

INTEGRATED REPORT SUMMARY

The Purpose Story of Tokio Marine Group

(Summary of This Integrated Report)

The Group's purpose is to protect
our customers and society in times of need.

Tokio Marine Group has provided safety and security
to society and contributed to its development by utilizing
the knowledge and experience we have gained
over the years in the insurance industry and solving
various societal challenges that change with times.

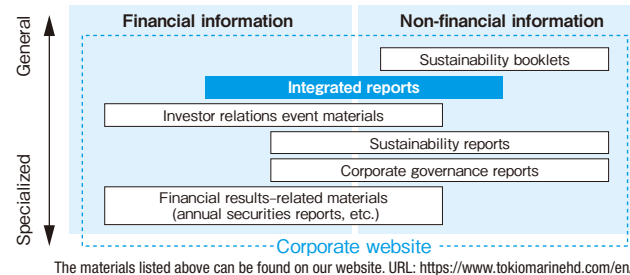
We will continuously support our customers and society
in times of need, endeavoring to solve societal challenges
as the focus of our business and raising
the Group's corporate value for ever and more,
while contributing to creating a safe,
secure, and sustainable future.

References

During editing, we made our best efforts to incorporate substantial information by consulting the IIRC's "International Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation 2.0," as well as by seeking the opinions of investors and other stakeholders.



Positioning of This Integrated Report



This report is for disclosure (explanatory material regarding the status of operations and assets) and was prepared based on the Insurance Business Act (Article 271-25) and the Ordinance for Enforcement of the Insurance Business Act (Article 210-10-2).

Forward-Looking Statements

This report contains information on forecasts, targets, and other matters that are not based on historical fact. These forward-looking statements include a certain degree of risk and uncertainty, and, accordingly, actual results and performance could differ materially from the information provided in this report.

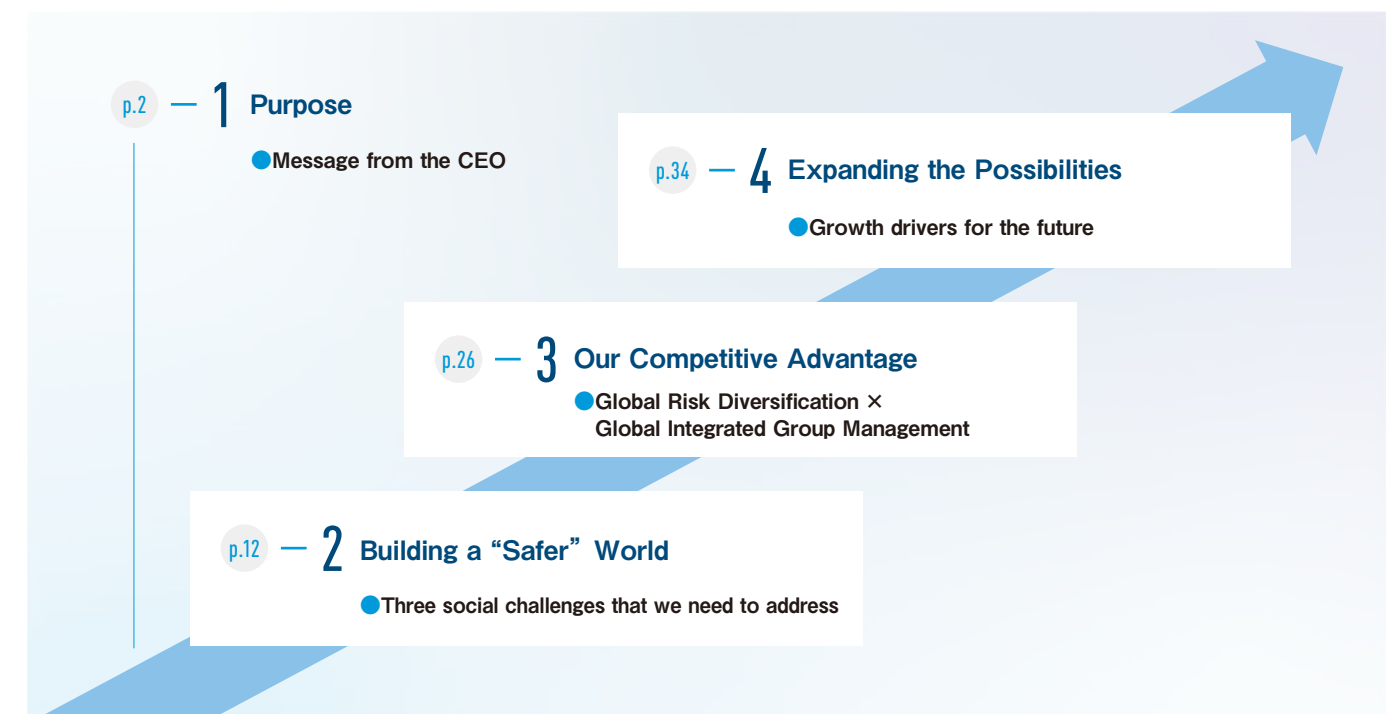
Abbreviations Used in This Material

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

Tokio Marine Holdings Integrated Annual Report 2023

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S. Komiya

Satoru Komiya
President and Group CEO

To Protect Our Customers and Society in Times of Need

Tokio Marine Group Purpose

Since Tokio Marine’s founding in 1879, our unwavering purpose has remained: “To protect customers and society in times of need.”

Our company found its beginnings in marine insurance 144 years ago. Since then, Japan has experienced many difficult periods and dramatic societal changes, such as the Great Kanto Earthquake, defeat in war, and the advance of motorization. Yet with our purpose, “To protect customers and society in times of need,” as our foundation throughout our history, we have confronted societal challenges through our core insurance business and strived to provide solutions. It could be said that all of our business activities contribute to addressing societal challenges. Our employees work under the premise of “The more Tokio Marine grows, the better for society.” As a result, we are confident in our continued ability to achieve sustained profit, while providing value to all our stakeholders, including customers, society, shareholders, and our employees.

In 2021, we clearly defined the next generations as an addition to the above stakeholders, based on the strong belief that we have a responsibility to pass on our shared natural environment to the next generation in a sustainable state. Of course, it is not an easy task to continuously provide value to all stakeholders. But the optimal solution is always there, waiting to be found. With this conviction, and our unwavering purpose in mind, we will continue working towards a sustainable society while addressing ever-more complex societal challenges. As a result, we will achieve growth for the Company and continue to provide value to all our stakeholders.

Business Environment Awareness

Today, 144 years since our founding, we have grown into a global company, and more than half of Group profits originate from overseas operations. For us, the issues occurring today—wherever in the world—are not simply someone else’s problems.

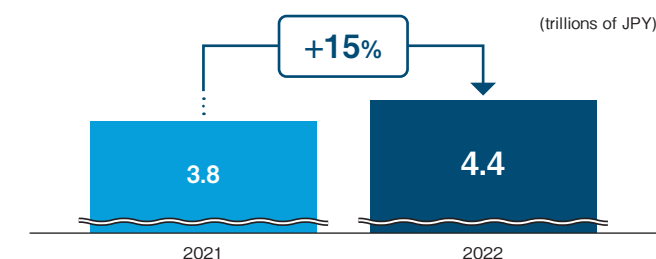
Natural catastrophes are intensifying alongside climate change. The war in Ukraine has been prolonged, further rupturing our world. Under the situation, the global supply chain continues to be reconfigured and economic security is reassessed, all at tremendous speeds. Against this backdrop, inflation is rising rapidly around the globe. The bankruptcy of some U.S. financial institutions demonstrates the tightening of monetary policy, and there is increased risk of an economic downturn. VUCA is deepening across all fields, including political, economic, and social, making it harder to outlook the future in a few weeks’ time, let alone months.

Within this business environment, and in contrast to fiscal 2021, when we posted record profits, fiscal 2022 was affected by temporary factors such as natural catastrophes including typhoons and hurricanes, and COVID-19. These had a negative impact of 173.1 billion yen, a 23% year-on-year drop, and we finished at 444 billion yen. However, insurance exists to support customers in times of need. To this end, we look at fiscal 2022 as a year when we faced many moments of truth. In those moments, we demonstrated the value of our existence. Through these experiences, we believe without a doubt that we will bounce back even stronger moving forward.

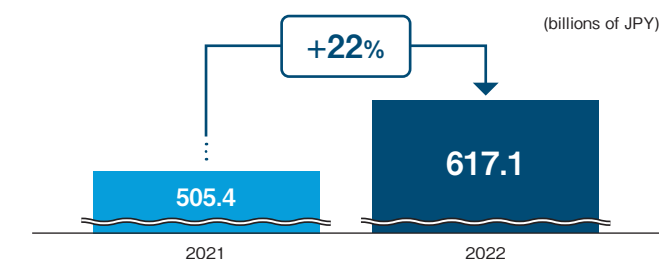
In fact, net premiums written, one of the benchmarks of client confidence in our business, saw a year-on-year increase of 15%, rising to 4.4 trillion yen despite the pandemic. Also, our normalized base profit, which excludes one-time factors, saw a year-on-year increase of 22%, rising to 617.1 billion yen. This past year gives us confidence that our underlying capabilities are stronger and will continue to be stronger as we evolve and grow.

► FY2022 Performance

Net Premiums Written



Adjusted Net Profit (normalized basis*)



*: Natural catastrophes are normalized to an average annual level. Excluded in 2021 are the impact of COVID-19; capital gains in North America, etc.; and capital gains from sale of business-related equities (for part of sale exceeding 100 billion yen). In addition, 2022 excludes the war in Ukraine and South African floods.

How Tokio Marine Fulfills Its Purpose, Even in Times of VUCA

Tokio Marine Group’s Approach to Value Creation: Global Risk Diversification and Global Integrated Group Management

Taking risks is a core business of Tokio Marine. We start with the premise that something will occur somewhere on the globe, and then, by managing those risks, we ensure sound business. It is our imperative in running our business that no matter the circumstances, we always keep our promises to our customers.

To achieve our goals at a high standard, it is very important to diversify risk across the globe.

Global risk diversification, the strong foundation that supports Tokyo Marine’s stable management and growth, cannot be built overnight. Over these past 15 years, we have allocated capital gained from the sale of business-related equities to M&A, thereby increasing overseas insurance risk that has a low correlation with Japanese non-life risk. This approach has brought profit growth while curbing risk growth.

Our large acquisitions began with Kiln in the United Kingdom back in March 2008, followed by Philadelphia Insurance (PHLY) in the United States (December 2008), Delphi (DFG) (May 2012), HCC (October 2015), and Pure (February 2020). Simultaneously, we aggressively invested in emerging markets and pursued bolt-on acquisition to bolster our existing businesses. On the other hand, we have identified and divested certain businesses with a forward-looking view to optimize the business portfolio.

Even in years when we saw large-scale natural catastrophes and the COVID-19 pandemic, our global risk diversification has helped to keep the bottom-line impact to under 30%—although we are not yet satisfied with this level. Calculated diversification effect currently stands at 47%, and we aim to implement more initiatives that further diversify our risk profile.

In addition, we have built and are steadily evolving our unique strength of global Integrated Group Management.

Through M&As, we have acquired very “Good Companies” that fit with our corporate culture and continue to grow. Yet for Tokio Marine, our greatest achievement is welcoming talent with great expertise and knowledge. Social challenges and risks, including climate change and healthcare, continue to grow and become more complex around the world. At Tokio Marine, we intend to accurately identify these challenges, create solutions, and manage the risks. We will also balance growth and governance to a high degree. Such capabilities are required now, and we will assign appropriate talent in areas where they can address challenges and exercise our collective global expertise. This is a powerful form of corporate diversity, and it enables us to improve the quality, accuracy, and speed of our management decision-making.

We are in our eighth year of global Integrated Group Management, and by increasing the number of non-Japanese executive officers and appointing deputy CxOs, we continue to evolve. We are also seeing results reflected in quantitative terms. For example, we now offer our Japanese clients insurance products that leverage the expertise of HCC (currently TMHCC) and Kiln (currently TMK) based in the United States and in Europe. We have earned higher investment returns by allocating Group assets to U.S.-based Delphi (DFG), which has industry-leading expertise in asset management. These Group level synergy discussions are happening organically among Group Company and the synergy effect is now valued at \$470 million, increasing the unique value of the Group.

Now, it is important to firmly address societal challenges, such as climate change, disaster resilience, and healthcare, by leveraging our strengths in global risk diversification and global Integrated Group Management. In doing so, our local entities in 47 countries and regions throughout the world, including Japan, will benefit from the unwavering trust of our local stakeholders.

The harder we work, the more Tokio Marine can give to our world and people. This, in turn, will allow us to realize a sustainable society more effectively, and ultimately, we too will grow in a more sustainable way. In my introduction, I touched on our purpose, and we will continue to spread the foundational initiatives rooted in our purpose across the entire Group throughout the globe.

Naturally, it goes without saying that upgrading our own capabilities is essential if we are to address new social challenges. With our purpose as our foundation, we will bolster internal capital, which includes human and intellectual capital, as well as collaborate with external partners (social capital), and create a cycle of business activities and solutions to societal challenges. This is how we will steadily refine our strengths and strategies and galvanize our problem-solving capabilities. We continue to place importance on this approach, and it is our endless challenge to continue this cycle.

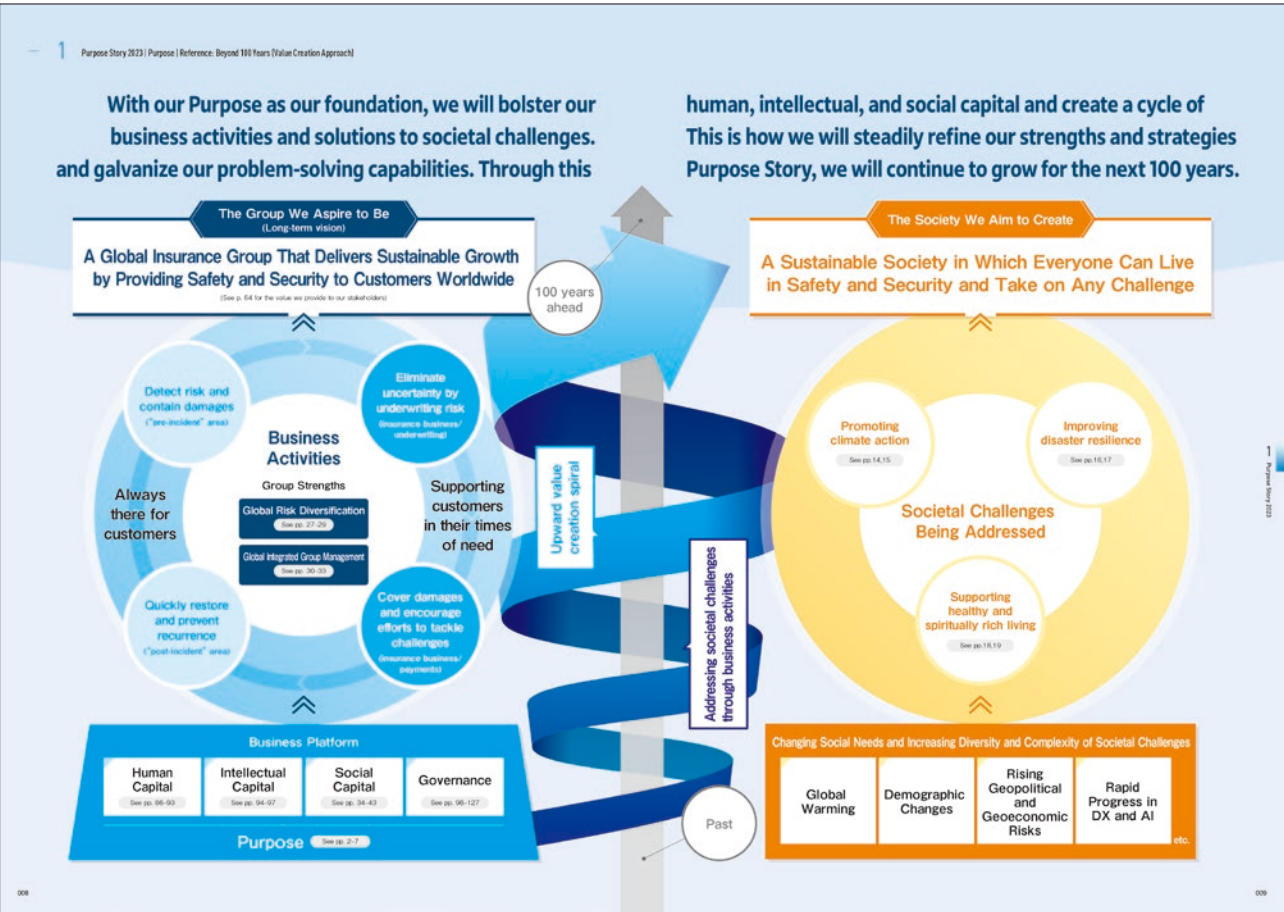
We already have a number of initiatives running to bolster internal capital, namely promoting and instilling diversity and inclusion and leveraging interactive AI. Our officers (CHRO on human capital, CDO on intellectual capital) will introduce these themes in more detail, so I would like to highlight just one point. I would like to introduce our latest human capital initiative, the TLI (Tokio Marine Group Leadership Institute), and this is not just because I have a long career background in HR. The TLI, established in April 2023, is a program that aims to continuously and globally nurture group-level management leaders with a deep understanding of Tokio Marine Group’s purpose. There are three core points. First, fully leverage the Japanese and global talent data collected thus far, and sophisticatedly link the TLI with our talent management framework. Second, management teams in Japan and abroad are committed to passing down their vision and experiences directly to the next generation, that is, passing on the baton of our spirit—our purpose—which lives on in Tokio Marine Group. Third, gather the global wisdom of talent development of Group Company HR sections and collaborate to foster our prospective leaders on

a global scale. As we go forward, we will position the TLI at the center of group-level management leader development to build our own systematic program.

