

Conference Call Presentation Script

Thank you all for joining us. I am Ishiguro of the IR Group. I would like to begin Tokio Marine Holdings earnings call for the fiscal year 2020 second quarter results which we announced today.

Now, I would like to share with you the highlight of our performance from page three of the presentation material.

First, top-line or net premiums written.

In the second quarter our top-line grew by 0.1% YoY or by 4.4% excluding the currency impact. To break this down in more detail, top-line of Domestic Non-Life Business declined by 1.6% over the year, mainly because CALI premiums were lowered.

In the International Business, while there was a negative impact from stronger Japanese yen, that was more than offset by execution of overseas growth strategies, including new consolidation of Pure Group as well as rate increases, and top-line increased by 3.8% YoY. As for full year projections on top-line, we made a slight upward revision to Domestic Non-Life Business from our August projections, mainly due to top-line growth in Fire and Specialty Business. We also made an upward revision to International Business on a local currency basis due to rate increases in developed market. The underlying trend is favorable overall but in Japanese yen terms, due to the appreciation of Japanese yen, we made a downward revision by JPY10 billion.

Next, life insurance premiums in the International Business increased due to the rate increase in the Medical Stop-Loss Business of TMHCC. However, the top-line of Domestic Life Business declined due to increased surrender in corporate insurance. As a result, life insurance premiums declined by 3.2% YoY.

For full year we made a slight upward revision on the Domestic Business. We also revised our projection in the International Life Insurance Business upwardly, as the negative impact of stronger Japanese yen is expected to be offset by steady rate increases at TMHCC. For our Life Business overall, we revised our top-line projection upwardly by JPY10 billion.

Next, bottom line or subsidiary consolidated net income in the second quarter declined by JPY54.2 billion over the year to JPY62.3 billion, mainly due to the negative impact of COVID-19 by JPY73 billion.

To highlight the key points here for the major three businesses.

In the Domestic Non-Life Business, bottom line increased by JPY41.2 billion YoY due to decline in accident rate attributable to COVID-19 and YoY decrease in natural catastrophes. In addition to the favorable growth at the top-line.

Next Domestic Life Business grew its top-line by JPY9.5 billion over the year, mainly due to the absence of increased expenses on system development that we booked last year. International Business in addition to the negative impact of pandemic by JPY86 billion. As we completed the acquisition of Pure Group in February this year and began the depreciation of its goodwill and intangible fixed assets, the bottom line declined by JPY107.3 billion over the year.

Next is the review of our full year projection on the bottom-line, please turn to page four. As for subsidiary consolidated net income, we made an upward revision by JPY25 billion from our August projection.

To look into more detail, we revised up the projection for Domestic Non-Life Business by JPY17 billion. While losses related to natural catastrophes are expected to increase from our August projection, that is expected to be more than covered by takedowns of cat loss reserves, improved impact of COVID-19 and increase in earned premiums backed by top-line growth.

We also revised upwardly projection on the Domestic Life Business by JPY6 billion, mainly due to sales gains of foreign bonds and decrease in hedge cost.

International insurance is revised downwardly by JPY3.1 billion, but this is attributable to JPY10.4 billion impairment losses on equities of our life subsidiary, which is now consolidated to our Group. The underlying business trend is in line with our plan.

Next, on adjusted net income, which is a source of shareholder returns. Adjusted net income was revised up by JPY22 billion from August projection to JPY332 billion, after excluding impact of catastrophe loss reserves and impact of impairment losses on equities in overseas subsidiary.

Impact of COVID-19 on the full year forecast is on page five.

Income of natural catastrophes is on page seven.

Lastly, let me turn to ESR and shareholder return. Please jump to page 31 in the slide deck and our news release on shareholder return.

Level of ESR as of end of September 2020 was 165% before capital adjustment, with contributions in the first half and improved market environment. This level is up 12 points from end of March 2020. We have today announced a capital adjustment of JPY50 billion, which brings the ESR to a level of 163%.

Let me explain our thought process. First of all, ESR of 165% is within our target range. As long as we are within the target range, the Company will strategically consider business investment and/or additional risk taking and/ or shareholder return. This policy remains unchanged. On top of that, economic conditions under the pandemic or a sense of uncertainty of the market, has somewhat improved from the earlier stage. The impact of natural catastrophes is expected to be not as big as few years ago. While we still remain

committed to actively pursue business investments for growth, as capital accumulation from income can be anticipated, we have decided to make capital adjustments.

Ordinary dividend for fiscal year 2020 remains unchanged from the beginning of the year. JPY100 per share to be paid as interim dividend and JPY200 per share for the full year, which is a JPY10 increase. An increase in dividend for nine years in a row. Details of shareholder return will be explained on investor day next week.

Lastly but not least, natural catastrophes we have been experiencing the last few years and the ongoing COVID-19, puts us in a challenging business environment. What the Company must do in spite of that is to increase our capabilities, the earning power of the Group in a stable manner. And to strive toward achieving our goal, adjusted net income of over JPY500 billion and adjusted ROE of about 12%. This is what we intend to explain thoroughly at the investor day scheduled next week. We are committed to responding to our shareholders' expectations by enhancing profitability over the medium and long term, in a stable manner. Your continued understanding and cooperation are greatly appreciated. This is all from me.