate	2021	2022 Projection	
	Actual	Original	Revised
	As of end-Dec. 2021	As of end-Mar. 2022	As of end-Sep. 2022
USD / JPY	¥115.0	¥122.3	¥144.8
GBP / JPY	¥155.2	¥160.8	¥161.7
Brazilian Real / JPY	¥20.6	¥25.8	¥26.7

*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: Total Non-Life figures include some life insurance figures of composite overseas subsidiaries
*4: After adjustment of head office expenses
*5: Plan created in 2020

Business Unit Profits (billions of JPY)	2021	2022 Projection			2023
	Actual	Original ①	Revised ②	Changes ②−①	Plan*5
North America*1	210.8	222.0	302.0	80.0	
Philadelphia	49.5	53.0	75.0	22.0	
Delphi	92.4	100.0	135.0	35.0	
TMHCC	59.9	64.0	87.0	23.0	
Europe*2	13.6	12.0	6.0	- 6.0	
South & Central America	9.0	10.0	14.0	4.0	
Asia & Oceania	24.4	14.0	- 83.0	- 97.0	
Middle East & Africa	- 0.3	1.0	1.0	-	
Total Non-Life*3	**250.4**	**259.0**	**244.0**	**- 15.0**	
Life	**5.0**	**1.0**	**- 1.0**	**- 2.0**	
Pure	**12.0**	**20.0**	**24.0**	**4.0**	
Total*4	**252.3**	**263.0**	**250.0**	**- 13.0**	**c. 230.0**

C/R	2021	2022 Projection		2023
	Actual	Original ①	Revised ②	Plan*5
North America*1	93.5%	92.9%	91.7%	
Philadelphia	94.1%	94.1%	91.8%	
Delphi	101.0%	98.6%	95.9%	
TMHCC	88.0%	87.3%	87.6%	
Europe*2	89.6%	90.6%	93.0%	
South & Central America	97.7%	96.3%	95.4%	
Asia & Oceania	91.7%	97.9%	143.0%	
Middle East & Africa	102.5%	99.7%	102.6%	
Total Non-Life*3	**94.0%**	**93.7%**	**97.0%**	
Life	**-**	**-**	**-**	
Pure	**-**	**-**	**-**	
Total	**94.0%**	**93.7%**	**97.0%**	**c. 94%**

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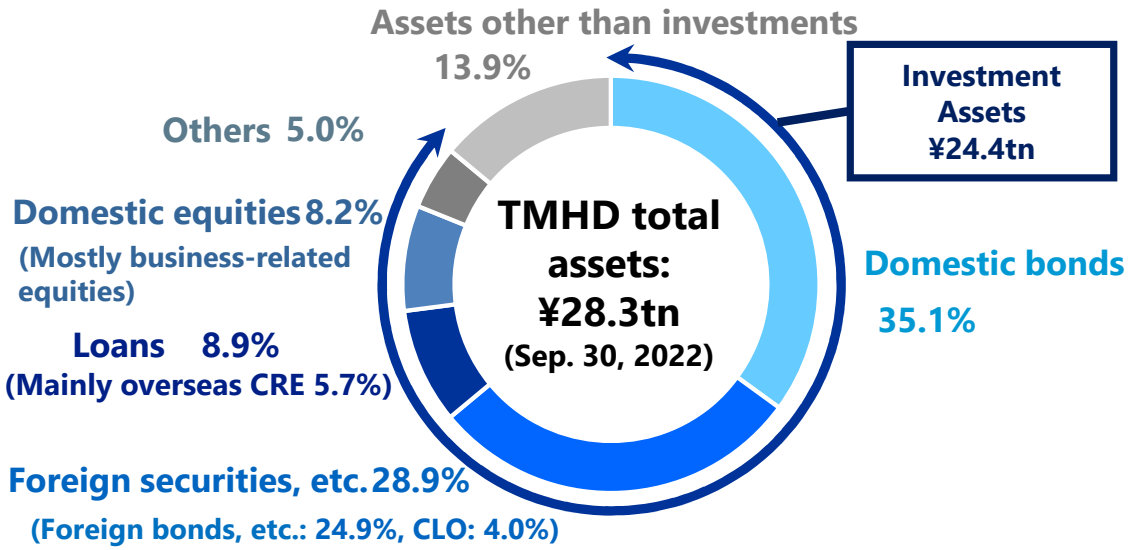
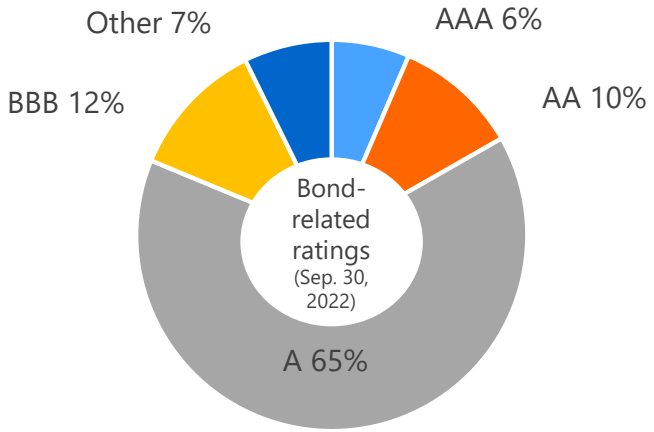
[Basic information] Group Asset Management Policy

- **Maintain long-term, stable income based on ALM aligned with characteristics of insurance liabilities**

Investment Portfolio (Sep. 30, 2022)

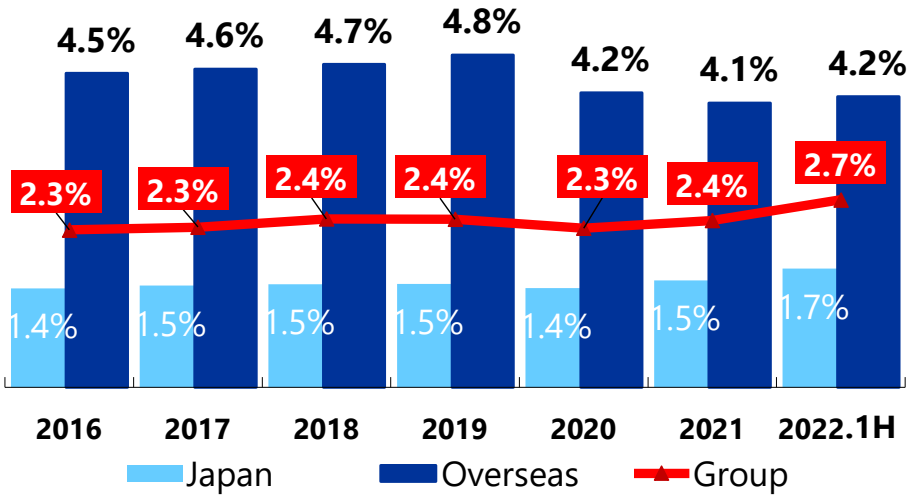




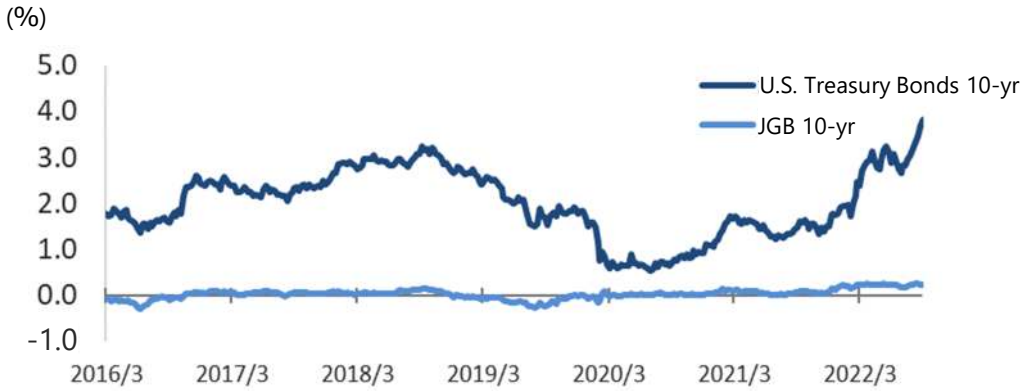
*See P.21-23, 63, 70-71 for DFG investment performance

Securing a stable yield

<Changes in Group income yield>



(Reference) Open Market Rates



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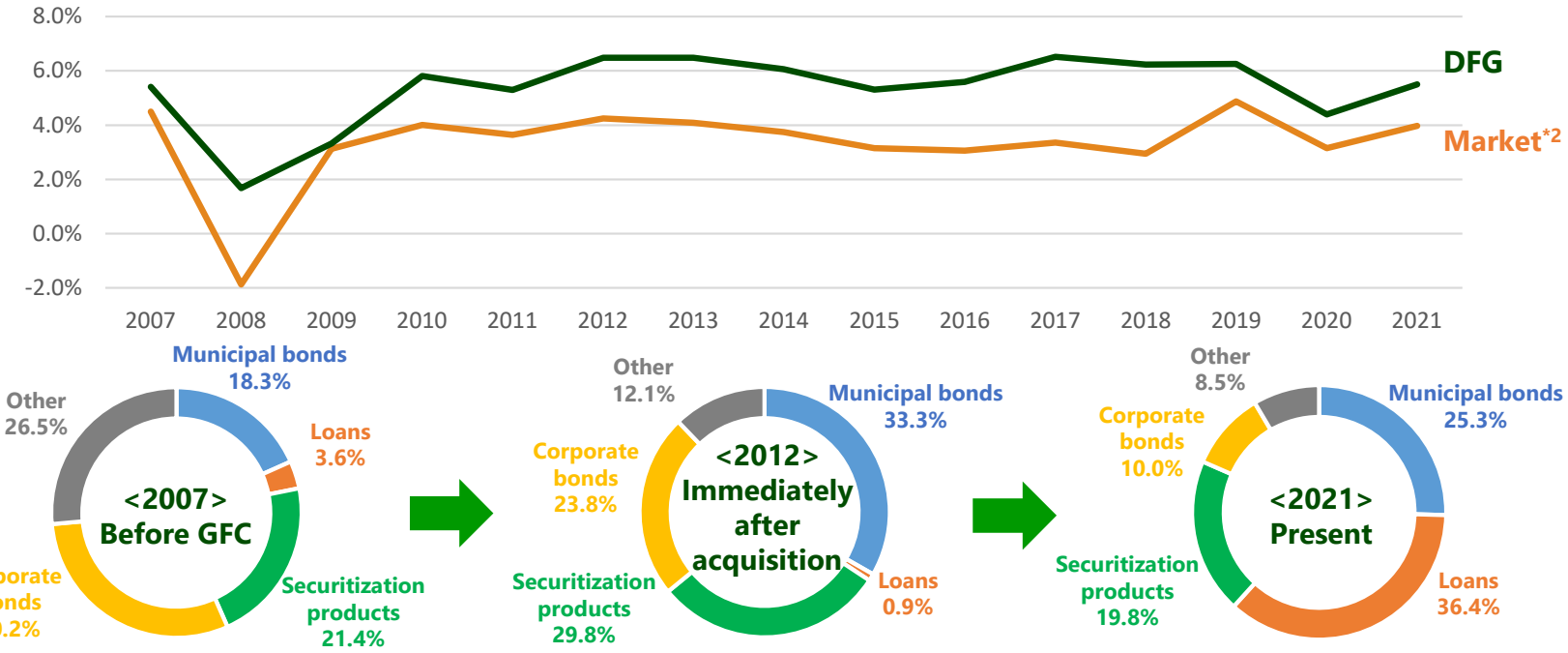
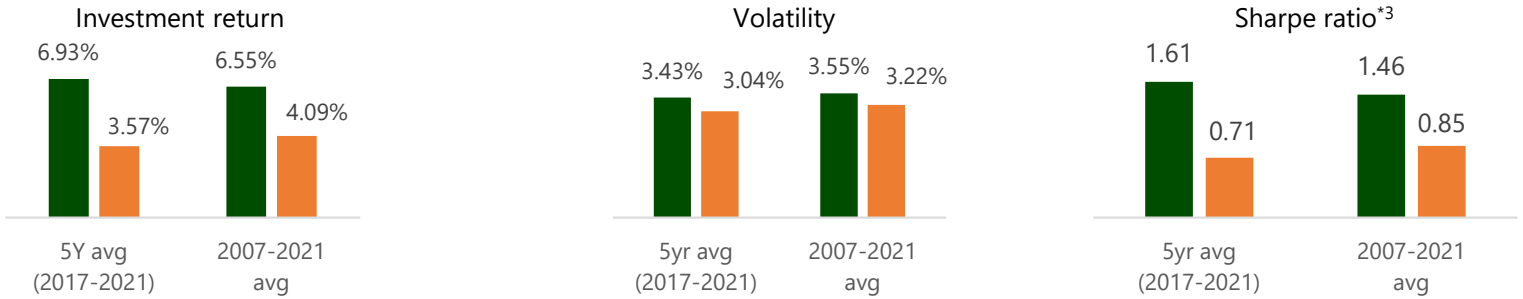
[Basic Information] DFG Investment Track Record

