

Sustainably Enhancing Corporate Value

What's Tokio Marine Group

Management Strategy Section

Operations Section

Sustainably Enhancing Corporate Value



Financial Data

Corporate Data

53 Initiatives to Enhance Corporate Value:
Environment / Society

58 A Mechanism That Will Support Initiatives
Aimed at Enhancing Corporate Value:
Group Governance

76 A Mechanism That Will Support Initiatives
Aimed at Enhancing Corporate Value:
The Power of Our People

Initiatives to Enhance Corporate Value: Environment / Society

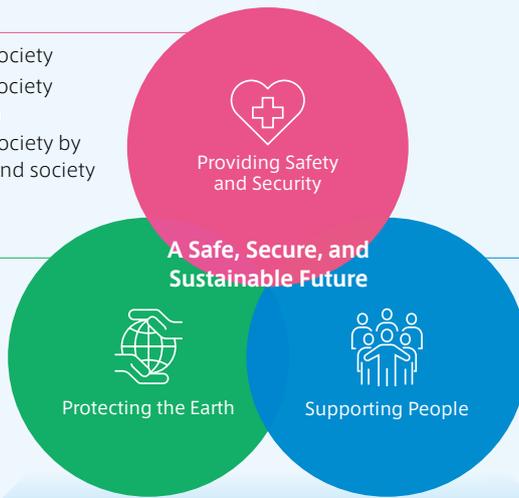
At Tokio Marine Group, our employees will act with integrity and compassion to contribute to the resolution of social issues through all employee participation-oriented initiatives.

Under the new mid-term business plan, we are focusing on “Providing Safety and Security,” “Protecting the Earth,” and “Supporting People” as our three core CSR themes. Throughout all of our business activities, we will engage in initiatives that support customers, communities, and the earth itself in their times of need as part of our quest to become a “Good Company” that resolves social issues and enhances corporate value.

Three core CSR themes

- Creating a natural disaster resilient society
- Building a secure and comfortable society by utilizing technological innovation
- Creating a secure and comfortable society by responding to changes in lifestyles and society
- Eliminating poverty in society

- Protecting people from the impacts of global climate change and weather extremes
- Preventing global warming by promoting development of clean energy
- Conducting environment preservation activities



Governance — Strengthening CSR Management

- Promoting health and productivity management
- Developing and utilizing diverse human resources
- Building a society based on health and longevity to ensure peace of mind
- Nurturing generations responsible for the future
- Aiming to create an inclusive society

Participation in International Initiatives

Tokio Marine Group participates in various international initiatives* related to its business activities and conducts surveys, researches, and proposal activities on sustainability in the insurance industry.

We are also actively contributing to the achievement of the United Nations Sustainable Development Goals and utilizing our insurance and risk management expertise to resolve sustainability issues.

*Tokio Marine Group participates in the United Nations Global Compact (UNGC), the United Nations-supported Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI) created through the United Nations Environment Programme-Finance Initiative (UNEP FI). From 2014, we also began participating in the United Nations Office for Disaster Risk Reduction (UNISDR)'s Private Sector Alliance for Disaster Resilient Societies (known as “ARISE”) as a way of using our insurance expertise to promote societal resilience to natural disasters.

ESG – Management Integration

We are actively integrating environmental, social, and governance (ESG) issues into management. Based on this approach, we facilitate societal resilience to natural disasters through environmental management, business continuity planning, and disaster prevention and mitigation. Moreover, we are addressing in regional revitalization, proposing health and productivity management, and providing products and services that support traffic safety.

Our commitment to transparency in ESG information disclosure has earned us high ratings from various global ESG rating institutions and also resulted in the inclusion of the company in a number of international ESG indices.

Major ESG Indices



 Providing Safety and Security

Support for People's Lives and Ambitions



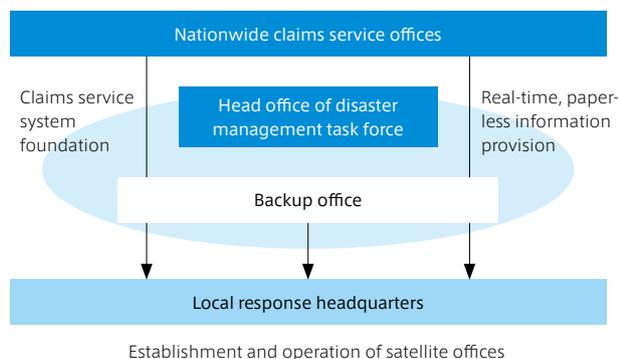
Response to Larger-Scale Natural Disasters

Companywide Claims Settlement Service Structure

In June 2018, a massive earthquake struck northern Osaka, causing widespread damage centered on the Kansai region. Later, in July of the same year, heavy rains caused flood disaster in areas in and around western Japan. After such catastrophes, Tokio Marine & Nichido immediately established disaster management task forces to ensure the earliest possible claims payments. In addition to the existing toll-free

claims line, we established backup offices that integrated initial response and various business administrative functions and quickly set up claims settlement service structures that enabled us to handle the sudden increase in claims following these disasters. We will continue to make our utmost effort as a Group.

Claims settlement service structure set up after the earthquake in northern Osaka



Head office of disaster management task force



Satellite office

Climate-related Disclosures Based on the Standards of the Task Force on Climate-related Financial Disclosures

Climate-related Governance and Strategies

CSR Board, comprising the Group CEO and presidents of group companies, discusses climate change-related countermeasures and evaluates initiatives on this front. Meanwhile, the Board of Directors is responsible for assessing and formulating the Overall Group CSR Strategy (medium-term plan and single fiscal-year plans), which includes climate change response measures.

Tokio Marine Group recognizes climate change and natural disasters as CSR materiality (material issues). As part of its strategies for addressing climate change, the Group engages in industry-academia collaboration to research climate change and weather risks while also working to develop products and services relating to natural catastrophe risks and promoting environmental and disaster-prevention preparedness awareness. In addition, we seek to reduce the environmental impact of our business activities and to achieve a carbon neutral status.

Climate-related Risk Management

A physical risk we must account for is the possibility of an inability to properly evaluate climate change risks based on historical natural catastrophe and mortality and morbidity data as the weather and other natural disruptions stemming from climate change grow more extreme. To address these risks, Tokio Marine Research Institute is assessing and calculating the impact on insurance losses that could arise from changes in typhoon intensity due to future climate conditions or in flood risks as a result of increased rainfall, among other factors. The results of

analyses of such scenarios are referenced in managing risks through the Group-based Enterprise Risk Management (ERM) system while considering the potential impact on insurance underwriting from more severe natural disasters arising due to climate change.

In addition, we strive to make a faster, smoother response to losses incurred from typhoons and other wide-area disasters by strengthening our support structure in Japan, digitalizing accident reports between agents and the company, and taking other measures to enhance the competitiveness of claims services.

Meanwhile, society is attempting to shift to a low-carbon economy, and the accompanying institution of stricter regulations and progress of technologies have the potential to impact business environments and models. We are conducting research to ensure that we are able to appropriately assess risks related to insurance underwriting given such changes. At the same time, we continue to develop and provide insurance products for providers of solar power, geothermal power, and other forms of clean power. We thereby aim to capture opportunities for additional earnings while simultaneously limiting the damages of climate change.

Metrics and Targets

Tokio Marine Group uses CO₂ emissions from business activities and the CO₂ fixation and reduction effect from mangrove planting and other activities as key indicators of environmental performance. As a Group, we aim to continue to achieve carbon neutral status in fiscal 2018 and beyond.

Disaster Prevention through Industry-Academia Collaboration

Tokio Marine & Nichido formed an industry-academia collaborative agreement with Tohoku University in 2011 with the aim of supporting the regions impacted by the Great East Japan Earthquake and building communities resilient to natural disasters. In fiscal 2012, Tokio Marine & Nichido established the Endowed Research Division for earthquake induced tsunami risk evaluation at Tohoku University's International Research Institute of Disaster Science (IRIDeS) to conduct earthquake-induced tsunami risk research. The results of these research activities have been widely promoted in Japan and overseas at disaster risk reduction conferences and at scientific society meetings.

In addition, Tokio Marine Group has been offering Disaster Risk Prevention Lessons taught by employees and agents

dispatched from the Group since 2012. These lessons provide elementary school students and other children with easy-to-understand disaster preparedness information and knowledge on how best to protect themselves in case of an earthquake and/or tsunami.

The partnership with Tohoku University has received accolades for its initiatives, including the "Excellent Resilience Award" at Japan Resilience Award 2018, which was sponsored by the Association for Resilience Japan.



ジャパン・レジリエンス・アワード

2018

Safety and Security Amid Technological Innovation

Leading-Edge Initiatives in Response to Advancement of Autonomous Driving Technologies

The risks threatening society are changing significantly as a result of rapid technological progress. In an environment where various autonomous driving systems continue to develop, Tokio Marine & Nichido developed a new rider called "Rider for Expenses for Saving Victims," a step ahead of the industry to save victims promptly from automobile accidents and contribute to a safe and secure driving society.

With autonomous driving research garnering attention, Tokio Marine Research Institute embarked on a leading-edge

initiative not seen among its peers when, in December 2014, it began conducting research on autonomous driving and related regulatory frameworks. The results of this research project were compiled into a publication entitled *Autonomous Driving and the Law*, released in January 2018.



Safe and Secure Motoring

Tokio Marine & Nichido provides *Drive Agent Personal (DAP)*, a revolutionary service powered by telematics technologies that utilizes an original, transmitter-equipped drive recorder device.

There have been cases in which *DAP* terminals have automatically sent accident information after detecting a

serious collision to operators, who have then dispatched ambulances in response. Feedback from customers in these cases have stated that receiving contact from us immediately after the accident was reassuring, and that they were thus able to calm themselves despite being in a panic following the accident.

Cyber Risk Countermeasures

Cyberattacks that target companies and organizations to disable their systems or control them without authorization have come to be viewed as a social issue. Tokio Marine & Nichido offers cyber risk insurance with comprehensive coverage against a wide range of cyber risks. It also provides

benchmark report services to help customers defend against cyberattacks. Outside of Japan, U.K.-based Tokio Marine Kiln has been combating cyber risks for more than a decade. It offers cyber risk insurance for corporate clients as part of the Group's global response efforts.

Support for Establishing BCPs to Prepare for Unpredicted Events

Tokio Marine & Nichido offers a program to assist in the formulation of business continuity plans (BCPs) for small and medium-sized companies through collaboration with local governments and chambers of commerce. The program consists of a workshop that includes earthquake simulations to cultivate keener awareness for the need of a BCP and group work to create an outline of a BCP. In addition, we offer "Rethink Now! Earthquake in the Foreseeable Future and Preparation for It," an earthquake risk awareness booklet

developed by Tokio Marine & Nichido and Tokio Marine & Nichido Risk Consulting, and "Easy, Understandable BCP Planning Sheet," a tool that incorporates the essence of BCPs. In total, more than 73,000 copies of these tools had been distributed as of March 31, 2018, thereby contributing to improved corporate resilience.





