TOKIO MARINE

2021 Integrated Annual Report

To Be a ***Good Company***

Tokio Marine Holdings, Inc.

SINCE 1879

Supporting customers and society in times of need

“For every challenge there is risk. For every risk there is insurance.” Tokio Marine & Nichido advertisement

Japan’s first insurance company, key to the nation’s rapid modernization and industrialization

With the advent of the Meiji era (1868-1912), Japan charted a course of rapid modernization fueled by foreign trade. Ships and their cargoes required protection against maritime accidents on long voyages to and from distant lands. This led to the launch of Japan’s first insurance company, Tokio Marine, in 1879. In this capacity we played a crucial role in developing Japan’s economy and resolving attendant social issues. Our Group purpose is to support customers and society in times of need. We have stayed true to this commitment since our founding 142 years ago.

An open and dynamic corporate culture encourages everyone to take on challenges

1894: Overseas expansion encounters financial distress

Young employees come to the rescue

A year after our founding we opened an office in London. At first our UK business showed steady growth, but in 1894 it encountered financial distress. Two younger employees, Kenkichi Kagami and Hachisaburo Hirao, took up the challenge of unearthing what went wrong. It became clear that the UK office had been miscalculating the risk associated with major properties. Kagami and Hirao went on to scrutinize the firm's underwriting and accounting systems. They prescribed fundamental changes to assure rigorous risk management and reliable accounting that put the company firmly back on a growth track. Employee initiatives such as these are encouraged by our open and dynamic corporate culture, which has been part of our DNA from the beginning.

The early years of our London office
Kenkichi Kagami (front and center), Hachisaburo Hirao (front, far left)

A Group spirit that drives us to do the right thing, always

1923

1923: The Great Kanto Earthquake

Going beyond the call of duty in a national emergency

The Great Kanto Earthquake of 1923 devastated a wide area centering on Tokyo. More than half the capital city's population and countless more in surrounding areas were rendered homeless and destitute. Huge fires ignited by the quake caused the greatest damage and tragedy because most structures were made of wood. Fire insurance contracts, however, clearly state that coverage does not extend to fires or other damage from earthquakes. Against deepening socio-economic despair, Tokio Marine's Kenkichi Kagami, who chaired the insurance industry association at the time, coordinated funding so that all members could help policyholders by paying out 10% of the insured amount as consolation to aid national recovery. This action, which transcended contractual obligations, was taken in recognition of the public nature of insurance as social infrastructure.

2011

2011: Great East Japan Earthquake

Giving strength for recovery

On March 11, 2011 a very strong earthquake struck the east coast of Japan and triggered a massive tsunami. The disaster left more than 20,000 people dead or missing and caused economic losses totaling approximately 17 trillion yen, the worst on historical record worldwide. Such an unprecedented situation called for an unprecedented response. We settled more than 180,000 claims in less than two months. Many of us were personally affected by the disaster but we wanted to do everything we could for our customers and society. Every Tokio Marine employee knew in their heart that they were on a mission to give strength and support to all who needed it. The entire Group recognized that this relief effort deserved the highest priority in all areas.

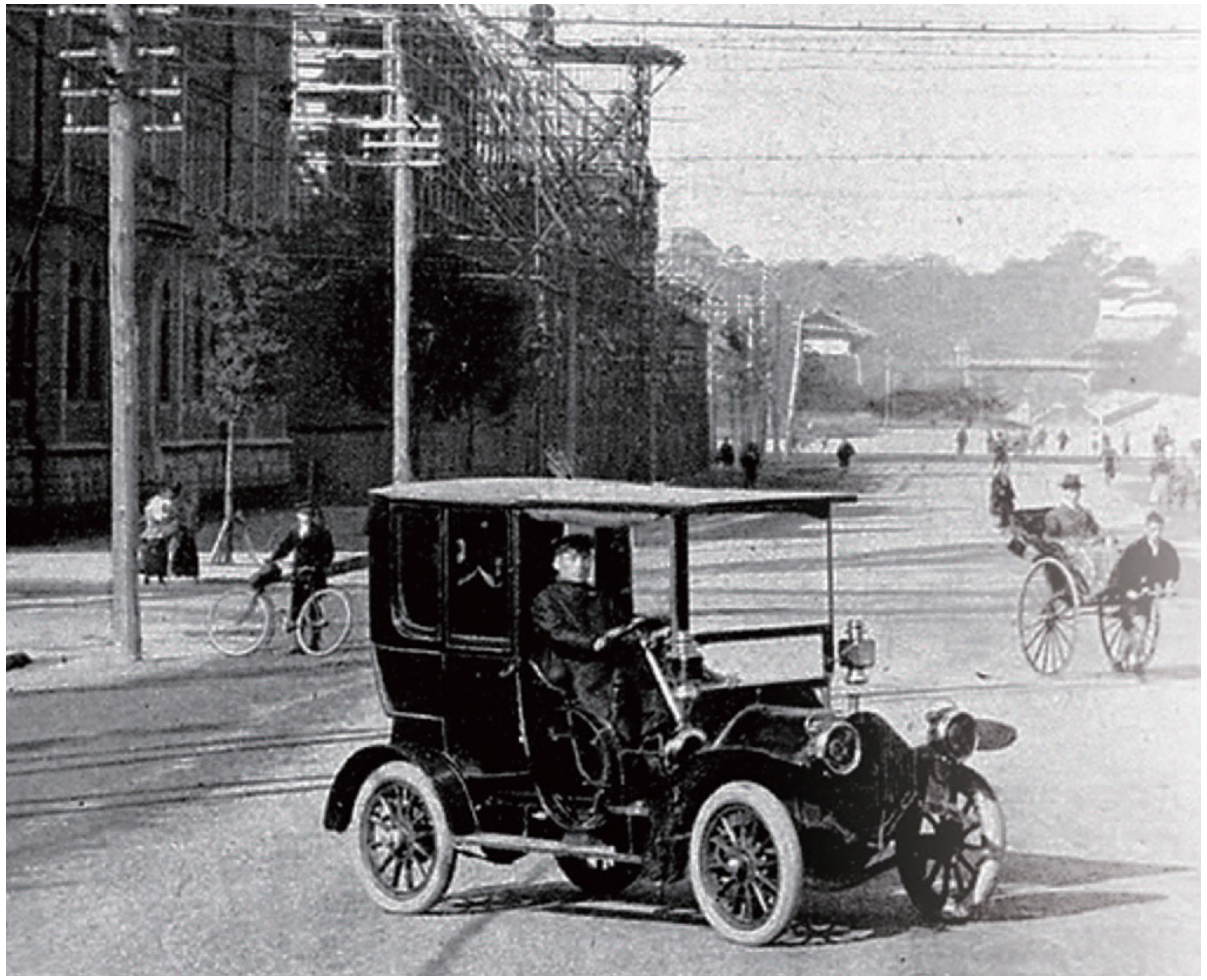

Photo source: Tohoku Regional Bureau

Creating value to drive the future

1914: Japan's first automobile insurance

Assisting rapid motorization in the second half of the 20th century

Tokio Marine launched Japan's first auto insurance in 1914 when there were only about 1,000 vehicles in the entire country. Rapid motorization accompanied the period of high economic growth in the post-war decades, backed by the availability of auto insurance.



Tokyo's central business district of Marunouchi about 100 years ago
Image used with permission of National Diet Library

2021: First dual-camera integrated drive recorder for auto insurance in Japan

Extending insurance value to support customers in all ways, *always*

Automobile insurance evolves to meet the changing risks and needs of our customers. At Tokio Marine we want to deliver value by supporting our customers not only at the claims stage but also through accident prevention, emergency response support, and accelerated resolution. We will make this kind of pre- and post-accident peace of mind increasingly available in other areas of risk coverage, as we evolve into an insurance company that supports customers in all ways, *always*.

CORPORATE PHILOSOPHY

With customer trust as the foundation for all its activities, Tokio Marine Group continually strives to raise corporate value.

Through the provision of the highest quality products and services, Tokio Marine Group aims to deliver safety and security to all our customers.

By developing sound, profitable and growing businesses throughout the world, Tokio Marine Group will fulfill its mandate to shareholders.

Tokio Marine Group will continue to build an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential.

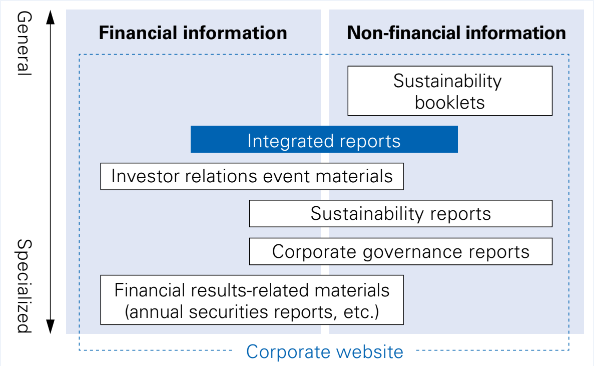
Acting as a good corporate citizen through fair and responsible management, Tokio Marine Group will broadly contribute to the development of society.

Editorial Policy

Throughout the 142 years since our founding, we have contributed to the resolution of social issues by continuing to adhere to our purpose, which has led to sustainable growth. In this report, while we have taken the story of our purpose as the basis, as with last year's edition, we have placed a focus on forward-looking measures. We have endeavored to provide clear explanations for the measures that we are presently engaging in to ensure robust growth in this age of VUCA*. These include our new Mid-Term Business Plan based on our long-term aspiration, our digital/data strategy for the evolution of our business, our human resources strategy focused on diversity and inclusion, and our climate change strategy that complies with the TFCD recommendations.
In preparing this report, we have referred to the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation advocated by Japan's Ministry of Economy, Trade and Industry. We also took heed of the opinions offered by investors and other stakeholders and sought to include a more extensive range of information.
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).

* VUCA is an acronym for volatility, uncertainty, complexity, and ambiguity.

Positioning of this integrated report



The materials listed above can be found on our website.
URL: https://www.tokiomarinehd.com/en/

Tokio Marine Holdings

Integrated Annual Report 2021

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Abbreviations used in this material

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

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 may differ materially from the information provided in this report.

Question

Why do we exist?

Answer

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

Tokio Marine Group was founded in 1879, making it Japan's first insurance company. In an era where the concept of insurance was still foreign, Eiichi Shibusawa, considered the father of modern capitalism in Japan, was deeply involved in the establishment of the Company after soliciting investment from various parties, calling insurance a national business.

Shibusawa discussed the close relationship between morality and the economy in his writings. The philosophy of companies contributing to the resolution of social issues, or, in other words, existing for the sake of society, has been part of our DNA since our founding. When we were first established, our mission was to contribute to the development of Japan's economy and society by protecting trade cargo from maritime accidents through ocean marine insurance. This aspiration to help society has been passed down over the years until the present day.

Protecting our customers and society in times of need. This has been our unwavering purpose since our founding, no matter the era. Our business itself represents a solution to social issues. The more we grow our business, the better society will become through the solutions we provide. We engage in business with this commitment and mission in mind.

To realize this purpose, we have worked to ensure a bright and vibrant place of work for our employees and collaborated with agents to help resolve a number of issues facing customers and society throughout our 142-year history. As a result, we have sought to achieve sustainable profit growth and return gains commensurate with investment to shareholders and investors. It is precisely because of these social issues that we have been able to hone our ability to resolve these issues and become a stronger company, which in turn has benefited all of our stakeholders and driven our business growth.

Currently, the business environment is changing rapidly and social issues, too, have become more complex. The needs of customers and society, along with the issues, are constantly influx as the times and business environment changes. For this reason, our efforts to achieve our purpose will never end.

Continually providing all our stakeholders with value is hardly a simple task, but we will never stop trying to find the right solutions. With this conviction, we will continue to explore this path well into the future. The status quo is not an option; we must constantly seek to become a "Good Company."

Eiichi Shibusawa who was deeply involved in the Company's founding (collection of Shibusawa Memorial Museum)

Provision of Value to Stakeholders

Question

Why will we be able to realize its purpose?

Answer

Our success is built on three strengths which we continuously strive to enhance.

We have been able to realize our purpose and as a result achieve sustainable growth because of the many challenges we have undertaken and difficulties we have overcome during the course of our 142-year history, which has enabled us to cultivate three unique strengths that we have continued to refine over the years.

First, we have the ability to deliver safety and greatly increase security.

To resolve the issues of customers and society even in times of immense change, we need to develop and ensure the accessibility of products and services that address these issues and needs. Having continuously resolved social issues in the past, Tokio Marine has the ability to detect issues, the ability to develop products and services that resolve these issues, and the ability to deliver these products and services. Currently, we are building upon these abilities using digitalization and data to expand the peace of mind we offer to customers and society.

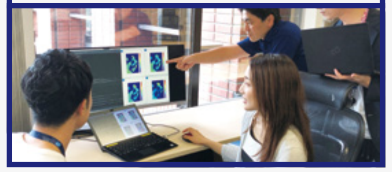
Second, we have the ability to manage our business portfolio.

No matter how good a product or service may be, if our business platform is not rock solid as the underwriter of risk, we will not be able to protect customers in their times of need. In this sense, our businesses must be sustainable, and toward this end Tokio Marine needs to prepare for these times of need by diversifying risk and stabilizing our business portfolio. Tokio Marine reviews its business portfolio using a forward-looking mindset to optimize its insurance businesses, which enables us to balance risk diversification and business growth as well as strengthen our business platform.

Third, we have the ability of integrated group management.

To adapt to global issues and continue to grow as a Group, it is vital that we work to resolve issues using the collective strengths of our diverse workforce. Tokio Marine deploys its diverse and talented workforce optimally inside and outside of Japan to incorporate and utilize their expertise and wisdom directly into the Group's strategy and across the Group, which enhances our ability to resolve issues and to generate synergies.

The Ability to Deliver Security and Expand Safety Pages 14–17



Portfolio Management Ability Pages 18–21

Integrated Group Management Pages 22–25


The Ability to Deliver Security and Expand Safety

By developing and providing innovative products and services that help resolve social issues, Tokio Marine has become a chosen favorite among customers, thus stimulating consistent growth. Currently, we are using digitalization and data to further expand safety of all our customers.

Ability to Detect Issues for Customers and Society

The business environment is undergoing major and rapid changes, including natural disasters that are more severe, acceleration of DX spurred on by the COVID-19 pandemic, and changes in customers' behavior patterns. Under these circumstances, continuing to meet the expectations of customers and society requires us to correctly and quickly identify changes in the environment and the challenges facing customers and society.

Tokio Marine shares information on indications of change and business matters from the frontline of its operations closest to customers and markets within the Group in a timely manner, with a focus on pertinent locations, articles and frontline sites.

We have established a system to collect the voices of customers and agents so that product and service developments and improvements are made through analysis that also involves consumer advisors.

At the same time, a medium- to long-term approach is also required when responding to new risks and needs.

Consequently, we are working to research medium- to long-term environmental changes and risks and opportunities arising from such through the use of industry-academia collaboration, the Group's think tank, and outside research institutions. In actuality, the new three-year Mid-Term Business Plan launched in fiscal 2021 was formulated using backcasting from medium- to long-term business environment scenarios, in addition to current environmental changes (please see pages 34–36, 43 and 48–51).

The Ability to Develop Products and Services that Resolve Issues

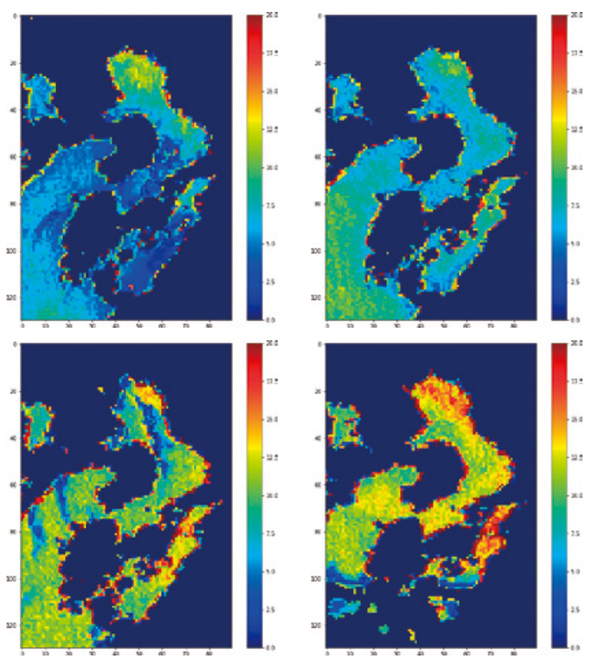
To develop products and services that can clear up challenges facing customers and society, and to transform these into viable businesses, it is necessary to have appropriate premiums commensurate with risk and the ability to underwrite it stably.

In terms of appropriate premiums, our actuaries*1 analyze past accident data and outside data to quantify the frequency of accident occurrence and expected risks such as damages, which allows us to set the appropriate premiums in terms of ROR*2. In recent years, we are also utilizing digitalization and data, such as Predictive Analytics*3 by TMHCC and big data analysis by TMNF and TMNL, to further enhance our risk analysis and pricing.

In addition, in terms of stably underwriting risk, Tokio Marine controls risk amounts appropriately using both global risk diversification and reinsurance in response to capital events*4.

In this manner, our consistent and disciplined underwriting have earned us the highest ratings in the world from major ratings agencies with regard to our financial soundness.

*1: A person who compiles and analyzes statistics and uses them to calculate insurance risks and premiums
*2: Return on Risk
*3: Analysis for predicting the future by applying statistical methods to data
*4: An event that can damage an insurance company's capital, such as a large natural disaster that happens only once every few hundred years



We are researching ways to prevent and mitigate red tide damages using satellite imagery and ocean data

The Ability to Deliver to Customers

There is no use developing a great product or service if it never makes its way to market. We believe the key lies in delivering the right coverage (products and services) to customers using methods that suit their needs.

In terms of right coverage, given the heightened intensity of natural disasters in recent years, we are conducting a nationwide campaign to check the details of customer policies so that we can propose to them the right amount of coverage needed. Amid the growing diversity and complexity of risks including cyber risk, we are proposing the right coverage particularly to SMEs, which tend to have a low insurance enrollment rate, by raising awareness of risks through tie-ups with commerce and industry associations.

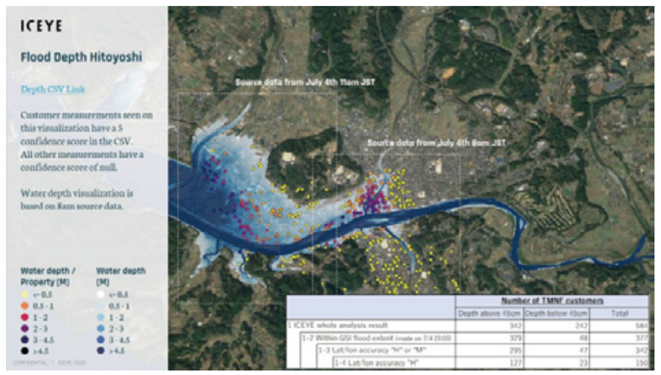
In terms of delivery methods, for example, we are mixing both face-to-face and contactless services based on customer needs, from enhanced face-to-face consulting to enabling customers to use their smartphone to carry out procedures, to achieve the best possible customer service for each individual customer.

Policy procedures by smartphone

The ability to deliver does not stop with insurance policy procedures. We swiftly pay out insurance claims in the event of an emergency by utilizing digitalization to a high degree in quickly identifying damages through AI-driven analysis of satellite imagery or reenacting accidents using drive recorder data based on AI analysis.

The time created from these initiatives is allocated to operations only people can perform, such as loss prevention and addressing customer needs in a familiar and honest manner. This ensures that we continue to enhance the quality of the services we provide.

Examples of high-quality services in response to accidents



Satellite image with an overlay of AI-generated flood assessment

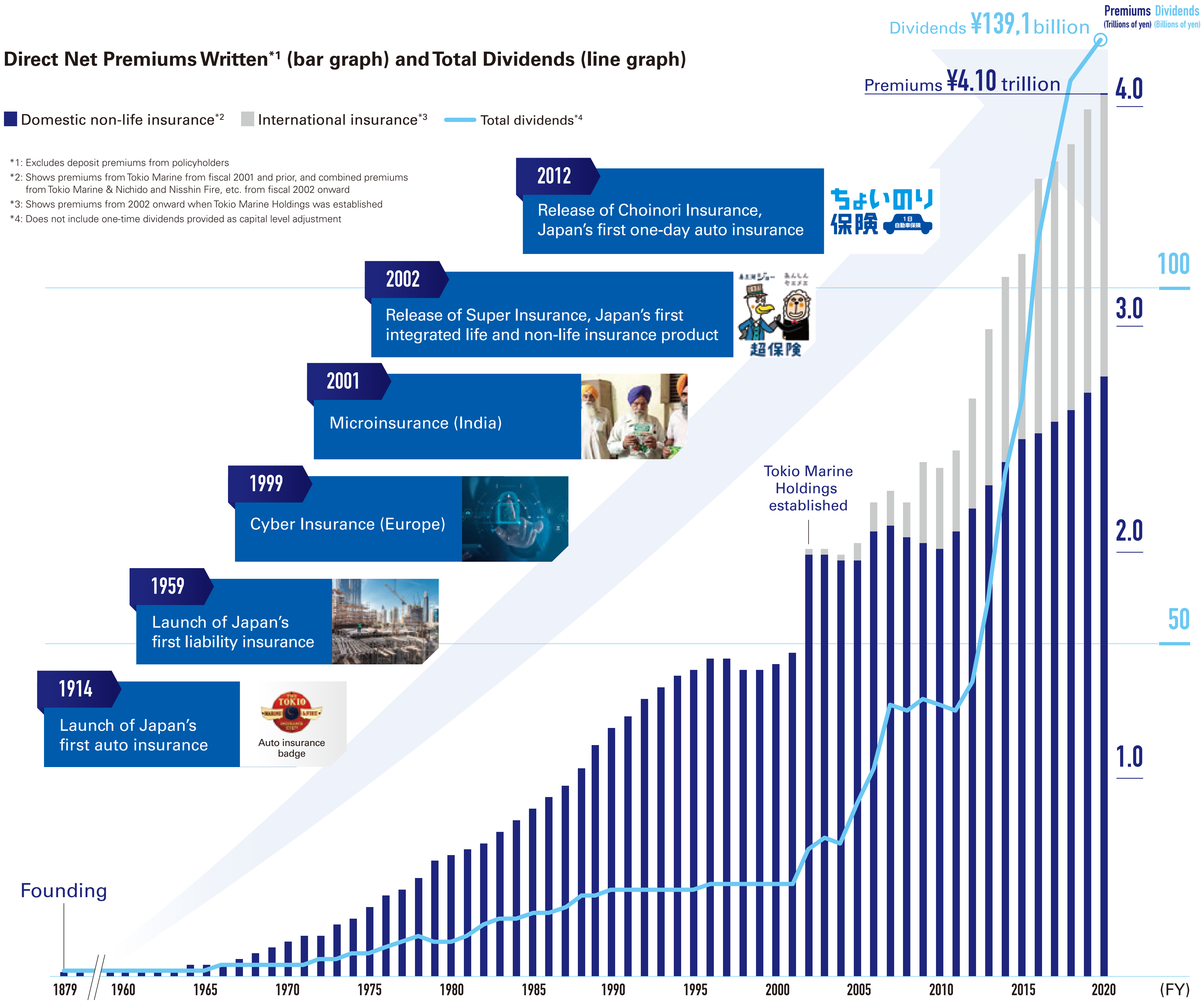
Use of AI for vehicle accident reenactment

History of Resolving Social Issues and Sustainable Growth by Delivering Security

For people and for the world—Tokio Marine is strongly committed to contributing to the resolution of social issues. Based on this commitment, since our founding in 1879, we have quickly and accurately identified the issues facing customers and society through the changing eras, and developed a series of innovative products and services that resolve these issues. We have also worked diligently to deliver these products and services and to give customers greater safety.

As a result, we have gained the trust and recognition of customers, enabling us to grow sustainably and provide value to all shareholders.

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



*1: Excludes deposit premiums from policyholders
*2: Shows premiums from Tokio Marine from fiscal 2001 and prior, and combined premiums from Tokio Marine & Nichido and Nisshin Fire, etc. from fiscal 2002 onward
*3: Shows premiums from 2002 onward when Tokio Marine Holdings was established
*4: Does not include one-time dividends provided as capital level adjustment

Recent Examples of Issue Resolution

(1) 2017 Automobile insurance, "coverage riders for expenses for saving victims"

Saving Victims Promptly Ahead of the Spread of Autonomous Driving

We were the first in Japan to develop a rider to facilitate payment of insurance proceeds to victims even in the event of an accident where liability is unclear due to progress in autonomous driving technologies (please see page 53).

(2) 2020 Acquired GCube to provide specialized insurance solutions to offshore wind power generators

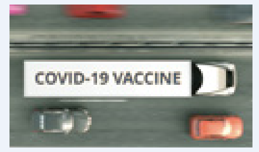
Supports the spread of renewable energy

To support the shift to renewable energy, we acquired GCube, a global leader in the field. Also, in Japan, we developed insurance that seamlessly compensates the risk associated with offshore wind power generation projects, thereby supporting operators from the perspective of insurance (Please see pages 78–79).

We received the SDGs Strategy and Economic Value Award at the 2nd Annual Nikkei SDGs Management Grand Prix for our development of this product.

(3) 2020 Cargo insurance for transport of COVID-19 vaccines (UK)

Supporting Shipments of COVID-19 Vaccines to Developing Countries



It is typically difficult to underwrite insurance for vaccines because they can no longer be used if they are not kept at the right temperature. However, TMK of the U.K. together with Lloyd's developed cargo insurance that compensates the risk associated with temperature fluctuations during vaccine transport by installing IoT devices on vaccine transport vehicles. The insurance pays out claims in less than three days in case vaccines are not kept at the optimal temperature, which facilitates transport of vaccines to developing countries.

(4) 2020 Medical Kit Yell (medical insurance with relaxed underwriting criteria)

Helping Extend the Healthy Life Expectancy of Seniors with Chronic Disease

We developed a new medical insurance product for seniors with chronic disease or health concerns, for which underwriting was previously difficult, using AI for big data analysis. We also offer services that help to prevent health conditions from becoming severe in response to the health needs of seniors (Please see page 29).

(5) 2021 Automobile insurance Drive Agent Personal

Achieving a Safer and More Secure Automotive Lifestyle

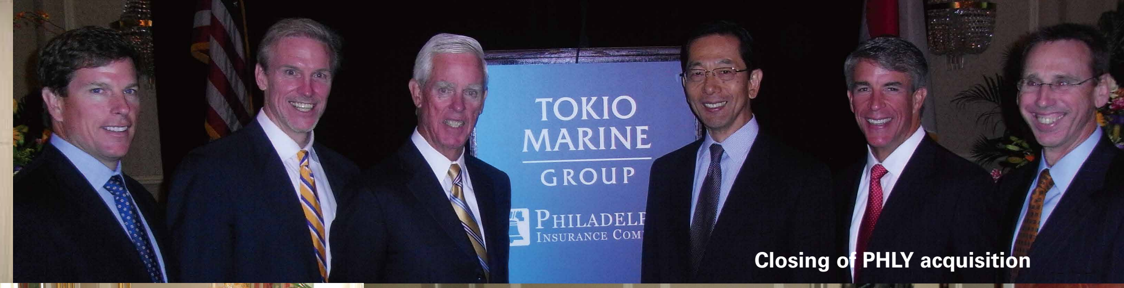
We were the first in Japan to provide customers with a dual-camera driving recorder with telecommunication function. In addition to various support after an accident, we deliver peace of mind whenever driving as the driving recorder helps to guard against dangerous tailgating and other road-rage incidents because it captures video from the front, rear and sides.

Portfolio Management Ability

Our strength is found in our ability to manage our portfolio for the insurance business.
We are balancing business diversification and growth through forward-looking M&A aimed at portfolio optimization.

CEO Ross Buchmueller of PURE Group visits Japan following the acquisition agreement

Closing of Kiln acquisition



Closing of PHLY acquisition

Closing of DFG acquisition

Closing of HCC acquisition

Perspective as the Co-Head of International Business

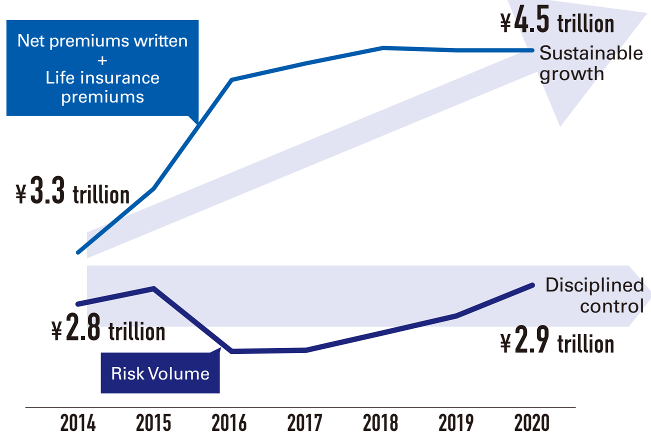
Christopher Williams

More than five years have already passed since HCC Insurance Holdings, Inc. (HCC), where I was CEO, became a member of Tokio Marine Group. I am now leading Tokio Marine's global operations as the Co-Head of International Business. Here, I would like to talk about our strength that comes from our portfolio management ability while highlighting some of my own personal experiences.

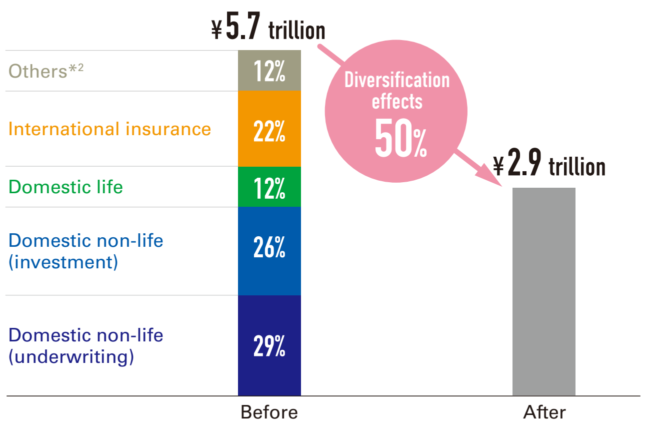
Track Record of Portfolio Management

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 some 20 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. Moreover, we not only acquire businesses, but on occasion we also divest them with a forward-looking approach, with the capital or funds raised from these transactions allocated to future acquisitions, leading to further risk diversification and business growth. Through this form of portfolio management, we have increased risk diversification effects up to 50% as of late, and as a result, our adjusted ROE has increased to 11.5% (FY2020).

Sustainable growth and appropriate control of risk*1

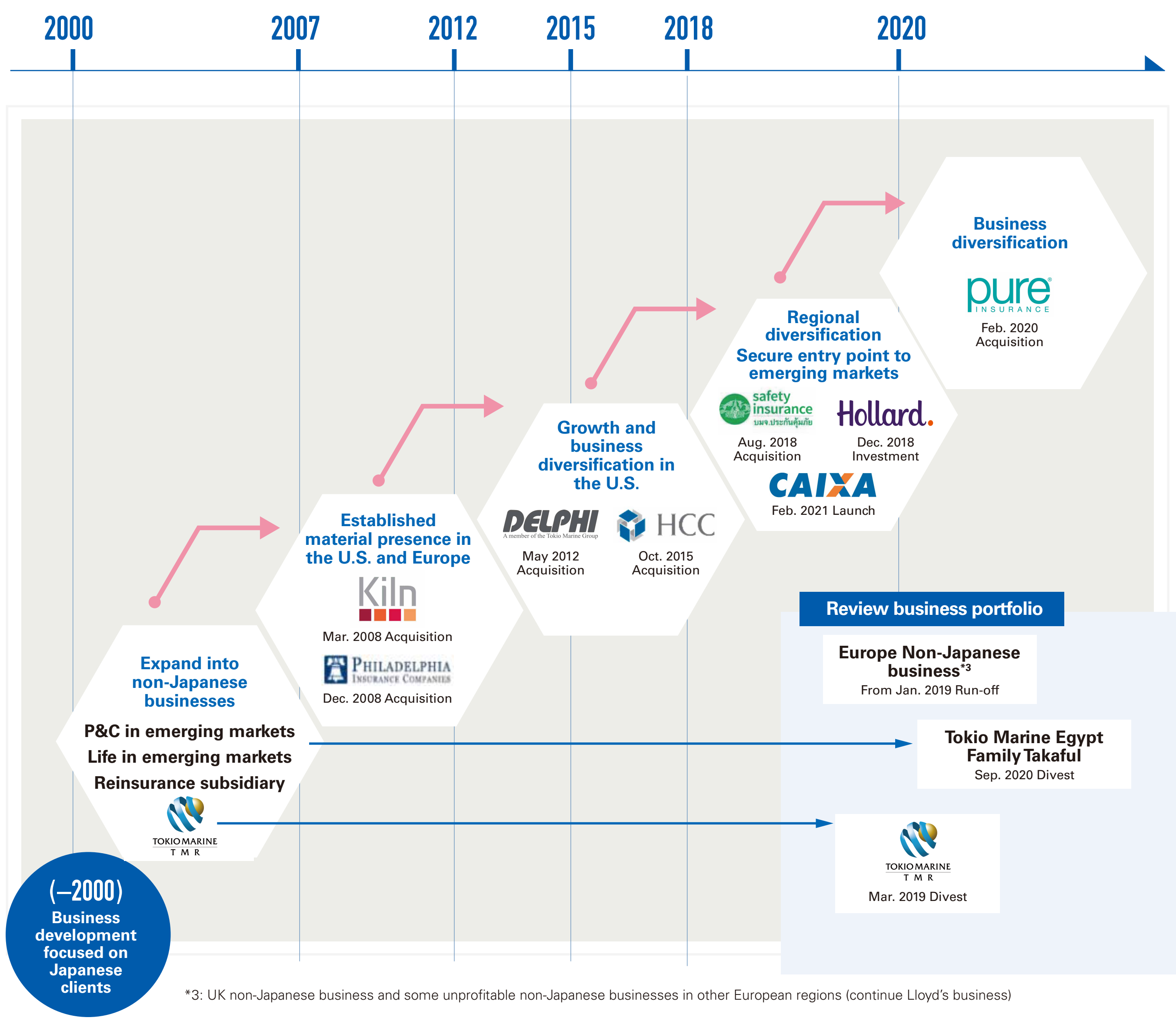


Risk*1 diversification effects (as of March 31, 2021)



*1: ESR risk (99.95%VaR, after tax basis) *2: Financial and other businesses, FX risk derived from net capital investments, etc.

Portfolio management to date

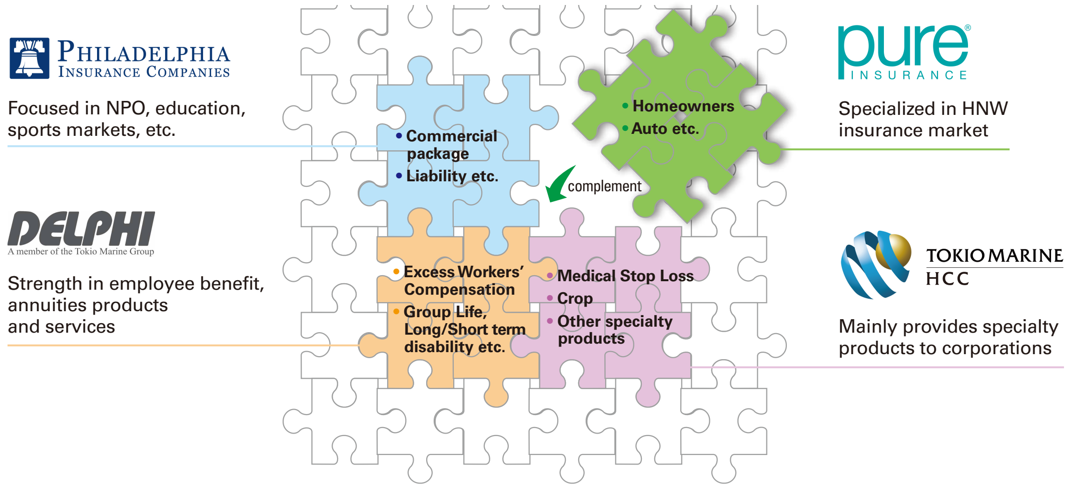


*3: UK non-Japanese business and some unprofitable non-Japanese businesses in other European regions (continue Lloyd's business)

Domains and Companies Targeted in M&A

For Tokio Marine Group, M&A is not a goal but 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*1 while in emerging countries are those 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, we have been able to diversify risks because there is very little overlap in terms of customer base and products of our Group companies, even within the same region.

*1: Special insurance provided to corporations such as liability insurance and medical insurance, differentiated from standard auto insurance and fire insurance



Stringent Acquisition Guidelines Emphasizing Cultural Fit

We have established the stringent acquisition guidelines of cultural fit, high profitability, and strong business models in order to execute disciplined M&A. Among these, we value cultural fit the most. Looking back, culture was perhaps the single greatest factor in HCC joining Tokio Marine Group.

We have a market intelligence (MI) function internally to identify deals and then compile long and short lists. Based on this list, the International Executive Committee (IEC), comprised of the Group's C-suite and head of the overseas insurance business holds discussions around 10 times annually to carefully screen acquisition candidates, but using quantitative metrics is not sufficient to judge an acquisition. More in-depth due diligence is needed to confirm cultural fit. During the Pure acquisition, I met directly with CEO Ross Buchmueller of PURE Group on several occasions. Once we even attended a Boston Red Sox baseball game as he is a big fan. As a result, the deciding factor for this acquisition became the strong sense of shared direction and chemistry fit gained from these dialogue.

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.

Business Oversight Respecting 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 with a federated model for Group business operations like Tokio Marine. I believe that our integrated Group management under a federated model represents a unique business model.

On occasion, I am asked about consolidating business 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 company's 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 CEO 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 I believe Pure will soon join these three companies. This has enabled us to establish a top 10 position in commercial lines for Tokio Marine Group in the North American market, the world's largest insurance market. In particular, we are a leading player in the specialty insurance field.

At the time of the acquisition of HCC, Tokio Marine Group promised to respect the autonomy of HCC, and, of course, this promise has been kept to this day.

Strong growth for four North American companies

Company	Top-line*2 (USD bn)		Company CAGR	Market CAGR	Bottom-line*3
PHILADELPHIA INSURANCE COMPANIES — Joined in December 2008	2008: 1.7	2020: 3.2	PHLY 5.6%	3.6% (2008–2020 CAGR)	+4.7% (2008–2020 CAGR)
DELPHI — Joined in May 2012	2011: 1.5	2020: 2.7	DFG 6.5%	4.7% (2011–2020 CAGR)	+11% (2011–2020 CAGR)
TOKIO MARINE HCC — Joined in October 2015	2015: 2.8	2020: 3.9	TMHCC 7.2%	4.8% (2015–2020 CAGR)	▲6%* (2015–2020 CAGR)
pure INSURANCE — Joined in February 2020	2014: 0.3	2020: 1.3	Pure 25.0%	4.6% (2014–2020 CAGR)	+24% (2014–2020 CAGR)

* Although the growth rate deteriorated temporarily in FY2020 due to the impact of COVID-19, the 2015-2021 CAGR is expected to reach 5.7%.

*2: Net premiums written on a local accounting basis (For Pure, premiums under management company) *3: After-tax profit on a local accounting basis

Forward-Looking Business Divestments

Optimizing our business portfolio is an ongoing process of not only acquisition but also forward-looking divestments, to strategically interchange the portfolio. For example, Tokio Millennium Re AG (TMR), a reinsurance subsidiary established in 2000, was an important company forming the base of our full-fledged overseas expansion. We established TMR for global risk diversification through reinsurance and for learning about management of overseas companies. For the following reasons, however, we sold TMR in March 2019 after determining that it had served its purpose.

1. We were able to achieve risk diversification through primary insurance businesses from large acquisitions executed since 2008;
2. The earnings outlook in the reinsurance market is challenging due to the influx of third-party capital, and TMR, which generated profits of ¥10 billion, would have difficulty securing satisfactory return on risk (ROR) in the future; and
3. We felt that selling the business while healthy management is secured, which is important for employees and for the company.

We are able to use the capital and cash generated from the divestment to fund business investment that benefits further risk diversification and growth. Going forward, we will continue to review our portfolio in a flexible manner comprehensively incorporating the changes in business environment and business forecasts.

Closing

Our proven M&A track record and reputation will help us find the next great M&A opportunity. This is one of our major strengths that few competitors can easily match. When I made the decision for HCC to join Tokio Marine Group, I, of course, saw the success of TMK, PHLY and DFG, but the fact I was able to talk to each CEO to learn the appeal of the Tokio Marine Group was also a major supporting factor. I believe that we can continue to grow together with the colleagues that have joined us in recent years, including CEO Ross Buchmueller of PURE Group.

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 divest businesses and reallocate the capital and cash generated for 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 controlling risks and as a result increase the capital efficiency of the entire Company.

Integrated Group Management

Tokio Marine deploys its diverse workforce, including talent acquired through M&A, optimally on a global basis to utilize their expertise and wisdom to resolve issues and to generate synergies.

Utilizing strong local expertise and capabilities across the entire Group

Establishment of strong localities

The insurance business is a collection of local businesses because no matter how global a business becomes, regulations, culture and social issues vary depending on country and region. As a result, for the entire Group to continue growing, Group companies must build a unique business model rooted in their regions and markets to establish a dominant competitive position. In actuality, each Group company has established the strongest localities in each region where it operates by steadily enhancing its capabilities (please see pages 120 and 121). We are a global company precisely because of this strong local presence.

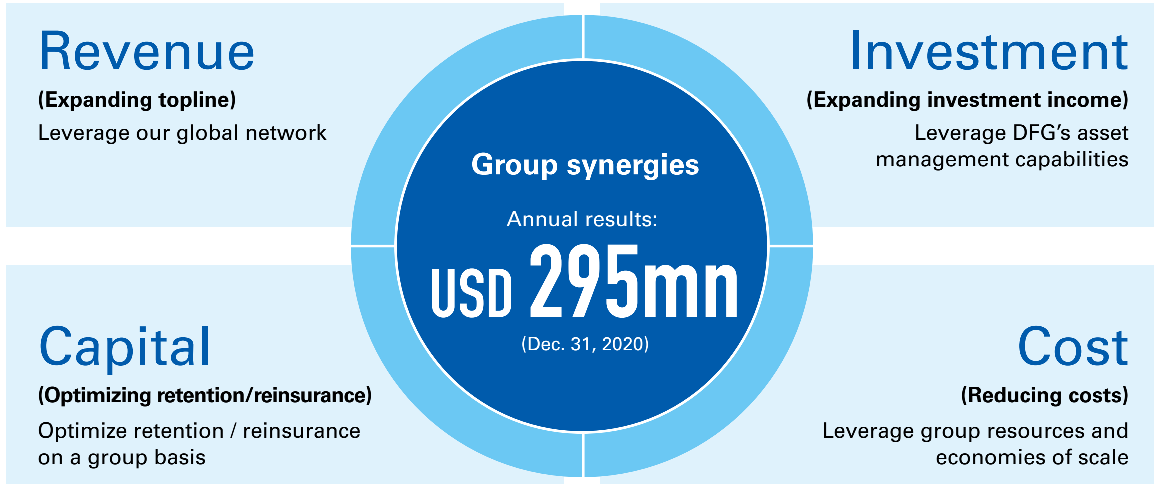
Generating Group synergies with the Group's capabilities

Our strong localities are further refining their strengths and accelerating growth by fully harnessing the Group's capabilities of product lineup, underwriting capacity, and sales network. As a result, in the four areas of revenue (expanding topline), investment (expanding investment income), capital (optimizing retention/reinsurance*) and cost (reducing costs), Group synergies have materialized, resulting in profit contribution of around ¥30 billion this year and over ¥130 billion since fiscal 2016.

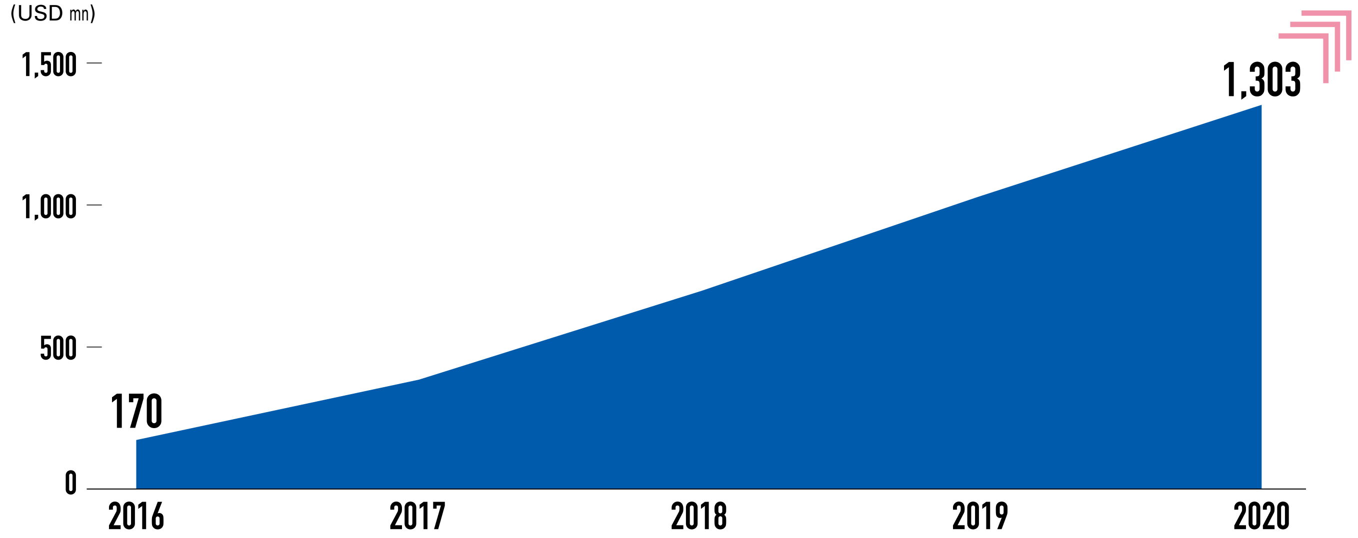
Companies that can generate quantitative effects from such synergies are rare. This is why we give such importance to this within our strength of integrated group management. More concretely, most companies attempt to generate cost synergies by rightsizing their workforce, but in our case, our workforce has increased over the years because the companies we acquire generate even more growth after joining the Group. In addition to growing cross-selling (revenue) using our diverse and broad product lineup along with our global sales network, we are expanding investment income (investment) through DFG with its sophisticated know-how in asset management, optimizing retention/reinsurance (capital) including underwriting capacity, and steady progress with the necessary cost synergies such as joint purchasing of systems. Today, discussions about achieving these synergies are being held actively among each Group company rather than led by the holding company. For example, proactive discussions on generating synergies with PURE Group are taking place during the CEO conference in North America. In this manner, the Group's sense of solidarity is growing.

* Transferring some underwritten risk to other insurance companies through reinsurance for risk diversification and other purposes

Main areas for synergy generation



Impact on profits from Group synergies (cumulative)



Strength 3 Integrated Group Management

Assigning our talented workforce optimally to enhance the Group's strategy execution and capabilities

Synergies go beyond quantitative figures. We have diversified risk and grown our business through M&A. However, the greatest outcome from these transactions has been the acquisition of talented people, expertise and wisdom. We assign our talented workforce to the positions best suited to them globally. Best practices combining the expertise and wisdom of Group companies is deeply incorporated and utilized in the Group's strategies to enhance the execution of measures Groupwide.

For example, top management of acquired companies are appointed to the position of Group Co-Head of the entire Group's asset management and international insurance operations. Personnel with particularly advanced expertise also play an active role as a focal point of strategy being implementing cross-functionally across the Group. In this manner, our chief officer system*1 and functional global committees, which include top management from outside, Japan have been firmly ingrained in the Group over the past six years. In addition, the Group works collectively on global issues as if by second nature.

The Post COVID-19 Task Force, in which top management from overseas also participates, was launched in the summer of 2020 and since then it has utilized the wisdom of our workforce outside of Japan to upgrade the Group's strategy aimed at the post-COVID-19 world (please see page 69).

During the three years of the previous Mid-Term Business Plan, besides the novel coronavirus, Tokio Marine faced the challenges of natural disasters and a low interest rate environment. A major accomplishment during this plan was to enhance the capabilities of integrated group management by overcoming these issues using the Group's collective wisdom.

Tokio Marine's integrated group management was included in a case study*2 of the Harvard Business School for its uniqueness as a strategy. We will now take steps to increase the level of integrated group management and further enhance our problem solving ability.

Globalize and enhance our management structure

Group CEO / CCO
Culture

- Focus on Group management
- Initiatives to spread our Group culture

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

Functional Global Committees, etc.
Top management both in Japan and overseas discuss various Group management issues

ERM	Enterprise Risk Management Committee
International Insurance	International Executive Committee
Digital	Digital Round Table
Retention Strategy	Global Retention Strategy Committee
Investment	Global Investment Strategy Committee
IT	Global Information Technology Committee

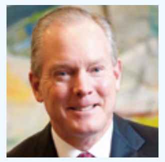
Generate Group's collective strength

Domestic Non-life Insurance Business | Domestic Life Insurance Business | International Insurance Business | Financial and Other Business

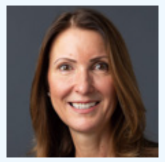
- Create synergies and share best practices in a cross-organizational manner
- Brings together the knowledge of the Group to solve Group-wide problems
- Involve overseas personnel in Group management

Optimal assignment of talented workforce — **Top management from overseas Group companies are appointed to the position of Group Co-Head and others**

Donald Sherman
Senior Managing Executive Officer
Co-CIO
(Group Co-Chief Investment Officer)
Delphi Financial Group CEO



Robert O'Leary
Managing Executive Officer
Assistant Officer Responsible for North America (excluding certain subsidiaries)
Chairperson of Philadelphia Consolidated Holding Corp.