- **DFG investment performance (investment income + realized gains / losses) remained positive during the collapse of Lehman Brothers**

<Investment Return*1 and Portfolio Change>



<Track record vs. index> ■ DFG ■ Barclays US Aggregate Bond Index



*1: Calculated as "(Income + gains/losses from sales + impairment) / AUM"
*2: Average for US non-life insurance companies (market capital of $20bn or more) Source: SNL, Factset
*3: Measures excess return per unit of risk. Calculated as "(Investment return – risk free rate) / Volatility". Risk free rate: LIBOR6M

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[Basic Information] DFG's Credit Management Capabilities

- **Increase returns while controlling the credit risk through investment in CLO and CRE loans leveraging on DFG's strength**

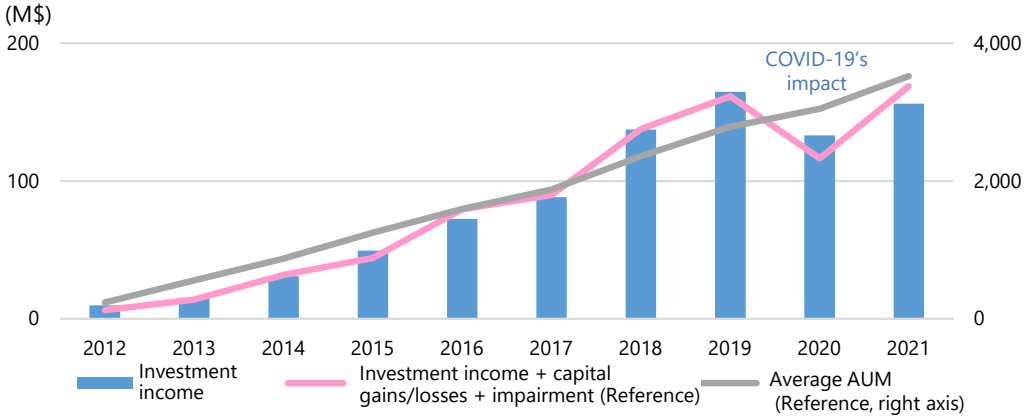
High returns generated with highly specialized investments

CLO

<Investment process>

- Select outside asset managers based on their response to the GFC, etc.
- Rigorously select and invest in well-priced investment targets leveraging liabilities that can be held to maturity, good judgement based on high level of expertise and abundant experience, and networks

<Change in investment income (before tax)>



<Risk management>

- Appropriately establish protection such as early redemption and subordinated tranches
- Perform meticulous risk management through regular monitoring including monitoring of underlying assets, conservative stress testing, strong checks on outside asset managers, etc.
- Loss is likely be extremely limited unless a default rate at or above three times the long-term average (which is around 10% or more) continues for three years or longer

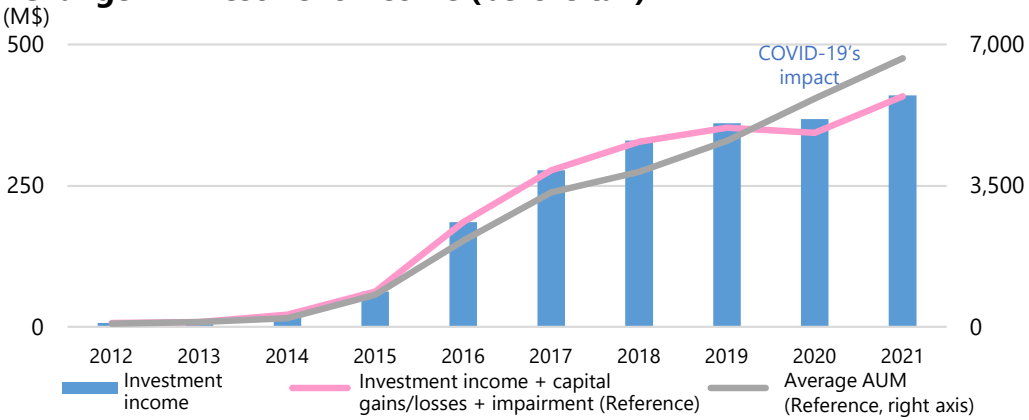
*: The default ratio as of Sep. 30, 2022 was c. 0.9%.

CRE Loans

<Investment process>

- Active involvement in outside asset managers' decision making based on a robust collaboration structure
- Meticulous underwriting based on properties' business plans, LTV, ease of attachment/collection, sponsor capacity, etc.

<Change in investment income (before tax)>



<Risk management>

- Monthly interest payments are made appropriately despite the current interest rate rising phase; there is no special concern
- Contractual arrangements are in place to control the borrowers' interest payment burden when interest rates rise; default risk is therefore structurally limited
- Generally being a sole lender, proactive collection activities (workout) and attachment are possible for poorly-performing properties (DFG has recently steadily implemented attachment/loan collection for some properties that have been particularly affected by COVID-19)

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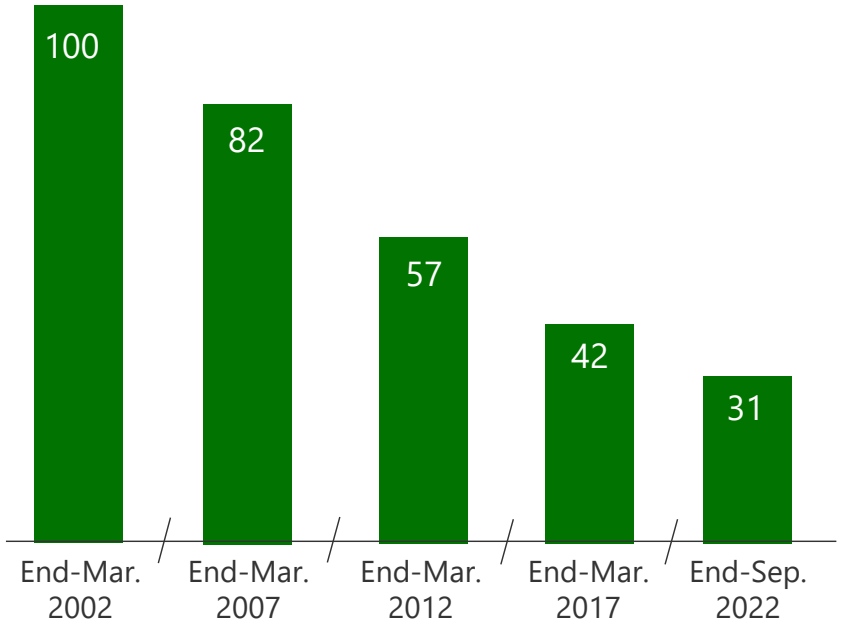
[Basic information] Reduction of Business-related Equities

- **Sold total amount of circa JPY2.5tn*1 since FY2002, reducing book value by 69% from FY2002**
- **Continue to sell JPY100bn or more each year during current MTP**
- **As a result of further efforts, considering acceleration of divestment to the tune of JPY120~130bn in FY2023 and to about 1.5X current level from FY2024**

Book value of business-related equities held by TMNF*2



*1: Market value at the time of sale
*2: When the end of March 2002 is set as 100.

Sales amount

Mid-term business plan	Fiscal year	Sales amount
Innovation and Execution 2014	2012	¥115bn
	2013	¥109bn
	2014	¥112bn
To Be a Good Company 2017	2015	¥122bn
	2016	¥117bn
	2017	¥108bn
To Be a Good Company 2020	2018	¥107bn
	2019	¥107bn
	2020	¥106bn

- **Mid-term business plan (2021- 2023)**
  - ✓ **Plan: Continue to sell JPY100.0bn or more each year**
  - ✓ **Result: Sold JPY117.0bn in FY2021**

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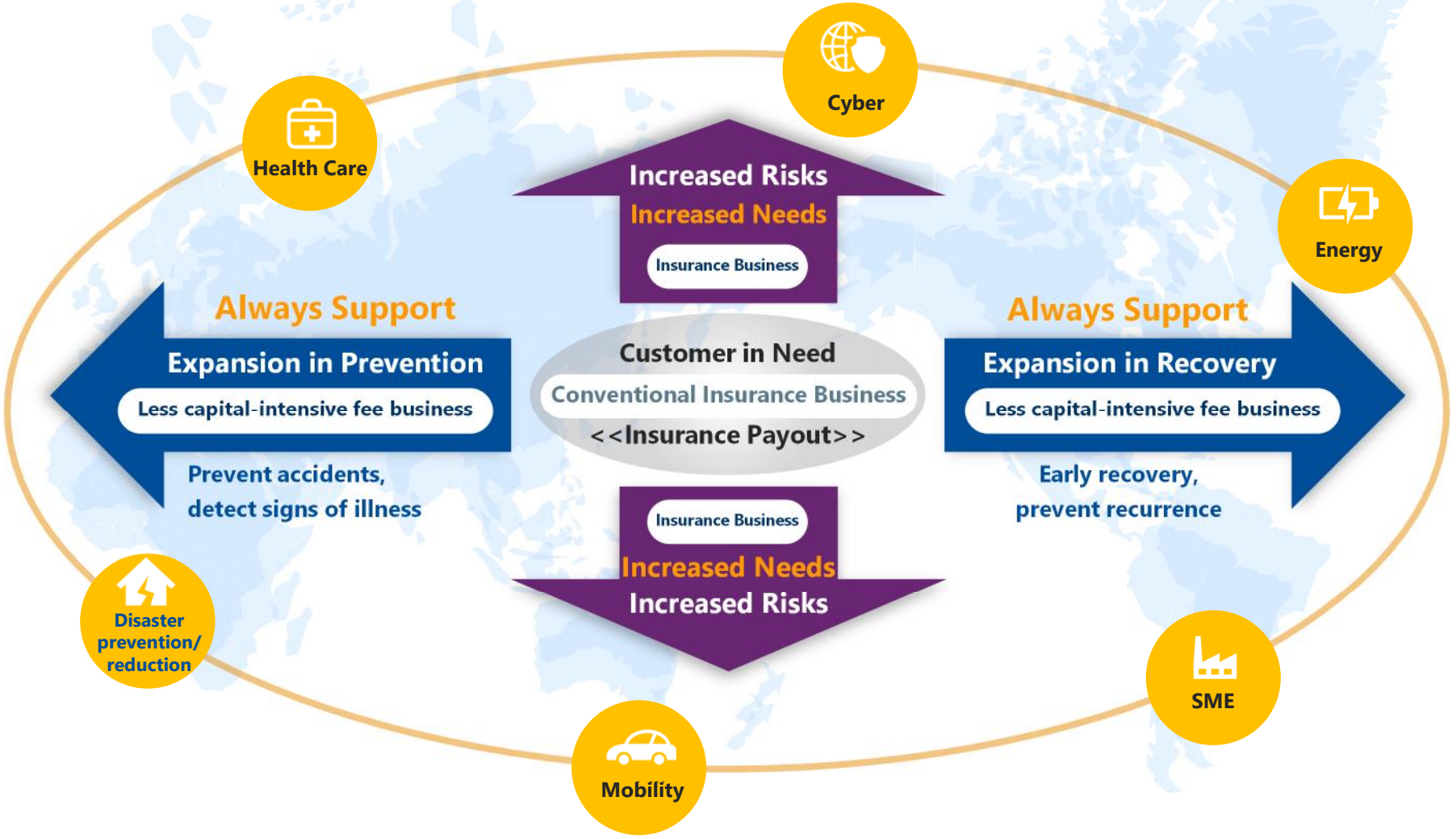
Expansion to Pre- and Post-incident Area