Continue Creating the Future of the Earth and a Society of Safe Living



Reduction of Environmental Footprint and Achievement of Carbon Neutral Status

Tokio Marine Group is working to reduce the environmental footprint of its business activities. In addition, we have achieved a carbon neutral status for five consecutive years starting with fiscal 2013 by offsetting the CO₂ emissions from our business activities with CO₂ fixation and reduction initiatives, including planting mangroves and using renewable energy. We are committed to achieving a carbon neutral status well into the future.

Web-based Insurance Contracts

Tokio Marine & Nichido reduces the amount of paper used in its business activities by allowing customers to choose web-based insurance contracts (clauses) on its website rather than a paper-based contract in brochure form. We donate funds corresponding to a portion of the amount of paper conserved to support environmental protection activities in and outside of Japan.

Mangrove Planting throughout the Asia-Pacific Region

In 1999, Tokio Marine & Nichido commemorated its 120th anniversary with the launch of a mangrove planting project. As of March 31, 2018, we had planted 10,550 hectares in nine Asia-Pacific countries.

Mangrove forests play an important role in preventing global warming, preserving biodiversity, reducing disaster damage from tsunamis and storm surges, and generating new employment. We are planning to continue this project for 100 years. In 2013, we were presented with the “2013 Environment Minister’s Award for Global Warming Prevention Activity” in the Category of International Contribution in recognition of this project.

Furthermore, we take part in various domestic activities for protecting our planet. Examples of these activities include the “Green Gift” Planet GENKI Program in which we collaborate with environmental NPOs to promote environmental preservation activities and Green Lessons: The Mangrove Story, an environmental education program for children in elementary schools conducted by employees and agent volunteers.



Drone Insurance for Realizing Green Societies

U.K.-based Tokio Marine Kiln became the first insurer to offer products on Lloyd’s market covering risks associated with unmanned aerial systems (UAS), mainly drones. Drones are powered by batteries or solar cells, making them more environmentally friendly than conventional aircraft powered by fossil fuels.

Providing this newly developed product will help promote the wider adoption of drones, which in turn is anticipated to create environmental value. This is another way that we are helping to resolve social issues through our business.



Support for the Adoption of Clean Energy

U.S.-based Philadelphia Insurance Companies provides comprehensive environmental protection including environmental contamination liability coverage and more, for corporate clients and environmental consultants.

These insurance products protect the insured from liability on damage caused by environmental contamination and remediation expenses, thereby contributing to the protection of the natural environment and the health of local residents while encouraging the promotion of regional industries.

Since 2016, Tokio Marine & Nichido has offered a geothermal package plan to geothermal power generation companies. Geothermal power is a renewable energy that does not emit CO₂, a cause of global warming, and provides a stable supply of clean energy unaffected by changes in natural conditions. The insurance provides coverage to areas developing geothermal power against the liability risk of a decline in the volume of hot spring water or changes in water quality in surrounding areas during the development or operation of a geothermal power generation facility.

For solar power developers, we offer a mega-solar package program that combines insurance and services into risk solutions designed to support the broader adoption of clean energy.

Ensuring a Diverse Group of People Can Thrive in Diverse Ways



Promotion of Health and Productivity Management

The Company has been included in the Health & Productivity Stock Selection as a corporation practicing excellent health management for three consecutive years. Tokio Marine Group believes that the health of its employees is a matter of extreme importance to management. Accordingly, we conduct measures with regard to health promotion, lifestyle improvement, prevention of the progression of diseases, mental health, and “innovation in work style.” We also offer support for health management at corporate clients and provide information for advancing this cause.

Products Supporting Customer Health Improvement

Tokio Marine Group has developed an Internet-based service that predicts the likelihood of an individual contracting a lifestyle disease in the future by utilizing the findings of research by the National Cancer Center (*Karada Yosoku Navi—Lifestyle Diseases*).

This service can be accessed through Tokio Marine & Nichido’s website and the *Aruku Hoken* application of Tokio Marine & Nichido Life for free. We plan to continue providing customers with information related to disease prevention and health improvement going forward.



Promotion of Microinsurance in India

In 2001, Tokio Marine Group established IFFCO-TOKIO, a joint venture with Indian Farmers Fertiliser Cooperative Limited (IFFCO), which has 38,000 agricultural cooperatives, and started providing auto, fire, and other types of insurance. To help resolve farmers’ concerns through insurance, we have also developed weather insurance and microinsurance (insurance that can be purchased at an affordable price).

In the country’s farming communities, the joint venture sells casualty insurance with fertilizers and crop and medical insurance with subsidies from the local state government. These and other products contribute to the development of agriculture and to the resolution of poverty issues in India.



Realization of an Inclusive Society

Tokio Marine Group is striving to support the realization of an inclusive society in which each and every person plays an important role and is respected for his or her unique qualities. We provide support for the Special Olympics and the Japan Deafblind Association as well as support for athletes who overcome their disabilities to take on great challenges.

Since 2016, we have been collaborating with the Japanese Para-Sports Association and the Japan Inclusive Football Federation to support differently abled athletes. We are also working to cultivate a corporate culture that is respectful of diversity through activities that allow participation to learn about, watch, and experience para-sports.



Olympic and Paralympic Games Tokyo 2020

Tokio Marine & Nichido has been appointed as a Gold Partner of the Olympic and Paralympic Games Tokyo 2020, and we look forward to supporting the Japan Olympic and Paralympic teams and the Tokyo 2020 Games as a non-life insurance company. Based on our desire to contribute to the healthy development of young people through sports and to support sports in Japan, we have been supporting sports as a JOC Gold Partner and an official sponsor of the Japan Swimming Federation, and in various other capacities.

As a Tokyo 2020 Gold Partner, we will aid the efforts of athletes, people, and society in order to offer support, not only for the safety, security, and success of the Tokyo 2020 Games, but also for making the hosting and success of the Games a glorious cornerstone for Japan’s future 100 years from now.



A Mechanism That Will Support Initiatives Aimed at Enhancing Corporate Value: Group Governance



Directors

① **Shuzo Sumi**
Representative Director and
Chairman of the Board

② **Tsuyoshi Nagano**
Representative Director and
President & Group CEO

③ **Kunihiko Fujii**
Executive Vice President

④ **Hirokazu Fujita**
Senior Managing Director

⑤ **Makoto Okada**
Senior Managing Director

⑥ **Takayuki Yuasa**
Representative Director and
Senior Managing Director

⑦ **Satoru Komiya**
Representative Director and
Senior Managing Director

⑧ **Toshifumi Kitazawa**
Director

⑨ **Katsumi Nakazato**
Director

⑩ **Akio Mimura**
Outside Director

⑪ **Mikio Sasaki**
Outside Director

⑫ **Masako Egawa**
Outside Director

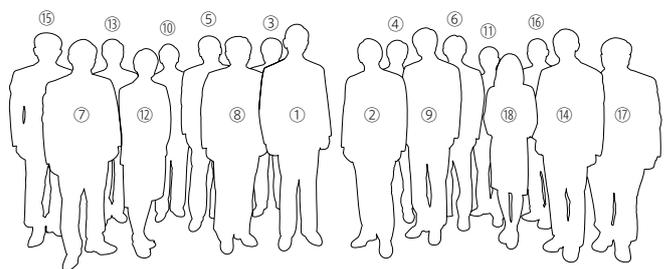
⑬ **Takashi Mitachi**
Outside Director



Audit & Supervisory Board Members

- ⑭ **Takashi Ito**
Audit & Supervisory Board Member (Full-Time)
- ⑮ **Shozo Mori**
Audit & Supervisory Board Member (Full-Time)
- ⑯ **Akinari Horii**
Outside Audit & Supervisory Board Member

- ⑰ **Akihiro Wani**
Outside Audit & Supervisory Board Member
- ⑱ **Nana Otsuki**
Outside Audit & Supervisory Board Member



Directors and Audit & Supervisory Board Members (As of the end of June 2018)

Directors



Shuzo Sumi

Representative Director and Chairman of the Board

Mr. Sumi joined Tokio Marine in April 1970 and was engaged mainly in product planning and domestic insurance underwriting before becoming Director and Chief Representative in London. He then served as President & CEO as well as Chairman of the Board of both Tokio Marine & Nichido and Tokio Marine Holdings. He assumed his current position in June 2013.



Tsuyoshi Nagano

Representative Director and President & Group CEO

Mr. Nagano joined Tokio Marine in April 1975. He was engaged mainly in insurance underwriting in and outside Japan, corporate planning, and product planning before his appointment as President & CEO of Tokio Marine & Nichido. He currently oversees Tokio Marine Group's management as Group CEO. He assumed his current position in June 2013.



Kunihiko Fujii

Executive Vice President

Mr. Fujii joined Tokio Marine in April 1978 and was engaged mainly in financial planning and international insurance business before his appointment as Executive Officer of Tokio Marine & Nichido and Tokio Marine Holdings, focusing on international insurance business strategies, mainly M&A, and international ERM. As Executive Vice President, he is responsible for Group risk management. He assumed his current position in April 2017.



Hirokazu Fujita

Senior Managing Director

Mr. Fujita joined Tokio Marine in April 1980 and was engaged mainly in accounting before his appointment as Executive Officer responsible for accounting and financial planning of Tokio Marine & Nichido and Tokio Marine Holdings. As Senior Managing Director, he is responsible for investment management of the Group. He assumed his current position in April 2017.



Makoto Okada

Senior Managing Director

Mr. Okada joined Tokio Marine in April 1982. After mainly engaging in domestic insurance underwriting, human resources planning and sales planning, he then oversaw international insurance business primarily in Asia as an Executive Officer. As Senior Managing Director, he is responsible for Group business strategy, synergy, and digital strategy. He assumed his current position in June 2018.



Takayuki Yuasa

Representative Director and Senior Managing Director

Mr. Yuasa joined Tokio Marine in April 1981 and was engaged mainly in corporate planning, finance, accounting, and domestic life and non-life insurance business before his appointment as Executive Officer of Tokio Marine & Nichido and Tokio Marine Holdings responsible for risk management, followed by his appointment as Senior Managing Director of Tokio Marine Holdings responsible for Group capital strategies. He assumed his current position in April 2018.



Satoru Komiya

Representative Director and Senior Managing Director

Mr. Komiya joined Tokio Marine in April 1983. After mainly engaging in domestic insurance underwriting, human resources planning, sales planning and management of Group companies, he was responsible for the international insurance business as an Executive Officer. He now supervises the international insurance business as a Senior Managing Director. He assumed his current position in June 2018.



Toshifumi Kitazawa

Director

Mr. Kitazawa joined Tokio Marine in April 1977 and was engaged mainly in product planning, domestic insurance underwriting, and management of Group companies before his appointment as President & CEO of Tokio Marine & Nichido Life and then President & CEO of Tokio Marine & Nichido. He assumed his current position in June 2016.