Regarding collaborative creation with our external partners and in terms of disaster resilience, development of comprehensive disaster prevention and mitigation solutions will finally start in Japan this summer. This is led by CORE, a disaster prevention consortium which transcends industry boundaries. By combining the strengths, data, and know-how of participating companies, our aim is to provide end-to-end solutions for the value chain in the disaster prevention and mitigation fields. These span from ascertaining the current situation in disaster-affected areas to rebuilding daily lives, including the use of insurance. In the United States, and in tandem with the University of Hawaii, we are exploring ways to mitigate risk for deteriorating condominiums. In China, we set up a health

consortium to develop cross-industry healthcare solutions that extend the healthy life expectancy of Chinese citizens. These seeds are only just sprouting, but they will grow into trees and eventually a forest. It is very encouraging to see these initiatives accelerate, not only in Japan but also around the world. I believe that the continuation of these efforts, including the strengthening of internal capital, will be the engine that propels Tokio Marine’s sustainable growth for the next 100 years.

► Tokio Marine Group’s Approach to Value Creation Expanded version: pp. 8,9



Steadily Moving toward the Realization of the Society and the Group We Envision

As a result of carrying out our strategies, for fiscal 2023, we forecast adjusted net income of 670 billion yen and adjusted ROE of 17.1%. Fiscal 2023 is the final year of our current Mid-Term Business Plan, and we expect to finish significantly higher than what we set out in the initial plan (adjusted net income of approximately 480 to 540 billion yen and adjusted ROE of approximately 12%). We believe that the numbers prove our capabilities, and they are steadily increasing.

As I have explained on various other occasions, we believe that business profit growth and shareholder returns should be consistent. With that in mind, we set the fiscal 2022 regular dividend at 100 yen per share, as planned at the beginning of the year. For the fiscal 2023 regular dividend, we intend to increase it by 21 yen from the previous year to 121 yen, and raise our dividend payout ratio to 50%. This represents twelfth consecutive year of a dividend increase.

This 670 billion yen profit plan for fiscal 2023 would be record high profit, but our management acknowledges that it is only a checkpoint—a milestone in our journey to fulfill our vision to achieve a sustainable society where everyone can live safely and securely, and embrace challenges, and a milestone in our journey to fulfill our purpose or long-term goal to be a global

insurance group with sustainable growth by providing safety and security to customers around the world.

So, the question is, just how much will our profits grow? Currently, we are working to announce in May 2024, our next Mid-Term Business Plan (FY2024–2026). With an even longer perspective, following three points have been determined:

- (1) Continue to achieve world-class EPS growth (currently at approx. +5–7%) through organic growth
- (2) Raise ROE to be on a par with European and American peers, and expand equity spread
- (3) Increase shareholder returns as a result of the above

Of course, it goes without saying that in achieving these financial targets, it is also essential to achieve our non-financial targets, including the reduction of greenhouse gas emissions and a higher representation of female directors and auditors. As such, we have set non-financial KPIs to address the social challenges that the Company faces for our own sustainable growth. For example, climate change. As highlighted in the TCFD section (pp. 72–85), climate change will lead to larger and more frequent natural disasters, which could seriously impact claims payment and business continuity. Accordingly, our own initiatives for carbon neutral are a major premise for Tokio Marine. As a responsible insurance company, institutional investor, and global corporation, we actively engage with customers in their effort to transition towards zero carbon society, with the goal to have insurance clients and investees achieve net zero by fiscal 2050.

In Closing

In closing, allow me to reiterate my commitment as the CEO of Tokio Marine Group.

Once again, I would like to express my heartfelt gratitude to all of our shareholders and investors for the support which makes it possible for Tokio Marine to continue our business activities—thank you. As mentioned earlier, this is a once-in-a-hundred-year tipping point, rocked by uncertainty in global affairs and facing large-scale managerial and business environment changes. Our business is no exception. In the face of these issues, we need to act as pioneers, proactively taking action to create the future, rather than simply responding to changes.

We often host meetings where we discuss serious issues in a relaxed environment with the aim of reiterating our purpose and culture—we call this “Majikirakai.” Here, I often address our employees with the following ideas: “Think deeply and challenge what you can change in your day-to-day work. What can you leave for your successors and the next generation?; What can you do to reach out and connect with the future?” and “Tokio Marine must become a company that values those who get five hits in 20 at bats with a batting average of .250, rather than two hits in three at bats and a batting average of .666. Instead of setting a limit for yourself, I want you to go up to the batter’s box and swing as many times as you can.”

A young employee in his 30s turned his attention to a niche market, which was not easy to access for Tokio Marine & Nichido. With the aim of creating alliances across various business partners to provide tailored insurance products and services, we created Tokio Marine X Small-Amount Short-Term Insurance Co. Ltd. The company is an example of “standing in the batter’s box and swinging the bat” and exemplifies our determination to “keep swinging.” In a digitally centered niche market, it is important to quickly learn and move forward through repeated trial and error. Therefore, we chose small-amount, short-term insurance for the company, as it combines life and non-life insurance and facilitates agile product development.

Small-amount, short-term insurance is subject to a maximum handling of 5 billion yen in insurance premiums. From a Group-wide perspective, the impact of this new business is small. Nonetheless, as long as it is aligned with our purpose, I want to acknowledge our employees to challenge. The team is very diverse and made up mostly of members in their 20s and 30s, with a mix of gender and a variety of careers. I do not want them to be bound by



Young employees in their 20s restructure the London branch, which was in financial crisis

Members of Tokio Marine London Branch
Front center, Kenkichi Kagami, and front far left, Hachisaburo Hirao (future Minister of Education)
Photograph taken around 1898

conventional thinking but rather to have a flexible mindset as they drive the business forward.

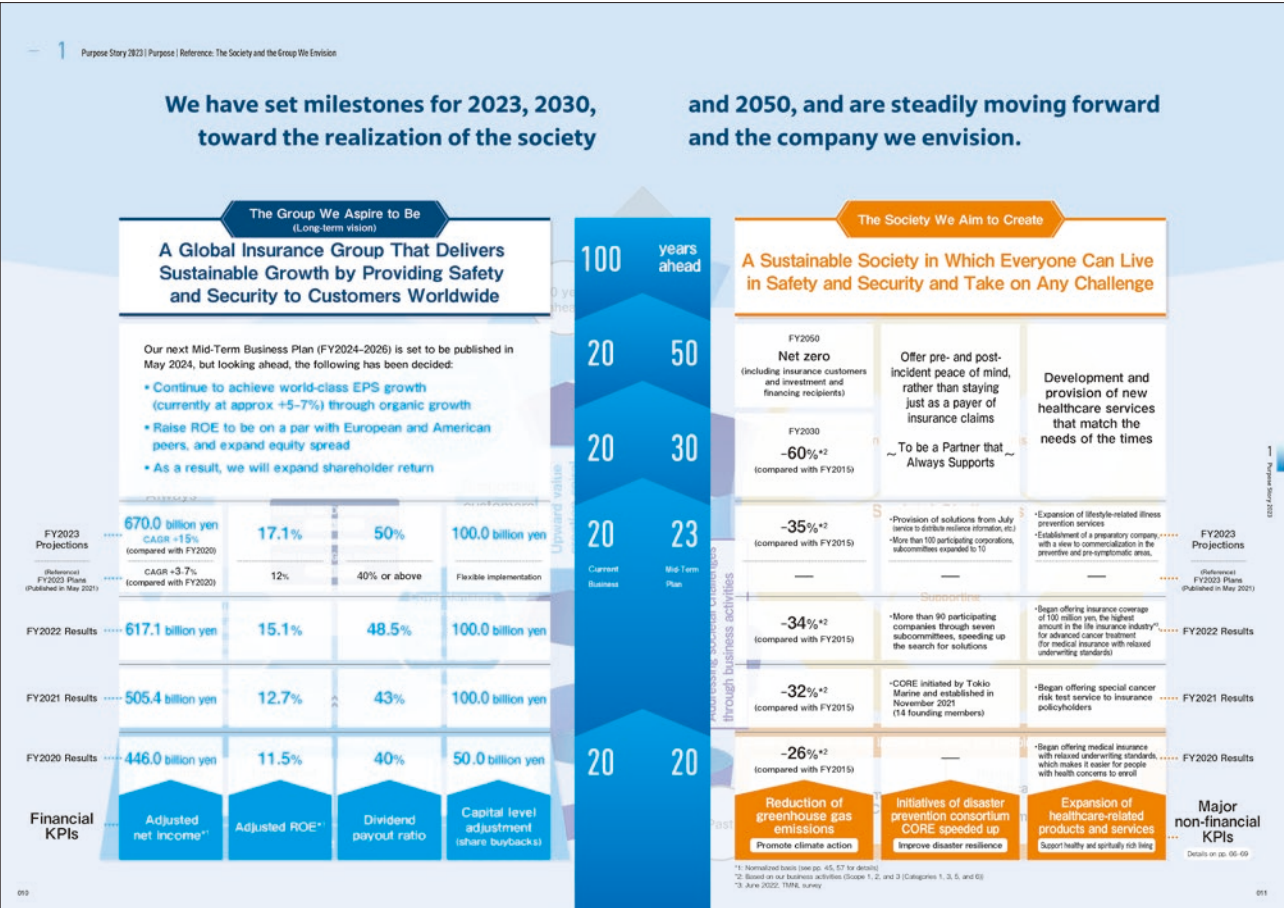
If you compare these two pictures on this page, you might think that Tokio Marine has always been supported by the young generation. However, last year, I formed the “CEO Team” that includes non-Japanese officers, with the aim of enhancing management decision-making. This year, I established the Global Communications Department to further enhance internal and external communication. I personally will not cease to take on new challenges. There are not any role models, prototypes, or right answers in our search for our unique management style. However, as Group CEO, I am happy to take the lead and continue swinging the bat. We are in uncharted waters, and predicting even a little further ahead is not easy. However, the whole Group works together for high cadence of hypotheses testing cycle to plan and execute a seamless growth strategy.

From the outset, insurance is a “people’s business.” As Group CEO, it is my job to nurture a culture and a climate that allows our staff to pour their passion into fulfilling our purpose. I place the utmost importance on this as I execute my responsibilities.

By continuing to serve our customers and society, we as a Company will continue to sustainably grow and increase our corporate value. This is the business management style that I want to achieve, and I am determined in my cause. I want you to keep the Company actively working, and I intend to build a future that meets everyone’s expectations. Please accept my appreciation, and I kindly ask for your continued support.

The Tokio Marine Group’s Future Vision

Expanded version on pp. 10,11



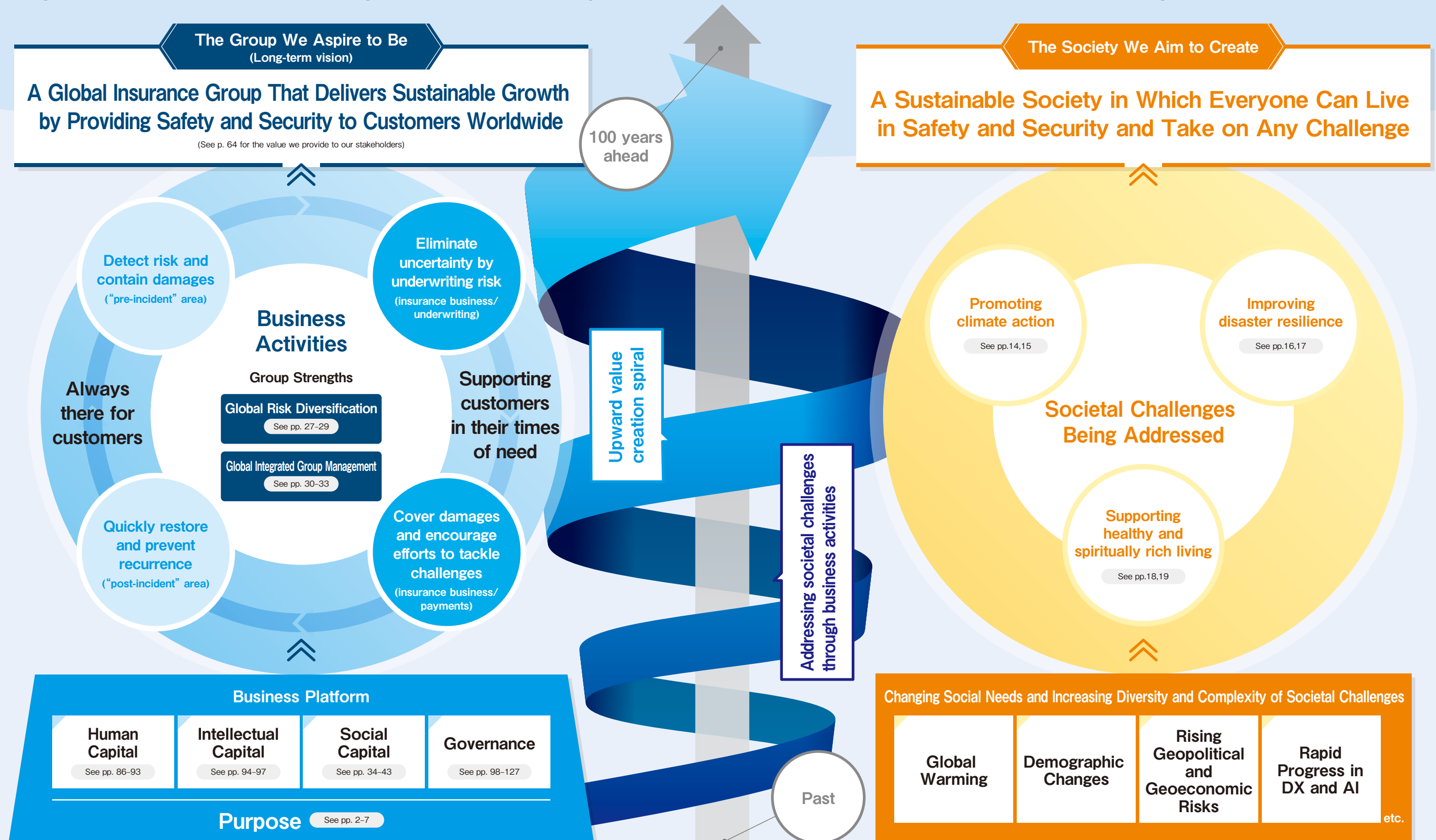
Leveraging digital technologies to create new insurance value

Team Members of Tokio Marine X Small-Amount Short-Term Insurance (Commenced business in March 2023)
Kohei Miyatani (President), third from the left



With our Purpose as our foundation, we will bolster our business activities and solutions to societal challenges. and galvanize our problem-solving capabilities. Through this

human, intellectual, and social capital and create a cycle of This is how we will steadily refine our strengths and strategies Purpose Story, we will continue to grow for the next 100 years.



