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## Mid-Term Business Plan (KPI Targets)

- Probability of achieving target KPI targets has been further increased by the management strategy and its successful implementation to date

	FY2023 Plan	FY2021 Projection (announced Nov. 2021)	FY2020 Results
<b>Adjusted net income</b>	<b>CAGR+3-7%*<sup>1</sup></b> (c. JPY 480-540bn) →See next page for breakdown	<b>JPY 490bn</b> (+JPY 66bn from the original projection)	<b>JPY 446bn*<sup>2</sup></b>
<b>Adjusted ROE</b>	<b>Around 12%</b>	<b>12.2%</b> (+1.4 points from the original projection)	<b>11.5%*<sup>2</sup></b>
<b>Shareholder Returns</b>			
<b>Dividend payout ratio*<sup>3</sup></b>	<b>40% or more</b> ↓ <b>Revised to 50%</b>	<b>47%</b> (+4 points from the original projection)	<b>40%</b>
<b>Capital level Adjustment</b>	<b>Flexible execution*<sup>4</sup></b>	<b>JPY 100bn*<sup>4</sup></b> (JPY 60bn has already been implemented)	<b>JPY 50bn</b>

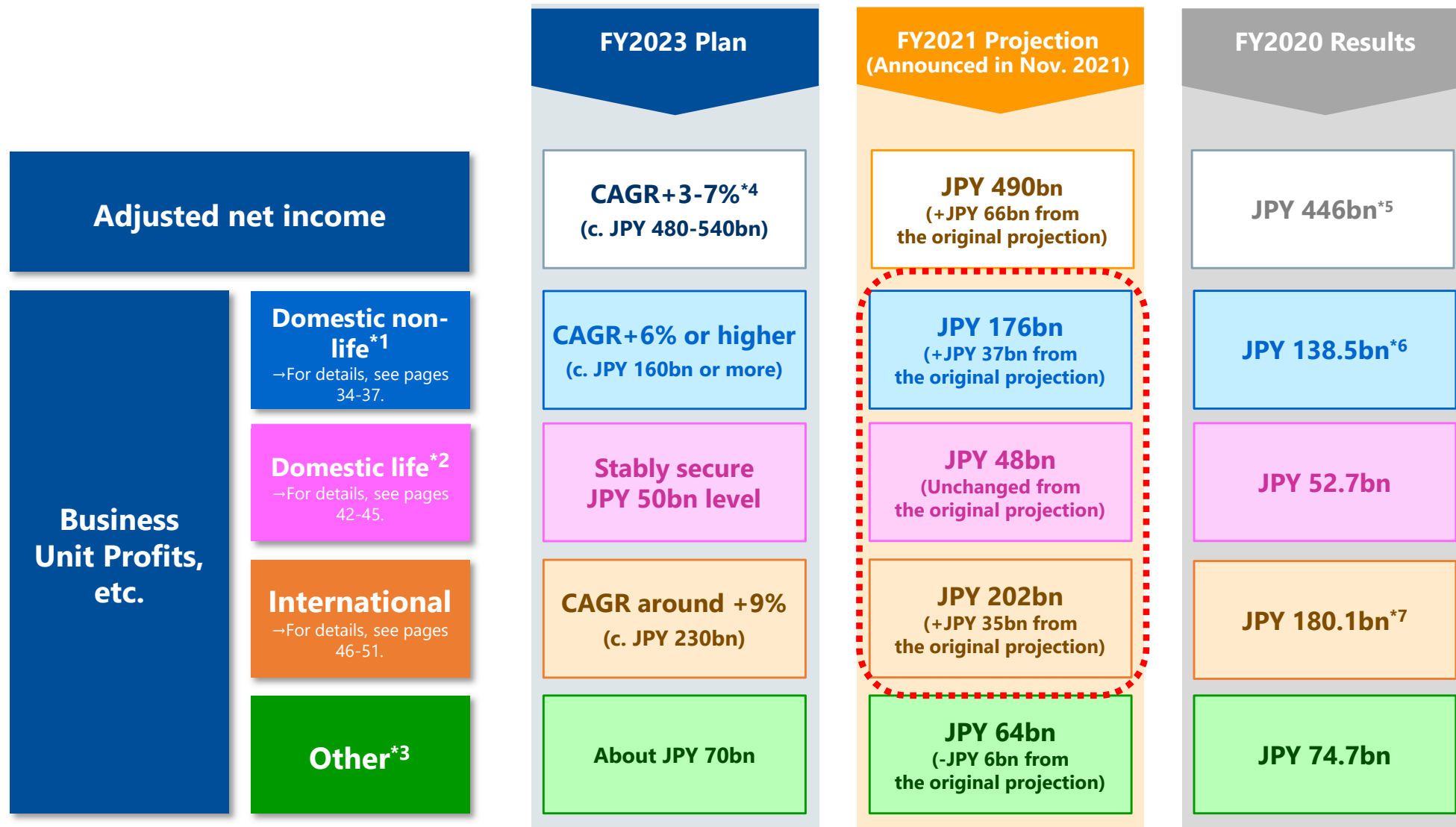
\*1: At the IR presentation in May 2021, we explained that we expect OG to be 5% or more.