Susan Rivera
Executive Officer
Chief Executive Officer of HCC Insurance Holdings, Inc.

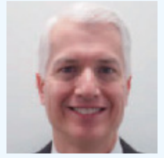
Christopher Williams
Senior Managing Executive Officer
Co-Head of International Business
Co-CRSO
(Group Co-Chief Retention Strategy Officer)
Former HCC Insurance Holdings CEO

José Adalberto Ferrara
Executive Officer
Chief Executive Officer of Tokio Marine Seguradora S.A.

Personnel with advanced expertise are appointed to core positions for the Group's strategy

Internal Audit
Desmond Yeo
TM Asia Regional Head of Internal Audit
(Additional post: HD)

<Main career>
Previously worked as an Internal Audit Director of a Global Insurance company. 23 years of working experience in areas of IA, ERM and IT risk management.



Reserving*3
Daniel Thomas
Chairperson of International P&C Reserving Actuary Committee

<Main career>
Worked as an adviser on reserving to global insurance companies for over 20 years at a major audit firm.

Specialty
Philippe Vezio
TM Asia Deputy CEO & Chief U/W Officer
(Transferred from TMHCC Barcelona)

<Main career>
Engaged in various senior positions in a Specialty business unit writing international business.

Legal & HR
Caryn Angelson
TMNAS CHRO & CLO
(Concurrent posting at TMHD)

<Main career>
Leveraging her background as a lawyer at a global law firm with a focus on litigation, Caryn provides legal counsel to various global corporate functions across a broad range of issues, including in the field of employment and labor.

Reinsurance
Barry Cook
CEO of International Group at TMHCC
(TMHD Global Reinsurance Advisor)

<Main career>
Leads TMHCC's International businesses, and has over 30 years service with TMHCC and a reinsurance brokerage company Barry started that was acquired by TMHCC.

Cyber Insurance
Daljitt Barn
Cyber Centre of Excellence
Global Head of Cyber Risk

<Main career>
At his previous position, he formulated and deployed cyber insurance strategy at a global reinsurance company, following more than two decades working as an expert in cyber risk.

*1: Tokio Marine has adopted a system in which its chief officers manage the strategies and policies of the entire Group for each particular field, thereby leveraging functions in a cross-organizational manner.
*2: DAVID COLLIS, AKIKO KANNO, "Tokio Marine Group (A)", "Tokio Marine Group (B)", HARVARD BUSINESS SCHOOL, SEPTEMBER 15, 2020
*3: To estimate future payments on reported and unreported claims, with respect to insured events that have occurred

Penetration of our purpose as a foundation

It is important to foster an integrated culture where our diverse workforce of more than 40,000 employees worldwide is united as one team in order to maintain the same passion during both emergencies and normal times as they go about resolving challenges. Tokio Marine is working to penetrate its purpose by hosting "Majikirakai," a group that talks about serious matters very casually, globally for various levels of employees, including between officers, officers and employees, and among employees. The important aspect of these Majikirakai is that employees have the opportunity to think about how their work is benefiting customers and society and how they can contribute to the world as a team. Through this dialogue, information is shared Groupwide and the meaning of work is further instilled in employees.

At Tokio Marine, the CEO who also serves as the Group Chief Culture Officer (CCO) takes the lead in efforts for penetrating our purpose. He engages our employees around the world both physically and remotely to ask "What is our business for?" to foster this mindset in our culture Groupwide.

Dialogue with employees aimed at penetration of our purpose

Majikirakai led by CEO Komiya at PHLY (2019)

Majikirakai led by President Hirose via Zoom (2020)

Question

What are we aiming for?

Answer

Become a company that is always there for customers to support them in their times of need

Protecting customers and society in their times of need has been Tokio Marine's purpose since our founding. This has remained the same no matter the time period. We also believe that this purpose alone should never change.

Currently, our business environment is changing profoundly and rapidly during the COVID-19 pandemic, increasing expectations placed on the insurance industry as a form of social infrastructure. During such a difficult time, focusing solely on the conventional insurance business will make it challenging to continue to meet the true, constantly changing expectations of society and customers. For example, in response to the growing severity of natural disasters and rising number of cyber risks, are we able to fulfill our purpose simply by paying out insurance claims during an event? Needless to say, paying out insurance claims is the most important function of an insurance company, so our mission is first and foremost to carry this out without fail. However, preventing accidents, mitigating the burdens from these accidents if they occur, and quickly restoring and preventing recurrence are also important. Such peace of mind before and after an event and providing value beyond just the payment of insurance claims will likely become more important in the future. Therefore, we are dramatically expanding the domains where we provide value in a wide range of fields including health care, disaster prevention and mitigation, mobility and cyber, while thoroughly utilizing digitalization. In this manner, we are attempting to evolve into a company that is always there to aid our purpose of supporting customers in their times of need.

As the times change so does social issues and the solutions required. This is a given. As we approach a turning point today, we believe it will be important to carefully examine the domains where we should play a role and embark on bold reforms.

Tokio Marine will continue to contribute to a sustainable society and simultaneously increase social value and economic value (profit growth), while creating a cycle of business activities and solutions to social issues as a leader in solutions to social issues.

By quickly implementing this cycle of solutions to social issues and business activities along with continual improvement, we will continue to provide value to all stakeholders and become a "Good Company" that is truly needed and trusted by all even a century later.

We will thoroughly utilize digitalization in an effort to expand business domains to evolve into a company that always supports its customers.

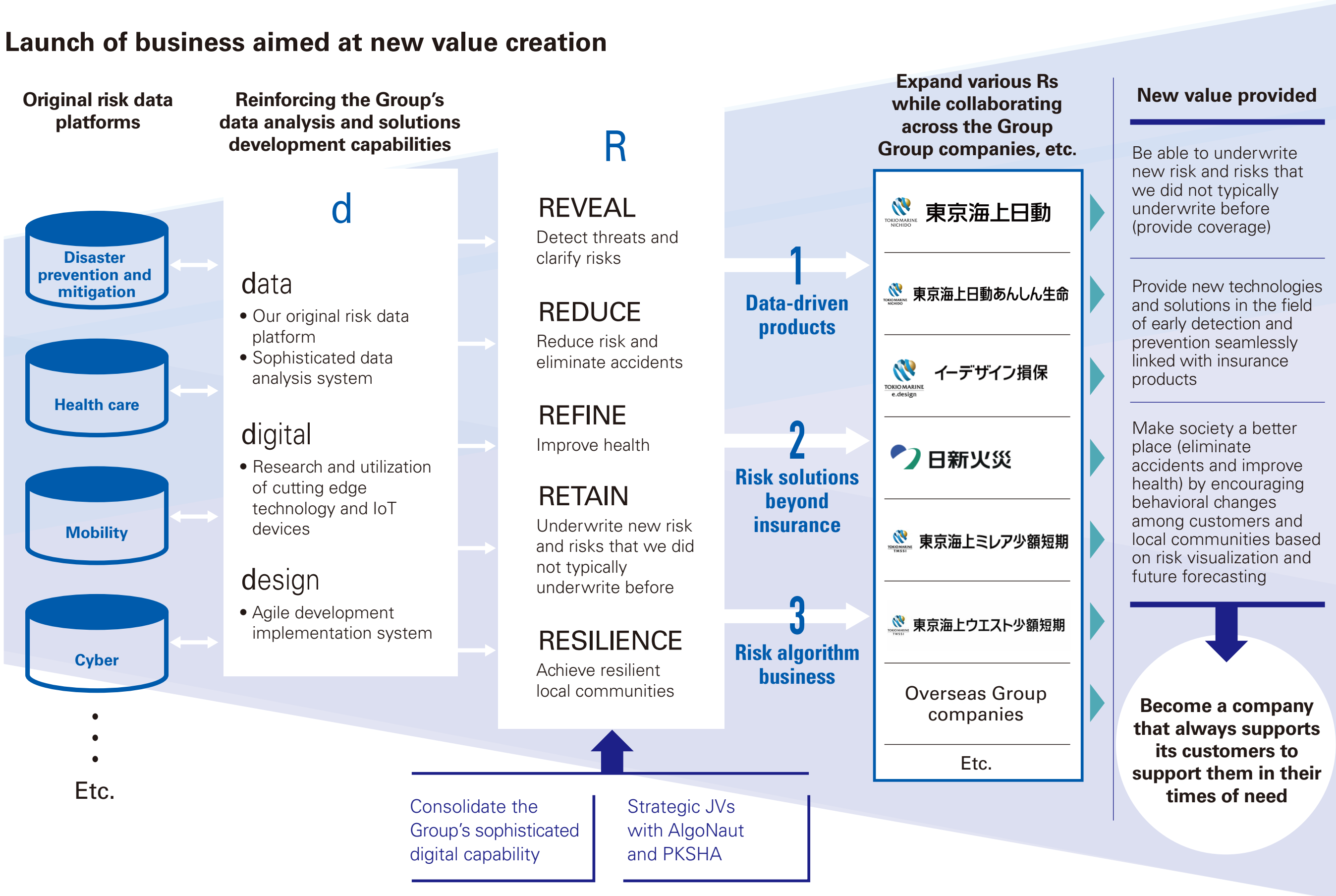
Becoming a company that always supports its customers to support them in their times of need means not only paying out insurance claims, but also detecting possible accidents customers may encounter, helping prevent customers from experiencing these accidents, and offering advice that will help customers regain their health should they become sick. Internally, we refer to this as providing peace of mind before and after events. We believe that we will only be able to fulfill our purpose after achieving such a presence.

Digitalization is one vital aspect that will empower us to expand business domains and evolve into a company that always supports its customers. For example, it may be possible to prevent customers from getting into a traffic accident by analyzing their driving tendencies. Obtaining customers' health data and information on their living habits may enable us to provide advice so that they are less prone to sickness or prevent health conditions from becoming severe if they do. The Tokio Marine Group's aspiration can be found here.

In July 2021, the Tokio Marine Group established Tokio Marine dR Co., Ltd. (TdR) to head up our core data functions in order to evolve into a company that always supports its customers. TdR will become a focal point of the Group's sophisticated digital capabilities and spearhead efforts to strengthen the Group's data analysis and solution development capabilities. Utilizing TdR's digital capability, we will provide powerful peace of mind before and after events in the fields of disaster prevention and mitigation, health care, mobility (please see pages 15 and 52 to 53) and cyber (please see pages 80 and 81).

Overview of Group-wide initiatives through TdR

Launch of business aimed at new value creation



Examples of expanding business domains

*Please see pages 15 and 52 to 53 for mobility and pages 80 and 81 for cyber

Disaster prevention and mitigation

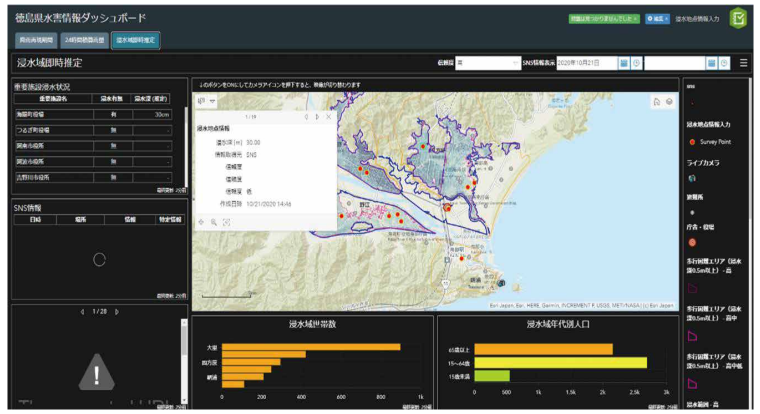
In recent years, Japan as a whole has seen an increase in the number of natural disasters causing significant damages. With regard to water damages in particular, the torrential rains that hit Western Japan in 2018, Typhoon No. 19 (Hagibis) in 2019, and the torrential rains in Kyushu in 2020 resulted in large scale flooding and rivers overflowing their levees.

In the case of flooding disasters, local governments must make decisions regarding evacuations in a swift and appropriate manner. For this reason, it is important to gather information immediately after a flood in a timely manner.

Amidst this, in April 2021 TMNF and TdR (Tokio Marine Risk Consulting as of April 2021) newly developed a flood hazard prediction system using AI with the cooperation of the National Research Institute for Earth Science and Disaster Resilience. This system is able to instantaneously predict areas of flood damage, present threat levels in real time, and visualize the number of households and age-group-specific population in areas with high threat levels.

Going forward, TMNF and TdR will provide this system to local governments already using an integrated geographic information system (GIS) to contribute to strong local communities that are resilient in the face of natural disasters. As a result, we will earn positive evaluations from customers by preventing accidents before they happen and reduce the loss rate.

[Sample image of system screen] Instantaneous forecasting of flood areas



Health care

As we enter an era of 100-year lifespans and extension of healthy life expectancy becomes an important social issue, there is growing demand mainly among middle aged and elderly customers for living a long, healthy and independent life.

Given such environmental changes, in August 2020, TMNL released Medical Kit Yell, a medical insurance with relaxed underwriting criteria expanding coverage to people with chronic disease or people with health concerns, in order to deliver peace of mind to as many customers as possible.

Medical Kit Yell analyzes big data to fundamentally change insurance underwriting criteria to expand the number of people eligible for insurance and to keep premiums low. In addition, people with chronic disease or people with health concerns are highly interested in receiving support from a medical professional or finding ways to prevent serious complications associated with an illness. There is also growing interest in easing health concerns online owing to the COVID-19 pandemic. Medical Kit Yell offers two new online services that deliver even greater peace of mind and health to customers as they go about their daily lives.

Medical Kit Yell, which was developed extensively with digitalization, has recorded strong sales second only to Medical Kit R, our best-selling product ever[*1]. TMNL will continue to deliver greater peace of mind to customers while utilizing the digital capability of TdR.

Examples of new online services

We offer online health consultations[*2], second opinion appointments, a first-of-its-kind in the life insurance industry where customers can designate a hospital, and exam booking services where customers can designate a physician or hospital.

Medical Note for 東京海上グループ

To support customers' health management and efforts to prevent serious complications, we will offer a health advice app that supports people's everyday life, including eating, exercise and sleeping habits, using an AI-powered virtual dietitian.

カロママ プラス

*1: Limited to protection-type products
*2: Implemented within the scope of remote health consultations permitted under the "Guidelines on Appropriate Implementation of Online Physician Visits."

Our Approach to Value Creation

The Group we aim to be

A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide

—Our timeless endeavor to be a Good Company—

For Customers	For Society	For Future Generations	For Employees	For Shareholders / Investors
Contributing to the realization of healthy and enriched lives of our customers by delivering safety and security and by supporting them in challenges that lead to the future	Contributing to creating a sustainable society where can live in safety and security, and take on any challenges	Passing on a sustainable environment to the future generations	Contributing to employees' high performance by providing opportunities to work brightly and vibrantly and through engagement	Sustainable growth of shareholder returns. Working to gain the trust of shareholders / investors and improve corporate value through appropriate disclosure and constructive dialogue

Medium- to long-term targets (milestones) to achieve during the new Mid-Term Business Plan

Adjusted Net Income: Over ¥500 bn

Adjusted ROE: About 12 %

Payout ratio: Increase to levels on par with global peers (approx. 50 %)

100 years from now

Upward value creation spiral

Simultaneously increase social value and economic value

Create a cycle of business activities and solutions to social issues to further enhance problem solving capabilities and refine strengths and strategies

The society we aim to create

A sustainable society in which everyone can live in safety and security, and take on any challenge

01	02	03	04	05	06	07
Resilient world at peace with natural disaster risks	World with extended healthy life expectancy and where everyone can live independently and affluently with peace of mind	World offering a sense of purpose and motivation to all	World of increased national strength supported by industrial and regional innovation	A safe, secure and comfortable world based on urban strategies led by Tokio Marine Group	World that fosters children with the strength to live	World with a sustainable environment that is passed down to future generations

Targets for Fiscal 2030

- Reduce our own greenhouse gas emissions by 60% (compared to fiscal 2015)*
- Increase the ratio of renewable energy in electricity consumption at main business locations to 100%, etc.

01 – 07 Social issues forming the basis for identification of materiality

Pages 72–73

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

Provide value through resolution of social issues —Realize our purpose unchanged from time of founding—

We will achieve our purpose by not only supporting customers and local communities in their times of need through the payment of insurance claims, but also expanding domains where we provide value before and after events (always there for customers).

Eliminate uncertainty by underwriting risk

Quickly restore and prevent recurrence

Detect risk and avoid/control damages

Cover damages and encourage efforts to tackle challenges

Identify all risks facing customers and propose the right products and services

Provide safety and security, including before and after events, using digitalization

Foundations Underpinning Value Creation

Strengths Cultivated by Tokio Marine Group

- The Ability to Deliver Security and Expand Safety Pages 14–17
- Portfolio Management Ability Pages 18–21
- Integrated Group Management Pages 22–25

Robust and transparent corporate governance measures Pages 92–113

Present

Pages 48–51

Unlocking growth through resolutions to social issues 2+1 growth strategy in the new Mid-Term Business Plan

- New Markets × New Approach
- Enhance profitability of insurance business
- Business investment for the next growth stage

Past

Pages 16–17

History of resolving social issues constantly changing with the times

- 2002 — Release of Super Insurance, Japan's first integrated life and non-life insurance product
- 2001 — Launch of microinsurance for farmers in India
- 1999 — Start of provision of cyber-related coverage from early on at U.K.-based TMK
- 1959 — Release of Japan's first liability insurance
- 1914 — Launch of Japan's first auto insurance
- 1879 — Founded as a marine insurance company for supporting trade

Persistent core social issues

- 01 Global climate change and increase in natural disasters
- 02 Rising burden of nursing and medical care due to aging population and progress in medical technology
- 03 Social disparity and inclusion
- 04 Industrial foundations for supporting economic growth and innovation
- 05 Operating environment changes stemming from technological innovation
- 06 Equal opportunities through education
- 07 Protection of natural resources and biodiversity

Changing customers and social needs and increasing diversity and complexity of social issues

- Global warming
- Demographic changes
- COVID-19 pandemic
- Rapid progress of DX, etc.

We are dedicated to providing expertise and solutions to support our customers and society in their times of need

Satoru Komiya
President and Group CEO

Tackling the issues and delivering progress

Prepared for the next growth phase with globalized management and an optimized portfolio

The insurance industry is facing difficult challenges, including natural disasters around the world, the COVID-19 pandemic, social inflation*1 in the United States, and low interest rates. Our company is no exception. These past three fiscal years (April 2018 to March 2021), which coincided with the previous mid-term business plan, have been particularly demanding. By successfully meeting these challenges we have also enhanced our management capabilities and confidence, which will serve us well as a global insurance company. Two of these successes are worth highlighting.

First, and foremost, is the major progress in Integrated Group Management. We have been globalizing not only our business, but also our management. We expect the top management of acquired companies to contribute to our group as a whole while demonstrating competitive edge through a distinctive market-driven business model. We also have appointed Group Company leaders as Group Co-Heads of asset management and international insurance businesses. In addition we have assigned talents to assume inter-company roles and responsibilities, appointing TMHCC's CFO to TMK's CEO, for example. Taking the best of Western and Japanese management styles, we optimize allocation of human resources within Japan and worldwide, leveraging talent and expertise in a united Tokio Marine "One Team" effort.

The Group has benefited from these global management skills applied to our previous Mid-Term Business Plan in many ways. To take one example, we established a global task force to identify changes and challenges post-COVID-19, and review existing strategies. We incorporated the implications of our findings into global and local strategies to capture next-growth opportunities. We also responded to increasing natural disaster risk by revising our retention/reinsurance strategy*2 through Global Retention Strategy Committee discussion and implementation of measures that go to the heart of the issues.

It goes without saying that a global business faces many challenges. Yet as long as we share a strong culture and understanding of our Purpose—the answer to *What is our business for?*—we will overcome obstacles by tapping into the expertise and knowledge of diverse talent pool. With mutual trust among our global colleagues, we can face any crisis, tackle new initiatives, and gain fresh insights.

The second success was strengthening our insurance business portfolio. Looking ahead, it is imperative that we optimize our portfolio based on diversification and growth potential.

Under the previous Mid-Term Business Plan and as growth drivers of our book, we acquired the Pure Group, made strategic investments in emerging economies, notably Brazil and Thailand, as well as in the renewable energy sector. Meanwhile, we divested TMR, our reinsurance subsidiary, which was our steppingstone for international market expansion. This rebalancing has honed our portfolio management capabilities while sowing the seeds of vigorous and profitable growth.

The challenges posed by the business environment under the previous Mid-Term Business Plan called for problem solving of a high order. Surmounting these obstacles has been a strength-builder for our management team, preparing us to go full-bore into the next stage of growth and make the new Mid-Term Business Plan a resounding success.

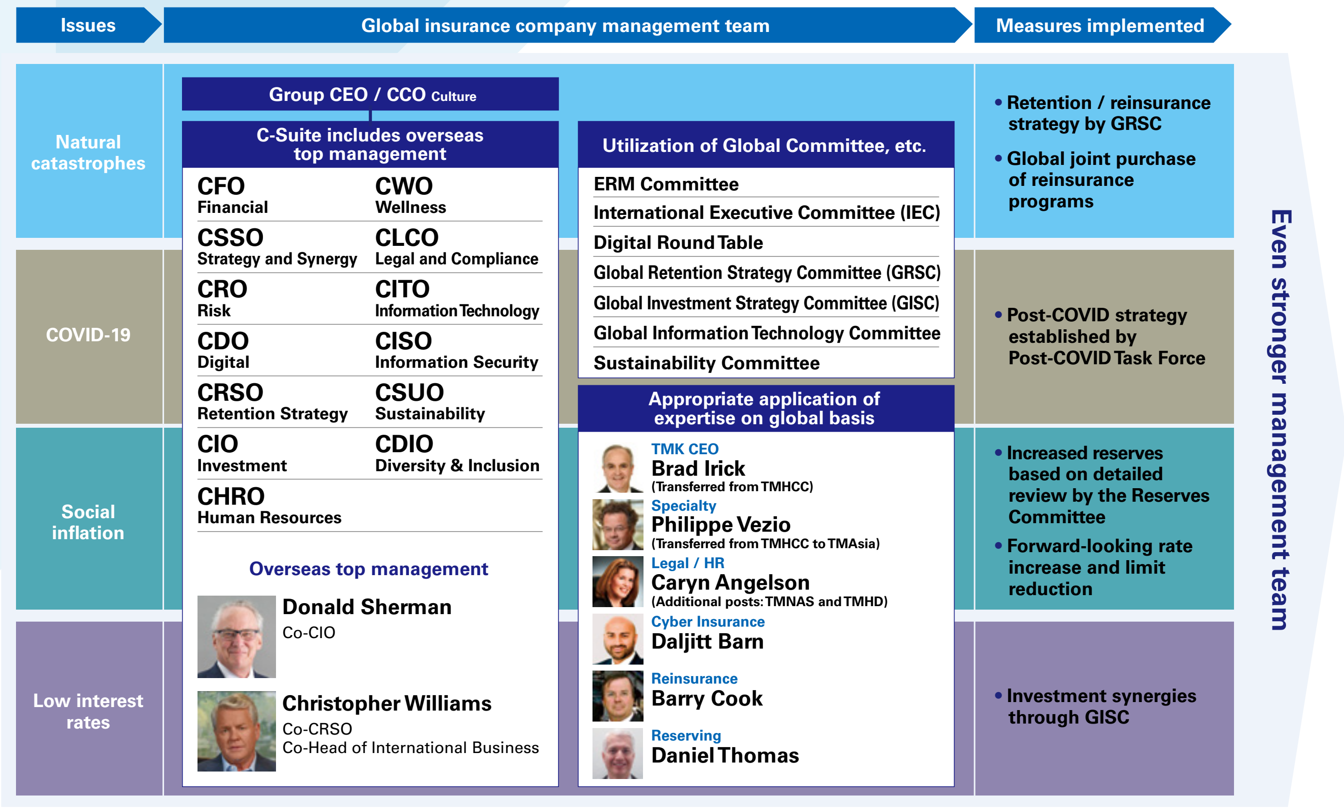
*1: Skyrocketing compensatory awards resulting from aggressive litigation practices, plaintiff-friendly jury composition, and other trends.

Integrated Group Management
See pp. 22–25

*2: Risk diversification through transfer of a portion of exposure to another insurer.

Portfolio Management Ability
See pp. 18–21

Enhancement of Global Management Team



3-year plan to innovate and tackle challenges with a sense of crisis

2+1 Growth Strategy puts ¥500bn+ adjusted net income, 12% adjusted ROE within reach

The COVID-19 pandemic has accelerated digital transformation (DX) across industries and sectors. Customer needs have also shifted dramatically. Such changes were in progress, but the pandemic has brought them into focus. Although the pre- and post-pandemic issues are largely unchanged, the speed of change has doubled or tripled, constraining projections and ruling out predictions, even two or three years ahead. In this age of high discontinuity, neither received wisdom nor past success apply. Rather, outcomes that defy logic and expectations are the norm.

The role of insurance becomes critical in these turbulent times of escalating and evolving risks for customers and society. "Business as usual" will neither sustain our Group nor serve our clients and communities we are committed to protecting. Meaningful change depends on reimagining ourselves to meet the changing expectations of all whom we support through our products and services, while never forgetting our core purpose, our roots, our passionate dedication. By changing ourselves first, we can refine our approach and strengthen our impact on social issues while solidifying our foundation for sustainable growth. In this context, we place solving social issues at the center of our strategy in the new Mid-Term Business Plan (April 2021 to March 2024) and implement the 2+1 Growth Strategy with a sense of urgency and speed.

The 2+1 Growth Strategy is first about identifying new markets and designing new approaches based on accurate and insightful understanding of how customer needs are changing. The global shift to renewable energy and the rise in cyber risks are but two examples that demand attention. Another is Japan's declining birthrate and aging population which has put enormous pressure on healthcare, where issues are snowballing and rural industries and economies are on a steep downhill slope. The importance of these social issues will only increase over the next two decades. We are intent, therefore, upon discovering new opportunities and markets created by this evolving environment.

With this perspective, we will respond not only to emerging risk, but also to risks previously considered unsuitable for underwriting. Digital technology and data tools can enhance our value proposition and expand our coverage to support loss prevention, damage mitigation, rapid recovery, and deterrence. We will also determine the best mix of face-to-face and remote customer interaction. In terms of providing value, we want the name Tokio Marine to evoke the frontrunner in renewable energy and cyber risk, as well as healthcare and SME.

The second thrust of the 2+1 strategy is to boost profitability of our core insurance business by revising premiums and raising business efficiency. In this way, we will continue to deliver the value our customers seek, and secure appropriate profits in the face of low interest rates, frequent natural disasters, and other challenges.

Revising insurance premiums is an urgent task if we are to achieve profitability for fire insurance, which, in Japan, is perpetually in the red. Although the overall Japanese portfolio is in the black, this neither reduces our obligations to our shareholders, nor permits us to neglect an unsound situation in terms of fairness to policyholders.

The frequency of natural disasters in Japan makes fire insurance indispensable and has led to a chronic deficit becoming the status quo. We are committed to rebuilding fire insurance into a sustainable system, a goal premised upon cutting operating costs. This goal also calls for revising premium levels and products, strengthening underwriting, and enhancing disaster resilience through prevention, mitigation, and early recovery.

Outside Japan, the market is hardening*3 largely due to uncertainty caused by COVID-19 and social inflation. In this hardening market environment, simply increasing topline is easy. The difficulty lies in disciplined underwriting amid rising loss costs*4. If our underwriting rates do not rise accordingly, we will end up regretting it in a few years as we face profit deterioration due to the need to increase the claims reserve*5. We will, therefore, continue to maintain our bottom line focus and boost our underwriting profit by not only raising premiums to exceed future loss costs but also achieving steady growth that outperforms the market.

Next is to improve business efficiency. We will reduce administrative tasks by applying digital technology, which particularly suits and benefits our retail business concentrated in Japan and Asia. The point is not to get by with fewer personnel. Rather, it is to liberate time and resources for tasks best performed with a human touch, such as tackling social issues, enhancing our value proposition, developing talent, and getting closer to customers. By integrating people power and digital technology in this way, we will also seek to reduce loss costs and drive growth.

I have, so far, covered two thrusts of the 2+1 strategy: first, new markets and new approaches, and second, boosting profitability of our core insurance business. The +1 part of the strategy builds on these by focusing on business investment for the next growth stage through M&A and the launch of new businesses. In short, we will take measures that consider our current situation as well as the long-term horizon. Both must be taken into account if we are to deliver value that supports our customers and society on an ongoing basis, at home and worldwide.

To take on the financial risk of our customers, we must make sure that our business foundation stands firm, whatever happens. To buttress our strength and stability, we have been globally diversifying the Group's risk portfolio since the beginning of this century. The past several years have been characterized by natural disasters of unusual frequency and severity, and by the COVID-19 pandemic. Although we have succeeded in limiting the impact of these

Special Feature 2: Response to COVID-19
See pp. 68–69

Overview of New Mid-Term Business Plan
See pp. 48–49

Approach to material issues (Special Feature 3-1, 2, 3)
See pp. 78–83

Improving Fire Insurance Earnings
See p. 55

Developed Markets Strategy
See pp. 59–61

*3: A period of rising premiums

*4: The total costs of covering claims

*5: Funds set aside to settle future claims

Achieving Sustainable Growth by Improving Business Efficiency
See p. 56

*6: Share of claims related to COVID-19 and above-average natural catastrophes in total Group income (FY2020)

adverse events on our profits to about 20%*6, we can never be too prepared nor too resilient. The more complex the risks and social issues we face, the more diversification we will need, not only in risk exposure but also in revenue sources. This is why I am intent upon exploring investment opportunities with a five to ten year horizon.

I will also consider opportunities beyond the insurance domain if they fortify our business foundation by speaking to our strengths and creating synergies.

Implementing the 2+1 Growth Strategy, we have set KPI targets for the new MTP at an adjusted net income CAGR of +3 to 7% and an adjusted ROE of around 12%. This refers to internal cumulative growth, without factoring in M&A, and puts us within reach of the milestones we set in 2017 of JPY +500 billion adjusted net profit and around 12% adjusted ROE. If we are successful with a large-scale M&A, we may see even greater growth or achieve our goals earlier than projected.

True to our purpose at a time of historic change

Raising social value and economic value (profit) by linking business activities to social solutions in a virtuous circle

Our Purpose
See pp. 10–11

The new Mid-Term Business Plan details our strategy for continued growth amid turbulent change. This is not, however, an objective in itself, but rather a means to an end. Since our founding 142 years ago, one purpose has driven us: to protect our customers and society in their time of need.

In 1879, people in the insurance industry did not think in terms of concepts like "sustainability" and "ESG." But since our founding, we have grown sustainably by identifying the social issues of the times and contributing to their resolution. We run our business in a way that addresses social issues, such that profit and social solutions go hand in hand, benefiting everyone, everywhere we operate.

Today, business is at a turning point as corporations worldwide are recognizing that sustainability is essential to keep civilization afloat. Solving social problems through our business is an ongoing journey where our efforts are repaid in profit and quality of life for all.

Social issues change with the times, as do the solutions. It is critical, therefore, to accurately grasp the issues, propose hypotheses, and rigorously test their validity in a rapid cycle. Only then can we hope to responsibly implement solutions with confidence, speed and effectiveness.

In April 2021 we configured an organizational platform to manage this approach to social issues and solutions. The new position of Group Chief Sustainability Officer (CSUO) was created along with a global Sustainability Committee, consisting of our C-suite executives. As part of our corporate social responsibility the Group has a duty to pass on to future generations a sustainable global environment. By accepting this duty, we have positioned future generations as stakeholders, together with customers, society, employees, and shareholders and investors. After reviewing the Group's sustainability action materiality in light of our purpose, we identified four core challenges for our business and for addressing stakeholder concerns and expectations. These four are: to promote climate actions, enhance disaster resilience, support wellness and healthy living, and promote innovative applications of digital technology.

Sustainability Management
See pp. 70–77

Special Feature 3-1: Promoting the Shift to Renewable Energy
See pp. 78–79

Information Disclosure Following TCFD Recommendations
See pp. 84–91

Special Feature 3-3: Providing Solutions for the Healthcare Sector
See pp. 82–83

Of these four, two are of particular importance as social issues in our home market of Japan, given its history of natural disasters. These are promotion of climate actions and enhancement of disaster resilience. They are also issues in common with many other areas of the world. We are committed to tackling these issues head-on around the globe as part of our mission to serve society. Our ideal is to realize a world where everyone can benefit from a shared resilience to natural disaster risk and an enhanced ability to coexist with it. In this capacity we will continue to move forward with counter-measures, leveraging the entire Group's strengths in our effort to respond to natural disasters and climate change.

Domestically, we see opportunities to address longevity risk, asset formation, and other mounting needs of the world's most aged population. Globally, people's health concerns and awareness have been heightened by the COVID-19 pandemic. With our integrated business model for life and non-life, healthcare is a segment where we can demonstrate proven competence in protecting our customers throughout their lives and thereafter. Using digital technology and data analysis, we innovate products and services that cover the full range of customer risk, including presymptomatic illness and prevention, as well as promotion of fitness and wellness. Group-wide, we are committed to a future where everyone can confidently live their life to the fullest.

By linking business activities to social solutions in a virtuous circle, we will continue to simultaneously enhance the Group's economic value (profit) and social value in this way.

Through D&I and by understanding our Purpose, we will refocus and re-energize our 40,000+ workforce

Our people and culture are our foundation for sustainable growth and the resolution of social issues. Insurance has been called a business of paper, pencils, and people, because its products are intangible. Technology has made pencils and paper irrelevant. Now people are paramount; they are the engine of our business.

This is why I place such a high priority on developing and leveraging the full potential of Group employees. Innovation is essential for Group growth. Innovation is created through the cross-fertilization of ideas, which happens when people of diverse expertise and experience come together to discuss issues and solutions. In other words, innovation grows out of D&I.

Studying in the U.S. I experienced firsthand how D&I catalyzes innovation. My circle at the time included people of various ethnicities, racial groups and other identities, as well as both recent graduates and mid-career professionals. Since we did not share a common background, we could not anticipate each other's opinions or reactions. To be understood we had to express our thoughts lucidly and concisely, without ambiguity or circumlocution.

Based on the premise that everyone's ideas were different, we engaged in vigorous intellectual combat, constructively arguing for or against each opinion. On numerous occasions, I witnessed the birth of a smart new idea in a flash of inspiration, as if a chemical reaction had occurred, though I could not have even imagined it on my own.

After a bitterly fought argument over one issue, they switch effortlessly to a constructive discussion of the next, without a hint of animosity carrying over. This kind of communication is deep, fast, and effective for high-quality decision-making.

Our company operates in 46 countries and regions with a diverse workforce, over 40,000-strong. We are also blessed with an open and dynamic corporate culture that has sustained us since our founding.

Message from the Group CDIO
See pp. 66–67

By combining these strengths of diversity and a liberal culture we can create an idea-generating platform that is ideal for innovation. This is why we have made D&I our top-priority growth strategy and are ramping up efforts to put D&I into practice, group-wide and globally. As I always say, there's no such thing as too much communication.

On the flip side, a group may be diverse and its discussion lively, but the results won't be gratifying unless the members are aiming for the same goal. This is why an inclusive cross-organizational culture that brings diverse people together as a team is so important.

As Group Chief Culture Officer (CCO) I used to travel the world, pre-COVID-19, and now interact remotely with our employees in distant locations. Discussing the question "What is our business for?" helps everyone feel connected to our Group purpose through their work.

Human beings are not motivated by logic and authority, nor by directives and orders. The key is to focus their human desire and enthusiasm behind our Purpose. When we are aligned in motivation and purpose then we can soar to new heights, transcending invisible limitations on growth. I am convinced that this creates a force beyond words.

I experienced this when the Great East Japan Earthquake of 2011 struck 10 years ago. At the time, I headed the Personal Lines Marketing Department for our retail business. Outside-the-box thinking was needed to settle as many claims as possible, as quickly as possible. This led to ideas that weren't in any manual, executed flexibly and energetically at critical moments. Driven by a group-wide sense of unified purpose, we found new solutions which ultimately gave the Group a powerful competitive advantage. I still remember it vividly.

I want the Group to overflow with enthusiasm and team spirit, thereby strengthening bonds of unity and anchoring the Group's purpose which underpins our standards for everything from individual actions to management decisions.

In this era of discontinuity and disruption in the business environment, enhanced flexibility and resilience are needed to transform our company. At the same time, agility is essential to respond to unpredictable change so that we can sustain strong growth without wavering from our purpose.

Partnering with customers to prepare for their times of need and to support new endeavors

By supporting our customers and society under normal conditions we evolve closer to our "Good Company" vision

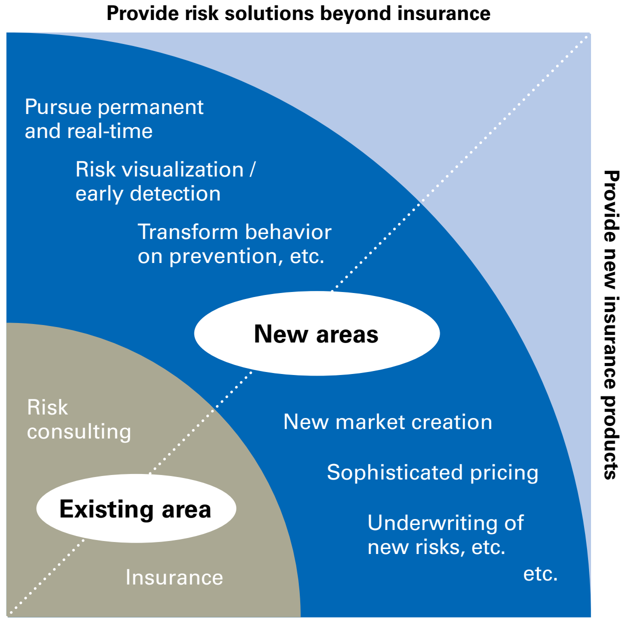
Special Feature 1: What Tokio Marine Aims For in the Future
See pp. 28–29

Expectations are rising for insurance companies to expand their role as social infrastructure, driven by increasingly frequent and severe natural disasters, compounded by the COVID-19 pandemic. To stay relevant, we must evolve to meet the changing needs and expectations of our customers, leaving the traditional insurance model behind. This means expanding the scope of our value proposition by linking individual product "points" into "lines" of services and products, then connecting the lines into an integrated platform "plane."

Simply paying out claims for natural disasters and cyber-incidents, for example, is no longer enough to meet customer expectations. Certainly, settling claims is an insurance company's central function and calls for flawless execution. But in the customer's ideal world, accidents wouldn't happen in the first place, and if they did, damage would be minimal and recovery quick.

Digital technology and data analysis will dramatically expand the scope of our value proposition to address such wishes. This will include damage prevention and mitigation for natural disasters, presymptomatic and preventive support for healthcare, as well as cybersecurity and mobility plans beyond auto.

Recognizing the growing importance of becoming a total solution provider, we will reshape insurance to go beyond claims settlement. This means attending to more concerns and risks, and offering peace of mind that begins before any incident occurs. Through ongoing partnership in normal times, we will be better prepared to support our customers and society in their times of need, as is our corporate purpose. To this end, we launched the Tokio Marine dR platform in July, 2021.



Though the road ahead won't always be smooth, we have faced and overcome many challenges in the past 142 years by correctly identifying the core issues and taking effective measures to address them. Dealing with obstacles is our job and we have a proven history of success. I have full confidence that we will keep moving forward, fueled by enthusiasm, a cheerful attitude, and a shared purpose.

I would like to express once again my deep gratitude to our shareholders, investors, customers and employees for their support, which gives our business life. I promise to continue creating opportunities to engage you in dialogue, and incorporate your valuable opinions and requests to improve our management and refine our business model.

We are committed to providing value to all stakeholders by tackling social issues and advancing ever closer to our ideal of a "Good Company" that is viewed as essential and trusted by all. Your support in these endeavors makes all the difference to our company's future and means the world to me, personally.

Maximizing corporate value through a strategic capital policy centered on enterprise risk management

Takayuki Yuasa
Group CFO (Chief Financial Officer)
Executive Vice President

As Group CFO, my role is to support the growth of each business by getting deeply involved in the business plans established by each business and executing strategic capital policy. For example, during CFO meetings, where I discuss responses to business environment changes, progress of various strategies and the need for reviews together with the heads of each business, I engage in dialogue to cover major issues of each business and KPI of the new mid-term business plan from the Group CFO's perspective.

Since we are an insurance company, we are increasing returns while taking risks of insurance underwriting and asset management. We have made enterprise risk management (ERM) a fundamental part of Group management. ERM takes into consideration our risk appetite, to what extent we undertake the risks, whether return on risk is sufficient, and whether risk is appropriately diversified. We have also established an ERM Committee for discussing ERM strategy. As chair of this committee, I meet with the Group's C-suite and heads of each business around six times per year to discuss individual risk strategies, the direction of risk appetite, enhancement of ERM, and to look back on initiatives. Based on these talks, I determine a capital allocation plan to ensure the optimal risk portfolio from a Group-wide perspective that will contribute to Tokio Marine's growth.

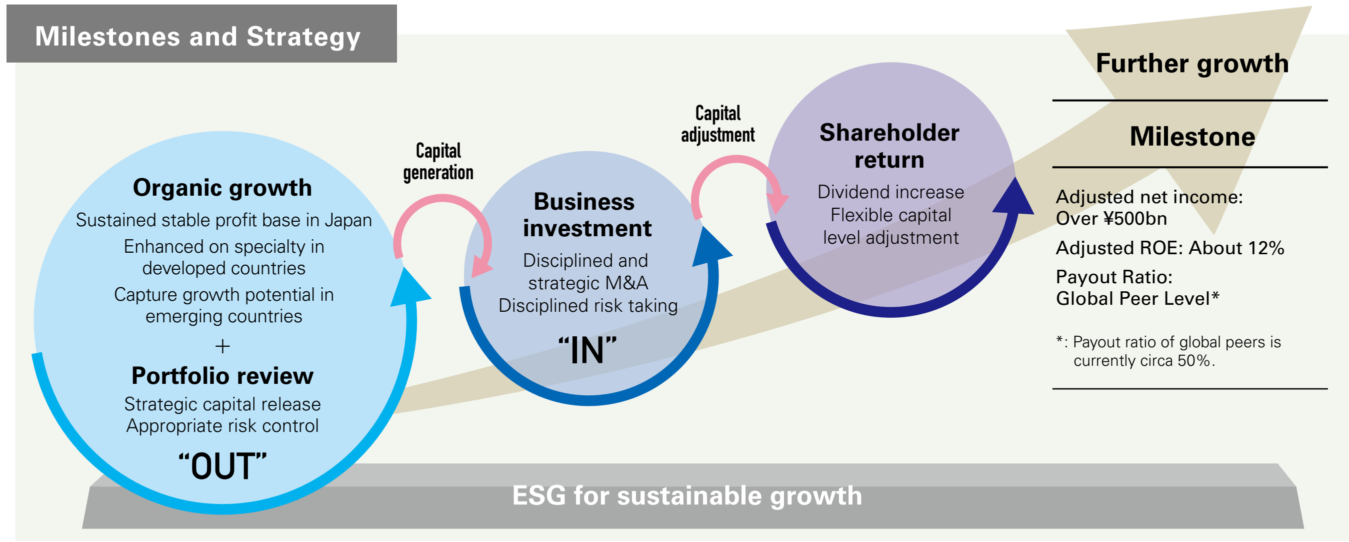
As the person responsible for Entry & Exit Office rules, I review whether various proposed entry (M&A, etc.) and exit (divestments, etc.) project plans are appropriate and have strategic significance, and then judge whether to go ahead or stop a deal from the perspective of strategic management resources input to ensure appropriate allocation of capital.

Of course, as CFO of a publicly traded company, one of my most important roles is engaging all of you in the capital markets. In addition to investor relations events, in fiscal 2020 I held online dialogue sessions with institutional investors from more than 100 organizations around the world despite the COVID-19 pandemic. I am now working to incorporate these voices into Tokio Marine's capital policy and management strategies to further enhance corporate value.

Based on these many initiatives, we generate capital through the organic growth of each business in Japan and overseas, as well as strategic portfolio assessments. Capital raised is allocated to investment in good companies, but in situations where there are no promising investments, we use it to provide shareholder return. In this manner, we have implemented the capital strategy cycle to enhance corporate value.

I am also responsible for the formulation of our mid-term business plan that seeks out further growth in the future. As such, I would like to take this opportunity to discuss our mid-term business plan from the Group CFO's perspective.

Milestones and Strategy



Previous Mid-Term Business Plan

Before discussing the new three-year mid-term business plan starting in fiscal 2021, first I would like to look back on the results of the previous mid-term business plan that serves as its foundation. During the previous mid-term business plan, we faced the various challenges of natural disasters, COVID-19, social inflation*[1] in the United States, and low interest rates around the world. As CFO, through capital allocation and other means, I worked to support the growth strategy of each business, reshuffle our forward-looking portfolio, and assess capital structure.

For example, in terms of portfolio reshuffling, we made a number of business investments, including the acquisition of PURE Group and Safety Insurance PCL (Safety) in Thailand, integration of Safety with our existing subsidiaries, and establishments a joint venture company in Brazil. On the flip side, we sold off TMR. In this manner, we worked on a number of entry and exit projects while considering risk diversification, optimal capital allocation and future growth.

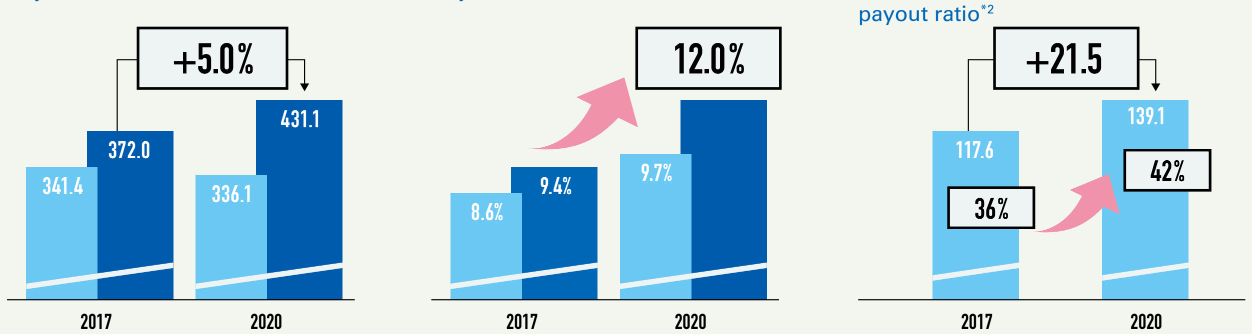
As part of my capital structure assessment, the decision was made to issue our first-ever hybrid bonds considering capital cost*[2] at the time of the PURE Group acquisition. While we did not use this before from the standpoint of effective utilization of capital, our capital efficiency has improved to some degree. Therefore, if a large investment opportunity presents itself in the future, or if multiple smaller investment opportunities arise around the same time, we will consider utilizing hybrid bonds as one of the options for achieving the optimal capital structure.

As a result of these initiatives, our capabilities during the previous mid-term business plan (excluding the transient effects of natural disasters and COVID-19) included adjusted net income of ¥431.1 billion (CAGR of 5.0%), adjusted ROE of 12.0%, total dividends of ¥139.1 billion (up ¥21.5 billion), and payout ratio of 42% (up 6pts). As a result, we achieved the targets of the previous mid-term business plan of sustainable profit growth (CAGR of between 3 and 7%), enhance capital efficiency (Adjusted ROE of 10% or higher), and enhancement of shareholder return (increase total dividends and payout ratio).