We have set milestones for 2023, 2030, toward the realization of the society

and 2050, and are steadily moving forward and the company we envision.

The Group We Aspire to Be
(Long-term vision)

A Global Insurance Group That Delivers Sustainable Growth by Providing Safety and Security to Customers Worldwide

Our next Mid-Term Business Plan (FY2024–2026) is set to be published in May 2024, but looking ahead, the following has been decided:

- Continue to achieve world-class EPS growth (currently at approx +5–7%) through organic growth
- Raise ROE to be on a par with European and American peers, and expand equity spread
- As a result, we will expand shareholder return

FY2023 Projections	670.0 billion yen CAGR +15% (compared with FY2020)	17.1%	50%	100.0 billion yen
(Reference) FY2023 Plans (Published in May 2021)	CAGR +3–7% (compared with FY2020)	12%	40% or above	Flexible implementation
FY2022 Results	617.1 billion yen	15.1%	48.5%	100.0 billion yen
FY2021 Results	505.4 billion yen	12.7%	43%	100.0 billion yen
FY2020 Results	446.0 billion yen	11.5%	40%	50.0 billion yen
Financial KPIs	Adjusted net income*1	Adjusted ROE*1	Dividend payout ratio	Capital level adjustment (share buybacks)

100 years ahead

20 50

20 30

20 23

Current Business Mid-Term Plan

20 20

The Society We Aim to Create

A Sustainable Society in Which Everyone Can Live in Safety and Security and Take on Any Challenge

FY2050 Net zero (including insurance customers and investment and financing recipients)	Offer pre- and post-incident peace of mind, rather than staying just as a payer of insurance claims	Development and provision of new healthcare services that match the needs of the times
FY2030 –60%*2 (compared with FY2015)	~ To be a Partner that Always Supports ~	
–35%*2 (compared with FY2015)	• Provision of solutions from July (service to distribute resilience information, etc.) • More than 100 participating corporations, subcommittees expanded to 10	• Expansion of lifestyle-related illness prevention services • Establishment of a preparatory company, with a view to commercialization in the preventive and pre-symptomatic areas,
–34%*2 (compared with FY2015)	• More than 90 participating companies through seven subcommittees, speeding up the search for solutions	• Began offering insurance coverage of 100 million yen, the highest amount in the life insurance industry*3 for advanced cancer treatment (for medical insurance with relaxed underwriting standards)
–32%*2 (compared with FY2015)	• CORE initiated by Tokio Marine and established in November 2021 (14 founding members)	• Began offering special cancer risk test service to insurance policyholders
–26%*2 (compared with FY2015)		• Began offering medical insurance with relaxed underwriting standards, which makes it easier for people with health concerns to enroll
Reduction of greenhouse gas emissions Promote climate action	Initiatives of disaster prevention consortium CORE speeded up Improve disaster resilience	Expansion of healthcare-related products and services Support healthy and spiritually rich living

*1: Normalized basis (see pp. 45, 57 for details)
*2: Based on our business activities (Scope 1, 2, and 3 (Categories 1, 3, 5, and 6))
*3: June 2022, TMNL survey

FY2023 Projections
(Reference)
FY2023 Plans
(Published in May 2021)

FY2022 Results

FY2021 Results

FY2020 Results

Major non-financial KPIs
Details on pp. 66–69

Our aim is to drive forward climate change countermeasures and improved disaster resilience. We have marked three currently emerging societal challenges that we need to address to enable us to support healthy and enriched lives. We will implement strategies to address these challenges and enhance our company’s social and economic value.



Changing Social Needs and Increasing Diversity and Complexity of Societal Challenges

Global Warming	Demographic Changes	Rising Geopolitical and Geoeconomic Risks	Rapid Progress in DX and AI	etc.
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We aim to continue to protect our customers and society in times of need through solving societal challenges with our business activities based on our Purpose and, as a result, we will create and enhance our social and economic value.

In this uncertain era of VUCA, social challenges are ever-increasing, expanding, and becoming more complex. New social challenges unlike any we have ever faced are appearing. We are now in an era where what seemed like common sense in the past no longer applies. It is precisely because of this complex era that our business domains and areas of activity in the risk and underwriting business continue to expand.

There are many social challenges and domains that we would like to help address, but as far as the world and insurance companies are concerned, the immediate challenges are the advancement of climate change countermeasures, improved disaster resilience, and supporting healthy and enriched lives.

The first is climate change. The numerous adverse effects of climate change, which include the intensification of natural disasters, threaten the safety and security of people’s everyday lives and are starting to hinder the sustainable development of society. As a responsible insurance company, institutional investor, and global enterprise, Tokio Marine stands ready to face this challenge head-on.

Next, improved disaster resilience. The intensification of natural disasters is already severe. As a company that was founded in Japan—a country prone to natural disasters—Tokio Marine has long been contributing to improved disaster resilience as our very purpose. As natural disasters intensify, in addition to protecting our customers and local communities in their times of need, we will strengthen and expand our business into the domains of pre- and post-incident insurance events, such as disaster prevention/mitigation and early recovery/prevention of recurrence. Through this, we will contribute to the improved resilience of society as a whole.

Finally, supporting healthy and enriched lives. As we prepare for the coming era of the 100-year life, the risks of prolonged periods of poor health and the depletion of assets during our life spans are becoming more serious. We will support this era of the 100-year life by providing higher-added-value products and services that combine life and non-life insurance, and by supporting corporate health and productivity management.

Climate Change Countermeasures

Climate change is an important social challenge in terms of global sustainability. As a responsible insurance company, institutional investor, and global enterprise, Tokio Marine stands ready to face this challenge head-on.

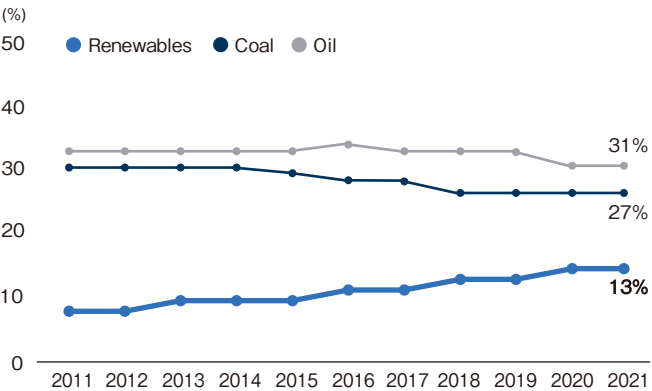
Environmental Awareness

Climate change is a multifaceted threat that is causing intensification of natural disasters, rising sea levels, changes in the ecosystem, food shortages, and health hazards. It is a significant challenge that the international community must come together to tackle. The international community brought the Paris Agreement into force in 2015 to reduce GHG emissions, the cause of climate change. Common global long-term goals agreed to include initiatives to limit the increase in global average temperature to 1.5°C*1 and to achieve carbon neutrality by 2050. Under this international framework, each country is driving forward unique initiatives based on their own energy circumstances.

In Japan, the government announced new mixed energy standards that should significantly increase the ratio of renewable energy sources, with the aim of reducing GHG emissions by 46% by 2030 (compared with fiscal 2013). The main sources of energy are solar and wind. However, as Japan is an island nation, there are high hopes that offshore wind power could be its trump card in its effort to shift to renewable power sources as a main source of energy.

*1 Compared to pre-Industrial Revolution levels

Expansion of the Global Renewable Energy Market



Source: 2022 BP Statistical Review of World Energy

Published by the Government of Japan New Mixed Energy Standards in 2023

GW (ratio)	FY2020	2030
Solar power	61.6 (51%)	103.5-117.6 (55%-58%)
Onshore wind power	4.5 (4%)	17.9 (10%-9%)
Offshore wind power	—	5.7 (3%-3%)
Hydropower	50.0 (41%)	50.7 (27%-25%)
Other	5.6 (5%)	9.5 (5%-5%)
Total	121.7 (100%)	187.3-201.4 (100%)

Source: Agency for Natural Resources and Energy

Our Vision for Tokio Marine

As a responsible insurance company and institutional investor, we at Tokio Marine develop and provide renewable energy-related insurance products and services and support companies that promote GX through investments and loans. Additionally, by engaging on the theme of the environment, we

support corporate innovation and transition for decarbonization and carbon neutrality. As a global enterprise, we will contribute to the decarbonization and carbon neutrality of society by playing a leading role in international initiatives.

To Achieve Our Vision

1. As an Insurance Company

To advance the spread of renewable energy, it is essential to establish an environment where suppliers feel comfortable investing in such business and can carry out their operations with peace of mind. One of our entities is GCube, a leading underwriting player in the global renewable energy field. GCube has access to accident data on a wide range of renewable energy sources, including solar, wind, and hydro, as well as LC and LP*1 expertise. Through the provision of insurance products and services, risk consulting, and claims services that leverage this high-level expertise, we are supporting the development of renewable energy.

As for Japanese offshore wind power, for example, construction work at sea is not easy, and it is especially important to be prepared for typhoons. In providing insurance products and consulting for risks unique to Japan's offshore wind power generation, we are able to leverage Tokio Marine's experience and accident data from our insurance business in Japan, as well as GCube's loss prevention know-how, which is gained from a track record of underwriting numerous offshore wind power projects in Europe.

*1 LC/LP are abbreviations for Loss Control (accident mitigation) and Loss Prevention (accident prevention).

2. As an Institutional Investor

As an institutional investor, we support the development of companies that are advancing GX. For example, in 2023, we made a commitment to invest in a forest fund. By lengthening periods between deforestation and by improving forest operation and management (such as tree planting) we are contributing to an increased amount of GHG absorbed by forests. Through investment in Japan's first blue bond*2 in 2022, we invest in and are supporting environmentally sustainable fisheries and aquaculture businesses.

As of the end of March 2023, our group balance of sustainability-related investments and loans increased by approximately 109 billion yen. We will continue supporting enterprises that are driving GX forward across a wide range of fields.

*2 Bonds that raise funds for businesses involved in marine protection.

As an Insurance Company and Institutional Investor

Through the theme of environmental engagement, as a responsible insurance company and institutional investor, we support our customers' corporate innovation and transition toward decarbonization and carbon neutrality.

As an insurance company, we engage with a wide range of over 250 business partners.*3 For more than 120 of these companies, we leverage our advanced underwriting and risk management know-how to provide proposals and support to address the challenges of corporate decarbonization. For example, for one corporate customer that plans to achieve net-zero GHG emissions by 2050 and has started developing and looking into new technologies, we presented various proposals (participation in demos, prototype risk underwriting, loss prevention, etc.) related to the risk reduction of new technologies.

We contribute to the acceleration of GX-related customer initiatives as an institutional investor through engagement that considers the non-financial information of investment and loan customers.

Of course, in our climate change policy, we also share our thoughts on divestment (details on p. 83). However, we are not fulfilling our responsibilities just by divesting. While divestment is sometimes necessary, we are closer to corporate customer transition through engagement. "How can we contribute to the realization of a net-zero society?" While considering this question alongside our customer businesses, we want to contribute to the decarbonization and carbon neutrality of all society.

*3 FY2022 results

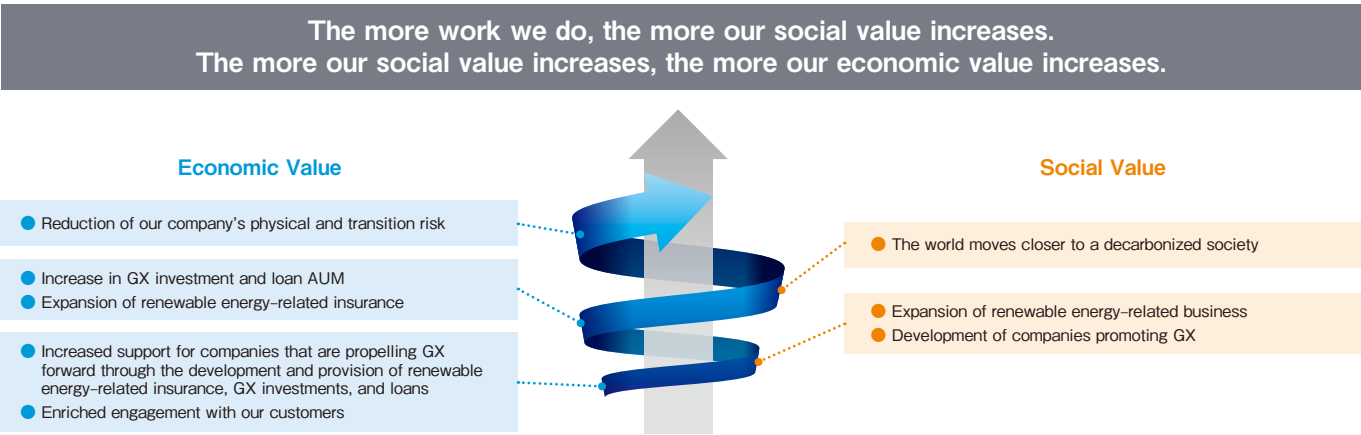
3. As a Global Company

Our Group has reduced GHG emissions related to business activities by 34% compared with fiscal 2015 (2022 results). We did this by switching to electricity generated from renewable sources, purchasing electric vehicles for company use, reducing utility usage, and more. We have been planting mangroves since 1999 and are steadily increasing the amount of GHG absorption and fixation. As a result, in fiscal 2022 we achieved carbon neutrality for the 10th consecutive year.

Our Group also participates in various international climate-related initiatives, conducting surveys, research, and advocacy. For example, at

the Geneva Association, an insurance industry think tank composed of chairpersons and CEOs from approximately 70 insurance companies worldwide, we co-chaired the working group "Climate Change and Emerging Environmental Issues" and lead surveys and studies on "Climate Change and the Environment," an important issue for the insurance industry. As a TCFD member involved in the founding of the TCFD Consortium in Japan, as well as giving recommendations, we contributed to the spread and promotion of climate-related information.

Upward Spiral of Our Social Value and Economic Value (image)



Improving Disaster Resilience

Having originated in Japan—a country prone to natural disasters—Tokio Marine has been contributing to improved disaster resilience since its founding; indeed, that is our very purpose. By strengthening our existing insurance business, we are expanding our business into the domains of pre- and post-insurance events, such as disaster prevention/mitigation and early recovery/prevention of recurrence. We intend to further contribute to the improved resilience of society.