\*2: The starting numbers for the current mid-term business plan (the impact of natural catastrophes is assumed to be at the average annual level, and the impact of COVID-19 and exchange rate fluctuations is deducted.)

\*3: Dividend payout ratio is based on the five-year average of adjusted net income on the original projection basis. In FY2023, we will well exceed JPY 500bn adjusted net income and raise the dividend payout ratio to 50%. We will continue to raise the DPS with profit growth as a driver. (We will, in principle, not decrease dividends.)

\*4: The total amount of small- and medium-scale business investment and capital level adjustment is set (the quota for FY2021 is JPY 100bn). However, business investment will be actively considered and implemented if there are good opportunities, and as a result may not fit within the quota.

# Breakdown of Adjusted Net Income



\*1: Domestic non-life insurance: TMNF (same for subsequent pages)  
 \*2: Domestic life insurance: TMNL (same for subsequent pages)  
 \*3: Other domestic non-life, financial and other businesses, and sale of business-related equities (not included in Business Unit profits), etc. (same for subsequent pages)

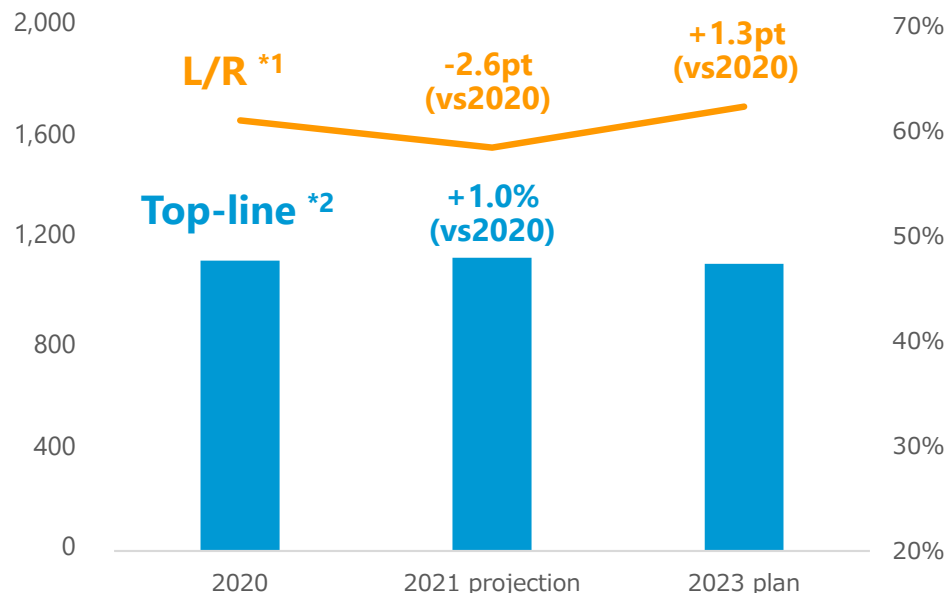
\*4: At the IR presentation in May 2021, we explained that we expect OG to be 5% or more.  
 \*5: The starting numbers for the current mid-term business plan (the impact of natural catastrophes is assumed to be at the average annual level, and the impact of COVID-19 and FX rate fluctuations is deducted)  
 \*6: The impact of natural catastrophes is assumed to be at the average annual level, and the impact of COVID-19 is deducted.  
 \*7: The impact of natural catastrophes is assumed to be at the average annual level, and the impact of COVID-19 and FX rate fluctuations is deducted.