Katsumi Nakazato

Director

Mr. Nakazato joined Tokio Marine in April 1985 and was engaged mainly in domestic insurance underwriting and sales promotion before his appointment as President & CEO of Tokio Marine & Nichido Life. He assumed his current position in June 2017.

Directors



**Akio
Mimura**

Outside Director

Reason for appointment

Mr. Mimura is a recognized management expert with a long and distinguished career in corporate management. We expect him to make valuable suggestions to our Board of Directors based on his expertise, while also fulfilling an appropriate supervisory function. Mr. Mimura was appointed as an Outside Director in June 2010.

Main concurrent positions held

Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation
 Director of Japan Post Holdings Co., Ltd. (outside director)
 Director of Development Bank of Japan Inc. (outside director)
 Director of Innovation Network Corporation of Japan (outside director)
 Director of Nisshin Seifun Group Inc. (outside director)
 Chairman of The Japan Chamber of Commerce and Industry
 Chairman of The Tokyo Chamber of Commerce and Industry



**Mikio
Sasaki**

Outside Director

Reason for appointment

Mr. Sasaki is a recognized management expert with a long and distinguished career in corporate management. We expect him to make valuable suggestions to our Board of Directors based on his expertise, while also fulfilling an appropriate supervisory function. Mr. Sasaki was appointed as an Outside Director in June 2011.

Main concurrent positions held

Senior Corporate Advisor of Mitsubishi Corporation
 Director of Mitsubishi Research Institute, Inc. (non-executive director)



**Masako
Egawa**

Outside Director

Reason for appointment

Ms. Egawa has had a long and distinguished career in finance, as well as experience in corporate governance research and as an executive of The University of Tokyo. We expect her to make valuable suggestions to our Board of Directors based on her expertise in corporate management, while also fulfilling an appropriate supervisory function. Ms. Egawa was appointed as an Outside Director in June 2015.

Main concurrent positions held

Professor, Graduate School of Business Administration, Hitotsubashi University
 Director of Mitsui Fudosan Co., Ltd. (outside director)
 Director of Asahi Glass Co., Ltd. (outside director)

Audit & Supervisory Board Members



**Takashi
Mitachi**

Outside Director

Reason for appointment

Mr. Mitachi is a recognized management expert with a long and distinguished career at a consulting firm and in corporate management. We expect him to make valuable suggestions to our Board of Directors based on his expertise, while also fulfilling an appropriate supervisory function. Mr. Mitachi was appointed as an Outside Director in June 2017.

Main concurrent positions held

Senior Adviser of The Boston Consulting Group
 Director of Rakuten, Inc. (outside director)
 Director of DMG Mori Co., Ltd. (outside director)
 Director of Unicharm Corporation (outside director)



**Takashi
Ito**

Audit & Supervisory
Board Member
(Full-Time)

Reason for appointment

After joining Tokio Marine, Mr. Ito was engaged mainly in product planning, corporate planning, and legal affairs. After his appointment as Director of Tokio Marine Holdings, he oversaw risk management, legal affairs, and auditing. We expect him to use this extensive experience to fulfill an appropriate supervisory function. Mr. Ito was appointed as an Audit & Supervisory Board Member in June 2015.



**Shozo
Mori**

Audit & Supervisory
Board Member
(Full-Time)

Reason for appointment

After joining Tokio Marine, Mr. Mori was engaged mainly in domestic insurance underwriting and product planning. We expect him to fulfill an appropriate auditing function utilizing his abundant experience and achievements gained from supervising underwriting and retention strategy for the Group as an Executive Officer. He assumed his current position in June 2018.



**Akinari
Horii**

Outside Audit &
Supervisory Board
Member

Reason for appointment

Mr. Horii has a long and distinguished career at the Bank of Japan culminating in executive positions. We expect him to use this experience to fulfill an appropriate supervisory function. Mr. Horii was appointed as an Outside Audit & Supervisory Board Member in June 2011.

Main concurrent positions held

Director and Special Advisor of The Canon Institute for Global Studies



**Akihiro
Wani**

Outside Audit &
Supervisory Board
Member

Reason for appointment

Mr. Wani has a long and distinguished career as an attorney at law. We expect him to use his experience in corporate legal affairs to fulfill an appropriate supervisory function. Mr. Wani was appointed as an Outside Audit & Supervisory Board Member in June 2014.

Main concurrent positions held

Attorney-at-law



**Nana
Otsuki**

Outside Audit &
Supervisory Board
Member

Reason for appointment

We expect Ms. Otsuki to fulfill an appropriate supervisory function based on her insight into business management, which was acquired through many years as an analyst in financial institutions. She assumed her current position in June 2018.

Main concurrent positions held

Executive officer and chief analyst of MONEK, Inc.
 Professor, Graduate Course in Management, Graduate School of Management, Nagoya University of Commerce and Business
 Director for CREDIT SAISON CO., LTD. (outside director)

Dialogue on Corporate Governance with Outside Officers

Corporate Governance to Support Sustainable Enhancement of Corporate Value

—What does ideal corporate governance mean to you? Also, what do you think is the role of an outside officer?

Horii: One of the objectives of corporate governance is to prevent improprieties such as fraud through supervision of management. As an outside director, I am always mindful of conduct that might lead to fraudulent activity through, for example, discussions at the Board of Directors, the Audit & Supervisory Board, and with the managing directors and executive officers.

Even if executive officers felt uncomfortable about my opinions, I would rather hear people say that the opinions of outside directors led this company in a good direction. I also think that to play a role in helping to raise the company's earnings potential, and thus enhance its corporate value, is a responsibility of outside directors.

Mitachi: I have the same point of view as Mr. Horii. One duty of outside directors is to stave off negative factors that could reduce trust in the company, such as fraud, conjecture, and short-sightedness.

As outside directors, we have to be watching for matters that defy social common sense or behavior, even in the absence of malice. As the company gets bigger, employee conjecture becomes more likely when top management points the way. Outside directors can give realization of the issue by raising direct questions. Board members will inevitably feel pressure to achieve results, but holding candid discussions with inside officers about the possibility of falling into short-sighted thinking and causing medium-to-long-term damage to corporate value is important.

Takashi Mitachi / Outside Director

Mr. Mitachi has worked at Japan Airlines Co., Ltd. and The Boston Consulting Group, where he presently serves as Senior Adviser. He also serves concurrently as an Outside Director for Rakuten, Inc., DMG Mori Co., Ltd., and Unicharm Corporation. He assumed his current position as an Outside Director with Tokio Marine Group in June 2017.



Another duty of outside directors is to lead the company in a good direction and enhance corporate value by bringing in diverse opinions from outside the company and the industry. Breaking duties down into percentages, I would say that curtailing negative factors is 70% and adding positive elements is 30%. This is the balance with which I aim to execute my duties as an outside director.

—Please explain any issues or points that you have noticed or recognized since your appointments as outside officers.

Horii: At Tokio Marine Group, we call each other by name—not by his/her title in the company—unlike other companies in Japan. This kind of corporate culture helps create an environment in which outside officers can speak out their opinions in a frank manner.

A few years ago, we discussed at a Board meeting a business investment project that the management team had been considering for years. After we exchanged our opinions regarding the matter, we decided not to proceed with the project. Later, when that decision proved to be correct, I realized the importance of frank, nonetheless serious, discussion at the Board of Directors, which has made our corporate governance function effectively.

I would also like to point out the fact that our Board of Directors spares no discussion, even about seemingly small errors. In general, manager carelessness is something that can spread throughout an organization, but Tokio Marine Group keeps tight control where all Board members thoroughly and meticulously review all important errors and mistakes.

Our diverse human resources have begun to play greater roles in a variety of fields as our insurance business has expanded in a globalized market. While Tokio Marine Group has become larger and more globalized over the past 10 years, key Board members have begun to visit domestic and international group companies as well as branches in Japan, where they hold off-the-cuff meetings with employees there. In these meetings, our executive Board members explain the significance of the key phrase of our company “To Be a Good Company” in their own words so as to build our Group identity globally. I believe these meetings contribute to enhancing the sense of unity among all people working in our Group despite diverse backgrounds.



Akinari Horii

Outside Audit &
Supervisory
Board Member

Mr. Horii worked initially as a staff member and later as an executive of the Bank of Japan for many years. He concurrently serves as Director and Special Adviser for The Canon Institute for Global Studies. He assumed his current position as an Outside Audit & Supervisory Board Member with Tokio Marine Group in June 2011.

A Mechanism That Will Support Initiatives Aimed at Enhancing Corporate Value: Group Governance

Mitachi: I think the custom of addressing people with the honorific “san” is rare when you consider Tokio Marine Group’s scale, history, and position in the industry. I think this system fosters an environment in which raising dissenting opinions is natural and also has the positive effect of preventing “large enterprise disease.”

On the other hand, established practices in Japan’s unique capital market have changed. These changes include revisions to the corporate governance code and rising ESG awareness. Investor behavior is also changing significantly. I think that our current Board of Directors is in Japan’s upper tier, but time moving is fast. Moving forward, I feel that one of the issues we will need to consider is what we can do to further evolve the way we conduct governance.

—Tokio Marine Group is, among other initiatives, working toward further portfolio diversification and business structure reform. In these circumstances, how do you evaluate the process and speed of managerial decision making at Tokio Marine Group?

Horii: We undertake M&As in international markets in order to achieve better portfolio diversification. This is a complicated business, but I don’t consider our decision making to be slow. We always prepare ourselves by examining a long list of M&A candidates, then focusing on a short list of targetable candidates, and examining the pros and cons of individual M&A projects on an ongoing basis. I believe this practice enables us to make our swift and timely decision on such complicated matters.

Mitachi: The Tokio Marine Group has been working to enhance its corporate value, primarily focusing on overseas business expansion, and I think that initiatives aimed at upgrading risk management and encouraging risk diversification through effective utilization of capital have progressed without much delay.

We have been implementing our Business Process Reform Project since 2008, quite early timing for our industry, and have achieved high business efficiency as a result of our efforts to fundamentally simplify our products, business affairs, and systems, even when compared to other companies. However, in recent years, other companies have also been working to improve productivity through investment in large-scale systems. I think that the time in which we also must promote further drastic reforms in our operating processes is approaching. Changing aspects such as business models, office procedures, and IT just as you intended isn’t easy and requires considerable energy. I think it will be a big challenge for us to conduct our next business process reforms before other companies while also accommodating work-style reforms.

It is imperative for us to develop human resources that can conduct appropriate and timely reforms to the Company and its operations in response to environmental changes. I anticipate a set of circumstances in which we produce more human resources that can drive the promotion of reforms adapted to environmental changes. I also expect that we will be able to continuously raise corporate value despite being in an era of tempestuous change. It is my belief that Tokio Marine Group can handle these kinds of difficult issues appropriately.