Environmental Awareness

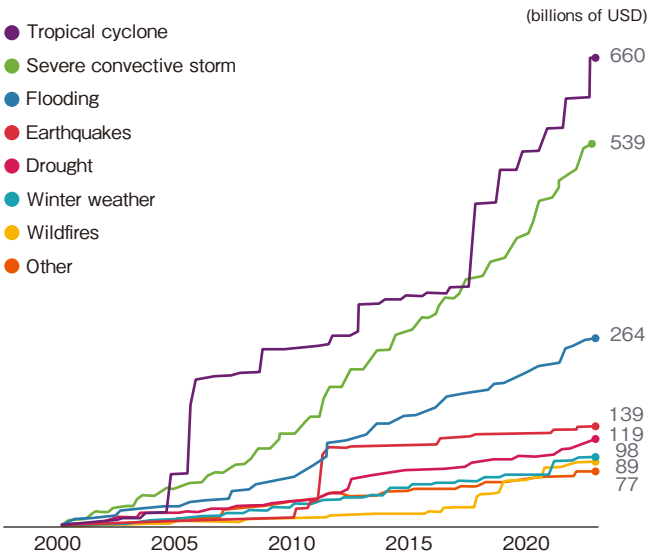
Since 2000, economic losses attributable to natural disasters, such as hurricanes, typhoons, and torrential rain*1, have continued to grow. In fact, the global economic losses from natural disasters in 2022 amounted to some \$313 billion, a level higher than the average since 2000. Within that, the amount of insurance claims paid (industry estimate) for Hurricane Ian in the United States was approximately \$52.5 billion, second only to Hurricane Katrina in 2005. While the severity of natural disasters has thus become more pronounced, losses not covered by insurance (the protection gap) still stands at 58%. Closing this protection gap is critical in improving disaster resilience.

The protection gap is partly due to factors on the customer side, such as customers feeling that they do not need to be insured or cannot afford it. However, the gap can also be attributed to supply-side issues, such as

risk being too great or uncertain for insurance companies to provide coverage or companies insufficiently explaining the necessity of coverage to customers. An example can be seen with earthquake insurance in Japan. The risk was thought so great that it was difficult for private non-life insurance companies alone to underwrite it, and for a long time no insurance existed. But a public-private joint insurance system was established following the major earthquakes that occurred in the 1960s. Thus, the protection gap is an issue that requires action not only by insurances companies but also by governments, research institutions, and local communities around the world. In other words, industry, academia, government, and citizens worked together to determine what is best and how to tackle the issue.

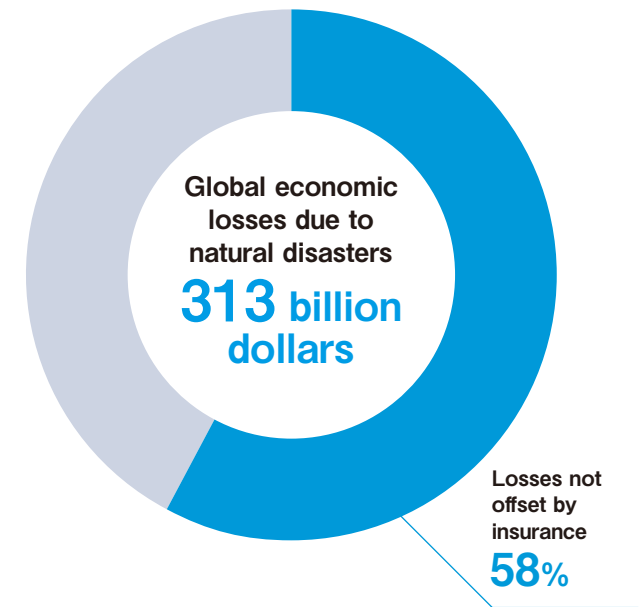
*1 Cumulative from 2020 onward

► Growing Global Economic Losses (by natural disaster type)



Source: 2023 Weather, Climate and Catastrophe Insight, Aon

► Protection Gap



Source: 2023 Weather, Climate and Catastrophe Insight, Aon

Our Vision for Tokio Marine

In addition to protecting our customers in their times of need, by expanding our insurance business into the domains of pre- and post-insurance events such as disaster prevention, mitigation, early recovery, and prevention of

recurrence, we intend to evolve into a partner that always provides support. We are working to build a resilient world that coexists with the risks of natural disasters.

Achieving Our Vision

1. As a Partner Who Always Provides Support

Insurance claims payment is the most important function of an insurance company, but this alone does not mean that we adequately support our customers. Overall, it would be preferable if disasters did not happen. When they do, the less damage and the quicker the recovery, the better. And they should not reoccur. Our Group also strives to provide peace of mind in pre- and post-disaster insurance events, including disaster prevention, mitigation, early recovery, and prevention of recurrence. Rather than only paying insurance claims in times of need, by evolving into a partner that always supports customers, we will earn customer recognition and reduce our loss ratio.

As for disaster prevention and mitigation, for example, we believe that we can provide even better products and services not only by leveraging our own capabilities but also by working with leading companies in various industries. In November 2021, we launched CORE, the Disaster Prevention Consortium,

and are working to create and implement solutions that contribute to disaster prevention and mitigation in Japan, where natural disasters are becoming more severe. Currently, over 100 corporations and organizations representing a wide array of industries are participating in the creation of solutions such as (1) resilience information services, (2) building damage cost simulations, and (3) real-time hazard maps. This summer, we will finally enter the phase of concrete business development. (Details on p. 37)

We have also long focused on services that reduce and prevent accidents and damage caused by natural disasters (LC/LP*1) by accurately ascertaining the environment and risks surrounding client companies. In fiscal 2022, Tokio Marine Nichido implemented around 1,500 loss control and loss prevention cases. These include cases for which we were able to contribute to reduced customer damage costs and accident numbers by about 30%.

*1 LC/LP = Loss Control (accident mitigation) and Loss Prevention (accident prevention)

2. Always Be There in Times of Need

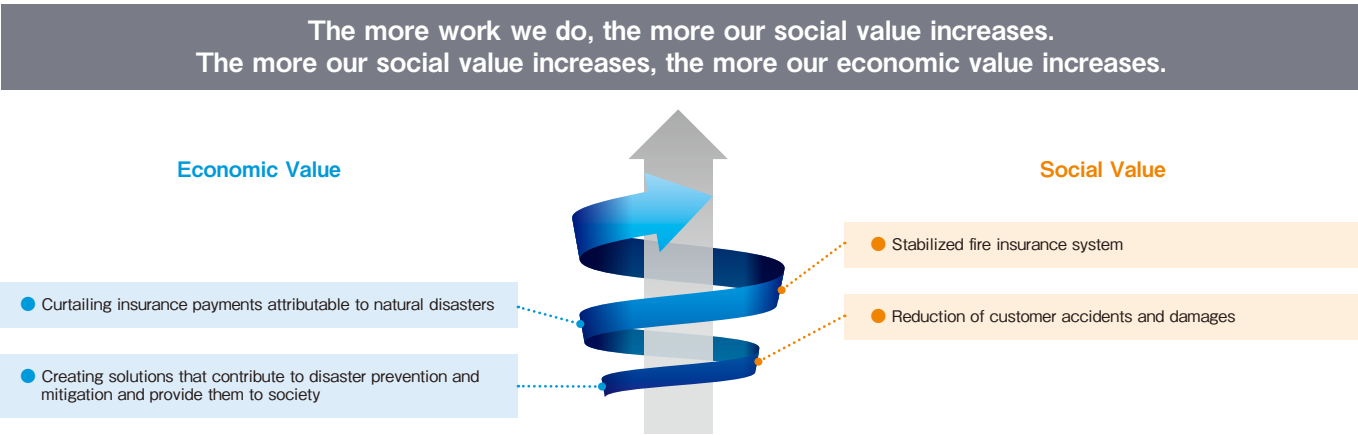
Fire insurance is an essential type of insurance that protects customers from natural disasters. Due to the intensification of natural disasters in recent years, this line of business is constantly in the red. If we are entrusted with valuable capital from our shareholders, we should not tolerate sloppy accounting just because overall business is in the black—and it is unsound from the perspective of fairness to policyholders. In addition to improving our own

business efficiency (cost reduction, etc.), we will work together as a Group to flexibly revise premium rates and products and optimize reinsurance to make fire insurance sustainable and in order to always support customers and local communities in times of need. Through these comprehensive and thorough initiatives to improve profitability, we expect to secure profitability (ROR >7%) equivalent to the cost of capital in fiscal 2026. (Details on p. 135)

Our Specific Initiatives

Increased Business Efficiency	First, Tokio Marine will work to significantly reduce our administrative workload by leveraging digital technology*2, thereby reducing our operating expense ratio to the 31% level*3 in fiscal 2026. *2 Reduce administrative workload by 20–30% by fiscal 2026 (compared with fiscal 2019) *3 Private health insurance base
Revision of Rates and Products	To make fire insurance profitable, we have revised rates and products for four consecutive years since 2019. Through this, we expect an improvement in earnings of approximately 60 billion yen in fiscal 2023 (compared with fiscal 2020). However, even with this measure, we are still unable to secure profitability equivalent to our cost of capital (ROR >7%). For this reason, we are also considering rate and product revisions during the next mid-term business plan (FY2024–2026). In addition, to make insurance premiums among policyholders fairer, we are examining the introduction of regional segmentation of our current nationwide uniform flood disaster premium.
Optimization of Reinsurance	In Europe and the United States, due to the effects of Hurricane Ian and reinsurer capital reductions attributable to rising interest rates, reinsurance premiums have risen sharply, and underwriting preconditions have been tightened. However, in fiscal 2023, we are able to curb increases in reinsurance premiums in Japan and overseas without increasing our risk through strategic negotiations with reinsurers using the collective strengths of our Group, reviewing earnings cover through cycle management, as well as by abolishing inefficient programs, and more.

► Upward Spiral of Our Social and Economic Value (image)



Supporting Healthy and Enriched Lives

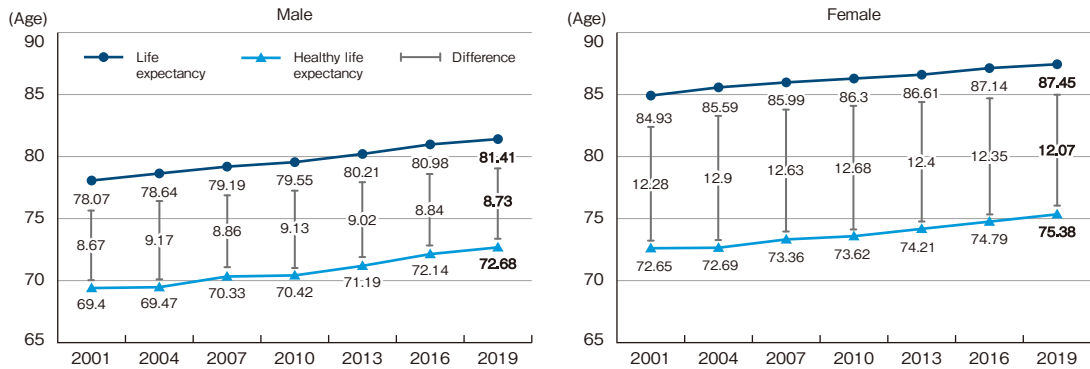
As we prepare for the coming era of the 100-year life, the risks of prolonged periods of poor health and the depletion of assets during our life spans are becoming more serious. We will support this era of the 100-year life by providing higher-added-value products and services that combine life and non-life insurance, and by supporting corporate health and productivity management.

Environmental Awareness

Japan has one of the longest life expectancies in the world, and the average life expectancy continues on an upward trend. While this itself is welcome, the difference between average life expectancy and healthy life expectancy is as much as ten years. In anticipation of the era of the 100-year life, how to reduce the difference between average life expectancy and healthy life expectancy has become an urgent issue – extending healthy life expectancy has become an important social issue. Avoiding asset depletion is also an urgent challenge, as living longer with an illness can lead to increased financial burden on the individual and their family.

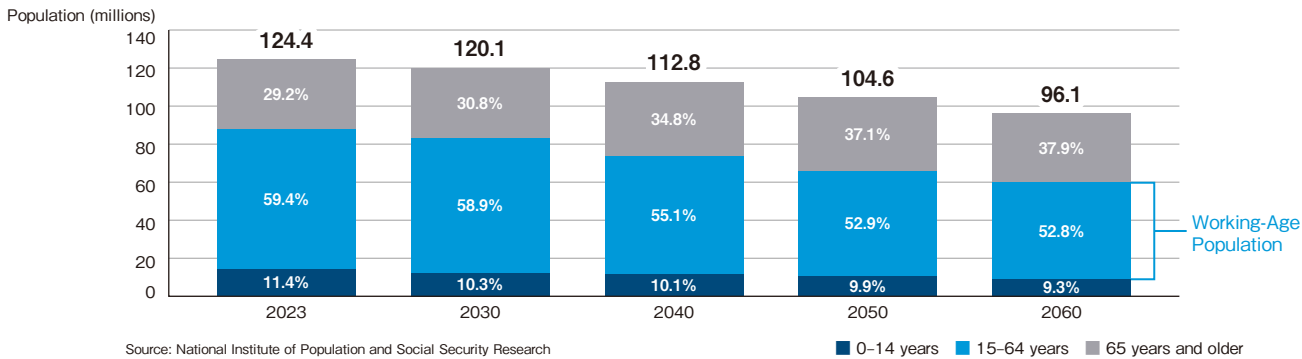
Also, due to Japan's declining birthrate, the proportion of the population of working-age (15–64 years old) is just 59.4%—the lowest level among developed countries—and this is expected to further decline to about 52.8% by 2060. As the problem of labor shortages in Japan gradually emerges, companies are entering an era in which it is difficult to maintain and improve employee recruitment and retention rates. In addition to corporate initiatives such as improving productivity through innovation, an increasing number of companies are strategically working on corporate health and productivity management as they start to regard employee health management and the promotion of health as an investment.

Average Life Expectancy and Healthy Life Expectancy Trends in Japan



Source: Ministry of Health, Labour and Welfare

Population Trends in Japan



Source: National Institute of Population and Social Security Research

Our Vision for Tokio Marine

We support people's long, healthy lives by providing products and services that support the extension of healthy life expectancy, as well as the avoidance of asset depletion. As labor shortages become more acute, through support for health and productivity management, we will support the employees of our client companies so they can work in good physical and mental health.

By helping to address challenges related to the declining birthrate and aging society in Japan and refining our solutions, we will support countries around the world that are likely to confront the same challenges as Japan in the future.

To Achieve Our Vision

1. Support for Extended Healthy Life Expectancy and the Avoidance of Asset Depletion

We leverage the latest technology and external expertise to help our customers have an extended healthy life span.

In Japan, as average life expectancy increases, the number of people suffering from lifestyle-related diseases such as cancer, heart disease, and strokes is also increasing. To prevent these lifestyle-related diseases, it is essential that we raise awareness of health-related issues and improve our lifestyles. To that end, Tokio Marine Nichido Anshin Life began offering “Anshin Healthcare” from August 2023. We support heightened customer awareness in relation to health and lifestyle through services including predicting the risk of developing hypertension, diabetes etc. from health checkup results that big data-assisted AI and providing online consultation with a nurse when customers are concerned about their health checkup results.

Among lifestyle-related diseases, some cancers, if diagnosed at an early stage, can be successfully treated in 90% of cases thanks to recent advances in medicine. Therefore, Tokio Marine Nichido Anshin Life has teamed up with Craif, a company we invested in, to offer “miSignal,” a simple cancer risk test using urine samples for affordable, early detection of cancer. Serious cancer cases might require expensive treatment costs

that are not covered by the public medical insurance system, leading some to give up on their desired form of treatment due to financial constraints. At Tokio Marine Nichido Anshin Life, we developed and now offer “Anshin Cancer Treatment Insurance,” which provides coverage for the latest cancer treatments up to 100 million yen*1, the highest amount in the life insurance industry.

We are also taking measures to avoid customer asset depletion. Tokio Marine Nichido Anshin Life provides Market Link (regular premiums variable insurance) that supports customers' long-term asset formation through long-term and diversified investment.