- **With the increase in social issues that require solution, room for growth for us also expands**
- **Enhancing value proposition leveraging our proprietary risk data, expertise in data analysis, as well as third-party knowledge**



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Example①

- **Trying to create our new value through partnership with "CORE", a consortium launched in Nov. 2021 and "ICEYE", which posses advanced satellite image analysis technology in disaster prevention/mitigation area**

The Disaster Prevention Consortium "CORE"

Co-creation of Disaster Prevention and Mitigation Businesses
with Companies and Organizations in a wide variety of industries

- Disaster Prevention Consortium "CORE" is composed of **80 companies and organizations (as of Nov. 10, 2022)**
- Contributing to building a resilient society to disasters utilizing the data and technology
- **Development of the real-time hazard maps and the disaster forecast solutions to support an evacuation**

Utilization of Satellite for Damage Assessment

Capital and Business Alliance with ICEYE, a Satellite Solution Startup in Finland

- A Combination of the customer data (Property and location data etc.) , a variety of satellite imagery and AI analysis **to quickly figure out the deep and area of water flood**
- In the past cases of massive water floods, we took 2-3 weeks average to pay insurance money, but **we have realized the significant shortening of the time**
- **Considering utilizing the image data on SNS**

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Example②

- **Promoting circular economy with JEPLAN, a company with unique chemical recycling technology in energy area**
- **Accelerating the development of foundation for providing new value with digital technology by alliance with "bolttech", an insurtech company**

Supporting the Transition to Circular Economy

Reduction of Waste and Promotion of Recycling through Insurance Business
(Recovery and Reuse of Damaged Goods in Property Insurance)

JEPLAN

- **A partnership with JEPLAN, a company with proprietary chemical recycling technology** that plans and operates projects to collect and recycle clothes, plastic bottles, etc.
- **Development of the new insurance product to compensate for recycle and logistics costs** of damaged textiles and beverage bottles in accidents instead of wasteing
- Aiming to create a society **"Insurance enables Circulation"**

Global Expansion of Embedded Insurance*

Capital and business Alliance with bolttech, one of the largest insurance exchange platforms

bolttech

- **Development and Provision of Embedded Insurance**
  To provide embedded products in a variety of markets including international e-commerce business globally, not only in Japan
- **Utilization of Digital Platforms**
  To build a fully digitalized insurance procedure and deploy it on a global scale utilizing bolttech's agle digital platform
- **Expansion of Warranty Business**
  To develop warrant businesses mainly in Asia

*Embedded Insurance: Bundling and delivering of insurance coverage while a consumer is purchasing a product or service, bringing the coverage directly to the consumer at the point of sale.

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Investment in Digital Capability

- **Have invested tens of billions yen to date, including CVC launched in the U.S. in April 2022**
- **Capture external diversity to enhance value proposition**

Healthcare

LC, Healthians, WELMO, carna, CareNet, Splink,inc., ファミトラ, VALUE HR, CRAIF

Mobility

MaaS Tech Japan, WHILL, Mellow, MAY Mobility, LUUP, SKYDRIVE

HR-Tech

SmartHR

Green / Supply Chain

Risilience, Shippio, JEPLAN

Nat-Cat

ICEYE

Deep-Tech

PKSHA TECHNOLOGY, Albert Analytical technology, GHELIA, VOXEL, TITANIAM, TrustLayer, Carefull

Insurtech / Fintech

DeCurret, metromile, bolttech, MIRAIRO, SOTERA, NIRVANA, simplesurance, Aidea, TradeWaltz

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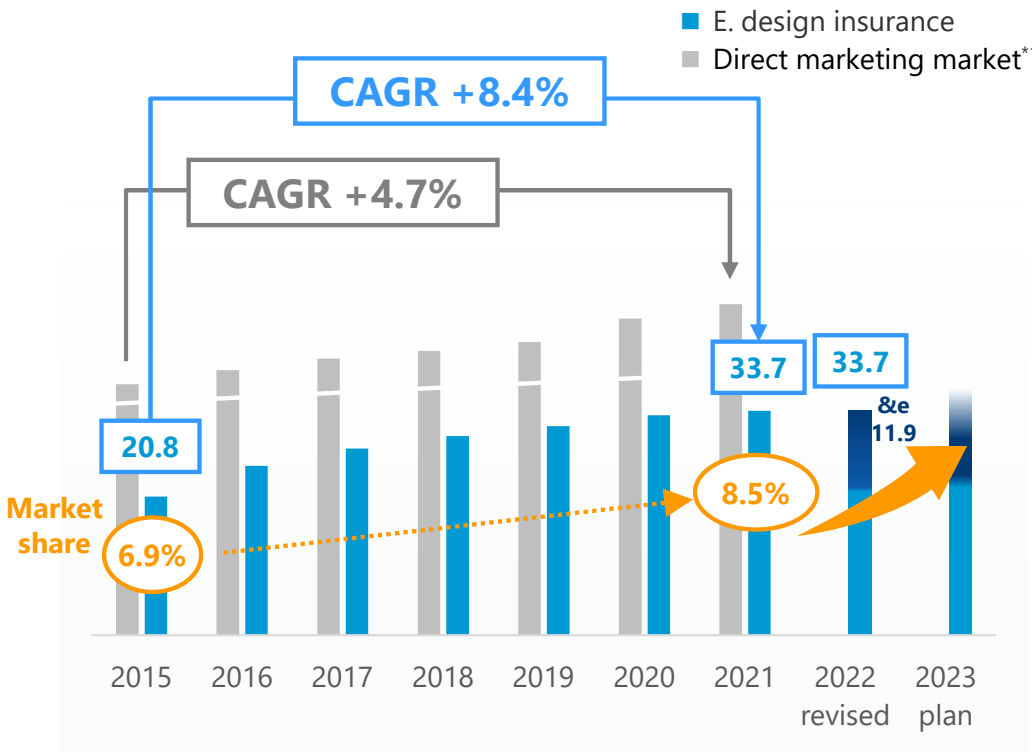
E. Design Insurance

- **Accelerate transformation to an InsurTech company and create new experience value using digital technology**

Significant growth in the direct marketing market

<Direct net premiums written (auto) (billions of JPY)>



C/R*2 (%)	112.3	113.0	104.8	102.9	104.2	81.4*3	93.2	108.4

*1: Market participants: Sony, AXA, Mitsui Direct, Saison, Sonpo 24, SBI, E. Design, Zurich
Source: Insurance Statistics and the respective companies' websites
*2: Private insurance
*3: Temporary decrease in accidents due to COVID-19

&e sales and external evaluations

Sales performance

&e アンディー Fully digital auto insurance "&e (Andy)"

- Since the launch in Nov. 2021, sales substantially exceeded plan (exceeded FY2022 target of 100,000 contracts in Nov. 2022)

External evaluation

Oct. 2022
2022 Good Design Award

GOOD DESIGN AWARD 2022

- Our approach to realize an "accident-free society" through use of IoT technology and co-creation with businesses and local governments was appreciated

Oct. 2022
Guidewire Innovation Award

- Benefits in improved customer convenience, business efficiency, and promotion of new business growth were appreciated

Scene from the award

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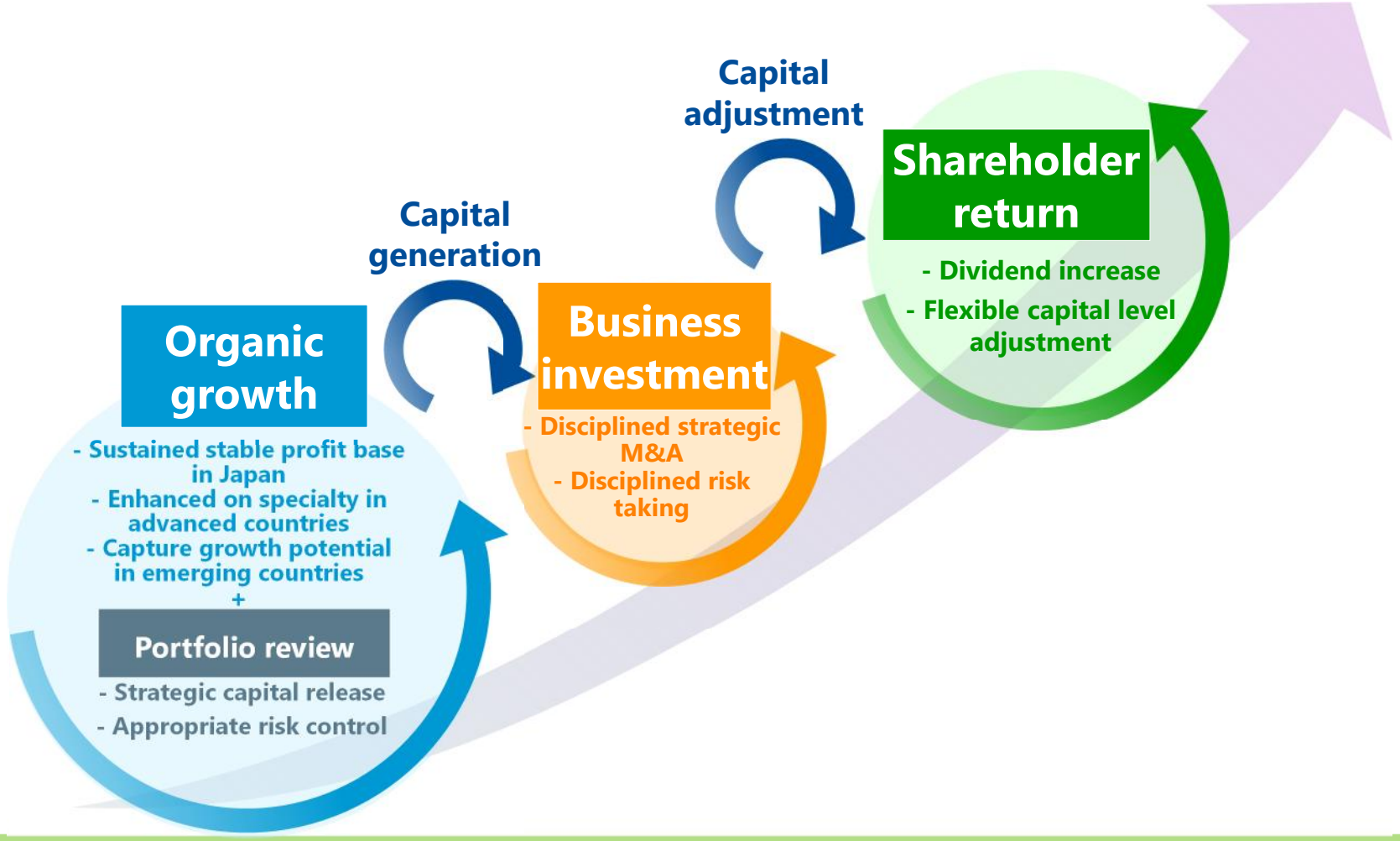
Reference: Capital Circulation Cycle

Re-post from IR Conference on May 26, 2022

- **Generate capital with organic growth and portfolio review for disciplined business investment and shareholder returns**