Additionally, I think we need further speed in introducing diversity throughout the Group. We have entered an era in which previous growth models in developed countries are not good enough by themselves, and both competition and cooperation with different types of businesses are inevitably required. I think we have been moving forward by half-steps in our response to these changes over the past 10 years, but the challenge of preemptively responding to large changes that occur over time will continue in the future. In my view, creating attitudes toward governance that are compatible with the times will also become a large task for us.

Horii: One of Tokio Marine Group's strengths stems from the amazingly high level of affinity between Japanese and non-Japanese top management. As time goes by, however, top management will change inevitably. How to prepare for future changes in management is an important issue to be considered today. To be a little more specific, how to prepare the next generation for keeping affinity and deepening cultural understanding within the Group will be of crucial importance for enhancing the corporate value uninterruptedly. The issue will become particularly complicated if the business climate changes and generational shifts coincide. During such difficult times, I hope that Tokio Marine Group will continue to be able to enhance its corporate value, utilizing its expertise and experiences nourished today under our core identity, "To Be a Good Company," so as to meet the challenges going forward.

Mitachi: Until now, Tokio Marine Group has produced results with the collective power of its management strategy, its human resources, and its group governance. However, as the importance of international business rises even higher, how we can develop human resources that can play an active role globally with speed remains a big issue.

Additionally, we have recently found ourselves in an era in which the future is uncertain, and environmental changes occur at rapid speed. It is imperative for us to develop human resources that can conduct appropriate and timely reforms to the company and its operations in response to environmental changes. I anticipate a set of circumstances in which we produce more human resources that can drive the promotion of reforms adapted to environmental changes, such as mid-level staff actively proposing company reforms to top management. I also expect that we will be able to continuously enhance corporate value despite being in an age of rapid change. It is my belief that Tokio Marine Group can handle these kinds of difficult issues appropriately.



Even during difficult times, it is my expectation that we will mobilize the Group's expertise and specialties under its core identity, "To Be a Good Company," and resolve challenges while preemptively responding to environmental changes.

Overview of Corporate Governance System

Fundamental Policy

Tokio Marine Holdings (the "Company") is committed to the continuous enhancement of corporate value by fulfilling its responsibilities to shareholders, customers, society, employees, 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.

Audit & Supervisory Board Members

Audit & Supervisory Board Members, as an independent body entrusted by shareholders, audit the performance of Directors, with the aim of ensuring sound and fair management and accountability.

The Company shall have approximately five Audit & Supervisory Board Members, with a maximum of six set by the Articles of Incorporation. As a general rule, a majority shall be Outside Audit & Supervisory Board Members. As of the end of June 2018, the Company had five Audit & Supervisory Board Members, of whom three were Outside Audit & Supervisory Board Members.

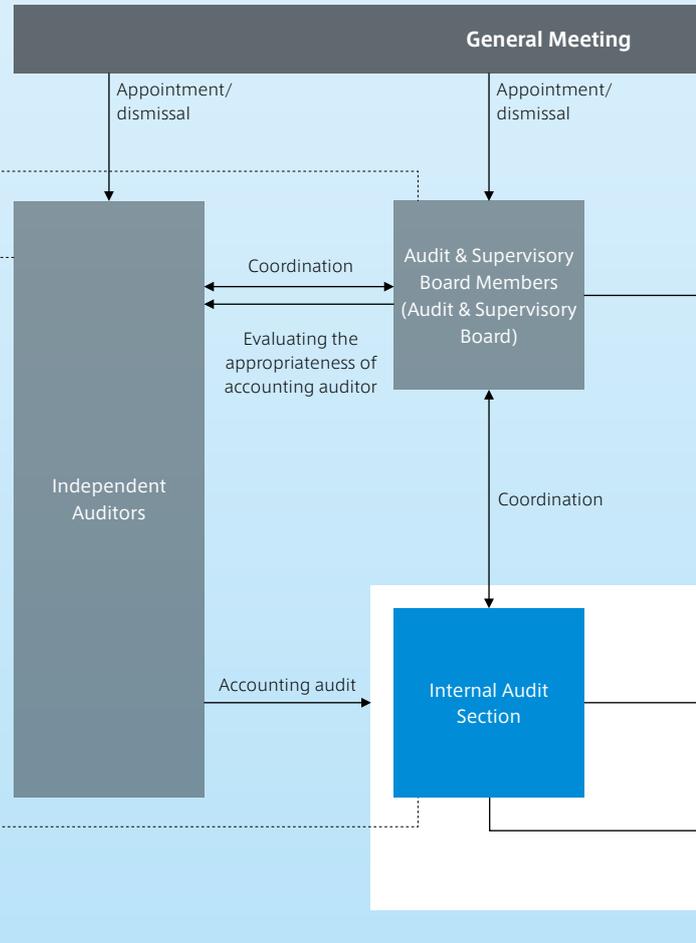
Independent Auditors

The Company concludes audit agreements with PricewaterhouseCoopers Aarata LLC, the firm that audits the Company's financial statements and internal control relating to financial reporting. In the process, an internal control division provides required information to the Independent Auditor.

Internal Audit Section

To achieve management objectives effectively, the Internal Audit Section audits the business execution of other divisions, including the internal control division, evaluates internal control structures, etc., and proposes methods of improving problem areas. The Company has formulated basic policies for the internal audits of the Group and requests each group company to implement efficient and effective internal audits according to the type and degree of risk, while receiving from each group company reports on the results of their internal audits and the performance of their improvement measures, improvement plans, etc. Through these efforts, the Company monitors the implementation of internal audits, performance of internal control structures, etc. Important matters identified from among the results of the internal audits of the Company and each of its Group companies are reported to the Board of Directors of the Company.

Overview of the Corporate Governance System of Tokio Marine Holdings



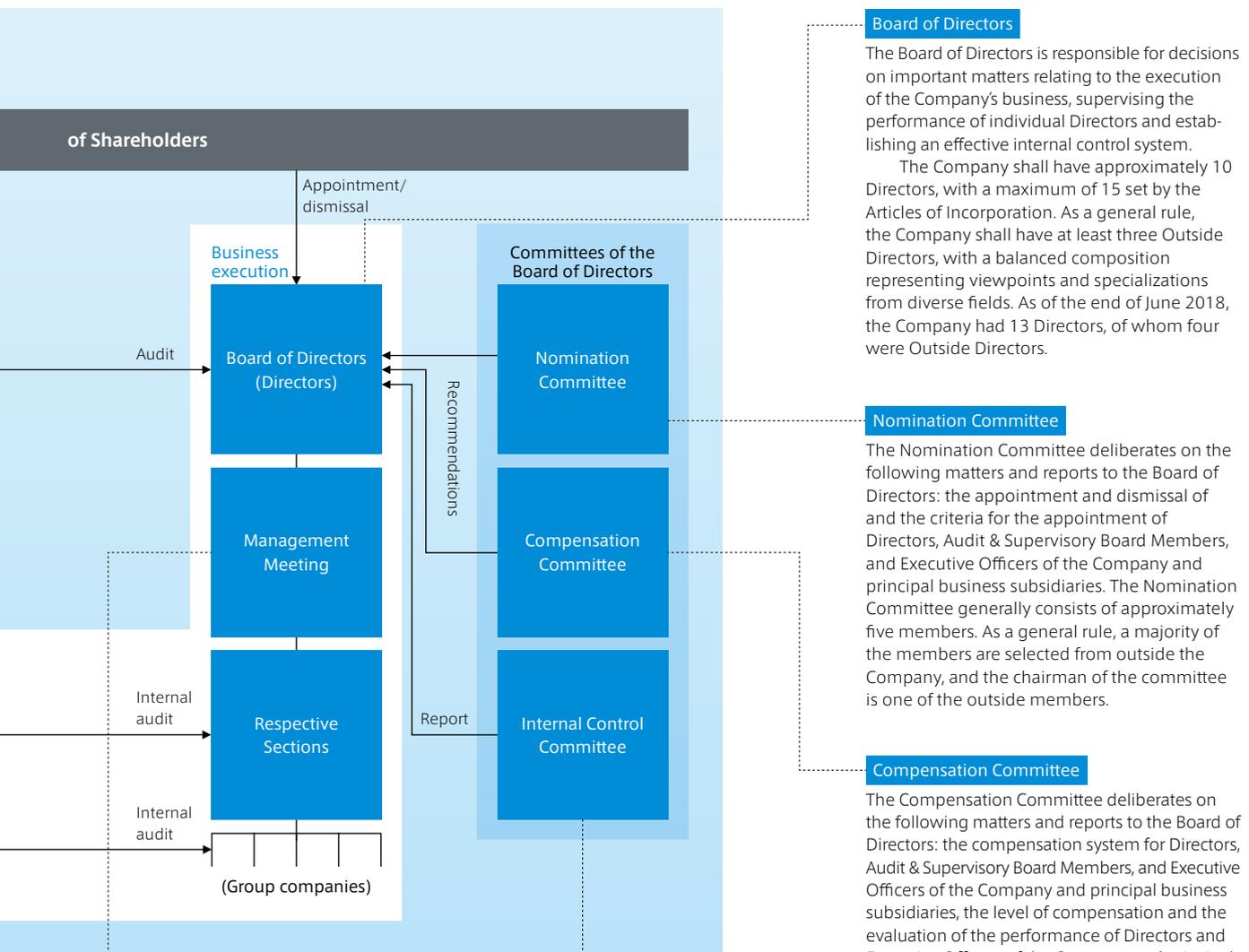
Management Meeting

The Company shall formulate rules for and establish a Management Meeting, composed of Directors, Executive Officers and other relevant persons, who shall discuss and report on important management issues.

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. The Company believes that the above structure is optimal at this point and in light of the following measures taken: the Company determines significant business execution by resolution of the Board of Directors as an insurance holding company,

and makes high-quality decisions reflecting the insight of Outside Directors and Outside Audit & Supervisory Board Members; Audit & Supervisory Board Members who hold no voting rights at the Board of Directors' meeting conduct unbiased and objective audits; and the transparency of the decision-making process of nomination and compensation of and for Directors, Audit & Supervisory Board Members, and Executive Officers is ensured by those issues being deliberated at the Nomination Committee and Compensation Committee.



Board of Directors

The Board of Directors is responsible for decisions on important matters relating to the execution of the Company's business, supervising the performance of individual Directors and establishing an effective internal control system.

The Company shall have approximately 10 Directors, with a maximum of 15 set by the Articles of Incorporation. As a general rule, the Company shall have at least three Outside Directors, with a balanced composition representing viewpoints and specializations from diverse fields. As of the end of June 2018, the Company had 13 Directors, of whom four were Outside Directors.

Nomination Committee

The Nomination Committee deliberates on the following matters and reports to the Board of Directors: the appointment and dismissal of and the criteria for the appointment of Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and principal business subsidiaries. The Nomination Committee generally consists of approximately five members. As a general rule, a majority of the members are selected from outside the Company, and the chairman of the committee is one of the outside members.