As we enter an era of the 100-year life, our products and services, which accurately capture customer needs, are being evaluated favorably by customers. Thanks to that, Tokio Marine Nichido Anshin Life's top line*2 of senior healthcare and regular premiums variable insurance is steadily expanding (Senior healthcare sector: 3-year CAGR: approx. +26%. Asset formation: 3-year CAGR: approx. +39%).

*1 Tokio Marine Nichido Anshin Life survey, November 2021. Insurance of up to 100 million yen when “Specific Cancer Treatment Insurance” is attached to “Anshin Cancer Treatment Insurance”
*2 Annualized insurance premiums for new policies

2. Supporting Corporate Health Management

Our company's corporate health management initiatives are evaluated favorably, and we are the only company in the insurance industry to have been selected as a top health management brand for eight consecutive years. We make the best use of our health management know-how to support the health management needs of our client companies.

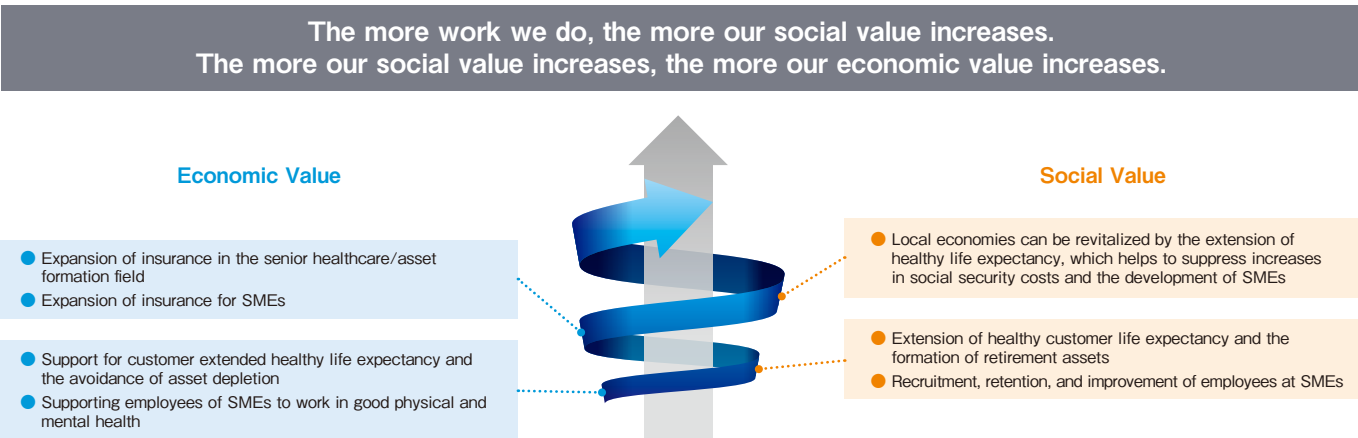
For example, at Tokio Marine Nichido, we launched the Health Management Task Force where we have more than 200 employees working as promoters nationwide. We support the certification of small and medium-sized enterprises (SMEs) throughout Japan as Excellent Health Management Organizations by providing insurance that supports a balance between treatment/nursing care and work, and services including support

for formulating a BCP to counter infectious diseases as well as countermeasures against mental health issues and workplace harassment. In fiscal 2022, we supported 2,000 companies, or 12% of all certified corporations.

The initiatives of Tokio Marine Nichido are also highly evaluated by corporate customers. Thanks to them, the top line*3 of insurance that is highly compatible with health management is growing at a five-year CAGR of +6%.

*3 Statistical insurance premiums for corporate and group insurance that compensate employees and cover work-related accident risks, unemployment risks, medical and nursing care risks, etc.

Upward Spiral of Our Social and Economic Value (image)



Our Progress in Solving Social Challenges and Achieving Sustainable Growth

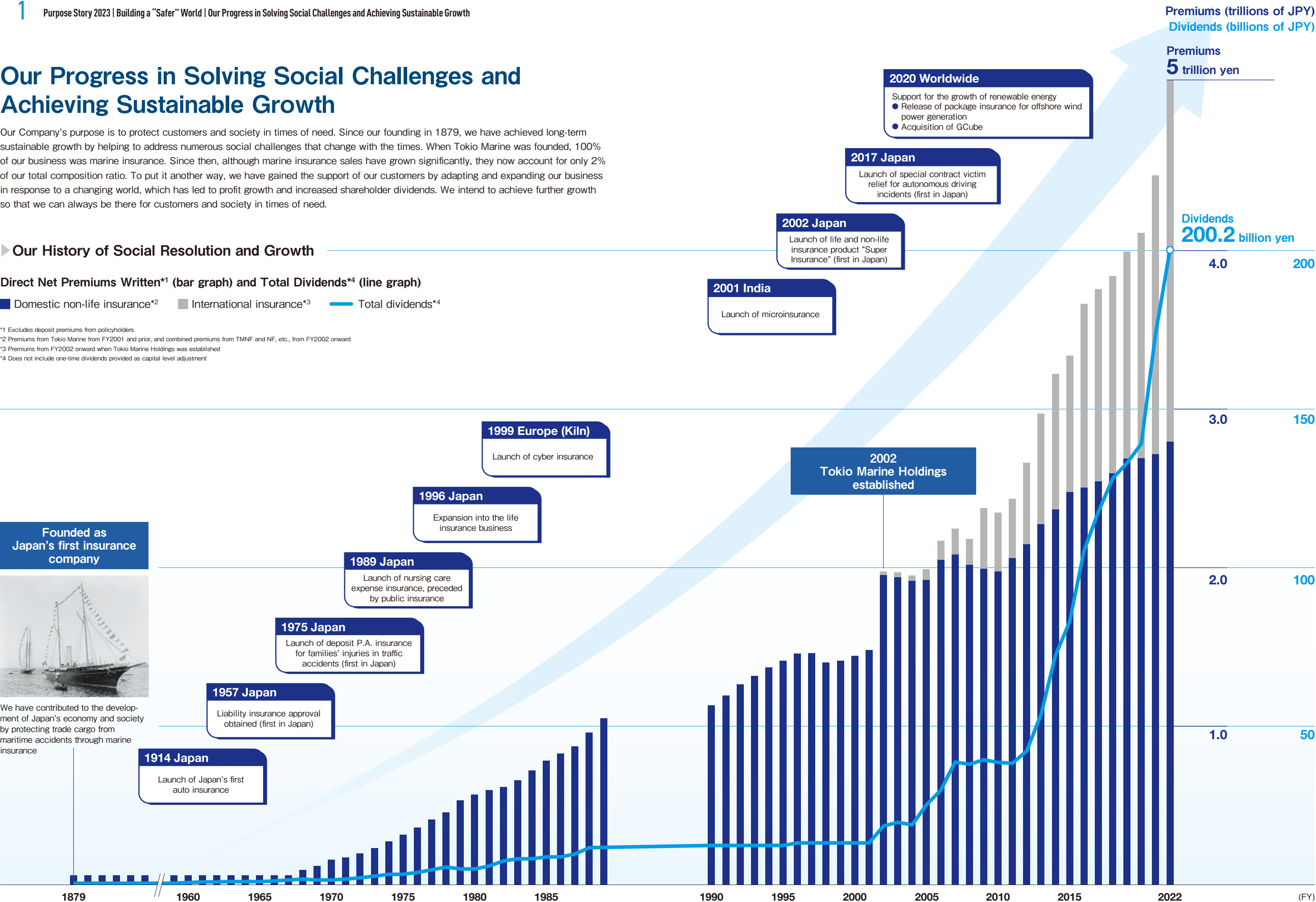
Our Company’s purpose is to protect customers and society in times of need. Since our founding in 1879, we have achieved long-term sustainable growth by helping to address numerous social challenges that change with the times. When Tokio Marine was founded, 100% of our business was marine insurance. Since then, although marine insurance sales have grown significantly, they now account for only 2% of our total composition ratio. To put it another way, we have gained the support of our customers by adapting and expanding our business in response to a changing world, which has led to profit growth and increased shareholder dividends. We intend to achieve further growth so that we can always be there for customers and society in times of need.

Our History of Social Resolution and Growth

Direct Net Premiums Written*1 (bar graph) and Total Dividends*4 (line graph)

■ Domestic non-life insurance*2 ■ International insurance*3 — Total dividends*4

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



Pursuit of Deep-Rooted Sustainability Management (recent initiatives)

At Tokio Marine, the harder we work, the more we can give to our world and people to create a sustainable society. Ultimately, we too can grow in a more sustainable way. Our aim is to realize sustainability management and drive our founding initiatives forward in Japan and around the world.

Japan

Drive Initiatives in Four Priority Areas of Social Challenges

We see healthcare, cyber, renewable energy, and support for SMEs as challenges that will persist for the next 10 to 20 years. We are driving initiatives to address social challenges in these four priority areas. (p. 136)

Healthcare

Cyber

Renewable energy

SME

Japan

Advanced Natural Disaster Response

By automating the claims payment process, the time needed is reduced. Through this, we can contribute to the timely reconstruction of lives impacted by large-scale disasters.



Japan

Contributing to Improved Disaster Resilience

Centered on the CORE disaster prevention consortium, we expanded our business in a way that contributes to improved disaster resilience.



China

Healthcare Provision of Data Solutions

We are planning to form a health promotion consortium to provide smart city residents with health promotion insurance and services. These services are integrated with health management services using a dedicated application.



Southeast Asia

Reducing Food Waste and Promoting Donations through Insurance

We are planning to roll out cargo insurance in Southeast Asian countries that covers food products that have lost their commercial value due to damage to the outer packaging, helping to contribute to the circular economy.



U.S.

Support Employees on Leave and Their Company

In addition to providing unemployment insurance, we are developing services to support employees on long-term leave as well as their companies, through digital technology.



U.S.

Leveraging Technology to Prevent Accidents

By distributing telematics and temperature sensors free of charge, we are working to support accident prevention and loss reduction.



South Africa

Fire Insurance and Distribution of Alarms

We are helping to strengthen community resilience by promoting fire insurance and fire alarms as a set to those living in low-income housing.



Hawaii

Industry-Academia Collaboration for Improved Sustainability in Condominiums

In conjunction with the University of Hawaii, we are considering jointly providing risk mitigation programs, such as those for measures against condominium deterioration. We will work on improvements by gathering risk information and increasing usage rates.



Countries Around the World

Supporting the Spread of Renewable Energy on a Global Basis

Through GCube, a leading player in insurance underwriting in the global renewable energy sector, we are expanding insurance business activities that contribute to the spread of renewable energy.



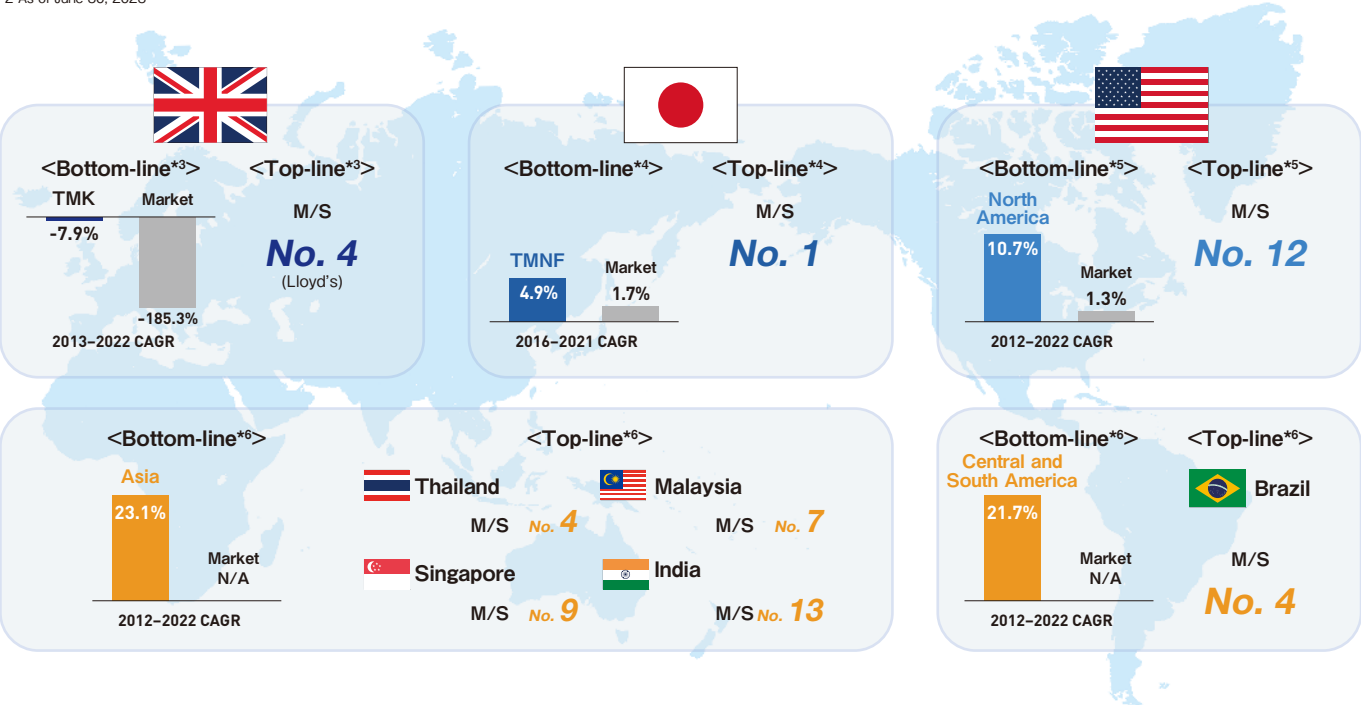
The Current Tokio Marine Group, Which Has Constantly Solved Social Issues

By continuing to address social challenges with our purpose as our starting point, we have grown into a world-class insurance company and will continue to contribute to the creation of a safe and secure world.