*1: An event involving the soaring insurance claim amounts caused by the proactive activities of lawyers and increase in jury verdicts favoring the plaintiff side.
*2: Cost required when a company procures capital

Achievement of the Three Targets of the Previous Mid-Term Business Plan

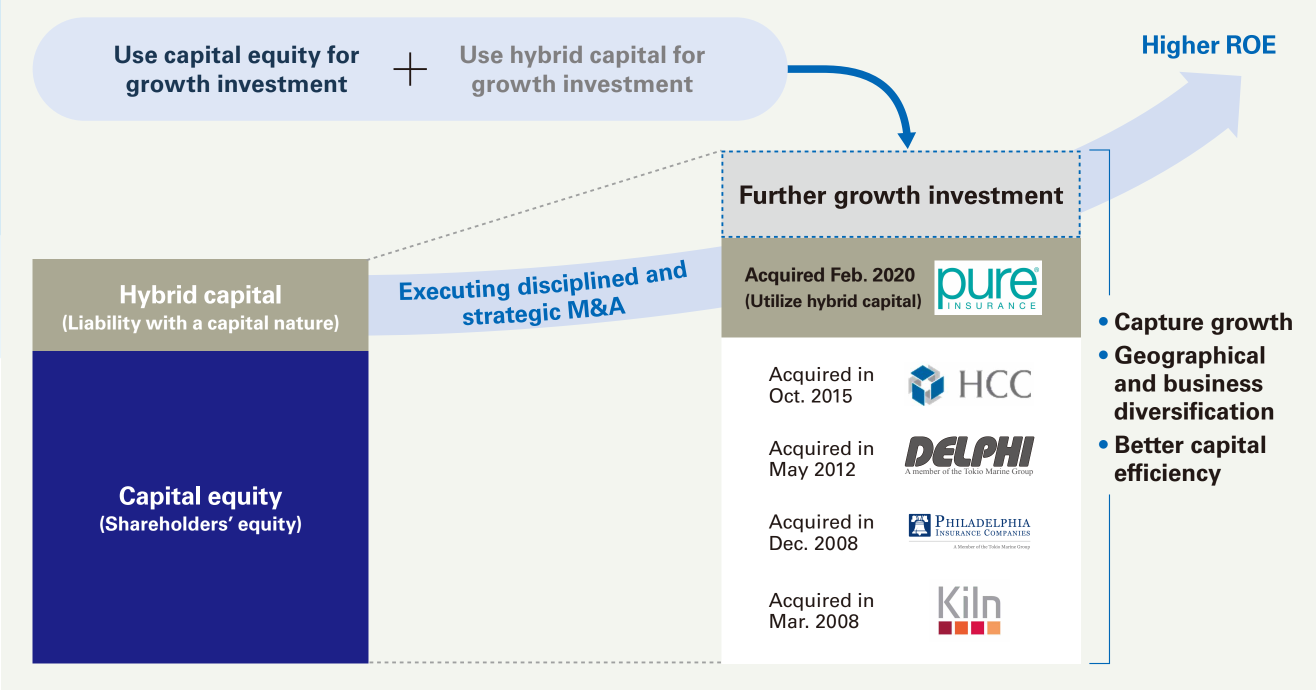
Sustainable profit growth	Enhance capital efficiency	Enhance shareholder return
Previous MTP: Adjusted net income: 3-7% CAGR	Previous MTP: Adjusted ROE: 10% or higher	Previous MTP: • Sustainably increase dividends along with profit growth • Gradually increase the payout ratio towards future vision of the Group
Adjusted net income (billions of JPY)	Adjusted ROE	Total dividends (billions of JPY) / payout ratio*2



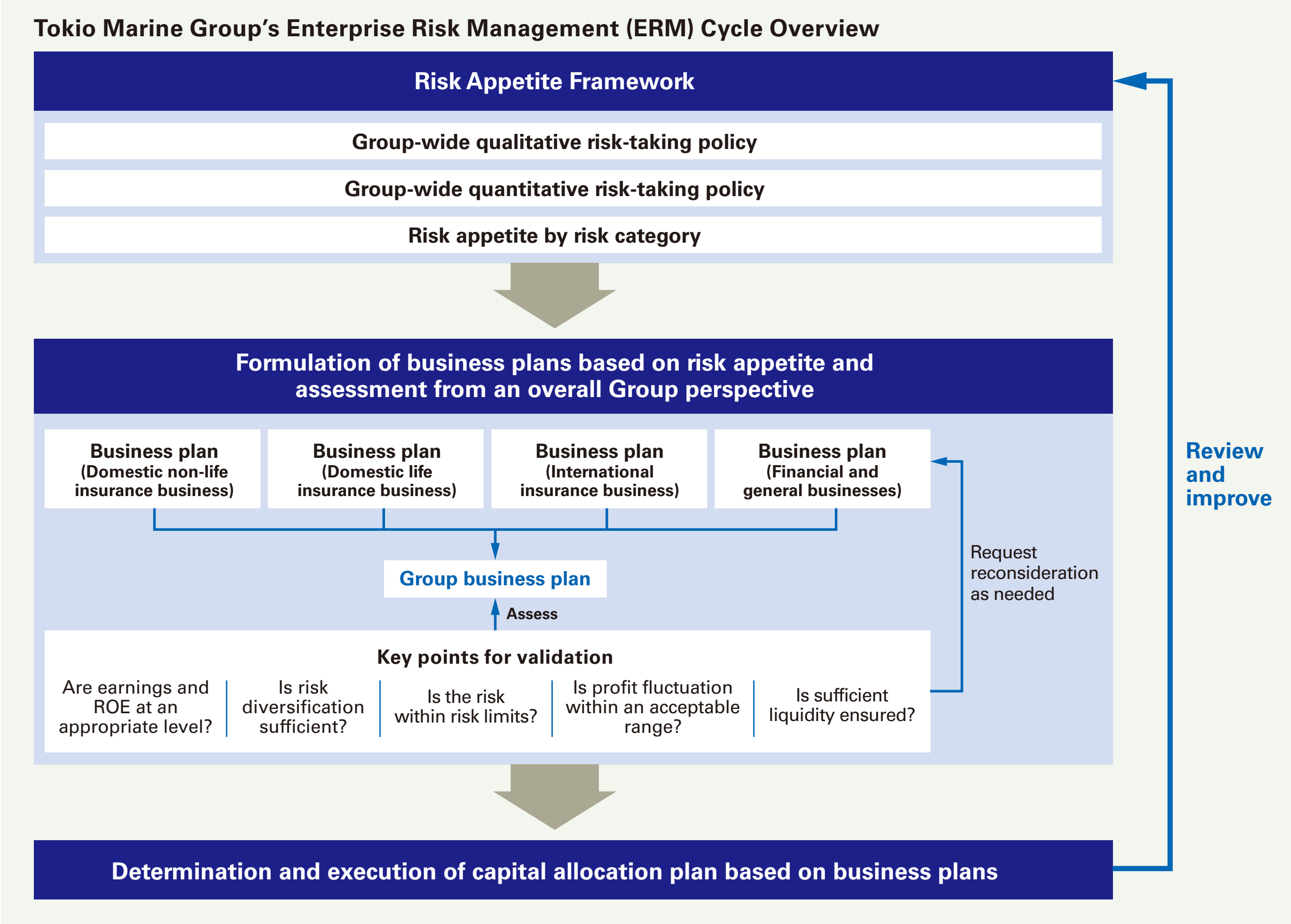
■: Actual basis ■: Normalized basis*1

*1: Excluding the impact of COVID-19, natural catastrophes over annual average, and adjusted the market condition (FX and stock price) to the same level as at the end of Mar. 2018.
*2: Payout ratio to 5-year average adjusted net income

A Flexible Capital Strategy



Enterprise Risk Management Cycle



New Mid-Term Business Plan

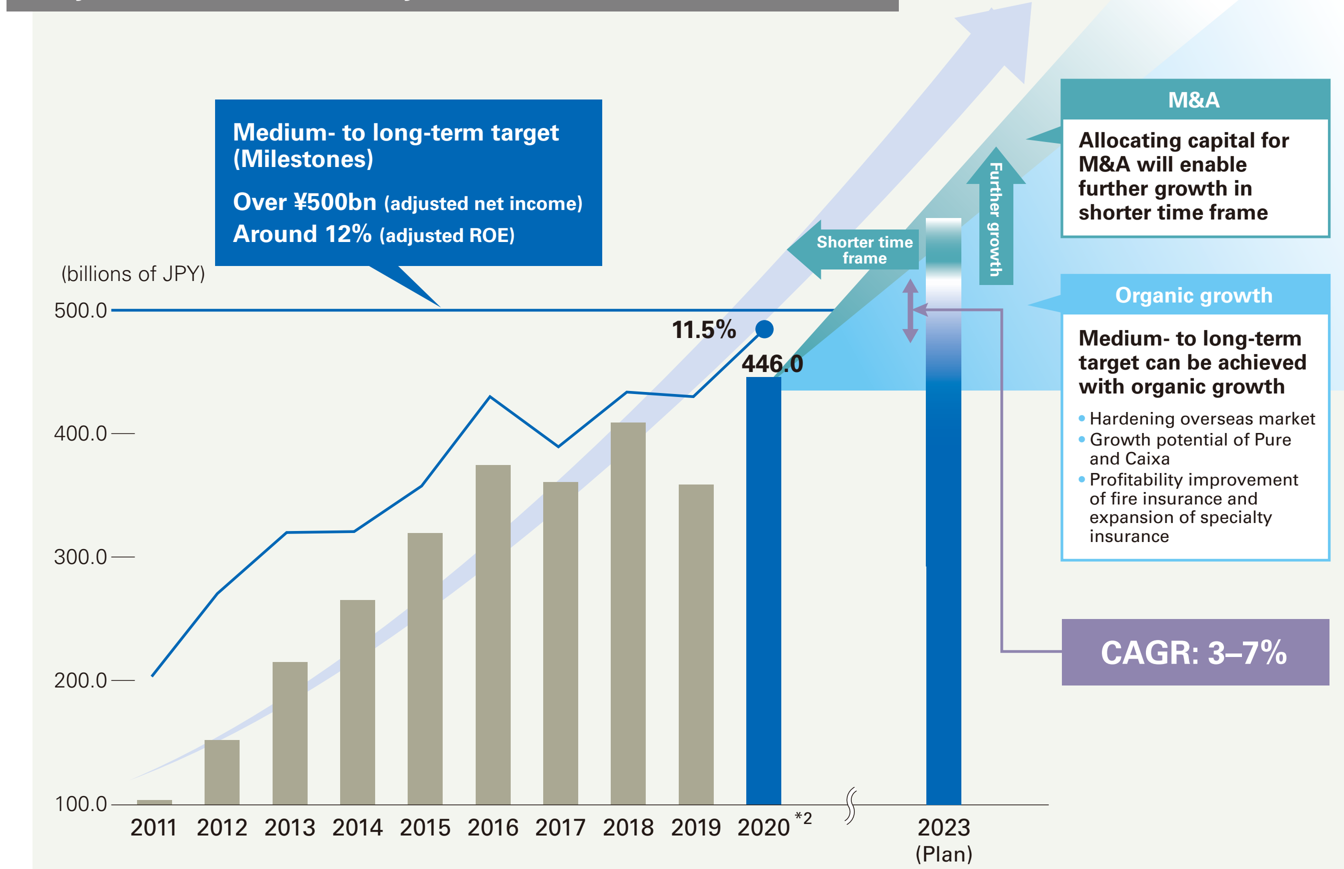
Under the new mid-term business plan, our KPI include growing adjusted net income at CAGR of between 3 and 7%, adjusted ROE of around 12% and payout ratio of 40% or more of adjusted net income on average. This will put us in a position to reach our mid- to long-term targets established in 2017 (adjusted net income of over ¥500 billion and adjusted ROE of around 12%).

This KPI is based on organic growth and does not include M&A. Our M&A is to diversify risk only if a promising deal presents itself. Therefore, I don't feel it is appropriate to incorporate the execution of M&A into the plan. In addition to organic growth, if a large and promising M&A opportunity arises, this will make further growth possible and shorten the timeline to reaching our targets.

The new mid-term business plan was formulated based on discussions not only by the board of directors, but also by CFO meetings and the ERM Committee that I touched upon above. During this process, discussions and reviews first focused on future assessment, including Tokio Marine's future vision, concerning the diversification of customer needs, growing complexity of social issues, low interest rates around the world, growing intensity of natural disasters, and developments in the insurance markets of each country. On top of this, the plan was developed by positioning enhancement of insurance business earnings and initiatives in new markets and growth areas as major growth drivers considering our mid- to long-term targets. Specifically, we will steadily implement our various growth measures, which include improving the profits of fire insurance and expanding specialty insurance in domestic non-life insurance as well as increasing rates and pursuing disciplined underwriting based on market hardening in the overseas insurance business and increasing the profits of the Pure Group acquired in 2020.

Since announcing our new mid-term business plan in May 2021, I have been engaging all of you in the capital markets and received positive responses in terms of the plan's details and probability of reaching its targets. At the same time, I feel some pressure (laughs) as many believe that adjusted net income of ¥500 billion should easily be achieved. As CFO, I will contribute to achieving the plan through steady capital strategy execution.

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



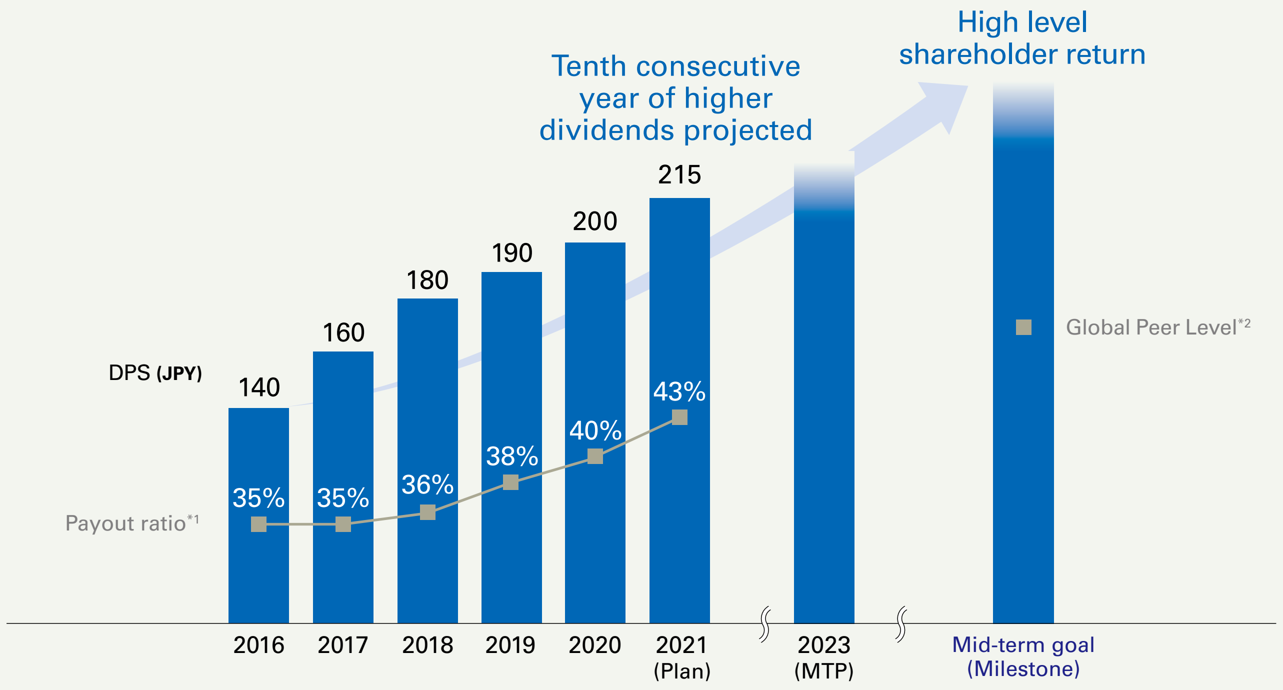
*1: Natural catastrophes are normalized to an average annual level, and the impact of reinstatement premiums is excluded for 2018 and 2019.
*2: FY2020 is based on the new definition adjusted basis excluding the impact of COVID-19 and FX as well as impacts of nat-cat underwriting reserves and provision for underwriting result in the first year.
Under the previous definition adjusted basis, adjusted net income is ¥423.0bn and adjusted ROE is 11.2%.

Shareholder Return

As for shareholder return, we will seek to sustainably increase the ordinary dividend, which will form the basis similar to the previous mid-term business plan, depending on profit growth. We will also increase the payout ratio in stages to the same level as global peers (around 50% at present).

Our approach to capital policy remains consistent with before. We will execute M&A for risk diversification if a solid opportunity presents itself and follow through with disciplined shareholder return if there are no M&A deals. Regarding methods to adjust capital level, starting in fiscal 2021 we have allocated at least ¥100 billion per year to both small and mid-sized growth investments and shareholder return from the perspective of further increasing transparency. Moreover, we will introduce a more agile approach to determining shareholder return, taking into account the M&A pipeline and share value, instead of the typical twice a year.

Trends in Shareholder Return



	2016	2017	2018	2019	2020	2021 (Plan)
Total dividends (billions of JPY)	105.3	117.6	128.0	133.0	139.1	149.0*3
Capital level adjustment*4 (share buybacks, etc.) (billions of JPY)	50.0	150.0	125.0	50.0	50.0	100.0*5

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

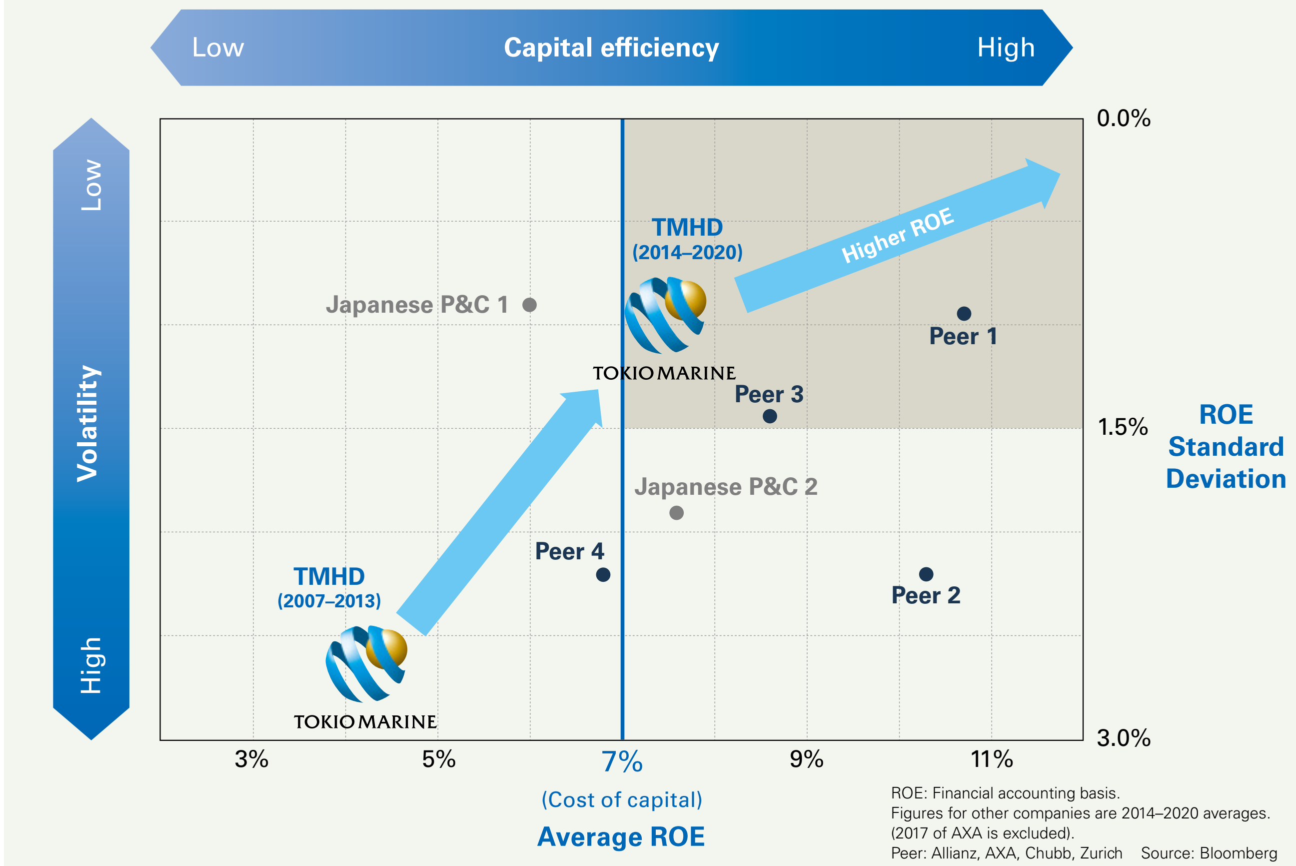
Trends in ROE

As a result of these initiatives, our adjusted ROE has been trending above a capital cost of 7%, which is calculated based on the capital asset pricing model (CAPM)*, since 2013. Our ROE level and its stability are approaching the level of our global peers.

Going forward, we will enhance capital efficiency in a stable manner while maintaining capital integrity through a disciplined capital policy.

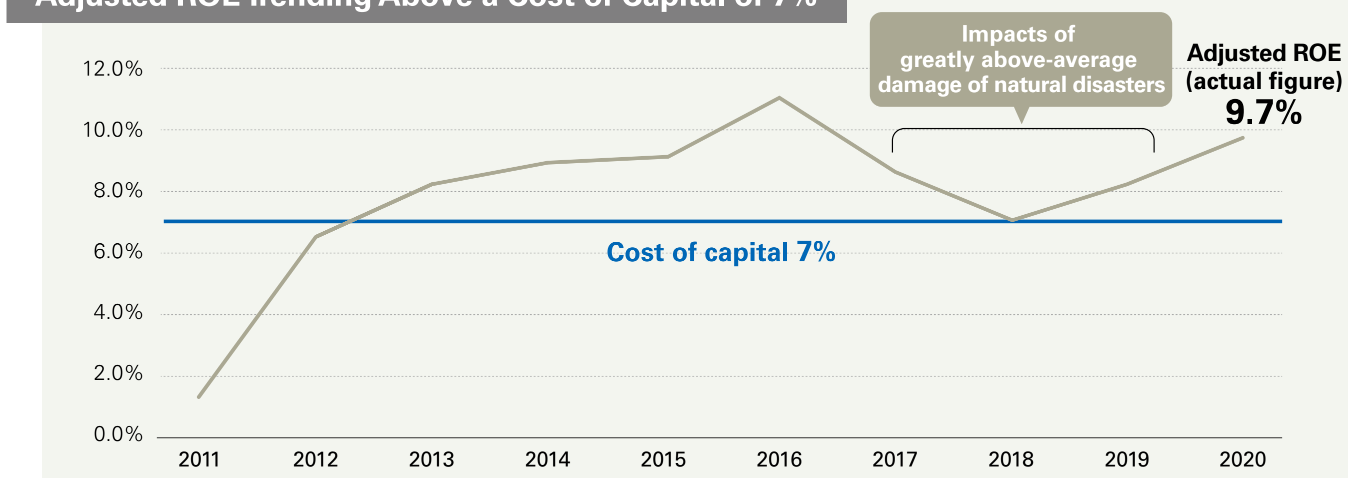
*: A method for calculating return that can be expected by investors. It is calculated as risk-free rate + beta (riskiness of an individual asset compared to the overall market) x market risk premium.

Stable ROE Improvement



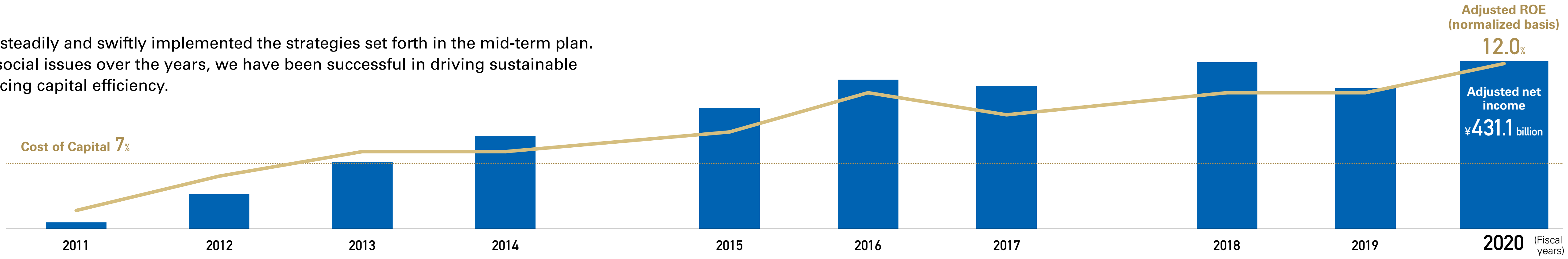
ROE: Financial accounting basis.
Figures for other companies are 2014–2020 averages. (2017 of AXA is excluded).
Peer: Allianz, AXA, Chubb, Zurich Source: Bloomberg

Adjusted ROE Trending Above a Cost of Capital of 7%



Review of the Mid-Term Business Plan to Date

Tokio Marine Group has steadily and swiftly implemented the strategies set forth in the mid-term plan. As a result of resolving social issues over the years, we have been successful in driving sustainable profit growth and enhancing capital efficiency.



Innovation and Execution 2014

Mid-Term Business Plan

Vision

A "global insurance group" that realizes sustainable growth by offering quality that wins customers over

Priority Strategies

- Structural reform to businesses that generate profit
- Transformation into a well-balanced business portfolio

Main KPIs

- Adjusted ROE of 7% or higher
- Improve combined ratio (C/R) of domestic non-life insurance business to 95%
- Increase embedded value (EV) in domestic life insurance business by ¥180 billion (three-year total)
- Adjusted earnings of ¥100 billion in international insurance business

Review of Mid-Term Business Plan

Review of Priority Strategies

Realized ROE exceeding cost of capital (7%) through the following measures

- Significantly increased profitability in domestic non-life insurance business, which was a major issue, led by auto insurance
- Realized stable profit growth in domestic life insurance business by focusing on highly profitable living protection field
- Realized strong profit growth and contributed to Group business and geographic diversification through organic growth of international insurance business and acquisition of Delphi Financial Group
- Continually reduced risk, for example by selling business-related equities in the amount of ¥336 billion over three years

Achievement of Main KPIs

	2014 results	Mid-Term Business Plan (2014)	Achieved
Adjusted ROE	9.3%	7% or higher	✓
C/R (Tokio Marine & Nichido)	90.6%	95.0%	✓
EV increase (three-year total, Tokio Marine & Nichido Life)	¥357.5 billion	¥180.0 billion	✓
Adjusted earnings (international insurance business)	¥145.5 billion	¥100.0 billion	✓

Issues remaining from 2009–2011 Mid-Term Business Plan
ROE exceeding cost of capital
(A critical challenge is to realize profitability in domestic non-life insurance business.)

Remaining issue
Build a foundation that enables sustainable profit growth and higher ROE

To Be a Good Company 2017

Vision

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

Priority Strategies

- Unlock our potential
- Pursue growth opportunities
- Capitalize on changes
- Advance our business platform

Main KPIs

- Adjusted ROE of approx. 9%
- Adjusted net income of ¥350–¥400 billion
- Steady growth of dividends in line with profit growth

Review of Priority Strategies

Realized sustainable profit growth and higher ROE primarily through the following measures

- Enhanced business model mainly by strengthening life and non-life cross-selling initiatives, providing products and creating a service system, which is resilient to wide-area disasters
- Reinforced R&D functions by providing products and services in anticipation of changes (such as insurance designed to promote health improvement and auto insurance using drive recorders) and establishing the Digital Strategy Division
- Advanced business through both organic growth and M&A, including expansion of specialty insurance in Japan and acquisition of HCC
- Enhanced business platform by strengthening integrated Group management, especially by establishing a Group Chief Officer system and launching and bolstering our global committees

Achievement of Main KPIs

	2017 results	Mid-Term Business Plan (2017)	Achieved
Adjusted ROE	10.0%*1	Approx. 9%	✓
Adjusted net income	¥397.0 billion*1	¥350–¥400 billion	✓
Annual dividends per share	¥160	Steady growth (¥95 in fiscal 2014)	✓

Remaining issue
Grow profit by establishing earnings base

To Be a Good Company 2020

Vision

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

Priority Strategies

- Further diversification of portfolio
- Enhancement of business structure
- Strengthening of integrated Group management

Main KPIs

- Adjusted ROE of 10% or more
- Adjusted net income of ¥400–¥450 billion
- Payout ratio of 35% or more

Review of Priority Strategies

Steadily strengthen earnings base primarily through the following measures

- Make strategic changes to portfolio that include acquisition of the PURE, continued bolt-on M&A and sale of Tokio Millennium Re Ag (TMR)
- Enhance business structure that includes creation of claim services using satellite images and AI, launch of digital labs in five locations worldwide and a system to promote the use of technology
- Strengthen integrated Group management by promoting the use of talent and spreading Group culture on a global basis. As a result, we have expanded more Group synergies

Achievement of Main KPIs

	2020 results	Mid-Term Business Plan (2020)	Achieved
Adjusted ROE	12.0%*2	10% or higher*3	✓
Adjusted net income	¥431.1 billion*2	¥400–¥450 billion*3	✓
Payout ratio*4	42%	35% or higher	✓

Remaining issue
Advancement of greater risk diversification as well as further improvement of profitability in the insurance business and the ability to respond to an increasingly diverse range of issues

*1: Figures based on market environment as of March 31, 2015 excluding FX effects and the one-time impact of U.S. tax reform after impact of natural disasters normalized to average annual level.
*2: Figures based on market environment as of March 31, 2018 after adjusting natural disasters for normal years and excluding the impacts of the COVID-19 pandemic.
*3: Figures based on market environment as of March 31, 2018 after adjusting natural disasters for normal years.
*4: Payout ratio is on the five-year average adjusted net income. Based on original projections.

Mid-Term Business Plan 2023 —Adapt, Lead, Innovate—

In formulating our new Mid-Term Business Plan, we first (A) clarified our long-term vision, (B) formulated a "medium- to long-term aspirations" aimed at this vision, and (C) planned a "2+1 Growth Strategy" to be implemented during the new Mid-Term Business Plan (three years).
Here, we will explain about the "long-term vision," "medium- to long-term aspirations" and "2+1 Growth Strategy" in the new Mid-Term Business Plan.

A

Long-term vision

A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide

—Our timeless endeavor to be a Good Company—

B

Medium- to long-term aspirations aimed at the long-term vision

- Win-Win situation with Stakeholders
- Glocal × Synergy
- Growth and stable high profit

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

C

"2+1 Growth Strategy" to be implemented during the new Mid-Term Business Plan

- New Markets × New Approach
- Enhance profitability of insurance business

\+

- Business investment for the next growth stage

Technology
—Mission Driven—
→ see pages 28–29

ERM
—Risk Culture—
→ see pages 110–113

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

→ see pages 64–67

Group Integrated Management
- Sharing of best practice
- Synergy inducing system
- Global management framework

→ see pages 22–25

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

→ see pages 32–39

Business Platform

A Our "Long-term Vision"

Our "long-term vision" is to become "A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide—Our timeless endeavor to be a Good Company—." Since our founding we have grown in a sustained manner by contributing to solutions to various social issues changing with the times under our purpose of "protecting our customers and society in times of need." Going forward, we will aim to achieve this "long-term vision" by continuing to increase social value and economic value (profit growth) while resolving social issues important to all stakeholders around the world including the next generation through our business activities, even though these social issues are becoming more complex and serious in nature.

B "Medium- to long-term aspirations" aimed at the "long-term vision"

Aimed at our "long-term vision," our three aspirations are "win-win situation with stakeholders," "glocal x synergy" and "growth and stable high profit" (medium- to long-term targets include adjusted net income of over ¥500 billion and adjusted ROE of around 12%). A detailed look at these three areas is presented below.

Win-Win Situation with Stakeholders
- Penetrate the purpose of "protecting our customers and society in times of need" throughout the Group and provide even greater value to stakeholders including the next generation
- Continuously seek out the optimal solutions to integrating the interests of all stakeholders over the medium to long term

Glocal × Synergy
- Establish dominant competitive advantages in each region and market as a global insurance group
- Build a powerful business model that cannot be matched by other companies through utilization of talent and generation of synergies including rolling out best practices

Growth and Stable High Profit
- Continue to grow by correctly addressing changing social issues
- Build a lean management structure through risk diversification to become a "robust and agile organization" that achieves stable high profit no matter the business environment
- As a result, achieve adjusted net income of over ¥500 billion and adjusted ROE of around 12%

C Aimed at our "medium- to long-term vision" "2+1 Growth Strategy" to be implemented during the new Mid-Term Business Plan

Aimed at these "medium- to long-term aspirations," we will work toward the "2+1 Growth Strategy" which features business investment for the next growth stage complementing the two growth strategies of "New Markets X New Approach" and "Enhance profitability of insurance business."

2

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

Enhance profitability of insurance business
- Optimize premium rates and increase rates based on market hardening
- Streamline operations while thoroughly utilizing digitalization

\+

1

Business investment for the next growth stage
- Tokio Marine Holdings will take the lead in proactive risk diversification and allocation of capital for growth
- Prepare for new growth areas

KPI Targets in the New MTP

We aim to reach adjusted net income with CAGR of 3% to 7%, adjusted ROE of around 12% as KPI targets through the execution of our "2+1 Growth Strategy." Reaching these levels is in range to achieve our medium- to long-term targets of adjusted net income of over ¥500 billion and adjusted ROE of around 12%. These KPI targets account for organic growth only. If we find good M&A opportunities, we could be able to achieve the targets ahead of schedule or achieve results well in excess of the targets.
As for shareholder returns, we aim to achieve a payout ratio of 40% or higher in terms of ordinary dividend alone. We will also work to continuously increase the dividend depending on profit growth and flexibly make adjustments to capital levels.

	Medium- to long-term target	FY2023 Projection*1	FY2020
Adjusted net income	Over ¥500 bn	CAGR: 3–7% (circa ¥480–540bn) →See the next page for a breakdown.	¥446.0 bn*2
Adjusted ROE	around 12%	around 12%	11.5%*2
Payout ratio*3	On par with Global Peers*4	40% or higher	40%
Capital level adjustment	Flexible execution	Flexible execution*5	¥50.0 bn

*1: Parentheses indicate estimates.
*2: Based on new definition (natural catastrophes normalized to an average annual level, excluding impact of COVID-19 and FX as well as impacts of nat-cat underwriting reserves and provisions of underwriting result for the first year) to be applied to new MTP.
Based on the previous definition applied to previous MTP, adjusted net income is ¥431.1bn (+5.0% CAGR) and adjusted ROE is 13.1%.
*3: Payout ratio is on the five-year average adjusted net income. Based on original projections.
*4: Payout ratio of global peers is currently circa 50%.
*5: Set total amount (guideline) for small- to medium-sized business investment and capital level adjustment (FY2021 budget is ¥100.0bn)

(Ref.) Breakdown of Adjusted Net Income (Business Unit Profit KPI Targets)

		FY2023 Projection*1	FY2020
Adjusted net income		CAGR: 3-7% (circa ¥480–540bn)	¥446.0bn*2
Breakdown by Business Unit			
Business Unit Profits	Domestic Non-Life Insurance (TMNF)	CAGR +6% or higher (Approx. ¥160 billion or higher)	¥138.5 billion*6
	Domestic Life Insurance	Secure at ¥50 billion consistently	¥52.7 billion
	International Insurance	CAGR approx. +9% (Approx. ¥230 billion)	¥180.1 billion*7

The difference between total business unit profit (fiscal 2023 plan: approx. ¥440 billion; fiscal 2020 results: ¥371.3 billion) for the above three business units and adjusted net income mainly consisted of gains on sales of business-related equities (fiscal 2020 results for Tokio Marine & Nichido was ¥83.0 billion).
Sales of business-related equities are included in adjusted net income, which is a source of shareholder returns, but excluded from business unit profit.

(Ref.) Top Line KPI Targets by Business Unit

		FY2023 Projection*1	FY2020
Top line	TMNF (Net premiums written)	CAGR +2% or higher	¥2,021.9 billion
	Domestic Life Insurance (New Policies ANP)	CAGR approx. +5%	¥43.3 billion
	International Insurance (Net premiums written)	CAGR approx. +5%	¥1,734.5 billion*8

*6: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.
*7: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 and FX are excluded.
*8: Excluding the impact of FX.

Domestic Non-Life Insurance

Creation of Stable Profit in the Automobile Insurance Market

Although Japan is expected to see the number of automobiles on the road decline gradually in the future, we will introduce a number of high-value-added products and address new risks and needs from the changing environment to ensure we continue to generate stable profits.

Steadily Expanded Market Share and Supported Growth

Our core automobile insurance line has consistently grown our top line, regardless of rate revisions, while harnessing our strengths in appealing products and services and high-quality claims services. This line continued to grow in fiscal 2020 despite COVID-19, placing us atop the industry in terms of top line performance and year on year growth rate. Moreover, with a sound combined ratio, the line continues to generate stable earnings.

Limited Impacts from Environmental Changes Such as Autonomous Driving Technologies

Going forward, the automobile insurance market is expected to see progress in autonomous driving technologies, a declining number of automobiles on the road in Japan following the country's changing demographics, and the spread of electric vehicles (EVs).

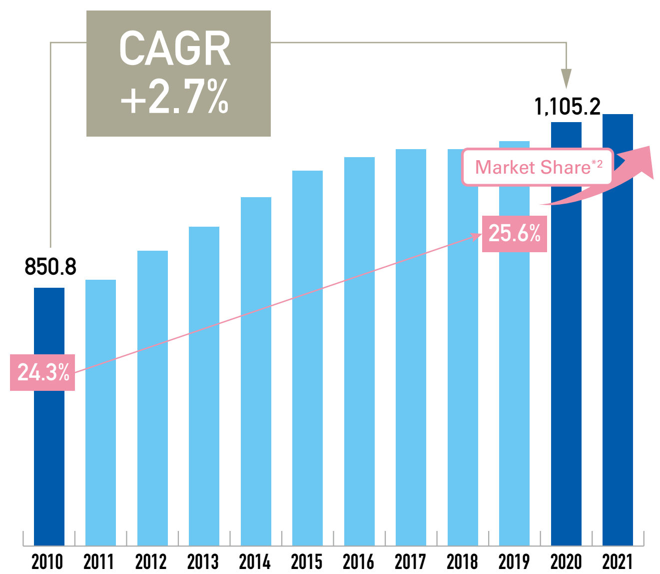
However, considerable time is still needed until the complete adoption of autonomous driving technologies, and since this will increase the insurance premium unit price, we believe the impacts on claim cost will be limited (for details, see page 53).

While the number of automobiles will decline, quantitatively speaking, the CAGR of vehicle ownership is expected to be around -0.4%*4 from fiscal 2019 to fiscal 2030, meaning any impacts should not be substantial. Furthermore, the spread of EVs will not necessarily lead to market contraction because of rising insurance premium unit prices and the possibility of unique risks associated with EVs.

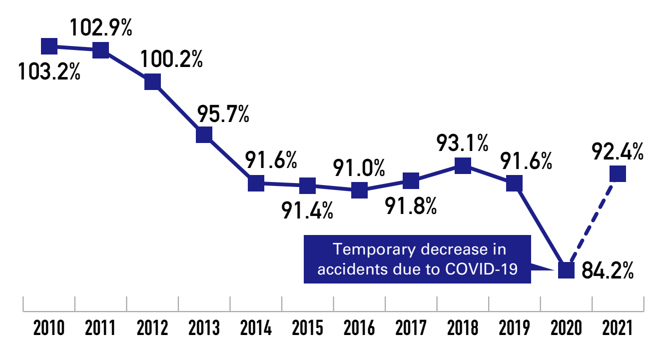
Continuing to Generate Stable Profits by Introducing a Number of High-Value-Added Products

Tokio Marine became the first in the Japan's insurance industry to provide customers with a dual-camera driving recorder in April 2021 and we are currently seeing policy growth with this product. We will continue to roll out similar high-value-added products and provide them to customers, while thoroughly utilizing digital technologies, to sustainably expand market share. Additionally, we will continue to generate stable profits going forward by addressing new risks emerging from the progress of autonomous driving technologies and spread of EVs and responding to new needs associated with the growing complexity of liability.

■ Top line*1 (billions of JPY)



■ Combined Ratio*3 (Private insurance E/I basis)



*1: Net premiums written
*2: Direct net premiums written
Source: Insurance Statistics (Sonpo Toukeigo) Vol.4864
*3: C/R = E/I loss ratio + W/P expense ratio
*4: Calculated by the Company based on Automobile Dealers Vision (fiscal 2019)

Reference: Impacts on automobile insurance market due to advancements in autonomous driving technologies

Impacts from advancements in autonomous driving technologies are limited for the time being, but over the long term there are growing expectations in insurance companies as a form of social infrastructure underpinned by advancements in automobiles and growing complexity of liability.

Impacts from Advancements in Autonomous Driving Technologies

Autonomous driving technologies are making moderate progress, as symbolized by the release of the Honda Legend featuring the world's first Level 3 self-driving tech in March 2021 (the Government of Japan's targets appear at right). The insurance industry is expected to be impacted by declining accident frequency and growing complexity of accident liability as a result of such progress in technology.

Impacts from Declining Accident Frequency

Progress of autonomous driving technologies will indeed help reduce the frequency of accidents, but the impacts on the insurance industry are expected to be limited for the time being for the following reasons.

- Vehicles have various replacement cycles and it takes more than 15 years until all vehicles on the market are replaced with new ones*3. Furthermore, even if a Level 4 automobile came to market, autonomous driving will only be limited to expressways (accounting for around 3% of accidents). This suggests that the decline in accident frequency will only be moderate.
- In terms of claim cost, although accident frequency will decline moderately, repair costs are expected to increase because of the high cost of EV parts. Therefore, any impacts will be limited for the time being.
- Moreover, responding to the new risks emerging from technological progress (cyber risk, etc.) can become an opportunity for the insurance industry.

Furthermore, a research working group of the Ministry of Land, Infrastructure, Transport and Tourism*4 concluded that it is appropriate for drivers to remain the primary party of liability up to Level 4 self-driving. As a result, today's automobile insurance will remain relevant.

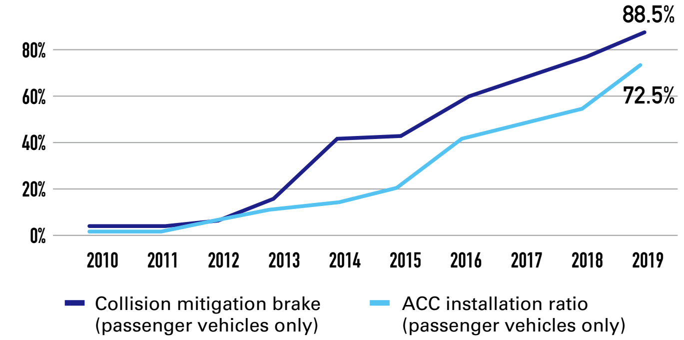
Impacts from Growing Complexity of Accident Liability

There is concern about the growing complexity of accident liability in the event of accidents caused by autonomous vehicles because in addition to the at-fault party and no-fault party, claims for damages could also be brought against manufacturers or software companies. We are launching products ahead of competitors that ensure victims are quickly compensated in contributing to the realization of a safe and secure automotive lifestyle even in the current environment.

■ Progress in Autonomous Driving Technology

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

■ ASV installation ratio for new cars*2



■ No significant changes to claims cost for the time being

Claims cost = Lower accident frequency × Higher insurance unit price

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

■ Support for saving victims (Japan's first)

April 2017: Launched coverage riders for expenses for saving victims
April 2021: Auto accidents during autonomous driving have no impact on the grade rating system for non-fleet auto insurance

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

Domestic Non-Life Insurance — Creating New Markets by Expanding Specialty Insurance

Through contribution (new market creation) to solving the growing risks and continually arising social issues in these uncertain and unstable times, over the next three years we will increase revenue by more than ¥100 billion and strongly drive the growth of domestic non-life insurance.

Occurrence of New Social Issues

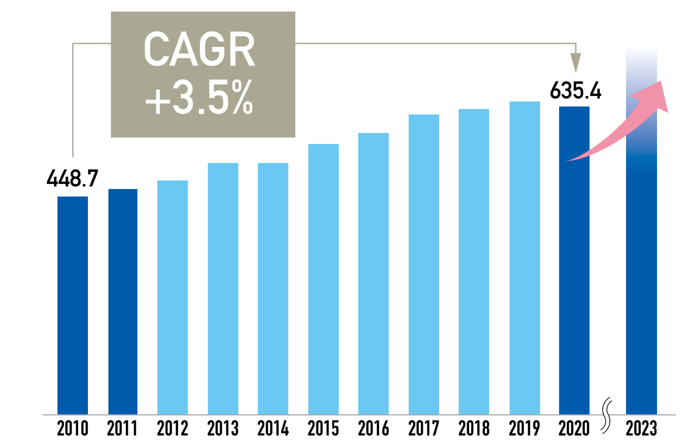
In these times of uncertainty, risks are rising and social issues are becoming more complex. In addition to the major worldwide social issues of the transition to renewable energy and growing cyber risk, Japan, too, faces the issues of an aging population and the decline of regional economies, which are becoming more serious. This has resulted in ever-higher expectations being placed on insurance companies as a form of social infrastructure.

Unlocking Robust Growth through Resolutions to Issues to Grow the Line into the Next Pillar after Automobile Insurance

As a company that has grown sustainably through its solutions to social issues, we perceive these environmental changes as an opportunity to seize. For example, the insurance enrollment rate of small- and medium-sized enterprises (SMEs) believed to account for over 99% of Japanese companies is low, making it a major untapped market. We hope to deliver high-value-added products that meet all needs of these SMEs to every corner of Japan through increased collaboration with commerce and industry associations and local governments along with the utilization of digitalization. Our goal is to increase our brand recognition to the point where SMEs recognize Tokio Marine's unique value proposition.

Furthermore, automobile insurance is expected to decline over the next 20 to 30 years, but specialty insurance will take its place with robust growth.

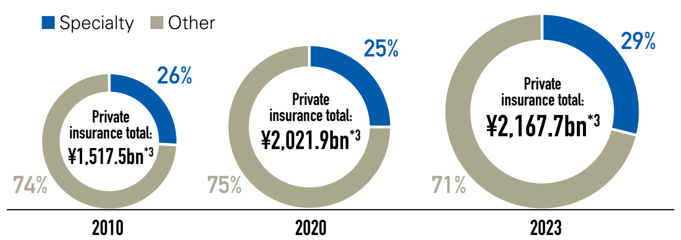
■ Top line[*1] (billions of JPY)



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

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

■ Transform business line portfolio



■ Creation of new markets

Priority Areas	Initiatives	Three-year Revenue Growth Plan	Reference
Health care	• Respond to higher health awareness and the need for balancing treatment (nursing care) and work • Increase revenue for wide area public sector/corporate workplace with new sales model and digital application procedures	+¥20–30bn*4	PP. 82–83
SME	• Current market size of about ¥400bn*5 • Premiums*6 increased more than fourfold in 10 years • Increase revenue by strengthening alliance with commerce and industry associations and improving product appeal	+¥15–25bn*4	—
Offshore wind	• Global market size in 2030: ¥200bn • Establish "GX*7 Office" in June 2021 • Increase revenue by enhance Group-based initiatives including utilization of the abundant expertise of GCube	Around+¥5bn*4	PP. 78–79
Cyber insurance	• Current market size of about ¥180bn (according to research firm) • Double digit increase in our premiums each fiscal year • Increase revenue by capturing stronger risk awareness and revised Personal Information Protection Law (2022)	Around+¥5bn*4	PP. 80–81
Other New risks, etc.	• Increase revenue with coverage for various new risks including M&A, local government related area, etc. • Create new market by leveraging on the strength of core data company Tokio Marine dR to be launched in July 2021	+¥20–30bn*4	PP. 28–29

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

Domestic Non-Life Insurance — Improving Fire Insurance Earnings

We will build a sustainable fire insurance system while contributing to a society that is resilient to disasters by implementing a number of countermeasures comprehensively. Over the next three years we will improve earnings by more than ¥26 billion and several years thereafter we will secure profitability commensurate with capital cost.

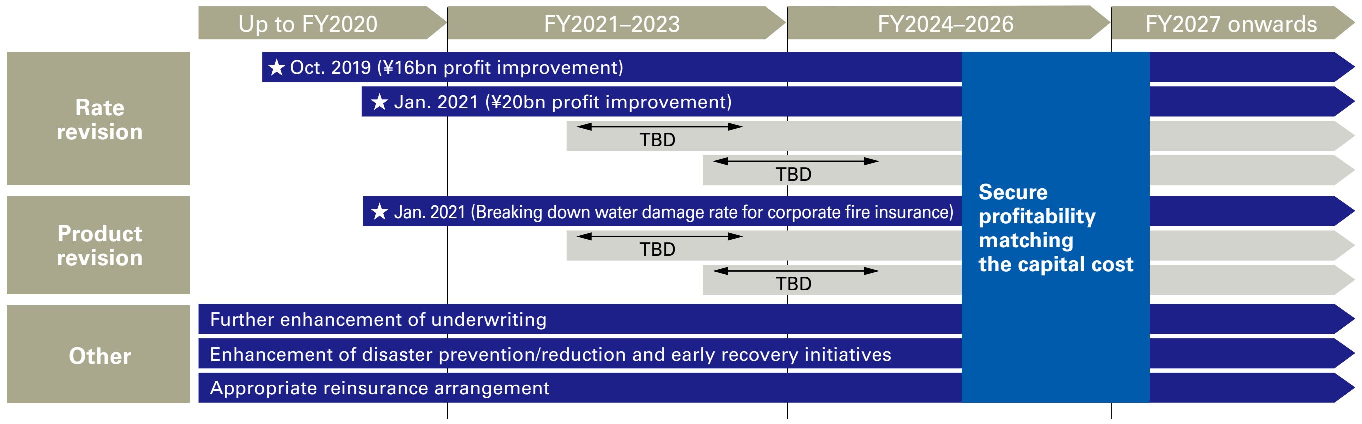
Building a Sustainable Fire Insurance System (Earnings Improvement)

As a one of the most disaster-prone countries in the world, Japan's fire insurance system is extremely important, but it is hardly sustainable if the business experiences chronic losses.

In addition to our own efforts to reduce costs, we will accelerate comprehensive initiatives including rate revisions, product reviews, stricter underwriting, disaster prevention and mitigation, and early restoration, which enable us to build a sustainable fire insurance system.

We will execute the road map below with conviction and over the next three years we will improve earnings by more than ¥26 billion (before tax) and several years thereafter we will secure profitability commensurate with capital cost.

■ Road map for improving fire insurance earnings



Supporting Disaster Prevention and Mitigation and Early Restoration (From Payer to Partner) (please see pages 28-29)

The payment of claims is an insurance company's most important function, but we believe that this alone will not enable us to protect our customers. Tokio Marine believes that it is even more important to provide value that goes beyond the payment of claims to deliver peace of mind before and after an event. This includes preventing accidents, mitigating customers' burden in the event of an accident, helping early restoration and preventing recurrences.

Toward that end, we will utilize digitalization and data in a sophisticated manner. Specifically, we will hire a team of experts in digitalization at Tokio Marine dR Co., Ltd., our core data company established in July 2021. This will allow us to speed up initiatives and tackle new challenges so that we can support customers in their time of need and evolve into a company that always supports its customers.