ESG for sustainable growth

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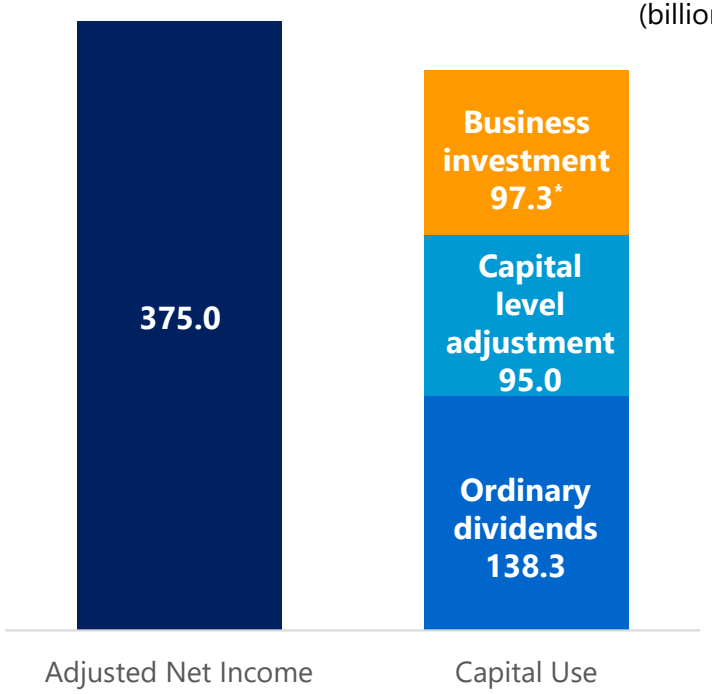
Track Record of Disciplined Capital Policy

Re-post from IR Conference on May 26, 2022

- **Utilize generated capital for business investment and shareholder returns with discipline to improve ROE**

"5-Year" Average (2017-2021)

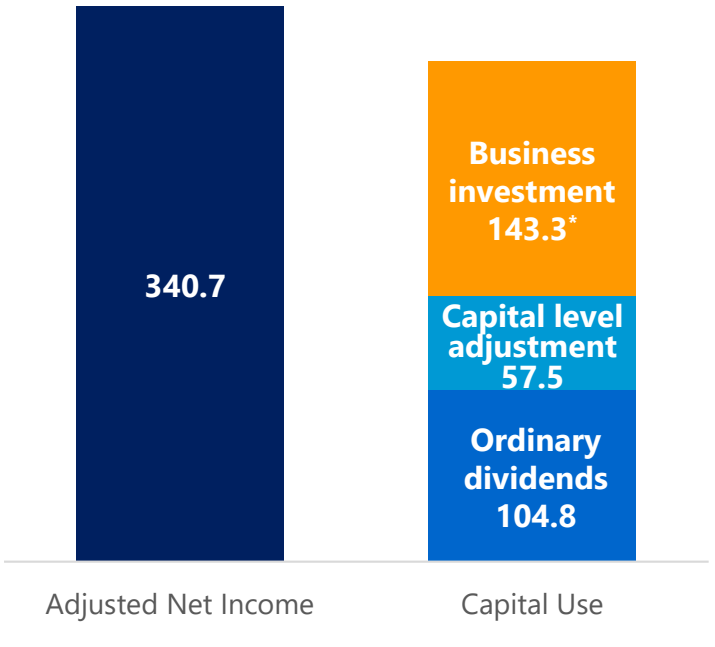
(billions of JPY)



Adjusted ROE growth 10.0%

"10-Year" Average (2012-2021)

(billions of JPY)



9.4%

*: Total of published figures (source: Refinitiv Eikon)

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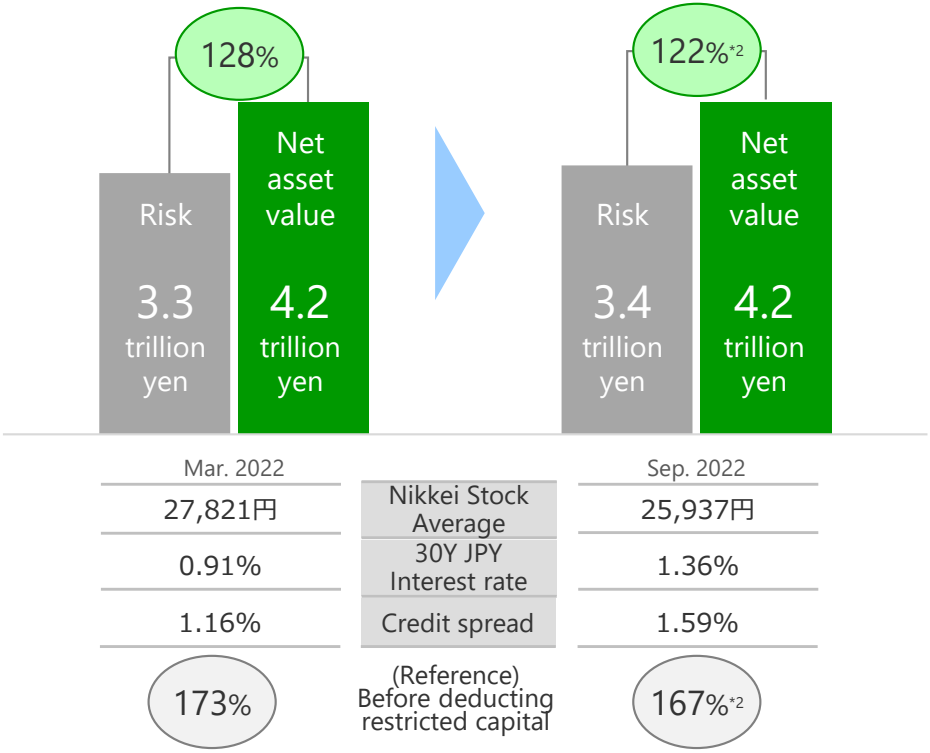
Disciplined Capital Policy (ESR)

- **ESR as of Sep. 30, 2022, was 122% (or 121% after share buy-back) reflecting profit contributions in 1H, shareholder return and wider credit spreads**

ESR*1



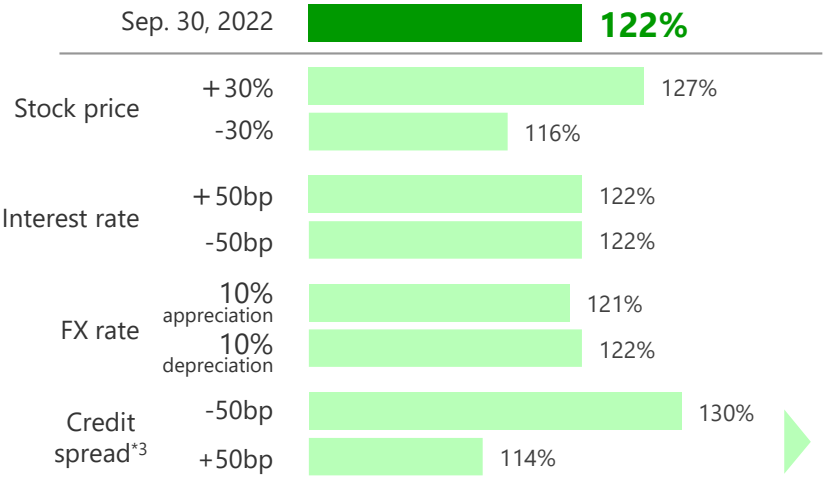
Factors changing net asset value

- ↗ 1H adjusted net income contribution
- ↘ Shareholder return
- ↗ Cheaper JPY
- ↘ Lower stock prices
- ↘ Wider credit spreads
- ↘ Higher overseas interest rates etc.

Factors changing risk

- ↗ Cheaper JPY
- ↗ Wider credit spreads
- ↘ Decrease in equity risk caused by lower stock prices and sales of business-related equites
- ↘ Higher overseas interest rates etc.

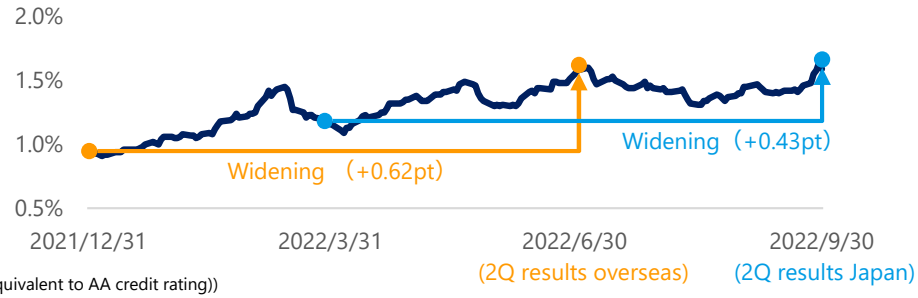
ESR Sensitivity (based on parallel shift)



Of ±8pt, sensitivity to overseas net asset value: ±4pt

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

<Reference> Credit spread of US corporate bonds*4



*1: Economic Solvency Ratio (calculated with a model based on 99.95% VaR (equivalent to AA credit rating))
Net asset value of overseas subsidiaries shows the balance as of three months earlier (Dec. 31, 2021 and June 30, 2022).
*2: 121% after a JPY50.0bn share buy-back (165% before deducting restricted capital). In addition, 120% after Taiwan COVID loss in 2H (164% before deducting restricted capital)
*3: Due to different consolidated accounting periods adopted by overseas subsidiaries (refer to *1), the period of credit spread fluctuations reflected on ESR differ.
*4: (Source) Bloomberg

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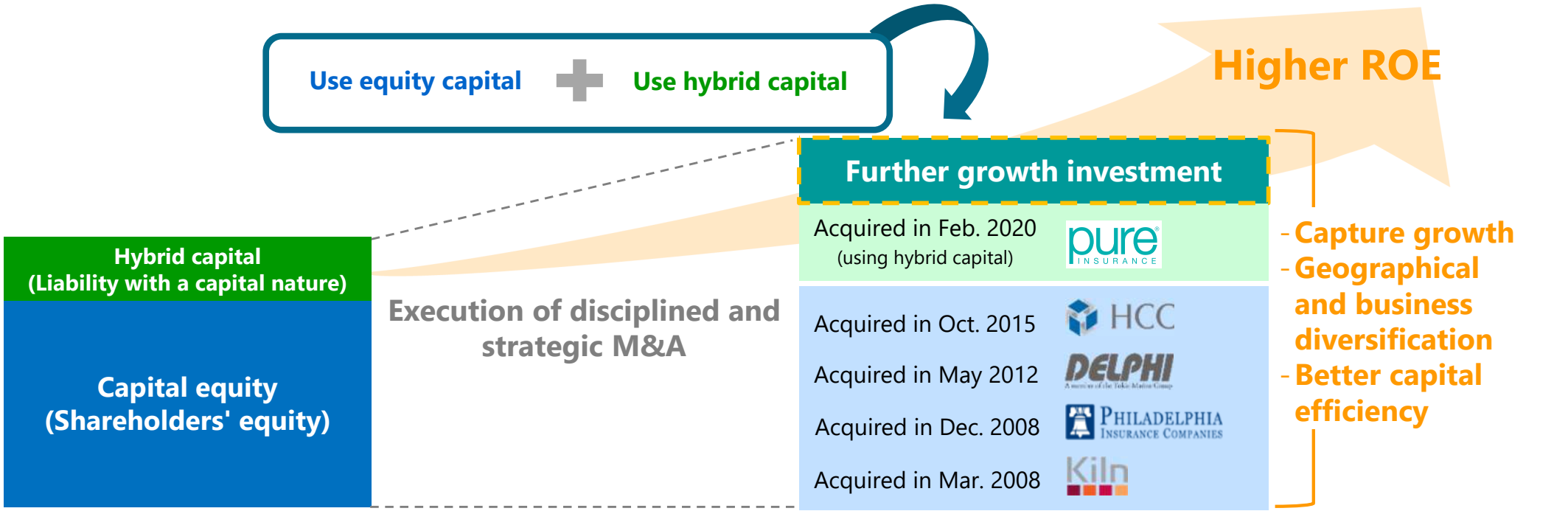
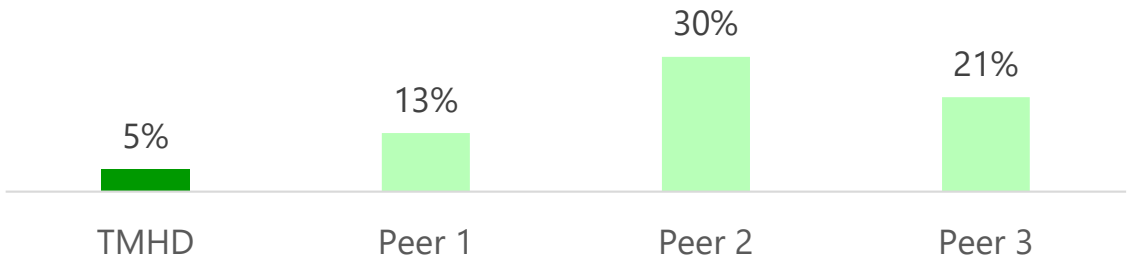
Achieve Further Growth through Flexible Capital Strategy