▶ Leading Global Insurance Company

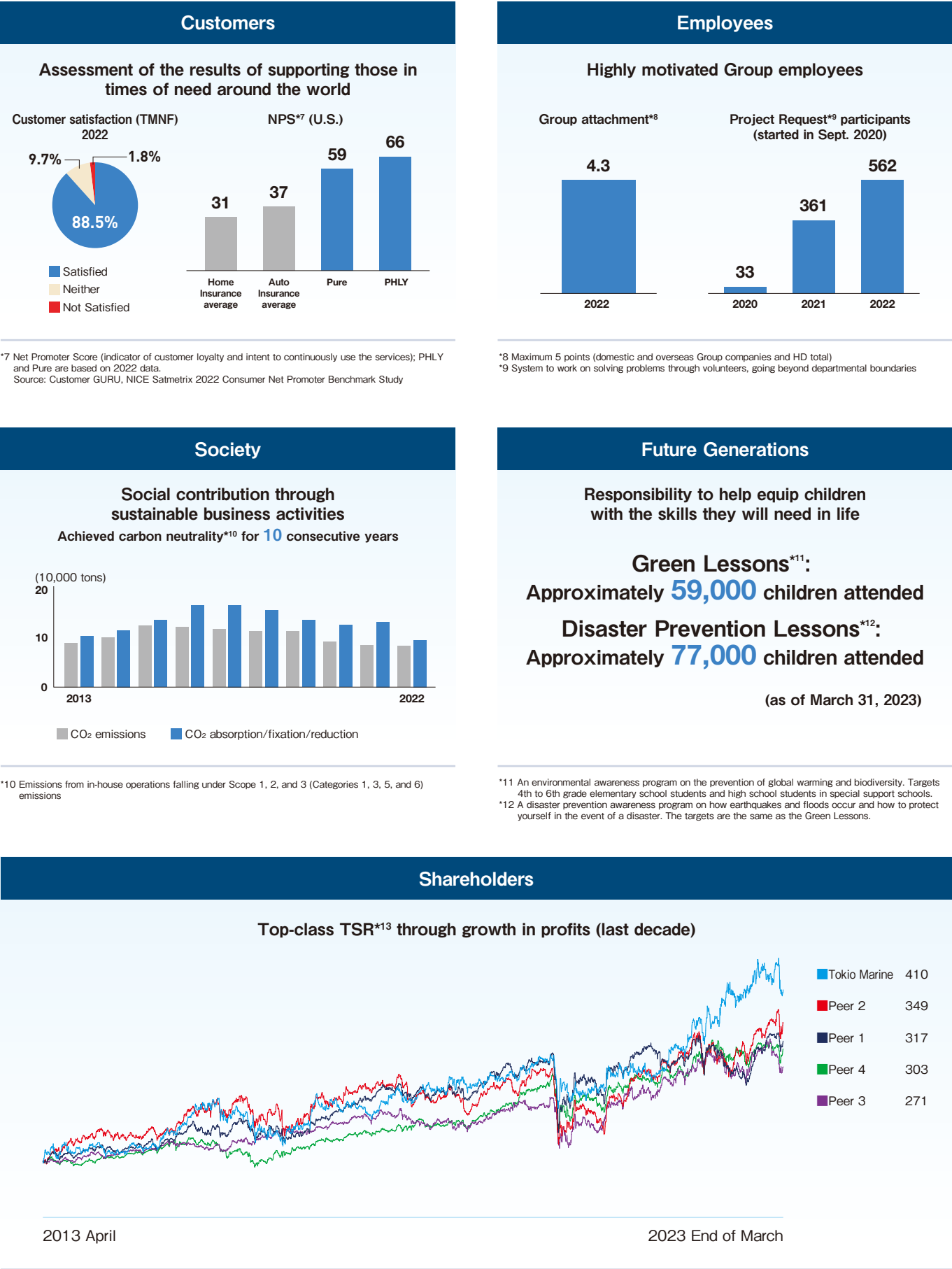
Non-Life Insurance Profit Ranking (billions of JPY)			Non-Life Insurance Market Capitalization Ranking (billions of JPY)		
Ranking	Company name	Profit*1,2	Ranking	Company name	Market capitalization*2
1	Allianz	1,120.6	1	Allianz	13,537.0
2	Chubb	745.8	2	Chubb	11,510.8
3	AXA	729.5	3	Progressive Corporation	11,184.0
4	Zurich	621.6	4	Zurich	10,313.1
5	China Pacific Insurance	484.6	5	AXA	9,769.2
6	Progressive Corporation	472.8	6	Tokio Marine Holdings, Inc.	6,638.3
7	People's Insurance Company Group of China	436.6	7	AIG	6,010.6
8	Travelers	414.2	8	Travelers	5,789.3
9	Tokio Marine Holdings, Inc.	397.9	9	People's Insurance Company Group of China	4,581.3
10	Allstate	357.3	10	Allstate	4,136.7

*1 Adjusted net income is shown for Tokio Marine Holdings, and average net income on a financial accounting basis (IFRS, USGAAP, etc.) from FY2018 to FY2022 is shown for others.
*2 As of June 30, 2023
Source: Profit Ranking: Factset; Market Capitalization Ranking: Bloomberg



*3 Bottom line: Tokio Marine's local financial accounting profits and the market's net income on a financial accounting basis for all Lloyd's companies.
Source: Lloyd's Annual Report and S&P Capital IQ
Top line: FY2022 GWP base Source: S&P Capital IQ
*4 Bottom line: Tokio Marine's business unit profits and the market's net income on a financial accounting basis for members of The General Insurance Association of Japan.
Source: The General Insurance Association of Japan HP
Top line: FY2022 NWP base Source: Public documents from various companies
*5 Bottom line: Tokio Marine's local financial accounting profits and the market's net income on a financial accounting basis for North American damage insurance.
Source: S&P Capital IQ
Top line: FY2022 DWP base, North American damage insurance commercial event.
Source: S&P Capital IQ
*6 Bottom line: Tokio Marine's business unit profits. The market is not listed as there is no data.
Top line: FY2022 GWP base
Sources: AXCO, IRDAI, IPRB, SUSEP, Swiss Re, and FSCA (Financial Sector Conduct Authority)

▶ “Win-Win” with stakeholders (main)



*7 Net Promoter Score (indicator of customer loyalty and intent to continuously use the services); PHLY and Pure are based on 2022 data.
Source: Customer GURU, NICE Satmetrix 2022 Consumer Net Promoter Benchmark Study
*8 Maximum 5 points (domestic and overseas Group companies and HD total)
*9 System to work on solving problems through volunteers, going beyond departmental boundaries
*10 Emissions from in-house operations falling under Scope 1, 2, and 3 (Categories 1, 3, 5, and 6) emissions
*11 An environmental awareness program on the prevention of global warming and biodiversity. Targets 4th to 6th grade elementary school students and high school students in special support schools.
*12 A disaster prevention awareness program on how earthquakes and floods occur and how to protect yourself in the event of a disaster. The targets are the same as the Green Lessons.
*13 Total Shareholder Return (TSR): Capital return after reinvesting dividends, an index setting the stock price on April 1, 2013, to 100. Peers: Allianz, AXA, Chubb, Zurich Source: Bloomberg

Our strengths are global risk diversification backed by M&A / PMI capabilities and global integrated Group management, which helps us contribute to the creation of a safe and secure world based on our Purpose.



Global Risk Diversification

As an insurance business that underwrites risks all over the world, global risk diversification is the cornerstone of our strategy to achieve business management that would remain unshaken whatever situations we face. Underpinning this strategy are our abilities to execute M&As and PMI and to manage our portfolio.

More than seven years have already passed since HCC Insurance Holdings, Inc. (TMHCC), where I was CEO, became a member of Tokio Marine Group. As a Vice President Executive Officer of Tokio Marine Holdings, I am currently playing a role in implementing integrated Group management, while leading our international insurance business as the Co-Head of International Business. Here, I would like to explain our global risk diversification strategy, which is the essence of the business management of Tokio Marine Holdings.



Vice President Executive Officer
Co-Head of International Business
Christopher Williams

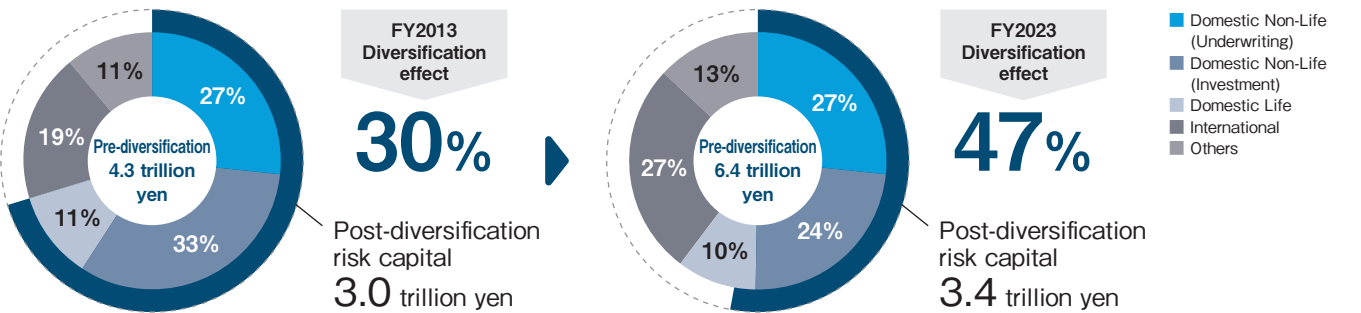
Risk Diversification Using M&As

Insurance is a business that underwrites risk. Under no circumstances can we allow the foundations of our business to be shaken. This is why the Group has spent more than 15 years working to expand its insurance business overseas where there is a low correlation with natural disasters in Japan. These efforts are intended to balance appropriate control of risk amount and sustainable growth by diversifying risks across geographic areas, businesses, and products.

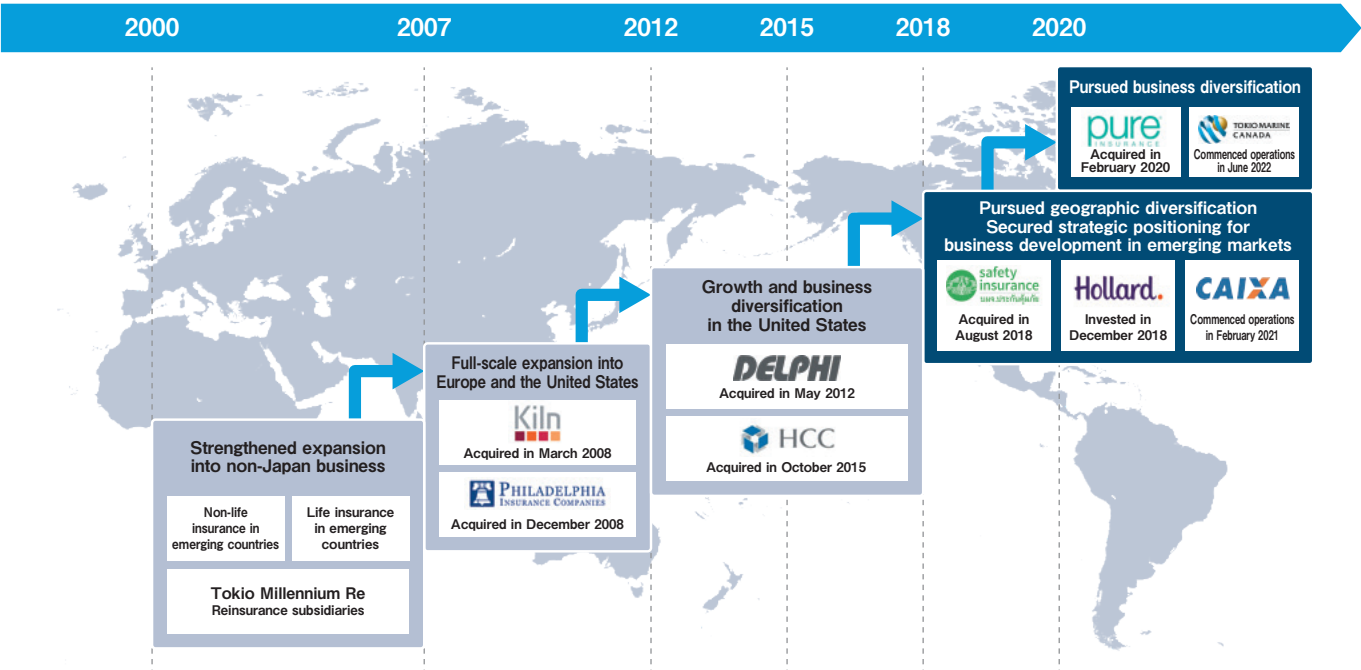
We have executed international M&As in the cumulative total value of over two trillion yen, using the capital and funds generated from the sale of business-related equities.

As a result, the diversification effects have risen to 47%, which has enabled us to control the impact of COVID-19 and large-scale natural catastrophes on our business results below 30% even in the years we experienced these events.

Effect of Risk Diversification



M&A Transactions



Domains and Companies Targeted in M&A

For Tokio Marine Group, M&A is not a goal but rather a method for global risk diversification. Aimed at achieving this goal, our main M&A targets in developed countries in Europe and North America are companies with little overlap with our existing businesses in terms of customer base and products in the field of specialty insurance while in emerging countries companies mainly with a personal line of

non-life insurance in regions with large market size and high growth potential. Furthermore, while more than 80% of the profits of our overseas insurance business come from North America, our portfolio in this business is well diversified, consisting of business lines that do not have much correlation centered on specialty insurance.

Stringent Acquisition Guidelines Emphasizing Cultural Fit

To execute M&As in a disciplined manner, we adhere to the following three principles: (1) acquire a business which has strong results and a promising outlook; (2) acquire a business whose business results are supported by a unique business model that cannot be emulated by other companies; and (3) acquire a business whose culture, business purpose, and management values are in alignment with those of Tokio Marine. Based on these principles, we have identified and acquired “good companies” that are expected to generate a good return on investment.

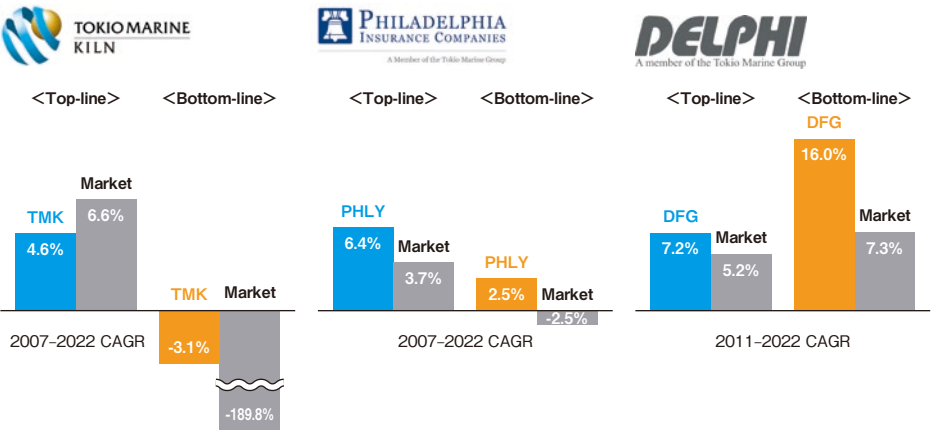
Among these, we value cultural fit the most. Looking back, culture was perhaps the single greatest factor in HCC (TMHCC) joining Tokio Marine Group.

We have a market intelligence (MI) function internally that we use to identify deals and then compile long and short lists. Based on these

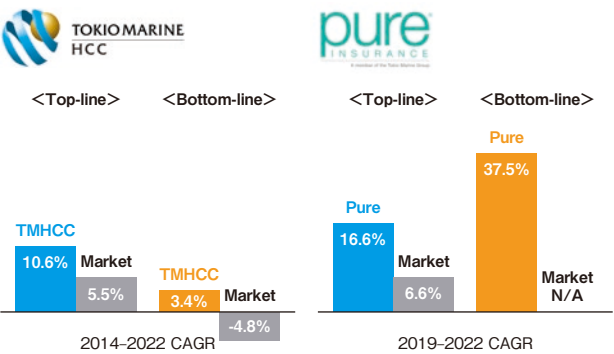
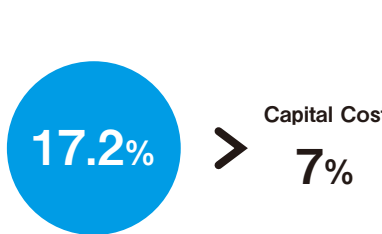
lists, the International Executive Committee (IEC), comprised of the Group’s C-level officers and head of the overseas insurance business, holds discussions to carefully screen acquisition candidates, but using quantitative metrics is not sufficient to evaluate an acquisition. When seeking a cultural fit, both parties need to feel certain through in-depth conversations that the directions of our businesses and our chemistry match.

Tokio Marine has executed M&A deals giving top priority to cultural fit, so conversely, there have been several deals that did not materialize because the cultural fit was not there, even though the guideline for high profitability was met.

Growth after Joining Tokio Marine Group*1



ROI from Large-Scale M&A*2



*1 Our top and bottom line are written on a local accounting basis (Pure's top line is the premiums under the management company). The markets are TMK (all Lloyd's companies) and other (North American non-life insurance). Source: Lloyd's Annual Report and S&P Capital IQ.
*2 The ROI numerator is calculated using a simple sum of forecasts by sector at the beginning of 2023, and the denominator is calculated using a simple sum of acquisition values. (The concept differs from ROE (= RoR ÷ ESR), which reflects diversification effects).