(Before event) Disaster prevention/reduction → Speedy insurance payout → (After event) Early recovery from disaster

(Before event) Flooding risk projection system

Visualize at-risk area with real time flooding area projection to support local government decision making at time of heavy rains. Minimize damage to local residents to reduce loss ratio.

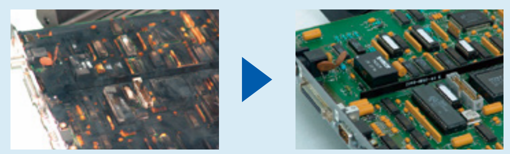
(Before event) Flooding risk projection system

(Before event) Total assist fire insurance x Red Feather Disaster prevention/reduction program

Donate part of the expenses saved with online contracts/policies. Donations will be used for disaster prevention/reduction activities and recovery support in the customers' community, leading to reduction of loss ratio.

(After event) Restoration by BELFOR

Utilize advanced cleaning technology of a disaster recovery specialist. Support early business reopening to reduce loss ratio.



Before restoration After restoration
(After event) Restoration by BELFOR

Domestic Non-Life Insurance
Achieving Sustainable Growth by Improving Business Efficiency

We will thoroughly reduce internal admin and increase productivity by utilizing digital technologies to a high degree. The time created will allow us to turn our attention to top-line expansion through resolving new social issues, which will lead to our sustainable growth.

Since launching its Business Process Reform Project 13 years ago, Tokio Marine has reduced internal admin by around 30%. This has allowed us to shift freed up personnel to sales, driving the sustained growth of our market share.

The initiatives indicated below represent a company-wide project launched in fiscal 2020 by TMNF. Over the next three years, we will commit ¥40 billion mainly to digitalization investments to thoroughly reduce internal admin (our goal is to reduce workload by 15% at the end of fiscal 2023 and by 20 to 30% at the end of fiscal 2026). The time created from these efforts does not mean we will reduce personnel; rather, we will turn our attention to top-line growth through resolving new social issues, improving the loss rate, and supporting human resources development, which will lead to our sustainable growth without diminishing the equilibrium.

Specifically, sales departments will thoroughly reduce internal admin such as response to inquiries, policy management, and accounting and use the capacity freed up to focus on top-line growth mainly in specialty insurance. Claims departments, too, will digitalize all processes to thoroughly reduce admin and use this time instead to enhance our provision of peace of mind before and after events.

Initiatives to improve business efficiency

Business expenses (sales departments)

- **Sales activity, etc.** (2)
- **Inquiries**
- **Policy management / reporting**
- **Other internal administration**

(1)
- Digital contact points with customers
- Automated/efficient response to inquiries / internal administration
- Expand coverage areas for Group companies
- New agency system

Expected effects

1 • **Reduce internal administration**
➡ **Improve expense ratio / loss ratio**

Effects of reduced internal administration
FY2023 **-15%**
(Equivalent to ¥20-25bn p.a.)
FY2026 **-20–30%**
(Equivalent to ¥30-50bn p.a.)

Loss adjustment expenses (claims departments)

- **Accident reception / initial response**
- **Loss review, etc.**
- **Settlement negotiation / progress report**
- **Various inspections / insurance payment**
- **Detection & prevention / follow-up services etc.** (2)

(1)
- Digital contact points with customers
- Accident reenactment system
- Expand coverage areas for Group companies
- Full application of various AI (Image recognition, fraud elimination, speech recognition)
- Communication improvement

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

Key profitability improvement Initiatives	FY2023	Key contributions to top line
Profitability improvement of fire (please see page 55)	**C/R improvement of 1.0pt*** (FY2020 results: 93.2% → FY2023 projection: 92.2%)	**Specialty insurance growth** (please see page 54)

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

Domestic Life Insurance
Risk Diversification and Long-Term Growth Drivers

We will break through ¥100 billion in profits over the long term and contribute to the company's long-term growth and risk diversification.

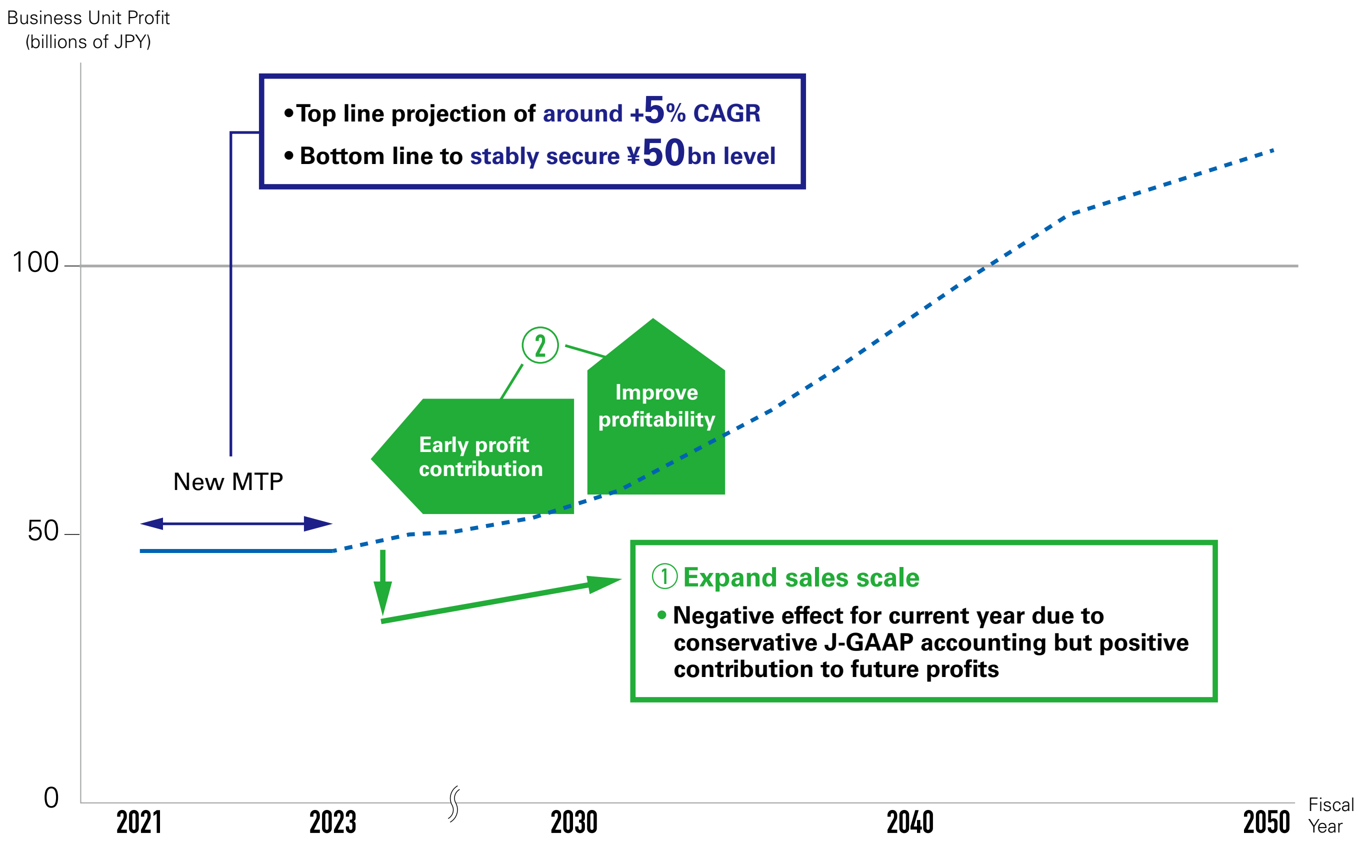
Profit Growth of Domestic Life Insurance

Under the new MTP for Domestic Life Insurance, we aim to grow the top line of new policies annualized premiums (new policies ANP) by around 5% CAGR driven mainly by sales growth of protection-type products and installment variable annuities.

We expect that the bottom line of business unit profit will trend stably around the ¥50 billion level. This is because the conservativeness of financial accounting*1 results in a structure where the accounting expense burden is high in the first fiscal year of policies and profits are depressed because of new policy underwriting. Meanwhile, over the long term we will break through the ¥100 billion mark in profits. In this manner, the domestic life insurance business, which underwrites risk with a low correlation to non-life insurance, will contribute to Tokio Marine's risk diversification and act as a driver for long-term growth.

To achieve the new MTP along with long-term risk diversification and profit growth, Domestic Life Insurance will work to (1) expand sales scale and (2) improve profitability and accelerate profit contribution.

■ TMNL profit growth curve*2 (image)



*1: Financial accounting for domestic life insurers is being conducted under conservative rules, such as recognizing the full amount of expenses required for new policy underwriting (agency commissions and fees for medical examinations, etc.) as expenses for the first fiscal year of policies.
*2: Assuming top line growth of about +5% CAGR to 2024–2029. Flatten from FY2030.

Strategies during the New MTP

Under the new MTP, we will work to (1) expand sales scale and (2) improve profitability and accelerate profit contribution, and achieve Tokio Marine's long-term profit growth, while contributing to the resolution of social issues, such as extending healthy life expectancy and asset life expectancy. We will continue to deploy this win-win strategy.

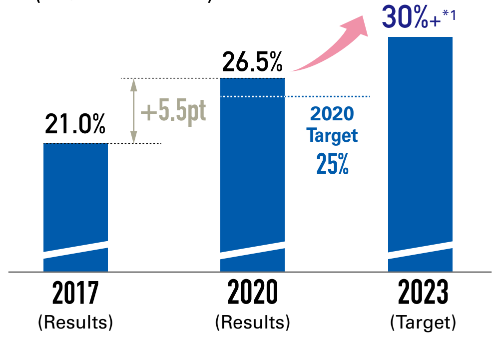
(1) Expand sales scale

The categories of life and non-life are profit centers for insurance companies and represent the only types of insurance that protect customers in times of need. Consequently, we will safeguard customers from all forms of risk by providing seamless protection using the integrated business model for life and non-life exemplified by our integrated life and non-life insurance product, Super Insurance. Through this world first initiative, not only we have boosted the cross-selling rate, but we are also further increasing this rate by developing unique customer-oriented products.

In fiscal 2020, we launched Medical Kit Yell, a new medical insurance for seniors with relaxed underwriting criteria. We increased the cross-selling rate and reached around 50,000 policies in the first eight months following its launch, which also marked the highest sales scale in the insurance industry.

Under the new MTP, we will focus on the growth areas of seniors, healthcare, and asset formulation and bring peace of mind to a larger number of customers by speeding up cross-selling using the customer base of TMNF.

■ Super Insurance: Ratio of the number of policies with either life or third sector (cross-sell rate)

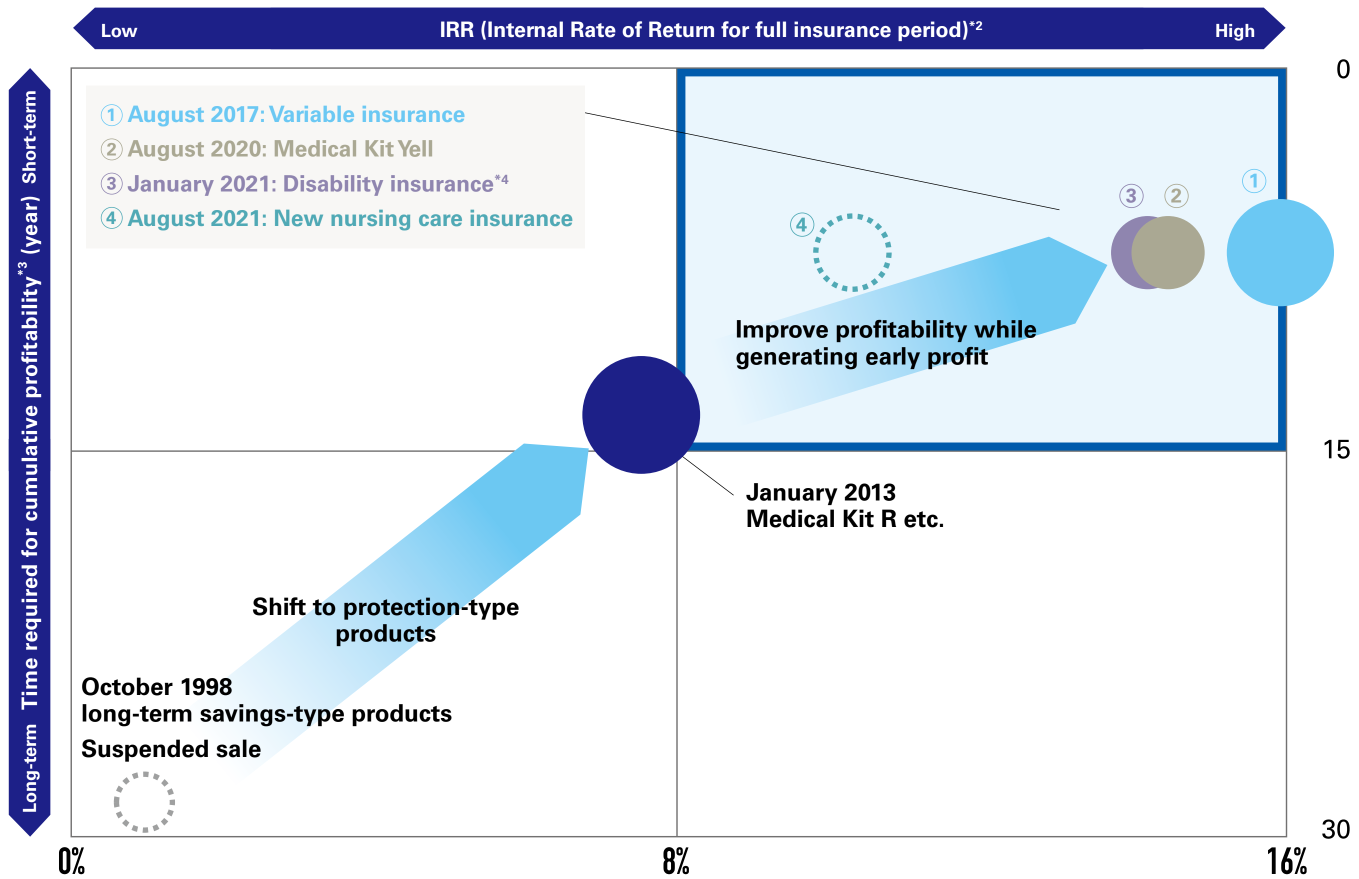


(2) Improve profitability and accelerate profit contribution

TMNL was established in 1996 as an antithesis to conventional life insurance where people change their lives to suit life insurance.

TMNL was the first to focus on risks during life, such as treatment after hospitalization, inability to work, and nursing care, which are not covered by conventional life insurance, releasing a number of innovative protection-type products. This gives us the track record and pride that has continued to drive our success in the living protection field.

Under the new MTP, we will further increase product appeal and mainly introduce products with high profitability that make early profit contribution to accelerate growth while directly contributing to the resolution of social issues.



*1: 35% or higher for TNP / TQ agents
*2: IRR indicates profitability as expected returns on expenses for the entire insurance period on financial accounting basis (FY2016 for long-term savings-type products, FY2020 for others)
*3: Time required for cumulative profits on financial accounting basis to turn positive
Size of the bubble indicates new policies ANP for the product (FY2020, FY2021 projection for (4))
*4: Includes household income protection with death benefit

International Insurance (Developed Markets Strategy)

Achieving stable and high profitability centered on specialty insurance

Through the three major initiatives of increasing underwriting profit, driving growth for PURE, and continued bolt-on M&A, we will achieve profit growth with a CAGR of approximately +6%.

While maintaining the top class position we have established, we are aiming for further growth under the new MTP.

We have formed a well-diversified portfolio and have recorded stable and high profits mainly by providing a wide range of products to corporations in developed countries. This has allowed us to establish a top 10 position in commercial lines in the U.S. market, as well as a top class position in the specialty insurance field and at U.K.-based Lloyd's. To further increase profit growth, we are engaging in the following three initiatives.

(1) Increasing underwriting profit

The market is continuing to harden, with a rise in premium rates due to the increasing frequency of natural catastrophes, the low interest rate environment, the impact of COVID-19, and an increase in loss cost caused by factors such as social inflation. Although it would not be too difficult to simply grow our top line in this environment, we are not pursuing short-term top-line growth. Focusing on the bottom line, we are harnessing our strength in underwriting and risk underwriting to reduce future reserve risk while accurately ascertaining the increase in loss cost and the profitability of each business line via a forward-looking approach. In addition, through working to further increase operational efficiency, we aim to drive sustainable profit growth while continuing to maintain high profitability in a stable manner.

Quantitatively, during the new mid-term business plan (MTP) period we aim to boost underwriting profit by generating robust growth in the top line with a CAGR of approximately +5% while maintaining a combined ratio (C/R) that compares well to our global peers of approximately 93% (fiscal 2020: 93.3%, barring unforeseen circumstances).

Main measures

Maintain strict underwriting discipline
- Improved the quality of portfolio during the previous MTP period through rigorous efforts to reduce unprofitable business lines
- Continue to build a strong underwriting portfolio while paying close attention to trends in profitability in light of issues such as rising social inflation

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

FY2020 results

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

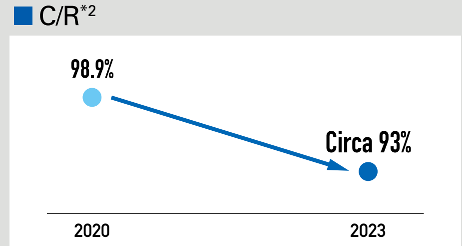
*1: Excluding A&H, Surety and Credit

New risk-taking
- While ascertaining profitability, engage in new risk-taking in lines where high returns are expected thanks to the hardening market

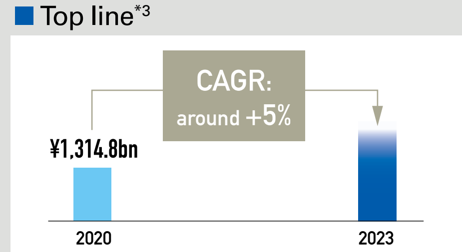
Improve operational efficiency
- Improve administrative processes and work to reduce the expense ratio at each Group company

Our Aspiration (Maintain a C/R of approx. 93% and achieve a CAGR of approx. +5%)

■ C/R*2



■ Top line*3



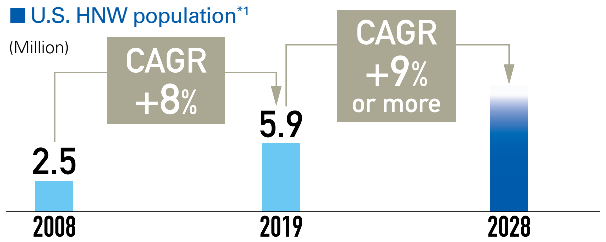
*2: North America + Europe segments. Include policies with high C/R such as DFG's excess workers' compensation and life insurance.
2020 is actual figure. Adjusted base normalizing natural catastrophes and excluding the impact of COVID-19 is 93.3%.
*3: Total NPW of North America and Europe segments. FX rate is as of Mar. 31, 2021.

(2) Driving growth for PURE

PURE joined the Group in fiscal 2019 and is a specialty insurance group that targets the high-net-worth (HNW) market in the United States. Within this expanding market, the company has taken advantage of its customer loyalty rate that is well above the industry average and has achieved major growth. Through creating synergies that leverage the different benefits it has brought to the Group and their North American-based sales platform, we will further accelerate growth and achieve profit growth with a CAGR of over 20%.

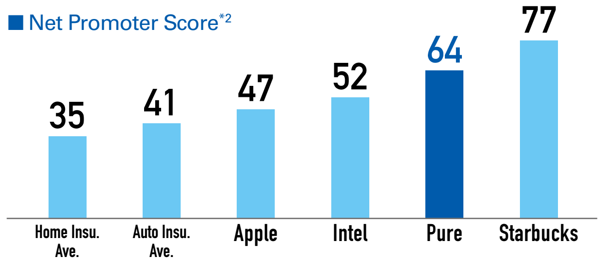
PURE's strengths and main initiatives

Focus on HNW market with high growth potential



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

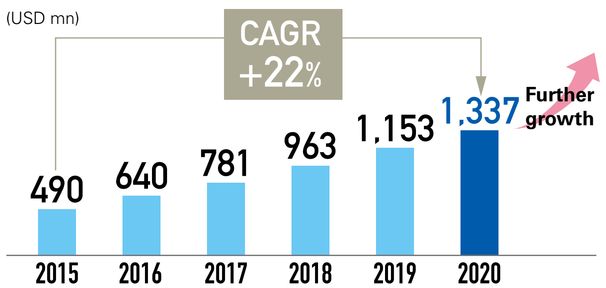
Strong customer loyalty



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

Growth acceleration with AM Best rating upgrade (Apr. 2021: A → A+)

In business that targets the HNW market, insurance company ratings are important points to customers. New policy premium per year grew from around $160 million to $200 million (over +20%) following the rating upgrade in August 2018 (A- to A), and similar effect is expected for the current upgrade.



Further expanding synergies that harness the Group's foundation

■ Major initiatives

- Connect the leading agents and brokers of PHLY and PURE
- Introduce the top-level business partners of DFG to PURE
- Collaborate with our local subsidiary in the state of Hawaii
- Joint development of cyber insurance products with TMHCC for individual clients

etc.

(3) Continued bolt-on M&A (please see page 61)

Under the proactive governance of Tokio Marine Holdings, we will further enhance the quality of our bolt-on M&A deals and accelerate growth by utilizing, within each Group company, TMHCC's know-how that they have developed through over sixty successful bolt-on M&A deals in the past.

Latest M&A deals

Standard Security Life Insurance Company
A Member of the IHC Group

- Provides paid leave protection insurance, a market that is expected to expand throughout the United States
- Expects to become a top 3 company in the industry in the state of New York and achieve after-tax profit of ¥1.5–¥2 billion after the M&A
  Will further expand insurance for employee benefits through cross-selling synergies with DFG

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

WORLD WIDE Specialty Programs

- Will become a leading company in the temp staffing industry in the United States as a result of the M&A
- Has acquired an overwhelming competitive advantage in this highly profitable market

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

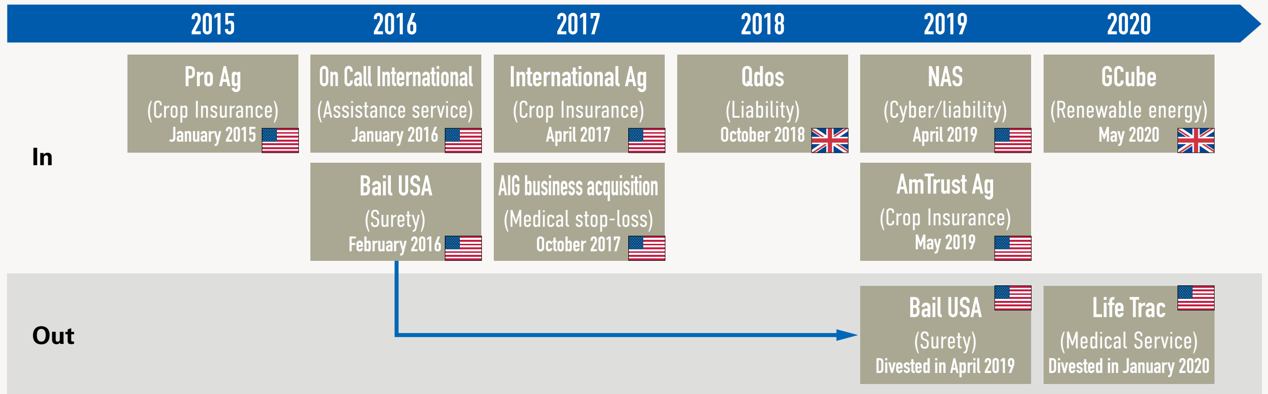
Bolt-on M&A of TMHCC

Susan Rivera
Chief Executive Officer of HCC Insurance Holdings, Inc.
(Serves concurrently as Executive Officer of Tokio Marine Holdings)

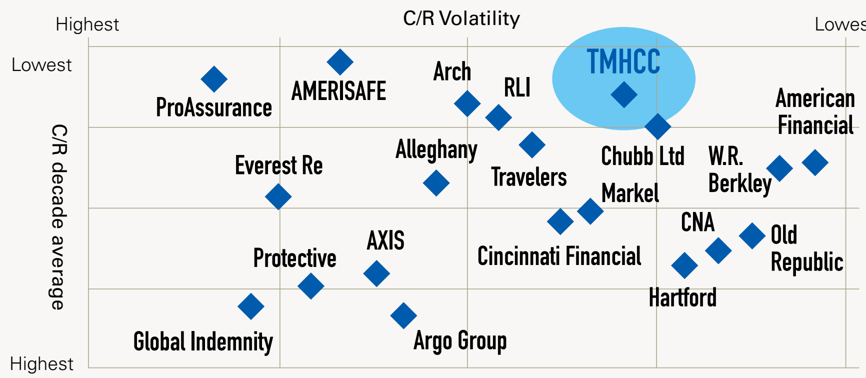
We have executed more than 60 forward-looking bolt-on M&A deals and tactical business divestments since 1994, aiming for profitable growth through strengthening existing businesses and diversifying risk.

Bolt-on M&A deals have predominantly targeted companies and businesses with which we have had a long-standing business relationship. That is why we have in-depth knowledge of their business and relationships of trust with the management of target companies. In addition, we have made steady progress with post-merger integration (PMI) based on our wealth of experience and robust framework. That leads to a high rate of success in our M&A deals. As a result, we now underwrite more than 100 classes of specialty insurance with low risk correlation, and our diversified portfolio has helped to keep our combined ratio consistent at around 90% while expanding our businesses.

■ Track record of continued bolt-on M&A and our flexible portfolio reshuffling (since 2015)



■ Achievement of a stable and low C/R compared to peers



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

Moreover, these bolt-on M&A deals have not only led to TMHCC's own profit growth, but also increased synergies within Tokio Marine Group mainly in the following two areas.

First is the acquisition of talent. TMHCC has utilized key persons of acquired companies, resulting in many people playing broader more motivating role in important posts in specialty areas and reinsurance, among others not only within TMHCC but also now across the entire Tokio Marine Group (please see pages 24-25).

Second is the rollout of knowledge across the Group. Our knowledge of bolt-on M&A is widely shared with other Group companies through global meetings and other means. This process is now standardized by Tokio Marine Holdings and applied at other Group companies as a guideline. I believe this contributes to the improved quality of bolt-on M&A deals across the entire Group, along with risk diversification and profit growth.

Going forward, we hope to use bolt-on M&A to contribute to the further growth of the entire Group as one of our strengths.

International Insurance (Emerging Countries Strategy)

Capturing the market's high growth to contribute to greater profit

By implementing a growth strategy with the goal of diversifying geographical risk and capturing high growth in the market, we aim to achieve profit growth with a CAGR of at least +10% and build pillars of future growth.

Aiming to further diversify risk and contribute to greater profit

We have been implementing an emerging countries strategy that focuses on geographical risk diversification and capturing high growth. Although there are various countries comprising these emerging countries and it is essential to strategically develop our business in light of each of their situations, as a result of our efforts, we have achieved top-line growth that outperforms the market. Also, we have expanded the scale of our bottom line in countries such as Brazil and Thailand from a few billion yen to ¥10 billion. Under the new mid-term business plan (MTP), we aim to contribute to greater profit and implement various growth strategies in order to build more pillars of future growth.

The information below highlights Brazil and India, which are profit drivers for the new MTP.

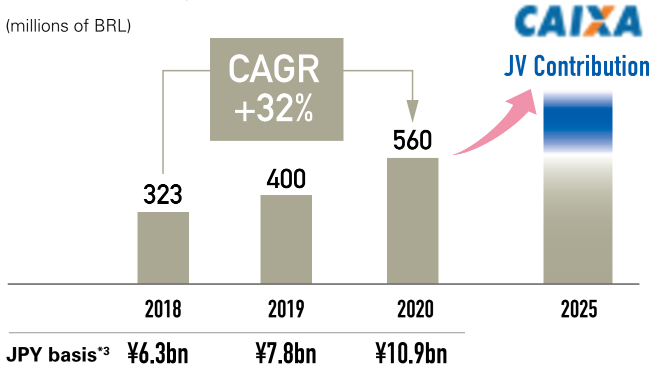
Brazil: Establish JV with Caixa Bank and accelerate growth

Under their CEO who has a background in IT, Brazil-based TMSR has improved profitability for their key product line of automobile insurance through efficient operations that utilize digital technology, developing a system with high usability for brokers, and improving their ability to respond to customers. As a result, they have achieved profit growth with a CAGR of over +30% since fiscal 2018, and have already generated profit of ¥10 billion level. In addition to this strong existing business, with the aim of diversifying our portfolio and achieving further growth, we established a joint venture (JV) with Caixa Bank, which is Brazil's largest banking group and has a roughly 70% share in mortgage market. The JV commenced operations in February 2021 and primarily provides mortgage insurance*1 and homeowners' insurance. Thanks to the strong mortgage market in Brazil, the JV made a strong start; its operations began without delay and plans were upwardly revised. Going forward, we aim to increase our after-tax profit by approximately ¥6.5 billion*2 by fiscal 2025 through expanding sales for home insurance, which is expected to generate high profitability.

*1: An insurance product that combines credit life insurance and home insurance for the purpose of compensating a lender in the event that the borrower cannot repay their home loan.
*2: Exchange rate at time of publication

■ TMSR after-tax profit

(millions of BRL)



*3: Exchange rate as of end of Mar. 2021

Brazil Home Insurance Market*4	
2020 Home insurance market premium	$1.5bn
2015-2020 Home insurance market CAGR	+7.5%

*4: Source: Brazilian insurance regulator SUSEP

Reference: Further expansion of mortgage market in Brazil

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

India: Further utilize IFFCO's network and Group know-how

In India, we are providing automobile insurance, medical insurance, and agriculture insurance, by utilizing a network of 36,000 branches operated across India by our partner IFFCO. Going forward, we will further expand sales for rural areas where growth among the middle class is expected, and while maintaining an industry-leading expense ratio and level of productivity, we will harness our know-how in underwriting and digital technology with the aim of making approximately ¥4.5 billion in after-tax profit in fiscal 2023, doubling the amount reached in fiscal 2020.

IFFCO-TOKIO GENERAL INSURANCE Muskurate Raho

Indian market*5	
2020 Non-life insurance market premium	$27.2bn
2015-2020 Non-life insurance market CAGR	+15.6%

*5: Source: General Insurance Council, IRDAI

Asset Management

Increasing income by leveraging our strength in credit management even within the low interest rate environment

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

Expanding Disciplined Credit Management in the United States

Tokio Marine's asset management policy focuses on increasing long-term and stable investment income based on the characteristics of insurance liabilities. In particular, we will utilize Delphi's asset management prowess to invest funds from Group companies inside and outside of Japan mainly into credit assets in the United States, and we achieve high returns while conducting appropriate monitoring and risk control. This integrated asset management style combining Japan and the United States marks Tokio Marine's strength. Under the new MTP, credit management in the United States forms a key point of our investment income.

Low interest rates continue to prevail around the world. For this reason, we believe that the decline in income yield is inevitable to some degree. Nevertheless, we aim to increase assets under management (AUM) following the growth in insurance underwriting and enhance investment income while controlling credit risk appropriately within our Group-wide ERM framework and utilizing the ability to spot good investment opportunities of DFG, which excels at credit management.

	Overseas AUM		Income yield		Income gain
FY2020 Results	Overseas AUM*1 ¥6.0 trillion	×	4.6%	=	¥274.9 bn
FY2023 Plan	Overseas AUM ↑ ¥6.8 trillion	×	Income yield ↓ 4.1%	=	Income gain ↑ ¥279.2 bn

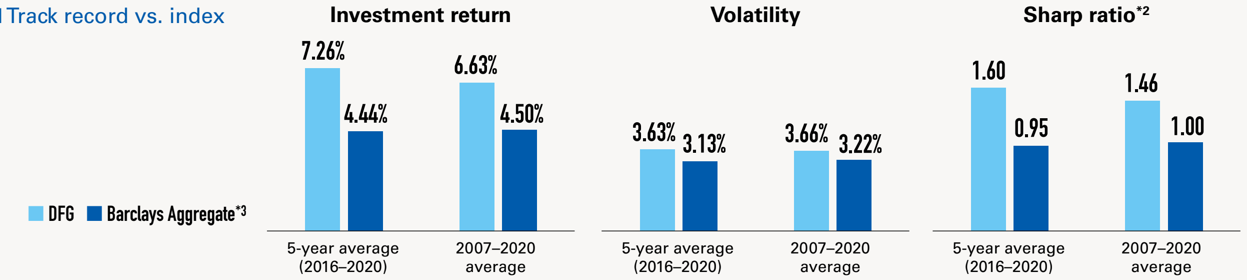
*1: Assets of U.S. 5 major GCs (DFG, PHLY, FICOH, TMAIC, TMHCC) + Assets entrusted by domestic 3 GCs.

Reference: Strengths of DFG's Investment Team

DFG is firmly taking earnings opportunities by shifting the portfolio nimbly based on economic phases, utilizing its advanced expertise, in-depth experience, and information collection and analysis capabilities using our broad network. In addition, the insurance liabilities that underpin investment are backed by a stable, long-term cash flow derived from products such as insurance for employee benefits and excess workers' compensation. Therefore, DFG can hold investment assets to redemption without worrying about short-term market turbulence. As a result of this investment style, it continues to generate high returns versus indexes.

Moreover, despite the COVID-19 pandemic, DFG will identify information on promising opportunities and execute investments at attractive prices with a sense of speed.

■ Track record vs. index



*2: Measures excess return per unit of risk. Calculated as "(Investment return – risk-free rate) / Volatility." Risk free rate: LIBOR3M
*3: Bloomberg Barclays US Aggregate Bond Index

To protect our customers in their times of need as a "Good Company" for the next century, we will develop the Group's management talent and support our employees' diverse working styles and enhance engagement.

Kenichi Kitazawa
Managing Executive Officer
Group Chief Human Resources Officer

Taking the baton and passing it on to the next generations

Insurance is a people's business and people are truly the source of the Tokio Marine Group's competitiveness. To flexibly address and resolve the increasingly complex social issues of today, it is crucial to develop a workplace environment that fully harnesses the strengths of the Group's workforce of more than 40,000 employees. As CHRO of a "Good Company" that protects customers in their times of need, I am particularly focused on hiring diverse personnel, training them in a systematic manner, and creating mechanisms to support this process, both inside and outside of Japan.

As one example, we hold discussions about our diverse worldwide workforce and we are expanding cross-border training programs to develop our global management talent. For instance, on the Global Executive Program, senior leaders from around the world eat and sleep together under extreme conditions, which built a strong relationship of trust among the participants, and led to further synergies across the Group.

Sustainable growth requires supporting the diverse values and flexible working styles of employees and encouraging them to tackle new challenges, so it is essential to rethink our HR systems and operations and further develop our remote work infrastructure. During the COVID-19 pandemic, up to 70 percent of companies in Japan and nearly 100 percent of companies in North America and South America had their employees work from home at some point. Experiencing remote work, employees around the world have had the chance to think about their style and increase their productivity. Tokio Marine is now developing systems to enable their productive and diverse working styles.

For example, at TMNF we introduced the "Super My Select" System, where employees have flexible working hours to accommodate diverse working styles and increase motivation, and the Project Request System, where employees nationwide can apply to take part in projects for corporate departments at the headquarters in parallel with their regular positions. In order to realize sustainable growth of both employees and the company, Tokio Marine is eliciting employees' ideas and enabling them to play a greater role even if they have childcare or nursing care obligations, while eliminating the constraints of place and time wherever possible.

At Tokio Marine our core identity —"To Be a Good Company"— unites our highly diverse people. During the COVID-19 pandemic, we have continued to strengthen this core identity. Meetings called "Majikirakai" (where employees can talk about serious matters in a casual setting) are held remotely to foster open and free discussions among our employees around the world on how to be a Good Company.

Of course, our workplaces must be environments where employees can work and remain physically and mentally healthy. In my other position as CWO of the Group, I am working on health and productivity management, while CDIO Mika Nabeshima, who was appointed in April, is taking the lead in promoting diversity and inclusion.

These are but a fraction of our people-related initiatives. We will continue to elevate our talent and increase the Group's collective strengths to protect our customers in their times of need over the next century as a Good Company.

Experiential Learning at sea on the Global Executive Program

Visiting a disaster area at MGL

CEO Komiya's remote "world tour" (CEO meetings)
CEO personally working to reinforce our core identity

Pursuing the Optimal Human Resources Portfolio

New HR System at Tokio Marine Holdings

From fiscal 2019, Tokio Marine Holdings implemented an HR system aimed at acquiring top talent and fostering global management personnel. Specifically, we develop human resources faster by entrusting talented managers with important roles at an early stage irrespective of age or tenure with the company. Also, we established an evaluation system that better reflects the skills and performance of each individual based on expertise and created mechanisms that allow employees to develop their careers over the medium to long term with market-competitive compensation levels.

Talent Development and Skills Building

Training Programs for Developing Global Management Talent (please see page 102)

- Global Executive Program
- Middle Global Leadership Development Program (MGL)
- Management Academy
- Management School

Data Science Hill Climb

This is an original program to foster data scientists with real capabilities to drive the Tokio Marine Group's digital transformation. Under the supervision of Professor Yutaka Matsuo of The University of Tokyo's Graduate School of Engineering, participants receive extended training totaling more than 200 hours, systematically learning skills for utilizing data in business.

TMNF's Employee Training (Fiscal 2020)

- Total training time: around 226,000 hours
- Total cost of training: around ¥700 million

Increasing Employee Engagement

Instilling Our Core Identity

We continued to instill our core identity even during the COVID-19 pandemic by holding remote "Majikirakai" meetings where employees can talk about serious matters in a casual setting. "Majikirakai" cover such themes as the "Good Company," work issues, and careers and may be attended by the CEO and corporate officers or held in individual work units.

Culture and Values Survey

Despite the COVID-19 pandemic, scores on the Culture and Values Survey conducted at Group companies inside and outside of Japan for fiscal 2020 reveal positive strides and improvements are being made. We are now working on further improvements at the Group level with the involvement of Tokio Marine Holdings.

4.3 out of 5 (Group Attachment)

Promoting Highly Productive and Diverse Working Styles

'Super My Select' System

This system enables employees of TMNF to set their own seven-hour work time between the hours of 5:00 am and 10:00 pm. Implementing such diverse and flexible work styles will improve employee motivation.

Project Request System

This system allows employees of TMNF throughout Japan to participate in projects with the headquarters corporate departments based on their own will in parallel with their main assignments.

Promoting Diversity and Inclusion

Please see pages 66–67.

Promoting Health and Productivity Management

Please see pages 82–83.

Diversity and Inclusion/Response to Human Rights Issues: Message from the Group CDIO

We will create workplaces where all forms of diversity are embraced, cultivated and respected, so that all employees can provide maximum value to customers, business partners, shareholders and society. We are committed to implementing our diversity and inclusion strategy to ensure Tokio Marine Group's continued growth.

Mika Nabeshima
Executive Officer
Group Chief Diversity & Inclusion Officer

Diversity and Inclusion as a core management strategy and a key to our competitiveness

Over the past two decades Tokio Marine has made great strides in diversifying its human resources, regional and business portfolios through proactive global expansion. We have grown by building inclusive workplaces where employees respect one another and incorporate the ideas and perspectives of newly acquired employees and businesses. On the other hand, social issues are becoming more complex, uncertainty is rising, and the world is facing an increasing number of risks. Tokio Marine recognizes that further promoting diversity and inclusion is essential to addressing the growing breadth of social issues and the needs of customers, both of which will diversify in the future. We view diversity and inclusion as a core management strategy, and we established the Diversity Council and the position of Group Diversity & Inclusion Officer (CDIO) in April 2021. As CDIO I am dedicated to promoting and instilling diversity and inclusion from various angles, including closing the gender gap and leveraging our global talent pool.

First, in terms of closing the gender gap, women are already playing an active role in various positions at Tokio Marine. Over 30 percent of leadership positions globally across the Group are held by women and we are working on further initiatives tailored to the unique challenges of each Group company. TMNF, our core company in Japan, has focused on closing the gender gap as part of its growth strategy. We are focusing our efforts on fostering female leaders and expanding their opportunities in order to have women participate in all decision making processes. We created an action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace with a target of having women in 50 percent of leadership pipeline positions by fiscal 2023 and reached it ahead of schedule. We are now redoubling our efforts toward a new target of having women in 30 percent of leadership positions by fiscal 2030. Additionally, in April 2019, we established the Tokio Marine Group Women's Career College to help women develop their own career vision and leadership skills so they are confident to take on even more active roles and greater responsibility at the company. The college added an advanced program in 2021.

Furthermore, each workplace is seriously working on a daily basis to develop and engage female leaders, in order to further drive the Group's growth.

Next, on leveraging our global talent, we believe that matching our Group's diverse talent with the right assignments will help to resolve emerging issues and produce growth. For instance, Caryn Angelson, CHRO and CLO at TMNAS, a Group company in the United States, also has a role in HR at Tokio Marine Holdings. She works closely with me on our global strategy for talent management, diversity & inclusion, and learning & development, while playing a key role in the global HR community. She also serves as an instructor for our diversity and inclusion leadership training program for the Group. In addition to Caryn, global talent with functional expertise participate in our global committees, such as the ERM Committee, International Executive Committee, and Global Retention Strategy Committee. Their wisdom is helping resolve global management issues for the Group.

The examples here are only a few of our initiatives. We are dedicated to promoting the Group's diversity and inclusion strategy to fully engage the skills of our diverse talent around the world. This will enable us to provide greater safety and security to our customers globally, contribute to sustainable growth for the Group, and continue to provide value to all of our stakeholders.

Middle Global Leadership Development Program

Tokio Marine Group Women's Career College

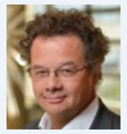
Diversity Policy

Tokio Marine Group believes the power of its people is the driving force for realizing its vision of be a "Good Company."
For the insurance business, which is said to be a "people's business," the people involved and the trust they create are the source of our competitive advantage. We will promote diversity on a global basis to maximize the potential and facilitate the active participation of some 40,000 employees worldwide regardless of gender, age, nationality or disability, and to strengthen our competitive advantage.

Nationality

- The ratio of international employees to the Group's 43,260 employees is more than 40 percent (as of March 2021)
- Human resources acquired through overseas M&A are matched globally to the right assignment or their talents

TMK CEO
Brad Irick
(Transferred from TMHCC)

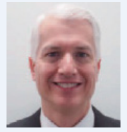


Specialty Lines
Philippe Vezio
TM Asia Deputy CEO & Chief U/W Officer
(Transferred from TMHCC to TM Asia)

Reinsurance
Barry Cook
CEO of International Group at TMHCC
(TMHD Global Reinsurance Advisor)

HR and Legal
Caryn Angelson
TMNAS CHRO & CLO
(Concurrent post with TMHD)

Cyber Insurance
Daljitt Barn
Global Head of Cyber Risk



Insurance reserving
Daniel Thomas
International P&C Reserving Actuary Committee Chairperson

Gender

- In 2019, we established the Tokio Marine Group Women's Career College in order to help female employees to develop their own career vision and leadership skills so they are confident to take on more active roles. (Lectures led by outside instructors are held about six times per year on the theme of women and leadership; attended by about 100 female employees from various Group companies in Japan)
- Women hold 30 percent of leadership positions within the Group globally; Over 10 percent of corporate officers are women (as of March 2021)
- Women hold 54.9 percent of leadership pipeline positions at TMNF (April 2021)

Generational

- TMNF's internal venture program, Tokio Marine Innovation Program, encourages young and older employees to propose transformative ideas, and new rules allow sideline work.
- The turnover rate at TMNF is 2.0 percent (fiscal 2020, based on voluntary resignations, excluding mandatory retirement)

Employment of Persons with Disabilities

- The Tokio Marine Group encourages the hiring of persons with disabilities and works to promote normalization; in particular, Tokio Marine Business Support Co., Ltd., a special-purpose subsidiary under the Act for Promotion of Employment of Persons with Disabilities, provide the Group administrative support such as: printing, logistics, mail room operations and novelty sales operations.
- TMNF works with Mirairo Inc. on consulting services using gazing point measurement data (first in Japan) to provide assistive services for seniors and persons with disabilities.
https://www.tokiomarine-nichido.co.jp/company/release/pdf/210409_02.pdf (Japanese text)

Response to Human Rights Issues

- Tokio Marine supports and respects the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, the international labor standards of the ILO, the UN Guiding Principles on Business and Human Rights and ISO 26000, and is a signatory to the United Nations Global Compact
- We conduct human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights and take corrective action where necessary.

Special Feature 2
Response to COVID-19

We are providing greater value to all stakeholders even during the COVID-19 pandemic. Having taken action to address changes and issues presented by this communicable disease, we are fully prepared for our next stage of growth.

Tokio Marine's response to COVID-19 —Providing even greater value than before—

The profound worldwide impacts of the COVID-19 have affected Tokio Marine, too.

We established the COVID-19 management task force on February 4, 2020, following the WHO's declaration of a pandemic and the virus spreading to other countries and regions outside of China at the end of January 2020. Despite the pandemic, we maintained our insurance business functions as a part of social infrastructure by responding to customers while adopting remote work and striving to ensure the safety of employees and stop the spread of infections.

Also, from well before the start of typhoon season, we ran simulations to ensure we could sustain our operations even if multiple large-scale natural disasters struck during the pandemic, based on the recognition that an earthquake could strike Japan anywhere and at anytime. Later, Japan was actually hit by major natural disasters in the form of torrential rains in July 2020 and the earthquake off the coast of Fukushima Prefecture. Our careful preparations paid off as we were able to payout insurance claims smoothly and provide the same value to customers as before the pandemic.

As a result of these initiatives, we expect to increase our dividend to shareholders for the 10th consecutive year. In addition, we also made a number of donations as part of our social contribution efforts, providing even greater value to our stakeholders than before.

Customers

Contactless customer service

- Remote customer service by expanding smartphone apps and web conferencing system, etc.
- Free online health consultations

COVID-19 insurance claims over ¥100 billion*

- Payouts mainly entailed event cancellations and business interruption insurance overseas

*: Estimate of insurance claims related to COVID-19

Society

Social Contribution Activities

- Provided or donated masks and protective clothing to medical institutions and other facilities
- Group companies worldwide made donations reflecting the conditions and needs for support in each region
- Donations by the entire Group to various organizations reached over ¥1.1bn

Shareholders

10 consecutive years of higher dividends (projected) amid increasing capabilities

- Adjusted net income in fiscal 2020 accounting for the impacts of the COVID-19 totaled ¥431.1 billion and adjusted ROE was 12.0%, achieving the targets set out in the previous MTP on a real basis
- The payout ratio for fiscal 2020 was 42% (35% or higher in previous MTP)

Employees

Ensuring the safety of employees and their families

- Up to 70% of employees in Japan and 100% overseas worked from home
- Handed out masks in Japan and adopted flexible working hours

Ran business continuity simulations in case of a large-scale natural disaster

Post-COVID-19 Strategy —Further Accelerating/Upgrading Initiatives—

The COVID-19 pandemic brought about a number of profound changes in customer needs and the working styles of employees. Tokio Marine launched the Post-COVID-19 Task Force including outside experts in July 2020 in order to once again review and examine the Group's medium- to long-term strategies in a post-COVID-19 world. The review process involved top management from our overseas subsidiaries, leading to discussions involving representatives across the Group.

The figure below presents the results of these discussions. The challenges before and after the pandemic have not necessarily changed all that much. However, we believe that we will need to further accelerate or upgrade our previous initiatives.

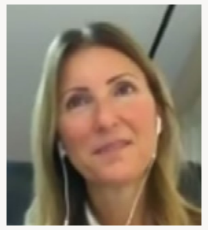
The key is taking core actions and execution. For example, in calculating probable maximum loss (PML) for pandemic risks, although we previously estimated the risk amount mainly related to life insurance, in fiscal 2020 we updated risk measurement methods regarding non-life-insurance lines in fiscal 2020 taking into account the COVID-19 pandemic.

In this way, we are working to further accelerate or upgrade our previous initiatives from various angles and we have already embedded this into the strategies of each company.

In addition, through Group-wide cross-functional discussions, we found there to be room for generating further synergies, which served as an opportunity to foster greater collaboration between related parties. We are fully prepared for the next stage of our growth in the post-COVID-19 world.

Changes and challenges post COVID-19	Our understanding	Measures
1. Continuation of operations during an emergency 2. Priority placed on the safety of the lives and health of individuals 3. Agents mainly offering insurance products face to face will find it harder to capture clients 4. Accelerated use of data / digitalization to offer high-quality, non-face-to-face customer experience 5. Increasing needs to improve cost efficiency in response to growing cost awareness from clients	Existing initiatives will be further accelerated	1. Teleworking of all employees during an emergency 2. Offer high value-added products / services for prevention and other healthcare needs 3. Support for digitalization of agents 4. Measures to address skills gap (e.g., recruiting digitalization personnel) 5. Further improve operation efficiency through high-level use of AI
6. Accumulation control of pandemic risk	Further advancement post COVID-19	6. Further upgrade risk management of pandemic (e.g., risk measurement method)

Voice of Member of the Post-COVID-19 Task Force



Tokio Marine HCC

Susan Rivera
Chief Executive Officer of HCC Insurance Holdings, Inc.

Discussions during the project workshops were very meaningful. All the participants focused on further improving and strengthening our businesses, and I felt an even greater sense of solidarity to utilize the Group's strengths.

Hollard Group

Saks Ntombela,
CEO
Hollard Group

South Africa's insurance industry, too, has been affected by COVID-19. Hollard Group will focus on delivering safety and security to customers, digitalizing and simplifying processes, streamlining operations, and building a resilient business foundation.