Re-post from IR Conference on May 26, 2022

- **Use hybrid capital to realize further growth strategies including M&A**
- **Increase ROE on a long-term basis by maintaining appropriate capital and avoiding dilution**



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



(Reference) Summary of the hybrid capital related to the acquisition of Pure Group

- Issue amount: JPY200bn
- Currency: JPY
- Coupon: 0.96% per annum (fixed until Dec. 24, 2029)
- Duration: 60 years
  (Early redemption permissible from Dec. 24, 2029)

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*: As of end-March 2022 for our company, and as of end-December 2021 for peers (Allianz, AXA, and Zurich)

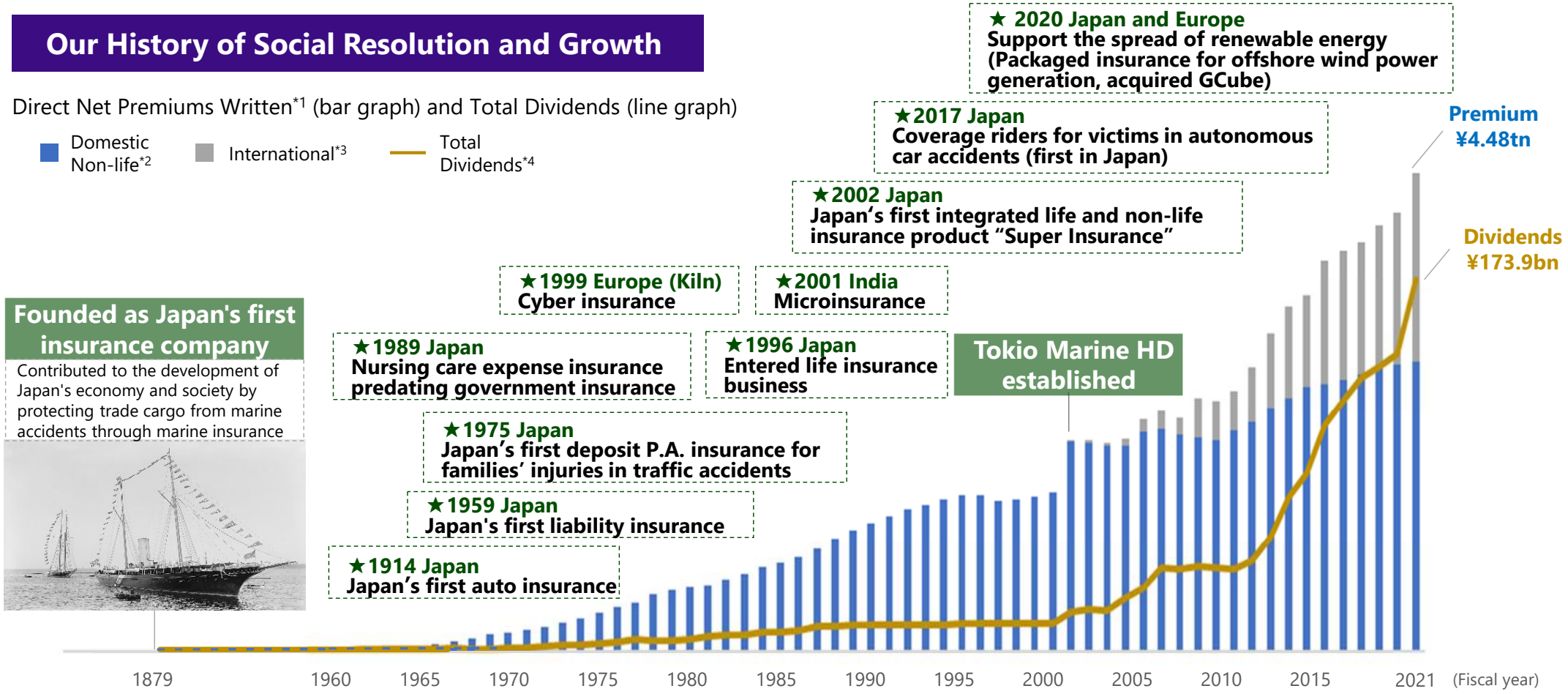
Our Purpose

Re-post from IR Conference on May 26, 2022

- **Since our founding, our purpose has been to "protect our customers and society in times of need." We have achieved sustainable long-term growth by contributing to solving various social issues that change with the eras**
- **Indeed, our business itself is a solution to social issues**

Our History of Social Resolution and Growth

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



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

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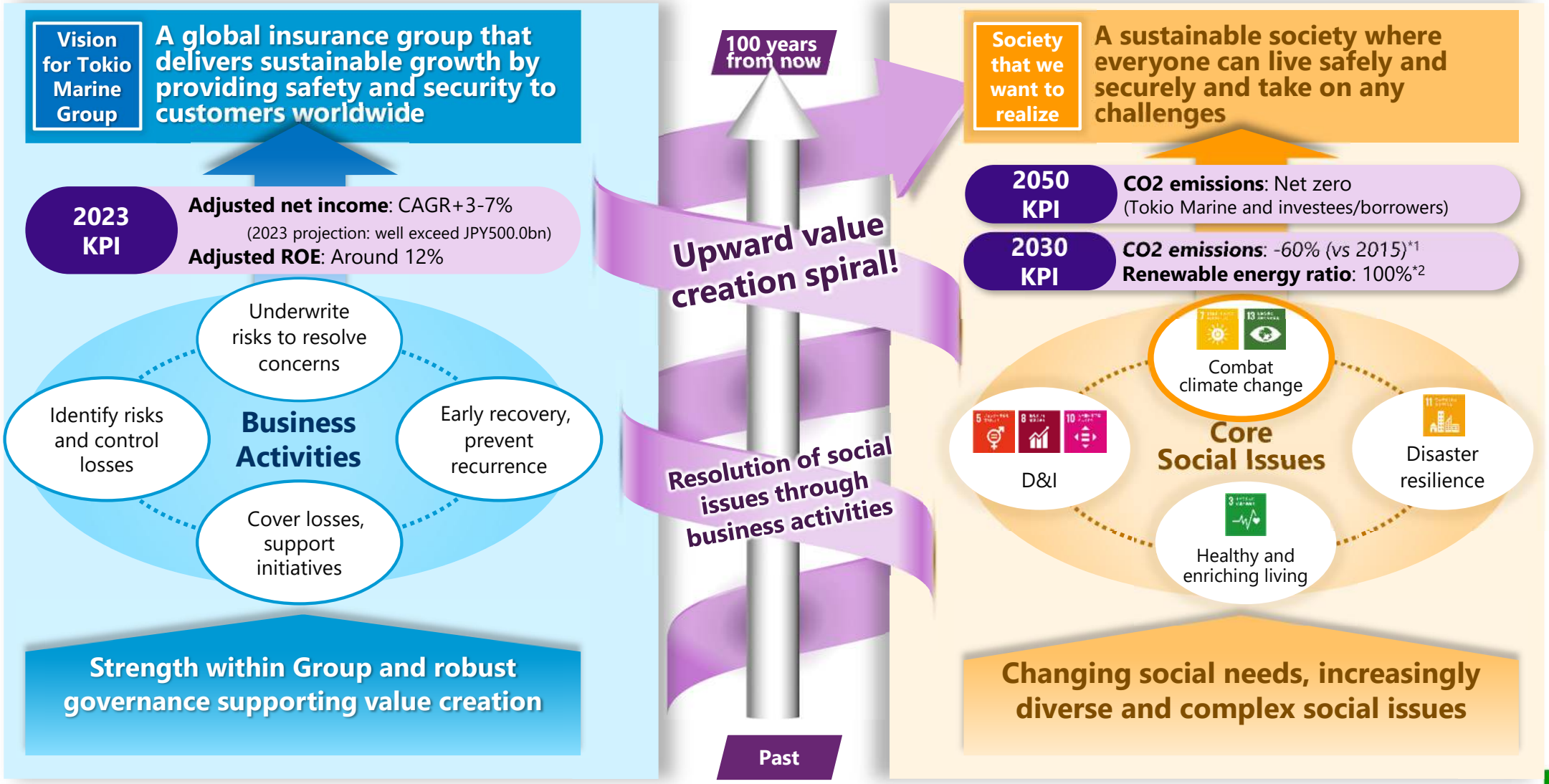
Sustainability Management for the Next Century

Re-post from IR Conference on May 26, 2022

- **By being true to our purpose and resolving the expanding and complex social issues, continue profit growth over the next century (simultaneously enhance social value and our economic value (profit))**



*1: Related to our business activities (Scopes 1+2+3 (Categories 1,3,5,6))
*2: Ratio of renewable energy in electricity consumption at main business locations

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Values Provided to Stakeholders and Materiality

- **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**
- **For FY2022, promoting initiatives in line with the basic policy on ESG and steadily addressing existing issues (establish decarbonization plan for underwriting / investment and loan portfolio, further contribution to future generations, etc.)**

	Our Vision	Materiality
For Customers	• Contribute to realizing healthy and enriched lives of our customers by delivering safety and security and by supporting them in taking on challenges for the future	• Combat climate change • Support people's healthy and enriching life • Enhance disaster resilience • Facilitate and foster innovation through digitalization, etc.
For Society	• Contribute to creating a sustainable society where everyone can live safely and securely and boldly take on challenges	
For Shareholders / Investors	• Sustainable growth of shareholder returns • Work to enhance the trust of shareholders / investors and improve corporate value through timely and appropriate disclosure and constructive dialogues	• Disclosure timely, appropriate and highly transparent information
For Employees	• Contribute to employees' high-performance by providing opportunities to work brightly and vibrantly and through engagement	• Promote and support D&I
For Future Generations	• Pass on sustainable environment / society to future generations with climate change actions and preservation of biodiversity • Support future generation by providing education to children	• Promote climate change actions • Provide education to children, etc.

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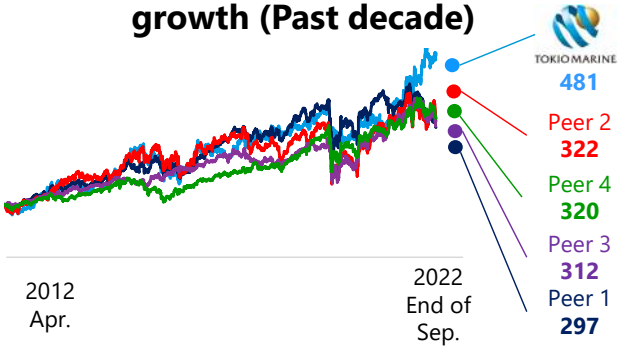
"Win-Win" Situation with Stakeholders

- **Provide balanced values to all stakeholders by being true to our purpose**

Shareholders

World's top class TSR*1 through profit growth (Past decade)



*1: Total Shareholder Return: Capital return after reinvesting dividends. Stock price indexed at 100 as of April 1, 2012.