Compensation Committee

The Compensation Committee deliberates on the following matters and reports to the Board of Directors: the compensation system for Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and principal business subsidiaries, the level of compensation and the evaluation of the performance of Directors and Executive Officers of the Company and principal business subsidiaries. The Compensation Committee generally consists of approximately five members. As a general rule, a majority of the members are selected from outside the Company, and the chairman of the committee is one of the outside members.

Internal Control Committee

The Company has formulated "Basic Policies for Internal Controls" pursuant to the Companies Act of Japan and its Ordinance for Enforcement. In accordance with these policies, the Company has appropriately developed an internal control system for the entire Group that encompasses structures for management control, compliance, risk management, etc., of Group companies. Based on these policies, the Internal Control Committee also formulates various policies and measures, evaluates their implementation, deliberates improvement measures, and reports their results to the Board of Directors.

Measures to Strengthen Corporate Governance

Strengthening Corporate Governance from an Early Stage

The Corporate Governance Code stipulates that listed companies must have at least two independent outside directors on their boards. Since our establishment in 2002, we have maintained at least three Outside Directors, striving from the start to strengthen our corporate governance function.

As we expand our international insurance business, we have appointed top management from outside Japan to Executive Officer positions to ensure that we share and solve issues on a global basis.

Measures to Strengthen Corporate Governance

April 2002	Millea Holdings established (currently Tokio Marine Holdings) Three Outside Directors appointed Two Outside Audit & Supervisory Board Members appointed
June 2004	Three Outside Audit & Supervisory Board Members appointed
July 2005	Nomination Committee and Compensation Committee established
June 2013	First non-Japanese Executive Officer appointed
April 2014	Three non-Japanese Executive Officers appointed
June 2016	Four Outside Directors appointed
August 2016	Four non-Japanese Executive Officers appointed
June 2017	Six non-Japanese Executive Officers appointed
April 2018	Five non-Japanese Executive Officers appointed

Operational Measures Utilizing Evaluations on Effectiveness of the Board of Directors

(1) Method of effectiveness evaluations

The Company conducts annual effectiveness evaluations of the Board of Directors in the aim of further enhancing the Board's functioning. Specifically, we conduct a questionnaire of all members of the Board of Directors and the Audit & Supervisory Board regarding the status of the operation of the Board of Directors and the performance of its functions to represent all members' views in our evaluation. The results of these surveys are then provided to the Board of Directors.

(2) Effectiveness evaluation results

The operations of the Board of Directors have generally received positive evaluations, indicating that generally its role is conducted adequately, explanations have become simpler and easier to understand, and discussions at the Board of Directors' meetings are open and constructive.

The results showed high marks to the provision of materials in electronic form and of materials that are easy to understand. However, the results pointed out that materials should be constantly reviewed and explanations should be summarized more and made from a broader perspective. We are striving to improve these points.

Initiative Examples

1 Implementing Discussion on Corporate Strategy

The Company aims to develop its corporate strategy around achieving sustainable growth and increasing medium-to-long-term corporate value by reflecting the opinions of its Outside Directors and Outside Audit & Supervisory Board Members. To achieve this, the Company carries out discussions regarding its operating environment and business challenges called "discussion on corporate strategy" at meetings of its Board of Directors.

The discussion topics are chosen through a questionnaire of all Directors and auditors or from those which came up in independent Directors'/auditors' meetings. In fiscal 2017, the themes listed below were discussed, and the Company continues to conduct such discussions in fiscal 2018.

- Next mid-term business plan of the Group
- Exchanging ideas with executives of overseas subsidiaries
- Enterprise risk management
- Education of our employees for global management
- Business strategy of the Group

2 Introducing Independent Directors' / Auditors' Meetings

Each year, the Company holds one meeting that only independent Directors and auditors attend. Independent Directors and auditors handle all sorts of facilitation, including establishing the agenda, and exchange objective opinions about the Company. The President & Group Chief Executive Officer is briefed on the discussion topics when needed.

A Diverse, High-Quality Supervisory Function

Appointing Experts from Various Fields as Outside Officers

Our business covers a wide range of fields, and we continue to expand our business globally. In this environment, in order to enhance management transparency and soundness while improving auditing effectiveness, we have appointed

as outside officers a diverse group of people with expertise and a wealth of experience in the areas such as global corporate management, finance, accounting and law. These outside officers are strengthening the effectiveness of our governance.

Career Histories of Outside Officers Note: Text in parentheses indicates the number of Board of Directors' meetings, etc. attended in fiscal 2017.

Outside Directors

Akio Mimura (Attended nine of 11 Board of Directors' meetings)

April 1963	Joined Fuji Iron & Steel Co., Ltd.
June 1993	Director of Nippon Steel Corporation
April 1997	Managing Director of Nippon Steel Corporation
April 2000	Representative Director and Executive Vice President of Nippon Steel Corporation
April 2003	Representative Director and President of Nippon Steel Corporation
April 2008	Representative Director and Chairman of Nippon Steel Corporation
June 2010	Director of Tokio Marine Holdings (to present)
October 2012	Director, Member of the Board and Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
June 2013	Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
November 2013	Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation
June 2018	Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (to present)

Masako Egawa (Attended 10 of 11 Board of Directors' meetings)

April 1980	Joined Citibank, N.A., Tokyo Branch
September 1986	Joined Salomon Brothers Inc. New York Head Office
June 1988	Joined Salomon Brothers Asia Limited, Tokyo Branch
December 1993	Joined S.G. Warburg Securities, Tokyo Branch
November 2001	Executive Director, Japan Research Center, Harvard Business School
April 2009	Executive Vice President, The University of Tokyo
March 2015	Resigned from position as Executive Vice President, The University of Tokyo
June 2015	Director of Tokio Marine Holdings (to present)
September 2015	Professor, Graduate School of Commerce and Management, Hitotsubashi University
April 2018	Professor, Graduate School of Business Administration, Hitotsubashi University (to present)

Outside Audit & Supervisory Board Members

Akinari Horii (Attended all meetings of the Board of Directors and the Audit & Supervisory Board)

April 1974	Joined Bank of Japan
July 2002	Director-General of the International Department of Bank of Japan
June 2006	Assistant Governor of Bank of Japan
June 2010	Resigned from position as Assistant Governor of Bank of Japan
July 2010	Special Advisor of The Canon Institute for Global Studies
December 2010	Director and Special Advisor of The Canon Institute for Global Studies (to present)
June 2011	Audit & Supervisory Board Member of Tokio Marine Holdings (to present)

Akihiro Wani (Attended all meetings of the Board of Directors and the Audit & Supervisory Board)

April 1979	Admitted to Japanese Bar (to present)
May 1987	Mitsui, Yasuda, Wani & Maeda
December 2004	Linklaters
May 2014	Ito & Mitomi (Morrison & Foerster LLP)
June 2014	Audit & Supervisory Board Member of Tokio Marine Holdings (to present)

Mikio Sasaki (Attended all Board of Directors' meetings)

April 1960	Joined Mitsubishi Corporation
June 1992	Director of Mitsubishi Corporation
June 1994	Managing Director of Mitsubishi Corporation
April 1998	President of Mitsubishi Corporation
April 2004	Chairman of the Board of Mitsubishi Corporation
June 2010	Director and Senior Corporate Advisor (Soudanyaku) of Mitsubishi Corporation
June 2011	Senior Corporate Advisor (Soudanyaku) of Mitsubishi Corporation
June 2011	Director of Tokio Marine Holdings (to present)
April 2016	Senior Corporate Advisor of Mitsubishi Corporation (to present)

Takashi Mitachi (Attended all Board of Directors' meetings)

April 1979	Joined Japan Airlines Co., Ltd.
October 1993	Joined The Boston Consulting Group
January 1999	Vice President of The Boston Consulting Group
January 2005	Japan Co-Chairman and Senior Partner & Managing Director of The Boston Consulting Group
January 2016	Senior Partner & Managing Director of The Boston Consulting Group
June 2017	Director of Tokio Marine Holdings (to present)
October 2017	Senior Advisor of The Boston Consulting Group (to present)

Nana Otsuki

April 1988	Joined The Mitsui Trust and Banking Co., Ltd.
June 1994	Joined Banque Nationale de Paris
March 1998	Joined HSBC Securities (Japan) Limited
January 2000	Head of Japan and Korea Financial Ratings of Standard & Poor's Ratings Japan K.K.
December 2005	Managing Director of Research Division, UBS Securities Japan Co., Ltd.
June 2011	Managing Director of Merrill Lynch Japan Securities Co., Ltd.
September 2015	Professor, Graduate School of Division of Business Administration, Nagoya University of Commerce & Business (to present)
January 2016	Executive Officer and Chief Analyst of Monex, Inc. (to present)
April 2018	Visiting Professor, Faculty of International Politics and Economics, Nishogakusha University (to present)
June 2018	Audit & Supervisory Board Member of Tokio Marine Holdings (to present)

Nomination Committee and Compensation Committee

The Company has established the Nomination Committee and the Compensation Committee, which consist mainly of Outside Directors, to raise the transparency of the processes for selecting as well as determining compensation for Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and principal business subsidiaries.

The Nomination Committee and the Compensation Committee generally consist of approximately five members each. As a general rule, a majority of the members of each committee are selected from outside the Company, and the chairman of each committee is one of the outside members.

Nomination Committee

Chairman:	Mikio Sasaki (Outside Director)
Members:	Akio Mimura (Outside Director) Masako Egawa (Outside Director) Takashi Mitachi (Outside Director) Tsuyoshi Nagano (President & Group Chief Executive Officer)

Compensation Committee

Chairman:	Akio Mimura (Outside Director)
Members:	Mikio Sasaki (Outside Director) Masako Egawa (Outside Director) Takashi Mitachi (Outside Director) Tsuyoshi Nagano (President & Group Chief Executive Officer)

Conditions for Selection / Compensation

Conditions for Selection of Directors and Audit & Supervisory Board Members

Directors of the Company and its principal business subsidiaries shall have a deep understanding of the Company's business type, possess a wide range of knowledge required for management and, as a member of the Board of Directors, have the ability to make decisions that are necessary to determine significant business execution matters. Audit & Supervisory Board Members of the Company and its principal business subsidiaries shall have operational abilities and previous achievements and experience, etc., as Audit & Supervisory Board Members and, through implementation of high-quality audits, secure sound and continuous growth of the Company, contributing to the establishment of a superior corporate control system that can respond to societal trust.

Policies for Determining the Method for Calculating Compensation for Directors, Audit & Supervisory Board Members, and Executive Officers

Basic policies for determining compensation for Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its principal Group companies are as follows:

- Ensure transparency, fairness and objectivity regarding compensation for Directors, Audit & Supervisory Board Members, and Executive Officers;
- Strengthen incentives for enhancing the business performance of the Company by introducing a performance-linked compensation system;
- Enhance accountability through sharing returns with shareholders by introducing a compensation system linked to meeting the Company's business results indices based on the management strategy and Company share price; and
- Fully implement a performance-based pay system through processes designed to objectively evaluate individual performance with respect to management objectives.

