

A large three-masted sailing ship, likely a training vessel, is shown from a high angle, sailing on a deep blue sea under a clear sky. The ship's sails are white and partially deployed. Two flags are visible on the masts.

Tokio Marine Group Investor Day

November 26, 2020



TOKIOMARINE

Tokio Marine Holdings

*To Be a **Good Company***

I

Group Strategy (13:30 – 14:30 JST)



**Group CEO
Group CCO**
Satoru Komiya



Group CFO
Takayuki Yuasa

II

Domestic Business Strategy (14:40 – 15:25 JST)



**President & CEO
Tokio Marine &
Nichido**
Shinichi Hirose



**President & CEO
Tokio Marine &
Nichido Life**
Katsumi Nakazato

III

International Business Strategy (15:35 – 16:20 JST)



Co-Head of International Business
Akira Harashima

IV

Asset Management Strategy (16:30 – 17:00 JST)



Group CIO
Yoshinari Endo

I

Group Strategy

Group CEO
Group CFO

Satoru Komiya
Takayuki Yuasa

Our Goal and Strategy

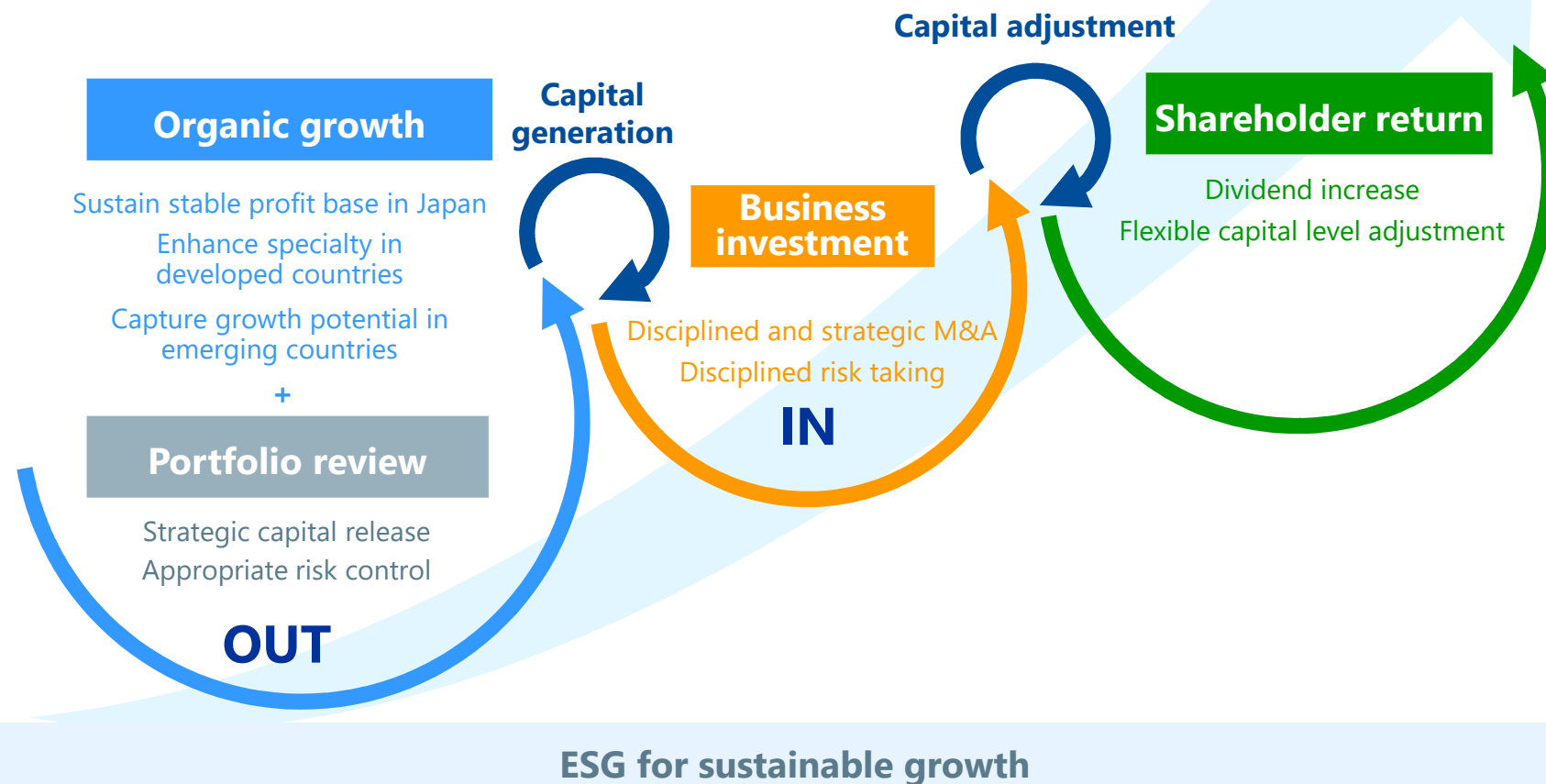
Continue the existing management strategy and turn the growth cycle at a fast and planned pace heading towards our goal

Our Goal

A global insurance group delivering attractive value to all stakeholders

Stable double-digit ROE

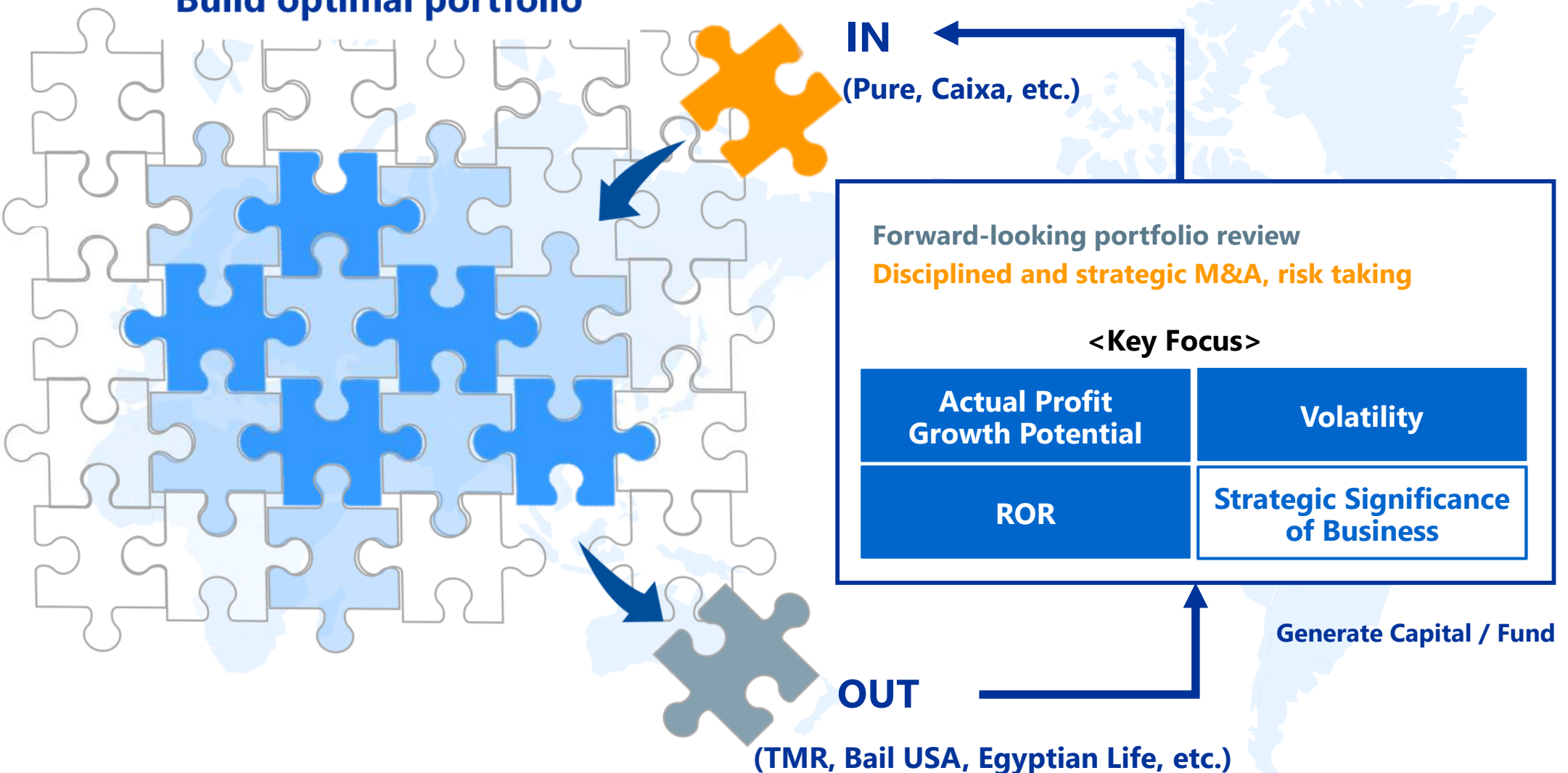
High-level shareholder return



Strategic Portfolio Review

Constantly review portfolio to further improve capital efficiency

Build optimal portfolio

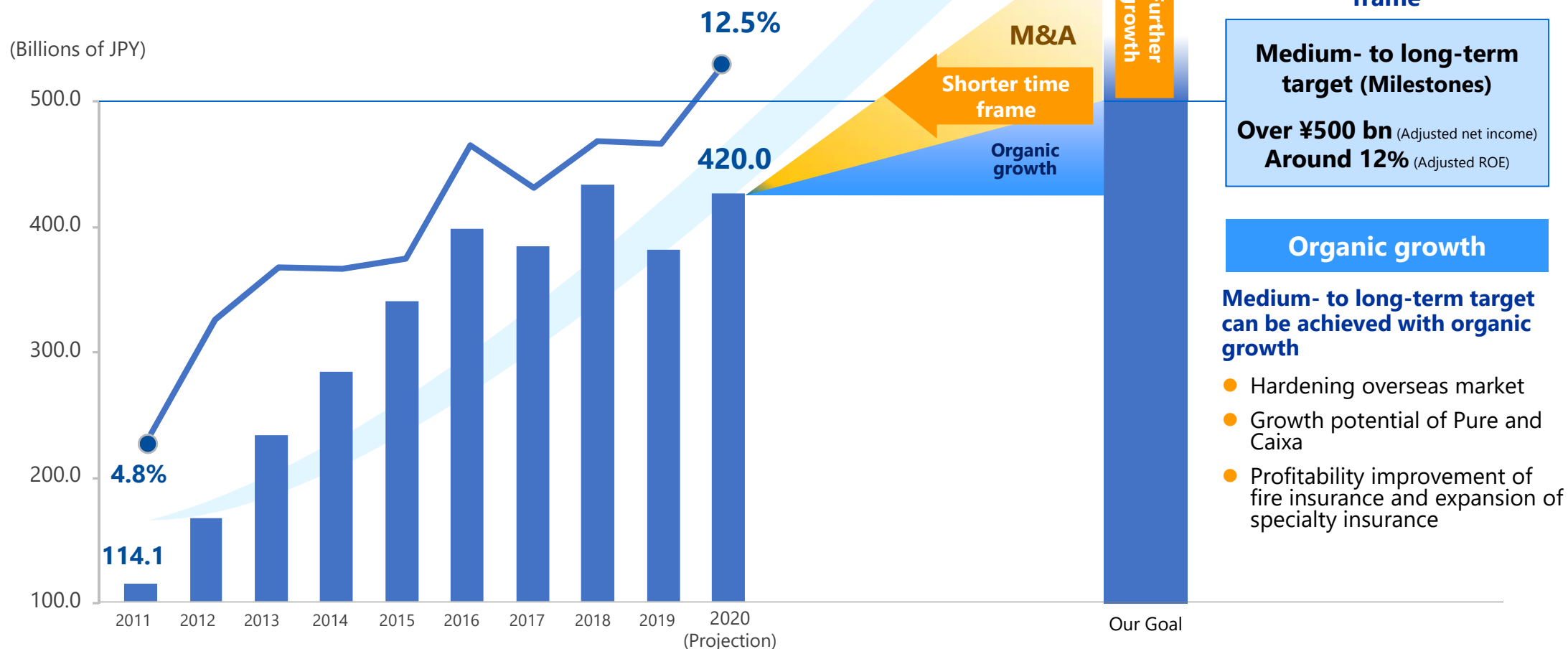


For Further Growth

Enhance our actual capabilities with steady execution of business strategy towards our goal

[Adjusted Net Income/Adjusted ROE (normalized basis)*]

(Billions of JPY)

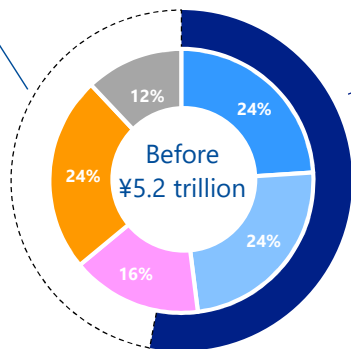


Portfolio Diversification

Appropriately control risk and realize sustainable growth

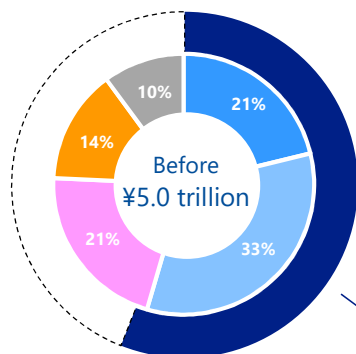
Risk diversification

FY2019 Diversification effects **48%**



- **Domestic non-life (underwriting)**
Control of nat-cat risk
- **Domestic non-life (investment)**
Reduction of business-related equities risk
- **Domestic life**
Control of interest rate risks
Shift to protection-type products
- **International insurance**
Diversification improvements with business expansion

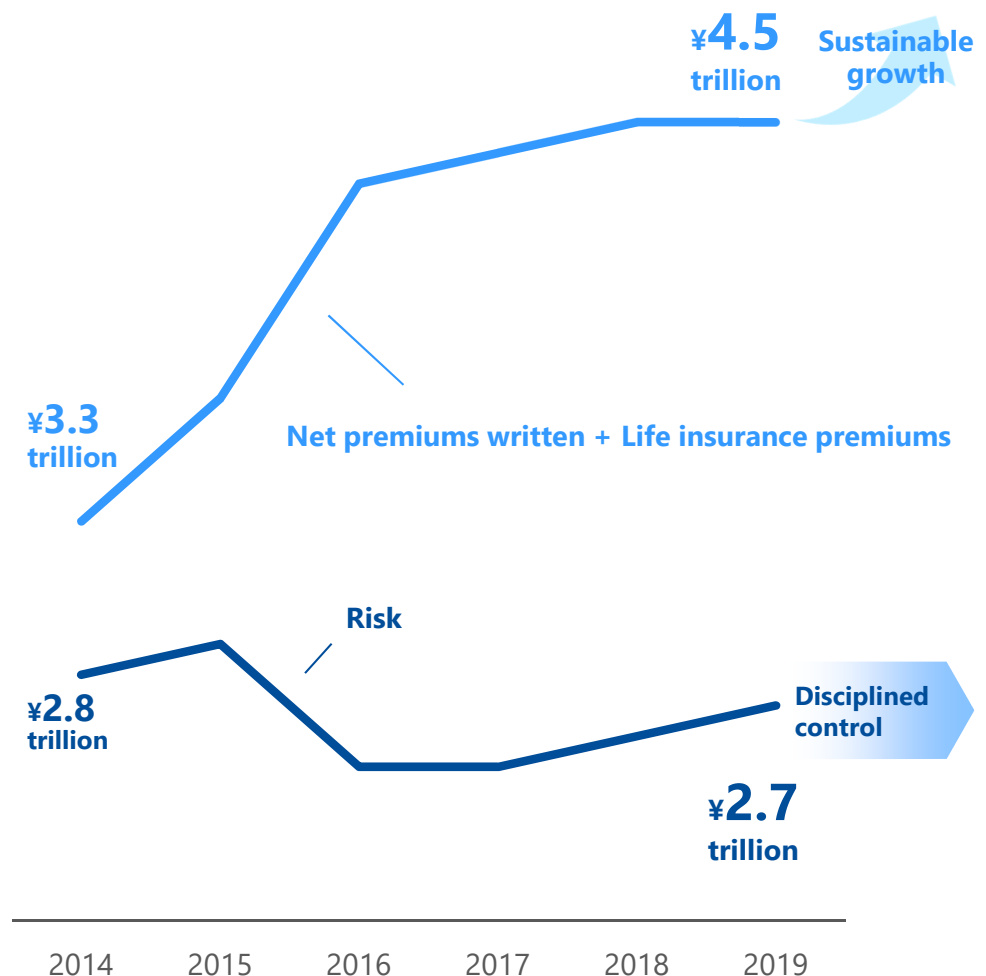
FY2014 Diversification effects **44%**



■ Others: Financial and General businesses, FX risk derived from net capital investments, etc.

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Trends of premiums and risks*



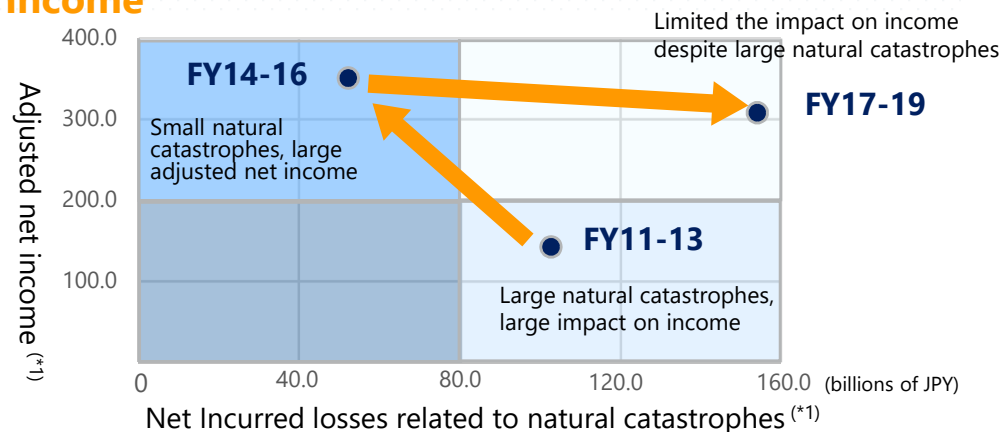
*: ESR risk (99.95% VaR, after tax basis)

Stabilization of Business Platform with Global Risk Diversification

Control impact on income from natural catastrophes and COVID-19 with risk diversification

Impact of natural catastrophes

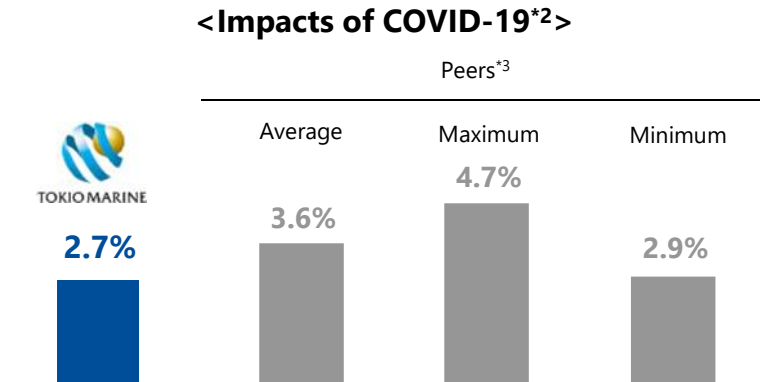
- Geographical and business diversification **steadily controls impact of natural catastrophes on income**



*1: 3 year average. Net incurred losses related to natural catastrophes based on a financial accounting basis (TMNF figures for domestic)

Impact of the COVID-19 on underwriting profit

- Impact of COVID-19 in FY2020 **expected to be controlled compared to peers** with risk diversification



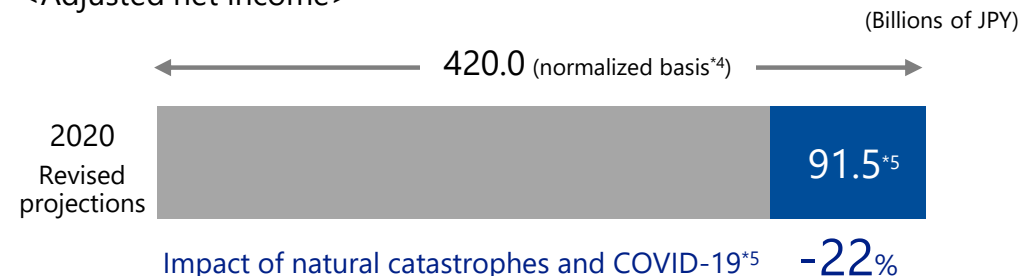
*2: Ratio of net incurred losses for COVID-19 in FY2020 to net premiums earned in FY2019. Our figure is based on private insurance and net incurred losses excludes domestic non-life which benefited from great improvement in loss ratio for auto