Future generation

Responsibility to nurture children's strength to live

Green lessons:

About **58** thou. participants

Disaster prevention lessons:

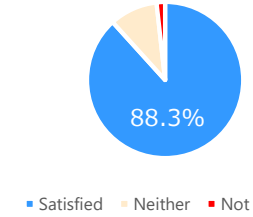
About **64** thou. participants

(Total at end-March 2022)

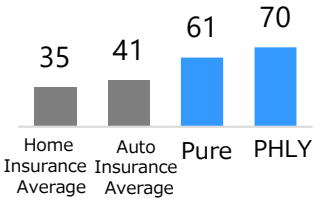
Customers

Appreciation for support "in times of need" around the world

TMNF customer satisfaction (2022)



NPS*4

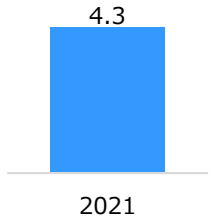


*4: Net Promoter Score. 2021 data for PHLY, Pure
Source: Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

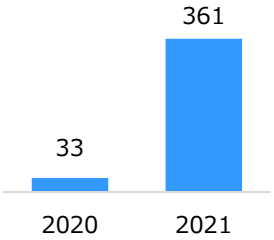
Employees

Highly motivated employee group

Group Attachment*2



Project Request*3 participants (started in Sep. 2020)

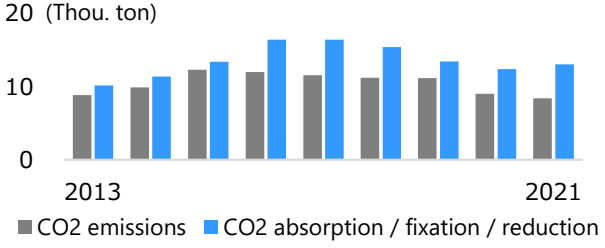


*2: Score of 1-5 (total for domestic GC and TMHD), *3: A system for voluntary resolution of issues across business units

Society

Contribution to sustainable society through business activities

Achieved carbon neutrality*5 for **9** consecutive years



*5: Related to our business activities (Scopes 1+2+3 (Categories 1,3,5,6))

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Materiality Initiatives

- **Four medium- to long-term core themes from materiality**
- **Create value through steady implementation**

Economic value | Social value : main elements improved as a result of the initiative

Stakeholders	For customers	For society
Materiality (★Core themes)	**Combat climate change (★)**	**Support people's healthy and enriching life (★)**
Core Initiatives	• Products and services that contribute to the development of renewable energy • Suspend new underwriting / financing for coal fired power plants, etc. • Suspend new underwriting / financing for oil sand mining and Arctic oil and gas mining *(New)* • Joined NZIA, PCAF • Participated in TNFD forum • Promote investment in ESG themed green bonds, etc.; increase impact investment *(New)*	• Disseminate and promote health management support service for companies • Provide new healthcare service and respond to asset formation and savings needs for longevity risk (products and services)
Values Created etc.	Economic value / Social value • **Initiatives for renewable energy, etc.: See page 45** • **Zero emission by FY2050 (company, investees and loan)**	Economic value / Social value • **Response to demands for healthcare service, asset formulation and savings, etc.: See pages 45, 51**

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Materiality Initiatives

Economic value Social value : main elements improved as a result of the initiative

Stakeholders	For customers	For society
Materiality (★Core themes)	**Enhance disaster resilience (★)**	**Facilitate and foster innovation through digitalization**
Core Initiatives	• Products and services useful for disaster prevention / mitigation, and early recovery ➢ Index insurance to prepare for earthquakes (first in Japan) ➢ Index insurance to prepare for hurricanes (first in the US) ➢ Total assist fire insurance x Red Feather Disaster prevention/reduction program • Invest in businesses that contribute to building resilient society • Support for BCP formulation in cooperation with local governments, companies, etc. • Build a sustainable fire insurance system	• New products and services that utilize digital technology, etc. • Responding to increasing cyber risks (products and services) • Products and services for development of companies such as SME support
Values Created etc.	Economic value Social value • **Contribution to disaster prevention / mitigation and early recovery, and building sustainable fire insurance system, etc.: See page 44**	Economic value Social value • **Products and services using digital technology, response to cyber risks, and initiatives to support SMEs, etc.: See page 45**

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Materiality Initiatives

Economic value | Social value : main elements improved as a result of the initiative

Stakeholders	For **shareholders / investors**	For **employees**
Materiality (★Core themes)	**Disclose timely, appropriate and highly transparent information**	**Promote and support D&I (★)**
Core initiatives	• Properly disclosure information by strengthening intelligence <TCFD scenario analysis> Quantitative disclosure of "physical risk" for insurance underwriting and "transition risk" for investment *(New)*	• Create an inclusive work environment • Carry out human rights due diligence and improvement activities • Establish human rights risk map *(New)*
Values Created etc.	Economic value / Social value • Enhance disclosures in line with TCFD recommendation • Sustainable growth of shareholder returns [Mid-term business plan] Adjusted net income: CAGR+3-7% Adjusted ROE: Around 12% Shareholder returns will be mainly dividends, which will be sustainably increased along with profit growth	Social value • Annual culture & value survey • **Increase ratio of female directors and Audit and Supervisory Board Members toward the realization of principles set forth in the 30% Club (15.8% in 2022)** • **Female managers (TMNF): 30% of managers to be female in FY2030** • D&I Promotion: see pages 92, 93

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Materiality Initiatives

Economic value | Social value : main elements improved as a result of the initiative

Stakeholders	For future generations	
Materiality (★Core themes)	**Combat climate change（★）**	**Provide education to children**
Core initiatives	• Achieve carbon neutrality through engagement with investees and insurance underwriters, etc. • Enhance engagement by “increasing the number of companies to engage in dialogue with” and “improving the quality of dialogue” *(New)* • Support transition to “circular economy” *(New)* • Reduce CO2 emissions in company operations (RE100 certification, etc.) • Mangrove planting and forest conservation activities	[Domestic] Green lessons / disaster prevention lessons Group Work on Managing Risks and Opportunities [International] Financial literacy program “Streetwise Finance” (Hollard Group, South Africa)
Values Created etc.	Social value • **Reduce our greenhouse gas emissions: FY2030 -60% reduction (compared to FY2015)** • **Ratio of renewable energy to electricity consumption: Attain 100% at major sites by FY2030** • **Electrify corporate vehicles (TMNF, TMNL): All corporate vehicles to be electrified*1 in FY2030** • **Continue to achieve carbon-neutral*2 (achieved for eight consecutive years)** *(New)* • Cumulative economic value from mangrove plantations expected to exceed JPY300.0bn by FY2038	Social value • 100% total participation ratio for social contribution activities **Green lessons:** • About 890 times • About 58,000 participants (total as of end of Mar. 2022) **Disaster prevention lessons:** • About 980 times •About 64,000 participants (total as of end of Mar. 2022)

* See page 90 for the list of climate change related initiatives; page 100 for international initiatives, and; page 101 for external evaluation

*1: EV, PHV, HV, etc.
*2: Related to our business activities (Scopes 1+2+3 (Categories 1,3,5,6))

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Response to Climate Change

- **Climate change is one of the most important social issues across the planet. We will face up to this difficult issue**
- **Joined NZIA* as the first Japanese insurance company and actively engaging in establishment of international framework and simultaneously enhance social and economic value through decarbonization engagement, business expansion to pre- and post-incident area, etc.**

*: Net-Zero Insurance Alliance

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Strategic Importance of D&I

- **Promoting D&I is a key success factor for further growth in an uncertain environment and market**
- **Under the leaderships of CCO, CDIO and Deputy CDIO, further promote D&I based on our purpose and create a "robust and agile company"**

Satoru Komiya

Group CEO

Group Chief Culture Officer (CCO)

Caryn Angelson

Group Deputy CDIO

Competitive Advantage

Provide optimal solutions to the various issues faced by our customers around the world by leveraging our diversity

Demonstrate the Group's Integrated Strength

Make effective use of the excellent human resources within the Group to further realize synergies on a global basis

Improve Productivity

Create a work environment that allows all employees, including those belonging to minorities, to fully demonstrate their abilities and minimize opportunity losses

D&I

Cornerstone of the Growth Strategy

Secure Top Talent

Create an inclusive work environment where diverse human resources can flourish and win the fierce competition for talented people

Group Chief Diversity & Inclusion Officer (CDIO)

Mika Nabeshima

To protect our customers and society
"in times of need"

Tokio Marine's Purpose

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Initiatives for Promoting D&I

- **Established Diversity Council headed by CEO and CDIO in April 2021. Strongly promote D&I**

Diversity

Nationality

- Appoint talents who join the Group through overseas M&As as Group Co-Heads and global committee leaders

Generation

- In-house venture program to support employees including young talents who are eager to innovate, and relaxation of side job rules

Gender

- Strengthened pipeline to resolve the gender gap

	2022	Target: 2030
Female directors / audit and supervisory board members*1	15.8%	Toward the realization of principles set forth in the 30% Club
Female managers*1	32.0%	Increasing the ratio of female managers or higher position in Japan (Tokio Marine & Nichido Fire) to 30%
Female associate leaders*1	57.0%	Maintain over 50%

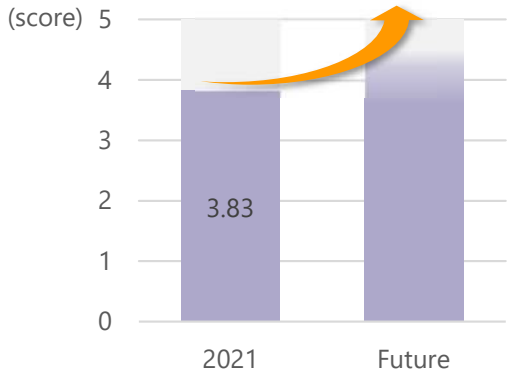
*1: *Female Directors and Audit & Supervisory Board Members: Tokio Marine HD, Female Managers: major consolidated subsidiaries (Overseas 49.0%, Japan 11.2%), Female Associate Leaders: Assistant Manager or above at TMNF

Inclusion

- Integrated global group management has been in place to resolve management issues. To maximize issue resolution capacity, continue to create "inclusive culture" with stationary observation

<Culture & Values Survey*2>

Q. Inclusive culture exists



*2: 2021 result (total for domestic and overseas group companies and TMHD)

- Diffusion of core identity
  - CEO conducted virtual world tour during the COVID-19 pandemic
  - With penetration of inclusive culture, make our purpose the basis of all of our behavior from individual action to management decisions (essence of governance)

See Tokio Marine Insights: "Tokio Marine Group D&I" (Mar. 17, 2022) for details
https://www.tokiomarinehd.com/en/ir/event/presentation/2021/

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Integrated Global Group Management

- **TMHD is leveraging global talent and knowledge to decide and implement important management actions**
- **Further development of Group integrated management in its 7th year including diverse international top management and appointment of Deputy CxO**

Issues	Appropriate application of expertise on global basis	Measures implemented
Underwriting	**International top management** **Robert O'Leary** Managing Executive Officer **Brad Irick** Executive Officer **(2022.4-)** * Transfer from CFO of TMHCC to CEO of TMK **Application of expertise** **Reserving** **Daniel Thomas**	● Created revenue synergies ● Established and implemented group retention / reinsurance strategy
Investment	**Donald Sherman** Vice President Executive Officer **(2022.4-)** Co-CIO **Randy Rinicella** Deputy CLCO (Legal & Compliance) **(2022.4-)** **Internal Audit** **Dawn Miller**	● Created investment synergy ● Appropriate control of interest rate risks
Business environment	**Christopher Williams** Vice President Executive Officer **(2022.4-)** Co-CRSO Co-Head of Int'l Business **Gus Aivaliotis** Deputy CDO (Digital) **(2022.4-)** **Cyber Insurance** **Daljitt Barn**	● Established Post-COVID strategy ● Established reserve review system
Digital/Cyber	**José Adalberto Ferrara** Executive Officer **Robert Pick** Deputy CITO (IT) **(2022.4-)** **Reinsurance** **Barry Cook**	● Integrated group's sophisticated digital capabilities ● Managed cyber risk for the entire group
Sustainability /D&I	**Susan Rivera** Executive Officer **Caryn Angelson** Deputy CDIO (D&I) **(2022.4-)**	● Established group strategy and target on sustainability ● Established Diversity Council

*See P.96 for major global committees

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Succession and Next-Generation Management Resource Development

Re-post from IR Conference on May 26, 2022

- **Making steady progress on succession at acquired group companies. Working on developing next-generation management resources**