In order to determine the level of compensation for Directors, Audit & Supervisory Board Members, and Executive Officers, the Company shall set the standard of compensation for each position, depending on the responsibilities of Directors, Audit & Supervisory Board Members, and Executive Officers, and take the business performance of the Company and the level of compensation of other companies into consideration.

Based on ability to meet business results indices, etc., defined by the management strategy, evaluations on business results shall be made on a yearly basis at the Company and principal business subsidiaries, and the results of such evaluations will be incorporated into compensation for Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and the relevant business subsidiaries.

Compensation System for Directors, Audit & Supervisory Board Members, and Executive Officers

Compensation for Directors (full-time) and Executive Officers consists of three elements: fixed compensation, bonuses related to the business performance of the Company and the performance of the individual, and stock options. Compensation for Directors (part-time) consists of two elements: fixed compensation and stock options. Compensation for Audit & Supervisory Board Members consists of one element: fixed compensation. The compensation system for Directors, Audit & Supervisory Board Members, and Executive Officers of the Company's principal business subsidiaries shall generally be identical to that applied to Directors, Audit & Supervisory Board Members, and Executive Officers of the Company.

The Board of Directors makes decisions regarding the above compensation system based on reports from the Compensation Committee.

Total Compensation for Directors and Audit & Supervisory Board Members for Fiscal 2017

Position	Total Compensation (Millions of yen)	Breakdown of Compensation (Millions of yen)		Number of Directors and Audit & Supervisory Board Members
		Monetary Compensation	Stock Options	
Directors (Excluding Outside Directors)	584	483	100	10
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	72	72	—	2
Outside Directors	56	47	8	5
Outside Audit & Supervisory Board Members	42	42	—	3

Business-related Equities

Business-related equities are held by some of the Company's business subsidiaries with the intent of strengthening business relationships to enhance corporate value of the Group. However, the Company will continue to work to make its capital less affected by fluctuations in share price, and from the viewpoint of enhancing capital efficiency, continue to work to reduce the total amount.

With regard to the business-related equities the Company holds, the Board of Directors reviews risk and returns of major issues every year to confirm economic rationality. In addition, in accordance with the standards for exercising the voting rights of business-related equities, if it is considered that a certain agenda may damage corporate value, the Company shall decide on whether to approve it through careful examination.

Dialogue with Shareholders and Investors

Working to Provide Clear, Easy-to-Understand Information Disclosures and Explanations

Tokio Marine Holdings strives to provide clear, easy-to-understand information disclosures and explanations of its business to ensure that shareholders and investors can fully understand the initiatives to enhance corporate value. Top management also believes that it is important to actively engage in dialogue with institutional and individual investors. The views and opinions derived from the dialogues are shared widely among Tokio Marine Group's management and employees as a way to enhance management.

Information Disclosure

Our core information disclosure policies are to provide information with a storyline, ensure a balance between qualitative and quantitative information, and to continuously make accurate and fair information disclosures.

We offer English interpretation for financial results conference calls and investor relations (IR) conferences, while simultaneously disclosing various IR materials in both Japanese and English.

Our corporate website is a public portal available to all Tokio Marine Group's stakeholders. Here, we offer various kinds of information in a clear, easy-to-understand manner, including information on our corporate philosophy, vision, brand, governance, and business strategies.



Clear, easy-to-understand website
<http://www.tokiomarinehd.com/en/>

Dialogue

We engage in dialogue with shareholders and investors with an awareness of their expectations, disclosing information about our cost of capital policies and business investment decisions based on those policies.

■ General Meeting of Shareholders

To provide shareholders with a deeper understanding of our business as it expands both in and outside Japan, Tokio Marine Group's top management of major subsidiaries outside Japan and non-Japanese Executive Officers started to participate in the meeting from the 14th Ordinary General Meeting of Shareholders (held on June 27, 2016). In addition, at the 16th Ordinary General Meeting of Shareholders Group CEOs gave presentations about the Company's management strategy on reporting matters.



■ Dialogue with Institutional Investors

We hold individual meetings and small theme-based group meetings in Japan in addition to financial results conference calls and IR conferences. Outside Japan, we conduct road shows. These initiatives facilitate ongoing dialogue with a wide range of shareholders and investors.

Constructive Dialogue Led by Management



Small meeting regarding the international insurance business

Small Theme-Based Meetings

IR conferences provide investors and shareholders with a broad view of our business. Small theme-based meetings, meanwhile, offer more detailed information on our business. Furthermore, as part of our aligned Group management, the top management of subsidiaries outside Japan also participates in meetings regarding our international insurance business.

■ Dialogue with Individual Investors

In fiscal 2017, a total of 14 information sessions were held with individual investors, which included sessions attended by the Group CEO, the Group CFO, and those held by the IR Department. At these information sessions, we strove to provide clear explanations on topics of interest among individual investors, namely shareholder return, social contributions, and human resource development.



Internal Feedback

Tokio Marine Holdings shares the views and opinions of shareholders and investors received during dialogue among Tokio Marine Group's management and employees as a way of enhancing management.



Presentation on the evaluation of the Company from the capital market given by the Group CFO and the IR Department



Role-playing event with members of the IR Group recreating a meeting with investors

Main Recognition

■ IR Website, Integrated Annual Report

We continue to be highly ranked by external organizations for our efforts to provide timely and clear corporate information through our IR website. Also, our *Integrated Annual Report 2017* received an Award for Excellence at the 20th Nikkei Annual Report Awards.



No. 1 in Insurance Sector, FY2017
 All Japanese Listed Companies' Website Ranking,
 Nikko Investor Relations Co., Ltd.



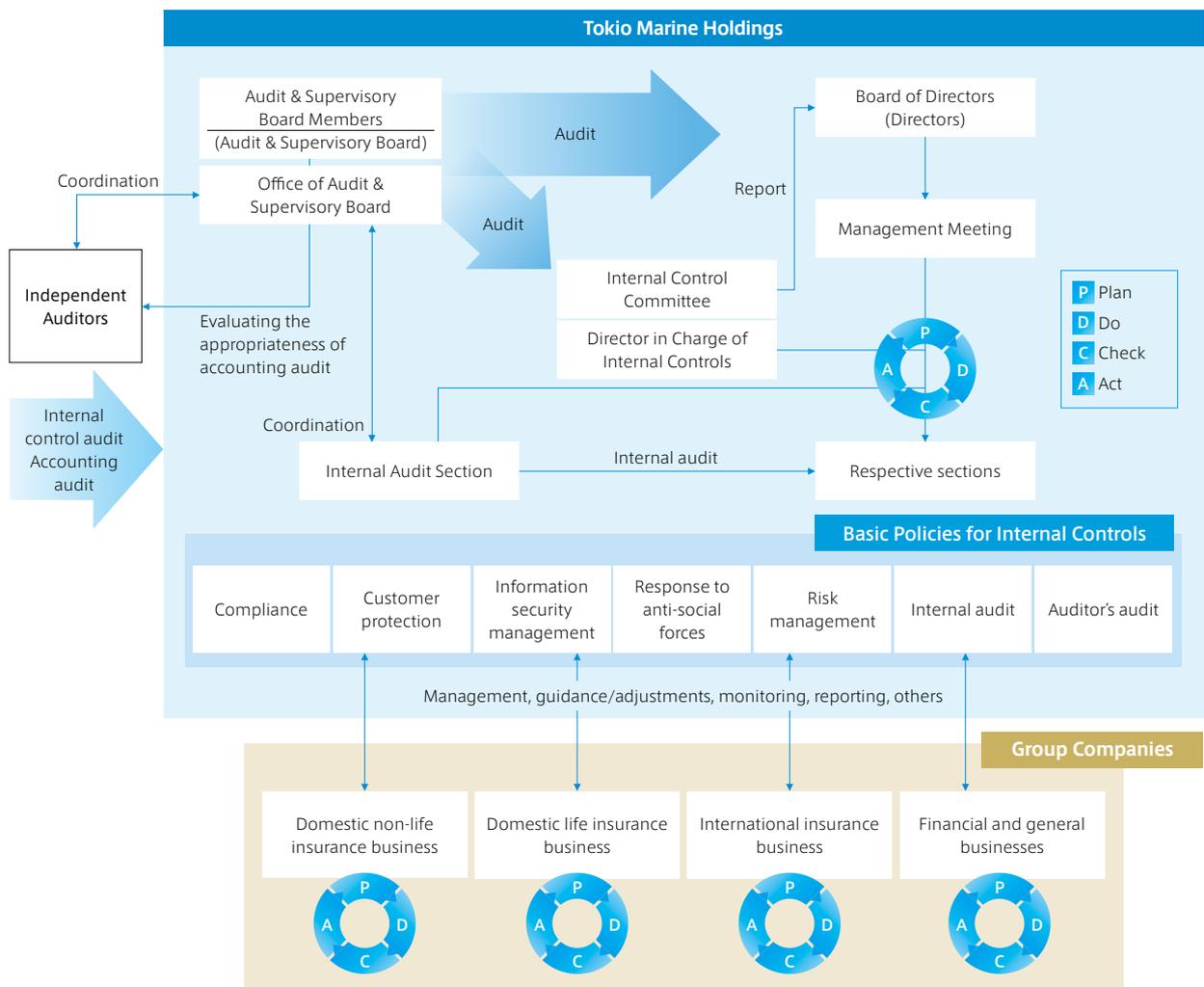
2017 Internet IR Award, Daiwa Investor Relations Co., Ltd.

Internal Control System

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, customer protection, information security management, response to anti-social forces and others, risk management, and internal auditing of Group companies. The Company employs this system to

ensure proper operations while enhancing corporate value. In addition, the Company monitors the status and practical application of its internal control system. The Board of Directors confirms the details of the monitoring based on deliberations at the Internal Control Committee, which is a committee of the Board of Directors. Moreover, the Company continually strengthens and improves its internal control system in light of the results of this monitoring.

Tokio Marine Group’s Internal Control System



Compliance

Tokio Marine Group defines compliance as “observing applicable laws, rules and regulations and internal regulations and conducting fair and equitable business activities within social norms” and thoroughly implements compliance in this manner.

To thoroughly implement compliance as a Group, the Company has formulated the “Tokio Marine Group Basic Policies for Compliance” and the “Tokio Marine Group Code of Conduct,” and has also formulated measures and policies for the entire Group, including the “Tokio Marine Group Compliance Standards,” which stipulate such items as laws and regulations that are commonly applicable within the entire Group. 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 inside and outside Japan on important matters; discussing these matters among the Board of Directors and the Internal Control Committee; and providing guidance and advice about the activities of Group companies when necessary.

In fiscal 2017, the Company continued working on maintenance of its management system on a groupwide basis in response to growing risk overseas related to economic sanctions, corruption, and protection of personal information.

Organizational Framework

Tokio Marine Group has set up specialized departments for controlling compliance at each Group company. Group companies have established internal frameworks enabling organized responses for compliance, which include various types of compliance-related committees that formulate compliance policies and measures according to the actual state of operations and check on the state of compliance implementation.