Aiming to achieve continuous growth with solutions for societal issues positioned as medium- to long-term growth engines

Approach to Sustainability Strategies

Tokio Marine Group's purpose is to protect customers and society in their times of need.

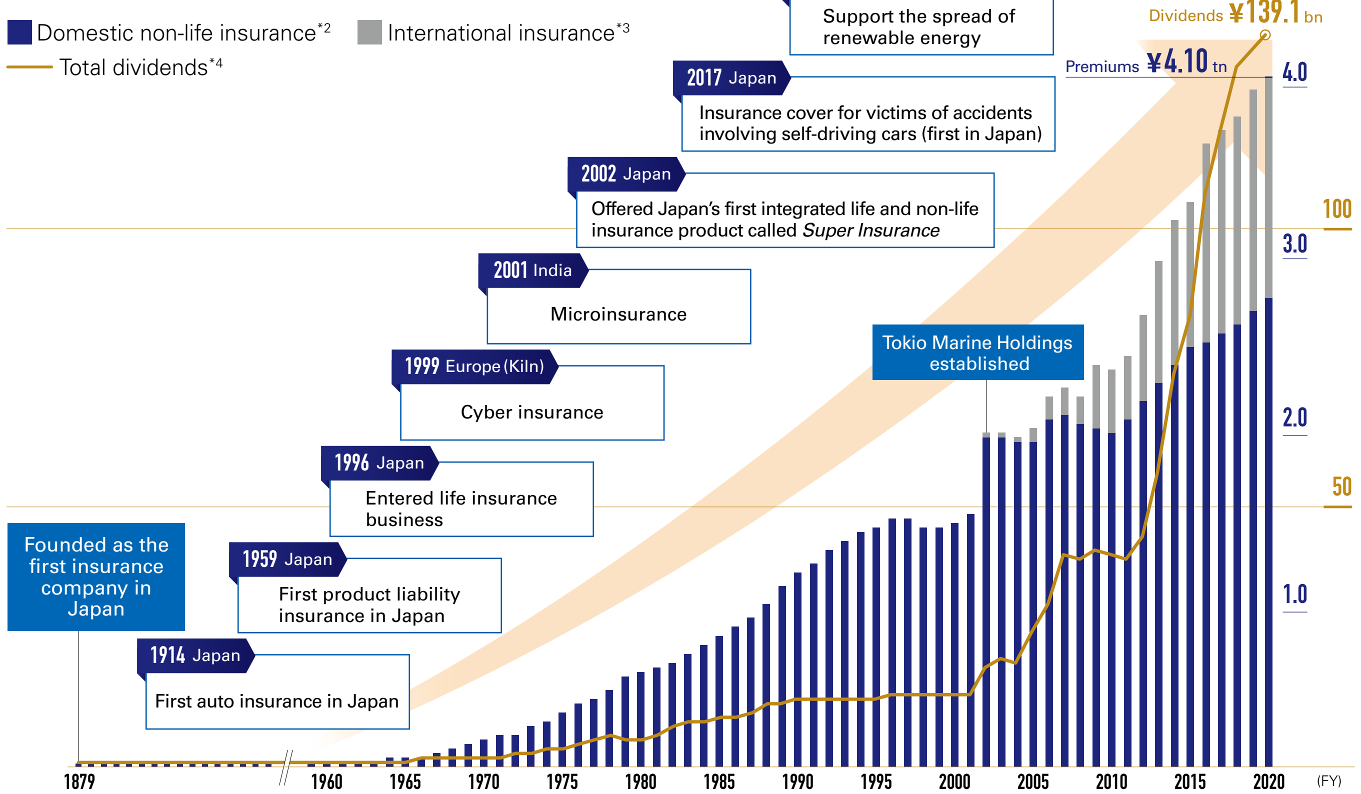
Originally founded in 1879, the Group has supported Japan's modernization since it originally began providing insurance to maritime shipping firms to cover lost or damaged cargo caused by accidents at sea. Later, the Group helped the country shift to automobile travel in the post-war period by providing auto insurance. More recently, with the acquisition of GCube, a leading insurance underwriter in the renewable energy sector, the Group has been supporting the shift to renewable energy with insurance. Through its mainstay insurance business, the Group has grown sustainably by promptly providing beneficial solutions for the changing challenges of every era.

In these ways, the Tokio Marine Group has been addressing societal issues throughout its long history. Such issues have changed over the generations, but the Group's commitment has never changed. For the Tokio Marine Group, sustainability strategies are about promoting solutions for these issues through business activities while contributing to the sustainability of society. This approach has been at the core of its corporate culture since it was founded.

Across its global operations, the Group will continue working to benefit society, bring happiness to people, and protect the environment in order to help build a sustainable planet and, consequently, provide even more social value and economic value (in the form of profit growth). Through these efforts, the Group will aim to be a "Good Company" over the next century by delivering value to all of its stakeholders.

History of the Group's Growth and Solutions for Societal Issues

Direct Net Premiums Written[*1] (Bar Graph) and Total Dividends Paid (Line Graph)



*1: Excludes deposit premiums from policyholders *2: Shows premiums from Tokio Marine from fiscal 2001 and prior, and combined premiums from Tokio Marine & Nichido and Nisshin Fire, etc. from fiscal 2002 onward *3: Shows premiums from 2002 onward when Tokio Marine Holdings was established *4: Does not include one-time dividends provided as capital level adjustment

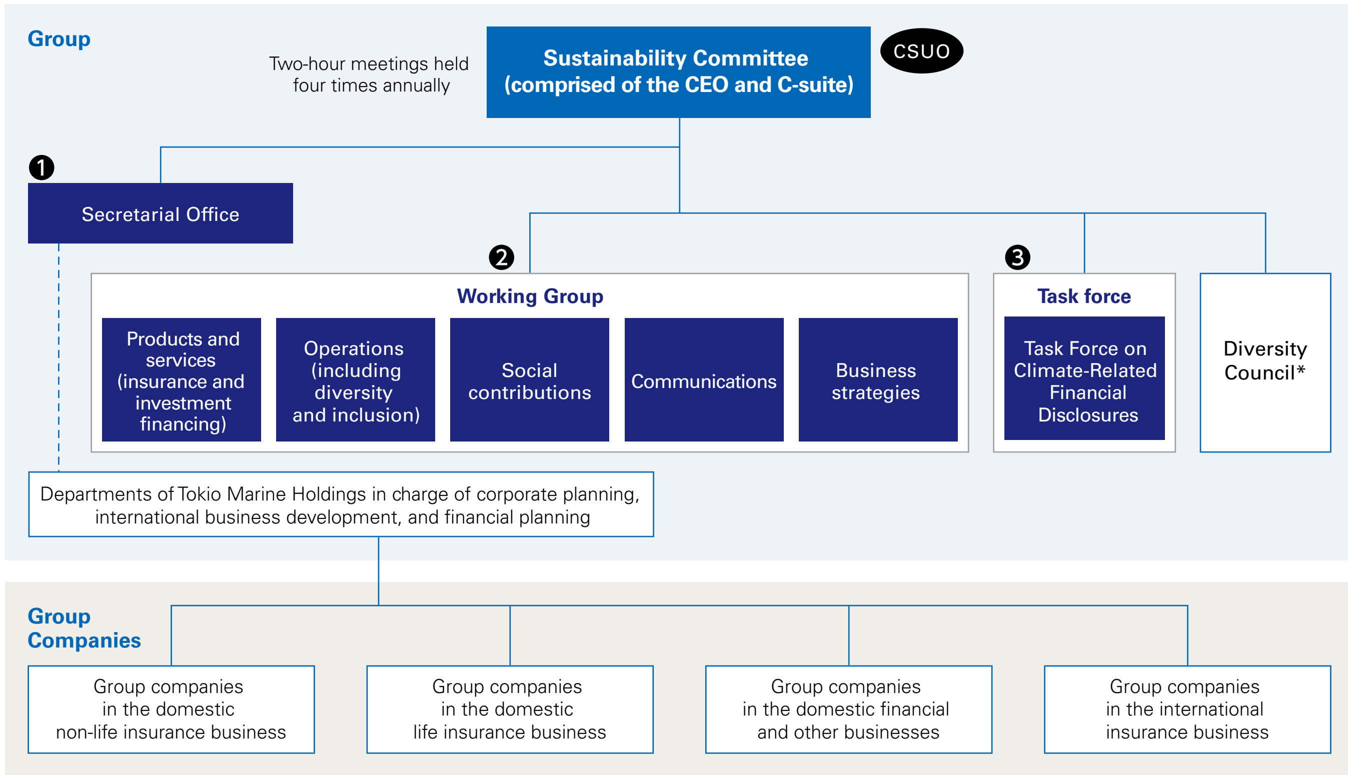
Organizational Structure for Promoting Sustainability

Amid major changes in the operating environment, predicting trends just two or three years into the future has become practically impossible. Indeed, the Company recognizes that an age of discontinuity has begun, in which common sense and past successes do not necessarily apply anymore. Because this brings major challenges, the Company has returned to its original purpose and stepped up its efforts to solve issues confronting society today.

For these reasons, in April 2021, the Company appointed a group chief sustainability officer (CSUO) and established its Sustainability Committee, which is made up of the chief executive officer and other C-suite. The committee has been reviewing the latest important areas of concern, concrete initiatives, goals, and other related matters (please see pages 72–77), and C-suite have accelerated group-wide initiatives in the areas for which they are each responsible.

Based on discussions with the committee and in management meetings, the Board of Directors will decide on and evaluate sustainability strategies going forward.

Organizational Structure for Promoting Sustainability



* Makes proposals related to grooming female executive candidates, making companies more inclusive, and improving diversity- and inclusion-related indices (please see pages 66–67)

(1) Role of the Sustainability Committee

- Deliberates on the Tokio Marine Group's sustainability strategies
- Oversees the overall management and execution of sustainability strategies
- Reports to and submits matters for discussions to the Board of Directors and in relevant management meetings

Matters discussed by the Sustainability Committee

May 6, 2021: Formulation of sustainability strategies, systems for executing the strategies, and key issues in important areas

July 6, 2021: Implications of external trends for the Group, and annual plans for organizations that will carry out initiatives and top priority policies

(2) Roles of other organizations

❶ Secretarial Office: Handles administration for the committee (as well as the subcommittees and task force) and promotes the sustainability strategies

❷ Working Groups: Formulates and executes annual plans for each type of issue, with input from relevant departments of Tokio Marine Holdings and members of group companies

❸ Task force: Organizes members of projects tasked with strengthening short-term initiatives

Eight material issues and four priority issues specified

The Tokio Marine Group specified a set of material social issues in fiscal 2018. However, its material issues and related matters have been revised in a meeting of Tokio Marine Holdings' Board of Directors based on deliberations by its Sustainability Committee, which was established in April 2021. Accordingly, relevant measures have been specified based on the potential impact of risks and opportunities on the Group's businesses. Besides mitigating risks and capitalizing on opportunities, the Group will strive to turn risks into opportunities and provide solutions to social issues as a means to bring value to society as well as economic value in the form of profit growth.

Approach

Why	What	How
Environmental problems	Important business matters	Risks and opportunities
Social issues	Material issues	Value creation

Details of the Eight Material Issues, Including the Four Priority Issues (Why, What)

Why

Future generations included as stakeholders in April 2021

The Group added future generations to the four categories of stakeholders it had previously specified as those it must provide value to.

Stakeholders	Value provided
For customers	• Contribute to making customers' lives healthy and enriching through products that provide security and assistance with future-oriented challenges
For society	• Contribute to building a sustainable society that can overcome any challenge and ensure the safety and security of all its members
For future generations	• Hand down a sustainable environment to future generations
For employees	• Help employees reach their highest potential through engagement and opportunities for them to thrive
For shareholders and investors	• Continually increase shareholder returns • Enhance the Group's value and earn the trust of shareholders and investors through timely and proper disclosure along with constructive dialogue

Social issues increased from five to seven to connect with future generations (please see pages 30-31)

In addition to increasing its stakeholder categories, the Group increased the social issues it must address from five to seven after considering recent changes in the environment and growing interest in such issues. The two new issues are ensuring equal opportunities through education and protecting natural resources and biodiversity.

Social issues

What

Eight material issues and four priority issues designated to address seven social issues

Based on its purpose, the Tokio Marine Group has specified eight material issues to pursue in order to address the seven social issues it has selected. Of these material issues, four have been designated as priority issues based on their importance for the Group and their relevance to its stakeholders with respect to their interest and expectations.

Material issues

Eight material issues including four priority issues

- Combat climate change (priority)
- Improve disaster resilience (priority)
- Support people's healthy and enriching lives (priority)
- Promote and support diversity and inclusion (priority)
- Facilitate and foster innovation through digitalization
- Protect the natural environment
- Provide education to children
- Disclose highly transparent and timely information

What

Material issues (Four designated as priority issues)	Reasons for selection
(1) Combat climate change (priority) **(2) Improve disaster resilience (priority)**	The adverse effects of climate change, including increasingly serious natural disasters, threaten people's safety and security, and interfere with the sustainable development of society. The Tokio Marine Group recognizes the importance of addressing climate change and natural disasters because it underwrites risks in Japan, a country especially prone to natural disasters. Therefore, in its roles as an insurance provider, institutional investor, and global enterprise, the Group intends to deal with these issues head on and contribute to solutions.
(3) Support people's healthy and enriching lives (priority)	In an age in which many people live past 100, everyone hopes to lead a long and healthy life. With the aging of the population and widespread advancements in medicine, however, the financial burden on individuals, families, and society is growing each year. The Tokio Marine Group intends to address this issue by fully utilizing its extensive expertise to offer high-value-added products and services while covering disease and illness through its many life and non-life insurance products.
(4) Promote and support diversity and inclusion (priority)	Amid major changes in the economic environment, social issues are becoming increasingly complex and diverse. For the Tokio Marine Group to grow sustainably by offering solutions to such issues, it will be important for its more than 40,000 employees to maximize their potential and combine their individual skills into collective capabilities. Accordingly, promoting and supporting diversity and inclusion is an important management strategy for the Group, and it intends to step up the initiatives it has been carrying out for this purpose.
(5) Facilitate and foster innovation through digitalization	Rapid progress in technological innovations are driving major societal and economic changes. To realize sustainable economic growth under those circumstances, all corporations will need to create a basis for technological innovation. The Tokio Marine Group is already providing insurance coverage for new types of risks that have arisen from these changes, including cyber risk. Furthermore, in addition to insurance payouts, the Group will apply digital technologies and data to provide security to clients before and after any events that may require insurance claims. In these ways, the Group will work to support corporate growth and economic development.
(6) Protect the natural environment	The Tokio Marine Group understands that a sustainable society, in which everyone can live safely and securely and pursue any aspiration, depends on the natural environment, the basis for all life and people's livelihoods. Moreover, the Group recognizes its obligation to help ensure that future generations inherit a sustainable natural environment, as it is irreplaceable. Based on these principles, the Group intends to bolster the initiatives it has taken to combat climate change and protect biodiversity and wetlands through environmental conservation activities, including its Green Gift project and mangrove planting activities.
(7) Provide education to children	Education can create a foundation for the future, as each generation faces the changing challenges of the times. Having specified future generations of people as stakeholders, the Tokio Marine Group has a duty to help equip children with the skills they will need in life. Therefore, the Group plans to strengthen its educational programs, including its Disaster Risk Prevention Lessons for children, which were initiated following the Great East Japan Earthquake in 2011.
(8) Disclose highly transparent and timely information	As an original participant in the Task Force on Climate-Related Financial Disclosures (TCFD), the Tokio Marine Group is working to properly disclose information and facilitate widespread climate-related disclosure. As part of these efforts, the Group will continue placing importance on disclosing highly transparent and timely information to earn even more trust from shareholders and investors going forward.

How

Material issues (four designated as priority issues) ● Risks ● Opportunities	How the Group can contribute	Value creation: Value created in fiscal 2020	Value creation: Goals for fiscal 2021 and beyond
(1) Combat climate change (priority) ●● Revisions to energy policies in various countries based on the shift to a low-carbon society ● Various negative impacts of global environmental destruction on society		More information is available in the news release, "Tokio Marine: Our Climate Strategy," published on the Company's website on September 28, 2020: https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf	
	a. Develop and offer products and services that contribute to renewable energy development, and facilitate green investing	a. (1) Offered Japan's first insurance packages for offshore wind power plants; (2) Acquired GCube, a leading insurance underwriter in the renewable energy industry; (3) Strengthened commitment and involvement in renewable energy funds (51 billion yen committed and 45 development projects as of March 31, 2021)	a. (1) Increase revenue1 from Tokio Marine & Nichido Fire's insurance for offshore wind power plants by 5 billion yen by fiscal 2023 (see p. 54); (2) continue facilitating green investing
	b. Realize carbon neutrality through engagement with investors and insurance underwriters	b. Sold off business-related equities of companies (including those involved in fossil fuels) totaling 106 billion yen in accordance with prior plans (TMNF)	b. Sell off at least 100 billion yen in business-related equities of companies (including those involved in fossil fuels) annually between fiscal 2021 and 2023
	c. Reduce CO_2 emissions from the Group's operations, and meet RE100 criteria	c. Tokio Marine & Nichido Fire, Philadelphia Insurance Companies, and Tokio Marine Kiln Group adopted renewable energy at workplaces in Japan, the US, and UK, respectively	c. By fiscal 2030, (1) reduce the Group's greenhouse gas emissions by 60%*2 compared with fiscal 2015; (2) have renewable energy account for 100% of electricity consumption at main workplaces; (3) switch all vehicles owned by Tokio Marine & Nichido Fire and Tokio Marine & Nichido Life to electric vehicles*3
	d. Carry out mangrove planting to combat global warming (through carbon fixation) and mitigate damage from environmental disasters	d. Achieved carbon neutrality*2 for the eighth consecutive year since fiscal 2013	d. (1) Achieve carbon neutrality*2 for the ninth consecutive year in fiscal 2021; (2) aim to surpass 300 billion yen in cumulative economic value from mangrove planting by fiscal 2038
	e. Provide education on forest conservation and the environment (including Green Lessons)	e. Refer to (7) Provide education to children (see p. 77)	e. Refer to (7) Provide education to children (see p. 77)
(2) Improve disaster resilience (priority) ● Rising insurance payouts resulting from increasingly serious natural disasters and abnormal weather ● Growing public awareness and needs related to risks of natural disasters		More information is available in the news release, "Tokio Marine: Our Climate Strategy," published on the Company's website on September 28, 2020: https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf	
	a. Develop and provide products and services that are useful for preventing disasters, mitigating their damage, and facilitating rapid recovery	a. (1) Net insurance payouts for natural disaster-related claims totaled*4 136.2 billion yen; (2) Tokio Marine & Nichido Fire increased revenue from fire insurance*1 by 9.7%; (3) offered Japan's first earthquake index insurance; (4) offered first nationwide hurricane index insurance in the United States	a. Have Tokio Marine & Nichido Fire support disaster preparedness, mitigation, and restoration activities in customers' communities through an initiative in July 2021 to provide Total assist fire insurance x Red Feather Disaster prevention/reduction program (see p. 55)
	b. Assist with business continuity planning (BCP) in partnership with government bodies and businesses	b. Concluded a cumulative total of BCP assistance agreements with governments of 38 prefectures, 10 major cities, and 52 municipalities	b. Continue providing support for BCP
	c. Establish sustainable fire insurance systems	c. Revised rates in January 2021 expected to improve pre-tax earnings by 20 billion yen in the future	c. Increase Tokio Marine & Nichido Fire's pre-tax earnings from fire insurance by more than 26 billion yen by fiscal 2023 (see p. 55)
	d. Carry out disaster awareness initiatives, including Disaster Risk Prevention Lessons	d. Refer to (7) Provide education to children (see p. 77)	d. Refer to (7) Provide education to children (see p. 77)
(3) Support people's healthy and enriching lives (priority) ● Increasing opportunities to facilitate health management at corporations ● Rising public awareness of health and growing needs related to longevity risks and asset management in old age ● Creation and expansion of new markets due to advancements in medical technologies ● Increasing cases of adverse selection in underwriting due to advancements in medical technologies	a. Widely promote services to corporations for facilitating their Health and Productivity Management	a. (1) Included in the Health & Productivity Stock Selection for the sixth consecutive year; (2) Tokio Marine & Nichido Fire provided health management support to about 2,000 companies	a. (1) Be included in the Health & Productivity Stock Selection for the seventh consecutive year; (2) continue having Tokio Marine & Nichido Fire provide health management support (see p. 82)
	b. Develop and provide products and services that address needs to manage assets and savings in response to longevity risks c. Develop and provide new healthcare services	b. c. (1) Tokio Marine & Nichido Fire offered Japan's first insurance for supporting both medical treatment (nursing care) and job duties in the workplace; (2) Tokio Marine & Nichido Life increased revenue from new policies annualized premiums by 6.9% due to strong contributions from sales of healthcare insurance with relaxed underwriting standards and installment variable annuities designed for asset accumulation needs	b. c. (1) Aim to increase Tokio Marine & Nichido Fire's revenue*1 in the healthcare market to between 20 and 30 billion yen by fiscal 2023 (see p. 54); (2) aim to increase Tokio Marine & Nichido Life's revenue from new policies annualized premiums by a CAGR of 5% by fiscal 2023 (see p. 57)

*1: Net premiums written *2: Emissions from in-house operations falling under Scope 1, 2, and 3 (categories 1, 3, 5, and 6) emissions
*3: Electric vehicles, hybrid vehicles, and plug-in hybrid vehicles *4: Based on pre-tax business unit profit

Eight Material Issues Including Four Priority Issues

How

Material issues (four designated as priority issues) ● Risks ● Opportunities	How the Group can contribute		Value creation: Value created in fiscal 2020	Value creation: Goals for fiscal 2021 and beyond
(4) Promote and support diversity and inclusion (priority) ●● Extent to which the capabilities of the Group's diverse members are utilized	a. Promote diversity and foster an inclusive corporate culture b. Share best practices group-wide c. Carry out human rights due diligence and improvement initiatives based on the UN Guiding Principles on Business and Human Rights		a. b. (1) Created the Diversity Council and a group diversity and inclusion officer position; (2) scored 4.3 out of 5 in a culture and value survey*1 (84% response rate) (3) percent of female managers exceeded 30% overall at group companies worldwide; (4) percent of female corporate officers exceeded 10% (Groupwide); (5) percent of female sub-leaders reached 54.9% at TMNF; (6) non-Japanese employees comprised 40.9% of the Group's total workforce c. Analyzed and assessed possible risks and their potential impact	a. b. (1) Promote diversity and inclusion through the Diversity Council and other organizations; (2) conduct the culture and value survey; (3) raise the percent of female managers at TMNF to 30% c. Carry out human rights due diligence and improvement initiatives based on the UN Guiding Principles on Business and Human Rights
(5) Facilitate and foster innovation through digitalization ● Loss of competitive edge following the entry of major competitors in the insurance market ● Impact of the spread of innovative technologies on business optimization and the creation and growth of new markets ●● Increasing cyber risks accompanying advancements in digitalization	a. Apply advancements in digitalization and data to increase security for customers in ways besides insurance payouts b. Address growing cyber risks amid the spread of digitalization c. Make use of digitalization to support small and medium-size enterprises (SMEs) d. Apply digitalization to raise the efficiency of operations e. Provide education on how insurance works (including Group Work on Managing Risks and Opportunities)		a. Tokio Marine & Nichido Fire developed and provided camera-equipped drive recorders (see p. 17) b. Tokio Marine & Nichido Fire has achieved a double-digit growth rate of revenue*2 from cyber risk insurance every year c. Tokio Marine & Nichido Fire increased insurance premiums for cyber risk insurance packages targeting SMEs by four times over the past 10 fiscal years d. Tokio Marine & Nichido Fire achieved a combined ratio for the insurance packages, above, of 92.5% e. Refer to (7) Provide education to children	a. Accelerate data strategies through initiatives started by Tokio Marine dR Co., Ltd., in July 2021 (including initiatives to increase security before and after events; see pp. 28–29) b. Increase Tokio Marine & Nichido Fire's revenue*2 from cyber risk insurance by 5 billion yen by fiscal 2023 (see p. 54) c. Increase Tokio Marine & Nichido Fire's revenue*2 from insurance that supports SMEs by 15 billion to 25 billion yen by fiscal 2023 (see p. 54) d. Raise the efficiency of operations to reduce Tokio Marine & Nichido Fire's combined ratio by 1.0 percentage points by fiscal 2023 (see p. 56) e. Refer to (7) Provide education to children
(6) Protect the natural environment ● Growing opportunities from progress in environmental conservation ● Various negative impacts of environmental destruction on society	a. Carry out mangrove planting to preserve biodiversity and wetlands b. Implement the Green Gift project and Planet Genki program		a. Achieved carbon neutrality*3 for the eighth consecutive year since fiscal 2013 b. 100% of employees participated in social contribution activities	a. (1) Achieve carbon neutrality*3 for the ninth consecutive year in fiscal 2021; (2) aim to surpass 300 billion yen in cumulative economic value from mangrove planting by fiscal 2038 b. Have 100% of employees participate in social contribution activities in fiscal 2021
(7) Provide education to children ● Growing need for educating children in society ● Various negative impacts of environmental destruction and low awareness of risks on society	a. Provide Green Lessons b. Implement Disaster Risk Prevention Lessons c. Offer Group Work on Managing Risks and Opportunities d. Implement StreetWise Finance, a financial literacy education program in South Africa		Groupwide: 100% of employees participated in social contribution activities a. Green Lessons were held 870 times for approximately 57,000 people on a cumulative basis by fiscal 2020 b. (1) Disaster Risk Prevention Lessons were held 810 times for approximately 55,000 people on a cumulative basis by fiscal 2020 (see p. 89); (2) in China, Disaster Risk Prevention Lessons were held 21 times for approximately 1,600 people on a cumulative basis by fiscal 2020 c. Group Work on Managing Risks and Opportunities were held 54 times for approximately 1,800 people on a cumulative basis by fiscal 2020 d. Approximately 27,000 people participated in the StreetWise Finance financial literacy education program in South Africa on a cumulative basis by fiscal 2020	Groupwide: Have 100% of employees participate in social contribution activities a. Continue providing Green Lessons b. Continue providing Disaster Risk Prevention Lessons c. Continue offering Group Work on Managing Risks and Opportunities d. Continue implementing the StreetWise Finance financial literacy education program in South Africa
(8) Disclose highly transparent and timely information ●● Earned or lost trust in capital markets	Properly disclose information by strengthening compliance with the Task Force on Climate-Related Financial Disclosures (TCFD) and other guidelines	—	• More information is available in the news release, "Tokio Marine: Our Climate Strategy," published on the Company's website on September 28, 2020: https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf • The presentations, "Digital Strategy" (June 2020) and "Our Climate Strategy & TCFD" (January 2021) are available on the Presentation page of the Company's website: https://www.tokiomarinehd.com/en/ir/event/presentation/2020/ • Information based on TCFD-related proposals are available in the Company's integrated reports, sustainability reports and other publications	• The presentation, "Tokio Marine Group's Contribution to and Growth Strategies for the Renewables Market" (June 2021) is available on the Presentation page of the Company's website: https://www.tokiomarinehd.com/en/ir/event/presentation/2021/ • Information based on TCFD-related proposals are available in the Company's integrated reports, sustainability reports and other publications

*1: Totals for Tokio Marine Holdings and its group companies worldwide *2: Net premiums written
*3: Emissions from in-house operations falling under Scope 1, 2, and 3 (categories 1, 3, 5, and 6) emissions

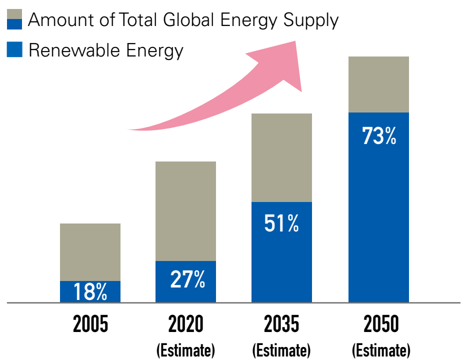
Special Feature 3-1
Promoting the Shift to Renewable Energy

The Tokio Marine Group is realizing its own growth while contributing to decarbonization by providing essential insurance for renewable energy power development projects.

Renewable Energy Supply Projected to Grow Globally

Global electricity supply is projected to almost double over the next 30 years amid the increasing use of electric vehicles and building management systems. In major countries of the world, including the US, China, India, and European countries, the cost of generating electricity from renewable energy sources is expected to become cheaper than from fossil fuels (LNG and coal) before 2030 as a result of advances in power generation technologies. Against this backdrop, a decarbonization movement has been spreading globally and major countries are shifting to efficiently generated renewable energy. Based on these factors, renewable energy is projected to account for over 50% of the world's total energy supply by 2035 and 73% by 2050. Accordingly, the supply of renewable energy is projected to grow by around over 6% annually on average between 2020 and 2050.

Projected Share of Renewable Energy to Total Global Energy Supply

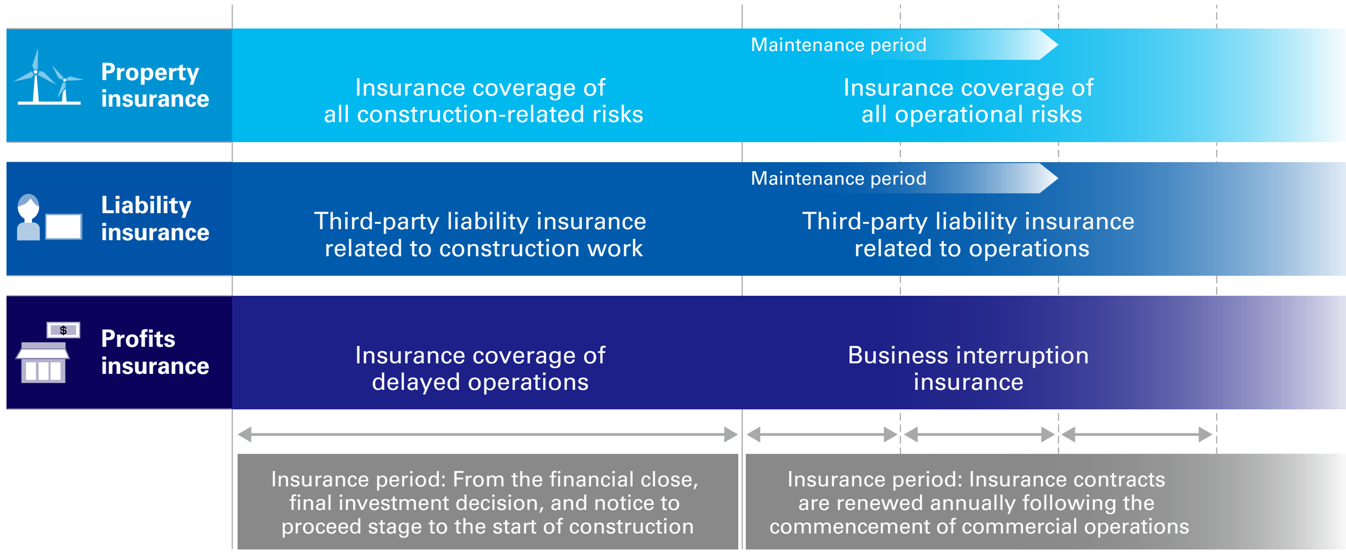


Source: *Global Energy Perspective 2019*, published by McKinsey & Company in January 2019

Providing Insurance to Support the Spread of Renewable Energy

With the growth of the renewable energy market, insurance is essential for facilitating development projects. The required insurance and underwriting methods can vary widely, however, according to the many types of renewable energy development projects, including wind, solar, hydro, biomass, geothermal, and tidal power generation facilities as well as power storage equipment.

For example, the insurance for an offshore wind power plant would need to include property insurance, liability insurance, and profits insurance to cover losses from property damage. Various companies would be involved during the period from the time construction begins to the start of commercial operations, including the construction company that builds the foundation and structure, as well as the manufacturers of cables and wind turbines. The plant operator, however, would need to organize the insurance coverage for all of these activities, and then secure various types of insurance coverage from the commencement of commercial operations. Since offshore construction is complex and steps must be taken to reduce construction mistakes and prepare for typhoons, this kind of development project requires highly sophisticated underwriting and damage insurance planning. Furthermore, these projects cannot secure financing unless insurance coverage has been arranged. Given these factors, insurance is essential for offshore wind power to make progress going forward.



Tokio Marine Group's Advanced Capabilities

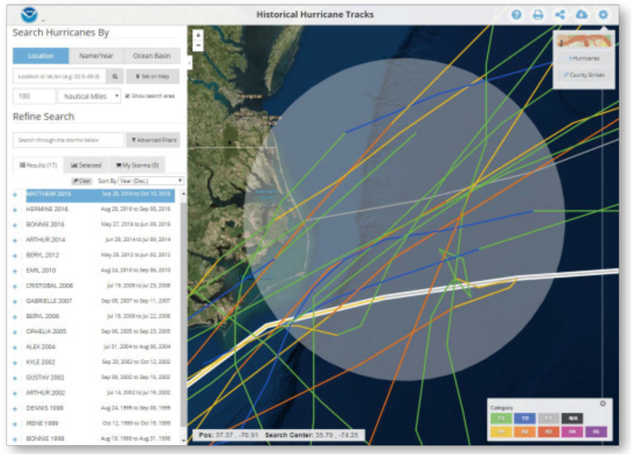
Tokio Marine Group leverages its advanced underwriting expertise and leading damage insurance services to provide essential renewable energy-related insurance.

(1) Advanced underwriting expertise

Risks related to renewable energy development projects differ from risks associated with conventional power plant and energy projects. Furthermore, potential accidents also differ according to the type of project, so very sophisticated underwriting techniques are necessary to handle the insurance for renewable energy development projects.

Tokio Marine Group has the capabilities needed to calculate suitable insurance premiums and effectively select risks based on vast amounts of loss data collected over the past three decades. As an example of these capabilities, group company, GCube, is able to provide $300 million of underwriting capacity—the industry's largest amount—for a single project.

Moreover, Tokio Marine & Nichido began offering insurance for offshore wind power projects in 2013, when a demonstration offshore wind power plant was built in Japan, and has provided insurance underwriting for such projects in Europe. Drawing from this track record and experience, it has been working to tap demand in Japan's offshore wind power insurance market, which has been growing as the Japanese government aims to increase the number of offshore wind power plants. At present, Tokio Marine & Nichido has acquired substantial know-how by underwriting about 50 offshore wind power projects in 10 countries.



The course of a hurricane

(2) Leading damage insurance services

Over the past decade, GCube has paid out over $700 million for about 4,000 insurance claims connected with renewable energy. The company's own team of renewable energy loss adjusters have been providing clients with expert advice on loss prevention. GCube has established an excellent reputation among its major clients by proactively sharing data with them and offering various policies for reducing risks.

Damages assessed by loss adjusters

Future outlook

As the decarbonization movement gains momentum in various countries around the world, Tokio Marine Group is channeling its expertise to help solve environmental issues by supporting the growing adoption of renewable energy with insurance and risk consulting services. Through this process, the Group will expand its own operations. Specifically, it is aiming to increase insurance premium revenues by tens of billions of yen by 2030 compared with the amount in 2020.

Special Feature 3-2
Responding to Social Issues in the Field of Cyber Risk

We will protect and raise awareness of cyber risk for our customers, while carrying out our appropriate risk management using the Group's knowledge.

Daljitt Barn
Global Head of Cyber Risk

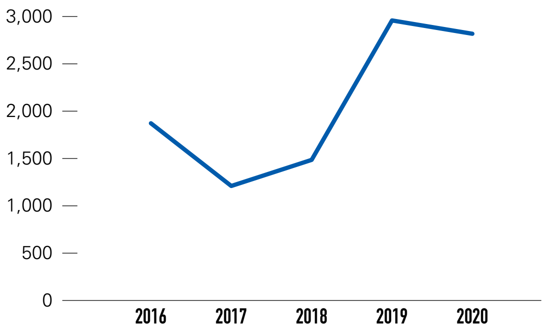
Main career
Previously worked as a cyber risk expert for over 20 years before moving to a global reinsurance company where he developed the group Cyber insurance strategy.

Providing Cyber Insurance Products based on Appropriate Risk Management

In recent years, cyberattacks continue to grow and change. This has caused cyber risk to become a business risk, where materiality issues in terms of business continuity, sharply increased the need for insurance among companies. UK-based TMK began providing cyber insurance from more than 20 years ago. We were also the first major non-life insurance company in Japan to begin offering cyber insurance in 2015. In this regard, we have established a track record and experience in protecting customers around the world from cyber risk. Looking ahead, cyber insurance is one field we should focus on to balance solutions to social issues with our own growth.

Cyber risk is unique in that it is an evolving peril with insufficient data on past incidents. For example, a single cyber or cloud security incident can cause a chain reaction broadly involving multiple companies and countries, which could result in a mass outage incident. Therefore, risk management requires extremely advanced knowledge of how these technologies are interconnected and their vulnerabilities.

■ Trends in known case numbers of unauthorized computer access occurring within Japan*



*: Based on "Status of the Occurrence of Acts of Unauthorized Computer Access," a document published by the National Police Agency, MIC, and METI, in March 2021.

Our Cyber Centre of Excellence (CCoE), which I head up, is located in London. CCoE is responsible for accumulation management and underwriting guidance on cyber risk for the entire Group, gathering and managing performance data, and making appropriate arrangements for reinsurance. CCoE also shares various know-how horizontally within the Group, as it seeks to enhance our risk management and pricing while utilizing outside knowledge and data.

Recently, we have demonstrated our leading initiatives by publishing our quantification framework on "silent cyber risk*," symbolized by incidents whose liability is not explicitly covered by traditional non-life insurance.

*: https://www.tokiomarinehd.com/en/Tokio_Marine_Group_Non-Affirmative_Cyber_Risk_Assessment-INDUSTRY_RELEASE.pdf

Peripheral Services Beyond the Payment of Claims

In the event of an incident, it is important to not only pay out claims in a timely manner, but also provide services that help customers to avoid incidents in the first place. As recent examples of newly launched services, TMNF launched Tokio Cyber Port, an informative website on the latest cybersecurity technologies, and we also provide a benchmark reporting service through a tie-up with Guidewire Software, Inc. Providing added value through these peripheral services is one of our strengths and they help to reduce the loss rate by preventing incidents.

Ultimately, we have expanded our support of customers through our efforts toward steady growth in the field while utilizing our wealth of track records and experience, fully mindful of risk management and pricing. Going forward, we are committed to contributing to customers and society through cyber insurance.

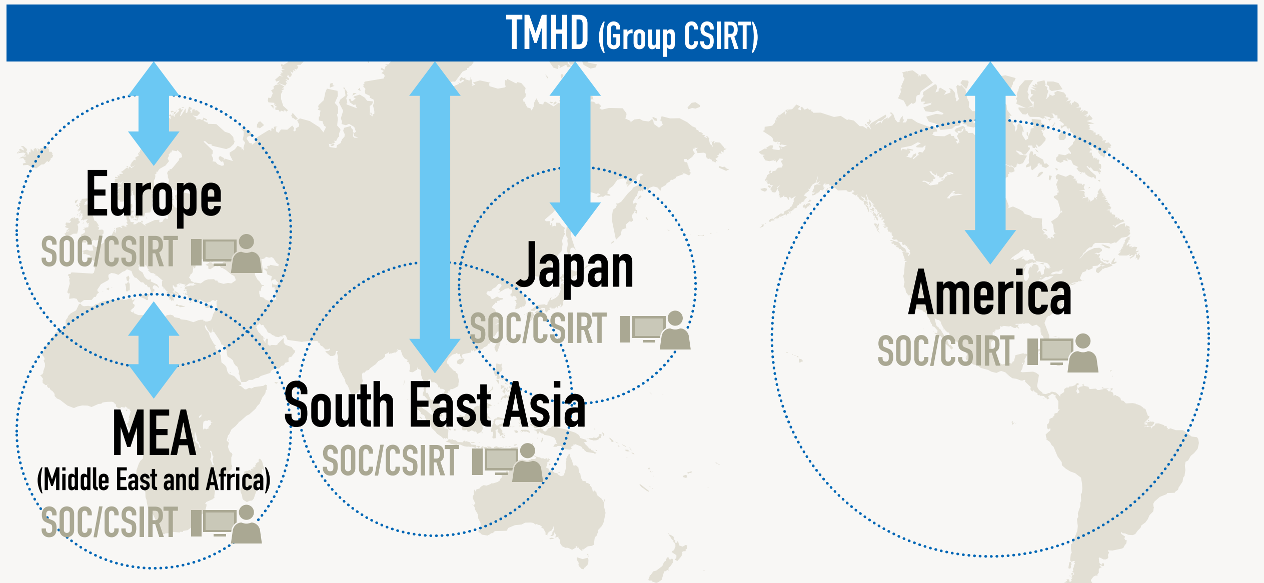
Tokio Cyber Port powered by 東京海上日動

https://tokiocyberport.tokiomarine-nichido.co.jp/cybersecurity/s/
*Japanese only

Reference: Tokio Marine's Security Framework

Cybersecurity against cyberattacks is also an extremely important issue for us. We have identified cyber risk as a "material risk" and we have established the Computer Security Incident Response Team (CSIRT) under the Group Chief Information Security Officer (CISO), putting into place a structure for collaboration between Tokio Marine Holdings and regional headquarters.

As a result of building and upgrading this global security structure, there have not been any major incidents. Yet, with an eye toward response to new threats that are becoming more sophisticated and stealthier by the day, we are working to build and strengthen our effective security structure cross-functionally across the Group from the standpoint of efficiency and effectiveness. This includes further strengthening security; not only for ourselves but at agencies and outsourcing partners, and conducting various drills and exercises involving all employees including management and sophisticated intrusion tests covering our remote work environment as well.



SOC: Security Operation Center CSIRT: Computer Security Incident Response Team

Special Feature 3-3
Providing Solutions for the Healthcare Sector

Realizing both Tokio Marine Group's growth and the healthy and enriching lives of customers through the support for corporate health management and the response to longevity risks.

Supporting Corporate Health Management

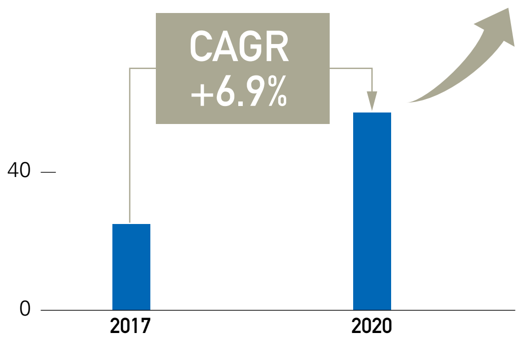
Amid labor shortages in Japan, health management has become increasingly important for enabling companies to ensure that their employees can work in good mental and physical health. Tokio Marine Group has realized its sustainable growth by drawing from its extensive know-how to assist its clients with health management.

Promoting Health Management-Oriented Business Models

Companies in various regions of Japan face serious difficulties in recruiting staff and raising productivity. In response to this issue, Tokio Marine Group has assigned over 200 employees to assist clients nationwide with their health management programs, drawing from the Group's expertise in this field. This expertise has been recognized by the inclusion of Tokio Marine Holdings in the Health & Productivity Stock Selection, a joint initiative by the Tokyo Stock Exchange and Japanese government to recognize listed companies that have outstanding health and productivity management programs for six consecutive years.

It has become increasingly important for companies in Japan to acquire health management certification. Tokio Marine & Nichido has been helping its clients acquire certification by providing insurance products that allow them to balance work requirements with health and nursing care, along with mental health-related e-learning tools and work-related stress assessment services. Among newly certified companies in 2020, almost 20%, or about 2,000 firms, received these products and services. Having earned a strong reputation among clients, TMNF increased revenue from health management-focused insurance products by a CAGR of 6.9%.

■ Growth in Revenue from Health Management-Oriented Insurance Policies*
(Billions of yen)

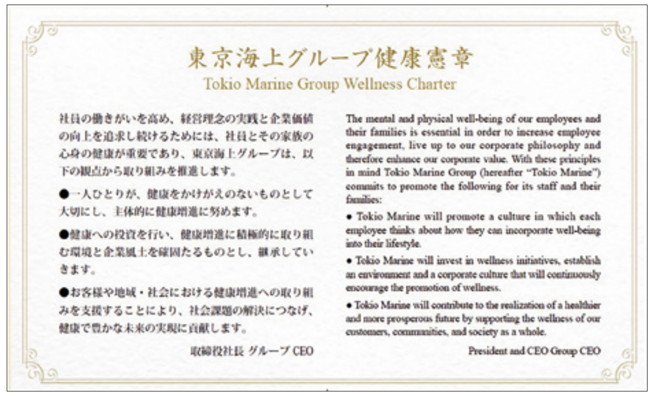


*1: Revenue from insurance premiums covering risks associated with workplace accidents involving employees, the consequent inability to work, and health and nursing care, provided by Tokio Marine & Nichido to companies and organizations

Internal Initiatives*2

For Tokio Marine Group, employees are the drivers of its business. Therefore, helping them stay healthy is an important responsibility for management. Employees can work more effectively and maximize their potential when they are in good health, both mentally and physically. That, in turn, makes work more rewarding and life more fulfilling, and fosters both personal development and the growth of the Group. From this perspective, Tokio Marine Holdings has positioned health management at the core of the Group's management, and is promoting it groupwide under the leadership of its Chief Wellness Officer (CWO). More recently, the Group has taken steps to ensure the health and safety of employees while implementing more productive work practices during the COVID-19 pandemic. For example, it has facilitated telecommuting and installed necessary equipment for this purpose (please see page 68), and is providing vaccines onsite to employees and their family members, as well as to employees of its agents and business partners.

Reflecting the Group's excellent reputation for health management, Tokio Marine Holdings has been included in the Health & Productivity Stock Selection for six consecutive years, and is the only company in Japan's insurance industry to be included in this prestigious program.



東京海上グループ健康憲章
Tokio Marine Group Wellness Charter

社員の働きがいを高め、経営理念の実践と企業価値の向上を追求し続けるためには、社員とその家族の心身の健康が重要であり、東京海上グループは、以下の観点から取り組みを推進します。

●一人ひとりが、健康をかけがえのないものとして大切にし、主体的に健康増進に努めます。

●健康への投資を行い、健康増進に積極的に取り組む環境と企業風土を確固たるものとし、継承していきます。

●お客様や地域・社会における健康増進への取り組みを支援することにより、社会課題の解決につなげ、健康で豊かな未来の実現に貢献します。

取締役社長 グループCEO

The mental and physical well-being of our employees and their families is essential in order to increase employee engagement, live up to our corporate philosophy and therefore enhance our corporate value. With these principles in mind Tokio Marine Group (hereafter "Tokio Marine") commits to promote the following for its staff and their families:

• Tokio Marine will promote a culture in which each employee thinks about how they can incorporate well-being into their lifestyle.

• Tokio Marine will invest in wellness initiatives, establish an environment and a corporate culture that will continuously encourage the promotion of wellness.

• Tokio Marine will contribute to the realization of a healthier and more prosperous future by supporting the wellness of our customers, communities, and society as a whole.

President and CEO Group CEO

The charter has been established as a health-oriented code of conduct for employees to promote Tokio Marine Group's goals for and approach to health management on a group-wide basis.

2021
健康経営銘柄
Health and Productivity

Included in the Health & Productivity Stock Selection for six consecutive years

*2: More information about the Group's internal initiatives is presented in Tokio Marine Holdings' Sustainability Reports, available on the Company's website.

Tokio Marine Sustainability Search by clicking

Managing Longevity Risks

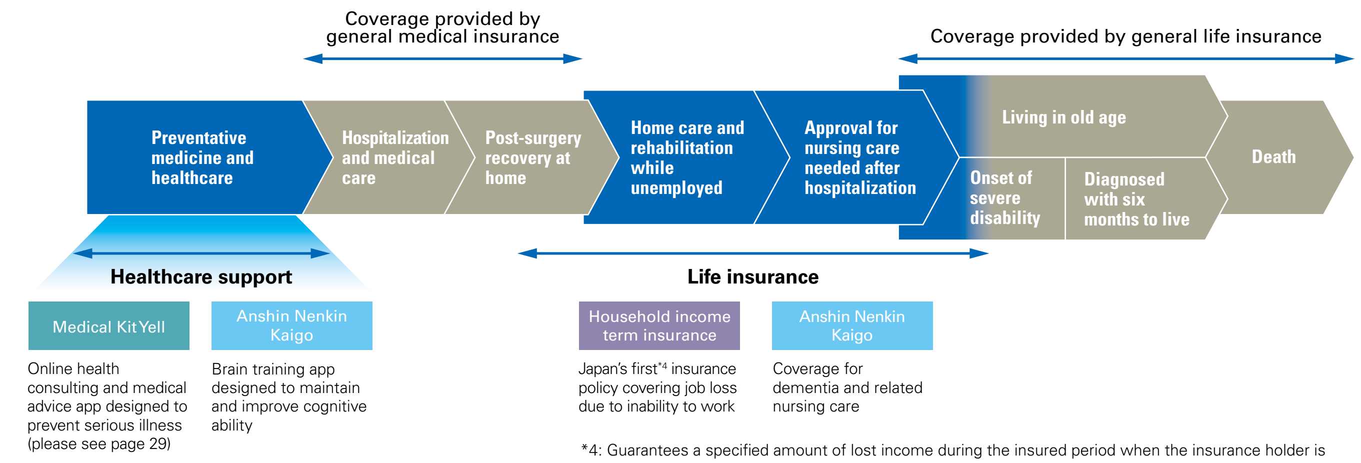
As more and more people live past 100, the risks of living with an illness and using up one's financial assets before death are increasing. Managing those risks with life insurance is an area in which Tokio Marine & Nichido Life can demonstrate its strengths. By helping people lead a healthy life and extend the lifespan of their assets, the company has been growing at an industry-leading pace. The company has concluded 6.08 million in-force policies, for a CAGR of 19.4%, since it was established in 1996.