*3: Allianz, AXA, Chubb, Zurich Source: D&P research

Impacts of Natural Catastrophes and COVID-19

- The impact of more than annual average natural catastrophes and COVID-19 is **controlled to approx. 20% of income through global diversification**

<Adjusted net income>



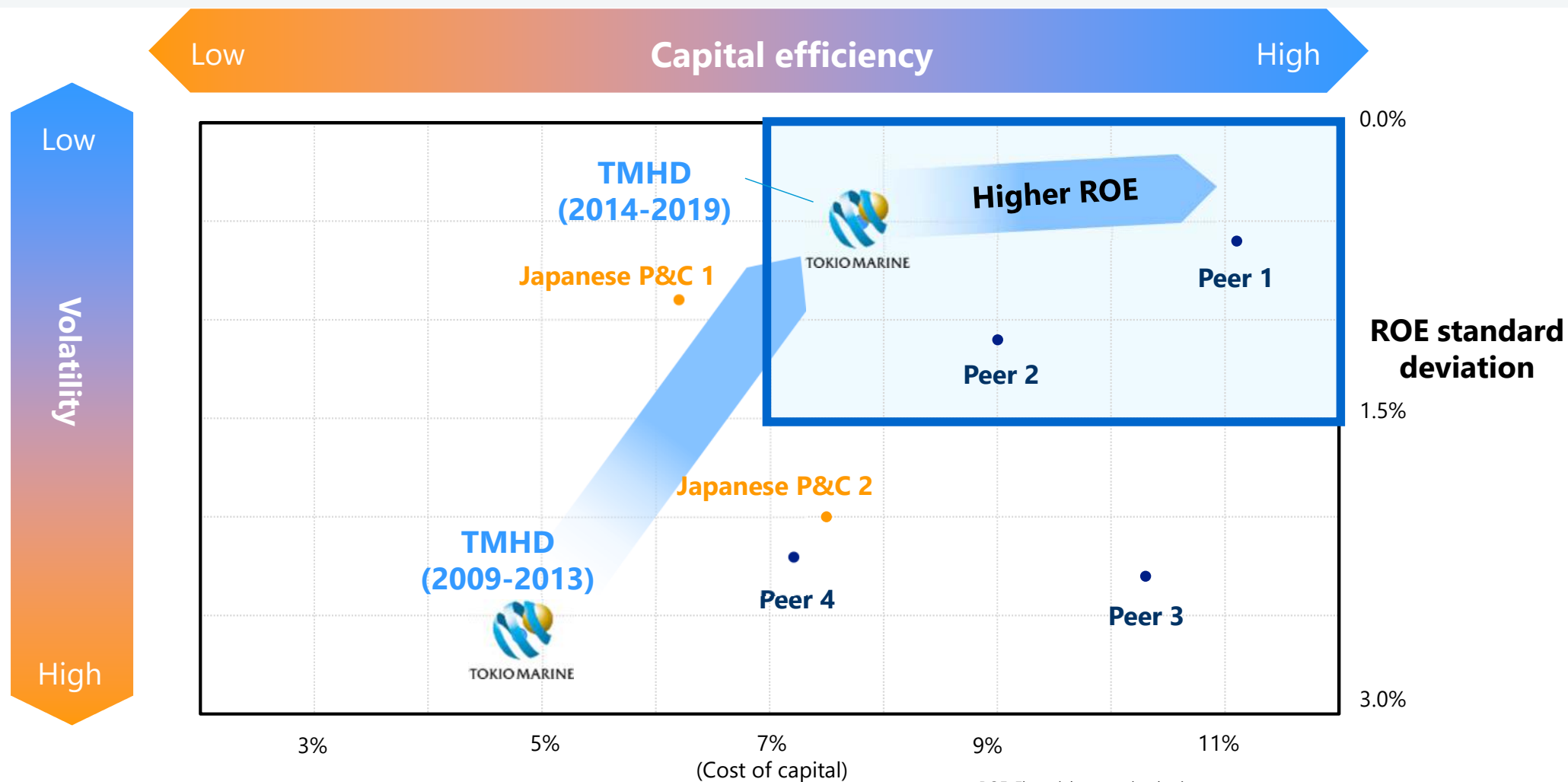
*4: Normalizing natural catastrophes to an average annual level and excluding the impact of COVID-19

*5: Natural catastrophes over annual average

Stable Business Platform

We have increased ROE by enhancing profitability and risk diversification through large-scale Mergers & Acquisitions in the U.S. and Europe

We will continue to further increase ROE towards our goal



ROE: Financial accounting basis.

Figures for other companies are 2014-2019 averages. (2017 of AXA is excluded).

Peers: Allianz, AXA, Chubb, Zurich Source: Bloomberg

Optimal allocation of diverse talents to globally leverage on expertise and knowledge

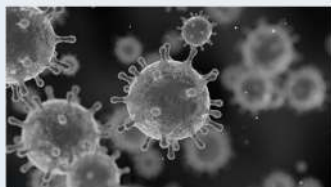


Post-COVID-19 Medium- to Long-term Business Environment and Opportunities

Established global task force and identified post-COVID-19 business environment, etc.
Maintaining disciplined risk management while capturing business opportunities with Integrated Group Management

Our view on COVID-19

- COVID-19 will remain as permanent risk due to the nature of disease
- Balance between risk avoidance and restarting economic activity will differ by country
- COVID-19 will accelerate DX and business model reform
- Positive outcome recognized by businesses and individuals will increase (online sales, etc.)



Impact on insurance business

Based on our view, identify medium- to long-term impact and core requirements for post-COVID-19

Core business requirements

Expected impacts

Digital capability/ data analytics



- **Omni-channel** sales with face-to-face and virtual communication
- **Accelerate creation of new values** with use of technology and data
- Need to **review operation model** in response to digitalization

Resilience



- **Preparing for uncertainties** is essential for management

New normal work-style



- Need for HR system review to enable **flexible workstyle**
- HR development **to enhance digital capability**
- Need for **flexible organization design** that can respond to rapid and dynamic environmental changes

Incorporate details to strategy of each group company to build sustainable competitiveness

Tokio Marine Group Digital Strategy

Utilize technology and data to implement digital transformation (DX) that builds competitive advantage

Achieve growth through internal systems reform and building new business model

Internal Systems Reform (DX)

Improve productivity to achieve lean management system

Business Process/Operations DX

- Promote remote work and online sales
- Digitalize business process
(paperless operation, utilization of AI/RPA) , etc.

Corporate Culture DX

- Promote new workstyle, create corporate culture that supports employee initiatives and change
- Enhance digital resource recruitment and development , etc.

Values Creation Reform (DX)

Create new growth axis, enhance capacities for resolving issues

Business model DX towards new growth

- Enhance customer contact with digitalization
- Polish core insurance function CX with digitalization
- Enhance measures targeting active seniors/digital native generation , etc.

Resolution of Social Issues DX

- Develop new products, services, and solutions that lead to prevention and reduction of disasters , etc.

Global Digital Synergies

Enhance Digital Strategy Platform

Recruit / develop digital resource and utilize external knowledge; boost competitiveness with lateral deployment

Digital resource recruitment / development

- **Actively utilize external personnel** with diverse career history and strong expertise
- Established "Data Science Hill Climb," a program for **data scientist development** under supervision by Professor Yutaka Matsuo of the University of Tokyo (TMHD original program)
- "Tokio Marine Innovation Program" seeks ideas for implementation from employees to **promote innovation**



Collaboration with diverse partners

P K S H Δ
TECHNOLOGY

- Accelerate data collaboration in various areas leveraging on the strength of algorithms and machine learning. JV established in November

 **TradeWaltz**

- Trade platform JV utilizing blockchain established with NTT Data, Mitsubishi Corporation and MUFG Bank, etc.

Albert
Analytical technology

- AI reenactment of accident. Introduced new function for automatic calculation of liabilities between parties in auto accident

Lemonade

- As part of strategic alliance under consideration, participated in reinsurance program

5 Labs



 **London** Established in April 2020

- Daljitt Barn appointed as Global Head of Cyber to supervise the area
- Identify start-ups

 **Tokyo**

- Supervise Global Labs
- Research on latest technologies and business model trends

 **Silicon Valley**

- Identify start-ups
- Support DX by group companies in North America

 **NY** Established in July 2020

 **Singapore**

- Research/identify digital technologies and new business models
- Support DX by group companies in Asia

 **Taipei**

- Research/identify digital technologies and new business models

Periodic Digital Round Table among Group companies for global knowledge sharing and synergy effect

Strategic Direction for Next Mid-Term Business Plan

ESG

To realize our long-term vision, enhance capabilities through business model reform and improving profitability of the insurance business

Long-term vision

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

Our aspirations for the long-term vision

Growth and stable high profit

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

Glocal × Synergy

Win-Win situation with Stakeholders

2+1 Growth Strategy

New Markets × New Approach

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

Enhance profitability of insurance business

- Acknowledge issues including intensified natural catastrophes and low interest rates while utilizing business opportunities presented by hardening of premium rates and digitalization to enhance profitability of insurance business

+

Business investment for the next growth stage

Business Platform

(Human Resources / Integrated Group Management / Culture / Technology / ERM)

Win-Win Situation with Stakeholders

ESG

Search for optimal solution to provide balanced values to all stakeholders based on our purpose

Our unchanging purpose

Protect our customers and society in times of need by delivering safety and security

<Cycle of Values for Stakeholders>



Robust and agile organization

Passion to realize our purpose

Many wisdoms and solidarity to overcome difficulties

Stay ahead of customers and society to capture their needs

Pursuit of speedy reform

Agility to adjust and ability to execute strategies

(Reference)

History of Resolving Social Issues and Sustainable Growth

1914



Launched Japan's first auto insurance to support motorization

1998



Launched Japan's first auto insurance with coverage for personal injury and realized early insurance payment

2001



Launched microinsurance in India and contributed to addressing poverty problems

2020



Launched indexed insurance to protect the livelihood of people directly following an earthquake

1959



Launched Japan's first liability insurance to contribute to minimize consumer losses

1999



Amid rising cyber risk worldwide, UK-based Tokio Marine Kiln (TMK) offered cyber-related coverage from early on

2002



Launched *Super Insurance*, a globally unique integrated life and non-life insurance product

2020



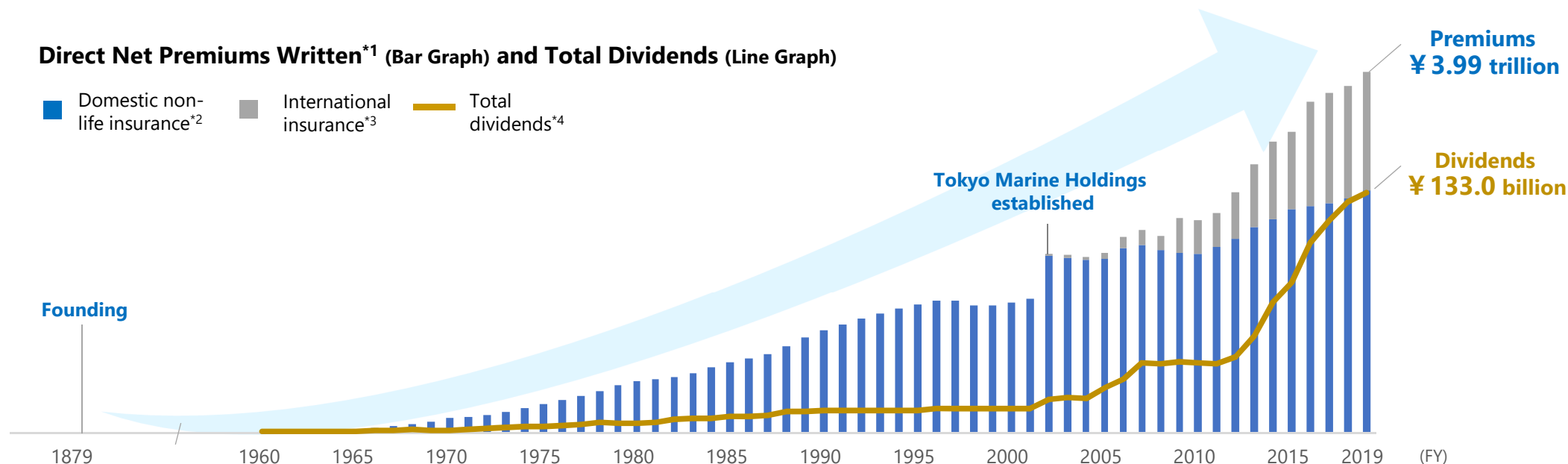
Developed insurance for offshore wind power generation projects to support the spread of renewable energy

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

■ Domestic non-life insurance*²

■ International insurance*³

— Total dividends*⁴



*1: Excludes deposit premiums from policyholders

*2: Premiums from Tokio Marine from FY2001 and prior, and combined premiums from Tokio Marine & Nichido and Nisshin Fire, etc. from FY2002 onward

*3: Premiums from FY2002 onward when Tokio Marine Holdings was established

*4: Does not include one-time dividends provided as capital level adjustment

Management Focused on People

ESG

Promote diversity and spread our core identity to enhance Group competitiveness

Promotion of Diversity & Inclusion

Promoting overseas talent

- Excellent talent who join the Group through overseas M&A, are appointed to positions such as Group Co-Heads and global committee leaders

Promoting Success for Women

- Tokio Marine Group Women's Career College (TWCC) was established in Sep 2019 to assist female employees in voluntary career planning, and to ensure that women are active in their workplaces



Promoting Success for Young

- An in-house venture program was established to support young talent who are eager to innovate

Promoting D&I

- Continue discussions on D&I around the world
- Establish global Diversity Council chaired by Group CEO to accelerate initiatives (FY2021)



TMNAS' Diversity & Inclusion Committee

Developing Future Management Talent, etc.

- Discussions on talent development for future management and corporate function talents held at global CXO meetings

Spreading the core identity

- CEO to engage in town hall meetings in Japan and overseas to engage in a global dialogue with employees
- Promote spread of group culture through town hall meetings to further enhance group governance



Overseas town hall meeting led by the Group CEO (Before COVID-19)



A town hall meeting led by the president of Tokio Marine & Nichido (During COVID-19)

Exciting and Rewarding Work Environments

Culture & value survey*

4.3 points out of 5

(Proud to work for Tokio Marine Group)

*FY2019 survey result (total of overseas and HD)


 Placing in best place to work rankings around the world
(Ceremony for Great Place to Work Award in Brazil)

FY2020 Revised Projections and Target KPIs

	FY2020 projections (Normalized basis) ^{*1}	FY2020 target	Mid-term Goal
Adjusted net income	¥420bn	¥400 - 450bn ^{*2}	Over ¥500bn
Adjusted ROE	12.5%	10% or higher ^{*2}	Around 12%
Shareholder return			
Payout ratio ^{*3}	40%	35% or higher	Gradually increase to levels on par with global peers ^{*4}
Capital level adjustments	¥50bn ^{*5} capital level adjustment as of end of September 2020	Flexible execution	Flexible execution

*1: Normalizing natural catastrophes to an average annual level and excluding the impact of COVID-19.

*2: Calculated based on FY2017 normalized basis of ¥372bn.

Specifically, net incurred losses relating to natural catastrophes are normalized to an average annual level, and the impact of FX fluctuations and the one-time impact of U.S. tax reforms are excluded.

*3: Payout ratio is based on the five-year average adjusted net income. Based on original projections.

*4: Payout ratio of global peers is currently approx. 50%.

*5: The figure includes one-time dividends of approx. ¥25bn.

Shareholder Return Policy

Our primary means of shareholder return is dividends and we plan to sustainably increase total dividends along with profit growth

Dividends

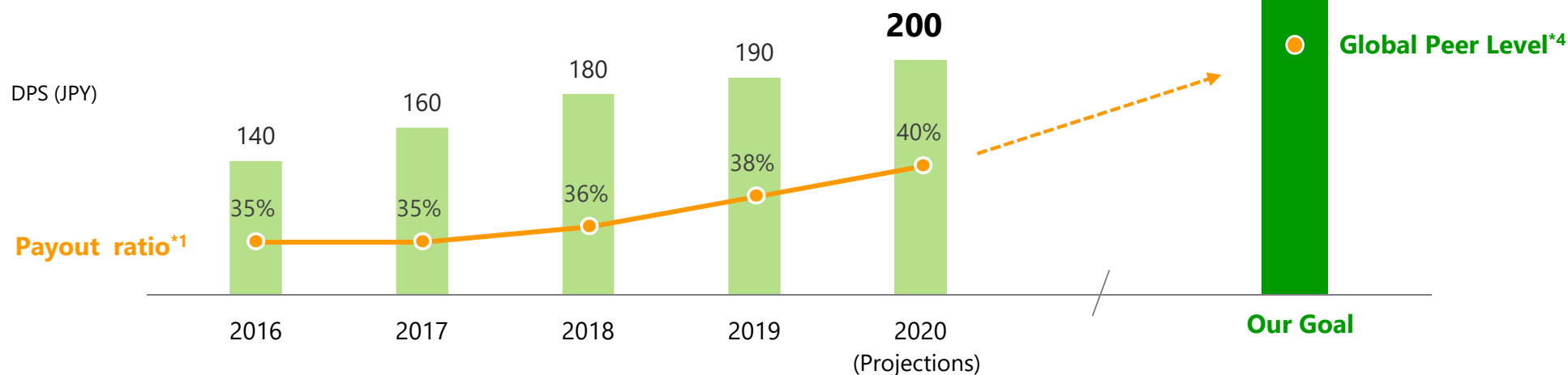
- Payout ratio is at or above 35% of the 5-year average adjusted net income
- Gradually increase the payout ratio^{*1} to levels that are on par with global peers to achieve mid-term goal

Capital level adjustment

- Adjust capital levels flexibly through share buybacks, etc. based on a comprehensive consideration of the market environment, business investment opportunities, etc.

High level shareholder return

Ninth consecutive year of higher dividends projected



Total dividends ^{*2} (billions of JPY)	105.3	117.6	128.0	133.0	139.6
Capital level adjustment ^{*3} (share buybacks, etc.) (billions of JPY)	50.0	150.0	125.0	50.0	50.0

^{*1}: Payout ratio based on the original projection basis.

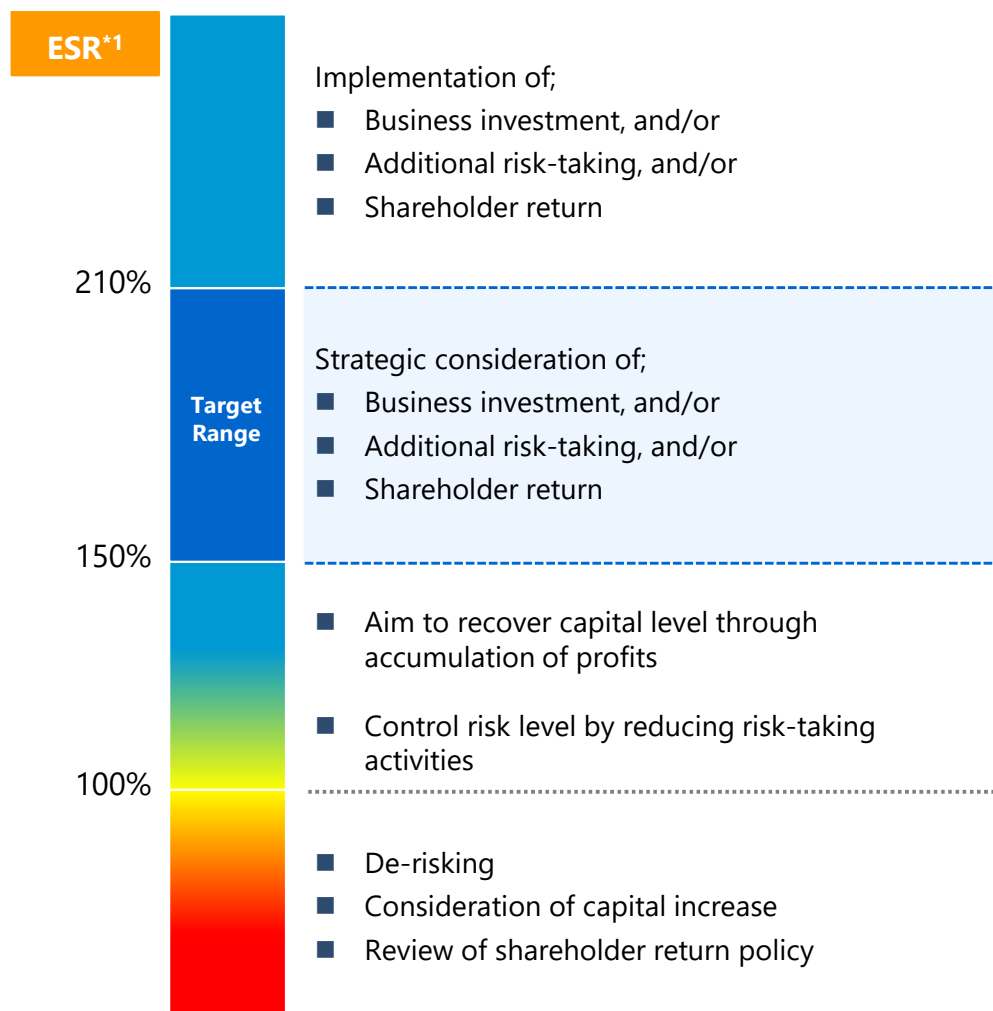
^{*2}: The figure for 2020 (projections) is before reflecting share buybacks.