Compliance Manuals

The Company and each of the Tokio Marine Group companies have prepared their own compliance manuals based on the “Tokio Marine Group Compliance Standards,” which were formulated by the Company in accordance with their respective businesses and have made these manuals available for the reference of directors, officers, and employees.

Compliance Training

Tokio Marine Group nurtures an awareness of compliance while providing persons in charge of business operations with necessary knowledge about compliance through training on laws, regulations and internal regulations, etc., with which directors, officers, and employees must comply.

Hotline System

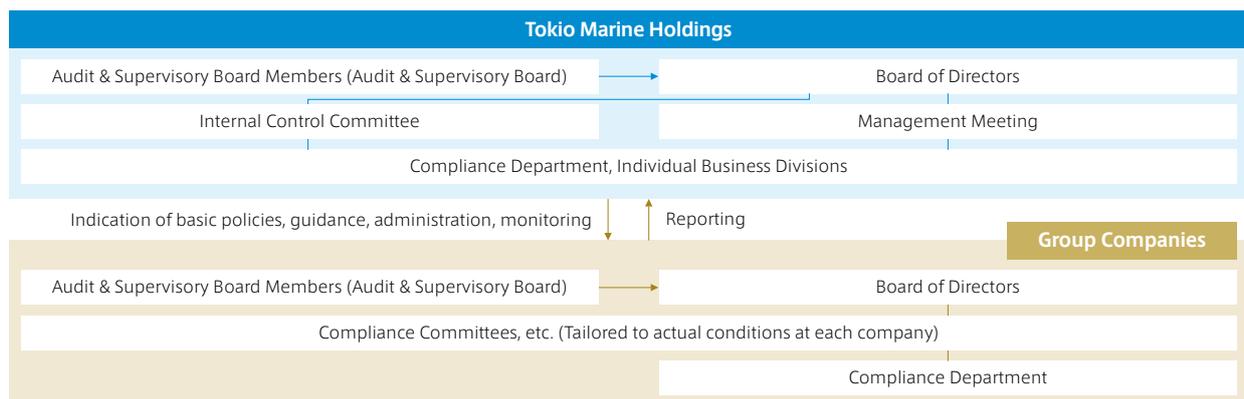
In the event that an employee or member of management discovers an issue or potential issue relating to compliance, Tokio Marine Group requires such person to immediately report and consult on the issue through organizational channels based on the “Tokio Marine Group Compliance Standards.” However, to prepare for cases where it is not appropriate for employees or members of management to report or consult through organizational channels, the Group has installed hotlines. Specifically, in addition to an in-house hotline, the Group has also set up external contact points at law firms and with multilingual support, so that the person reporting or consulting can choose the most convenient method. Furthermore, in addition to internal and external hotlines, the Group has set up a system that enables reporting to Audit & Supervisory Board Members. The internal and external contact points are informed through manuals, training, infrastructure, and other methods. In fiscal 2017, hotlines throughout the Group fielded 237 queries.

The Group keeps personal information on individuals making such reports strictly confidential according to the Whistleblower Protection Act of Japan and ensures that individuals making reports, those providing consultation, and parties cooperating in surveys are not put in a disadvantageous position.

Protection of Customers' Interests

Tokio Marine Group's corporate philosophy emphasizes “customer trust at the foundation of all its activities.” Also, through the provision of the highest-quality products and services, the Group aims to deliver safety and security to its customers. In addition, principal Group companies have formulated customer-oriented business conduct policies, which are available on their websites.

Tokio Marine Group's Compliance System



A Mechanism That Will Support Initiatives Aimed at Enhancing Corporate Value: Group Governance

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 Basic 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.

Based on the “Tokio Marine Group Basic 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.

Response in the Event of Information Leakage

The Company has formulated the “Tokio Marine Group Compliance Standards” to clarify its response in the event of an information leakage. If such leakage were to occur (or

were suspected of occurring), it will be promptly reported to the Compliance Department in each group company. Depending on the materiality and urgency of the incident, the Company may issue instructions to Group companies or undertake necessary measures as a group.

Acquisition of External Certification Related to Information Security

Company Name	Acquisition Date	Certification Acquired
Tokio Marine & Nichido Communications	March 2006	ISMS
Tokio Marine & Nichido Systems	August 2006 September 2017	ISMS ITSMS*
Tokio Marine & Nichido Medical Service (Health Promotion Dept.)	September 2007	ISMS

* Third-party certification system on operational management of IT services (ISO/IEC 20000)

Personal Information Protection

The Company has formulated the “Tokio Marine Group Privacy Policy” with regard to customers’ personal information and clarified its policies regarding Group initiatives. Group companies also formulate and publicize their own activity policies in keeping with this privacy policy.

Tokio Marine Group – Privacy Policy

The Tokio Marine Group (the “Group”) is committed to the continuous enhancement of corporate value, with customer trust at the foundation of all its activities. Guided by this corporate philosophy, we, the Group, shall comply with the Act on the Protection of Personal Information, Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure and other relevant laws, rules, regulations and guidelines, appropriately manage personal information, individual number and specific personal information (hereinafter referred to as “Specific Personal Information, etc.”) as well as anonymously processed information as described below, and implement other appropriate security measures for the protection of personal information of our customers.

* “Personal information” and “personal data” provided in this Privacy Policy exclude Specific Personal Information, etc.

1. We shall acquire personal information and Specific Personal Information, etc. of our customers in a manner that is both legal and fair. Unless prescribed by law, rule or regulation, we shall notify or publicize the purposes for using personal information and Specific Personal Information, etc. of our customers and shall use such information within these limits.
2. Unless prescribed by law, rule or regulation, we shall not provide personal information of our customers to third parties without prior consent of each such customer. We do not provide Specific Personal Information, etc. to third parties except in cases provided by law. There shall be no joint use of Specific Personal Information, etc. with Group companies and business partners. In addition, unless otherwise prescribed by law, rule or regulation when providing personal data to a third party, we shall record matters concerning such provision, and when collecting personal data from a third party, we shall confirm and record matters concerning such collection.
3. We shall strive to prevent the divulgence, destruction, impairment and unauthorized access of personal information and Specific Personal Information, etc. of our customers. When we contract out the management of personal information and Specific Personal Information, etc. of our customers to an outside service provider, we shall supervise the service provider appropriately, as needed.
4. Whenever we receive requests from our customers to view or update their personal data and Specific Personal Information, etc. that we hold, we shall respond promptly in accordance with laws, rules and regulations. We also welcome comments and questions regarding the management of personal information and Specific Personal Information, etc. of our customers.
5. We shall provide thorough supervision, instructions and education to our employees who handle personal information, Specific Personal Information, etc., and anonymously processed information of our customers to ensure that such information is managed appropriately.
6. We shall continue to revise and aim to improve our internal systems and procedures to protect the personal information of our customers.

Risk Management System

To ensure financial soundness and appropriateness of business operations, Tokio Marine Group has identified the various risks surrounding it in an overall fashion and implements appropriate risk management corresponding to the nature, status, and other attributes of risks.

The Company promotes the development and enhancement of the risk management system for the entire Group in accordance with the “Tokio Marine Group’s Basic Policies for Risk Management.” The Company also manages quantitative risks for the Group in order to maintain credit ratings and to forestall insolvency in accordance with the “Tokio Marine Group’s Basic Policies for Integrated Risk Management.”

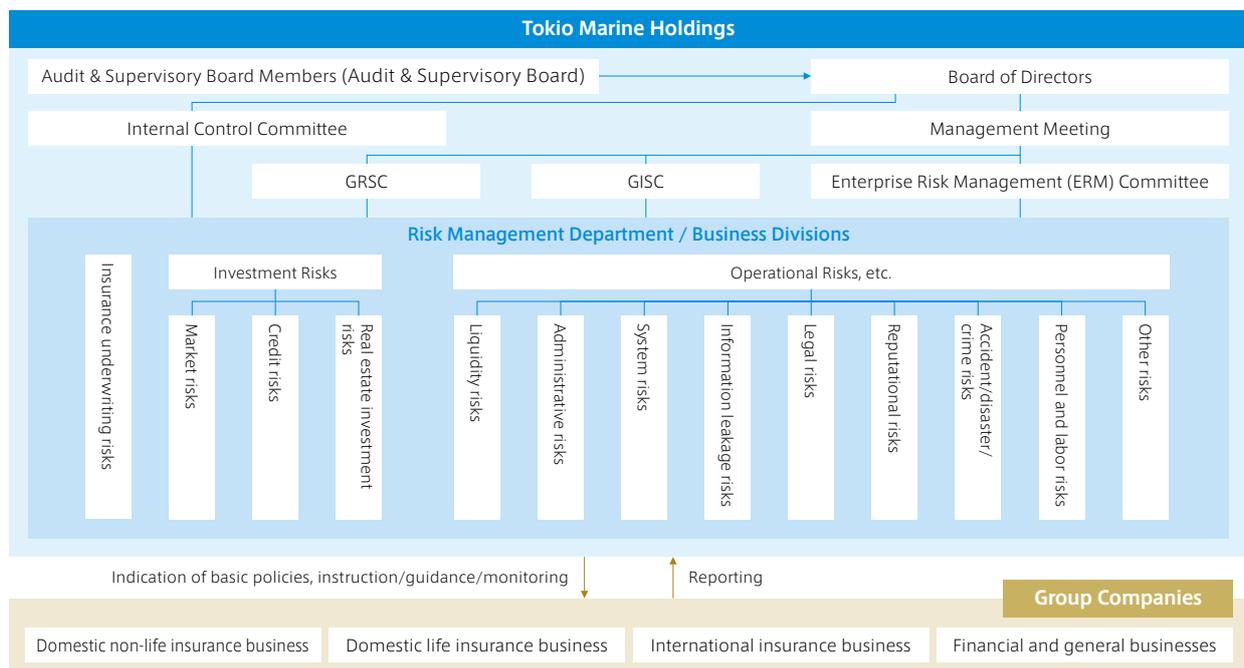
Among various risks, the Company recognizes that insurance underwriting risks and investment risks must be managed as sources of earnings. The Company therefore controls these risks considering the balance between risk and return.

The Company also identifies administrative risks, system risks, and other associated risks (such as operational risks) that arise from the Group's business activities and strives to prevent the occurrence of or reduce these risks.

The Company presents its basic policies for risk management and provides instruction, guidance, monitoring, and other services to domestic and overseas Group companies through the Risk Management Department and the Business Divisions. Group companies establish risk management policies in line with the policies of the Group and execute risk management independently.

Through the above measures, the Company executes proper risk management and ensures stable business operations of the entire Group.

Tokio Marine Group's Risk Management System



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.

Internal/External Audits

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 Department. 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.

A Mechanism That Will Support Initiatives Aimed at Enhancing Corporate Value: The Power of Our People

The power of our people is the driving force for realizing our vision, “To Be a Good Company.”

Tokio Marine Group will demonstrate its comprehensive strength through its people. We will continue to build a culture that enables our diverse talent to fully demonstrate their potential.