Helping Extend Healthy Lives

A pioneer in Japan's life protection insurance market, Tokio Marine & Nichido Life not only manages life-related risks but also offers valuable healthcare support to help clients proactively prevent illness and avoid emergency situations. In Japan, while 89% of people have health insurance, the percentages of people with insurance policies covering the inability to work and long-term nursing care are only 12% and 14%, respectively*, so these markets still have room to grow. In that context, Tokio Marine & Nichido Life began offering a new insurance policy (named Anshin Nenkin Kaigo) in August 2021 to cover continuous nursing care and other related expenses following the onset of dementia. It also began offering services such as brain health checkups and an app designed to maintain and improve cognitive ability. By helping people extend their lives, the company will continue to grow in the future.

*3: Figures are from a national market survey of insurance coverage conducted by the Japan Institute of Life Insurance.

■ Benefits Offered by Tokio Marine & Nichido Life's Insurance Policies



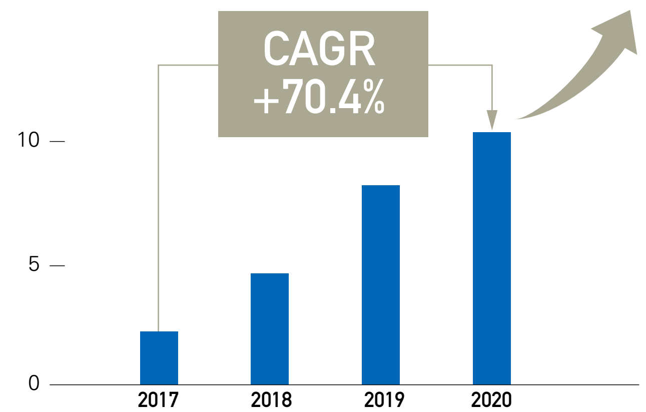
*4: Guarantees a specified amount of lost income during the insured period when the insurance holder is unable to work due to illness (one of five different diseases) or death.

Helping Extend Asset Life

Recognizing the growing importance of asset accumulation planning for abundant lives in old age, Tokio Marine & Nichido Life has been offering installment variable annuities under the product name, Market Link, since August 2017.

This product diversifies investment over many years to reduce investment risks and build wealth over the long-term. While sales are carried out exclusively by trained agents, these agents have been increasing in number every year, reflecting the attractiveness of the product. Consequently, the number of new agreements has been growing on the back of customer demand.

■ New Policies Annualized Net Premiums of Market Link
(Billions of yen)



Information Disclosure Following TCFD Recommendations

As a founding member of the Task Force on Climate-related Financial Disclosure (TCFD), we will disclose information that facilitates investment decisions and contributes to the spread and promotion of climate-related information

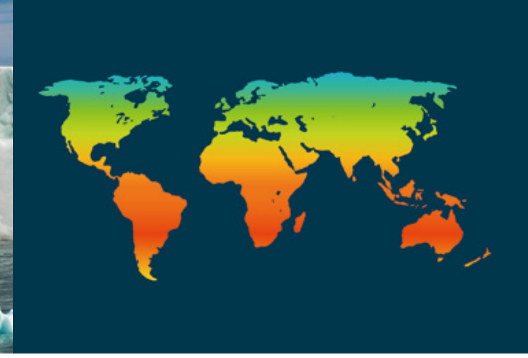
Masaaki Nagamura
Fellow (International Initiatives), Tokio Marine Holdings
TCFD Membership

The only Japanese national to be recognized as the "Most Influential on Climate Change in the Insurance Industry" by Insurance ERM*

* A magazine based in the U.K. focused on insurance ERM

Climate change is a global issue of human-historical proportions that threatens the safety and security of our customers and society. The growing severity of natural disasters directly impacts the insurance industry. Therefore, the Group recognizes that climate change is an extremely important issue to address head on not only in terms of our core insurance business, but also as a global company and institutional investor.

This special feature section will convey the Group's initiatives using the categories of governance, strategy, risk management and metrics and targets based on the TCFD recommendations.



Governance

(1) Division dedicated to promoting sustainability

Tokio Marine has a division dedicated to the promotion of the Group's sustainability including climate change countermeasures (Sustainability Division, Corporate Planning Department), which identifies major challenges related to sustainability as well as formulates and implements related group-wide strategies, and conducts monitoring.

(2) Group Chief Sustainability Officer (CSUO)

We established the new position of CSUO in April 2021 in order to accelerate the promotion of sustainability strategy across the entire Group including climate change countermeasures. As the person responsible for our sustainability strategy, the CSUO is responsible for addressing sustainability issues facing the entire Group and reporting to the Group CEO.

(3) Sustainability Committee

We established the Sustainability Committee, chaired by the CSUO and comprised of members including the CEO and other C-suite, in April 2021 in order to accelerate sustainability strategy across the entire Group including climate change countermeasures. The Sustainability Committee establishes sustainability strategy and targets for the entire Group, focused on major Group companies inside and outside of Japan, and deliberated on the coordination and promotion of glocal sustainability initiatives (please see page 71 for the promotion system centered around the Sustainability Committee).

(4) Board of Directors

The Board of Directors discusses the Group's sustainability policies including climate change countermeasures as well as evaluates and determines mid-term plans and single-year plans. Additionally, the Board of Directors holds "discussions on corporate strategy" on the themes of management environment and management issues, including climate change countermeasures, to fully utilize the knowledge of outside directors and outside Audit & Supervisory Board members (please see page 101 for details about strategy discussions).

Strategies

(1) Physical Risks

Climate change increases the frequency and scale of natural disasters, which could impact the calculation of insurance rates and claim payments.

Insurance is a business that underwrites risk and supports our customers and society in times of need. For this reason, risk management is a core component of management. Based on this awareness, we carry out risk management based on enterprise risk management (ERM). As part of this, we conduct various forms of analysis, such as risk measurement* and scenario analysis, and have made efforts to upgrade our capabilities. This is truly a domain where we excel.

For the disclosure of risks we have examined ways to provide useful information to stakeholders, while taking into consideration impacts on business, and we plan to provide more detailed disclosures in our sustainability report scheduled to be published in September 2021.

* We evaluate and calculate impacts on insurance losses due to changes in typhoon risk (IPPC RCP4.5 and RCP8.5 scenarios) and changes in flood risk associated with rising rainfall amounts (RCP8.5 scenario) under future climate conditions.

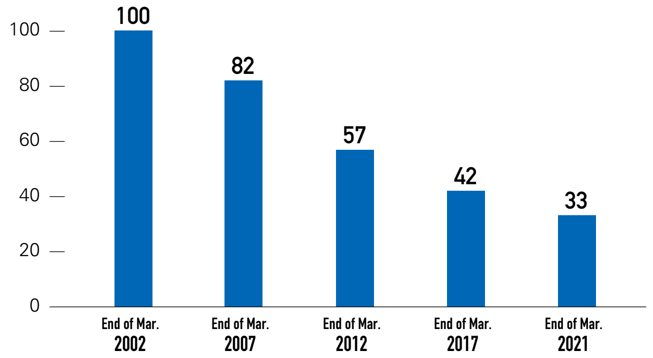
(2) Transition Risks

Transition risks mainly involve risks caused by fluctuations in prices of financial assets with large greenhouse gas emissions associated with the transition to a decarbonized society. We have developed a system for better understanding the situation of the Group's investments and comprehending the balance of assets under management.

Because transition risks are considerably affected by transition scenarios such as the future response to energy policies, we have examined ways to provide clear and useful information to stakeholders and we plan to provide more detailed disclosures in our sustainability report scheduled to be published in September 2021.

Furthermore, from the perspective of ownership restrictions in response to the risk of asset price fluctuations, the Group has worked to reduce its total business-related equities regardless of sector from some time prior to the release of Japan's Corporate Governance Code. Under the new mid-term business plan, the Company plans to sell more than ¥100 billion per year (please see page105).

■ Book Value of Business-related Equities (TMNF)*



* Indexed to the end of Mar. 2002 as 100

(3) Opportunities

1. Dramatic increase in insurance needs for renewable energy projects

Driven by global warming and climate change, countries around the world are speeding up their move toward decarbonization. In the process of promoting reduction and cessation of greenhouse gas emissions, there is expected to be a dramatic increase in insurance needs for renewable energy projects, such as solar, geothermal, and onshore/offshore wind power generation. With the importance of response to global warming and climate change growing, we can achieve growth through support for the adoption of renewable energy by drawing upon the Group's accumulated wisdom.

2. Growing public awareness toward the risk posed by natural disasters and improving earnings of fire insurance

As the frequency and scale of natural disasters increases, there is growing needs for expanded coverage and extensive services in the case of a disaster, but fire insurance continues to be plagued by chronic losses. By revising rates, reviewing products, strengthening underwriting, and implementing comprehensive countermeasures including disaster preparedness and mitigation, and early restoration, we can significantly improve fire insurance earnings.

(4) Implementation of Climate Change Strategy

1. Insurance underwriting, etc.

A. Basic stance ("Tokio Marine: Our Climate Strategy" announced on September 28, 2020)

The Group fully recognizes the importance of understanding the impacts that our business has on the environment and society. We are engaging in insurance underwriting that can contribute to the transition to a decarbonized society aimed at achievement of the Paris Agreement targets.

As part of this strategy, in principle, we will not underwrite new insurance policies for coal-fired thermal power plants. However, there may be instances where we do underwrite these policies based on a comprehensive judgment referencing international guidelines such as the OECD's Arrangement on Officially Supported Export Credits, and considering such factors as the country's energy policy, energy situation and business continuity. This proviso provides exceptions. These include cases where renewable energy must be adopted or promoted while still operating existing facilities associated with technologies that further lower CO_2 emissions based on the country's plan for decarbonization and cases where widespread power outages occur due to Great East Japan Earthquake-level events. As of June 30, 2021, we have not underwritten any new insurance policies since announcing "Tokio Marine: Our Climate Strategy" on September 28, 2020.

In addition, we are supporting initiatives to lower CO_2 emissions by engaging power plants already with insurance policies to consider the environment through adoption of innovative high efficiency power generation technologies and carbon capture, utilization and storage (CCUS/carbon recycling) technologies that reduce or stop greenhouse gas emissions. We are also engaging all customers involved in coal-fired thermal power generation to support their transition through product provision and/or consulting. Furthermore, after announcing "Tokio Marine: Our Climate Strategy," we have created and began using an engagement sheet to confirm and record plans aimed at realization of a decarbonized society. If through dialogue it is determined that a customer is not considering its response to decarbonization, we may not permit the renewal of the customer's insurance policy.

B. Provide insurance for the development of renewable energy projects Initiatives as an Insurance Company

The Group provides insurance products and offers risk consulting to back the development of renewable energy projects. Specifically, in addition to the Mega-Solar Package Program for solar power generation companies and the Geothermal Package Plan for geothermal power generation businesses, in March 2020 we developed a dedicated insurance package offering comprehensive coverage of risks associated with offshore wind power generation projects (providing seamless coverage to customers not only during construction, but also a predefined period after the start of commercial operations). In addition, in May 2020, we acquired GCube, an insurance agent providing insurance underwriting for renewable energy projects around the world mainly in the United States and Europe but also in Australia, South Africa and Asia. We are now utilizing this company's know-how at the Group level. Furthermore, Tokio Marine dR Co., Ltd. is also providing consulting services in various domains such as offshore wind power generation by utilizing its proprietary natural disaster risk assessment model and specialized human resources in renewable energy.

With the importance of response to global warming and climate change growing, we can achieve growth through support for the adoption of renewable energy as a leader in the field, further accelerating initiatives as "One Tokio Marine Group" by drawing upon the Group's accumulated wisdom (please see pages 78–79).

C. Growing public awareness toward the risk posed by natural disasters and creation of a sustainable fire insurance system Initiatives as an Insurance Company

In fiscal 2020, Japan was once again faced with large-scale natural disasters in the July 2020 torrential rains and Typhoon No. 10 (Haishen). Industry-wide insurance claims related to natural disasters exceeded ¥300 billion, which included around ¥100 billion in claims to Tokio Marine Group.

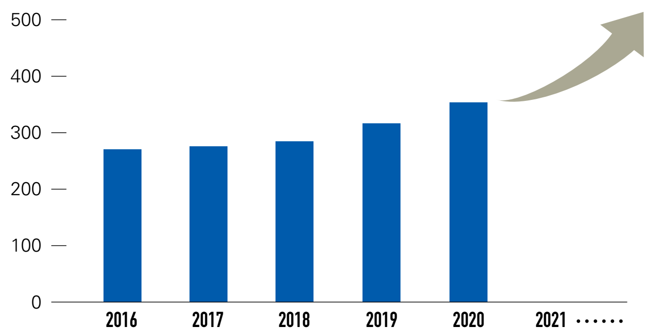
Amid growing needs for greater coverage and extensive services during a disaster driven by the increasing frequency and scale of natural disasters in recent years, we are implementing a nationwide campaign to check the details of customers' policies in an effort to steadily grow the top line.

As a one of the most disaster-prone countries in the world, Japan's fire insurance system is extremely important, but it is hardly sustainable if the business experiences chronic losses. While our own efforts to reduce costs are critical, by revising rates, reviewing products, strengthening underwriting, and accelerating comprehensive countermeasures including disaster preparedness and mitigation, and early restoration, we aim to improve earnings by more than ¥26 billion (before tax) over three years and secure profitability in line with capital cost within several years after that (please see page 55).

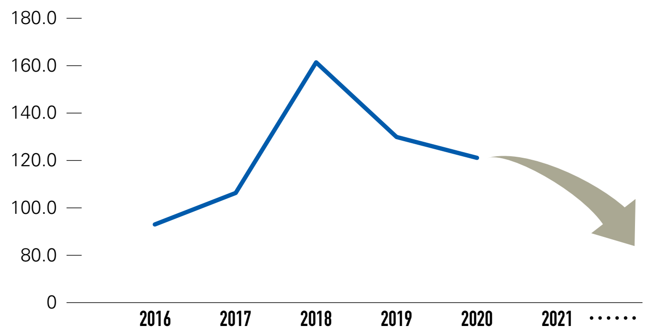
July 2020 torrential rains
Source: Original photo taken from the website of the Ministry of Land, Infrastructure, Transport and Tourism and modified

Typhoon No. 10 (Haishen)
Source: Original photo taken from Jiji Press and modified

■ Net premiums written for fire insurance (TMNF) (billions of yen)



■ Combined ratio of fire insurance (TMNF) (%)



D. Acceleration of claim payments

Initiatives as an Insurance Company

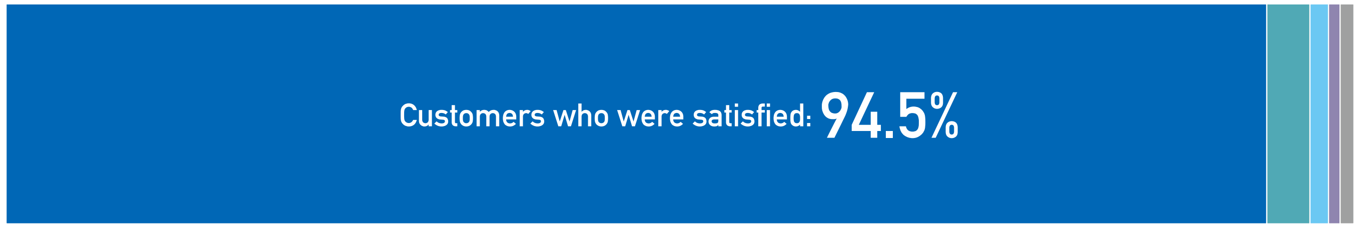
As an insurance company, the most important matter for Tokio Marine is providing peace of mind to people affected by natural disasters as quickly as possible in the form of claim payments. Insurance payouts give people fortitude to face the future. Believing this, we have worked to speed up claim payments using digitalization.

Specifically, we have largely streamlined this process by allowing customers to apply for insurance claims using their smartphone and utilizing digital technology such as satellites, AI and RPA for confirming damages and administrative work. Fiscal 2020 was particularly challenging because of the response to natural disasters during the COVID-19 pandemic, but we used these mechanisms to facilitate operations.

As part of our customer response, it is also important to be mindful of the feelings of people affected by disasters. We are dedicating the time created from the use of digitalization toward attending to customers and expanding the domains where we provide value, which will allow us to elevate our level of customer service.

Customers have praised us highly for our enhanced support of disaster-affected persons through the fusion of people's ability with digitalization, which has led to a further increase in the support for us.

■ Results of insurance payout survey for fiscal 2020 (TMNF)



■ Highly satisfied/Satisfied/Somewhat satisfied ■ Neither satisfied nor dissatisfied ■ Somewhat dissatisfied ■ Dissatisfied ■ Very dissatisfied

E. Delivering peace of mind before and after events (contribution to a disaster-resistant society)

Initiatives as an Insurance Company

The payment of claims is an insurance company's most important function, but we believe that this alone will not enable us to protect our customers. It would be preferable if disasters don't occur. If disasters do occur, damages should be minimized and the recovery quick. It would be preferable if disasters don't reoccur. Based on these beliefs, the Group strives to provide peace of mind before and after events through disaster preparedness and mitigation, quick restoration and recurrence prevention. These efforts also lower the loss rate and result in greater support from customers.

Specific examples

- We provide support that includes corporate risk evaluations, and help formulating a business continuity plans (BCP) in collaboration with local governments and financial institutions, making use of advanced expertise held within Group companies.
- Using the lessons learned from the Great East Japan Earthquake, we host the Disaster Risk Prevention Lesson, an outreach class for elementary school students, based on our commitment to teach children knowledge about disaster preparedness for the next disaster that may strike.
- Under the "Total assist fire insurance x Red Feather Disaster prevention/reduction program" launched in July 2021, part of the costs defrayed from online insurance contracts and policies will be donated to Red Feather Community Chest for use in disaster preparedness and mitigation activities in customers' own communities (please see page 55).
- The AI-powered Flooding risk projection system developed with the National Research Institute for Earth Science and Disaster Resilience visualizes areas at high risk of flooding to support local governments' decision-making during torrential rains, which helps to minimize damages to residents (please see pages 29, 55).
- Through a business partnership with BELFOR Japan, a specialist in disaster recovery, we are providing services that support customers' recovery from disasters (both before and after) (please see page 55).

The Group will utilize digitalization and data in a sophisticated manner to further enhance these services for "peace of mind before and after." Specifically, we will hire a team of experts in digitalization at Tokio Marine dR Co., Ltd., our core data company established in July 2021. This will allow us to speed up initiatives and tackle new challenges so that we can support customers in their time of need and evolve into a company that always supports its customers (please see pages 28-29).

Number of collaboration agreements with local governments[*1]

- Prefectures: 38
- Ordinance-designated cities: 10
- Other cities: 52

*1: Agreements on regional revitalization, such as help formulating BCPs, etc.

In Kochi, we are working with Kochi Prefecture, Kochi City, and the Kochi Chamber of Commerce & Industry to help around 700 companies formulate BCPs over a 10-year period

Disaster Risk Prevention Lesson

- Held around 810 times
- Around 55,000 participants

(Cumulative as of March 31, 2021)

Disaster Risk Prevention Lesson
(President Hirose, Tokio Marine & Nichido Fire)

2. Financing ("Tokio Marine: Our Climate Strategy" announced on September 28, 2020)

Initiatives as an Institutional Investor

In principle, we will not extend new financing to coal-fired thermal power plants in order to contribute to the transition to a decarbonized society. However, similar to other insurance underwriting, we may extend financing to these projects after comprehensively judging the situation based on the country's energy policy or international guidelines. This proviso provides exceptions similar to other insurance underwriting. In actuality, we have not extended new financing to coal-fired thermal power plants as of June 30, 2021.

As a signatory to the UN Principles for Responsible Investment (PRI) through Group companies Tokio Marine & Nichido and Tokio Marine Asset Management, we have established an ESG investment policy considering not only financial information but also elements such as environmental, social and governance. By incorporating climate-related elements into the investment decision-making process, we are supporting the transition to a decarbonized society.

Specifically, we are undertaking ESG engagement supporting increased corporate value and sustainable growth of target companies through constructive and purposeful dialogue considering non-financial factors including ESG elements in addition to financial data and ESG integration where both financial and non-financial data is used in the investment decision-making process.

Tokio Marine Asset Management has managed a renewable energy fund targeting investments in solar power plants since 2012, effectively backing initiatives aimed at the transition to a decarbonized society.

■ Performance of Renewable Energy Funds[*2]
(Cumulative as of March 31, 2021)

Amount committed	Approx. ¥51 billion
Units installed	45

*2: TM Nippon Solar Energy Fund 2012, 2013 and 2014
TM Nippon Renewable Energy Fund 2017
TM Nippon Long-Term Natural Energy Fund 2020

3. Lead Discussions at International Climate Change Conferences

Initiatives as a Global Enterprise

Since climate change is an important social issue that needs to be addressed by the entire world, the Group actively engages in dialogue with international organizations, governments, industries, academics, NPOs and NGOs. We have also led discussions at international conferences, which includes a co-chairing climate change-related working group for The Geneva Association, since 2008.

The Group has contributed to the formulation of Task Force on Climate-related Financial Disclosure (TCFD) recommendations as a member, and we also promote the dissemination of climate-related disclosure in Japan in part through involvement in the launch of the TCFD Consortium.

In addition, we have taken a leading role for the entire industry as a founding member of the UNEP FI's TCFD pilot insurance group, and as a global enterprise will continue to actively take measures against climate change.

The Sustainable Markets Initiative, an insurance industry task force whose concept was created by Prince Charles of the U.K. was established in June 2021 with 17 member companies. We are the only insurance company from Asia to be a member.

Risk Management

(1) Manage Climate-Related Risk Based on ERM

Tokio Marine Group takes a wide-ranging view of risk management regarding climate-related risks and has put a lot of effort into advancement. To give an example, we evaluate and calculate the impact on insurance loss from changes in typhoon risk and flood risk due to torrential rain based on assumed climatic conditions in the future. Enterprise Risk Management (ERM) is being implemented throughout the Group in consideration of the impact of natural disasters on underwriting that may be exacerbated by climate change, referring to the findings of these scenario analyses (please see pages 110-113).

1. Qualitative Risk Management

We identify all forms of risk exhaustively, including natural disasters such as major storms and newly emerging risks due to environmental changes. We define risks that will have an extremely large impact on our financial soundness and business continuity as "material risks" (natural disaster risk including climate related risk is one such risk). We also formulate control measures prior to risk emergence and response measures for after risks occur.

2. Quantitative Risk Management

For material risks, we measure risk amounts and upgrade stress tests as part of our quantitative risk management.

We calculate risk amounts posed by natural disasters using a risk model (for Japan, a risk model we developed in-house based on engineering theory and the latest knowledge of natural disasters, and for overseas, models provided by outside vendors). We gather the latest information as well as verify and evaluate models and upgrade them to ensure the situation of recent natural disasters is reflected in models appropriately.

We also conduct stress tests based on severe scenarios involving low likelihood disasters that will result in significant damages if they were to occur. For example, these scenarios include typhoons and flooding on a much larger scale than the major typhoons that hit the Greater Tokyo Area in 2018 and 2019 causing extensive damages. We update scenarios continuously while considering stress tests released by regulatory authorities in each country, the latest knowledge including climate change, and recent case studies.

(2) Acquisition of knowledge (industry-academia collaboration, etc.)

The Group is deepening collaboration with both inside and outside experts in order to acquire knowledge about risks.

The Tokio Marine Research Institute, a Group company, carries out impact analysis based on the possibility for increased insurance losses associated with natural disasters that are becoming more severe in nature. We have an R&D team located in Atlanta in the United States with expertise in natural disasters. This team is leading efforts to upgrade risk management of natural disasters across the entire Group, including various evaluations of natural disaster risk models, management of natural disaster exposure at our overseas business locations, and instantaneous impact prediction for such disasters as hurricanes hitting North America.

In terms of external collaboration, the Group is working with the University of Tokyo, Nagoya University and Kyoto University, among others, to research[*1] the impacts of climate change on the insurance industry over the short, medium and long term as well as identify and evaluate climate related risks. We also invite experts in the name of sustainability dialogue to regularly share the latest knowledge on sustainability with senior management and discuss the Group's initiatives.

*1: Forecasting of future changes in typhoon risk using climate models, analysis of changes in rainfall trends associated with global warming, and flood risk evaluation under future climate conditions, etc.

(3) Appropriately control risk through risk diversification and reinsurance, etc.

Natural disasters are inevitable in Japan, our home market. For that reason, we have sought to control risk capital by geographic, business, and product risk diversification through M&A overseas (please see pages 18-21). Through these efforts, we managed to keep net incurred losses from natural disasters exceeding our average budget to only around 5%[*2] of the entire Group's profits for fiscal 2020. In addition, reinsurance, as a hedge against risk, is also an effective way to protect our capital and stabilize profits. The Group utilizes reinsurance to prepare for natural disasters (capital events) that occur once every few centuries, and we determine earnings coverage from the standpoint of economic rationality and take necessary measures.

*2: Proportion of claim payments related to natural disasters that exceeded the initial forecast

Indicators and Targets

(1) Targets for fiscal 2030

- **Reduction targets for greenhouse gases associated with our own business activities**
  Reduce greenhouse gases emitted by the Tokio Marine Group by 60% compared to fiscal 2015 levels[*1]
- **Target for introduction rate of renewable energy to total electricity consumption**
  Source 100% of the electricity used at the Tokio Marine Group's main business locations from renewable energy
- **Electrification of company-owned vehicles (TMNF, TMNL)**
  Switch all company-owned vehicles of TMNF and TMNL to EVs, PHVs or HVs, etc.

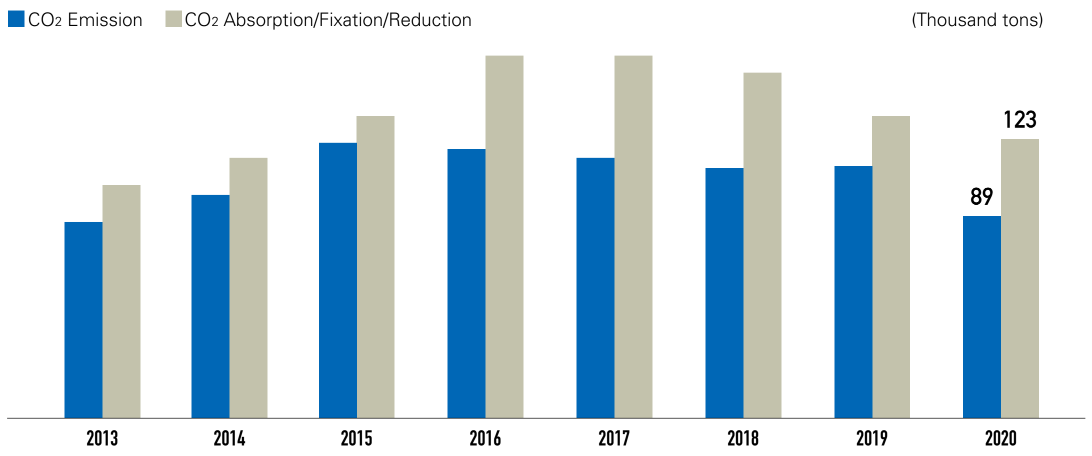
(2) Targets for fiscal 2023

- **Increase net premiums written for insurance of offshore wind power generation projects by around ¥5 billion (TMNF)**
- **Improve fire insurance earnings by more than ¥26 billion (before tax) (TMNF)**

(3) Others

- **Continue to achieve carbon neutrality on a Groupwide basis[*1]**

Tokio Marine & Nichido Fire has been implementing a mangrove planting project in the Asia Pacific region together with NGOs since 1999. These planting activities have enabled the Group to achieve carbon neutrality[*1] in its business activities for eight years running since fiscal 2013. We plan to continue this initiative going forward to sustain our carbon neutrality. The value of ecosystem services produced over the past 20 years (April 1999 to March 31, 2019) through this mangrove planting project cumulatively totals ¥118.5 billion. Estimates also indicate this value will increase to ¥391.2 billion cumulatively by the end of fiscal 2038[*2].



*1: Associated with our own business activities (Scope 1 [direct emissions] + Scope 2 [indirect emissions] + Scope 3 [other indirect emissions; categories 1, 3, 5 and 6,] based on the GHG Protocol standards)
*2: Survey contracted out to Mitsubishi Research Institute, Inc. and evaluated following internationally recognized methodologies

Directors

01 Tsuyoshi Nagano
Chairman of the Board

02 Satoru Komiya
Representative Director and President & Group CEO

03 Takayuki Yuasa
Representative Director and Executive Vice President

04 Akira Harashima
Representative Director and Senior Managing Director

05 Kenji Okada
Managing Director

06 Yoshinari Endo
Managing Director

07 Yoichi Moriwaki
Managing Director

08 Shinichi Hirose
Director

09 Akio Mimura
Outside Director

10 Masako Egawa
Outside Director

11 Takashi Mitachi
Outside Director

12 Nobuhiro Endo
Outside Director

13 Shinya Katanozaka
Outside Director

14 Emi Osono
Outside Director

Audit & Supervisory Board Members

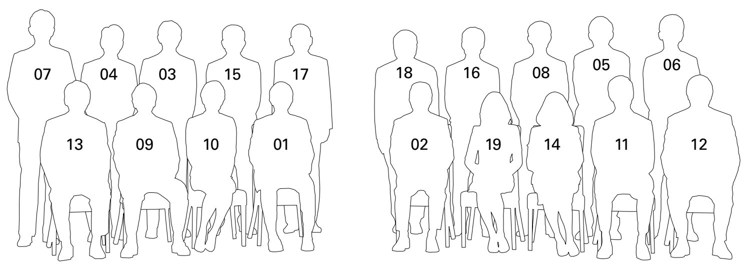
15 Shozo Mori
Audit & Supervisory Board Member (Full-Time)

16 Hirokazu Fujita
Audit & Supervisory Board Member (Full-Time)

17 Akinari Horii
Outside Audit & Supervisory Board Member

18 Akihiro Wani
Outside Audit & Supervisory Board Member

19 Nana Otsuki
Outside Audit & Supervisory Board Member



Through bouncing ideas of one another from diverse perspectives Pursue continuous enhancement of corporate value

We appoint outside officers with high-level expertise and a wealth of experience in a variety of fields to supervise our business execution and participate in discussions for decision-making in order to ensure sound and transparent corporate governance and form a Board of Directors that seeks out continuous enhancement of corporate value. On this occasion, we interviewed two outside officers on topics such as the Board's effectiveness, business portfolio strategy evaluation, and issues for enhancing corporate value over the medium to long term.

Effectiveness of the Board of Directors

Link between the Board of Directors and lively discussions outside the board

How do you evaluate the effectiveness of the Board of Directors?

Mitachi: One of the biggest features of Tokio Marine's corporate governance is that not only there are lively and active discussions during board meetings, but the discussions happening outside of these meetings are also well linked. For example, when we hold "discussions on corporate strategy" several times a year, everyone, including outside officers, participates in discussions on management issues that have a large impact on medium- to long-term corporate value, such as future direction of global strategy and digital strategy. Such active participation plays a very important role to improve the quality of discussions and decision-making during Board meetings, and enhances awareness and understanding of management issues.
Otsuki: There are some companies that set aside a separate meeting to formulate major business strategies including the medium-term management plan. I find it very unique that Tokio Marine conducts frequent discussions on various themes that also include the outside officers.
Mitachi: Also, there are many instances where we receive presentations directly from staff outside of the board, including persons in charge of individual business departments according to the theme, and exchange opinions with them.
Otsuki: Absolutely. Tokio Marine's major feature is that it actively creates opportunities that involve not only the management who are regulars at board meetings, but a variety of members including mid-level employees in our discussions. For outside directors and auditors, it is very helpful to hear directly from employees who are at the frontline of each business. Also, for employees, it provides a great opportunity to consider business from a different perspective than what they are used to through exchanging ideas with those outside of the company. In this manner, by sharing ideas between people who come from different job positions and standpoints, we get to consider topics from multiple angles, which gives rise to very solid and wide-spanning discussions, which, I believe, by extension, improves board effectiveness.

There are views in the stock market that outside officers should focus on the monitoring aspect and it could be problematic if they get too involved with inside officers. How do you two feel about the role of outside officers?

Mitachi: As a company with an Audit & Supervisory Board, we have created a disciplined governance structure including a voluntary Nomination Committee and a Compensation Committee with outside directors leading the meeting discussions. However, this structure barely meets the minimum requirement, and in order to prevent damage to corporate value and instead enhance such value, it is critical to look at how to run these committees.
Otsuki: To that end, as I mentioned earlier, it is important for directors and auditors both inside and outside the company to conduct discussions in a horizontal manner, regardless of their rank or standpoint. In particular, I think it is necessary for outside officers to speak and act while feeling the weight of the trust bestowed by shareholders. For this reason, it is unacceptable to fulfill our roles only ceremonially. When a meeting is formalized, it tends to be filled with statements such as "I would like to give my opinion from the perspective of governance for the time being."
Mitachi: For example, we cannot have constructive discussions in a formalized meeting, such that we could discuss the compelling reasons for implementing a project, what risks are involved in the execution, how to control these risks, and how to expand such projects in the future. In this sense, I feel like we are running meetings in the company effectively without them being only ceremonies.
Otsuki: "What is the point of having people outside of the company who are not familiar with our business serving as directors or auditors?" It is also true that some people have doubts such as this. However, as far as the outside officers of Tokio Marine are concerned, they have a certain level of knowledge about the business through on-site inspections and talks with employees, as well as through meeting materials clearly outlining issues and sufficient prior briefings. On top of this, since they are specialized in areas other than insurance, they can often provide suggestions on our business challenges from perspectives that we don't normally notice from inside the company.
Mitachi: Since outside officers come from various backgrounds, there are many diverse opinions and it is not unusual to hear opposite standpoints.
Otsuki: Just the other day, there was a heated debate on a certain strategy with divided opinions among the outside officers. I think this is a very good thing for the company's governance. For people who are mutually external to one company to be able to take on a debate that seriously, I feel it is not only driven by each speaker's personal character, but there is an ingrained corporate culture that enables everyone to speak freely.
Mitachi: I have served as an outside director of Tokio Marine for four years. I feel it is the company's strength that outside officers are playing a substantial role this way, with this being yielded through the process of our business operations, which has a slight advantage.

Business Portfolio Strategy

Strengthen monitoring of M&A

How do you evaluate the portfolio reshuffling of recent years?

Mitachi: Tokio Marine has recently made decisions to sell multiple businesses, which I think stands as proof that our portfolio strategy is functioning well. Tokio Marine has optimized its business portfolio through acquiring companies with unique businesses and outstanding management. However, as the market environment changes rapidly, we need to welcome new businesses into our portfolio while carving out and divesting businesses that no longer fit in with the purpose of our strategy in order to optimize our portfolio.

Particularly for Japanese businesses, there are many instances where their overseas subsidiaries are sold off due to a downturn in business performance that cannot be salvaged.

Otsuki: In that respect, we have started considering divesting businesses from an early stage that are no longer in line with the purpose of the Group Strategy or for which profit growth cannot be expected from a future perspective. I believe this is driven by the strong conviction among our board members to fulfill shareholders' expectations as they have invested capital in us.

Mitachi: Of course, since we are not an investment company, we do not have to constantly replace our business portfolio, but we must be cautious to some extent. Looking at recent examples such as the sale of TMR, which was a stepping stone for our overseas expansion, we find that the sale was made at a very appropriate timing, which was a positive move for our corporate value.

Otsuki: In addition to large merger deals, we also have a track record of over 60 successful deals in bolt-on acquisitions that complement our existing business model. The new Mid-Term Business Plan aims to further enhance the quality of M&A, which also includes such bolt-on acquisitions, under the proactive governance of Tokio Marine Holdings. I would also like to carefully monitor the progress of this measure.

Takashi Mitachi

He has worked for Japan Airlines Co., Ltd. and the Boston Consulting Group, where he is currently a senior advisor. He also serves as an outside director of Rakuten Group, Inc. and DMG Mori Co., Ltd. He became a director of Tokio Marine in June 2017.

Mitachi: One other thing is Tokio Marine's positive attitude toward risk taking as a distinctive feature in its M&A strategy. Perhaps because its core business is insurance that takes on various risks, I feel the philosophy is built in to the company's management such that we should not take too much risk, and at the same time, we should take enough risks.

Otsuki: For sure that the company is very conscious of return on risk. Generally speaking, risks are considered to be negative and conversations tend to be dominated by how to reduce risks. However, in Tokio Marine's situation, we have quite a few discussions on whether we can take on more risks.

What are some future challenges?

Mitachi: I think it will be a big challenge for the next generation of board members to consider how to incorporate new frontier areas into the foundation of our global business portfolio that we have developed to date.

Otsuki: Large Japanese corporations usually say no to taking risks, but Tokio Marine is conscious of "return on risk," "unafraid of challenges," and "learning from mistakes." If we take on frontier areas in our business, having the corporate culture we do will serve as a great advantage.

Mitachi: Absolutely. In our business operations, for example, promotion of DX, there are many things that we don't know or cannot foresee until we actually give it a try. As well, I believe we have success today in our overseas expansion as we were able to critically analyze and draw on our experience of failure 40 years ago while having the spirit of trying again. Again, in the future, I believe we must stand firmly with both feet without fear of failure and we should embrace trial and error.

Otsuki: Another issue is that it is necessary to continue to have a sense of urgency in a good sense. While Tokio Marine is currently the world's top class insurance company, I think it is important to continue having a healthy sense of urgency in order to achieve further growth from here on. I had a conversation with a mid-level employee the other day. The person was working on addressing concerns they have had including the fact that other companies are enhancing their competitiveness and that Tokio Marine cannot do business the same way 10 years from now. It is important to have such solid sense of urgency for everyone from management to young employees. I hope they will continue to grow and evolve with the awareness that the right answer today will not necessarily be the right answer tomorrow.

Mitachi: As many officers, including Ms. Otsuki, have pointed out this issue, while I also feel we are properly sharing our sense of urgency for now, I hope the outside officers will continue to monitor this area going forward.

Toward enhancement of corporate value over the medium to long term

The role of non-financial information in corporate value

Lastly, what are your thoughts or advice on how to enhance corporate value over the medium to long term?

Otsuki: Until now, financial information such as sales and profits has been a major factor in determining corporate value. However, recently, the importance of non-financial information has been rapidly rising as ESG investment expands around the world.

Mitachi: The non-financial information Ms. Otsuki has pointed out is called non-competitive factors in my specialized area of consulting, which is indeed gaining traction. Conventionally, competitive factors such as the efficiency of operations and quality of marketing often had a direct impact on corporate value. However, nowadays, we have entered an era in which corporate value is also greatly influenced by factors outside the framework of simple microeconomic competition, including the ability to deal with issues such as climate change and human rights, and the ability to reorganize the business portfolio while recognizing geopolitical risks.

Nana Otsuki

She has worked as an analyst at various financial institutions, including Standard & Poor's Ratings Japan K.K. and Merrill Lynch Japan Securities Co., Ltd. Currently, she serves as chief analyst at Monex, Inc. She also serves as an outside director of Credit Saison Co., Ltd. and a professor at the Graduate School of Management, Nagoya University of Commerce and Business. She became an outside Audit & Supervisory Board member of Tokio Marine in June 2018.

Otsuki: People inside the company bear the burden of business performance in numbers, and can't help but orient themselves in that direction. For that reason, it is more important than ever for outside officers to provide opinions and suggestions on initiatives for non-financial information and non-competitive factors.

Mitachi: That is true. I think we will continuously enhance corporate value by sharing opinions on how to use these non-competitive factors to benefit shareholders from multiple viewpoints.

Otsuki: In the new Mid-Term Business Plan, we have announced that we will newly include "future generation" in our stakeholders. In that sense, I believe we are further expected to take responsible actions while thinking about the future. Going forward, I hope all outside officers will continue to fulfill our monitoring role while thinking together with everyone.

Thank you for your time today.

Corporate Governance

Fundamental Policy

Tokio Marine Holdings (the "Company") is committed to the continuous enhancement of corporate value by fulfilling its responsibilities to customers, society, future generation, employees, shareholders, and other stakeholders as set forth in the "Tokio Marine Group Corporate Philosophy."

For this purpose, the Company hereby establishes a sound and transparent corporate governance system and, as a holding company, recognizes the importance of appropriate control over its Group companies and has formulated the "Tokio Marine Holdings Fundamental Corporate Governance Policy."

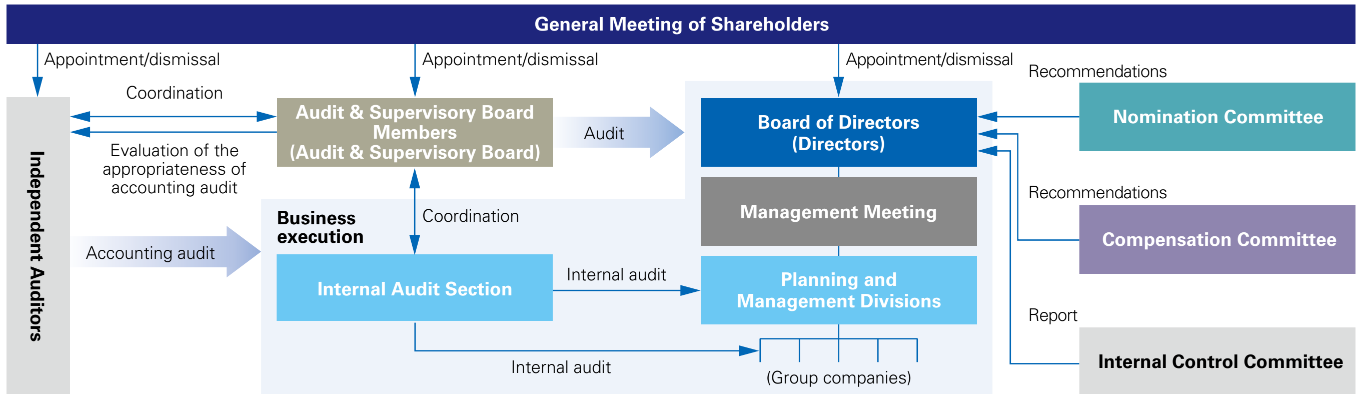
In this policy, the Company defines the rights of shareholders and securing fairness, and the responsibilities of the Board of Directors, etc.

Corporate Governance System

The corporate governance system of the Company is designed as a hybrid structure whereby the Nomination Committee and Compensation Committee are discretionarily established in addition to the fundamental structure of a company with an Audit & Supervisory Board. As an insurance holding company, the Company determines significant business execution by resolution of the Board of Directors, and emphasizes making high-quality decisions that reflect the insight of Outside Directors and Outside Audit & Supervisory Board Members.

For the nomination and compensation of directors, topics important for monitoring, deliberations are handled by the respective committees, which are each chaired by an Outside Director and with Outside Directors comprising a majority of their membership. Here, decisions are made while ensuring transparency. In this way, we have determined that the current system, which emphasizes management functions while also ensuring monitoring functions, is optimal at this point in time. However, we also believe that we must be in constant pursuit of the most optimal solutions, and we will continue to work toward building better corporate governance systems.

Corporate Governance System



Record of Measures to Strengthen Corporate Governance

		FY2002	FY2004	FY2005	FY2011	FY2013	FY2015	FY2016	FY2017	FY2018	FY2019	FY2021
Structure		April Millea Holdings (currently Tokio Marine Holdings) established as a company with an Audit & Supervisory Board		July Nomination Committee and Compensation Committee discretionally established	November Evaluations of effectiveness of Board of Directors (surveys administered to all Directors and Audit & Supervisory Board Members) commenced							
Membership	Outside Directors	3						June 4			June Ratio of Outside Directors raised to one-third	
	Outside Audit & Supervisory Board Members	2	3 (decreased in fiscal 2005)									
	Non-Japanese Executive Officers					June First non-Japanese Executive Officer appointed		August 4	June 6	April 5	April June 6 June 5	
Policies		April Millea Group Corporate Philosophy established		May Corporate Governance Policy formulated			May Corporate Governance Policy renamed Tokio Marine Holdings Fundamental Corporate Governance Policy			November Tokio Marine HoldingsFundamental Corporate Governance Policy revised (Major areas of revision: Appointment conditions and dismissal policies for the President)		
Compensation				July Stock options introduced			July Ratios of performance-linked bonuses increased for certain officers				July Same as previous update	July Stock ownership plan introduced

Well-balanced Member Composition

All of the Company's corporate governance committees feature memberships with a balanced composition representing viewpoints and specializations from diverse fields.

Board of Directors — Number of Outside Officers: **6 of 14 Directors**

The ratio of Outside Directors was raised to over 40% in June 2021 to invigorate meetings of the Board of Directors and facilitate further enhancement of corporate governance.

Audit and Supervisory Board — Number of Outside Officers: **3 of 5 Members**

As an independent body entrusted by shareholders, the Audit & Supervisory Board comprises a majority of Outside Audit & Supervisory Board Members and audits the performance of Directors.

Nomination Committee — Number of Outside Officers: **6 of 8 Members**

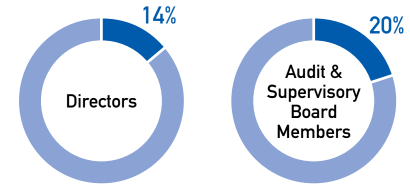
Compensation Committee — Number of Outside Officers: **6 of 7 Members**

The Nomination Committee and the Compensation Committee comprise a majority of outside officers and both are chaired by an outside officer.

Skills of Directors and Audit & Supervisory Board Members

We have achieved highly effective governance by incorporating a well-balanced mix of diverse skills, including globalization, an area of utmost importance to our management as a global insurance company.

Ratio of women



Skills of Directors and Audit & Supervisory Board Members

Name	Position and major resposibilities		Skills and experiences: Corporate Management	Finance & Economy	Accounting	Legal & Compliance	Human Resource	Governance & Risk Management	Technology	Inter-nationality	Insurance Business
Tsuyoshi Nagano	Chairman of the Board		○	○						○	○
Satoru Komiya	President & Chief Executive Officer	Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)	○	○			○			○	○
Takayuki Yuasa	Executive Vice President	Group CFO (Group Chief Financial Officer)	○	○	○	○		○			○
Akira Harashima	Senior Managing Director	Head of International Business Co-Head of International Business	○							○	○
Kenji Okada	Managing Director	Group CLCO (Group Chief Legal and Compliance Officer) Group CRO (Group Chief Risk Officer)		○	○			○		○	○
Yoshinari Endo	Managing Director	Group CIO (Group Chief Investment Officer)		○	○					○	○
Yoichi Moriwaki	Managing Director	Group CSSO (Group Chief Strategy and Synergy Officer) Group CSUO (Group Chief Sustainability Officer)		○	○		○		○		○
Shinichi Hirose	Director		○	○			○				○
Akio Mimura	Outside Director		○	○				○		○	
Masako Egawa	Outside Director		○	○	○			○		○	
Takashi Mitachi	Outside Director		○	○	○			○	○	○	
Nobuhiro Endo	Outside Director		○	○					○	○	
Shinya Katanozaka	Outside Director		○	○			○	○		○	
Emi Osono	Outside Director		○	○	○			○		○	
Shozo Mori	Audit & Supervisory Board Member (fulltime)							○			○
Hirokazu Fujita	Audit & Supervisory Board Member (fulltime)			○	○			○		○	○
Akinari Horii	Outside Audit & Supervisory Board Member			○	○			○		○	
Akihiro Wani	Outside Audit & Supervisory Board Member			○	○	○		○		○	
Nana Otsuki	Outside Audit & Supervisory Board Member			○	○			○		○	

Principal Activities

In order to build the Board of Directors for sustainable improvement of corporate value, we appoint Outside Directors in consideration of the overall skills composition of the Board of Directors and the balance of their terms in office, so that these Outside Directors can provide highly effective supervision and advice.

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Akio Mimura (outside director)	10 years and 9 months	Attended 10 of the 11 board of directors' meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as the chair of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Masako Egawa (outside director)	5 years and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2020.	She has fulfilled her supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on her insight into corporate management acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President. In addition, as a member of the Nomination Committee and the Compensation Committee, she has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Takashi Mitachi (outside director)	3 years and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a consulting firm and a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Nobuhiro Endo (outside director)	1 year and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Shinya Katanozaka (outside director)	9 months	After his appointment as a director, he attended 8 of the 9 board of directors meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Akinari Horii (outside audit & supervisory board member)	9 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2020.	He has fulfilled his audit functions by presenting inquiries and remarks, based on his insight acquired through many years of experience in his role as an executive or a regular employee of the Bank of Japan.
Akihiro Wani (outside audit & supervisory board member)	6 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2020.	He has fulfilled his audit functions by presenting inquiries and remarks, based on his insight acquired through many years of experience in his role as an attorney at law.
Nana Otsuki (outside audit & supervisory board member)	2 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2020.	She has fulfilled her audit functions by presenting inquiries and remarks, based on her insight as a specialist in business management acquired through many years of experience as an analyst in financial institutions.

Notes:
1. Current term in office is the length of the term held as of March 31, 2021.
2. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." includes attendance of audit & supervisory board meetings and major activities including the remarks made at audit & supervisory board meetings of outside audit & supervisory board members.
3. All 11board of directors' meetings held during fiscal year 2020 were ordinary meetings. All 11 audit & supervisory board meetings held during fiscal year 2020 were ordinary meetings.

Evaluation of the Effectiveness of the Board of Directors

Method of Effectiveness Evaluations

The Company evaluates the effectiveness of the Board of Directors once a year in order to further enhance the functionality of the Board of Directors. The Company conducts annual surveys on the operation of the Board of Directors and the performance of its functions to all Directors and Audit & Supervisory Board Members. These surveys cover all Directors and Audit & Supervisory Board Members, with results reported to the Board of Directors.