Business Oversight Respecting the Autonomy and High Growth of Target Companies

In addition to cultural fit, another characteristic of our M&A style that remains unchanged today is that we respect the autonomy of the target company and avoid invasive acquisitions. There are few companies in the world that use a federated approach to Group business operations like Tokio Marine. I believe that our integrated approach to Group management represents a unique business model.

On occasion, I am asked about business integration of an acquired company, but this would destroy the unique DNA of these companies. Since we acquire “good companies” with a strong business model and

high profitability, maintaining the target companies’ autonomy and having them fully utilize their own strengths lead to further growth after they join the Group. This is something I am convinced of from my time as President of Tokio Marine HCC (TMHCC), which in many cases used bolt-on M&A. In actuality, our large acquisitions of Philadelphia Consolidated Holding Corp. (PHLY), Delphi Financial Group, Inc. (DFG), and TMHCC, which drive overseas profits, have shown growth above and beyond the market after joining the Group, and Pure joins these three companies.

Forward-Looking Business Divestments

Optimizing our business portfolio is an ongoing process of not only acquisition but also forward-looking divestments, as strategically necessary to shake up our portfolio. As in the sale of Tokio Millenium Re (TMR) in March 2019, we use the capital and funds generated

through such sale to execute the next acquisitions so that we can further diversify risks and grow our business. Thanks to this approach to portfolio management, our adjusted ROE has risen to 15.1% (for fiscal 2022 on a normalized basis).

Closing

Our proven M&A track record and reputation will help us to find the next great M&A opportunity. This is one of our major strengths that few competitors can easily match.

We are able to simultaneously achieve risk diversification and business growth by acquiring “good companies” with low risk correlation and little overlap in terms of customer base and products. At the same time, we sell

businesses determined to lack contributions to diversification and growth and allocate the capital and cash generated to further diversification and growth. By continually engaging in this disciplined form of portfolio management and evolving this approach based on changes in the business environment, we aim for sustainable growth while reining in risks and as a result increase the capital efficiency of the entire Company.

Stringent Acquisition Guidelines

Target
(three principles of M&A)

Cultural fit
High profitability
Strong business model

Hurdle Rate

Capital costs (7%)
+ Risk premiums
+ Country interest rate spread

Acquired and Newly Established IN	<div>Kiln</div> March 2008	<div>PHILADELPHIA INSURANCE COMPANIES</div> December 2008	<div>DELPHI</div> May 2012	<div>HCC</div> October 2015	<div>pure</div> February 2020	<div>TOKIO MARINE CANADA</div> June 2022
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Forward-Looking and Disciplined Portfolio Review

Divestment/Run-off OUT	<div>Non-Japanese business in Europe*1</div> January 2019	<div>TOKIO MARINE T M R</div> March 2019	<div>Egyptian Life Takaful Company</div> September 2020	<div>Highland*2</div> August 2022	<div>TMK Reinsurance Business</div> September 2022 Run-off
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*1 U.K. non-Japanese business and some unprofitable non-Japanese businesses in other European regions (continuing the Lloyd's business)
*2 Agent handling construction insurance in the Tokio Marine Highland (former WNC) group owned by TMK

Global Integrated Group Management

Bringing together global insights to decide and execute important management matters
Talent acquired through M&A play an active role and contribute greatly to the growth of the Group
Dedicated to strengthening the talent pool responsible for future Group management

Culture Fit and the Right People in the Right Places through Talent Management

While we position M&A as a means of diversifying risk, we also believe that the greatest achievement of M&A thus far is the acquisition of superior talent, expertise, and knowledge that comes with it.

Tokio Marine acquires companies that have a similar culture to it from the outset. By promoting PMI while respecting the autonomy and uniqueness of the businesses we acquire, rather than leaving their jobs, employees work enthusiastically and stay highly motivated. This can be seen from high Culture & Values Survey scores. In addition to including the top management of companies we acquire into our head office management, ambitious personnel are given roles and opportunities to manage the entire Group through participation in global committees, etc., on top of their current role. This is a positive stimulus for the head office employees, and it creates synergies through friendly rivalry.

Our unique Group-wide management policy is becoming more established as we enter our eighth year of operation and is being implemented while drawing on a wide range of global expertise.

Steady Evolution and Succession

Our Integrated Group Management is also featured at Harvard Business School as a case study. When expanding overseas, as opposed to staying separate by establishing an intermediate holding company which specializes in overseas business, we dared to choose the more difficult path making our company itself international and global.

In the beginning, trial and error led to difficulties, but now we have more than 10 global committees that decide and implement important management matters on a daily basis, and it is evolving as one of our strengths. However, these mechanisms and approaches cannot end with the so-called first generation. It is important to nurture the next generation of talented management and pass the baton—and we are taking steady steps toward achieving that. We also leverage our “TLI,” a Group-wide, global human resource development program launched in April, as a gateway to success for next-generation management personnel. We will continue to work on our talent development and succession planning linked to global talent management, which we have been driving forward since 2019.



Optimized allocation of our Talented Workforce globally to strengthen integrated group management

By increasing the number of overseas officers and the appointment of chief officers, we will bring together global insight to decide upon and execute important management matters.

Appointment of Joint Group Leaders

Donald Sherman
Executive Vice President
Co-CIO

Christopher Williams
Executive Vice President
Co-CRSO
Co-Head of Int'l Business

Robert O'Leary
Managing Executive Officer

José Adalberto Ferrara
Executive Officer

Susan Rivera
Executive Officer

Brad Irick
Executive Officer

John Glomb
Executive Officer

Leverage Group Expertise

Deputy CxO

Legal Affairs
Randy Rinicella
Deputy CLCO

Digital
Gus Aivaliotis
Deputy CDO

IT
Robert Pick
Deputy CITO

D&I
Caryn Angelson
Deputy CDIO

Utilization of Expertise

Reserving
Daniel Thomas

Internal Audit
Dawn Miller

Cyber Insurance
Daljitt Barn

Reinsurance
Barry Cook

Auto Pricing
Allen Juang

Tokio Marine Group Leadership Institute (TLI), established in April 2023

A unique training program aimed at producing management leaders who will promote the integrated group management on a stable and continuous basis

► Features of TLI

- Consolidation of talent management data from Group companies
- Program design linked to talent management data

- A structure linked with global recruitment of younger generation/mid-career employees
- Commitment by current global management to the development of next-generation leaders
- Succession of our purpose and values

- Gather and utilize global wisdom on leadership development
- Strengthen cooperation with Group companies and HR departments on a global basis
- Offering experience to deal with difficulties in and out of the Group

Creating Synergy through Culture Fit Employees work with enthusiasm and contribute to growth

Almost 15 years have passed since we joined Tokio Marine Group in 2008. Since then, our company has more than doubled our revenue. Our workforce has increased to more than 2,000 from 1,400.

We have been able to achieve such remarkable growth not only because we were blessed with the opportunity for a wealth of synergies that led to increased revenue and profits but also because, as the basis for this growth, Tokio Marine respected our autonomy after joining the Group, and due to this, we believe that each and every one of our employees continues to play an active role.

I have been approaching work with my “motto”, “Always maintain a positive mental attitude,” and the time spent with colleagues around the world working together in the culture of our company keeps me in a positive mood.

Needless to say, it is important to trust each other in terms of autonomy and collaboration between Group companies. The more our teams interact with one another, the better we understand each other’s product appetite, which can lead to more successful synergy opportunities. There is no doubt that the fact that Tokio Marine Group and our company are united by the spirit of “Good Company,” that we share the same purpose, and that we were able to achieve a true culture fit, contributed greatly to our growth.

Executive Officer
President and CEO of
Philadelphia Insurance Co.
John Glomb

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1 Purpose Story 2023

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Penetration of Our Purpose as a Foundation

We continue our efforts to instill our purpose and culture into our more than 40,000 employees worldwide. Led by our CEO, who also serves as the Group Culture Officer (CCO), we conduct physical and remote dialogues with Group employees around the world to discuss our purpose. All on-site employees contemplate the question, “What is our business for?” with sincerity while they consider how our work contributes to customers and society, and how we can address the challenges presented to us by customers and society. These present opportunities to think about the Company’s purpose and reaffirm the significance of our work. In addition to the above, management’s thoughts and feelings about our purpose and culture are regularly conveyed via video messages. We use these messages as tools in “Majikirakai” meetings worldwide and in workplaces, in which serious discussions take place in a relaxed atmosphere, regardless of division and position. By steadily continuing these down-to-earth initiatives that unite the management and the workplace, we aim to be a company whose purpose reaches every corner of the world, and whose passion and sense of unity are second to none.

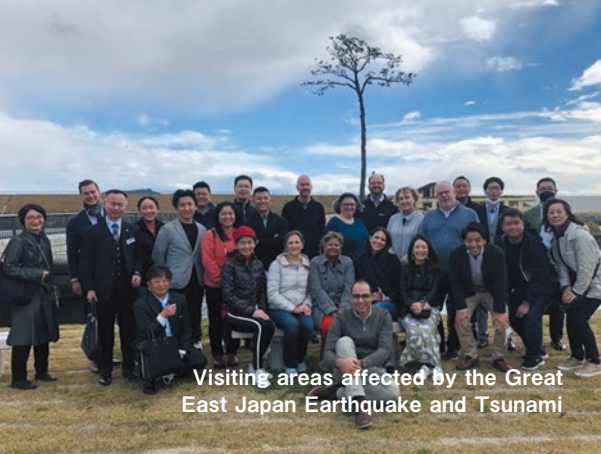
Regular Distribution of Management Messages



Video messages from the Group CEO are distributed almost monthly and feedback is sought from employees, facilitating two-way communication

Dialogue aimed at penetration of our purpose (“Majikirakai” meetings)

Making use of remote and in-person opportunities globally, top management hold dialogue with management and employees to spread the message of the Company’s purpose.



Visiting areas affected by the Great East Japan Earthquake and Tsunami



Good Company Awards 2022

Good Company Booklet for worldwide distribution

Used worldwide as a tool to help employees think about and discuss our company’s purpose and culture with their co-workers



Strengthening Governance through Our Purpose

Globally, we have shared our culture of aiming to be a “Good Company” based on the spirit of “Look Beyond Profit.”

“Although it’s not written in the rules or manuals, we do not do things that a Good Company wouldn’t do,” and “we do the right thing in the right way.” This stance and way of thinking reaches not only our board of directors and management, but also every employee around the world. It is one form of governance we pursue.

For us, governance that leverages the advantages of being a Japan-based company is governance based on the permeation of culture. In recent years, it has been called purpose-driven management, but in Japan, this kind of governance has been handed

down since the late 1800s. This was the era of Eiichi Shibusawa, who was instrumental in the establishment of our company.

In other words, Japanese culture facilitates the control of things through the spirit of autonomy and self-control. We want to further evolve our corporate governance by combining Japanese-style governance, which is in line with our culture, social norms, strengths, and way of thinking, with the best aspects of Western-style governance. It is a big challenge, but it is what we are always aiming for, and we believe it is possible. This approach is truly an endless journey. We intend to further evolve our unique integrated group management through the penetration of our Purpose and Culture.

We will continue to refine our internal capital (human and intellectual) and broaden the areas in which we provide value through collaborative creation with social capital (our various external partners).



Expansion of Business Domains

Up to this point, we have illustrated our history of achieving our purpose and growing by addressing societal challenges, and have shown our strengths that support this growth.

To continue supporting the needs of our customers and local communities and generate further growth, we must continue to refine

our internal capital (human and intellectual)—which is indispensable for future growth—and continue to create while collaborating with our social capital (various external partners). We believe that these two facets will allow us to keep expanding our business where we provide value.

► Utilizing and strengthening internal capital (human and intellectual)

We have cultivated extensive expertise through our core insurance business, including claims service capabilities and data use technologies. We are now applying this know-how to new businesses (e.g., the fee business) to create new profit opportunities.

► Co-creation with social capital (external partners)

To continue realizing our purpose in the future, we are expanding our business beyond insurance into the area of “pre- and post-incident.” Since some elements of this are new to us, it is essential that we utilize the diversity within the Company as well as that outside the Company. We are redoubling our efforts to provide new value to our customers and local communities by bringing together the knowledge and technology of external partners, including the Disaster Prevention Consortium (CORE).

The potential of these new value-creation areas is massive, and we see this as an area that will expand to several tens of billions of yen in 10 years. We will first focus on developing our business in Japan—a country with major societal challenges—while accumulating

know-how and securing a competitive advantage. We will work to make our new business a reliable source of revenue alongside our existing businesses, with a view to overseas expansion in the future.



Co-creation with social capital (external partners)

Disaster Prevention Consortium CORE

Collaborative creation in the disaster prevention and mitigation businesses by combining technologies and data possessed by companies and organizations in a broad range of industries



Disaster Prevention Consortium CORE

We are strengthening our efforts around “disaster prevention and mitigation” in the “pre- and post-incident areas” to support our customers and local communities. As of July 2023, more than 100 companies from a wide range of industries are involved in the consortium, and the number of subcommittees has expanded to cover 10 themes (see p. 96 for details). Thanks to the activities of the subcommittee, there has been further study of solutions directly related to the four areas within disaster prevention and mitigation (capture the current states, measures / implementation, evacuation, and rebuilding livelihoods), as well as increased collaboration among participating companies. We will finally enter the phase of concrete

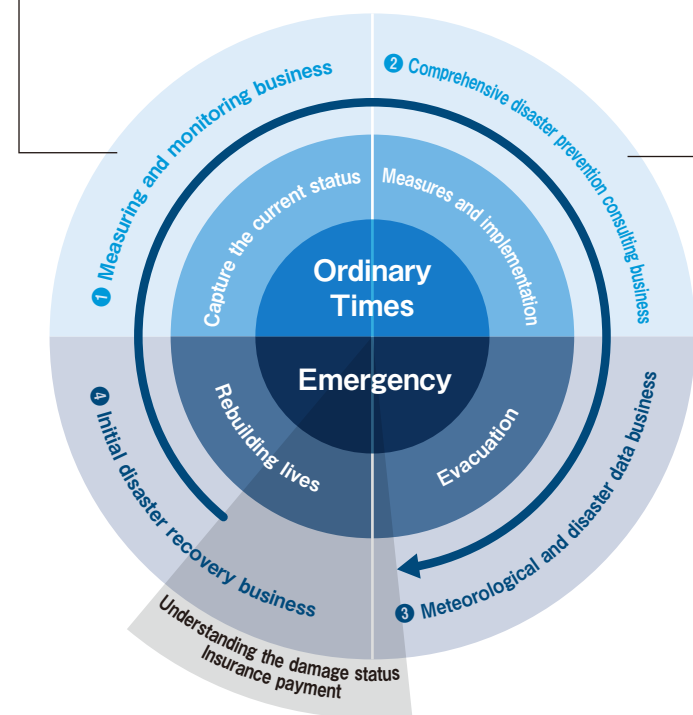
commercialization this summer. Particularly of note are the simulations of “real-time hazards,” in which AI is used to analyze security camera footage in the event of a water-related disaster and visualize flooding in real time, and “resilience information distribution services” which visualizes weather information and centrally manages the risk status of registered locations, with a focus on local governments.

In this way, we intend to expand this business as a new profit-earning opportunity for the Group, while contributing to disaster prevention and mitigation throughout Japan, leveraging broad collaboration across industry boundaries.

The value chain and estimated business scale in disaster prevention and mitigation

Measurement and risk visualization
Geology, water quality, ground deformation, etc., can be continuously measured by sensors and satellites, etc.