Group Synergies and Personnel Exchanges in Japan and Overseas

Tokio Marine Group is engaged in a wide range of businesses in Japan and overseas. We aim to connect Group companies' respective strengths and functions through lateral cross-linking of human resources to enable the Group to demonstrate its comprehensive strength.

Strengthening Expertise as a Group

Tokio Marine Group places its people in the positions that best suit their expertise in order to strengthen the expertise of the entire Group.

Gary Oliver, who is based in the financial district of London and serves as the International Head of Internal Audit at Tokio Marine Holdings, has outstanding expertise as an internal auditor, has global experience and contributes to the development of internal audit methods across the Group.

Mr. Oliver is chairman of the International Internal Audit Committee (IIAC), which is made up of heads of internal auditing divisions from overseas Group companies. In this capacity, he shares his experience, best practices and knowledge across the Group. Many of the markets in which Tokio Marine Group operates are growing rapidly, and Mr. Oliver's experience is indispensable in supporting these operations.

Over the period from 2017 to 2018, Mr. Oliver visited the United States, South and Central America, China, Southeast Asia, and the Middle East as part of the program for supporting and improving the internal audit functions of overseas Group companies. He is also offering support and advice on internal audits to auditors at Group companies.

Tokio Marine Group actively draws on and incorporates the expertise of diverse professionals, such as Mr. Oliver, throughout the Group.



Gary Oliver
International Head of Internal
Audit located in London, U.K.



Realization of Aligned Group Management through Mobility of Talent

We are proactively supporting personnel exchanges among Group companies because we believe the growth of each employee and the strengthening of cooperation among Group companies are the starting points for realizing aligned Group management.

Kumiko Shiramizu, for example, is in her sixth year at Tokio Marine Millea SAST Insurance Co., Ltd., a company that provides fire insurance products for customers living in rental housing. Ms. Shiramizu has been dispatched to Property Insurance Group in the Personal Lines Underwriting Department of Tokio Marine & Nichido Fire Insurance Co., Ltd. Here she is responsible for responding to inquiries regarding fire insurance from sales divisions, preparing sales documents and developing fire insurance products matched to market needs. Through these activities, Ms. Shiramizu is developing knowledge regarding fire insurance and systematically learning about product development and management processes.

The business models of Tokio Marine Millea SAST Insurance and Tokio Marine & Nichido Fire Insurance are very different, and Ms. Shiramizu initially encountered difficulty after being dispatched. However, her efforts to persevere in an unfamiliar environment have helped her grow. In addition, we have been able to strengthen the cooperation that is indispensable to aligned Group management by promoting synergies from increased understanding personnel exchanges.

Tokio Marine Millea SAST Insurance hopes that Ms. Shiramizu will thrive and return to the company in a stronger capacity. We intend to continue this practice in the future.



Kumiko Shiramizu

Property Insurance Group, Personal Lines Underwriting Department
Tokio Marine & Nichido Fire Insurance Co., Ltd.
(Dispatched from Tokio Marine Millea SAST Insurance Co., Ltd.)

Human Resource Development Leveraging the Group's Comprehensive Strength

Tokio Marine Group is implementing various initiatives to realize group-level human resource development. For example, Group companies in North America hold training sessions which draw human resources from various group companies in the United States, Brazil, Mexico, Malaysia, Japan, and other countries. This practical training program is designed to have teams select a theme that contributes to improving business processes and to implement it into actual business operations. In addition to learning through team activities, the program provides employees with an opportunity to deepen mutual understanding through exposure to diverse ideas and values in active discussions that cross company and national borders.

In addition, we continuously dispatch employees from Japan to perform training at overseas subsidiaries in order to expand the base of the global talent pool. In this training program, participants form a team regardless of divisions such as sales, underwriting, claims service, and others. Employees from Japan call upon their domestically gained knowledge and experience and give suggestions that will contribute to the local business through discussions with local staff. Accordingly, these programs do not only serve as an opportunity to learn about local operations, but rather have been designed to facilitate meaningful learning among all parties.

Furthermore, the Group recruits employees overseas with cross-border relocations in mind. We are currently conducting a trial on a program in which new hires undergo two years of training in the United States, after which they go through rotations among overseas companies to further their development. Going forward, we will work toward the full-fledged deployment of this program in order to develop human resources from various countries in positions across the Group, expanding the scope of this program as we move forward.



Training program

Utilization of Group Network

Tokio Marine Group utilizes its network to generate synergies by sharing knowledge and collaborating to address common issues faced around the world.

In regard to human resources divisions, for example, we periodically hold meetings of the Global Human Resources Committee, which sees participation by representatives from the United States, Asia, the Middle East, Europe, and other regions. These meetings serve as forums for discussion and examination of important themes pertaining to initiatives to be promoted or issues to be addressed on a global scale.

Committee meetings feature discussions concentrated on a wide range of topics that are of importance throughout the Group's global operations. In addition to sharing information on management issues, discussions also focus on developing people that handle global management and the fostering of mutual understanding regarding issues and principal measures in regions around the world.

Progress with regard to policies set at committee meetings is confirmed through periodic teleconferences, and other steps are also taken to foster post-meeting coordination while we develop frameworks for utilizing the insight of companies throughout the Group.

Through such initiatives, we will seek to take full advantage of the Group's network while also strengthening human resource functions.





Workplace Environments and Cultures Supporting Diverse Talent

Tokio Marine Group employs people with diverse backgrounds, including gender, age, and nationality, based on the Group's management philosophy of "building an open and dynamic corporate culture that enables each and every employee to demonstrate his or her creative potential." By accepting diverse perspectives as elements of individuality and making them a combined strength, we have been able to generate ever increasing results.

Diversity Forum

We are committed to promoting diversity and inclusion and to cultivating a corporate culture that will support our people in fully leveraging their talents. For instance, we held Tokio Marine Group Diversity Forum 2017 in fiscal 2017. Based on the theme of unconscious bias, 217 employees from various group companies attended this forum.

The forum began with a message from Group CEO and Group Chief Culture Officer Tsuyoshi Nagano and continued with a lecture by an instructor, a panel discussion by employees, and finally a group discussion among all attendees. High levels of enthusiasm were maintained throughout the event. Participants in the panel discussion included a female branch manager from a domestic Group company, a non-Japanese manager, and the chief HR officer of Tokio Marine North America. These diverse panelists held a discussion on experiences and commonplace examples of unconscious biases while touching on cultural differences and global

viewpoints. Mini-forums were conducted at workplaces at later dates to provide all employees with an opportunity to think about unconscious bias and to develop an understanding of the importance of diversity and inclusion.



Panel discussion at Tokio Marine Group Diversity Forum 2017



Promotion of Active and Equal Participation

We provide various opportunities and chances for female employees to build their careers independently and to become active in a wide range of fields. For instance, domestic Group companies hold joint training programs to promote the success of women in different job types and working environments as well as forums for informal discussion of serious topics. As these programs provide participants with the opportunity to encounter diverse perspectives, they offer a chance for participants to contemplate their own careers and goals.

In reflection of the high praise for such Group-level initiatives for empowering female employees and the results of these activities, in fiscal 2017 Tokio Marine Holdings was selected for inclusion in the "Nadeshiko Brand," which is arranged jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, indicating that it is a company that excels at empowering its female employees. Having previously been chosen in fiscal 2013 and 2015, this is our third year of inclusion.

At Tokio Marine & Nichido, in order to continuously develop female managerial positions and candidates for those positions, we have formulated a three-pronged approach of setting expectations, training, and providing opportunities and flexible work environments. We have created an environment that allows women to take on challenges that are in keeping with their own motivations and aspirations. Measures include assigning



responsibilities based on individual career aspirations, carrying out on-the-job training throughout the year, conducting interdepartmental personnel reassignments, and providing elective training. As a result, the number of women in managerial positions has increased by around six times, from only 43 in 2007 to 240 (as of April 1, 2018), and many women are now also active in key positions in sales and claims services. Going forward, we will reinforce our efforts to appoint female managers and develop management candidates so that more women can contribute at the management level.



Health Management

Our people are the driving force behind our business, and we value the health of them and their families. Based on a philosophy that health management is the starting point for creating a "Good Company," we formulated and implement measures for addressing tasks such as health promotion, lifestyle improvement, prevention of the progression of diseases, and mental health.

At Tokio Marine & Nichido, for example, the leaders at each operational site and occupational health personnel (occupational health physicians, public health nurses, and general nurses) positioned throughout the country collaborate to steadily implement the PDCA (plan-do-check-act) cycle for promoting employee health and improving lifestyles. As a result of such efforts by Group companies, Tokio Marine Holdings has been recognized as a corporation practicing excellent health management under the Health

& Productivity Stock Selection program, which is jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, for three consecutive years. In addition, Tokio Marine Holdings, Tokio Marine & Nichido, Tokio Marine & Nichido Life, Tokio Marine & Nichido Medical Service, and Tokio Marine & Nichido Systems have also received recognition under the Certified Health and Productivity Management Organization Recognition Program, in the large enterprise category.



Innovations in Work Style

Tokio Marine Group is implementing work-style reforms. We see these reforms forming the very foundation for promoting diversity and inclusion. With the objective of achieving the growth of all employees and the growth of the Company, the Group pursues high-productivity work styles by allowing for transforming working hours, workplaces, style of working, attitudes, and other factors and fostering acceptance of diverse ways of working. We call this process “innovations in work style.”

In order to maximize results, we have prepared the infrastructure and developed the rules and systems that will enable employees to select the optimal way of working based on their individual situation, which may involve childrearing responsibilities and nursing care for parents. Work-style reform tends to focus on the growth that is achieved by outperforming competitors in terms of productivity and efficiency, but there is another important part of our “innovations in work style.” That important part is for all employees to realize growth through their work by enhancing the quality of their lives with greater motivation and improved health for themselves and family members. We believe the synergistic effect between the growth of the Company and the growth of all employees is necessary for achieving our goal of becoming a “Good Company.”

Examples of this innovation can be seen at Tokio Marine & Nichido and Tokio Marine & Nichido Life. These companies

provide dedicated smartphone apps so that employees can check, send, and receive company emails from their own mobile terminals while in transit or when away from the office and allow employees to borrow company terminals when required for their work. Also, employees of these companies are provided access to telecommuting and mobile work systems. By creating an environment that allows for flexibility in terms of workplace and working hours, we aim to enable a diverse range of employees to achieve productivity in their work. We aspire to promote the ongoing growth of the Company and its employees by effectively utilizing the time created through these initiatives to provide higher levels of value, stimulate individual growth (increased motivation, good health, and life fulfillment), and facilitate work-life balance.

Moreover, as an initiative to support all employees in realizing diverse working styles, Group companies are introducing systems that allow for the flexible alteration of work hours and already have various other systems in place, such as for childcare and nursing care leave, as well as voluntary service leave and special paid leave. By fully utilizing these systems, each employee can select the optimal way of working that suits his or her individual situation.