^{*3}: Total amount approved by the announcement date of financial results of each fiscal year. The figures include approx. ¥50.0bn for 2018 and approx. ¥25.0bn for 2019 and 2020, respectively as one-time dividends.

^{*4}: Payout ratio of global peers is currently approx. 50%.

Disciplined Capital Policy

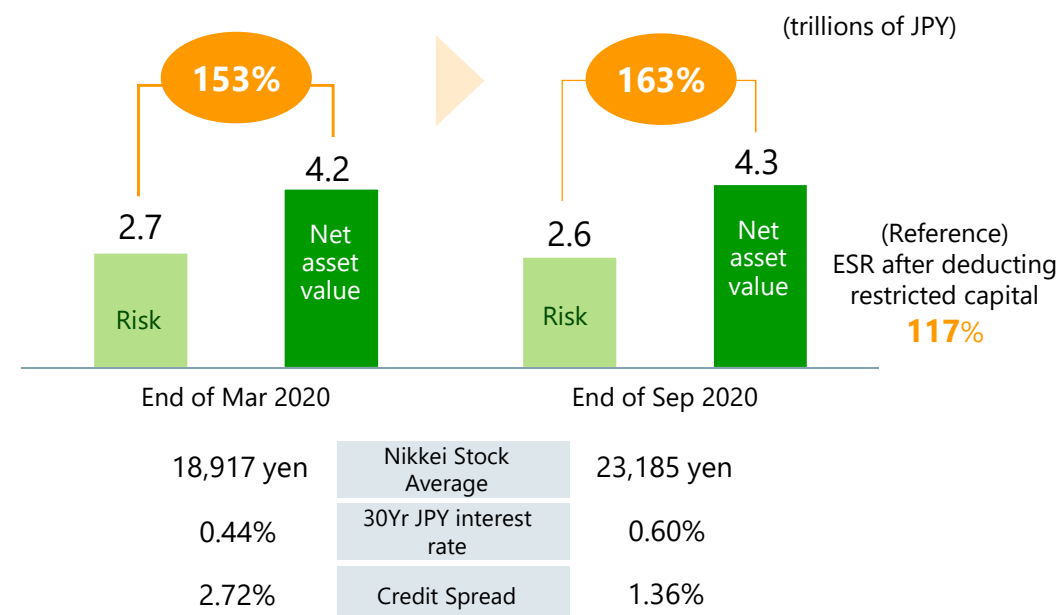
Capital policy based on ESR



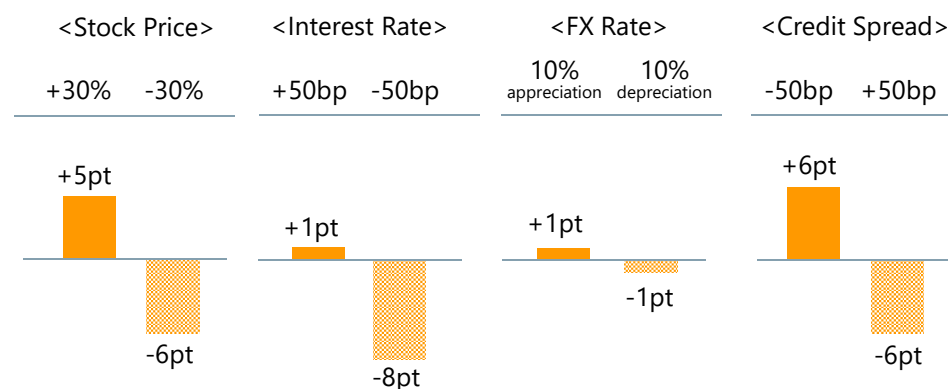
*1: Economic Solvency Ratio

Risk is calculated using a model based on 99.95%VaR (AA credit rating equivalent)

ESR



ESR sensitivity*2 (End of Sep 2020)



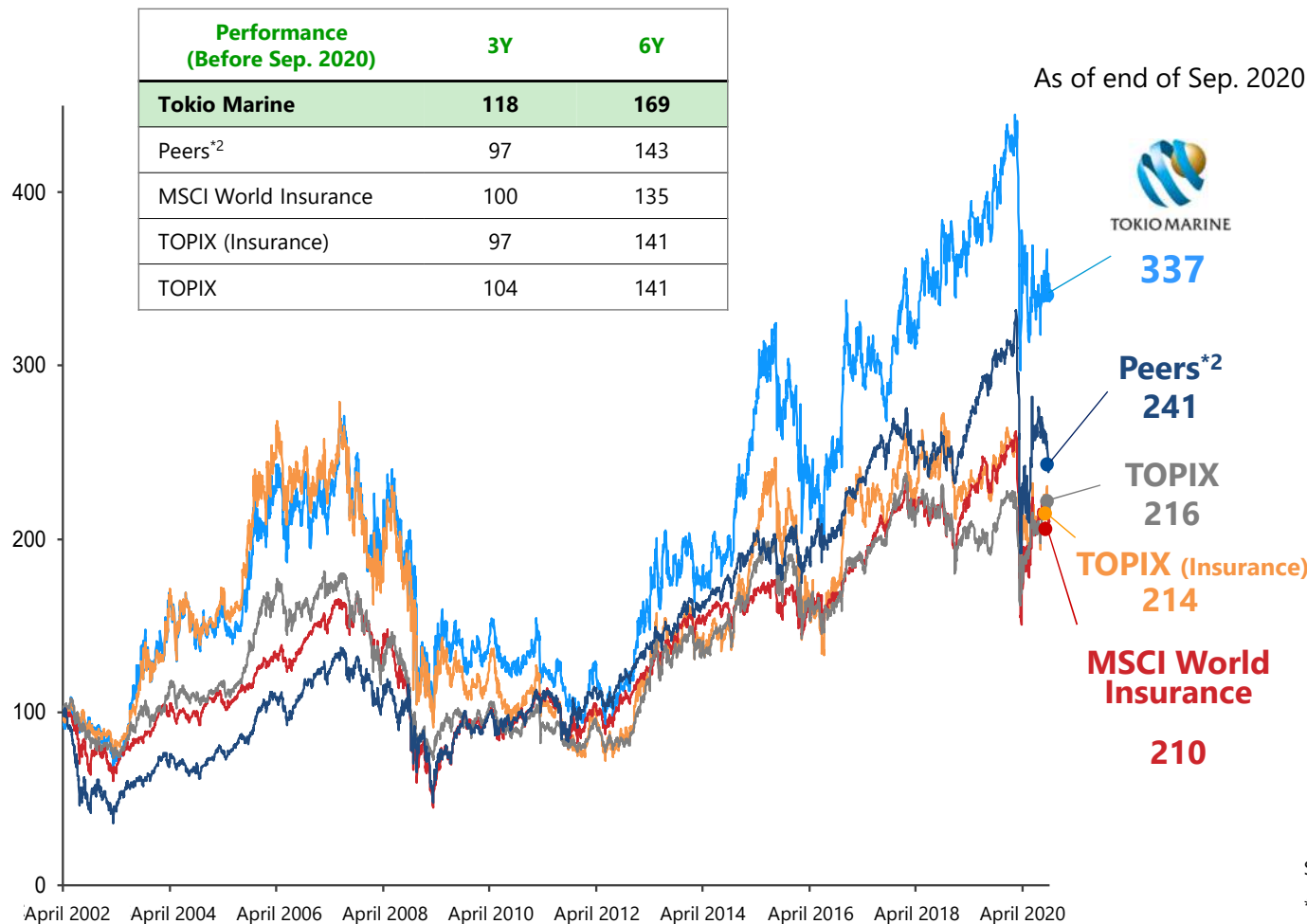
*2: Sensitivity based on parallel shift

*3: See p73 of reference material for details

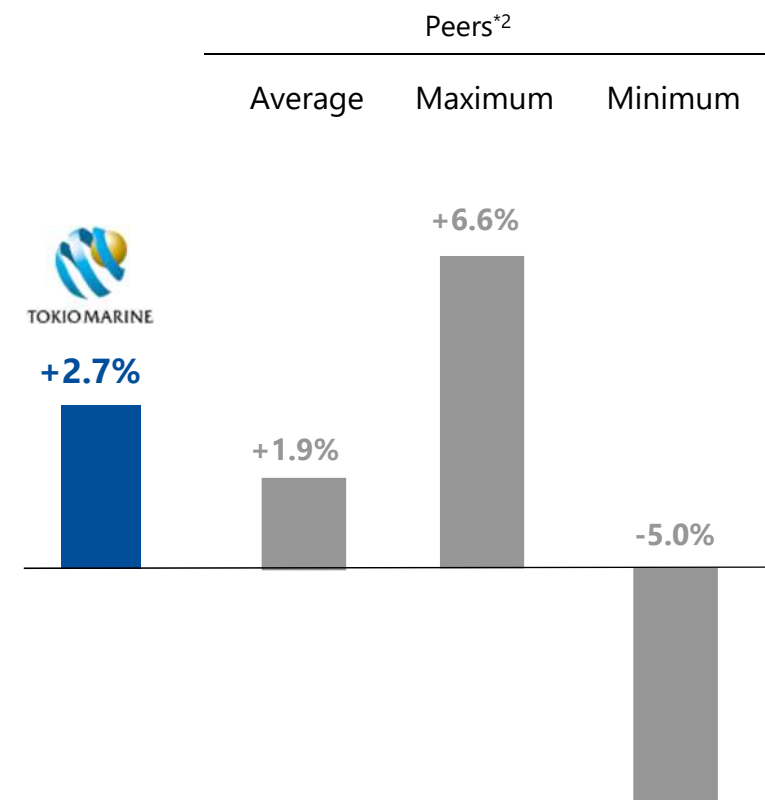
Strong Track Record

Our steady implementation of management strategies has resulted in above-market TSR and an EPS that is comparable to our peers

TSR*1



EPS*3CAGR(2014-2019)



Source: Bloomberg

*1: Total Shareholder Return (TSR): Capital return after reinvesting dividends.
Stock price indexed at 100 as of April 1, 2002.

*2: Allianz, AXA, Chubb, Zurich

*3: Financial accounting basis



Domestic Business Strategy

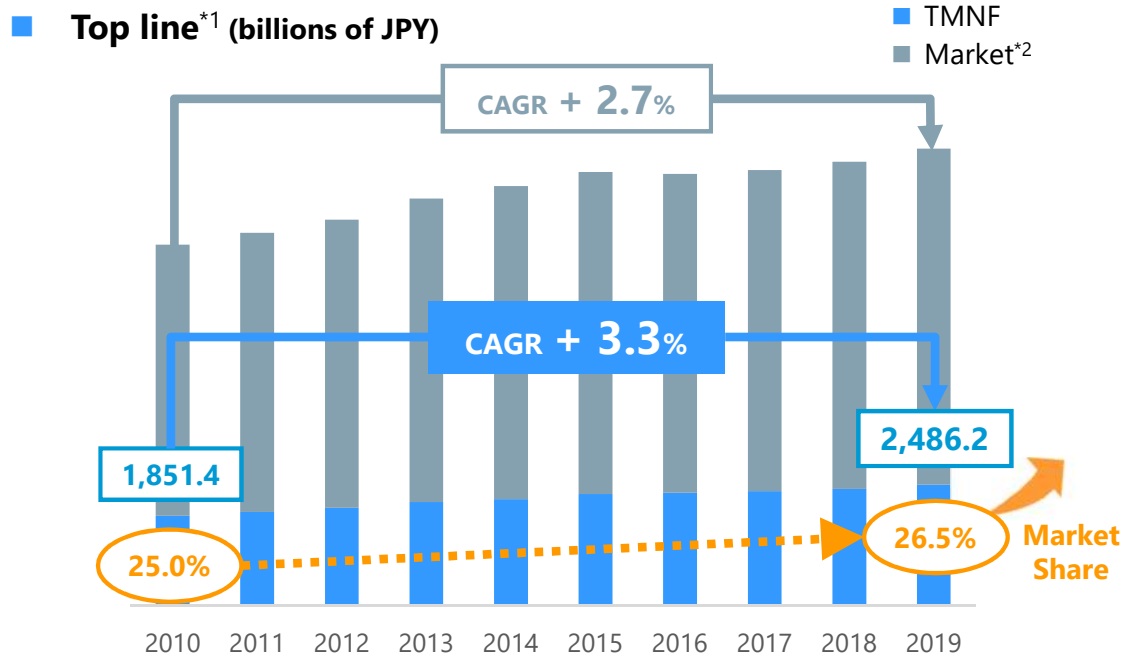
Tokio Marine & Nichido
President & CEO Shinichi Hirose

Tokio Marine & Nichido Life
President & CEO Katsumi Nakazato

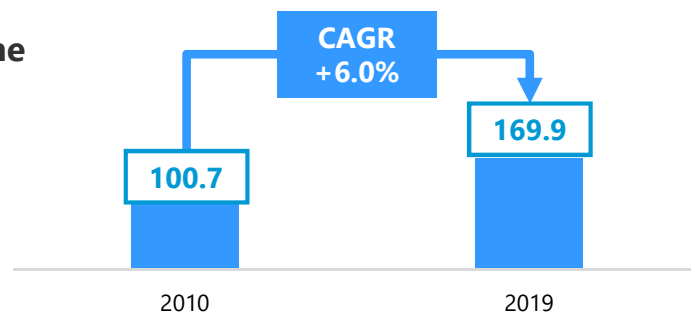
Largest Japanese Non-life Insurer with Growth Outperforming the Market

Secure business efficiency advantages and steadily increase share in the domestic market with stable growth potential

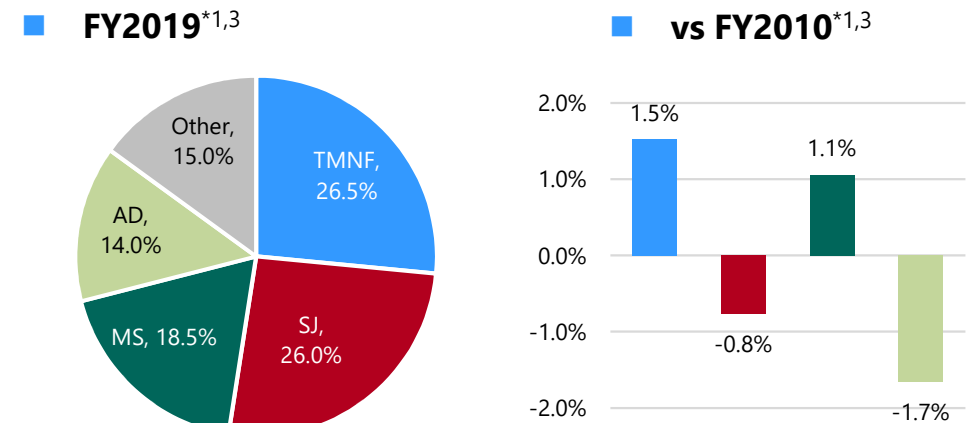
Growth outperforming the market



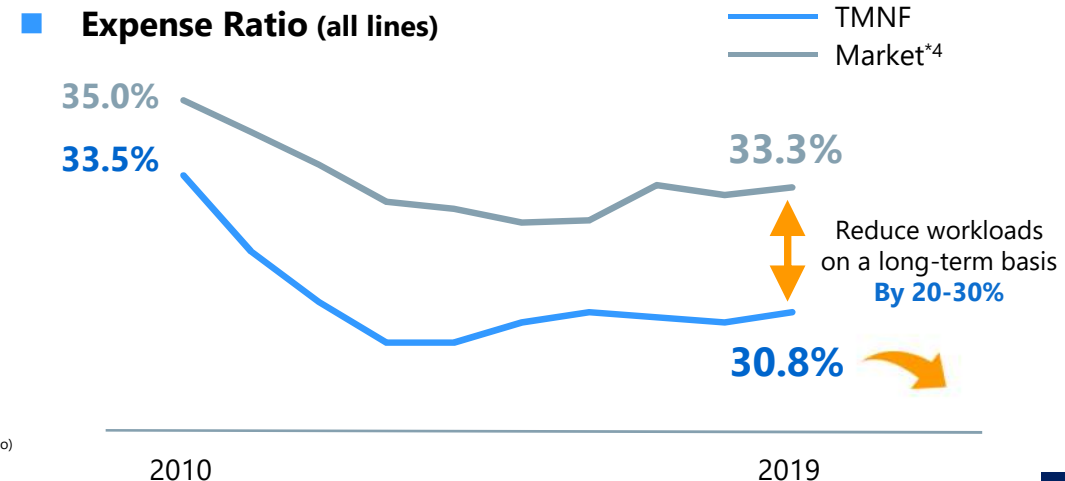
Net income



Share in domestic non-life market



Competitive business efficiency



*1: Direct net premiums written

*2: Total of the members of The General Insurance Association of Japan. Source: Website of the General Insurance Association of Japan, Insurance Statistics (Sompo Toukeigo)

*3: Total of the members of The General Insurance Association of Japan. Source: Website of the General Insurance Association of Japan, company websites

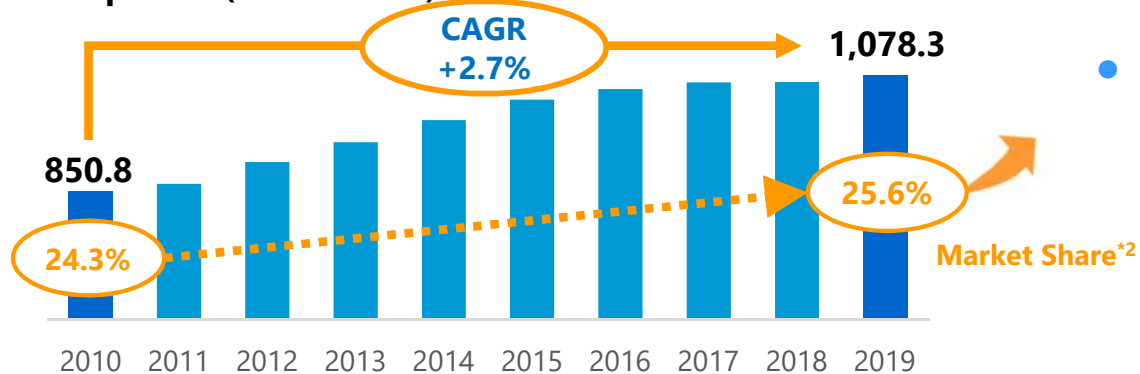
*4: Total of the members of The General Insurance Association of Japan (excluding TMNF). Source: Website of the General Insurance Association of Japan

Presence in Auto Insurance Market

Support growth of non-life business by steadily increasing market share with increased coverage that meets the needs of our customers

Auto insurance growth potential

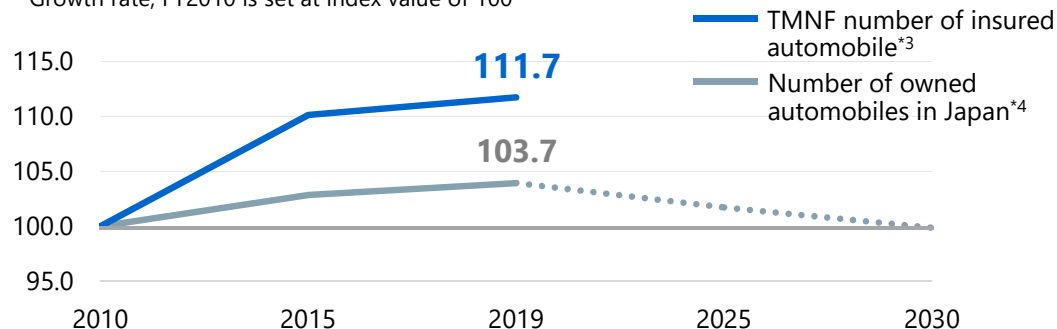
■ Top line*¹ (billions of JPY)



Number of policies outperforming the market

- Achieved strong growth with attractive products/services, superior agency system, increased activities, and high-quality claims service, etc.
- As the number of owned automobiles gradually decrease (CAGR: -0.4%), steadily capture number of insured automobiles by enhancing our strength

*Growth rate, FY2010 is set at index value of 100



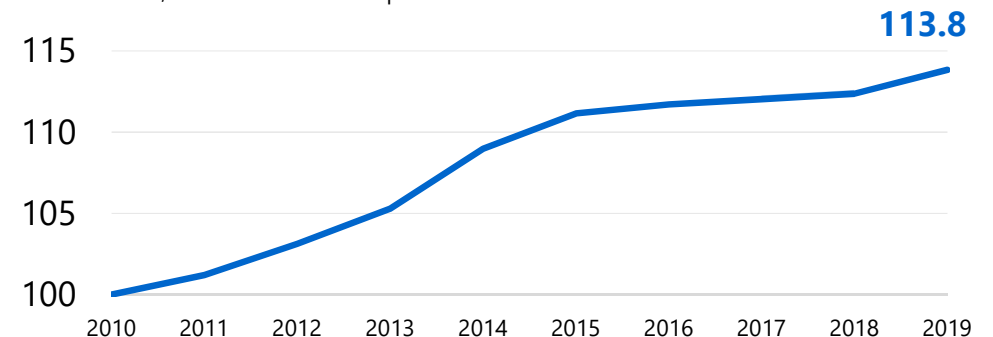
Solid unit premiums growth

- Achieved unit premiums growth with development of DAP*⁵ which contributes to accident prevention, increase in coverage that meets the needs of customers, and strengthening sales force, etc.
- Strengthen initiatives by increasing added values with further increase in coverage (new DAP in Apr. 2021) and sophisticated AI utilization, etc.