Effectiveness Evaluation Results

The Company has determined through these evaluations that the Directors and Audit & Supervisory Board Members speak actively and engage in open and constructive discussion at the Board of Directors' meetings, and that the Board of Directors' performance of its functions is adequate. On the other hand, it is also recognized that there are opinions on areas for further improvement, and the Company considers corresponding measures to address each of these. The main opinions and measures are as follows.

Main Opinions and Action Plans

Opinion 1 Would like to ensure opportunities are made available to explain agenda item details and contextual information in advance.	Action Plan For those who wish to attend meetings, provide opportunities via remote meetings and other means to explain agenda item details and contextual information in advance.
Opinion 2 Would like to secure opportunities for Outside Directors and Outside Audit & Supervisory Board Members to learn more about the workplace (including opportunities for direct communication with employees).	Action Plan In addition to the attendance of Outside Directors at the Group Joint Division Managers' Meeting, provide guidance on opinion exchange meetings between Inside Officers and employees, and other events to increase opportunities for observer participation by Outside Directors.

Leveraging Outside Officers' Expertise

The Company intends to make full use of the knowledge and experience of its Outside Directors and Outside Auditors when considering and developing management strategies to achieve sustainable growth and increase corporate value over the medium to long term. To this end, the Board of Directors holds "discussions on corporate strategy" on themes such as the management environment and issues faced by the Company. Themes are selected based on responses to surveys from directors and corporate auditors, as well as topics that came up in independent directors/auditors' meetings.

In addition, the Company holds an "independent directors/auditors' meeting" once a year, consisting solely of independent directors. Meetings are entirely conducted by independent directors, including establishing agenda items. Opinions are exchanged objectively and from broad perspectives. In fiscal 2020, discussions were held on diversity, human resources development, governance, and other issues, with recommendations made based on these discussions.

"Discussions on Corporate Strategy" Themes

Fiscal Year	Themes
2020	The Tokio Marine Group's next Medium-Term Business Plan, exchange of views with overseas subsidiary heads, the Tokio Marine Group's domestic life and non-life insurance business strategy, the Tokio Marine Group's digital strategy, and direction of human resources strategy
2019	The initiatives of Tokio Marine Group for CSR/Sustainability and SDGS, exchange of views with overseas subsidiary heads, digital strategy for Tokio Marine Group
2018	The domestic life and non-life insurance business strategy for Tokio Marine Group, direction of human resource strategy, exchange of views with overseas subsidiary heads, digital strategy for Tokio Marine Group

Succession Planning

Development of Candidates for the Next President & CEO

The majority of the Nomination Committee is comprised by outside officers, and the Chairman is also elected from outside officers. The committee shall deliberate on the plans for selecting the successors of President & CEO, and shall appropriately supervise their implementation in order to ensure systematic development of the successor candidates.

Nomination Committee Members

Chairman	Akio Mimura	Outside Director
Members	Masako Egawa	Outside Director
	Takashi Mitachi	Outside Director
	Nobuhiro Endo	Outside Director
	Shinya Katanozaka	Outside Director
	Emi Osono	Outside Director
	Tsuyoshi Nagano	Chairman of the Board
	Satoru Komiya	President and CEO

Tokio Marine Holdings Fundamental Corporate Governance Policy (excerpts)

(Responsibilities of the Nomination Committee)
Article 16
The Company shall establish a Nomination Committee to serve as an advisory body to the Board of Directors.
2 The Nomination Committee shall deliberate on the following matters and report to the Board of Directors:
(1) The appointment and dismissal of the President & Chief Executive Officer, Directors, Audit & Supervisory Board Members, and Executive Officers of the Company, as well as Presidents of the Company's principal business subsidiaries; and
(2) The criteria for the appointment and policy for the dismissal of the President & Chief Executive Officer of the Company, as well as Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its principal business subsidiaries.
(3) The Nomination Committee is responsible for deliberating a successor plan for the President & Chief Executive Officer of the Company and for appropriately supervising the implementation of the plan in order to develop successor candidates systematically.

(Composition of the Nomination Committee)
Article 17
The Nomination Committee shall generally consist of approximately five members.
2 As a general rule, a majority of the members shall be selected from outside of the Company, and the chairman shall be one of the outside members.

Development of Next-Generation Talent

In order for the Company to continue to grow in a hugely changing environment, the Company must utilize all of the knowledge, know-how, and experience of the entire Group obtained by M&A and other means to confront each of the environment issues and ensuing various issues it faces, and to solve them. In order to do so, it is imperative to take the initiative to make the integrated group management a sustainable one by developing a large number of talent that will lead the management of the next era, and the era after that.

In this context, the Company is executing a "Global Executive Program" for its senior employees as a form of succession management. By eating and sleeping together under extreme conditions, a strong relationship of trust among the participants will be built, while at the same time fostering mindsets from a Group perspective and further expanding synergies across the Group.

In addition to the aforementioned program, the Company is enhancing the Group management sustainability by executing training programs for every employee layer on a select basis, such as the "Middle Global Leadership Development Program" for mainly overseas middle layer employees, which is aimed at experiencing the meaning of "Good Company" and the necessity of insurance by visiting disaster areas in Tohoku, the "Management Academy" for young to middle leader class in Japan to experience the process of new business development, and the "Management School" which is a nine-month intensive program for young leader class in Japan to learn global leadership.


Rigorous shipboard training in the Global Executive Program


Visiting areas affected by the Great East Japan Earthquake


Discussion on leadership

Compensation for Officers

Determining Compensation for Officers

Policy

The policy for determining compensation for officers is as follows:
- Ensure "transparency," "fairness," and "objectivity" regarding compensation for officers;
- The Board of Directors shall set the level of compensation for Directors and Executive Officers according to the responsibilities of each, after setting the standard amount for each position, taking into consideration factors such as the business performance of the Company, and the level of compensation in other companies.
- Of the different types of compensation for Directors and Executive Officers, fixed compensation and performance-linked bonuses shall be paid monthly, while share compensation shall be delivered upon resignation.
- The Board of Directors shall determine the content of compensation for individual Directors and Executive Officers and other important matters concerning compensation for Directors, Audit & Supervisory Board Members, and Executive Officers. Decisions on any matter requiring consultations with the Compensation Committee shall be made after obtaining the opinions of the said Committee.

Process

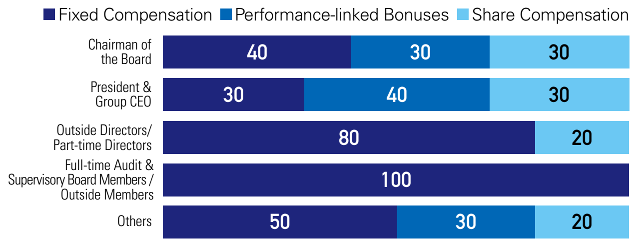
The Compensation Committee is an advisory body to the Board of Directors and, in fiscal 2020, consisted of six members (chaired by an Outside Director), including five Outside Directors. The Compensation Committee deliberates and reports to the Board of Directors on the following matters:
- Evaluation of the performance of Directors and Executive Officers of the Company, as well as the president of its principal business subsidiaries.
- The compensation system for Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its principal business subsidiaries and the level of compensation for Directors (full-time) and Executive Officers of the Company and its principal business subsidiaries.
- Policy for determination of compensation for Directors, Audit & Supervisory Board Members and Executive Officers.

For fiscal 2020, all committee members attended all Compensation Committee meetings held during their term of office.

Compensation System for Directors and Auditors

The compensation structure for Directors and Audit & Supervisory Board Members consists of fixed compensation, performance-linked bonuses and share compensation, and the proportions for each director's responsibilities are as follows:

Ratios of Compensation by Responsibility



Performance-linked bonuses have been introduced to provide greater incentives to improve corporate value. Bonuses are linked to achievement levels for each of the Company's and the individual's targets. Evaluation is determined based on the previous fiscal year's performance, and monetary consideration is paid in reflection of this evaluation (bonuses are adjusted within a range of 0% to 200% based on the evaluation).

a. Individual targets are set based on the responsibilities of each Director (including ESG and medium- to long-term strategic goals).
b. In principle, Company targets are set using the following performance indicators.

Fiscal 2020 Targets and Results for Company Target-linked Performance Evaluation Indicators*

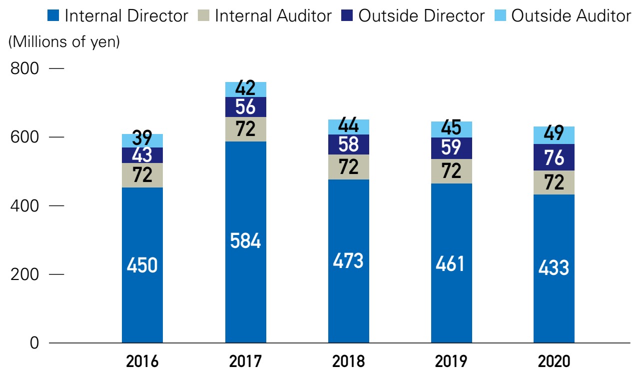
Performance Indicator	Targets	Results
Adjusted ROE	9.4%	8.6%
Adjusted Net Income	¥310 billion	¥299.1 billion

*: The results for adjusted ROE and adjusted net income have been revised downward in consideration of impact from COVID-19 and other factors.

Share compensation has been introduced with the aim of sharing the returns from stock price movements with shareholders, and constitutes more than 20% of Director compensation.

Compensation of Directors and Auditors

The Compensation of Directors and Auditors is as follows:



Strengthening Governance Through Integrated Group Management

The Cornerstone of Governance

The cornerstone of the Company's governance lies in "promotion of diversity" and "spreading our core identity".

Promotion of Diversity

The Company takes its excellent, diverse talent acquired through overseas M&A and appoints them in Co-Heads, and leaders of global committees and specialized areas.

This is intended to make the integrated group management stronger and more flexible in responding to changes by deploying global knowledge laterally and incorporating it into the Group's overall strategy.

14th CEO Conference January 22, 2021

Spreading Our Core Identity

As diversity increases, it becomes more important to have a core identity that unites diverse people as a team. We acquired companies whose cultures matched our own with our desire to make the world a better place through our business, but to further spread the Group's common culture of "To Be a Good Company," we have been implementing a variety of initiatives around the world, such as the "Majikirakai," a group that talks about serious matters very casually.

A town hall meeting in Philadelphia led by CEO Komiya

A town hall meeting (President Hirose, Tokio Marine & Nichido Fire)

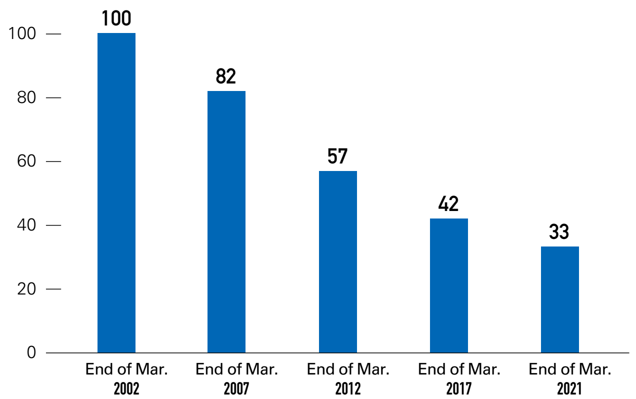
Reduction of Business-Related Equities

Initiatives to Reduce the Total Value

Business-related equities are held primarily to strengthen business relationships and enhance the Group's corporate value, but the Company will continue to reduce the total value of shares held with a view to improving capital efficiency. In fact, the Company began its efforts well before the release of the Corporate Governance Code, and since fiscal 2002, the Company sold a total of 2.3 trillion yen (based on market value at the time of sale), and the book value has decreased to 33% of the March 31, 2002 level. Under the new mid-term business plan, the Company plans to sell more than ¥100 billion per year.

For listed domestic business-related equities, the Board of Directors examines the risk/return of holding these stocks, both in the overall portfolio and on an individual basis, to validate the economic rationale for holding them.

Book Value of Business-related Equities*



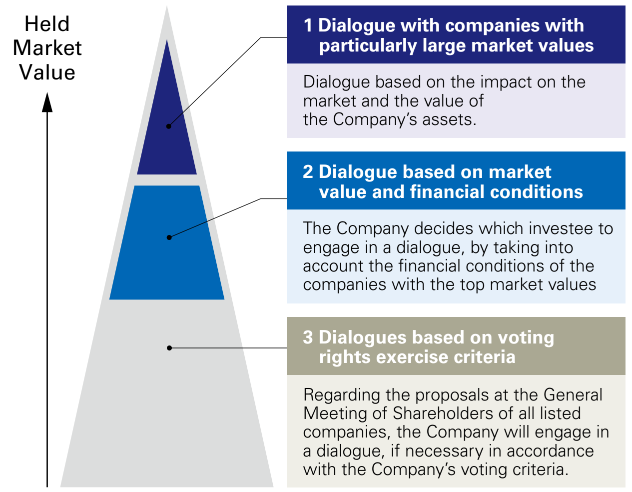
*Indexed to the end of Mar. 2002 as 100

For details on our policies regarding business-related equities, please refer to the Corporate Governance Report.
https://www.tokiomarinehd.com/en/company/governance/corporate_governance/pdf/210628_Corporate_Governance_Report.pdf

Dialogue Based on the Stewardship Code

Throughout the year, the Company holds "dialogues with companies with particularly large market values" and "dialogues based on market value and financial conditions," as well as "dialogues based on voting rights exercise criteria" in the process of scrutinizing proposals for general meetings of shareholders of the companies in which the Company invests, and exercises voting rights based on these dialogues.

Policy for Dialogue



Examples of Dialogues with Investees

Content of the Dialogue

For companies that have released their integrated reports since this fiscal year, we have deepened our dialogue on medium- and long-term reduction targets, with discussions centered on their corporate efforts to reduce CO_2 emissions to fight global warming.

Response of Investees

We confirmed their intention to move forward with initiatives with a high awareness of environmental issues, especially toward reduction of CO_2 emissions. In the mid-term business plan that was subsequently released, it was announced that addressing climate change would be a key environmental issue and that targets for total greenhouse gas emissions reduction would be a key evaluation indicator.

For more other dialogue examples and the results of exercises of voting rights, please refer to the overview of our stewardship activities available on Tokio Marine & Nichido's website. (Japanese only):
https://www.tokiomarine-nichido.co.jp/company/about/policy/stewardship.html

Dialogue with Stakeholders

Fundamental Policy

The Company will strive to enhance trust by providing information to capital markets in a timely, fair and continuous manner while ensuring transparency and accountability in its disclosures, and to promote understanding of its efforts to increase corporate value and accurate assessment of the Company. Furthermore, through constructive dialogue between management and shareholders and investors, the Company will gain an appropriate understanding of how it is viewed and the state of the capital markets, and provide that understanding and feedback to management and within the Company to lead to improvement of management itself and further enhance corporate value.

Dialogue with Investors

Dialogue with Institutional Investors

In order to engage in dialogue with a wide range of shareholders and investors, the Company not only holds financial results conference calls, but also holds IR conferences and theme-focused strategy conferences both onsite and on the internet, broadcast live across the globe.

In particular, in November 2020, we held the industry's first full-fledged Investor Day. In this half-day event, we provided well fleshed-out communication of our vision for the new medium-term plan, growth drivers, and our approach to capital policy. In addition, in June 2020 and January 2021, we held briefings focused on digital strategies and climate change strategies, topics of great interest for capital markets.

In fiscal 2020, we elected to forgo face-to-face overseas IR activities in light of the COVID-19 pandemic. In their place, we held dialogue with a total of 921 companies via telephone and online channels (198 more companies than the previous fiscal year) in order to further enhance our communication.

Investor Day

Dialogue with Individual Investors

In fiscal 2020, we took all possible measures to prevent the spread of infection and held a conference featuring the Group CEO. The Company also provided easy-to-understand explanations of the "Group's management strategy" and "shareholder return," which are of great interest to individual investors. These explanations received a 97% participant satisfaction rate, the highest value in the last five years.

Conference video
https://www.irmovie.jp/nir2/?conts=tokiomarinehd_202009_pRm2 (in Japanese only)

Individual Investor Information Session by Group CEO Komiya

Feedback

The Company is also making efforts to report the opinions obtained through dialogue with shareholders and investors widely to management and other members of the Company, and to reflect them in improvement of management. While our employees have little interest in or familiarity with IR, but through IR activity reporting sessions, they understand the voice of capital markets, how the Company is evaluated, and how their own work is connected to the capital market. This results in a virtuous cycle with positive impact on their own motivation and growth.

In fiscal 2020, we also used the internet to share and interact with 2,277 Group employees.

Role playing a meeting with investors by IR Group members

General Meeting of Shareholders

Presentation by the Group CEO

In order to promote a deeper understanding of the Company's management and business, the Group CEO routinely conducts presentations. At the 19th Ordinary General Meeting of Shareholders (held June 28, 2021), under the theme of "Business Strategy of Tokio Marine Group," the Group CEO gave an easy-to-understand presentation on topics of business performance, the Company's value creation story rooted in its business purpose, and its new medium-term plan.

Presentation video
https://www.tokiomarinehd.com/en/ir/event/movie/2021_meeting.mp4

Results of Exercise of Voting Rights

The results of the exercise of voting rights at the 19th Ordinary General Meeting of Shareholders are as follows:

Details of the Resolutions

Item 1: Appropriation of Surplus
- Matters regarding distribution of dividends and its aggregate amount
- Amount of cash dividend per common share of the Company: 100 yen
- Aggregate amount of cash dividends: 69,327,302,500 yen

Item 2: Election of Fourteen (14) Directors
- Election of the following fourteen individuals as directors: Tsuyoshi Nagano, Satoru Komiya, Takayuki Yuasa, Akira Harashima, Kenji Okada, Yoshinari Endo, Shinichi Hirose, Akio Mimura, Masako Egawa, Takashi Mitachi, Nobuhiro Endo, Shinya Katanozaka, Emi Osono and Yoichi Moriwaki.

Item 3: Change to Director Compensation
- The amount of compensation for Company Directors shall continue to be limited to 75 million yen per month, of which the amount for Outside Directors shall be limited to 10 million yen per month in total, and a new stock ownership plan for compensation shall be introduced to replace the current stock option program.

Results of the Resolutions

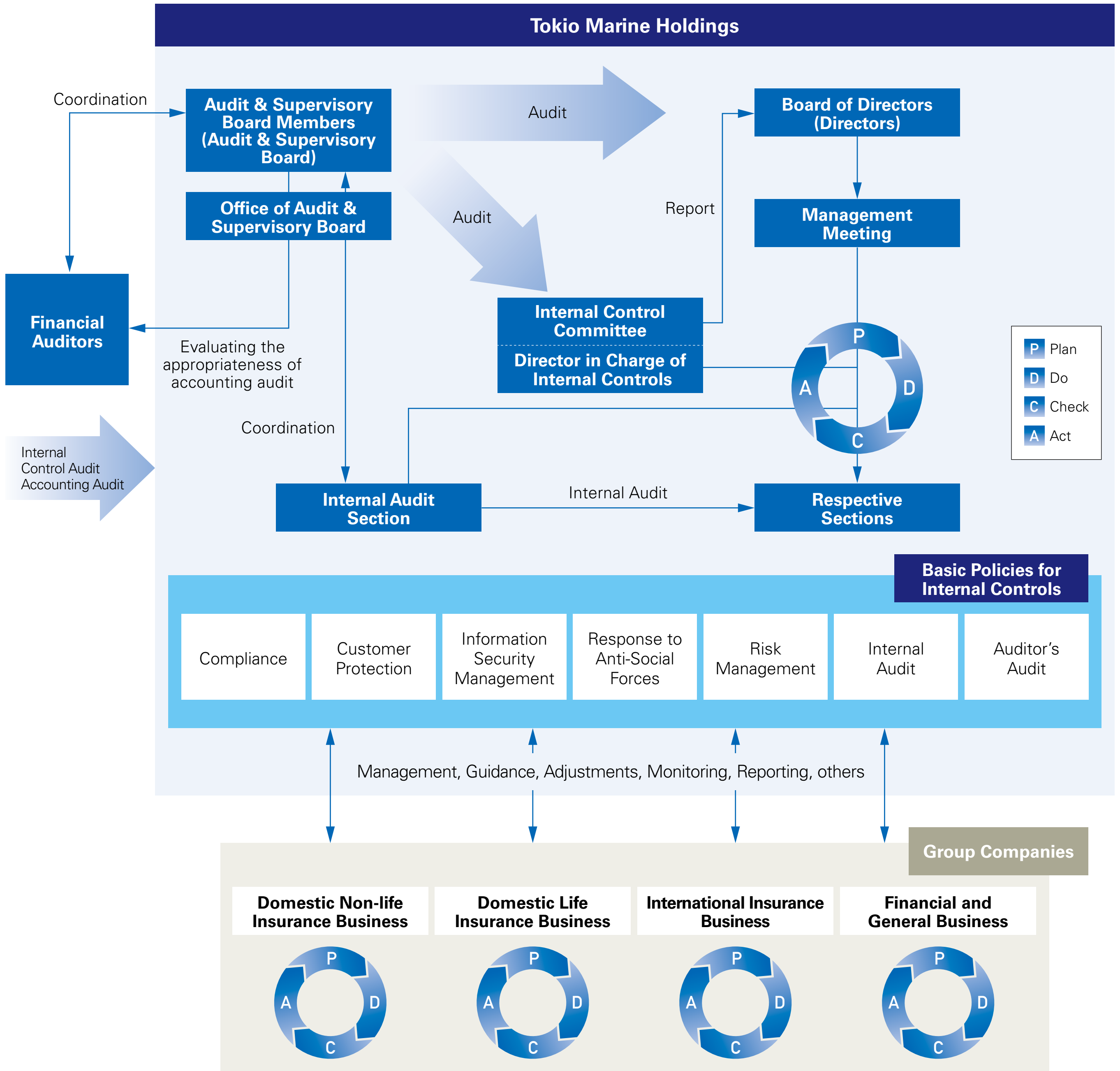
Item	Number of Affirmative Votes	Number of Negative Votes	Number of Abstentions	Approval Ratio (%)	Result of the Resolution
Item 1	5,769,426	8,777	96	99.79	Approved
Item 2					
Tsuyoshi Nagano	5,506,370	188,475	83,447	95.24	Approved
Satoru Komiya	5,577,215	117,625	83,447	96.47	Approved
Takayuki Yuasa	5,589,506	112,720	76,066	96.68	Approved
Akira Harashima	5,595,076	107,151	76,066	96.78	Approved
Kenji Okada	5,599,891	102,336	76,066	96.86	Approved
Yoshinari Endo	5,599,911	102,316	76,066	96.86	Approved
Shinichi Hirose	5,599,807	102,420	76,066	96.86	Approved
Akio Mimura	5,260,763	454,578	62,948	90.99	Approved
Masako Egawa	5,756,953	21,248	96	99.58	Approved
Takashi Mitachi	5,746,773	31,428	96	99.40	Approved
Nobuhiro Endo	5,694,309	83,891	96	98.49	Approved
Shinya Katanozaka	5,288,996	426,345	62,948	91.48	Approved
Emi Osono	5,773,389	4,813	96	99.86	Approved
Yoichi Moriwaki	5,598,236	103,991	76,066	96.83	Approved
Item 3	4,999,939	778,309	55	86.48	Approved

Internal Control System

Fundamental Policy

The Company has formulated "Basic Policies for Internal Controls." In accordance with these policies, the Company has established an internal control system for the entire Tokio Marine Group that encompasses structures for management control, compliance, risk management, and internal auditing of Group companies. In addition, the Company monitors the status and practical application of its internal control system. The Internal Control Committee deliberates on the results of this monitoring, and the Board of Directors confirms the details of these deliberations. Moreover, the Company continually strengthens and improves its internal control system in light of the results of this monitoring. The Internal Audit Section maintains close coordination with Audit & Supervisory Board Members to ensure the effectiveness of their audits.

Internal Control System

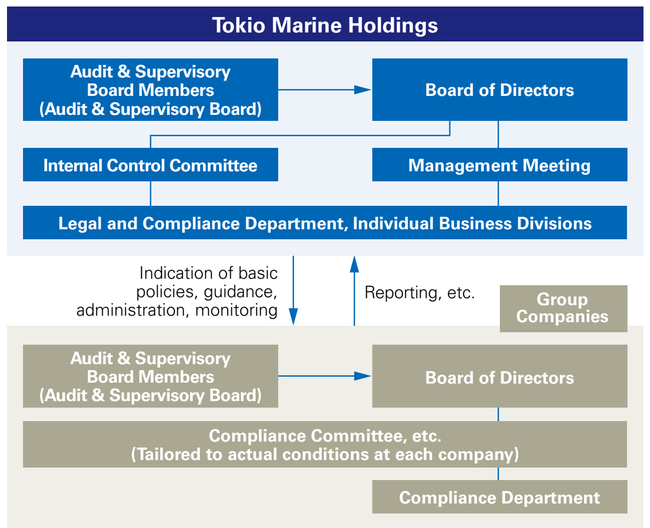


Compliance

The Company has formulated the "Tokio Marine Group Basic Policies for Compliance" and the "Tokio Marine Group Code of Conduct," and a compliance system is in place Groupwide based on this framework. Also, the Company has built a structure to ensure Groupwide compliance by periodically monitoring the status of compliance within the Group; receiving reports from Group companies on important matters; discussing these matters among the Board of Directors, the Management Meeting, and the Internal Control Committee; and providing guidance and advice about the activities of Group companies when necessary.

In order to prepare for cases in which it is not appropriate to report compliance issues through the organization's usual reporting channels, we have established various internal and external hotlines (whistleblowing hotlines) to accept reports and consultations from executives and employees of Group companies. The number of reports and consultations received by the Group had been on an upward trend, partly due to increased interest in the hotline and efforts to raise awareness of the system. However, due to significant changes in business conditions driven by COVID-19, the number of reports and consultations received by the Group decreased to 255 in fiscal 2020, down 21% from the previous fiscal year. We ensure that these reports and consultations are appropriately investigated and responded to, leading to the early detection of problems and the implementation of corrective and recurrence prevention measures.

Compliance System



Information Security Management

Tokio Marine recognizes the importance of personal information and confidential information ("information assets"). To ensure the appropriateness and trustworthiness of Tokio Marine Group's operations, we have formulated the "Tokio Marine Group Policies for Information Security Management" and use appropriate methods to conduct information security management at each company in accordance with their line of business, scale, location, and other factors.

With regard to the EU General Data Protection Regulation (GDPR), which came into effect on May 25, 2018, the Group is also taking necessary measures based on the results of the Group's field survey on personal data in the EU.

Based on the "Tokio Marine Group Policies for Information Security Management," each company establishes departments to oversee information security management and formulate policies and regulations. To protect information assets from various information leakage risks, including leak, loss, and unauthorized use, we ensure the confidentiality of information assets and manage them so that they can be used when necessary. Furthermore, the Company regularly monitors the information security management of group companies, setting up structures and providing information when necessary.

▶ For our approach to cyber risk, please see pages 80–81.

Crisis Management System

Tokio Marine Group has established a crisis management system to minimize economic losses and other impacts incurred in an emergency and immediately restore ordinary business operations.

The Company has formulated the "Tokio Marine Group Basic Policy for Crisis Management" and the "Tokio Marine Group Crisis Management Manual" based on the policy, and has set forth the crisis management systems necessary for Group companies to carry out their own roles.

Group companies formulate crisis management policies in line with policies of the Group to develop crisis management systems that include establishing a department in charge of crisis management, decision-making procedures for emergency situations, and securing the chain of command. In addition to developing the crisis management system during normal conditions, the department in charge of crisis management plays the role of secretariat for response during emergency situations, including reporting to the Company.

When conditions that may develop into an emergency situation arise, in addition to each Group company determining whether or not these conditions correspond to an emergency situation, the Company determines, if necessary, whether or not these conditions correspond to an emergency situation for the Group. This system enables the Company to properly instruct Group companies and make sure necessary actions as a Group can be made. In fiscal 2020, in response to the COVID-19 virus that caused an emergency situation for the Group, we developed and promoted a system that allows our employees to support customers remotely, and reviewed our business continuity plan based on the results of its implementation.

Internal/External Audits, etc.

Regarding internal audits, there is a statutory audit conducted by Audit & Supervisory Board Members in accordance with the Companies Act and an internal audit performed by the Internal Audit Section. The internal audit is performed based on the "Internal Auditing Rules" that have been approved by the Board of Directors.

Regarding external audits, there is an accounting audit based on the Companies Act and the Financial Instruments and Exchange Act and an internal control audit based on the Financial Instruments and Exchange Act conducted by PricewaterhouseCoopers Aarata.

Tokio Marine Holdings is also subject to inspections by the Financial Services Agency of Japan pursuant to the Insurance Business Law.

Enterprise Risk Management (ERM)

The Framework of Enterprise Risk Management

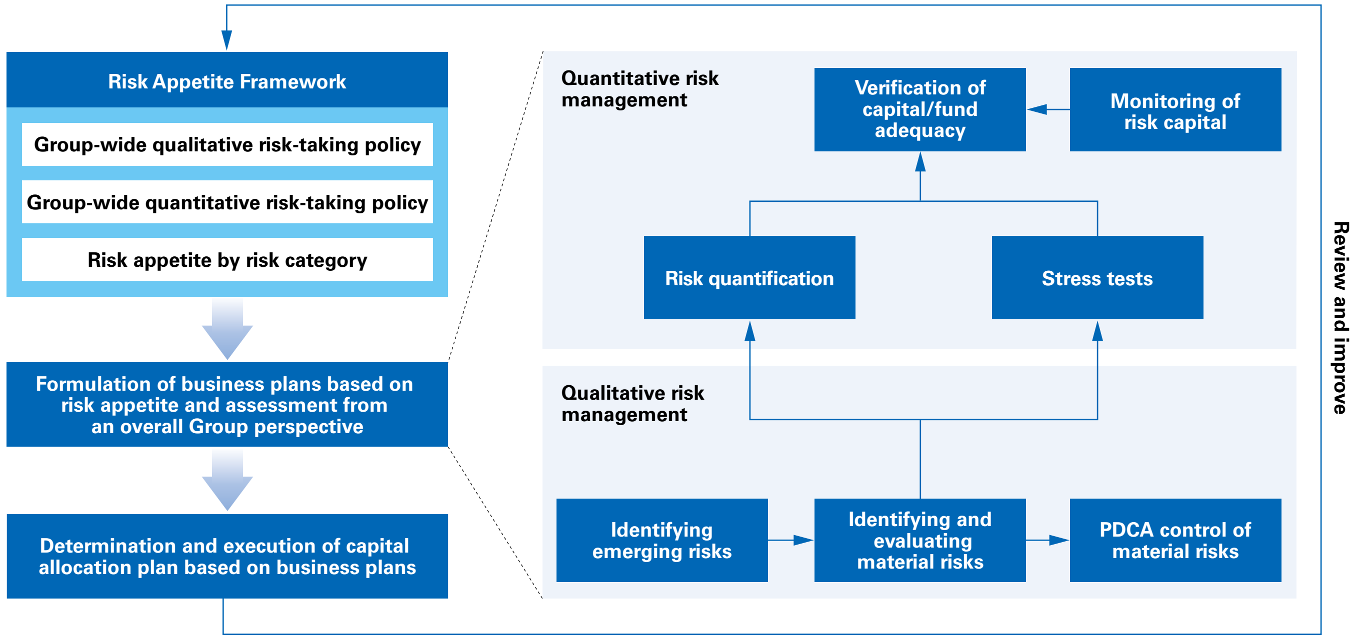
The Group is committed to Enterprise Risk Management (ERM) as the management platform for advancing its Mid-Term Business Plan. Specifically, we will be constantly aware of the relationship between "risk," "capital" and "profit," and by realizing "capital adequacy" and "high profitability" in relation to risk, we will strive to achieve sustainable growth of corporate value.

The ERM Framework of Tokio Marine Group

The risks that the Group faces are getting more diverse and complex due to the expansion of global business and changes in the management environment. In addition, in the recent political, economic and social conditions which have much uncertainty and change, the Company must keep a close watch for new emerging risks and cope with them appropriately.

From this perspective, the Company is not limited to traditional risk management aimed at risk mitigation and avoidance, but also comprehensively grasps risk by both qualitative and quantitative approaches.

Enterprise Risk Management Cycle



Qualitative Risk Management

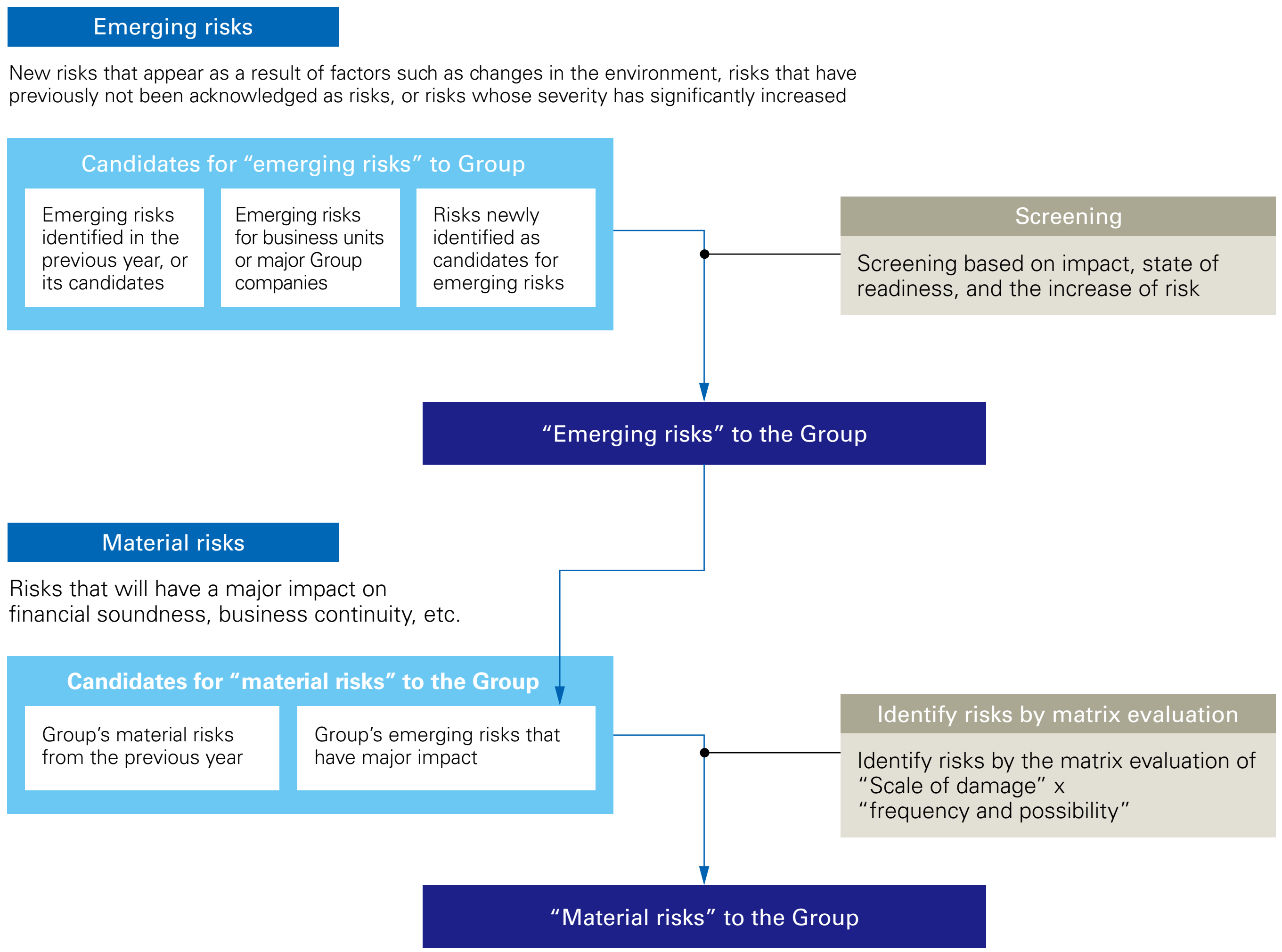
With regard to qualitative risk management, the Company has a system in place to comprehensively identify and report all risks to management, including "emerging risks" that may occur as a result of changes in the environment and other factors. The risks faced by the Group are discussed at the management level when necessary.

Through this process the Company makes comprehensive assessments of risks not limited to factors such as financial damages or frequency, but it also adds factors such as business continuity and reputation. Those risks that seriously impact the financial soundness, business continuity of the entire Group or its Group companies are defined as "material risks."

We evaluate capital adequacy in relation to material risks through quantitative risk management process mentioned below. Preventive control measures before the risk takes place as well as the countermeasures after the risk takes place*1 are formulated and controlled by the PDCA cycle.

*1: Preventive control measures before the risk manifests include monitoring and risk aggregation management taking market environment and regulation trends into consideration. Countermeasures after the risk takes place include manuals (including business continuity plan, etc.) and conducting drills.

Identifying Emerging Risks and the Process of Determining Material Risks



Material Risks for Fiscal 2021 and Main Anticipated Scenarios

Material risks (fiscal 2021)	Main anticipated scenarios
Domestic or overseas economic crisis, chaos in financial and capital markets	• A global economic crisis with the magnitude of the 2008 global financial crisis occurs, and the value of the Group's assets falls substantially. • Chaos in financial and capital markets due to emergence of geopolitical risks occurs, and the value of the Group's assets falls substantially.
Loss of confidence in JGBs	• Japanese government bonds plummet in value due to a decline in the government's creditworthiness, and the value of the Group's assets falls substantially.
Major earthquakes	• An inland earthquake occurs below Tokyo, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets. • A mega earthquake in an ocean trough, such as the Nankai Trough, occurs, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.
Major wind and flooding disasters	• Major wind and flooding disasters caused by huge typhoons and torrential rains occur in Japan, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity. • Multiple major hurricanes hit the American East Coast in the same year, resulting in large insurance payouts.
Volcano eruptions	• Massive volcanic ash fallout is caused by a major eruption of Mt. Fuji, causing issues such as widespread transportation network disruptions, power outages, and communication interference, paralyzing Tokyo's capital city functions. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.
Pandemics	• The spread of a new infectious disease leads to many deaths, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets. • The current situation for COVID-19 infections continues for several years, and the world economy stagnates. The value of the Group's assets falls substantially.
Transformation of industrial structure due to new innovative technologies	• Earnings decline, especially in automobile insurance, due to the spread of connected cars, autonomous driving, car sharing, and electric vehicles. • Earnings decline as companies from other industries enter the insurance industry and erode the Group's business foundation, particularly in the individual insurance market. • The Group loses its competitive advantage due to delays in addressing changes in the business environment from digital transformation and in the post-COVID-19 era, resulting in declined earnings.
Cyber risk	• A cyberattack causes a failure in the Group's systems or those in its distribution channels, causing serious impact on the Group's business continuity. In addition, the emergence of reputational risk harms corporate value. • Damage from cyberattacks grows immensely at client companies, resulting in large insurance payouts.
Terrorism and riots	• Major acts of terrorism and/or riots occur near main Group company locations, resulting in serious impact on the Group's business continuity.
Conduct risk	• The practices of the Group and the insurance industry deviate from societal norms and are regarded as inappropriate corporate behavior, and corporate value is damaged by the emergence of reputational risk.
Violation of laws and regulations	• The Group's transactions violate domestic or overseas laws or regulations, forcing payment of significant fines or settlement fees to regulatory authorities. In addition, the emergence of reputational risk harms corporate value.

Quantitative Risk Management

In quantitative risk management, the Company measures risk amounts and conducts stress tests using risk models based on the latest knowledge available, verifying from multiple perspectives that its capital is sufficient relative to the risks it holds, with the aim of maintaining its credit ratings and preventing bankruptcy.

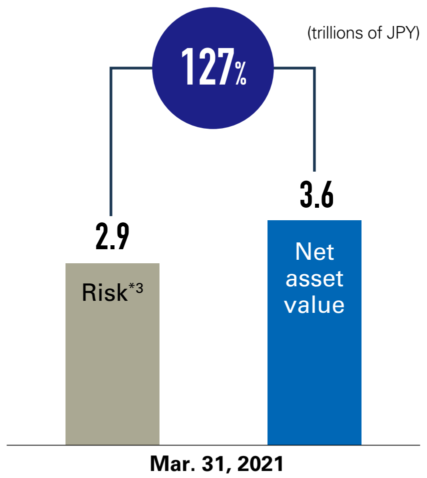
Specifically, the Company quantifies potential risks using a statistical metric called "Value at Risk (VaR)" on a 99.95% confidence level, which corresponds to an AA credit rating, and verifies its capital adequacy based on the Economic Solvency Ratio (ESR) arrived at by dividing net asset value*2 by risk capital. A risk capital of 99.95% VaR is equivalent to the damage caused by an occurrence of a risk that happens once in 2000 years. While many insurance companies around the world use 99.5% VaR (once in 200 years), Tokio Marine Group uses much more stringent standards to evaluate risk capital.

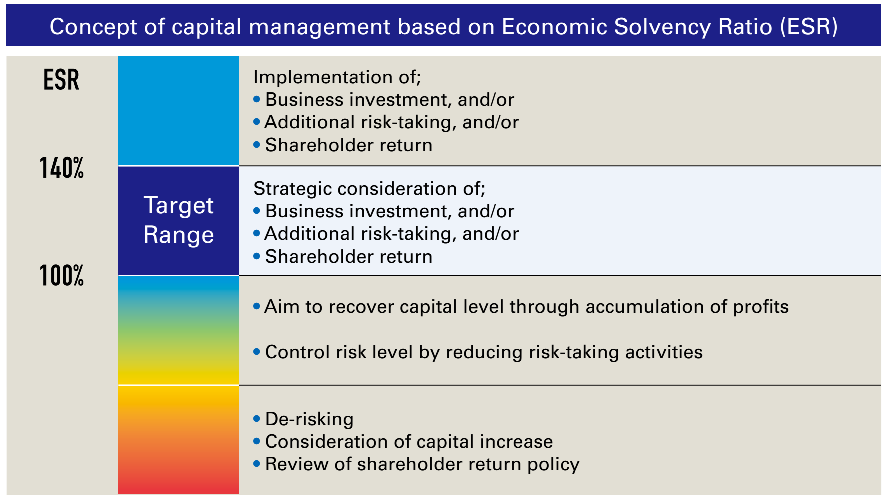
Tokio Marine Group has set its ESR target range at 100 to 140%. As of March 31, 2021, the ESR is 127%, indicating that the Group's level of capital is adequate.

Furthermore, of the "material risks" identified in the qualitative risk management, stress tests are conducted based on scenarios in which major economic loss are expected, and on scenarios where multiple material risks occur at the same time, in order to validate business continuity and to ensure that there are no issues with capital adequacy or liquidity of funds.

*2: Net asset value: Calculated by adding the value of catastrophe loss reserves, deducting for goodwill, and making other adjustments to consolidated net assets on a financial accounting basis.

Status of Economic Solvency Ratio (ESR)





*3: Risk is quantified using a model based on 99.95% VaR (corresponds to an AA credit rating)

Initiatives to Strengthen ERM Framework

Tokio Marine Group continues to take steps to further strengthen its ERM framework to address increasingly diverse and complex risks. For example, the Group has established ERM Committee as one of its global committees, which includes the Group CEO, CFO, CRO and other C-suite as well as management personnel from overseas Group companies to discuss Group ERM strategies and policies.

In the new medium-term plan, we will continue to make efforts toward strengthening both operational and financial resilience across the Group as a whole and at each individual Group company, both in Japan and overseas. We will make these efforts to ensure business continuity and/or rapid recovery during a major risk event. Furthermore, we will place special emphasis on developing processes for evaluating Group company capital efficiency and using this process as a basis for improving our business portfolio. We will also further evolve our risk assessments, including on cyber risk and other risks that are difficult to quantify.

ESG Initiatives and Contributions to the United Nations Sustainable Development Goals

The material social issues to be addressed by Tokio Marine Group are indicated in pages 72–77. In addition to these issues, the Group is advancing various initiatives pertaining to environmental, social, and governance (ESG) issues. We will work to contribute greatly to the achievement of the SDGs through such initiatives.

ESG Category	Initiative Theme	Major Initiative	1 No Poverty	2 Zero Hunger	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the Goals
E Environmental	Promoting environmental management	Reduction of environmental impacts of business activities and achievement of a carbon neutral state												●	●				
	Preserving biodiversity through products and services	Promotion of web-based insurance contracts and omission of issuing insurance policies												●	●				
		Mangrove planting project, "Green Gift" and the Planet GENKI Program				●		●					●	●	●	●	●		
		Promotion of the use of recycled parts when repairing damage to vehicles involved in accidents												●	●				
	Preventing global warming by promoting the development of clean energy	Provision of exclusive products and services for solar, geothermal, and offshore wind power generators							●		●				●				
		Provision of products and services for environment-related operators						●			●				●	●	●		
		Promotion of the use of environmentally friendly drones through the provision of drone insurance									●				●				
		Provision of renewable energy funds, and investment in green bonds							●		●				●				
		Promotion of green transformation (GX)							●						●				
	Providing environmental awareness	Implementation of "Green Lessons" and "Children's Environmental Award program"				●		●					●		●	●	●		
	Making society resilient to natural disasters	Execution of natural disaster risk research and "Disaster Risk Prevention Lessons" through industry-academia collaboration	●			●				●	●		●		●				●
		Participation in The Geneva Association and other initiatives and events related to natural disaster	●							●	●		●		●				●
		Provision of business continuity plan (BCP) formulation support programs, and disaster education and training services								●			●		●				
		Improvement of products and services that respond to the increasingly serious natural disasters								●			●		●				
		Development of claim services that utilize satellites and drones	●							●	●		●		●				
S Social	Creating a society based on health and longevity	Provision of highly unique medical, cancer, and other insurance ("Life Insurance Revolution to Protect One's Living")			●					●									
		Provision of new products and services for the rising number of diabetes patients in India			●					●									
		Provision of specialized products for addressing dementia, and execution of courses to foster people providing support to dementia patients			●					●									
		Responding to the need for coverage for COVID-19 as well as for preventing infection			●					●			●						
	Responding to technological progress and changes in the automotive lifestyle	Provision of auto insurance compatible with autonomous driving and sharing economies			●						●		●	●					
		Provision of products and services that utilize an original driving recorder			●						●		●	●					
		Provision of one-day auto insurance (Choinori Insurance)			●						●		●						
		Provision of cyber risk insurance for corporate customers									●		●						
		Provision of claim services that utilize big data and AI technologies			●						●		●						
		Execution of "Group Work on Managing Risks and Opportunities," a career education program				●					●		●						
	Addressing the increase in foreign visitors to Japan	Development of inbound business support services for Japanese business operators										●		●					
	Eliminating poverty in society	Provision of weather insurance and microinsurance for farmers in India	●	●						●		●							
		Provision of microfinance funds	●	●						●		●							
	Realizing an inclusive society	Provision of products and services catering to the LGBT community					●			●		●							
		Partnership with Special Olympics Nippon Foundation and Japan Deafblind Association, etc.				●				●		●						●	●
		Collaboration with the Japanese Para-Sports Association and Japan Inclusive Football Federation				●				●		●						●	●
		Monetary donations made with the objective of providing logistic support for COVID-19 and large-scale natural disasters, etc.			●					●			●					●	●
	Developing industrial foundations	Support for corporate health and productivity management efforts			●					●	●		●						●
		Partnership between local governments and businesses operators to advance regional revitalization initiatives	●							●	●		●						●
		Contribution to the development of society through sports								●	●	●							●
	Increasing employee motivation	Promotion of diversity and inclusion				●				●		●							
		Promotion of working style reforms, and health and productivity management			●					●	●	●							
		Human resources development that leverages Group's collective strengths				●				●									
G Governance	Enhancing corporate governance	Appointment of outside directors with diverse expertise, and adoption of hybrid corporate governance structure																●	
		Enhancement of governance through the execution of PDCA cycle that is based on the evaluation of effectiveness																●	
		Strengthening integrated group management					●			●								●	
	Implementing internal controls	Formulation of various basic policies and conducting of regular monitoring																●	
		Execution of compliance training and introduction of a hotline system										●						●	
	Practicing risk management	Enhancement of enterprise risk management and convening of ERM Committee								●								●	
		Formulation of Tokio Marine Group's Basic Policies for Risk Management and Tokio Marine Group Basic Policy for Crisis Management, and conducting of regular monitoring											●					●	

Participation in International Initiatives

Tokio Marine Group participates in various international initiatives, taking part in surveys, research and making recommendations to contribute to the realization of a sustainable society.

Human Rights, Labor, the Environment, and Anti-Corruption

United Nations Global Compact

- Joining of United Nations Global Compact and declaration of support in 2005
- In fiscal 2020, participated in "Disaster Prevention and Mitigation Working Group," "Reporting Study Working Group," etc.

Sustainable Finance and Insurance Frameworks

United Nations Environment Programme and Finance Initiative

- Participated in the Insurance Committee as a representative director of the Asia region
- Attended Tokyo Dialogue (June 2019) on sustainable finance preceding 2019 G20 Osaka Summit

Principles for Financial Action for the 21st Century

Principles for Sustainable Insurance

- Signing as founding signatory in 2012 and participation in PSI TCFD Insurer Pilot Working Group in 2018 to promote the development of climate-related disclosure frameworks based on TCFD recommendations

Insurance Development Forum (Insurance industry-spearheaded international public-private partnership)

Sustainable Investment

United Nations Principles for Responsible investment

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

Japan Sustainable Investment Forum

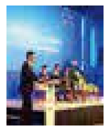
Climate-related Information Disclosure

United Nations International Strategy for Disaster Risk Reduction / Private Sector Alliance for Disaster Resilient Societies

The Geneva Association

ClimateWise

Asia-Pacific Financial Forum



CDP

Task Force on Climate-related Financial Disclosures

Eco-First Promotion Council

COOL CHOICE

ESG Evaluations and External Awards

Tokio Marine Group has been highly evaluated and received numerous awards from domestic and overseas institutions for the environmental, social, and governance (ESG) initiatives that it promotes as a part of its business and corporate social responsibility activities.