Steady succession

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

Robert O'Leary

2021.1

John Glomb

Incumbent CEO of TMNA, Chairman of PHLY, and Managing Executive Officer of Tokio Marine HD

TOKIO MARINE HCC

Christopher Williams

2018.9

Susan Rivera

Leading the whole Group as Vice President Executive Officer of Tokio Marine HD (and Co-Head of International Business)

Next-generation management resource development

Group-wide global talent management

- Started group-wide talent management by C-suite executives, etc. (September 2019-)
- More then 10 discussions held on career development plan for about 60 leaders

Training to develop management mindset (see P.88 for details)

For senior managers in Japan and overseas

Global Executive Program

Hard onboard training scene on the coast of US Samoa

For overseas middle management

Middle Global Leadership Development Program

Visiting areas affected by the Great East Japan Earthquake

Establishment of HD HR System

- Established in April 2019 for stable supply of group management talent by early appointment to higher roles
- Features include speedy talent development and compensation system benchmarked against the market

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Major Global Committees

- **Identify and address key management issues with integrated global expertise**

Group CEO / CCO (Culture) | **Domestic Non-Life** | **Domestic Life** | **International Insurance**

Key Management Matters	Key Global Committees	Key person
ERM	**ERM Committee** (around 4 times a year)	**CFO** (Financial)
M&A	**International Executive Committee** (around 6 times a year)	**Head of International Business**
Underwriting	**Global Retention Strategy Committee** (around 4 times a year)	**CRSO** (Retention Strategy)
Reserving	**International P&C Reserving Actuary Committee** (around 4 times a year)	**Chief International Actuary**
Investment	**Investment Executive Roundtable** (around 12 times a year)	**CIO** (Investment)
Risk Management	**International Risk Committee** (around 4 times a year)	**CRO** (Risk)
IT / Security / Digital	**Global Information Technology Committee** (around 2 times a year) **Digital Round Table** (around 2 times a year)	**CITO** (Information Technology) **CISO** (Information Security) **CDO** (Digital)
Sustainability	**Sustainability Committee** (around 4 times a year)	**CSUO** (Sustainability)
Diversity	**Diversity Council** (around 2 times a year)	**CDIO** (Diversity & Inclusion)
Internal Audit	**International Internal Audit Committee** (around 4 times a year)	**International Head of Internal Audit**

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Governance System

Re-post from IR Conference on May 26, 2022

- **Hybrid organizational design with a Board of Directors that makes high-quality decisions by utilizing the knowledge and expertise of outside directors, and a Nomination Committee and a Compensation Committee that ensure transparency in the decision-making process**
- **Continue to consider the optimal form of the Board of Directors including its role and composition from the perspective of strengthening monitoring functions**

<Governance System>

Board of Directors

Role

Make decisions on important matters relating to execution of the Group's business and supervise the performance of individual Directors

High-quality decision-making leveraging diversity

Structure

Ratio of Independent Directors **43%**
(**6 out of 14**)

Audit & Supervisory Board

Role

Audit the performance of Directors

Give advice from multifaceted perspectives

Structure

Ratio of outside members **60%**
(**3 out of 5**)

Nomination Committee

Role

- 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

Structure

Number of outside officers **6 out of 8**
Chairperson is selected from outside officers

Compensation Committee

Role

- 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

Structure

Number of outside officers **6 out of 7**
Chairperson is selected from outside officers

Ensure transparency

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Skill Matrix of Outside Officers

- **Achieve highly effective governance by incorporating the skills of a diverse range of outside directors in a well-balanced manner, including the most important aspect, internationality**

Position	Name	Major concurrent post	Skills and experiences								
			Corporate management	Finance & Economy	Accounting	Legal & Compliance	Environment	Human resources Strategy	Governance & Risk Management	Technology	International experience
Directors	Akio Mimura	Senior Advisor, Honorary Chairman of Nippon Steel Corporation	●	●					●		●
	Masako Egawa	Chancellor, Seikei Gakuen	●	●	●				●		●
	Takashi Mitachi	Professor, Graduate School of Management, Kyoto University	●	●	●		●		●	●	●
	Nobuhiro Endo	Executive Advisor of NEC Corporation	●	●					●	●	●
	Shinya Katanozaka	Representative Director, Chairman of ANA HOLDINGS INC.	●	●				●	●		●
	Emi Osono	Professor, School of Business Administration, Hitotsubashi University Business School	●	●	●		●		●		●
Audits	Akinari Horii	Director and Special Advisor of The Canon Institute for Global Studies		●	●				●		●
	Akihiro Wani	Attorney-at-law		●	●	●			●		●
	Nana Otsuki	Senior Fellow of Pictet Asset Management (Japan) Ltd.		●	●		●		●		●

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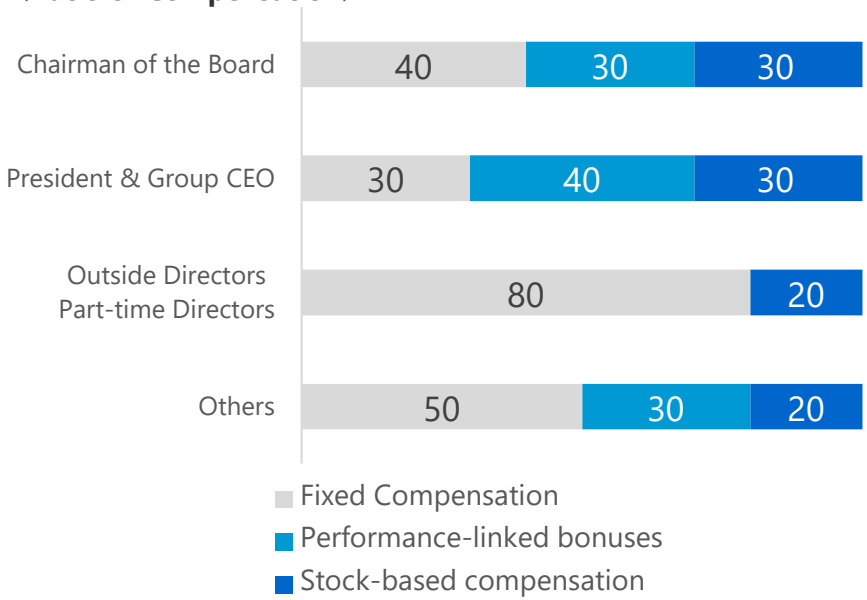
Executive Compensation

- **Designed a remuneration system linked to business performance and stock price as an incentive for directors to achieve sustainable growth**
- **Continue to review the remuneration system to contribute to the enhancement of 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

<Ratio of Compensation>



<Performance-linked bonuses>

- Increase the incentive of Directors to improve performance
- Adjusted within a range of 0% to 200% depending on the level of accomplishment of the individual and company targets

Individual Target

Set based on the scope of duties **(includes ESG and medium-to long-term strategic targets[*1])**

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

Company Target

Set based on **financial indicators**[*2] and **non-financial indicators**[*3]

*2: Target "adjusted net income" and "adjusted ROE" in MTP.
*3: Indicator to assess initiatives that contribute to earnings from a medium- to long-term perspective (indicators concerning employee engagement and sustainability strategy) introduced from FY2022

<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- to long-term

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Participation in International Initiatives

- **Contribute to the resolution of social issues by conducting surveys, research and advocacy through participation in international initiatives. Also, contribute to the achievement of the SDGs leveraging our expertise in insurance risk consulting to solve social issues**

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 FY2020

Principles for Responsible Investment

- In Tokio Marine Group, TMNF 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
- Participated in Regional Roundtable Asia Pacific 2021 (June 2021)

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

The Geneva Association

IDF

Net-Zero Insurance Alliance

Net-Zero Insurance Alliance

Partnership for Carbon Accounting Financials

Task Force on Climate-related Financial Disclosures

Task Force on Nature-related Financial Disclosures

Principles For Financial Action for the 21st century

Japan Sustainable Investment Forum

Asia-Pacific Financial Forum

UNISDR Private Sector Alliance for Disaster Resilient Societies

CDP

30% Club Japan

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External Evaluation

- **Tokio Marin Group is promoting ESG (Environmental, Social and Governance) initiatives through our business activities, etc., and have received numerous evaluations and awards in Japan and overseas.**

ESG indices including Tokio Maine Group / ESG ratings and evaluation

*
2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX
MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA
Given AA ratings at MSCI ESG Ratings in 2022

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

FTSE4Good

FTSE Blossom Japan

Corporate ESG Performance Prime
RATED BY ISS ESG

ETHIBEL SUSTAINABILITY INDEX EXCELLENCE Global

S&P/JPX Carbon Efficient Index

Awards received in Japan

DX銘柄2022 Digital Transformation

- Selected as a DX Stock for 2022 in the Digital Transformation Stock (DX Stock) listing

2022 健康経営銘柄

- TMHD was selected as one of the 2022 Health & Productivity Stocks (7 consecutive years) as well as an Excellent Enterprise of Health and Productivity Management / Large Enterprise Category together with 12 Group companies, of which six were recognized as White 500 enterprise

NADESHIKO KOI semi 2022

- Selected as NadeshikoBrand in FY2013, FY2015, FY2017, and FY2018 (selected as a Semi-Nadeshiko Brand in FY2016 and FY2019 to FY2021)

地方創生

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

Awards received overseas

insurance ASIA Awards 2021

- Our overseas Group companies received “Insurance Asia Awards 2021 (CSR Initiative of the Year)” in Singapore and India.

BUSINESS INSURANCE. BEST PLACES TO WORK 2021

- Overseas Group companies named among the “Best Workplaces in Brazil” in Brazil (ninth consecutive year) and among the “Best Places to Work in Insurance” in the United States

Awards related to disclosure

Disclosure
2022 Award for Excellence in Corporate Disclosure – Industries –
SAAJ The Securities Analysts Association of Japan

- Received Top Award for Excellence in Corporate Disclosure in Insurance / Securities / Other Financials industry category (5 consecutive years)

- Our Integrated Annual Report 2021 received an Award for Excellence at the Nikkei Annual Report Awards

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Natural Catastrophes

Re-post from Results Conference Call on Nov 18

- **Net incurred losses relating to natural catastrophes in the 2Q rose +JPY69.1bn YoY to JPY119.3bn (before tax)**
- **Full-year projection is revised upward by +JPY58.0bn (before tax) to reflect an increase in natural catastrophes in Japan and the cheaper JPY**

Net incurred losses relating to natural catastrophes (on a business unit profit basis; billions of JPY)

Before Tax	2021 2Q Results	2022 2Q Results	YoY Change*2	FY2022 Projections (1) Original	FY2022 Projections (2) Revised	Change*2 ((2) – (1))
Domestic Non-Life*1	27.7	109.0*4	+81.3	74.0	125.0	+51.0
International	22.4	10.3	-12.1	51.0	58.0	+7.0
Total	50.2	119.3	+69.1	125.0	183.0	+58.0
After Tax*3						
Domestic Non-Life*1	19.9	78.5*4	+58.6	53.3	90.1	+36.7
International	18.0	8.2	-9.8	40.0	45.0	+5.0
Total	38.0	86.7	+48.7	93.3	135.1	+41.7

Major natural catastrophes in 2Q (natural catastrophes above a certain scale)

[Domestic*1]	Gross incurred losses*5	[International]
Typhoon Nanmadol	JPY43.8bn	See P.29 page on the impact of Hurricane Ian*6
Hailstorm (June 2022)	JPY31.0bn	
Typhoon Talas	JPY18.9bn	

*1: Combined total for TMNF, Nisshin Fire, and E.design *2: Note that "+" means a negative for profits, while "-" means a positive for profits *3: After-tax figures are estimates.
*4: The impact of floods in South Africa posted for TMNF (c. JPY3.0bn; after tax) is not included in the above table as its management classification places it outside the natural catastrophe fund (posted as a large loss)
*5: Before tax *6: Loss related to Hurricane Ian ceded from overseas entities to TMNF is included in TMNF's financial accounting profits and reclassified to International business unit profits. However, since there is an accounting timing discrepancy between TMNF and overseas, the loss is not included in 2022 2Q Results but in Revised projections in the list above