Policy coverage with room for growth (current ratio)

- DAP: several percentage points
- Car rental expense coverage: about 60%
- Vehicle insurance: about 70%

*Growth rate, TMNF non-fleet unit premiums in FY2010 is set at index value of 100



*1: Net premiums written

*2: Direct net premiums written Source: Insurance Statistics (Sompo Vol.4864)

*3: Managerial accounting basis

*4: Source: "Joyosha Dealer Vision (Passenger Vehicle Dealer Vision)" (FY2019)

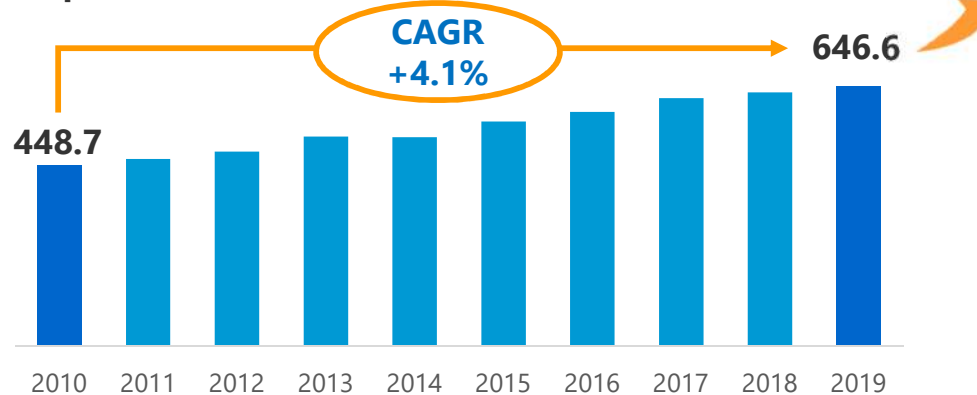
*5: Drive Agent Personal (DAP). A product using original driving recorder with communications function that provides accident prevention and accident response services.

Specialty Insurance Growth

Realize sustainable growth by contributing to solving social issues through expansion of specialty insurance with high growth potential, etc.

Specialty insurance growth potential

■ Top line*1 (billions of JPY)



Capturing increased needs created by COVID-19

- Respond to increase in teleworking, companies considering business succession, and restaurants providing to-go services

1H20 News Releases

- Microsoft Azure user cloud insurance (June 2020)
- M&A NEXT (M&A insurance) (July 2020)
- To-go/delivery comprehensive coverage plan (July 2020)

*1: Direct net premiums written, including P.A.

*2: Estimated from actual sales of our packaged products for SMEs and public data on the number of SMEs.

*3: As the risk may involve significant concentration of losses, build a system for capturing concentration/risk management in addition to establishment of appropriate Group level underwriting framework.

*4: The General Insurance Association of Japan (Survey on Cyber Insurance 2018)

Presence in renewable energy area

- Strong expansion expected for transition to a carbon-free society
- Enhance initiatives by utilizing the expertise of Gcube and cooperation with major trading houses, etc.



Enhance initiatives in SME market that supports regional revitalization

- Market size of about ¥400bn, penetration ratio of 5-10%*2
- Started digital sales to employees of SMEs belonging to Chamber of Commerce to enhance the SMEs company benefits

1H20 News Releases

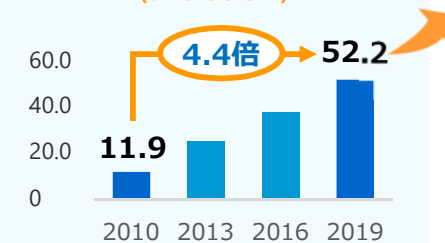
Packaged products for SMEs:

- Legal trouble resolution support service (July 2020)
- Business suspension clause/infectious disease coverage rider (January 2021)

Group long-term disability income insurance:

- Treatment and work support rider (October 2020)
- Nursing care and work support rider (October 2020)

Packaged products for SMEs (billions of JPY)



Protection for increasing cyber risks (cyber risk insurance)

- FY2019 uptake was several billion yen, but double-digit growth each term*3
- Market size of about ¥180bn (according to research firm), penetration ratio of 12%*4
- In response to increased teleworking and Revised Personal Information Protection Act of 2022, further enhance efforts with coverage/services expansion and webinars

Profitability Improvement of Fire Insurance

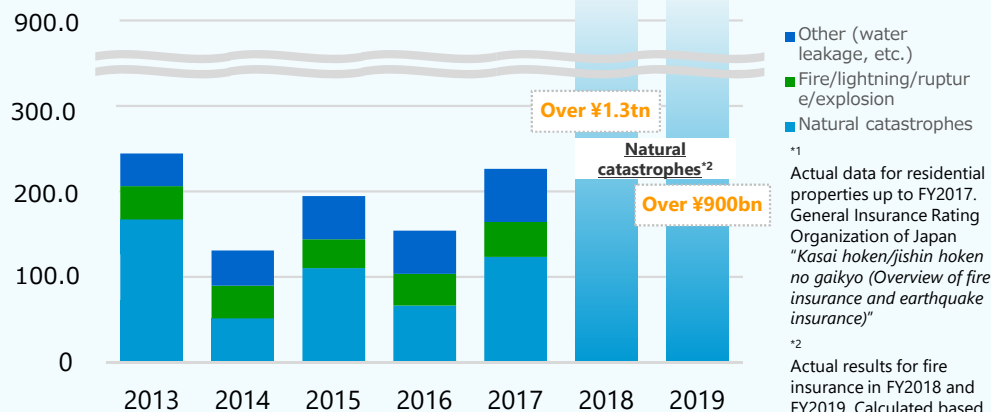
In addition to fire insurance rate revision, contribute to building a society resilient to catastrophes through initiatives on disaster prevention and reduction, and realize continuous RoR improvement

Fire insurance rate revision

Issues

Increase in **natural catastrophes** and **water leak damage in aging buildings**

Industry insurance payment trend*1 (billions of JPY)



Advisory rate revision

May 2018
+5.5%

Oct 2019
+4.9%

(TBD)

Our action

Oct 2019
Advisory rate revision +α
+ Approx. ¥16bn
(Before tax/net basis)

Jan 2021
Advisory rate revision +α
+ Approx. ¥20bn
(Before tax/net basis)

Breaking down water damage rate for corporate fire insurance

Continuous efforts on various issues including long-term contracts

Arrange reinsurance/catastrophe loss reserves

- Appropriate arrangement of reinsurance and catastrophe loss reserves based on natural catastrophe risk and reinsurance market environment

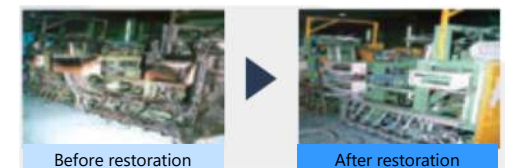
Safety in preparation

- Personalized video sent from Mobile Agent (app)**
Information on preparation for typhoons and rainstorms delivered to customers in an easy-to-understand video
- Alert on disaster prevention/mitigation**
Cooperate with agents to deliver useful information on disaster prevention/mitigation, measures against wind/salt damage, measures against flooding
- NADIAct: Enterprise Disaster Prevention and Mitigation Alert System**
Distribute disaster prevention information utilizing real time disaster prevention weather report and flooding risk management expertise (September 2020)



Safety in recovery

- Restoration by BELFOR**
Support early business reopening with advanced cleaning technology of a disaster recovery specialist
- Enhance insurance payout process**
Digitalize whole process to complete insurance claim process online



Further Improve Business Efficiency (1)

Further reduce 20-30% of office work by FY2026 by reforming business process and work-style with effective use of digitalization. Use the time generated to provide optimal service for customers through pursuit of more value-added business

Initiatives between 2008-2019

2008-2014

2015-2019

■ Business process reform project

Simplify business process with streamlined products / administration / IT systems (policy reporting/credit management, etc.)

■ Work-style reform

Respond to inquiries using AI, promote paperless process and use of tablets, etc.

■ Empowering employees

Rotating employees from administrative positions to sales

■ Reduce sales administration by **about 30%**

■ Increase area course sales force

FY2008: 120
FY2019: 1,951

Initiatives from 2020

■ Sales

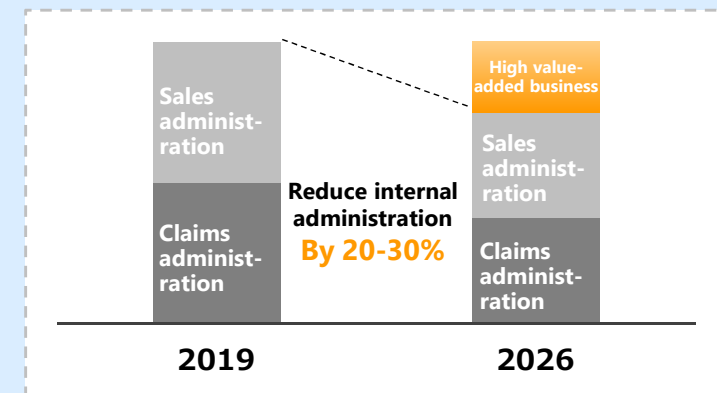
Build remote sales framework with superior customer experience (CX) and flexibility (smartphone contracting process and online negotiations, etc.), minimize internal administration/inquiry response

■ Claims

Build remote claims services framework with superior CX and flexibility (complete insurance claims online, etc.), minimize internal administration

■ Work-style, etc.

Build paperless business process, renew internal communication tools and office environment, build a structure that supports motivation

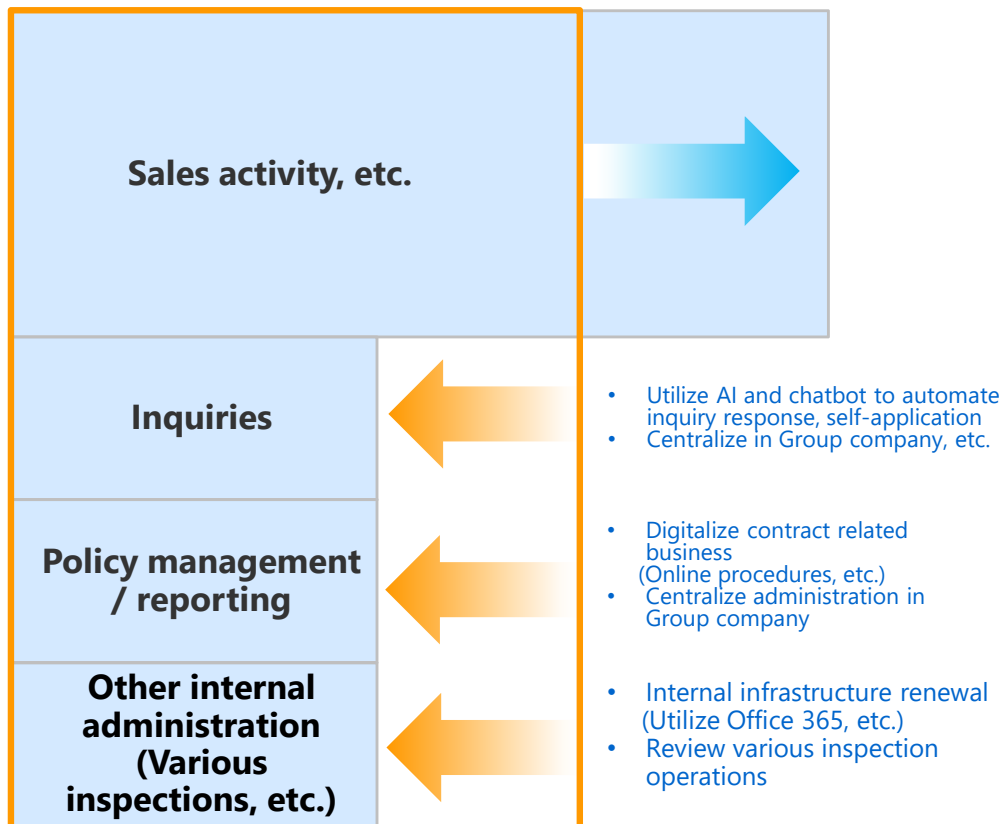


Further Improve Business Efficiency (2)

Enhance CX by effective use of digitalization and build a business model with focus on productivity and flexibility

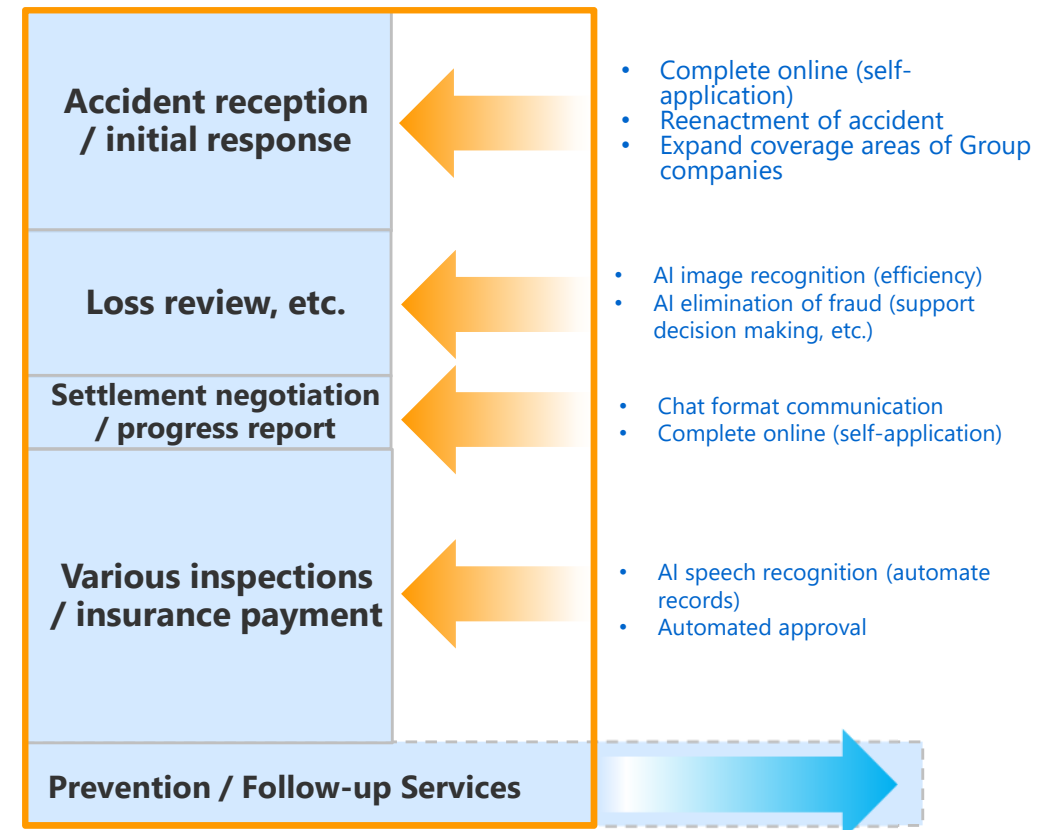
Sales

Reduce internal administration and build a structure focusing on sales



Claims

Reduce internal administration and expand areas for providing value



Strategic Direction for Next Mid-Term Business Plan

Build a framework that enables stable profit generation in uncertain environment with development of a business model based on best mix of digitalization and people's power, and aim to become a company of choice by the customers that addresses social issues and continue growing

Creation of new markets

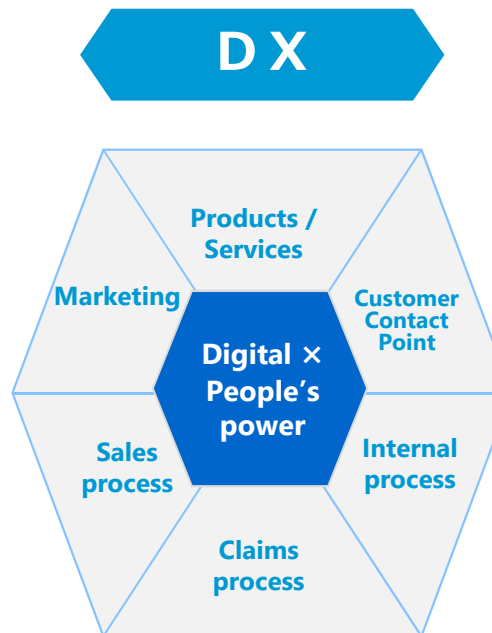
Create markets focusing on growth markets by leveraging on collective Group strength while contributing to resolution of social issues in Japan

Priority area

- Health care (contribute to healthy longevity society)
- SMEs (contribute to regional revitalization)
- Renewable energy (contribute to carbon-free society)
- New corporate risks (increased cyber risks, etc.)
- Data strategy

Building a lean business operation

- Utilize digitalization to build simple and speedy business process and realize flexible and productive workstyle
- Pursue high value-added business at the same time for further growth



Enhance profitability of insurance business

- Enhance initiatives for improving profitability of fire insurance and enhancing underwriting discipline to build a sustainable fire insurance system
- Enhance sustainable growth with combination of investment and thorough business expense reduction
- Increase growth of profitable specialty insurance

Development of digital-integrated channels

- Enhance customer contact point and sales capacity of agencies with renewal of agency systems, etc.
- Build a sales model utilizing online negotiation, etc.