Socially Responsible Investment (SRI) and ESG Indices that Include Tokio Marine Holdings

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

- Globally recognized ESG index series jointly developed by S&P Dow Jones Indices LLC and RobecoSAM AG in 1999
- Tokio Marine Holdings included for 12 consecutive years beginning in 2009

FTSE4Good

S&P/JPX Carbon Efficient Index

FTSE Blossom Japan

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

The inclusion of Tokio Marine Holdings in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Tokio Marine Holdings by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Awards for ESG Initiatives

- Tokio Marine Group included in 2021 "Health & Productivity Stock Selection program" (sixth consecutive year)
- Tokio Marine Group selected as an Excellent Enterprise of Health & Productivity Management / Large Enterprise Category together with eleven Group companies, of which six were recognized as White 500 enterprises

- Received the SDGs Strategy/Economic Value Award at the 2nd Nikkei SDGs Management Grand Prix

- Selected as 2019 Climate Change A List company by the international non-profit environmental organization CDP
- Received a score of A - in 2020

- Included as a Nadeshiko Brand in fiscal years 2018 following 2013, 2015, 2017
- Selected as a Semi-Nadeshiko Brand in fiscal 2019 and 2020

- Received ministerial commendation as a model example of initiatives being promoted by financial institutions to revitalize regional economies (fifth consecutive year)

- Overseas Group companies named among the "Best Places to Work in Insurance" in the United States and among the "Best Workplaces for Women" in Brazil (eighth consecutive year)

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

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

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

(Unit: Millions of USD)

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

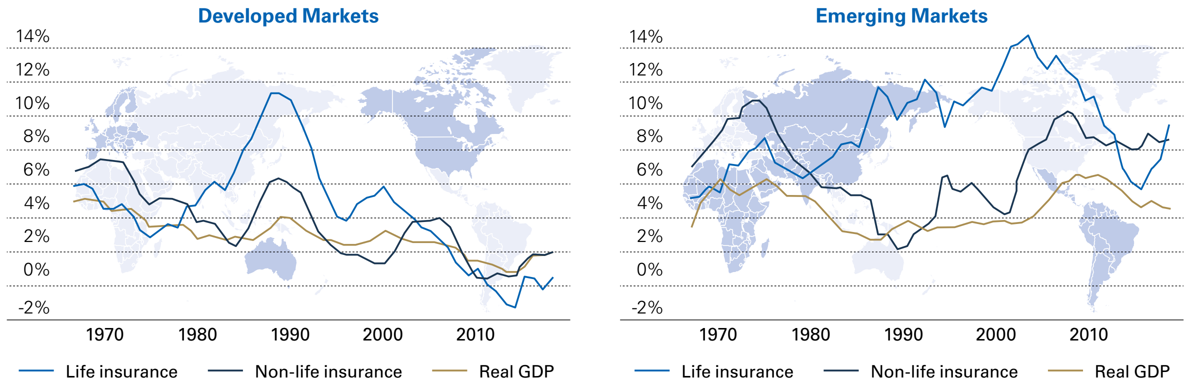
*1: Before reinsurance
*2: Includes personal accident insurance and health insurance
*3: Non-life premiums include state funds. Life insurance premiums include the estimated value of group annuities premiums
*4: Estimated figures
*5: Provisional figures
*6: Fiscal year between April 1, 2017 and March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

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

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

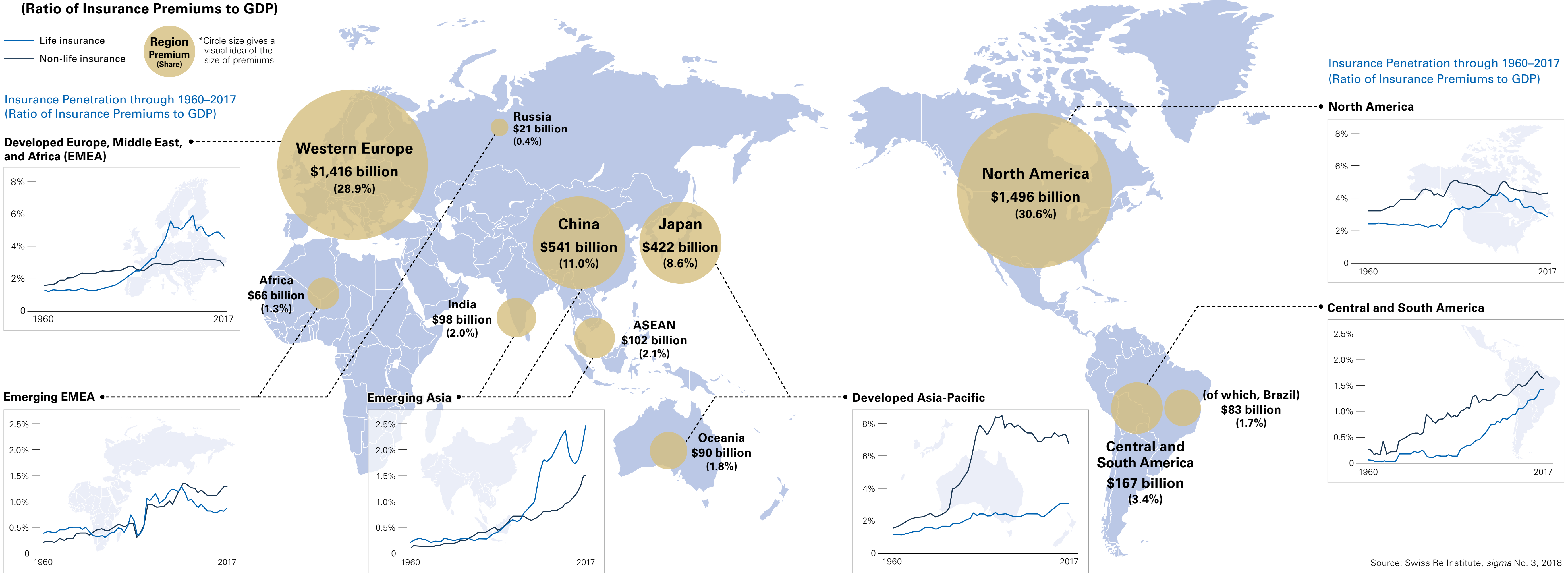
Non-life premiums grow in tandem with economic growth in developed markets. However, in emerging markets, which have low levels of insurance penetration and upward trends in populations, insurance premiums show growth that exceeds economic growth. Note that increases in life premiums are greatly impacted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

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



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

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



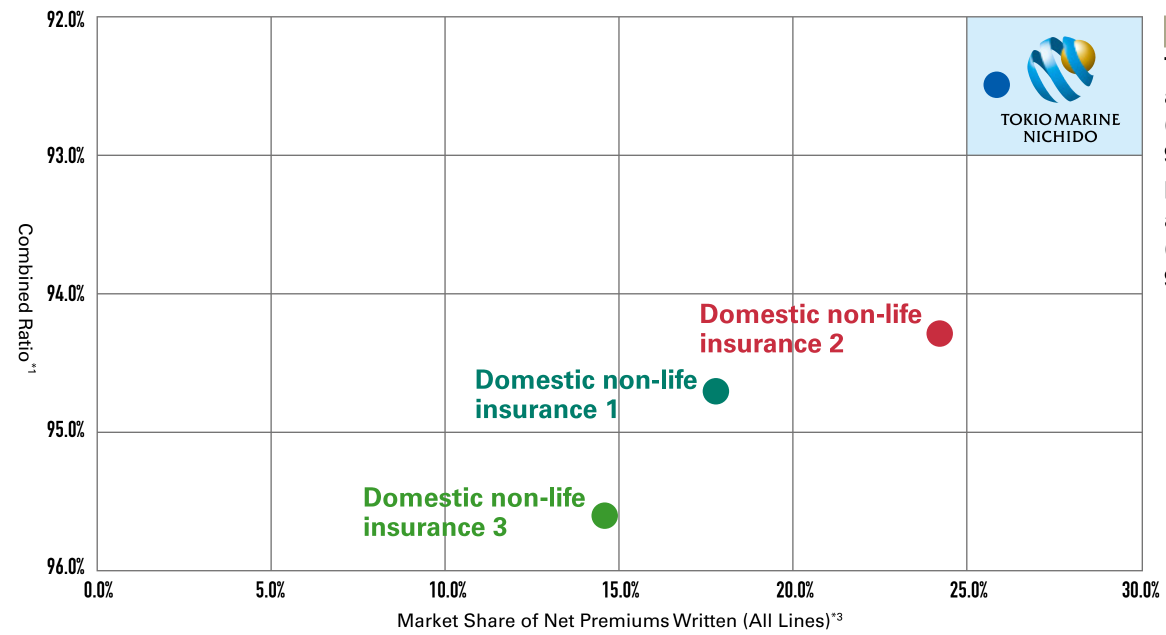
Source: Swiss Re Institute, *sigma* No. 3, 2018

Established Top Level Businesses Inside and Outside of Japan

Japan

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

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



Reference

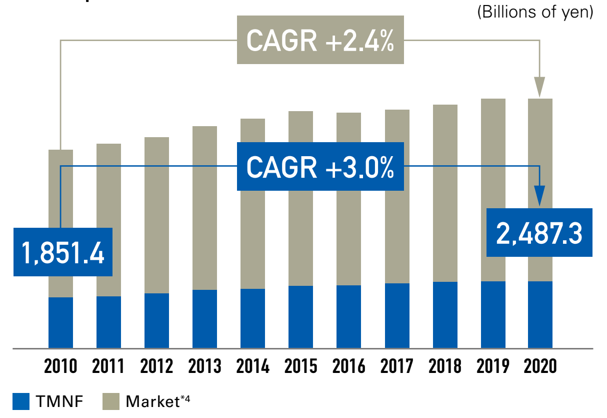
Ten-year average C/R (2011–2020) 92.9%*2

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

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

Top-line growth outperforming the market

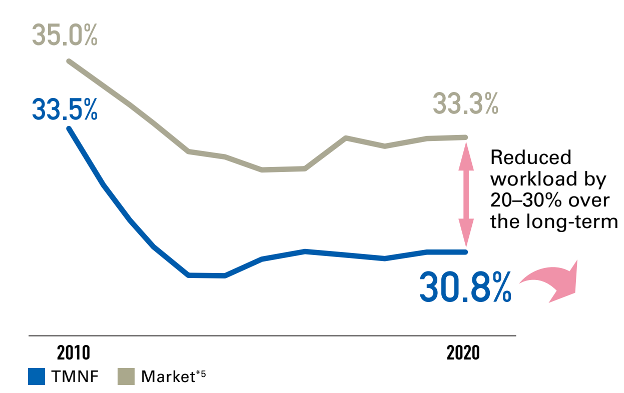
■ Net premiums written



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

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

■ Expense Ratio (All Lines)



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

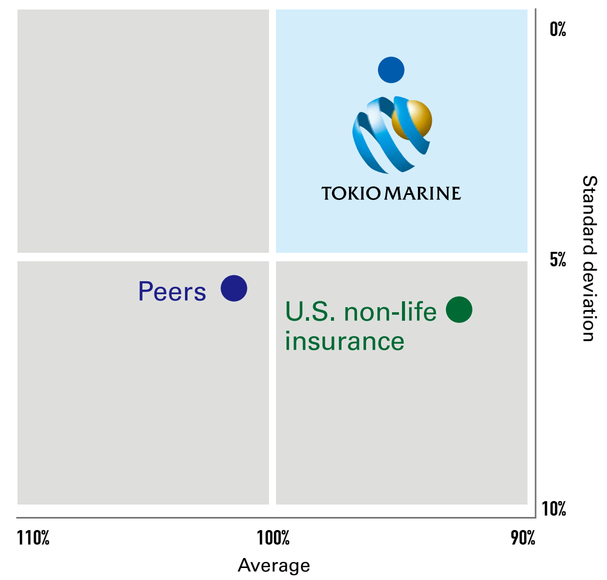
Overseas: Developed countries

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

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

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

■ Combined Ratio (2015–2020)*2

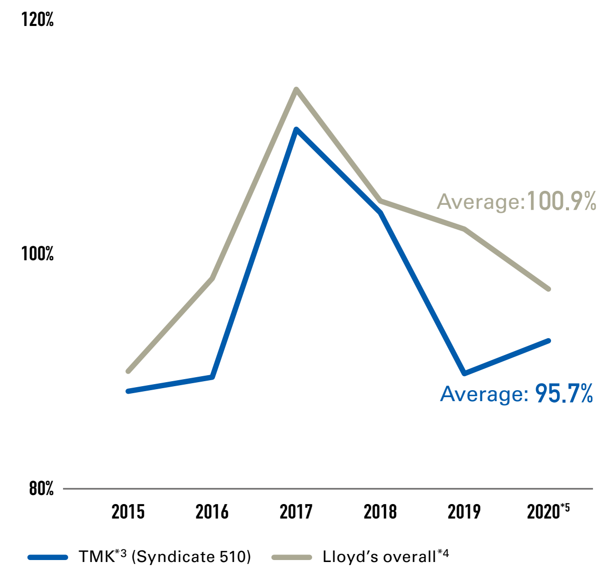


*1: U.S. Commercial P&C direct premiums written in FY2020; source: S&P Global
*2: Tokio Marine's combined ratio total for North America
Combined ratio for U.S. Non-life insurance business for the following companies
Peers: median of Allianz, AXA, Chubb, and Zurich
U.S. non-life insurance: median of non-life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

UK Lloyd's
Top class player*4

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

■ Combined Ratio (2015–2020)



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

Overseas: Emerging countries

We have established a strong position by capturing high market growth

Top line growth outperforming high-growth markets

■ Top line in emerging countries*6

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

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

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

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

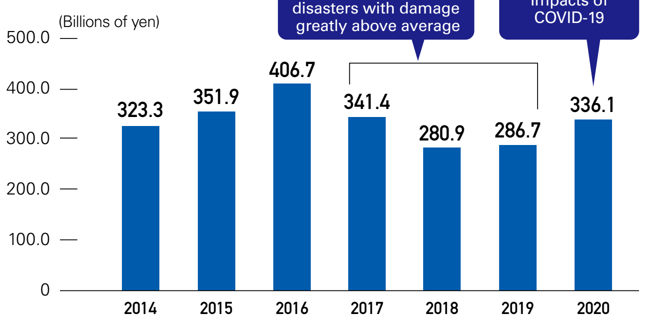
*7: Source: SUSEP for Brazil and local insurance rating organization for Thailand
*8: Local currency basis

Financial Highlights

Promoting risk diversification and generating stable profits

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

■Adjusted Net Income*1

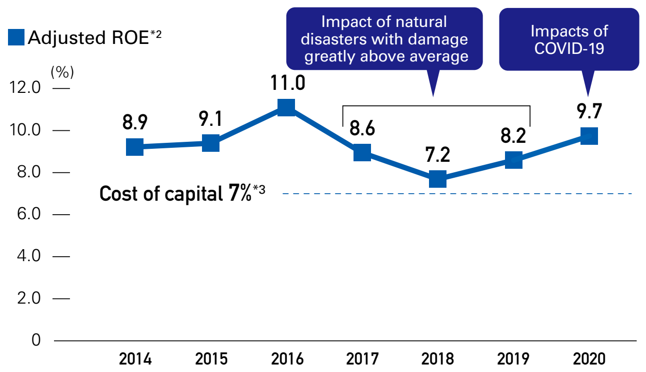


*1: Indicator used for business plans and shareholder return; please see page 126 for details.

Pursuit of higher capital efficiency

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

■Adjusted ROE*2

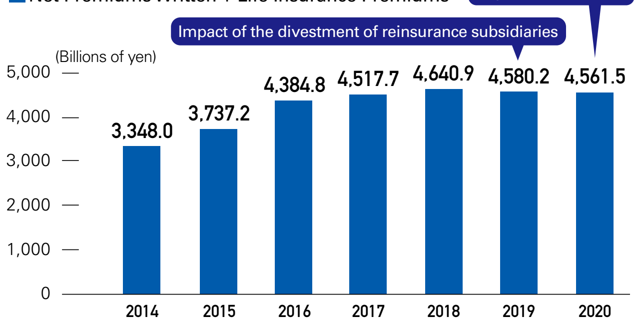


*2: Indicator used for business plans and shareholder return; please see page 126 for details.
*3: Return expected by investors; calculated using the capital asset pricing model (CAPM).

Steady expansion of Top-Line

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

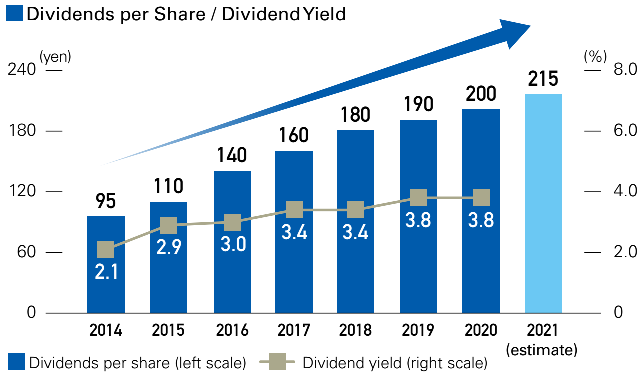
■Net Premiums Written + Life Insurance Premiums



10 consecutive years of higher dividends projected

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

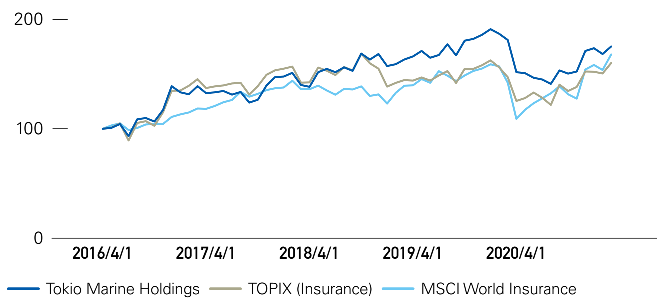
■Dividends per Share / Dividend Yield



Shareholder value growing with TSR greatly outperforming market

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

■TSR*4

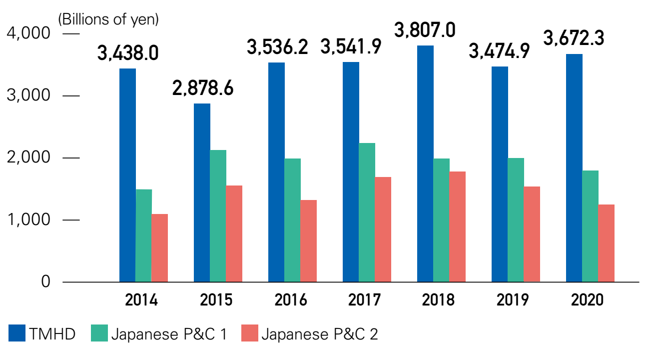


Source: Bloomberg
*4. Stock prices on April 1, 2016 are set at an index value of 100.

Steady growth in corporate value

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

■Market Capitalization

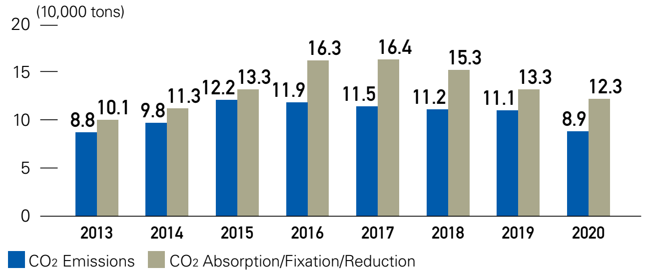


Non-Financial Highlights

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

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

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



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

Contributing to local communities through assistance for BCP formulation

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

■Cumulative Total of Collaboration Agreements with Local Governments*2

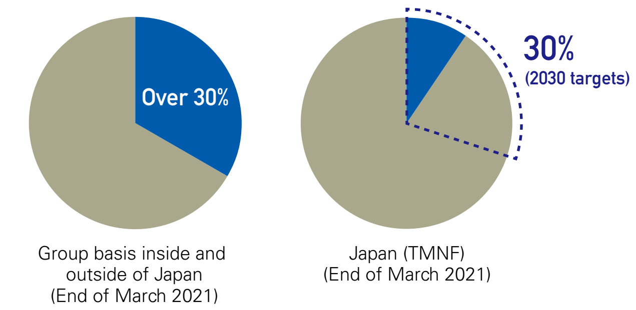
Prefectures	38
Ordinance-designated cities	10
Other cities	52

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

Eliminating the gender gap

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

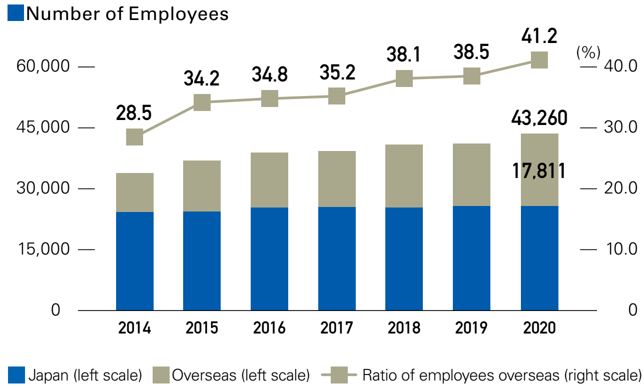
■Ratio of Women in Leadership Positions



Worldwide promotion of diversity

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

■Number of Employees



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

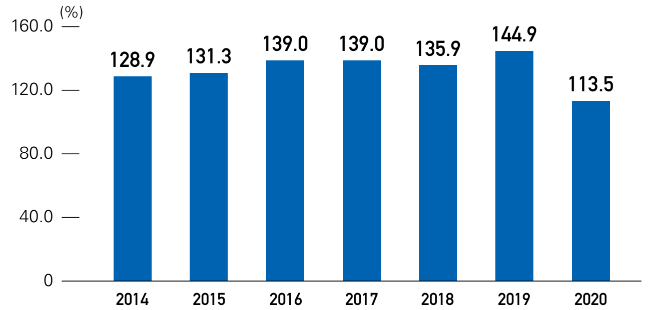
We continue to work on health and productivity management across the Group, knowing that this forms an important element of our corporate philosophy to be a "Good Company."

2021
健康経営銘柄
Health and Productivity

Active participation in social contribution activities

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

■Ratio of Group Employees Engaged in Social Contribution Activities*3



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

Business Conditions (Unaudited)

Main Financial and Non-Financial Data

(Yen in millions unless otherwise indicated)

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

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

Adjusted Net Income, Adjusted Net Assets, and Adjusted ROE

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

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

Adjusted Net Income

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

Adjusted Net Assets

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

Adjusted ROE

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

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

Business Unit Profits

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

Non-Life Insurance Business

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

Life Insurance Business[3]

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

Other Businesses

Net income determined in accordance with financial accounting principles

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

Overview of Business Results (Unaudited)

1. Consolidated Results of Operations

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

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

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

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

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

Domestic Non-Life Insurance (Unaudited)

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

Underwriting

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

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

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

Business Conditions (Unaudited)

Net premiums written

(Yen in millions)

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

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

Net claims paid

(Yen in millions)

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

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

Investment

Investment assets

(Yen in millions)

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

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

Securities

(Yen in millions)

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

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

Yield

Income yield

(Yen in millions)

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

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

Realized yield

(Yen in millions)

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

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

Domestic Life Insurance (Unaudited)

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

Underwriting

Total amount of business in force

(Yen in millions)

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

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

Total amount of new business

(Yen in millions)

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

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

Investment

Investment assets

(Yen in millions)

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

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

Securities

(Yen in millions)

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

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

Yield

Income yield

(Yen in millions)

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

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

Realized yield

(Yen in millions)

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

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

International Insurance (Unaudited)

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

Underwriting

Net premiums written

(Yen in millions)

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

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

Net claims paid

(Yen in millions)

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

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

Investment

Investment assets

(Yen in millions)

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

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

Yield

Income yield

(Yen in millions)

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

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

Realized yield

(Yen in millions)

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

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

(Reference) Total for All Businesses (Unaudited)

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

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

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

Net premiums written

(Yen in millions)

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

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

Net claims paid

(Yen in millions)

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

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

2. Cash Flows

Cash flows for the fiscal year 2020 were as follows:

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

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

3. Production, Orders and Sales

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

Preparation of Consolidated Financial Statements

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

The Company and its domestic consolidated subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Amounts of less than 1 million yen have been omitted in the consolidated financial statements. As a result, the provided total balance does not necessarily agree with the sum of the individual account balances.

(1) Consolidated Balance Sheet

(Yen in millions)

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

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

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

Consolidated Statement of Income

(Yen in millions)

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

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

Consolidated Statement of Comprehensive Income

(Yen in millions)

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

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

(3) Consolidated Statement of Changes in Shareholders' Equity

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

(Yen in millions)

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

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

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

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

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

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

(4) Consolidated Statement of Cash Flows

(Yen in millions)

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

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

Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated companies: 175 companies

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

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

(2) Names of major non-consolidated subsidiaries

(Names of major companies)

• Tokio Marine & Nichido Adjusting Service Co., Ltd.

• Tokio Marine Life Insurance (Thailand) Public Company Limited

(Reason for exclusion from the scope of consolidation)

Each non-consolidated subsidiary is small in scale in terms of total assets, sales, net income or loss and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations, these companies are excluded from the consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for by the equity method: 7 companies

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

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

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

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

3. Balance sheet date of consolidated subsidiaries

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

4. Accounting policies

(1) Accounting for insurance contracts

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

(2) Valuation of securities

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

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

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

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

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

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

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

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

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

(3) Valuation of derivative transactions

Derivative financial instruments are measured at fair value.

(4) Depreciation methods for material depreciable assets

a. Tangible fixed assets

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

b. Intangible fixed assets

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

(5) Accounting policies for significant reserves and allowances

a. Allowance for doubtful accounts

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

For receivables from any debtor who has legally, or in practice, become insolvent (due to bankruptcy, special liquidation or suspension of transactions with banks based on the rules governing clearing houses, etc.) and for receivables from any debtor who has substantially become insolvent, allowances are provided based on the amount of any such receivables less the amount expected to be collectible, calculated based on the disposal of collateral or execution of guarantees.

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

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

In addition, all receivables are assessed by the asset accounting department and the asset management department in accordance with the rules of asset self-assessment. Subsequently, the asset auditing departments, which are independent from other asset-related departments, conduct audits of the assessment results of the other asset-related departments. Allowances are provided based on such assessment results as stated above.

b. Provision for employees' bonus

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

c. Reserve for price fluctuation

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

(6) Accounting methods for retirement benefits

a. The method of attributing expected retirement benefits to periods

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

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

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

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

(7) Consumption taxes

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

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

(8) Hedge accounting

a. Interest rate

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

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

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

b. Foreign exchange

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

(9) Methods and periods of amortization of goodwill

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

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

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

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

Significant Accounting Estimates

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

1. Outstanding claims

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

Outstanding claims 3,157,123 million yen

(2) Information on the significant accounting estimates

a. Calculation method

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

b. Key assumptions used in the calculations

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

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

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

2. Impairment of goodwill

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

Goodwill 485,682 million yen

(2) Information on the significant accounting estimates

a. Calculation method

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

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

b. Key assumptions for the calculations

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

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

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

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

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

3. Valuation of financial instruments

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

Please refer to "Information on Financial Instruments".

(2) Information on significant accounting estimates

a. Calculation method

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

b. Key assumptions for the calculations

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

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

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

Notes to Consolidated Financial Statements

Accounting Standards Not Yet Adopted by the Company

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

1. Overview

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

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

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

2. Date of application

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

3. Impact of application of standards

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

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

1. Overview

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

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

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

2. Date of application

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

3. Impact of application of standards

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

Changes in Presentation

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

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

Notes to Consolidated Balance Sheet

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

(Yen in millions)

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

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

(Yen in millions)

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

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

(Yen in millions)

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

Note: Loans are generally placed on non-accrual status when there is no expectation of the collection of the loans when loans are past due for a certain period or for other reasons (hereinafter referred to as "Non-accrual status loans"; any part of bad debt written-off is excluded). Loans to borrowers in bankruptcy represent Non-accrual status loans after a partial charge-off of claims is deemed uncollectible, which are defined in Article 96, paragraph 1, subparagraph 3 (a) to (e) (maximum amount transferable to allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

Loans past due are Non-accrual status loans, other than Loans to borrowers in bankruptcy and loans on which interest payments are deferred in order to assist business restructuring or financial recovery of the borrowers.

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

Restructured loans are loans on which concessions (e.g. reduction of the stated interest rate, deferral of interest payment, extension of the maturity date, forgiveness of debt) are granted to borrowers in financial difficulties to assist them in their corporate restructuring or financial recovery by improving their ability to repay creditors. Restructured loans do not include loans classified as Loans to borrowers in bankruptcy, Loans past due, or Loans past due for three months or more.

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

(Yen in millions)

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

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

(Yen in millions)

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

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

(Yen in millions)

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

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

(Yen in millions)

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

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

(Yen in millions)

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

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

(Yen in millions)

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

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

(Yen in millions)

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

Notes to Consolidated Statement of Income

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

(Yen in millions)

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

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

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

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

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

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

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

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

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

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

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

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

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

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

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

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

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

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

Notes to Consolidated Statement of Comprehensive Income

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

(Yen in millions)

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

Notes to Consolidated Statement of Changes in Shareholders' Equity

FY2020 (April 1, 2020–March 31, 2021)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

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

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

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

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

3. Dividends

(1) Amount of dividends

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

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

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

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

FY2019 (April 1, 2019–March 31, 2020)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

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

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

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

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

3. Dividends

(1) Amount of dividends

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

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

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

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

Notes to Consolidated Statement of Cash Flows

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

(Yen in millions)

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

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

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

FY2019 (April 1, 2019–March 31, 2020)

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

(Yen in millions)

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

Segment Information

1. Segment information

(1) Outline of reportable segments

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

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

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

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

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

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

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

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

Note: 1. "Adjustments" are as follows:

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

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

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

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

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

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

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

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

2. Related information

FY2020 (April 1, 2020–March 31, 2021)

(1) Information by product and service

(Yen in millions)

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

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

(2) Information by region

a. Ordinary income

(Yen in millions)

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

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

b. Tangible fixed assets

(Yen in millions)

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

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

(3) Information about major customers

None.

FY2019 (April 1, 2019–March 31, 2020)

(1) Information by product and service

(Yen in millions)

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

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

(2) Information by region

a. Ordinary income

(Yen in millions)

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

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

b. Tangible fixed assets

(Yen in millions)

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

(3) Information about major customers

None.

3. Impairment losses of fixed assets by reportable segments

FY2020 (April 1, 2020–March 31, 2021)

(Yen in millions)

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

FY2019 (April 1, 2019–March 31, 2020)

(Yen in millions)

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

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

(Yen in millions)

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

(2) Negative goodwill

(Yen in millions)

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

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

(Yen in millions)

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

(2) Negative goodwill

(Yen in millions)

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

5. Gains on negative goodwill by reportable segments
None.

Related-party Transactions

There is no significant transaction to be disclosed.

Lease Transactions

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

(Yen in millions)

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

Deferred Tax Accounting

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

(Yen in millions)

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

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

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Net operating loss carry forward (*)	**1,234**	**1,443**	**2,748**	**1,781**	**1,757**	**8,840**	**17,806**
Valuation allowance	**(1,234)**	**(1,443)**	**(2,748)**	**(1,781)**	**(1,757)**	**(5,895)**	**(14,862)**
Deferred tax assets	**—**	**—**	**—**	**—**	**—**	**2,944**	**2,944**

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

As of March 31, 2020

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Net operating loss carry forward (*)	1,003	1,234	1,443	2,748	1,781	10,418	18,631
Valuation allowance	(1,003)	(1,234)	(1,443)	(2,748)	(1,781)	(7,489)	(15,702)
Deferred tax assets	—	—	—	0	—	2,928	2,929

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

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

(%)

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

Information on Financial Instruments

1. Qualitative information on financial instruments

(1) Investment policies

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

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

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

With regard to financing, the Group issues corporate bonds and undertakes borrowings mainly to secure funds for investments. When financing is necessary, amounts and methodologies are determined based on the Group's cash flow status.

(2) Details of financial instruments and their risk

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

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

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

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

(3) Risk management structure

(i) Market risk and credit risk management

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

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

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

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

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

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

(ii) Liquidity risk management

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

(4) Supplementary information on fair value of financial instruments

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

2. Fair value of financial instruments

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

As of March 31, 2021

(Yen in millions)

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

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

As of March 31, 2020

(Yen in millions)

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

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

Notes to Consolidated Financial Statements

(Note 1) Valuation method for financial instruments

Assets

With regard to (1) Cash and bank deposits (excluding those defined as securities in "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019)), (2) Receivables under resale agreements, and (3) Receivables under securities borrowing transactions, the book value is generally deemed as the fair value since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Regarding (4) Monetary receivables bought, (5) Money trusts and (6) Securities (including those in (1) Cash and bank deposits that are defined as securities in Accounting Standard for Financial Instruments) with quoted market prices, the quoted closing price is used for listed stock and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (7) Loans, the book value is deemed as the fair value because the change in interest rate will be reflected in a timely manner in the future cash flows and the book value approximates the fair value as long as there are no significant changes in the credit status of the borrowers since the inception of the loans. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans of which borrowers are insolvent or in bankruptcy proceedings, the fair value is measured by deducting the estimated uncollectible debts from the carrying amount.

Liabilities

With regard to (1) Corporate bonds, the price of the over-the-counter transactions is the fair value.

With regard to (2) Payables under securities lending transactions, the book value is deemed as the fair value because it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Derivatives

Please refer to "Derivative Transactions".

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

(Yen in millions)

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

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

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

(Note 3) Maturity analysis of financial assets

As of March 31, 2021

(Yen in millions)

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

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

As of March 31, 2020

(Yen in millions)

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

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

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

As of March 31, 2021

(Yen in millions)

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

As of March 31, 2020

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Corporate bonds	37,390	3,725	361	—	—	227,490
Long-term borrowings	319,258	32,868	49,849	—	—	100,000
Obligations under lease transactions	2,576	2,962	2,310	1,833	1,030	6,021
Total	359,225	39,555	52,521	1,833	1,030	333,511

Securities

1. Trading securities

(Yen in millions)

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

2. Bonds held to maturity

(Yen in millions)

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

3. Bonds earmarked for underwriting reserves

(Yen in millions)

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

4. Available-for-sale securities

(Yen in millions)

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

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

5. Bonds held to maturity that were sold

None.

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

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

7. Available-for-sale securities that were sold

(Yen in millions)

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

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

8. Securities on which impairment losses were recognized

Impairment losses were recognized as follows :

• Available-for-sale securities with fair value

Fiscal year 2020: 22,546 million yen (Domestic equity securities 243 million yen, Foreign securities 18,043 million yen, Others 4,259 million yen)

Fiscal year 2019: 30,060 million yen (Domestic equity securities 21,460 million yen, Foreign securities 5,053 million yen, Others 3,546 million yen)

• Available-for-sale securities whose fair value cannot be measured reliably

Fiscal year 2020: 778 million yen (Domestic equity securities 129 million yen, Foreign securities 648 million yen)

Fiscal year 2019: 63 million yen (Domestic equity securities 63 million yen)

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

Money Trusts

1. Money trusts held for trading purposes

(Yen in millions)

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

2. Money trusts held to maturity

None.

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

None.

Derivative Transactions

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

1. Derivative transactions to which hedge accounting is not applied

(1) Foreign currency-related instruments

(Yen in millions)

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

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

(2) Interest rate-related instruments

(Yen in millions)

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

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

(3) Equity-related instruments

(Yen in millions)

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

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

(4) Bond-related instruments

(Yen in millions)

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

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

(5) Commodity-related instruments

(Yen in millions)

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

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

(6) Others

(Yen in millions)

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

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

2. Derivative transactions to which hedge accounting is applied

(1) Foreign currency-related instruments

(Yen in millions)

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

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

(2) Interest rate-related instruments

(Yen in millions)

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

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

Retirement Benefits

1. Outline of retirement benefit plans

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

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

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

2. Defined benefit plan

(1) Changes in retirement benefit obligations

(Yen in millions)

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

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

(2) Changes in plan assets

(Yen in millions)

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

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

(Yen in millions)

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

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

(4) Retirement benefit expenses

(Yen in millions)

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

(5) Remeasurements of defined benefit plans included in Other comprehensive income

Remeasurements of defined benefit plans (before tax effect) consist of the following:

(Yen in millions)

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

(6) Remeasurements of defined benefit plans included in Accumulated other comprehensive income

Remeasurements of defined benefit plans (before tax effect) consist of the following:

(Yen in millions)

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

(7) Plan assets

a. Components of plan assets

Percentages by major categories of plan assets are as follows:

(%)

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

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

b. Calculation of long-term expected rate of return on plan assets

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

(8) Actuarial assumptions

Principal actuarial assumptions are as follows:

(%)

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

3. Defined contribution pension plans

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

(Yen in millions)

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

Investment Property

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

(Yen in millions)

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

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

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

(Yen in millions)

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

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

Stock Options

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

(Yen in millions)

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

2. Details of stock options

(1) Details of stock options

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

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

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

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

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

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

(2) Figures relating to stock options

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

(a) Number of stock options

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

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

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

(b) Price information

(Yen)

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

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

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

Note: Exercise price per one stock option

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

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

(1) Valuation technique: Black-Scholes Model

(2) Assumptions

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

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

4. Estimate of vested number of stock options

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

Per Share Information

(Yen)

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

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

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

Business Combinations and Other Matters

1. Business combination by acquisition

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

(1) Outline of the business combination

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

b. Business
Asset management business

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

d. Date of the business combination
December 31, 2020

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

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

g. Voting rights acquired through the business combination
100%

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

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

(3) Acquisition cost and breakdown by class of consideration

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

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

Advisory fee	199 million yen

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

a. Amount of goodwill
39,207 million yen

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

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

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

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

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

2. Finalization of provisional accounting treatment for business combination

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

Subsequent Events

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

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

Supplementary Schedule

(Schedule of corporate bonds)

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

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

(Yen in millions)

Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years
3,519	265	—	—	2,587

(Schedule of borrowings)

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

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

(Yen in millions)

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

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

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Estimates of outstanding claim reserves of major subsidiaries

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

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

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

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Independent Auditor's Report

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

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

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

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

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

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

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

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

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

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

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

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

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

Masahiko Nara
Designated Engagement Partner
Certified Public Accountant

August 6, 2021

Solvency Margin Ratio (Unaudited)

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

Tokio Marine Holdings' solvency margin ratio (consolidated)

(Yen in millions)

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

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

Solvency margin ratio (consolidated)

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

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

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

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

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

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

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

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

(Yen in millions)

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

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

Solvency Margin Ratio (Unaudited)

Solvency margin ratio (non-consolidated)

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

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

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

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

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

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

(Yen in millions)

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

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

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

(Yen in millions)

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

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

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

(Yen in millions)

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

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

Solvency Margin Ratio (Unaudited)

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

(Yen in millions)

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

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

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

(Yen in millions)

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

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

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

About MCEV

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

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

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

MCEV as of March 31, 2021

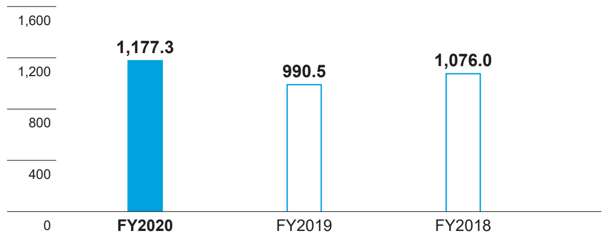
1. MCEV as of March 31, 2021

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

(Billions of yen)

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

MCEV at Fiscal Year-End



2. Change in MCEV

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

(Billions of yen)

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

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

Reconciliation Analysis of MCEV from the End of FY 2019

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

(Billions of yen)

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

Sensitivity Analysis

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

(Billions of yen)

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

Assumptions

1. Risk-Free Rates

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

JPY

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

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

JPY

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

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

2. Insurance Assumptions

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

Caveats

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

Tokio Marine Holdings and Its Subsidiaries

(As of March 31, 2021)

Description of Business

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

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

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

Business Diagram

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

Tokio Marine Holdings, Inc.

- Domestic Non-Life Insurance Business
  - ◎ Tokio Marine & Nichido Fire Insurance Co., Ltd.
  - ◎ Nisshin Fire & Marine Insurance Co., Ltd.
  - ◎ E. design Insurance Co., Ltd.
  - ◎ Tokio Marine Millea SAST Insurance Co., Ltd.
- Domestic Life Insurance Business
  - ◎ Tokio Marine & Nichido Life Insurance Co., Ltd.
- International Insurance Business
  - ◎ Tokio Marine North America, Inc.
  - ◎ Philadelphia Consolidated Holding Corp.
  - ◎ Delphi Financial Group, Inc.
  - ◎ HCC Insurance Holdings, Inc.
  - ◎ Privilege Underwriters, Inc.
  - ◎ Tokio Marine Kiln Group Limited
  - ◎ Tokio Marine Asia Pte. Ltd.
  - ◎ Tokio Marine Life Insurance Singapore Ltd.
  - ◎ Tokio Marine Seguradora S.A.
  - △ IFFCO-TOKIO General Insurance Company Limited
- Financial and General Businesses
  - ◎ Tokio Marine Asset Management Co., Ltd.

Major Subsidiaries

(As of March 31, 2021)

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

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

Worldwide Network of Tokio Marine Group

(As of March 31, 2021)

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

North America

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

Guam
- ■ Guam

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

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

Central & South America

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

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

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

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

Europe, Africa & Middle East

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

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

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

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

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

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

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

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

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

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

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

Switzerland
- ○ Tokio Marine HCC (Zurich)

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

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

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

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

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

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

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

Asia & Oceania

Korea
- ■ Seoul
- ● Seoul

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

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

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

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

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

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

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

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

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

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

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

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

Cambodia
- ■ Phnom Penh

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

New Zealand
- ● Auckland

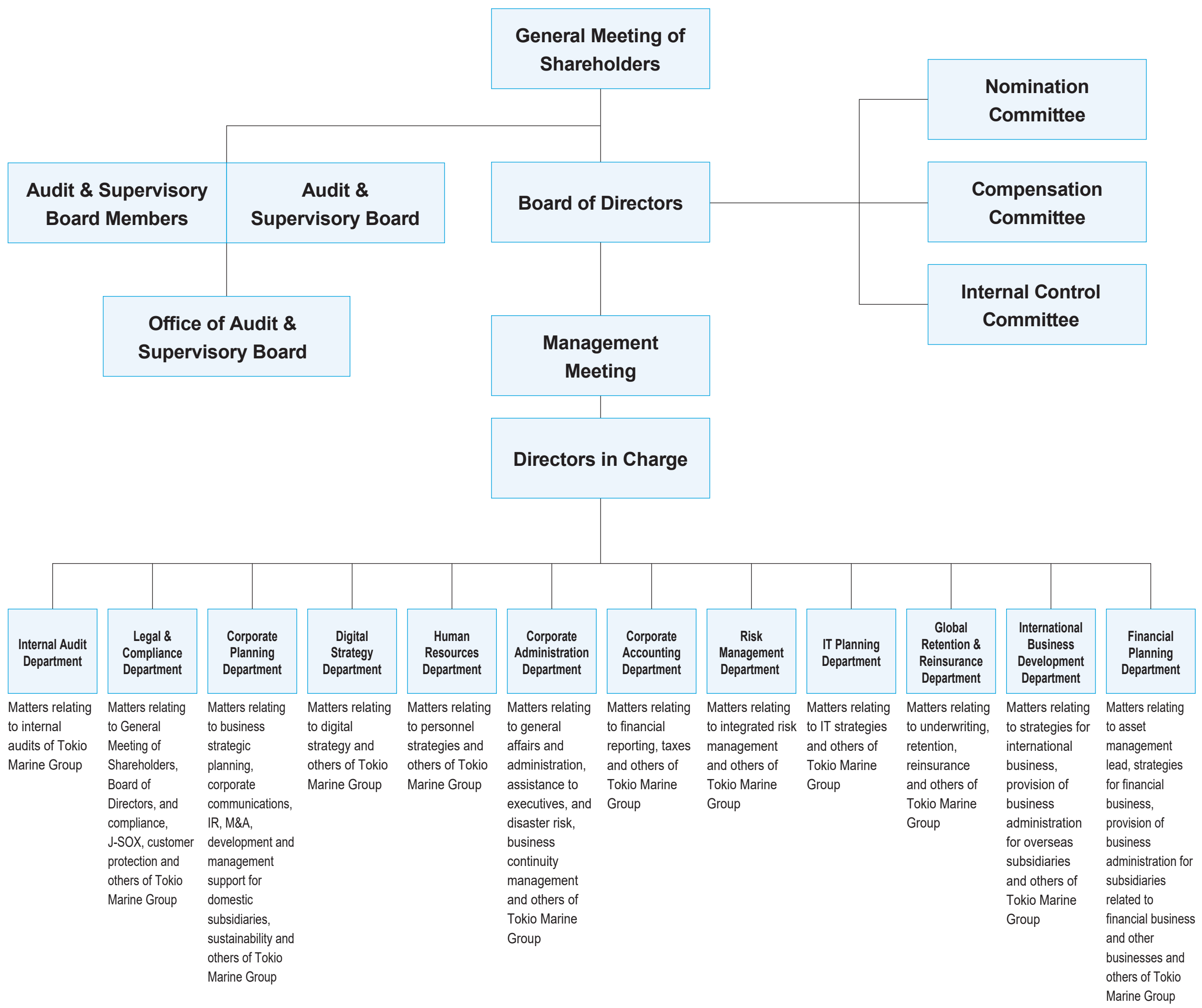
Locations of overseas bases: 46 countries and regions
Number of Japanese employees positioned overseas: 308
Number of locally hired employees: Approx. 33,000
Number of claims agents: Approx. 250 (including subagents)

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

Corporate Overview

Organizational Chart

(As of April 1, 2021)



Employees

(As of March 31, 2021)

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

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

Facilities

Overview of Capital Investment

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

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

Status of Major Facilities

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

Tokio Marine Holdings

(As of March 31, 2021)

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

Domestic subsidiaries

(As of March 31, 2021)

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

Facilities

Domestic subsidiaries

(As of March 31, 2021)

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

Overseas subsidiaries

(As of March 31, 2021)

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

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

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

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

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

New Facility Construction and Elimination Schedule

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

(1) New facilities

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

(2) Renovation

None planned

(3) Sale

None planned

Stock and Shareholder Information

Stock Information (As of July 1, 2021)
Stock issued by Tokio Marine Holdings is common stock and the total number of authorized shares is 3.3 billion shares with the total number of shares outstanding at 697,500,000 shares.

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

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

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

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

The proposals have been approved as proposed.

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

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

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

Capital

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

Stock Ownership Distribution

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

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

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

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

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

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

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

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

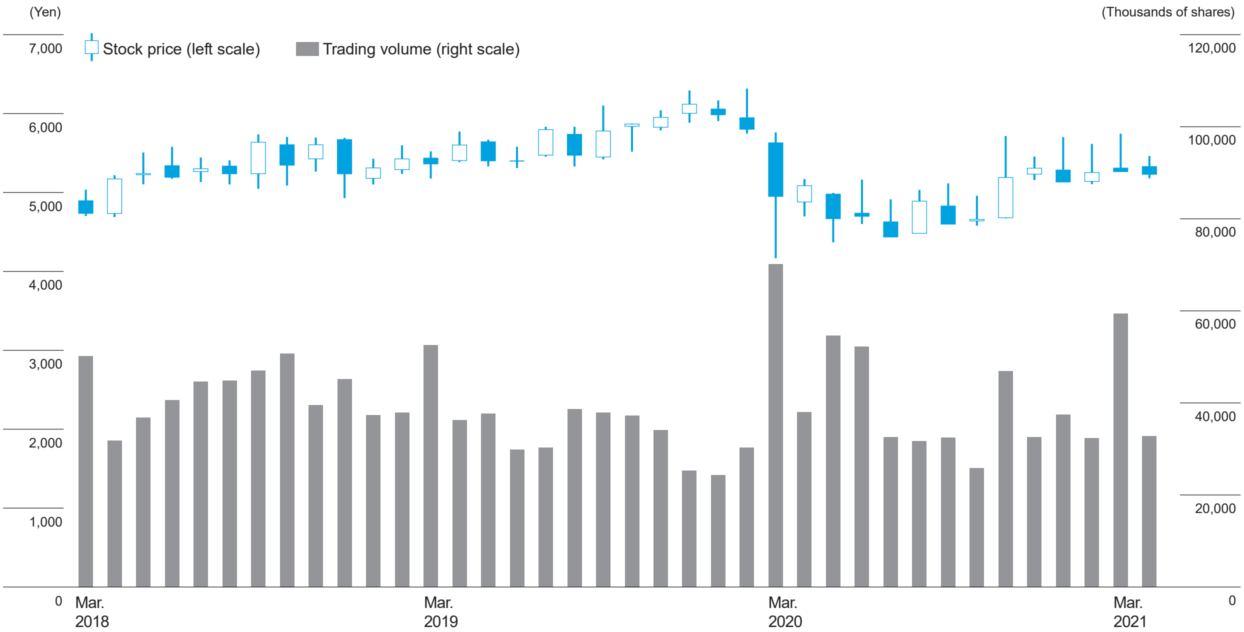
Stock Information

Top 10 Shareholders

(As of March 31, 2021)

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

Stock Price Range and Trading Volume



TOKIO MARINE

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