# [Progress of Current MTP] Maintaining profit from auto insurance

- Offset the impact of rate decrease by expanding coverage, etc. to limit the decline in profit to around JPY 10.0bn
- For FY2021, L/R is expected to be -2.6pt, exceeding the projection (of which the improvement due to COVID-19 is expected to be normalized)

## Progress towards FY2023 Plan

(Billions of JPY)



**Profit impact (vs 2020) \*1,3**

About +¥20bn

About -¥10bn

Key Measures	Progress Status (FY2021 projection)
<b>Increase market share (M/S)</b> <ul style="list-style-type: none"> <li>● Expand coverage through product revisions in April 2021 and January 2022 (new DAP*4, etc.)</li> <li>● Establish early contacts</li> <li>● Strengthen digital contact points for customers</li> </ul>	<b>Top line*2: +1.0%</b> <ul style="list-style-type: none"> <li>● Steady progress in line with the plan based on enhancement of coverage, etc.</li> <li>● Results as of Sep. 2021*5                             <ul style="list-style-type: none"> <li>• Degree of M/S improvement: No.1</li> <li>• NF unit price: +1.6%</li> <li>• Number of units : +0.1%</li> </ul> </li> </ul>
<b>Generate sustainable and stable earnings</b> <ul style="list-style-type: none"> <li>● Initiatives to improve profitability</li> <li>● Flexible review of premium levels in light of loss costs, etc.</li> </ul>	<b>L/R*1: -2.6pt</b> <ul style="list-style-type: none"> <li>● Good performance compared to plan due to impact of COVID-19 and efforts to improve profitability</li> <li>● -2% rate decline in Jan. 2022 was already incorporated into the plan announced in May 2021</li> </ul>

\*1: For 2020, the figure is adjusted to reflect actual ability by excluding the impact of COVID-19 and adjusting the natural catastrophes to the average annual level.

\*2: NPW

\*3: After tax; estimation

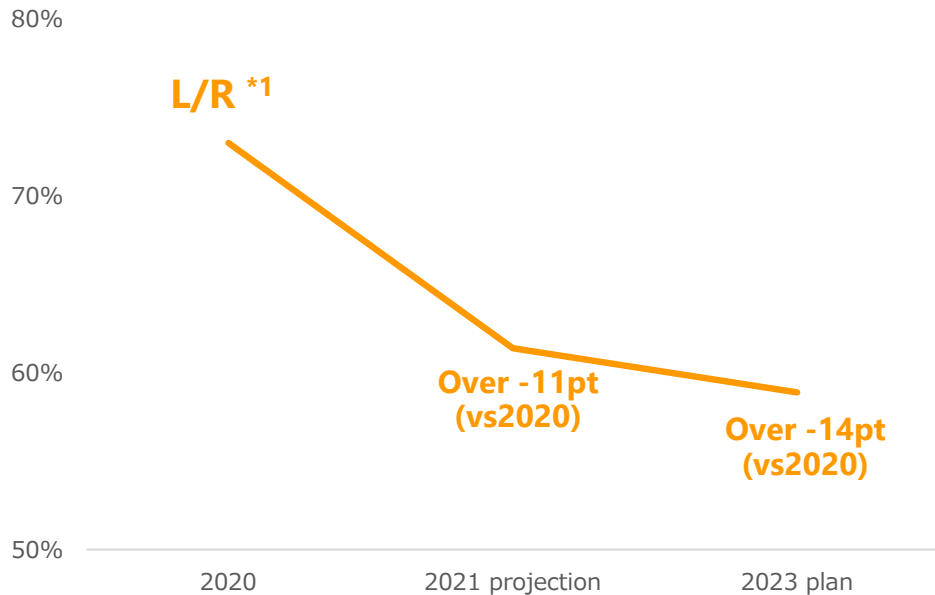
\*4: Drive Agent Personal (DAP). A product that provides accident prevention and response services when accidents occur, using our original drive recorder equipped with communication function.