Organizational culture and people that create initiatives and motivation

Improve employee engagement

Corporate culture reform

Promote D&I

Human resource development

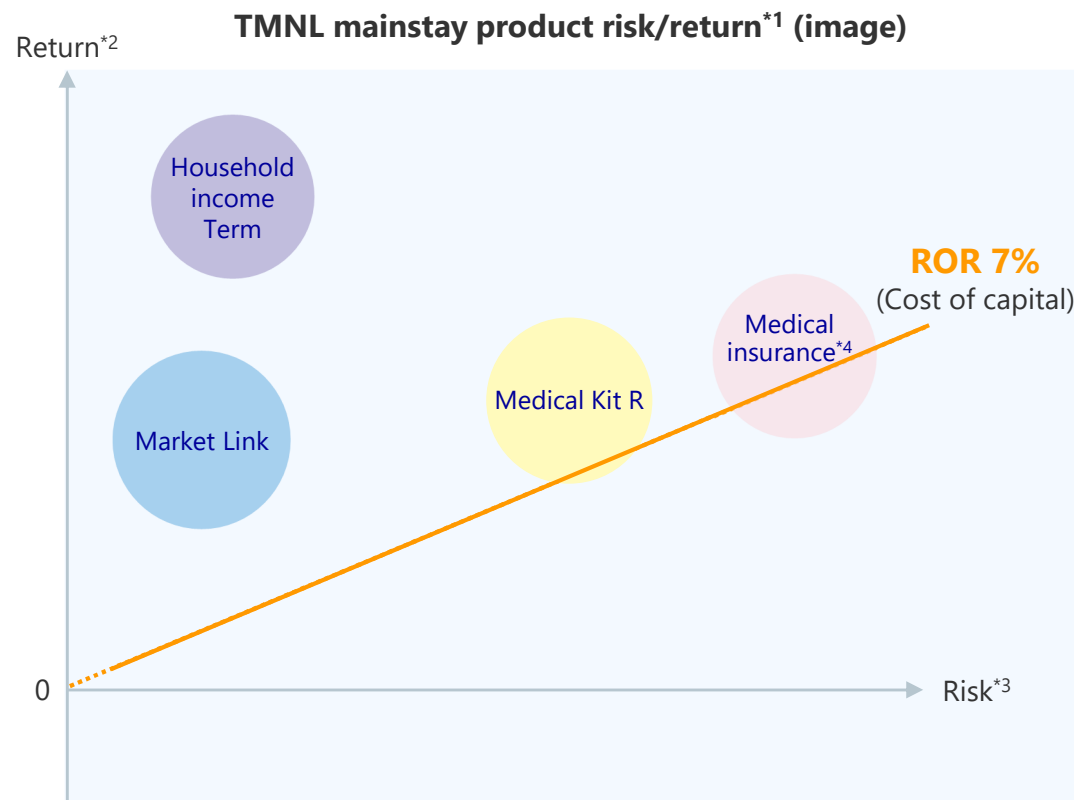
Joint creation of social values, contribution to sustainable society

Growth Strategy

Maintain growth exceeding the market by focusing on profitable “protection-type products and installment variable annuities” and implementing unique product strategy

Focus on profitable “protection-type products and installment variable annuities”

- Mainstay product for TMNL secured **RoR above capital cost (7%)**

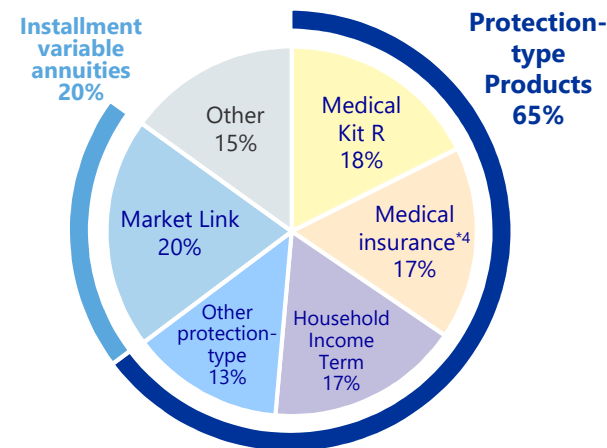


- *1: Size of the bubble indicates new policies ANP for the product (FY2019 actual)
 *2: Value of new business and future release of cost of non-hedgeable risks (FY2020 forecast-basis)
 *3: Sum of necessary capital for future fiscal years
 *4: Excludes Medical Kit R

Growth exceeding the market

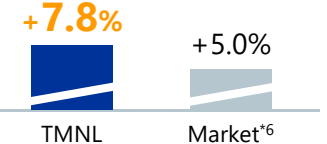
- Unique products in focus area to achieve **growth exceeding the market**

TMNL product portfolio
(FY2019 New Policies ANP ¥40.5bn)

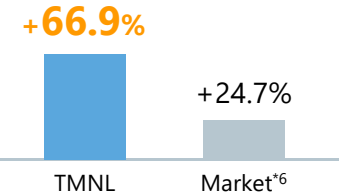


TMNL growth capacity*⁵

<Protection-type products>



<Variable insurance>



Numerous unique products supporting strong growth



Household Income Term
First in Japan*⁷ insurance for inability to work



Medical Kit R
First in Japan medical insurance that returns unused premiums



Market Link
Reduce investment risk with long-term diversified investment

- *5: CAGR (2014-2019) of number of in-force policies for protection-type products and YoY % of number of new policies in FY2019 for variable insurance
 *6: Medical, cancer and fixed-term insurance for protection-type products, fixed-term for variable insurance
 Source: Insurance Statistics (Seimei Hoken Toukeigo), the Life Insurance Association of Japan website
 *7: In addition to instance of death, fixed coverage provided for reduced income throughout insurance period in case of inability to work caused by the five diseases

Enhance Integrated Business Model for Life and Non-life

Accelerate cross-selling by introducing competitive products for clear targets.
Enhance integrated business model for life and non-life with further development of Group customer base to establish advantage in increasingly competitive market

Current cross-selling

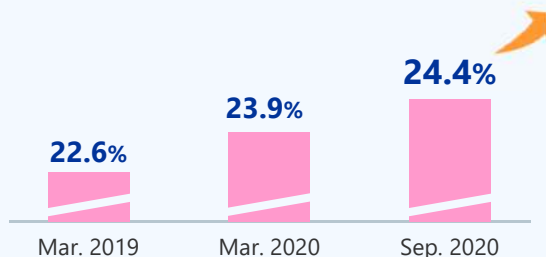
- Utilize "Super Insurance" to **cross-sell with integrated business model for life and non-life**



Visualize risks for the family to propose optimal insurance

- Super Insurance policies **exceeded 1.9 million**
- Latest **cross-sell ratio of 24.4%**

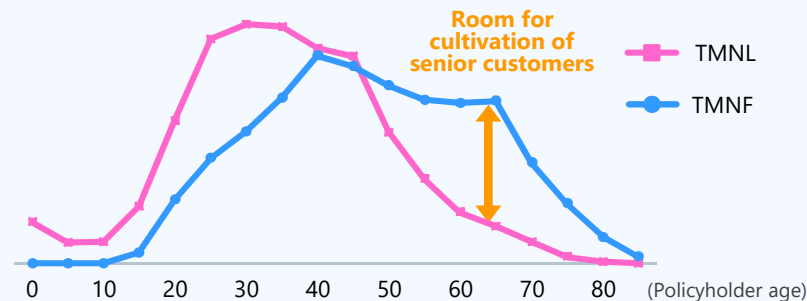
<Super Insurance; Ratio of the number of policies with either life or third sector>



Further develop Group customer base

Deep cultivation of senior generation

<TMNL & TMNF Policy Portfolio (Mar. 31, 2020)>



Product that captures the needs of the market/agencies

New product "Medical Kit Yell"

(Medical insurance with relaxed underwriting criteria, August 2020)

Big data analysis **achieved improved product appeal and ease of sales**

- Relaxed underwriting standard for seniors with preexisting conditions or concerns over health and simplify sales administration
- Industry top level price competitiveness for seniors
- Strong coverage/services



Online medical consultation and hospital/doctor appointment service



Support health maintenance with health advice app

Results

- About **20,000** policies sold in first two months
- Record sales second only to mega-hit product "Medical Kit R" (about 200,000 policies sold in a year, about 50,000 policies in first two months)

Further cultivate the customer base with the product to enhance integrated business model for life and non-life

Accelerate cross-selling

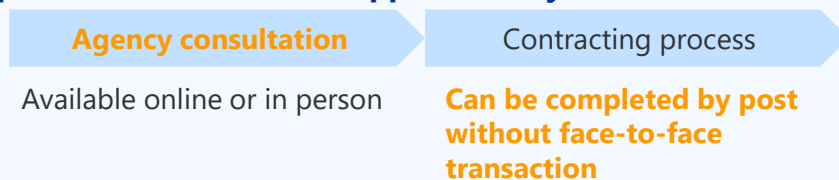
Addressing Risks

Partially due to COVID-19 pandemic, accelerated digital sales initiatives, including fully online contracting process. With prolonged low interest rate environment expected, control interest rate risk by shifting to protection-type products and installment variable annuities and implementing strict ALM

Response to COVID-19 pandemic

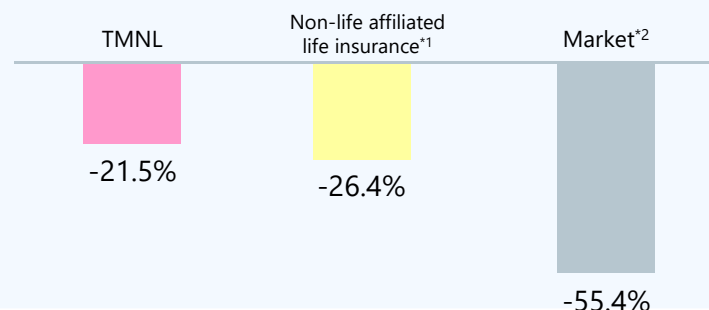
- Led the industry with online contracting process and online consulting by agencies and prevented fall in sales during the COVID-19 pandemic

Key processes for insurance application by customers (current)



Impact on top line

<1Q FY2020 New policies ANP YoY (individual insurance + individual annuities)>

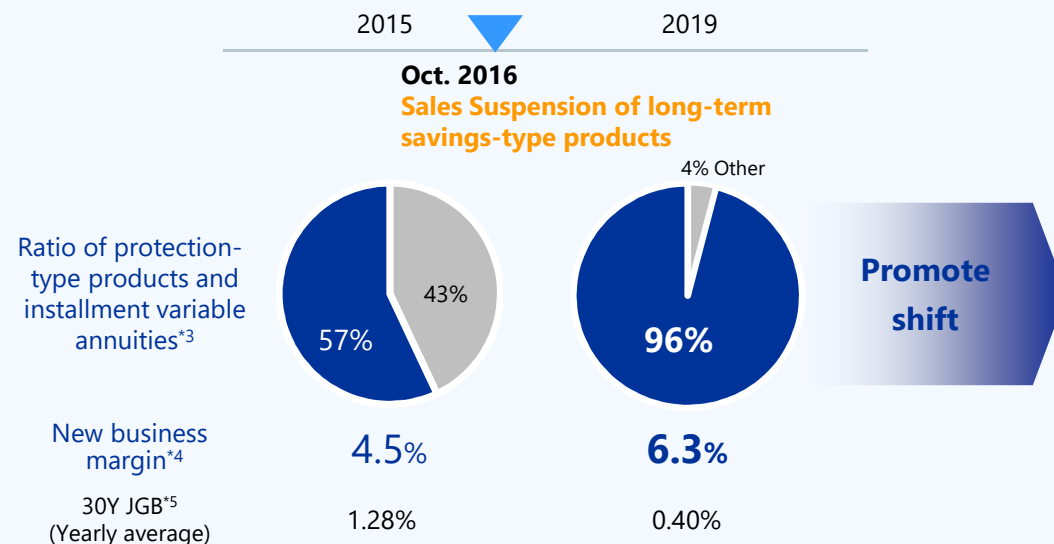


Accelerate digital sales initiatives including fully online contracting process

Interest rate risk control

Shift to protection-type products / installment variable annuities

- Stop sales of long-term saving-type products with significant interest rate risks, and promote shift to protection-type products / installment variable annuities with lower interest rate risks



Strict ALM

- As a result of investment in super-long-term bonds in the past 18 months, hedge ratio improved to about 90% as of end of Sep 2020

*1: Average of Sampo Himawari Life and Mitsui Sumitomo Aioi Life

*2: Total of the members of the Life Insurance Association of Japan (excluding TMNL and non-life affiliated life insurance)

*3: Ratio among products for individuals (excluding business insurance), new policy ANP basis

*4: Value of new business / Present value of new business premiums, including business insurance

*5: Source: Bloomberg

Strategic Direction for Next Mid-Term Business Plan

To resolve the social issues in the era of 100-year lifespan, deploy integrated product/sales strategy in the three areas of seniors, healthcare and asset formation; and accelerate digitalization for overall customer contact point/business process also in preparation for post-COVID-19 era, to create a new growth path

Market-oriented integrated product/sales strategy

Seniors

- Develop products/services responding to the needs of seniors and improve underwriting
- Strongly promote cultivation of Group customer base to enhance the integrated business model for life and non-life

Healthcare

- Provide unique set of products and services in response to the development of healthcare technologies
- New market cultivation starting with healthcare service

Asset formation

- Improve asset formation product appeal by responding to the customers' needs in the 100-year lifespan era
- Develop/increase sales force with high financial literacy

Enhance customer contact and business process improvement with digitalization

Accelerate DX in preparation of post-COVID-19 era

Digital sales

- Build fully online contracting process
- Build online consulting know-how

Maintenance/insurance payout

- Promote fully online maintenance procedures
- Automated assessment of insurance payout

Promote R&D to secure competitive advantage

Products / Services

- Big data analysis
- Leading-edge medical technology
- IoT/wearables

Marketing

- Digital marketing

Business process enhancement

- Business process improvement
- Promote digital technology utilization

Unchanging values and business platform

Spirit of insurance professional that protects customers

ERM

Human Resource development / New normal work-style

Pursuit of quality to be chosen by customers



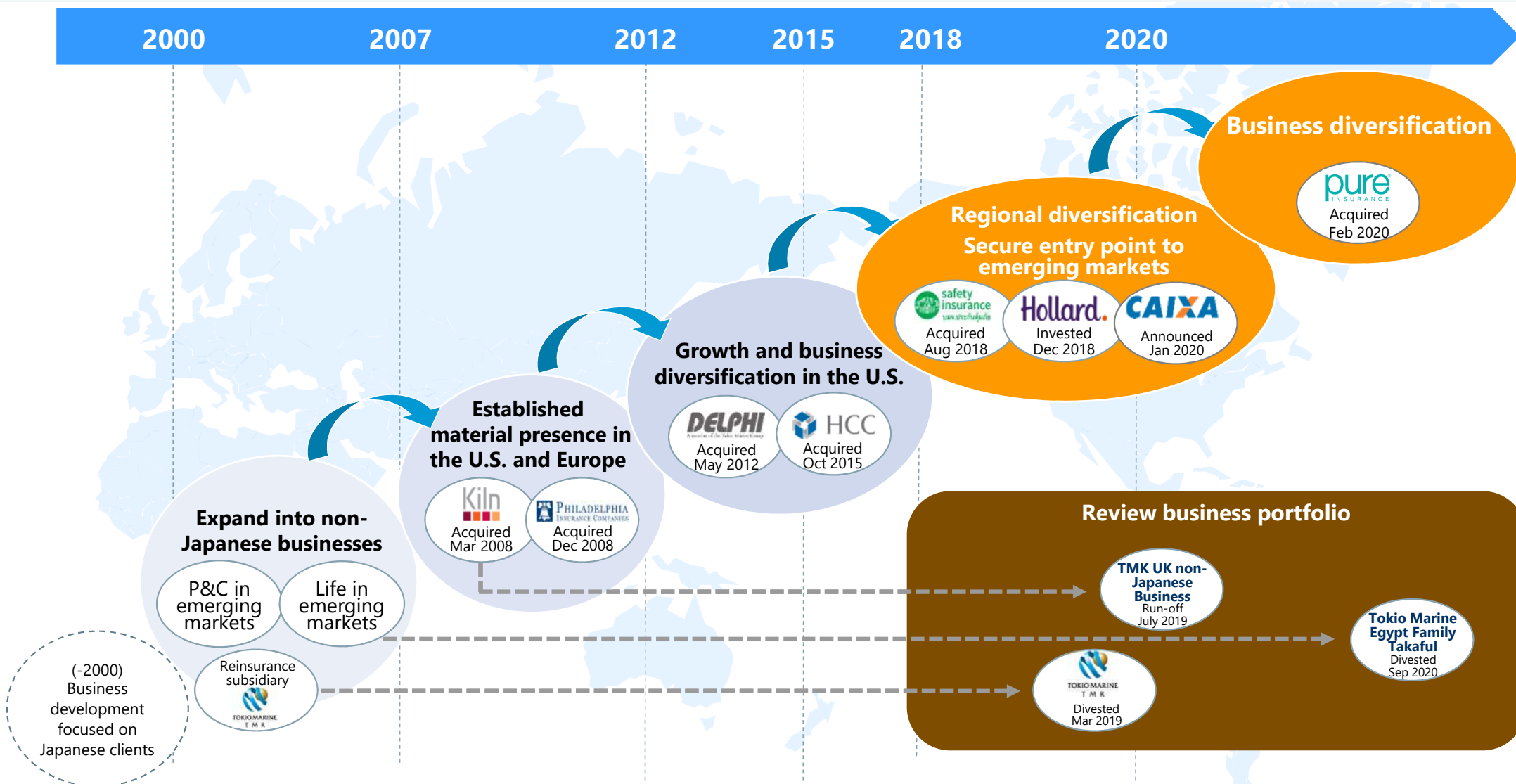
III

International Business Strategy

Co-Head of International Business
Akira Harashima

M&A Transactions

Creating strong franchise by acquiring blue chip companies with unique strength
In recent years, promoting selection and diversification of business to optimize business portfolio



Profitable Business Model in Developed Market (1)

Achieve high profit growth and profitability exceeding the market by establishing robust specialty franchises in the U.S.

Robust specialty franchises



Bottom-line focus

(High profit growth and profitability exceeding the market)

<Bottom-line*2>

2015-2019 CAGR

6.6%

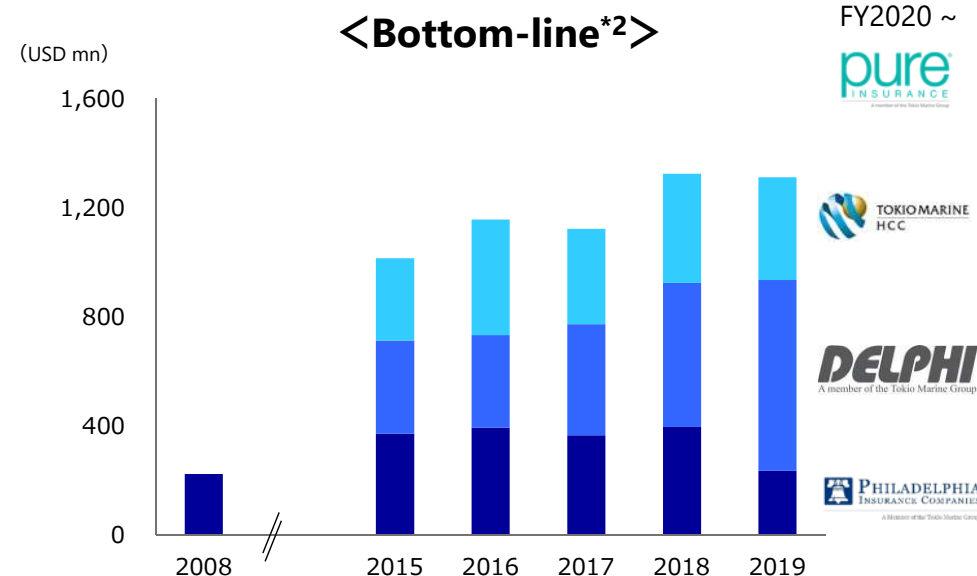
vs Market*3 **+4.7pt**

<Combined ratio>

2015-2019 Ave.

95.5%

vs Market*3 **4.0pt Favorable**



*2. Annual after-tax profit on a local accounting basis.
For 2017, the one-time impact of U.S. tax reforms was excluded.