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

Re-post from Results Conference Call on Nov 18

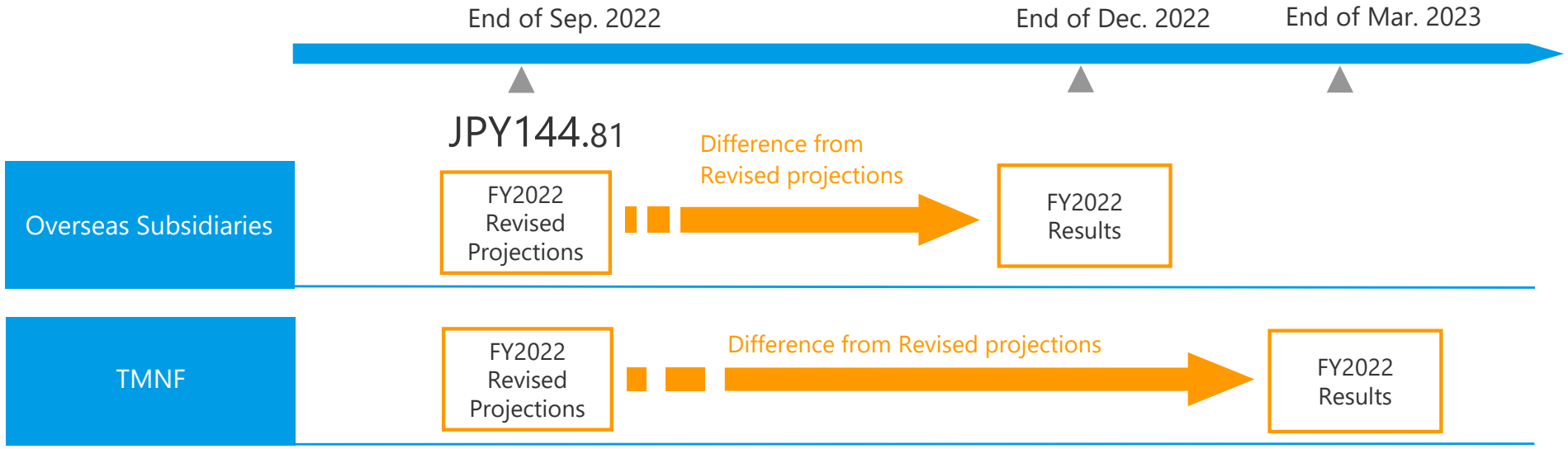
Estimated impact of the depreciation of JPY to USD by 1 yen[*1] on revised projections

Impact on net income on financial accounting basis[*2]	
■ Increase in overseas subsidiaries profit:	circa +¥1.4bn
↗ Increase in profit from local subsidiaries	
↘ Increase in amortization of intangible fixed assets and goodwill	
■ Change in reserves for foreign currency denominated loss reserves and FX derivatives income, etc. at TMNF:	circa -¥2.0bn
Total:	circa -¥0.5bn

Impact on adjusted net income[*2]	
■ Increase in overseas subsidiaries profit: (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)	circa +¥2.2bn
■ Change in reserves for foreign currency denominated loss reserves and FX derivatives income, etc. at TMNF:	circa -¥2.0bn
Total:	circa +¥0.2bn

*1: Assumes the FX rate of each currency changes by the same margin as USD.
*2: Estimated impact on the FY2022 projections on an after-tax basis.

Reference: applied FX rate (USD/JPY)



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Tokio Marine Holdings Key Statistics

		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Projections*1
Financial accounting basis	Net income (billions of yen)*2	184.1	247.4	254.5	273.8	284.1	274.5	259.7	161.8	420.4	370.0
	Shareholders' equity after tax (billions of yen)	2,712.7	3,578.7	3,484.7	3,542.1	3,805.1	3,574.2	3,372.1	3,664.0	4,020.6	3,938.0
	EPS (yen)	239	323	337	363	382	383	369	232	613	183
	BPS (yen)	3,536	4,742	4,617	4,722	5,245	5,058	4,832	5,285	5,932	1,960
	ROE	7.3%	7.9%	7.2%	7.8%	7.7%	7.4%	7.5%	4.6%	10.9%	9.3%
	PBR	0.88	0.96	0.82	0.99	0.90	1.06	1.02	0.99	1.20	1.30
KPI	Adjusted net income (billions of yen)*3	243.7	323.3	351.9	406.7	341.4	280.9	286.7	336.1	578.3	400.0
	Adjusted net assets (billions of yen)*3	3,172.5	4,103.4	3,599.3	3,812.4	4,086.4	3,763.1	3,240.9	3,692.4	4,224.0	4,040.0
	Adjusted EPS (yen)	317	423	466	539	459	391	408	482	843	198
	Adjusted BPS (yen)	4,135	5,437	4,769	5,082	5,633	5,325	4,643	5,326	6,232	2,011
	Adjusted ROE	8.2%	8.9%	9.1%	11.0%	8.6%	7.2%	8.2%	9.7%	14.4%	9.7%
	Adjusted PBR	0.75	0.83	0.80	0.92	0.84	1.01	1.07	0.99	1.14	1.28
Business Unit Profits*3,4 (billions of yen)	Domestic non-life insurance business*5	34.0	122.5	126.0	167.6	144.3	18.9	25.9	127.9	216.7	50.6
	Domestic life insurance business*6	104.5	139.8	- 188.1	373.5	98.4	- 158.6	- 70.3	205.2	51.1	27.0
	International insurance business	136.9	145.5	131.8	169.5	144.1	176.2	179.5	101.1	252.3	250.0
	Financial and general businesses	2.5	4.0	7.3	6.6	7.2	6.8	5.3	7.3	6.9	6.1
Sales of business-related equity holdings (billons of yen)		109	112	122	117	108	107	107	106	117	110

	2014/3E	2015/3E	2016/3E	2017/3E	2018/3E	2019/3E	2020/3E	2021/3E	2022/3E	2022/9E*1
Adjusted number of issued and outstanding shares*7 (thousands of shares)	767,218	754,599	754,685	750,112	725,433	706,557	697,870	693,273	677,782	2,008,598
Market capitalization (billions of yen)	2,383.9	3,438.0	2,878.6	3,536.2	3,541.9	3,807.0	3,474.9	3,672.3	4,847.0	5,232.6
Share price (yen)	3,098	4,539	3,800	4,696	4,735	5,362	4,950	5,265	7,128	2,565
Percentage change	16.9%	46.5%	- 16.3%	23.6%	0.8%	13.2%	- 7.7%	6.4%	35.4%	8.0%
(Reference) TOPIX	1,202.89	1,543.11	1,347.20	1,512.60	1,716.30	1,591.64	1,403.04	1,954.00	1,946.40	1,835.00
Percentage change	16.3%	28.3%	- 12.7%	12.3%	13.5%	- 7.3%	- 11.8%	39.3%	- 0.4%	- 5.7%

*1: Based on the October 2022 stock split (into three shares)
*2: From FY2015: The figure is "Net income attributable to owners of the parent"
*3: New definition (see P.106) base from FY2021
*4: Until FY2014: The figures are "Adjusted earnings" (Former KPI)
*5: Total for TMNF, NF, and E. design Insurance
*6: Until FY2014: TEV (Traditional Embedded Value) basis, from FY2015 to FY2020: MCEV (Market Consistent Embedded Value) basis, from FY2021: J-GAAP
*7: All figures exclude the number of treasury shares held from the total number of the shares issued

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Return to Shareholders

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Projections
Dividends per share*1	70yen	95yen	110yen	140yen	160yen	180yen	190yen	200yen	255yen	100yen
Dividends total	53.7bn yen	72.2bn yen	83.0bn yen	105.3bn yen	117.6bn yen	128.0bn yen	133.0bn yen	139.1bn yen	173.9bn yen	201.0bn yen
Capital level adjustment*2 (share buybacks, etc.)	-	50.0bn yen	-	50.0bn yen	150.0bn yen	125.0bn yen	50.0bn yen	50.0bn yen	100.0bn yen	100.0bn yen
Total distributions to shareholders	53.7bn yen	122.2bn yen	83.0bn yen	155.3bn yen	267.6bn yen	253.0bn yen	183.0bn yen	189.1bn yen	273.9bn yen	301.0bn yen
Adjusted net income*3	243.7bn yen	323.3bn yen	351.9bn yen	406.7bn yen	341.4bn yen	280.9bn yen	286.7bn yen	336.1bn yen	578.3bn yen	400.0bn yen
Average adjusted net income*4	Adjusted net income was adopted as a new KPI in FY2015. (Figures from FY2013 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	375.0bn yen	390.0bn yen
Payout ratio*5			38%	36%	36%	38%	40%	42%	46%	52%

＜Reference : Financial accounting basis＞

Net income (Consolidated)	184.1bn yen	247.4bn yen	254.5bn yen	273.8bn yen	284.1bn yen	274.5bn yen	259.7bn yen	161.8bn yen	420.4bn yen	370.0bn yen
Payout ratio	29%	29%	33%	39%	42%	47%	51%	86%	41%	54%
Total shareholder return ratio	29%	49%	33%	57%	94%	92%	70%	117%	65%	81%

*1: FY2022 projection is based on the October 2022 stock split (into three shares)
*2: 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
*3: New definition (see P.106) base from FY2021
*4: From FY2021 onward, calculated by applying new definitions to past results
*5: Payout ratio to average adjusted net income

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Definition of KPIs

Re-post from Results Conference Call on Nov 18

Definition of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

Adjusted Net Income[*1] = Net Income (consolidated)[*2] + Provision for catastrophe loss reserves[*3] + Provision for contingency reserves[*3] + Provision for price fluctuation reserves[*3] + Provision for nat-cat underwriting reserves[*3,4] + Provision for underwriting result for the first year[*5,6]
- Gains or losses on sales or valuation of ALM[*7] bonds and interest rate swaps
- Gains or losses on sales or valuation of fixed assets and business investment equities
+ Amortization of goodwill and other intangible fixed assets
- Other extraordinary gains / losses, valuation allowances, etc.

Adjusted Net Assets[*1] = Net assets (consolidated) + Catastrophe loss reserves + Contingency reserves + Price fluctuation reserves + Natural catastrophe underwriting reserves[*4] + UW reserves related to underwriting result for the first year[*5]
- Goodwill and other intangible fixed assets

Adjusted ROE = Adjusted Net Income[*1] ÷ Adjusted Net Assets[*1,8]

*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: Premiums, minus a portion of net incurred losses and business expenses, to be carried forward in preparation for an insured event in the following year.
*6: Provision for the general underwriting reserves excluding provision for unearned premiums.
*7: ALM: Asset Liability Management. Excluded since it is counter-balance of ALM related liabilities.
*8: Average balance basis.
*9: For the overseas life insurance companies, Business Unit Profits is calculated by using the definition in Other businesses (For profit, excluding head office expenses, etc.).

Definition of Business Unit Profits

- **Non-life insurance business**

Business Unit Profits[*1] = Net Income + Provision for catastrophe loss reserves[*3] + Provision for price fluctuation reserves[*3] + Provision for nat-cat underwriting reserves[*3*4] + Provision for underwriting result for the first year[*5,6]

- **Life insurance business[*9]**

Business Unit Profits[*1] = Net Income + Provision for contingency reserves[*3] + Provision for price fluctuation reserves[*3]
- Gains or losses on sales or valuation of ALM[*7] bonds and interest rate swaps
- Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities
- Other extraordinary gains / losses, valuation allowances, etc.

- **Other businesses**

Net income determined in accordance with financial accounting principles
- Gains or losses on sales or valuation of ALM[*7] bonds and interest rate swaps
- Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities
- Other extraordinary gains / losses, valuation allowances, etc.

Definition of Net Asset Value

Net Asset Value[*1] = Net assets (consolidated) + Catastrophe loss reserves + Contingency reserves + Price fluctuation reserves - Goodwill and other intangible fixed assets - Planned distribution to shareholders + Value of life insurance policies in-force + Other

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MEMO

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To Be a ***Good Company***

TOKIO MARINE Tokio Marine Holdings