Market size*1
250 billion yen



Disaster prevention measures and implementation
•Disaster risk assessment of infrastructure, etc.
•Disaster prevention consulting (including BCP)

Market size*1
1 trillion yen

Specific examples of solution creation

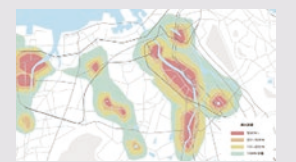
Example ① Real Time Hazard (scheduled to start in FY2023)

Estimated amount*2 **From 1 million yen/year**

- AI analysis of security camera footage
Assessing the depth of flooding in real time and issuing alerts
- More effective evacuation instructions in the event of a water-related disaster



AI analysis of flood depth



Alerts (flooding map)

Example ② Resilient Information Distribution Service (from July 2023)

Estimated amount **From 336,000 yen/year**

- Visualizing real-time weather information on a map and centrally managing risk conditions at registered locations
- Alerts sent out based on risk level



*1 Market size of businesses predicted to have synergies with insurance in 2030, according to research firms
*2 Varies depending on the number of cameras installed, including initial costs and operating costs

Using and strengthening internal capital
(human and intellectual capital)

Initiatives that leverage the strengths of loss services

Extensive experience in the domestic P&C insurance business Utilizing intellectual property and know-how pertaining to loss services to contribute to addressing societal challenges New initiatives



Initiatives That Leverage the Strengths of Loss Services

Through its core insurance business, Tokio Marine Nichido has developed expertise in loss services that allows it to pay claims promptly and correctly to customers. Recently, the Company has been leveraging this expertise to address social issues along with other businesses.

For example, in 2022, we entered a business alliance with Kokumin Kyosai co-op, and in October, we established a joint venture, Kyodo Jimu Chosa Services Co.

From the moment a customer is involved in an accident until the payment of insurance or a mutual aid claim is completed, various tasks must be carried out, such as entering accident information into the system, sending claim documents, contacting the customer, calculating the amount to be paid, and making a payment decision. Utilizing Tokio Marine Nichido's expertise in these areas, Kokumin Kyosai co-op plans to review its business processes and reform its systems to make procedures more convenient and operations more efficient for its members and policyholders.

Kyodo Jimu Chosa Service K.K. will develop a mutual aid payment system to support the new business process being restructured by Kokumin Kyosai co-op, provide the system's functions to Kokumin Kyosai co-op and take care of the

administrative procedures for loss investigation related to mutual aid insurance for automobiles.

Through this initiative, we aim to cooperate beyond the framework of insurance and mutual aid, while playing a role as a compensation provider on a permanent basis. This is exactly in line with our Group mission to protect our customers and local communities in times of need.

We believe that by thinking differently and utilizing intellectual property and know-how related to loss services that have been amassed over many years in the domestic P&C insurance business, we will be able to identify growth potential in the domestic market, create new income-generating opportunities, and make more effective use of our management resources.

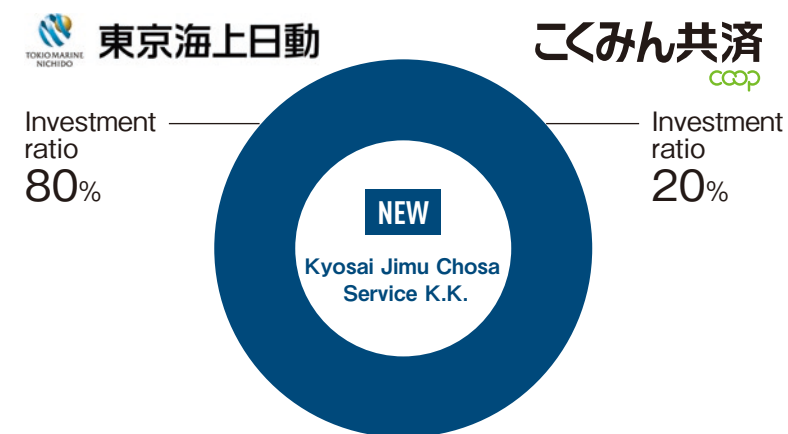
Since 2020, we have been utilizing satellite data to assess flood damage and speed up insurance payments, and we intend to use the satellite data expertise we have built up through these initiatives to work with local governments and private companies to address social issues.

Thus, we are carrying out many initiatives to leverage the strengths of our loss services, and we will continue to hone these strengths to achieve outstanding results in the future.

Initiatives that leverage the strengths of loss services

Case Study ① Business alliance with Kokumin Kyosai co-op

- Develop and offer mutual aid proceeds payment system
- Consignment of part of auto mutual aid loss adjustment business, etc.



Expected Impact

- Bottom-line impact equivalent +6 billion yen p.a.* from fiscal 2025
- Further improve business efficiency, etc.

Expected Impact

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

*Bottom-line effect from recovery of labor costs, system-related costs, etc.

Case Study ② Utilization of satellite data

- Tokio Marine has leveraged satellite since 2020 for prompt insurance payment for flood claims
- Currently considering selling the know-how of utilizing satellite data to local government, etc. (Projecting an average of 50 million yen per transaction)



Using and strengthening internal capital
(human and intellectual capital)

Tokio Marine dR (TdR)

Our digital technology and data are the source of our competitive abilities. Starting TdR and providing unprecedented added value



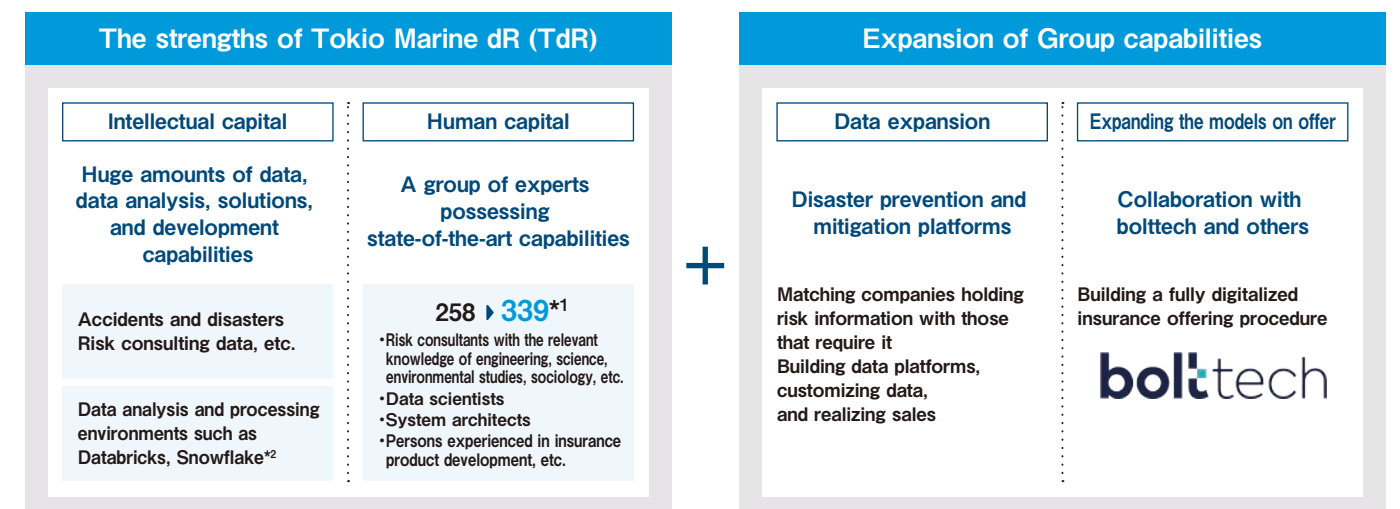
Creating Solutions Centered on Tokio Marine dR (TdR)

In both the insurance business, which protects customers and local communities against increasing and increasingly complex risks, and the pre- and post-incident areas, which help with accident prevention, early recovery, and recurrence prevention, the ability to gather, analyze, and utilize data is critical for widening the areas in which we provide value. Key in this area is Tokio Marine dR (TdR), which serves as the Group's core data company.

In addition to TdR's strengths in intellectual capital (the huge amount of data and analytical capabilities accumulated through underwriting and accident response) and human capital (a team of

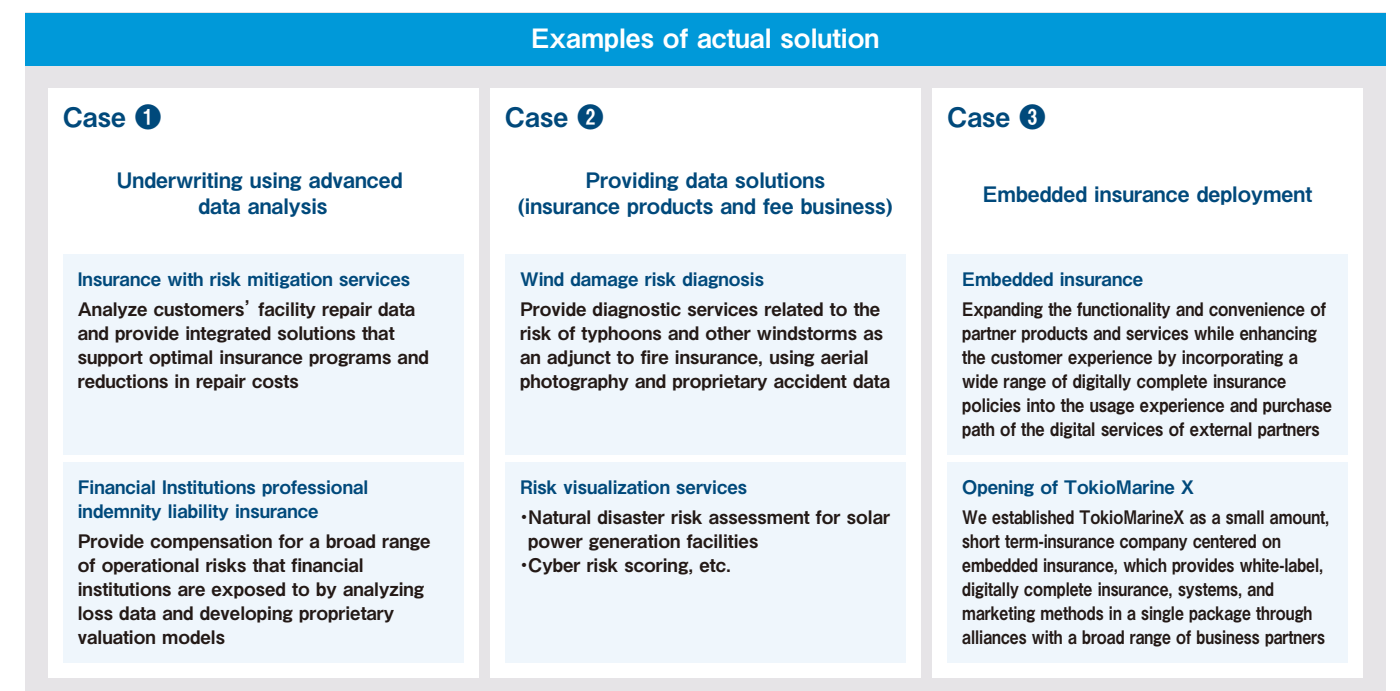
experts with extensive, state-of-the-art capabilities), the Group's advanced digital capabilities are integrated into TdR. They are then leveraged to develop and put out a series of data-driven products centered on Tokio Marine Nichido, such as underwriting using high-tech data analysis methods, providing new data solutions, and developing embedded insurance.

Through collaboration with external partners, we will continue to provide unprecedented added value and solutions that contribute to addressing social issues, while accumulating data and offering models to our customers.



*1: Number of employees in 2020 → Number of employees in 2022

*2: Analysis platform SaaS that enables flexible and immediate scaling of data processing volume and speed



Co-creation with social capital (external partners)

DX investment

Incorporating external diversity into the Group and expanding our possibilities



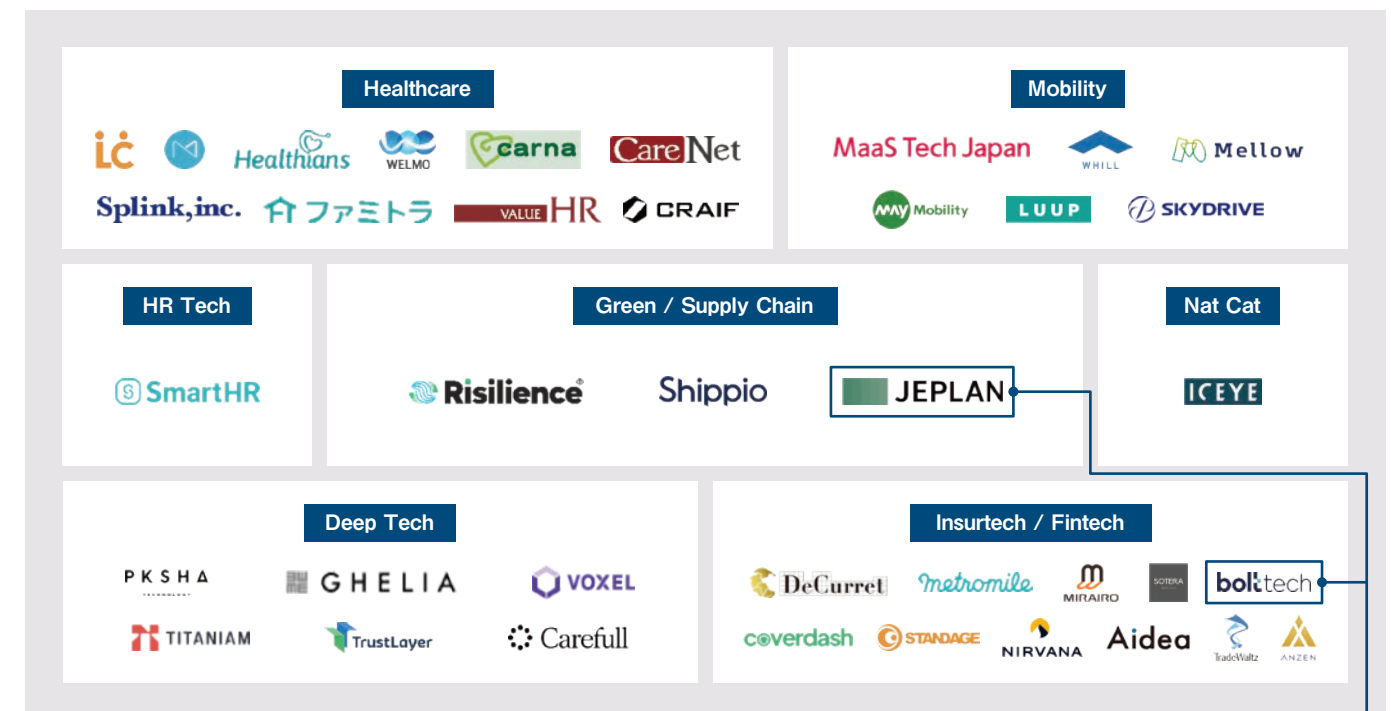
DX Investment

To continue to address the social issues that are expected to increase and diversify along with the development of humankind, we comprehensively invest in digital companies and start-ups. By investing in promising start-ups and venture capital firms, we have been acquiring and utilizing know-how that helps us expand our value delivery area. In addition, we invest in a wide range of early-stage companies, mainly in the InsurTech area, via our corporate venture capital, launched in the United States in April 2022. The scale of our

investment to date is several tens of billion yen, and 15 of our investment projects have already been launched in the form of business alliances. There is a wide range of areas in which we believe we can provide value, including healthcare, mobility, and GX. We have also invested more than 100 million yen in nurturing digital talent.

We will continue to incorporate external diversity into the Group to further expand the areas where we can provide value.

DX investments in growth areas (examples)



Green / Supply Chain Examples

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)



- 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"

Insurtech / Fintech Examples

Global Expansion of embedded insurance
Capital and business alliance with bolttech, one of the largest insurance exchange platform in the world



- Development and provision of embedded insurance
Developing and providing embedded insurance in various global markets, including platforms for e-commerce businesses in Japan and overseas
- Use of digital platforms
Creating a new fully digital insurance enrollment process using bolttech's digital platform, which can be rapidly and flexibly customized.
- Expansion of the warranty business
Expansion of the warranty business with a focus on Asia