*3. Source: S&P Global

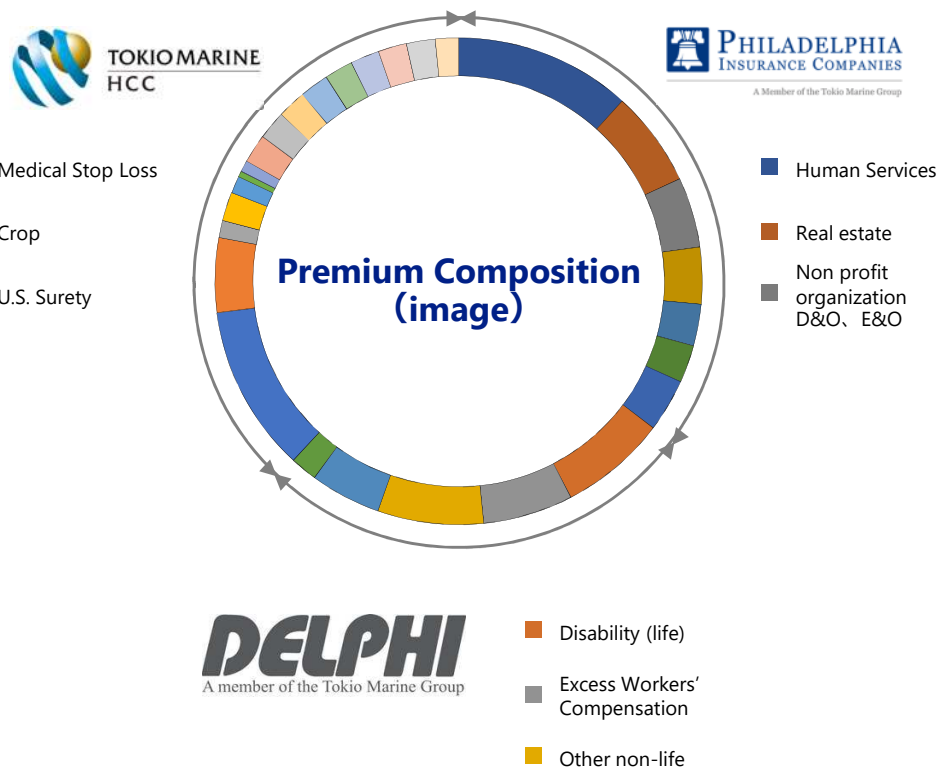
*1. The U.S. commercial P&C direct premiums written in FY2019, Source: S&P Global

Profitable Business Model in Developed Market (2)

Maintaining competitive advantages of higher profitability and lower volatility based on diversified portfolio

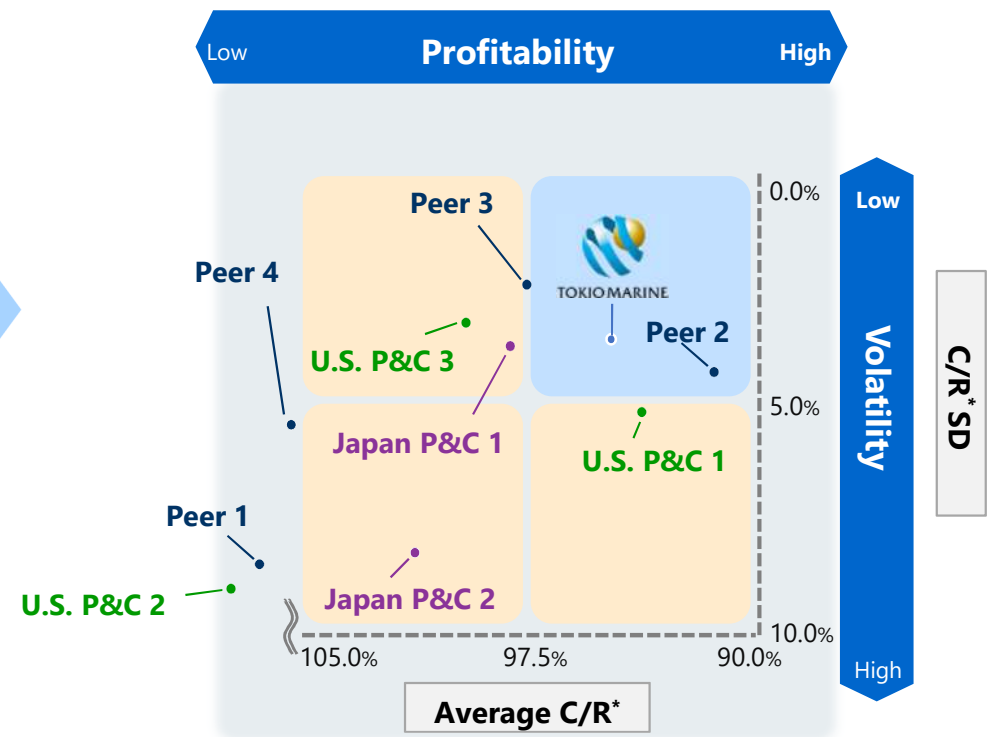
Diversified business portfolio

100+ business portfolio in “our U.S. business”



Higher profitability and lower volatility

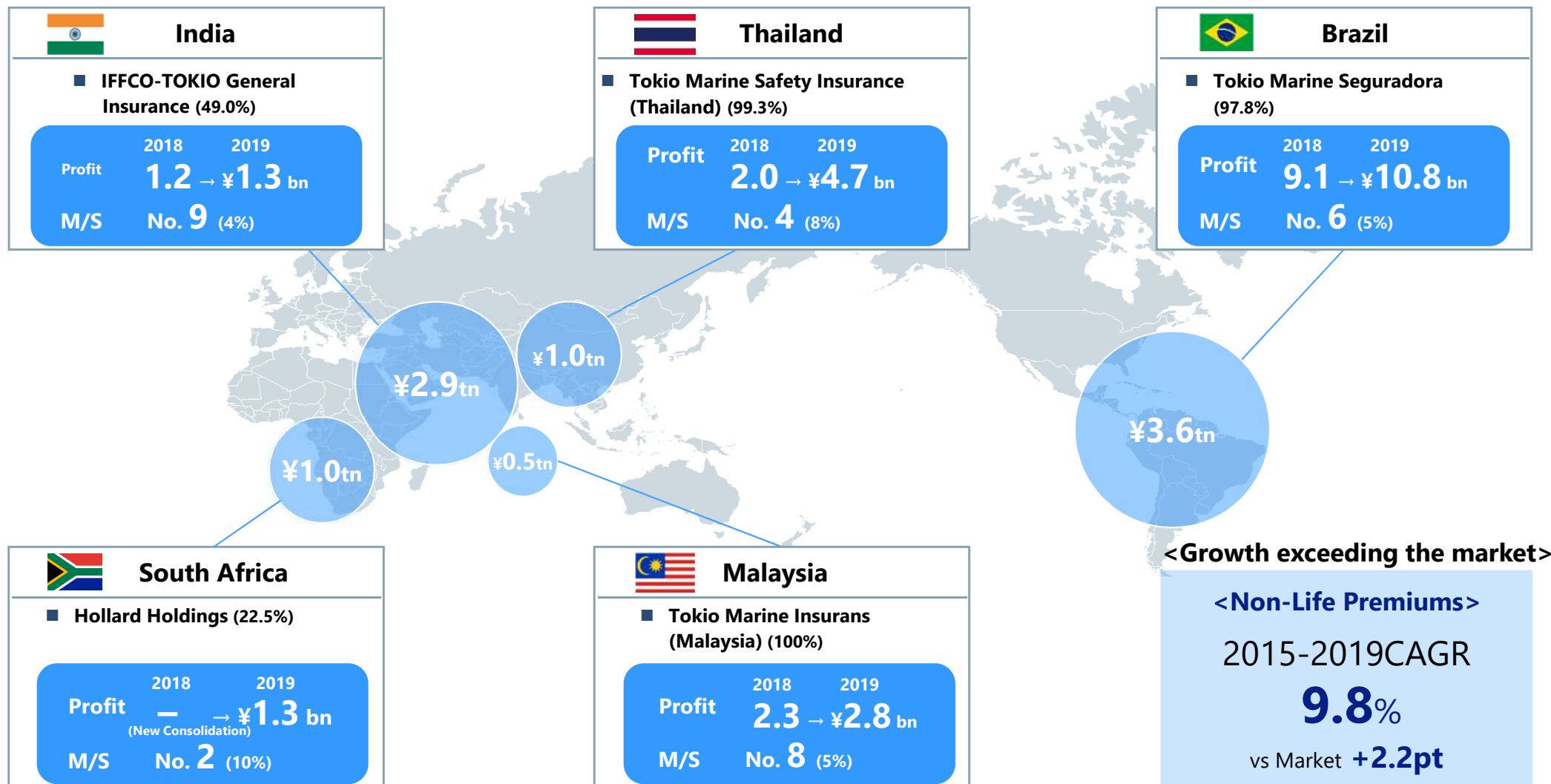
10-year C/R in “U.S. P&C market”



Far-Reaching Business Expansion in Emerging Countries

Strategic expansion focusing on markets with high growth potential in order to develop businesses generating ¥5bn-level profit in a stable manner

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



Profits: Business unit profits
M/S: Source: AXCO, IPRB, SUSEP, Swiss Re, FSCA Financial Sector Conduct Authority
Figures in brackets by the company name: Ownership ratio as of Mar. 2020
Figures in circles: GWP as of FY2019, Source: Swiss Re

Non-Life Premiums:
NWP for Tokio Marine,
GWP for others
Source: Swiss Re

Strength in International Insurance

Achieve stable profit growth supported by the strength

Well-balanced business portfolio,
strong specialty franchise

Well-disciplined underwriting /
Adequate risk control

Group level financial strength and
sophisticated ERM

Integrated Group Management

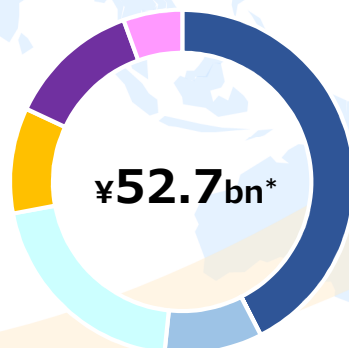
Strength
Competitive Advantages

International: Business Unit Profits

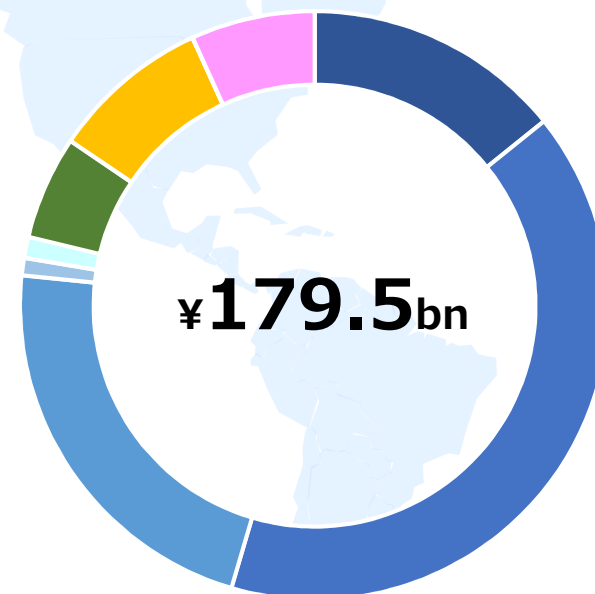
Further Risk Diversification
&
Lower Volatility



2002



2010



2019

Initiatives During Current Mid-Term Business Plan

Steadily addressed issues and prepared for capturing “opportunities” in the future

Strengthening of Management Structure

- Establish “Co-Head of International Business” structure
- Strengthen business platform through large M&A (PURE, etc.), Bolt-on M&A, and divestment
- Globalize corporate function (ERM · Internal Audit · IT Support, etc.)
- Group-wide talent management (strategic allocation of executive candidates and experts)

Response to Changing Social / Business Environment

Social Inflation / Medical Cost Inflation

- Reserve review, enhancement of underwriting discipline, reduction of limit, rate increase above loss cost, prompt claim settlement (PHLY)
- Rate and Self Insured Retention increase on Medical Stop Loss (TMHCC)

Lower Interest Rate

- Shift to improve underwriting profit based on lower interest rate on each Group Company
- Rate and Self Insured Retention increase on Excess Workers' Compensation (DFG)
- Optimization of investment portfolio under lower interest rate environment

Risk Control by Reviewing Reinsurance Program

- Reduction of profit volatility through controlling group retention
- Appropriate reinsurance program based on NatCat and market environment

Strengthening of GC's Management Structure and Operation

Review of Management Strategy/ Business Restructuring

- Divestment of TMR
- Restructuring of UK/EU business, Strengthening of TMK Management structure, and profitability improvement through focusing on areas / products where TMK has competitive advantage
- Integration of Safety (acquired) and an existing subsidiary in Thailand

Allocation of Group Resources

- Group-wide digital utilization and business process improvement

Strategic Direction for Next Mid-Term Business Plan

Contribute to the Group through both profit growth and risk-diversification

Strategic Direction for Next Mid-Term Business Plan

Our Key Initiatives



Enhance Capability to Increase Underwriting Profits (1)

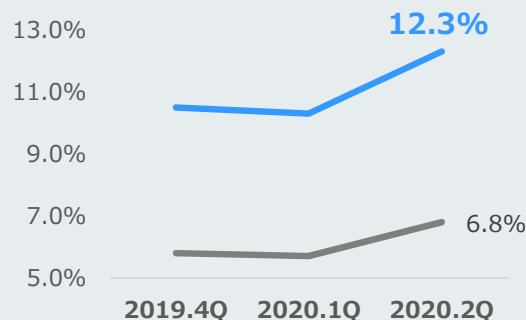
Key lines have realized rate increases above hardening market
Aim to achieve higher profitability

Figures in brackets for
FY2019 Premiums

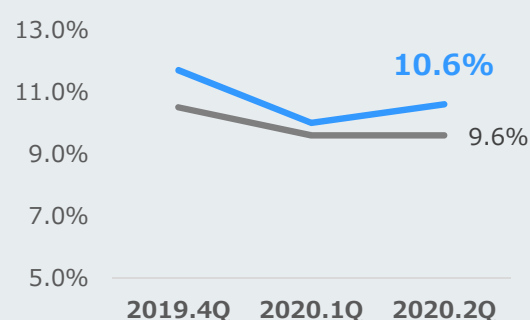


PHLY
Market*1

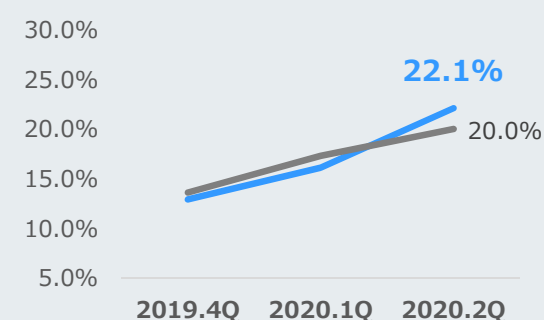
General Liability (32.4%)



Commercial Auto (16.6%)



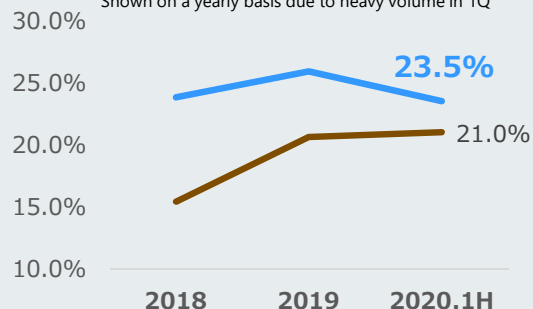
Umbrella (8.3%)



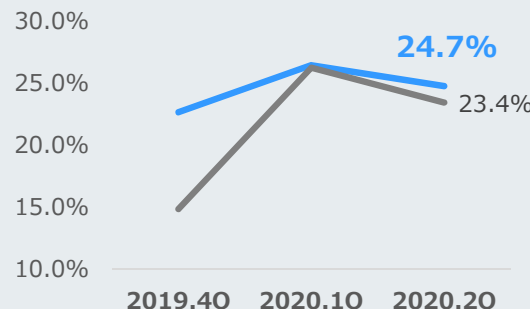
TMHCC
Market*1

Medical Stop Loss*2 (37.3%)

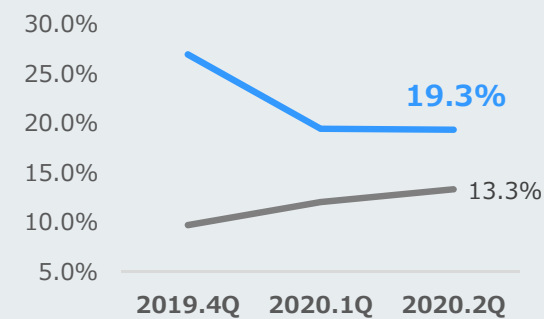
Shown on a yearly basis due to heavy volume in 1Q



U.S. D&O*3 (8.6%)



Property D&F*4 (2.3%)



*1: U.S. Commercial P&C Market (Excluding Medical Stop Loss & U.S. D&O)
Source: COMMERCIAL PROPERTY / CASUALTY MARKET INDEX Q2/2020,
The Council of Insurance Agents & Brokers

*2: TMHCC: Effective rate change basis, including higher deductible effect
Market: Estimated loss cost (Leveraged Trend)
*3: Market: Public Primary D&O, Source: Aon
*4: Market: Rate increase data for "Property" line total

Enhance Capability to Increase Underwriting Profits (2)

Continue / enhance improving profitability for some entities to increase profits

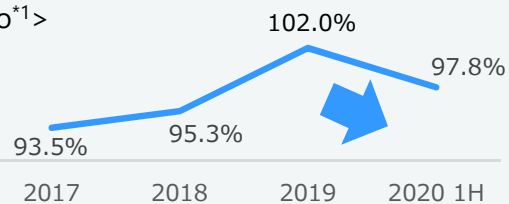


Improve profitability for PHLI (measures for social inflation)

<Proactive Reserve Provision>

- Implemented past reserve provision in FY2019 (\$273M) and strengthened underwriting discipline

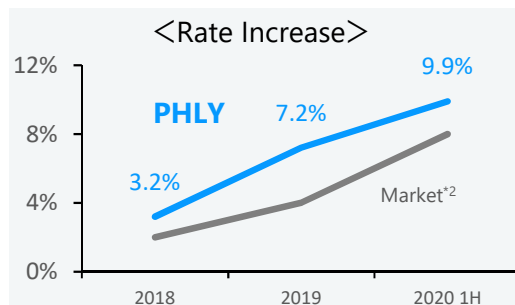
<Combined Ratio*1>



*1: Local management accounting basis

<Proactive Rate Increase>

- Implemented proactive rate increase initiative ahead of peers. Profitability will improve going forward

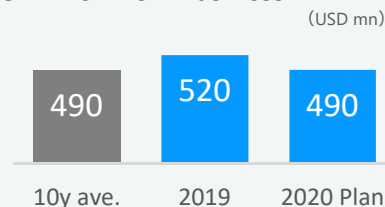


*2: Source: Willis Towers Watson

<UW Discipline & New Business>

- Strengthened underwriting discipline on new and renewal book. The ability to win new business book remains strong
- In line with 2020 plan even under COVID-19

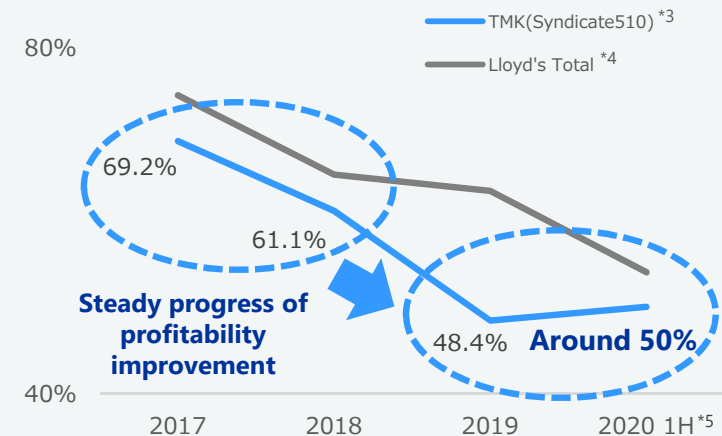
<GWP for New Business>



Improve profitability for TMK (Lloyd's)

- Restructuring of UK/EU business
 - ✓ Refocus on Lloyd's business and focus on areas / products where TMK has competitive advantage to improve profitability
 - ✓ Run-off unprofitable UK non-Japanese company business
- Capturing market hardening expected in most lines of business in FY2020 & FY2021

<Loss Ratio>



*3: Local management accounting basis

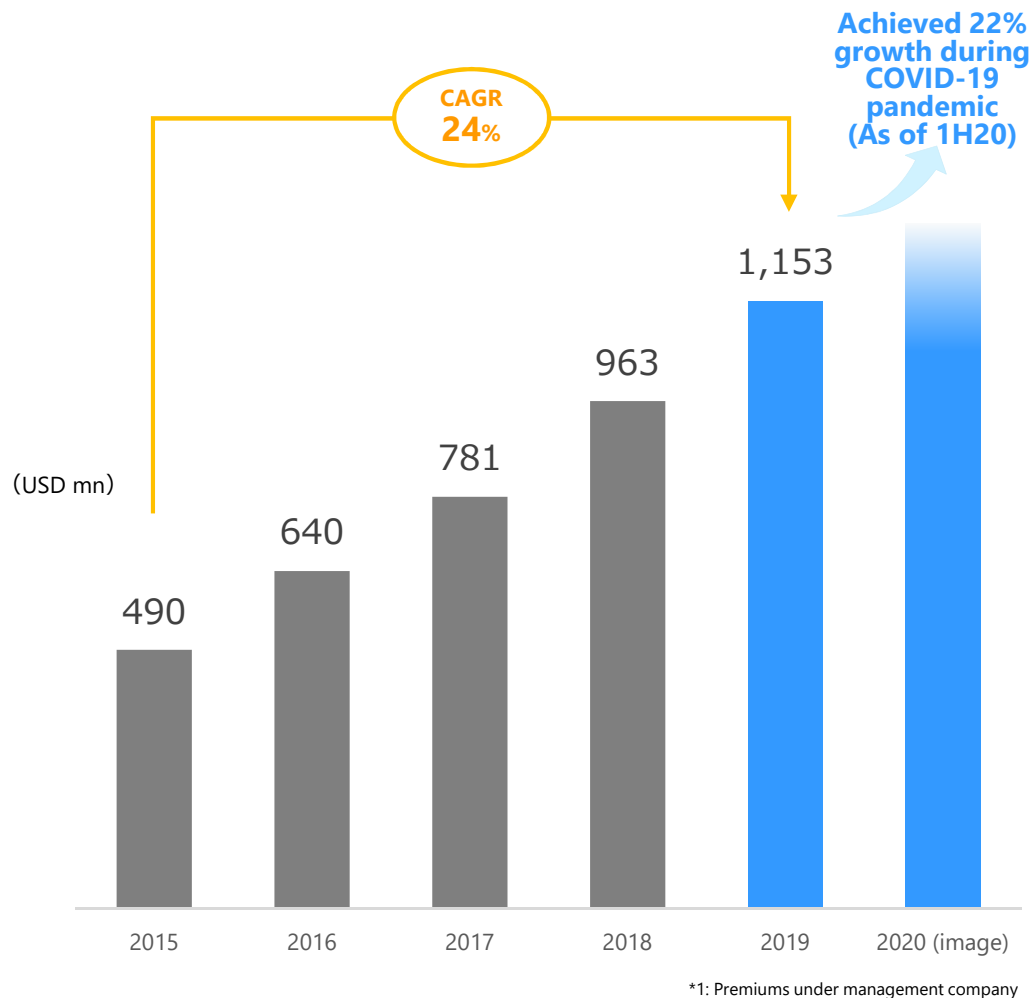
*4: Source: Lloyd's Annual Report

*5: Excluding impact of COVID-19

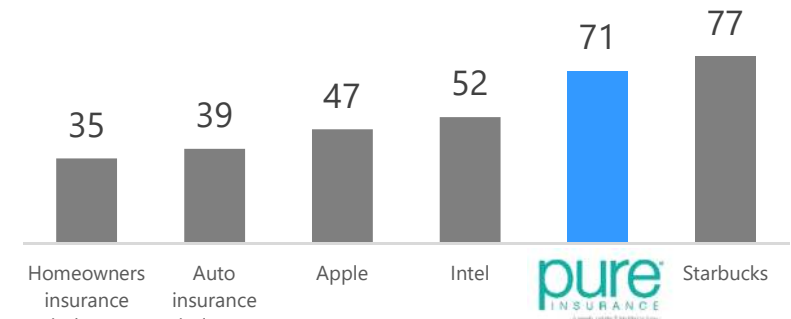
Foster and increase “Pillars of profit” (1)

Stable profit growth through fee-driven Pure Group in HNW market with high growth potential

Pure's Strong top-line growth*1



Customer loyalty supporting Pure's growth (NPS*2)



*2: Net Promoter Score
Source: Customer GURU, NICE Satmetrix 2019 Consumer Net Promoter Benchmark Study

**Original Services
responding to client needs**

(Example)

**Aug. / Sep. 2020, Western U.S.
Response to record scale wildfire**

- Information gathering from forecast companies or SNS and alert emailing to client
- Worked tirelessly around the clock to prevent fire spread to multiple properties



Coating property with gel to prevent fire spread

Foster and increase “Pillars of profit” (2)

Steady execution of strategies to increase future profit in market with high growth potential



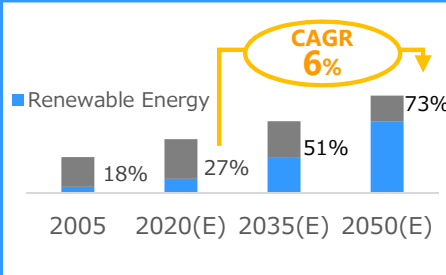
Bolt-on M&A by TMHCC



- May 2020: TMHCC acquired UK insurance agent handling insurance in the area of renewable energy business
- **Insurance market size in the area is \$500-700mn^{*1} and is expected to expand further** (GCube's top-line to exceed \$150mn in FY2023)
- Contribute to promoting creation of a sustainable future through insurance business

Growth of renewable energy business

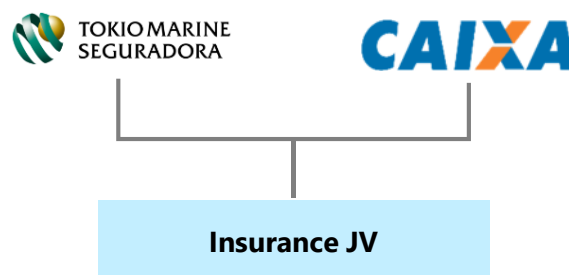
(Ratio to global power supply)



*1: Estimated by TMHD
*2: Source: McKinsey



Establish JV with Caixa Bank



- Established insurance JV with Caixa Bank, who has 70% market share in mortgage market, to sell highly profitable home insurance (mortgage insurance, homeowners insurance)
- Steady progress towards start of operation in February 2021
- Aim at **about ¥6 billion after-tax profit^{*3} in five years (FY2025) (equivalent to Tokio Marine's 25% equity holding)**

Brazil Market

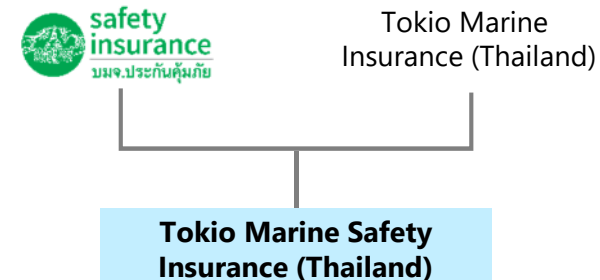
2019 Home insurance Top-line^{*4}
\$1.8bn

2015-2019 Home insurance Top-line CAGR^{*4}
+7.6%

*3: FX on announcement
*4: Source: Brazilian insurance regulator SUSEP



Completed integration with Safety No.4 market share in country



- February 2020: Completed integration of existing subsidiaries with Safety (acquisition in Aug. 2018)
- Affected by impact from COVID-19 at the moment, but maximize synergy in the largest insurance market in Southeast Asia and fast-growing insurance market to sell personal and business insurance

Thailand Market

2019 Top-line^{*5}
\$9.3bn

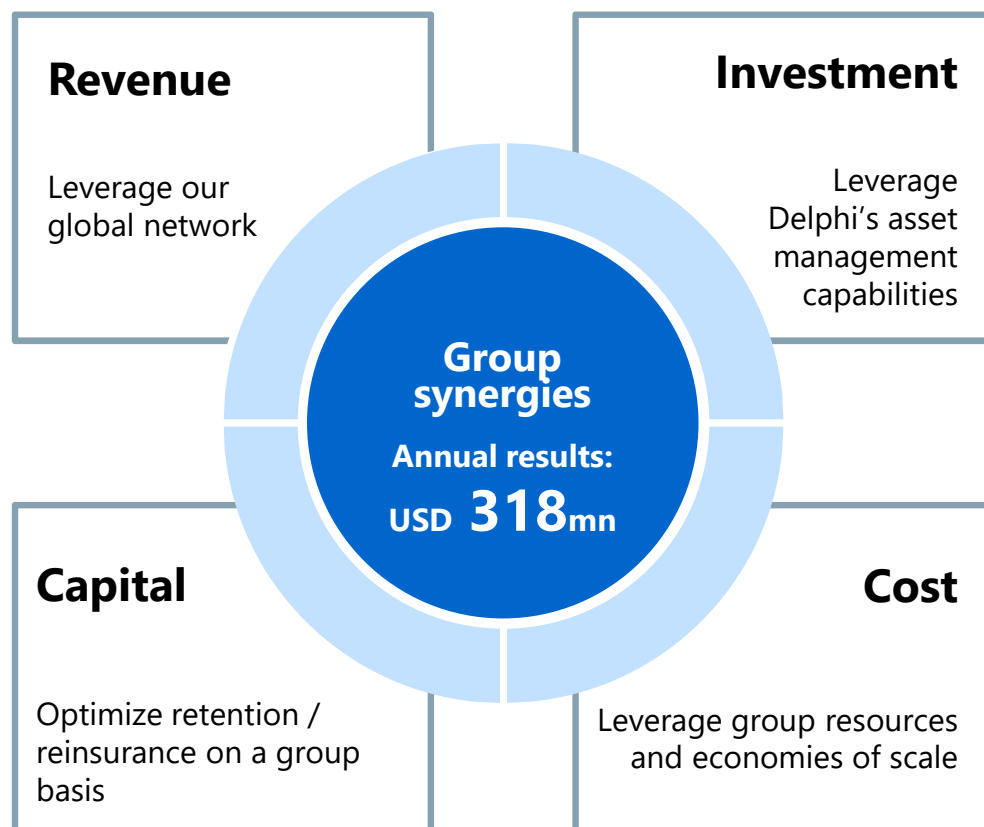
2015-2019 Top-line CAGR^{*5}
+7.2%

*5: Source: Swiss Re

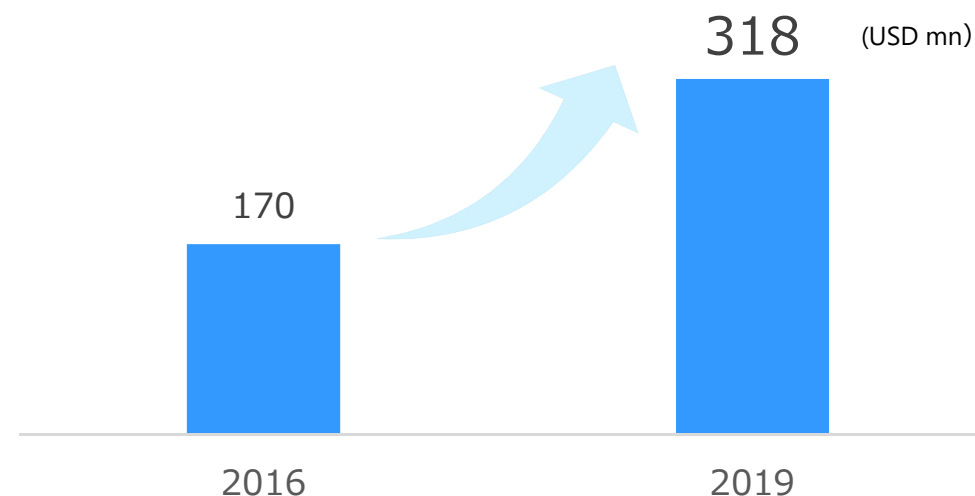
Foster and increase “Pillars of profit” (3)

Create synergies by leveraging our global network and Group-wide expertise, etc.

Group synergies



Impact on profits from expanded group synergies



<Efforts to increase future synergies (example)>

Revenue Synergy in Pure group



- Sell TMHCC products like crisis management insurance and event cancellation insurance to Pure policy holders
- Partnership between leading PHLY and Pure agents (sales partnership)
- Joint marketing by Hawaii subsidiary and Pure for Hawaiian agent
- Private jet UW support by TMNF

Further Accelerate Innovation and Improve Operational Efficiency under Post COVID-19 Environment

Accelerate digitalization to prepare for post-COVID-19 environment

Tackle operational reform by making the most of advantages of integrated group management

Examples of digital utilization in Asia



TOKIO MARINE
INSURANCE GROUP

Tokio Marine Asia

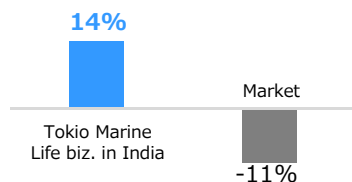


Improve CX

Aim at CX improvement to earn customer loyalty in Asia

- Digital recommendation tool for sales agent standardizing information and quality to customers
Our life business in India grew despite market decline under COVID-19

<Top-line growth*>



- Prompt insurance payment with AI (within 30 mins)

Introduce new sales model

Introduce new sales model to capture growth potential in Asia

- Expand partnership with platformers (E-commerce, ride sharing, etc.)
- Customer targeting and tele-marketing with bank data to millions of bank clients
- Considering up and cross-selling with information from healthcare platform

Cost reduction

Aim at significant cost reduction to reduce large volume of manual processes in Asia

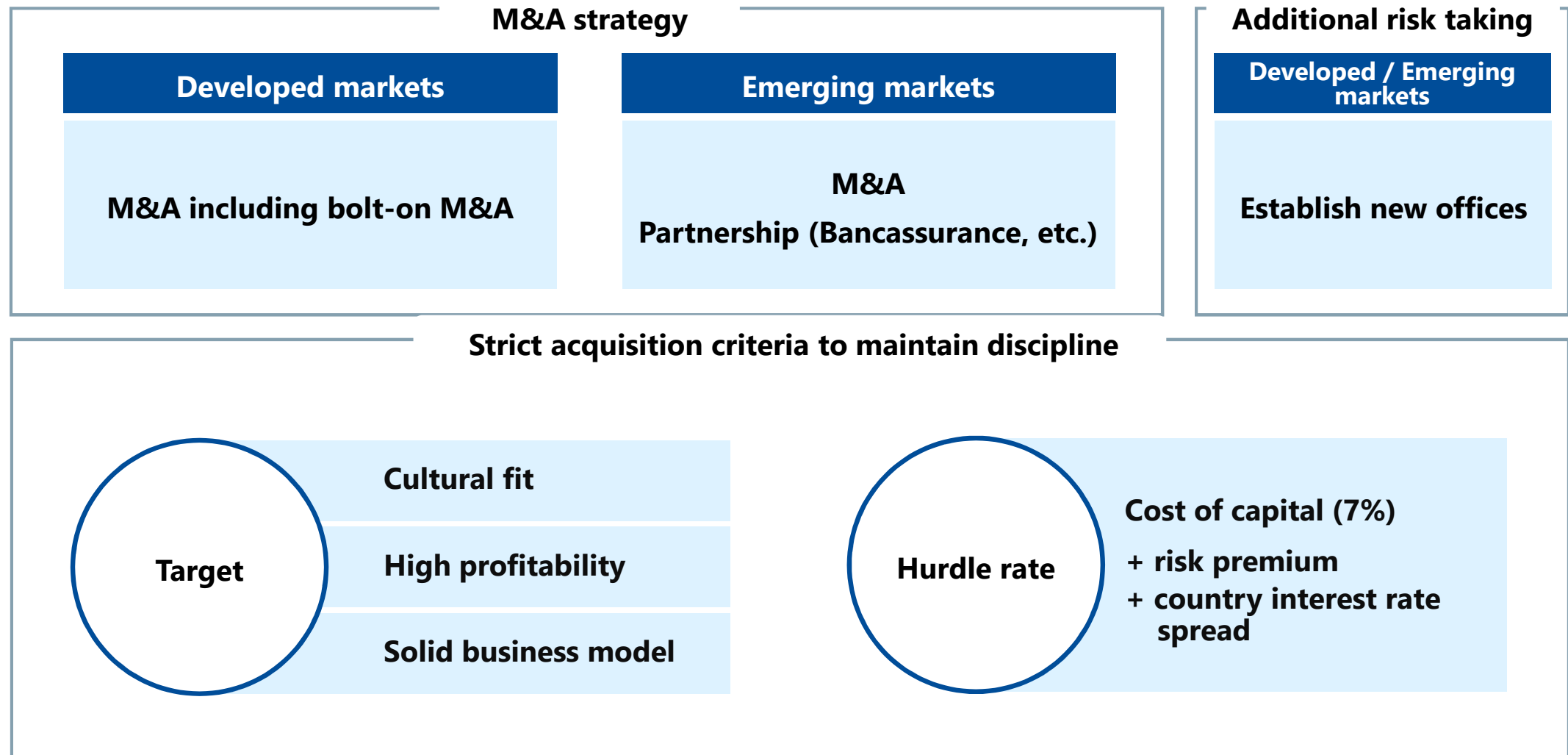
- Customer inquiry response and product recommendation by chat-bot
- AI fraud detection on automobile insurance
- Streamline claim service operation with RPA
- Considering to establish "RPA Library" each GC can utilize to share RPA know-how

*: Top-line growth in FY2020 1H (individual insurance)

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Seek Further Opportunity for Strategic M&A

Determination of intrinsic value will remain the key even in post-COVID-19 environment
Capture further growth and pursue business diversification through various strategic options while maintaining discipline



IV

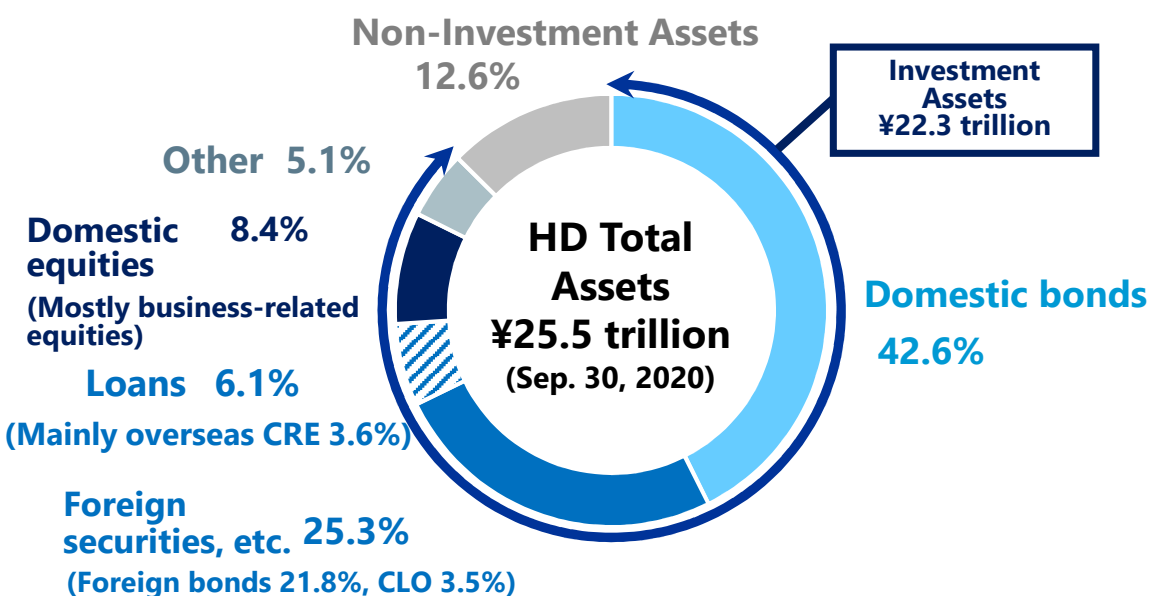
Investment Strategy

Group CIO Yoshinari Endo

Group Asset Management Policy

Secure long-term and stable investment income under a policy reflecting the characteristics of insurance liabilities with ALM at the core

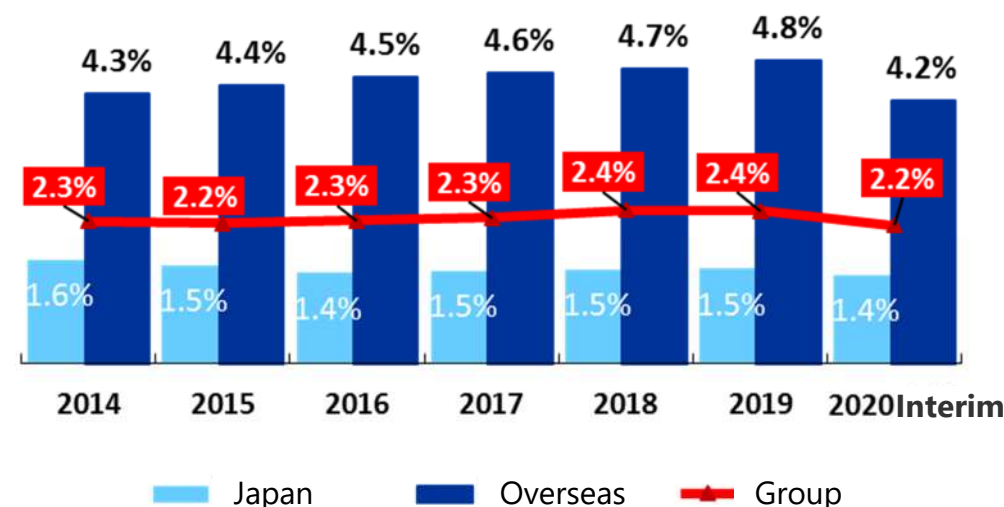
Investment Portfolio (Sep. 30, 2020)



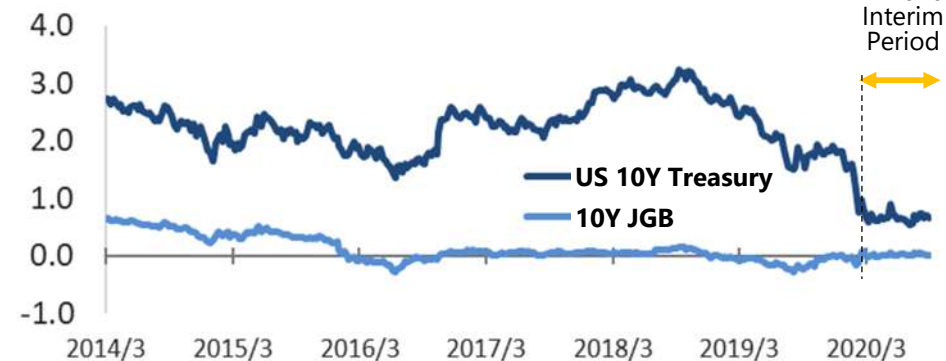
- Domestic bonds:** Enhance ALM based on insurance liabilities
- Foreign securities, etc./Loans:** Profit contribution by asset diversification
- Domestic equities:** Mainly business-related equities

Secure stable yield

<Group's income yield>



(Reference) Open Market Rates



Investment Risk Appetite

Each risk is managed within the ERM framework from an overall Group perspective

Aim at profit contribution by taking credit risks under appropriate risk control

Control of interest rate risk

- Control of interest rate risk with appropriate ALM in each country/entity
- For domestic life, interest rate risk is managed by matching asset and liability interest rate sensitivity rather than by using duration, which lacks the concept of volume (about 90% hedge ratio, Sep. 30, 2020)

Control of FX risk

- Each country/entity mainly makes investments in own currency corresponding to insurance liabilities
- Foreign currency denominated assets are fully hedged using currency options and derivatives

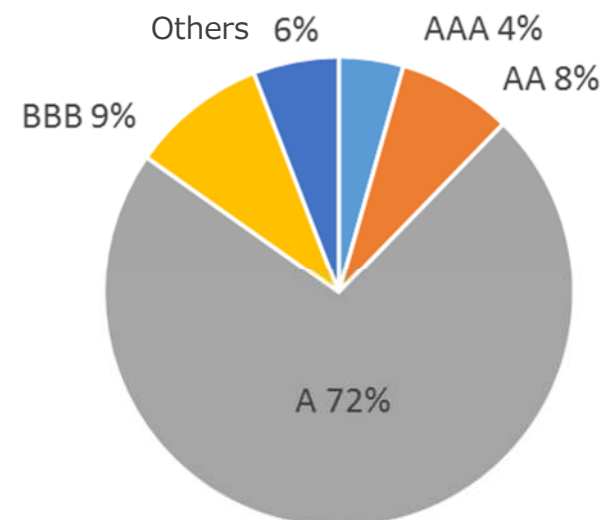
Control of equities risk

- Continue to reduce business-related equities to improve capital efficiency

Control of credit risk

- Take certain credit risk mainly with highly rated bonds
- Diversify domestic and overseas risks and investment methods
- Leverage on the strength of DFG for appropriate integrated risk control and risk taking in US/Japan
- HD engaged in cautious monitoring including risk limit management, etc.

Bonds and similar assets by rating (Sep. 30, 2020)



DFG's Strong Asset Management Capabilities

Achieved strong track record steadily outperforming the market utilizing profound investment expertise and abundant experience

Long-term investment style

- Invest in interest rate assets such as bonds and loans that match the cash flow structure of the long-term, stable insurance liabilities (liquidity risk is acceptable)
- Hold to maturity based on ALM regardless of short-term market fluctuation (average duration: 4 years for assets, 6 years for liabilities)

Strength of DFG investment team

- Team experienced numerous market events including the collapse of Lehman Brothers, and produced stable returns throughout the market cycles
- Data gathering and analysis leveraging on broad network
- Continuous portfolio rebalancing in response on the economy, etc.

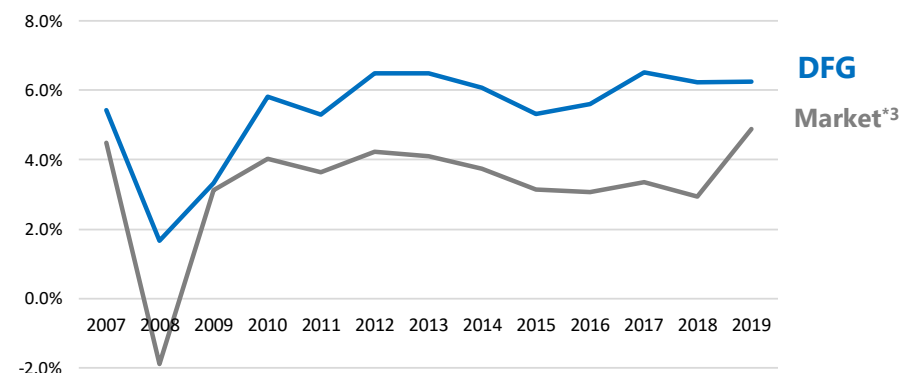
Category		Amount (FY2020 interim period)
Group Total Assets		¥25.5 trillion
Of which DFG AUM*1	DFG Proprietary assets	Approx. ¥2.8 trillion
	Group company assets	Approx. ¥1.5 trillion

*1: Amount as of Sep. 30, 2020, with JPY / USD rate as of Sep. 30

Stable track record

[Investment Returns*2]

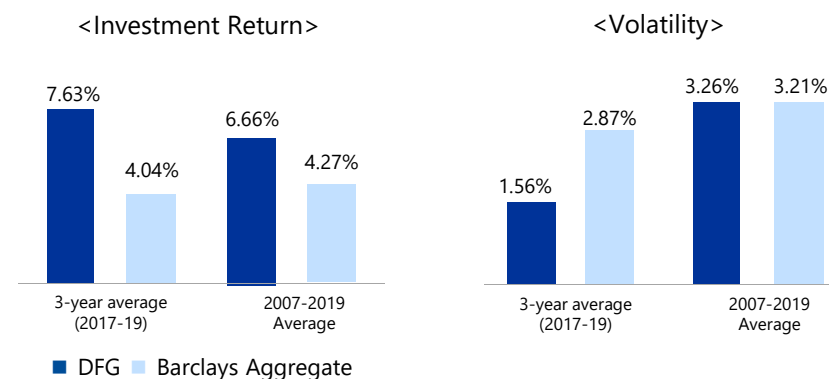
- Secured positive returns throughout the period despite some negative effects such as collapse of Lehman Brothers



*2: (Income + gains/losses on sale + impairment loss)/AUM

*3: Average of US P&C companies (market cap \$10bn+) (Source) SNL, Factset

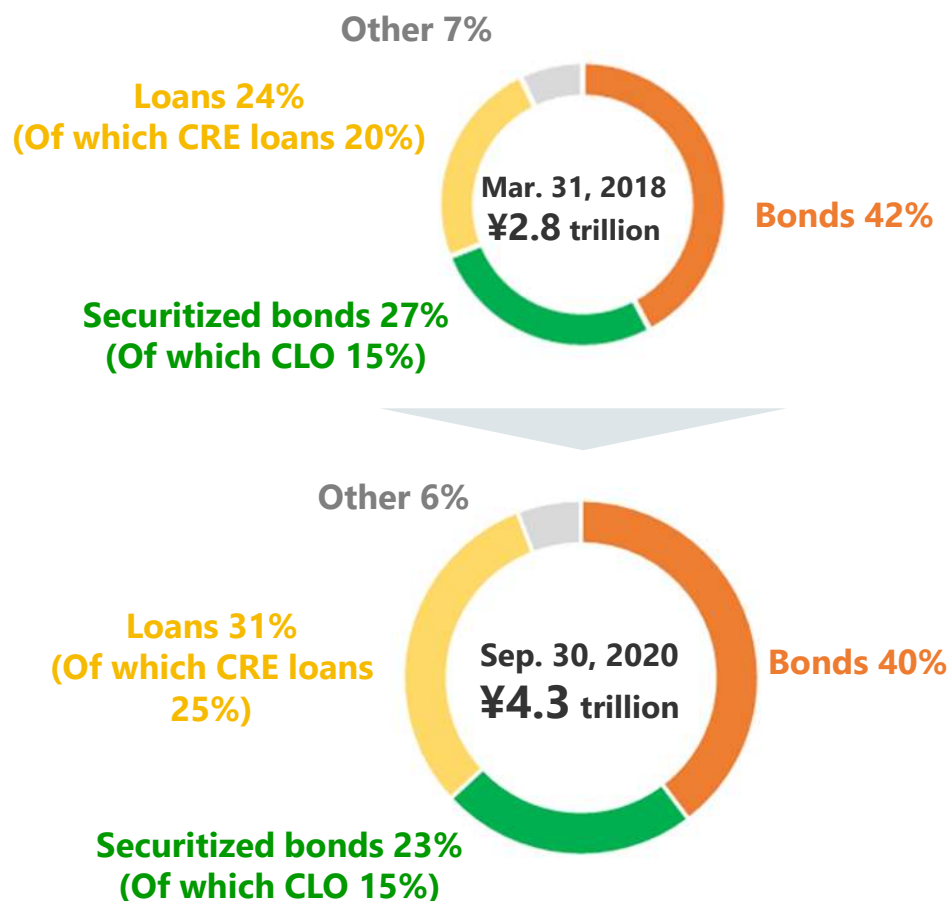
[Track record vs. index]



DFG Asset Management Strategy

Aim to improve profitability with allocation based on return on risk among similar investment assets that generate profit from credit risk

DFG Investment Portfolio (including assets entrusted by Group company)



Risk/return ratio for key assets

Returns

High

Low

Low

High

Risks

Improved profitability
with DFG's strength

CRE
Loan

CLO
(A)

CMBS
(A)

Bonds
(BBB)

Bonds
(AAA)

Control of US Credit Risk Assets (CLO)

Invest in CLO, leveraging on DFG's strong expertise and abundant experience

CLO investment (Sep. 30, 2020)

Balance	Approx. ¥900bn
Main asset management entity	DFG
Currency	USD
Insurance liabilities	USD*1
Underlying assets	Corporate loans
Average rating	A

*1: Includes some JPY denominated insurance liabilities with FX risk hedged

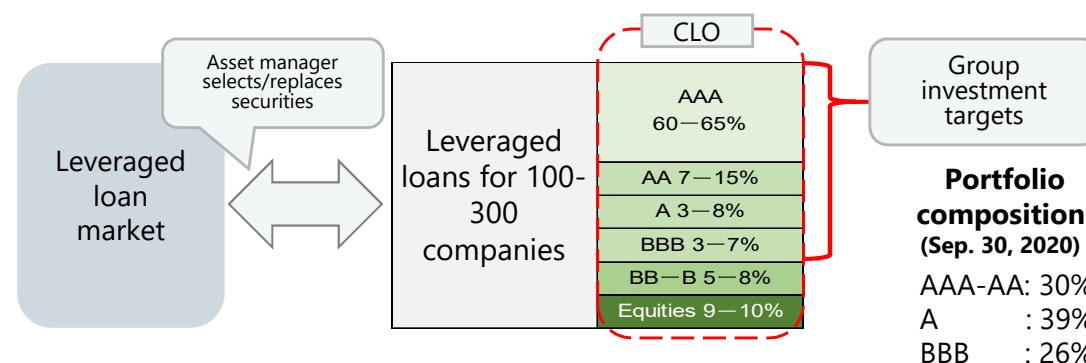
DFG's strength in CLO investment

- Insurance liabilities allow holding to maturity
- Data gathering network built over the years
- Expertise to accurately capture the CLO tranche structure from contracts
- Detailed risk management (monthly monitoring, stress testing based on conservative scenarios, strong checks on outside managers*2)

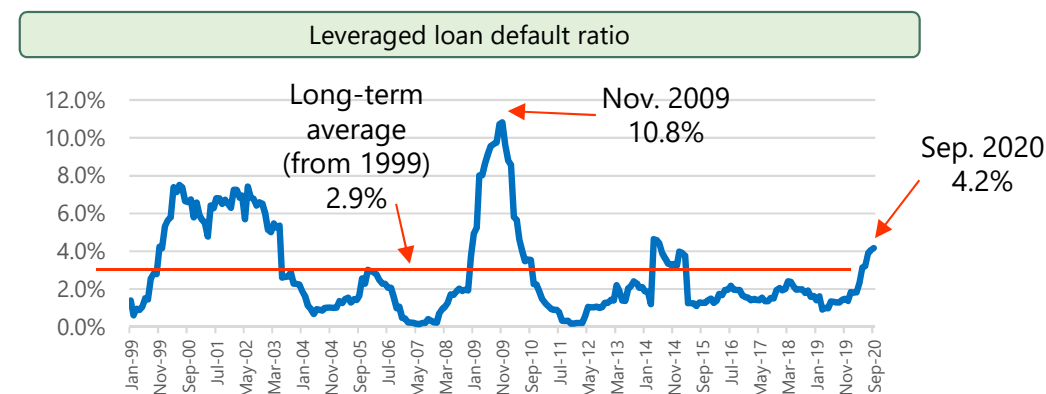
*2: Asset manager for replacing underlying assets

CLO investment scheme and status

- The Group mainly holds CLOs rated BBB or above which are unlikely to default at present
- Stress testing indicates that CLOs rated BBB or above will not incur losses unless in case of 3 consecutive years of 10% or more default ratio



- Default ratio for corporate loans underlying CLOs is increasing, but was 4.2% as of September 2020



Control of US Credit Risk Assets (CRE Loans)

Invest in CRE loans, strictly selecting prime transactions, based on close cooperation between DFG and outside managers

CRE loans investment (Sep. 30, 2020)

Balance	Approx. ¥920bn
Main asset management entity	DFG
Currency	USD
Insurance liabilities	USD*1
Loan to Value*2	62%
Main property category	Office Rental housing Hotel

*1: Includes some JPY denominated insurance liabilities with FX risk hedged

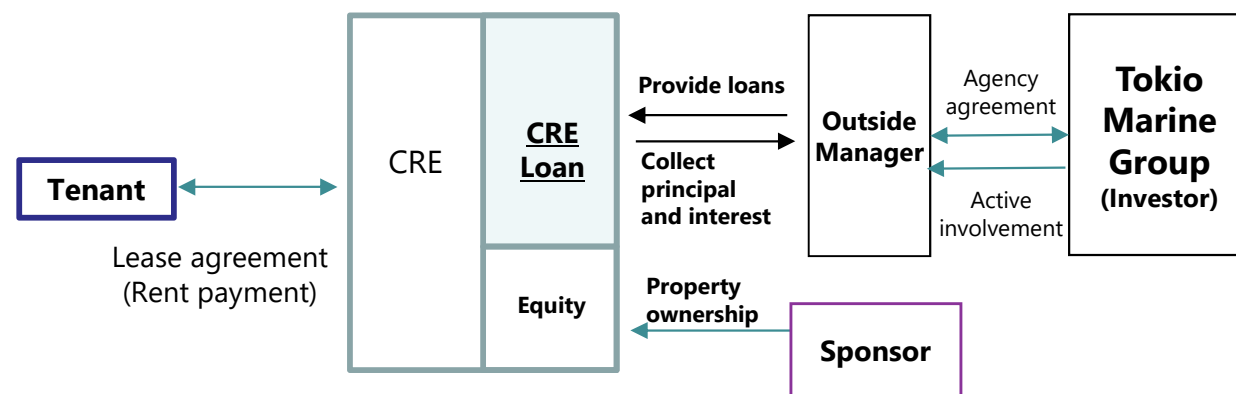
*2: Loan balance / collateral value

DFG's strength in CRE loans investment

- Active involvement in decision making by attending the outside manager's investment committee (careful investment process and monitoring)
- Active collection activities (workout) for underperforming loans possible as the sole lender

CRE loans investment scheme and status

- Invest in real estates strictly selected with consideration of LTV and ease of attachment and collection, based on the outside manager's broad network (TMHD has right to veto)
- Short average holding period of about 3 years. Easy to change sectors after maturity
- Diversified investment without concentrating in specific region/sector



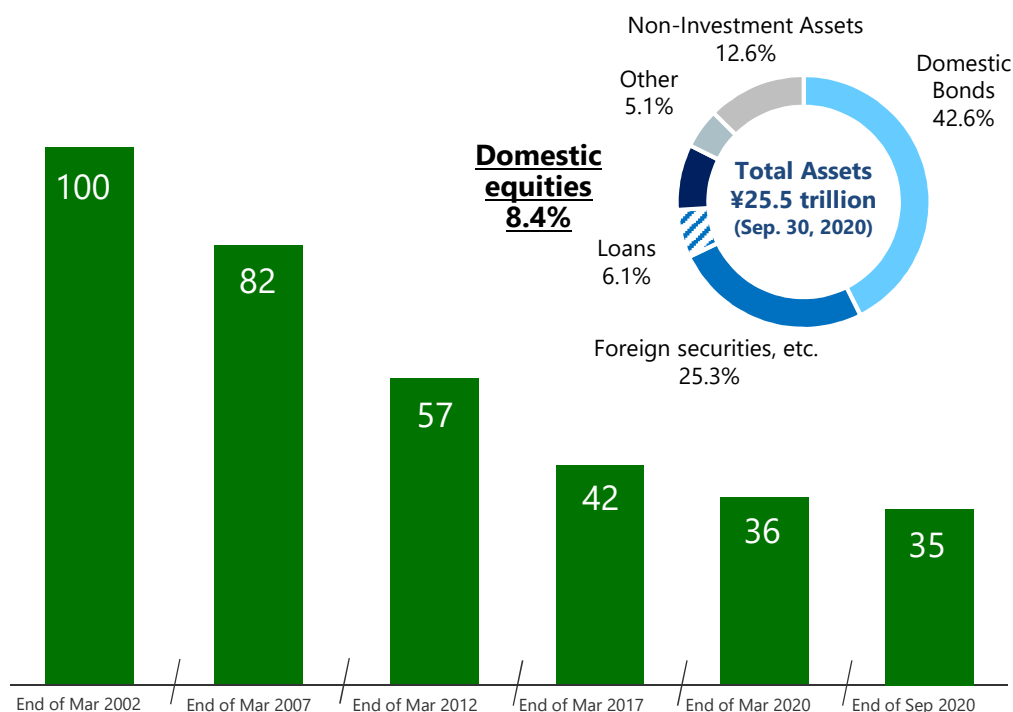
- Some interest deferral request has been made due to the impact of COVID-19, but appropriateness of payment plan has been confirmed through negotiation with the sponsors
- New investments are limited to multi-family housing, warehouses and logistics facilities, etc., which are less affected by COVID-19 (shift of portfolio target sectors)

Reduce Business-related Equities

Ongoing efforts to reduce business-related equities from the perspective of capital efficiency improvement

- Book value of business-related equities declined to 35% from Mar. 31, 2002 through steady action
- Sold total amount of approx. ¥2.2tn*¹ since FY2002
- In this mid-term business plan, we will also plan to sell ¥100bn or more a year

Book value of business-related equities*²



*1: Market price at the time of sale

*2: Indexed to the end of Mar. 2002 as 100.

Sales amount

	Fiscal Year	Plan	Results
Previous Mid-Term Business Plan	2015	¥100.0bn or more	¥122.0bn
	2016		¥117.0bn
	2017		¥108.0bn
Current Mid-Term Business Plan	2018	¥100.0bn or more	¥107.0bn
	2019		¥107.0bn
	2020		¥72.0 bn (Sep. 30, 2020)

Continue selling efforts to reduce risk

Future Plans in Light of COVID-19

Promote initiatives to secure stable investment returns in COVID-19 affected market environment

FY2020	Japan	Overseas
Decrease in investment return due to COVID-19	-¥4.0bn	-¥34.0bn

Existing policies were prepared for the risk of decreased return, but implement following measures

<Response to COVID-19>

(1) Continue ALM reflecting the characteristics of insurance liabilities

- Steady implementation of ALM reflecting the characteristics of insurance liabilities under any environment

(2) Agile response to change in market environment (interest rate volatility and further economic downturn)

- Increase the ratio of cash and deposits to prepare for further economic downturn from COVID-19 and agile investment upon market recovery
- Considering the interest rate risks including sudden fluctuation, make balanced investment between fixed and variable rates

(3) Investment based on risk and return

- Utilize DFG's data network and analysis capacities, strictly select attractive investments based on risk and return with consideration of default losses for each asset

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