\*5: Premiums on a managerial accounting basis

# [Progress of Current MTP] Improvement in profit from fire insurance

- Improvement of business unit profit by over +JPY 45.0bn (of which the effect of rate revision is about JPY 19.0bn after tax) through rate revision, etc.
- Progress towards FY2021 projection on track, due in part to lower-than-expected natural catastrophes with profit improvement effect exceeding +JPY 25.0bn.

## Progress towards FY2023 Plan



**Profit Impact (vs2020) \*1,2**

**Over +¥25bn**

**Over +¥45bn**

**of which, impact of rate revision \*2**

**About +¥10bn**

**About +¥19bn\*3**

Key Measures	Progress Status (FY2021 projection)
<ul style="list-style-type: none"> <li>● Rate revision</li> <li>● Product revision</li> <li>● Enhancement of underwriting</li> <li>● Disaster prevention and mitigation and early recovery efforts</li> <li>● Appropriate reinsurance arrangements</li> </ul> <p>&lt;Reference&gt; Plan to secure profit equivalent to capital cost by around FY2026-27, with product and rate revisions planned for FY2022 and FY2023 onward</p>	<p><b>Profit improvement*2: Over +JPY 25bn</b></p> <ul style="list-style-type: none"> <li>● Progressing in line with plan based on the realization of the effects of product and rate revisions in October 2019 and January 2021.</li> <li>● Product and rate revisions for FY2022 and FY2023 onward are being discussed at the management level (progressing smoothly).</li> <li>● Initiatives including strengthening underwriting, disaster prevention and mitigation (see page 64), and reinsurance are also progressing smoothly.</li> </ul>

\*1 : For 2020, the figure is adjusted to reflect actual ability by excluding the impact of COVID-19 and adjusting the natural catastrophes to the average annual level.

\*2: After tax; estimation

\*3: At the IR conference in May 2021, we explained that rate revision alone would generate a positive impact of circa JPY 26bn yen (before tax).

# [Progress of Current MTP] Growth of specialty insurance

- Achievement of sales growth by over +JPY 100.0bn and profit by JPY 10bn through solving social issues
- Strong top-line growth by +JPY 27.4bn well on track towards FY2021 projection, despite the lingering impact of COVID-19

## Progress towards FY2023 Projection



**Profit impact (vs 2020) \*1,3**

About -¥10 bn

About +¥10 bn

Key Measures	Progress Status (FY2021 projection)
<p><b>Increase the top line</b></p> <ul style="list-style-type: none"> <li>● Strengthen efforts in four priority areas of social issues                             <ul style="list-style-type: none"> <li>• Health care</li> <li>• SME</li> <li>• Renewable energy</li> <li>• Cyber</li> </ul> </li> </ul>	<p><b>Top line*2: +JPY 27.4bn</b></p> <ul style="list-style-type: none"> <li>● Preparations for achieving the current mid-term business plan targets are progressing steadily, including the establishment of specialized departments for each area, development of new products and services, and strengthening of support systems.</li> <li>● Revenue is expected to increase by circa JPY 15.0 bn*4 in 4 areas in FY2021 (having achieved a JPY 6.2bn increase up to Sep. 2021)</li> </ul>
<p><b>Generate sustainable and stable earnings</b></p> <ul style="list-style-type: none"> <li>● Initiatives to improve profitability</li> </ul>	<p><b>L/R*1: +1.8 pt</b></p> <ul style="list-style-type: none"> <li>● Temporarily worsened due to a large accident</li> </ul>

\*1: For 2020, the figure is adjusted to reflect actual ability by excluding the impact of COVID-19 and adjusting the natural catastrophes to the average annual level.

\*2: NPW, including personal accident

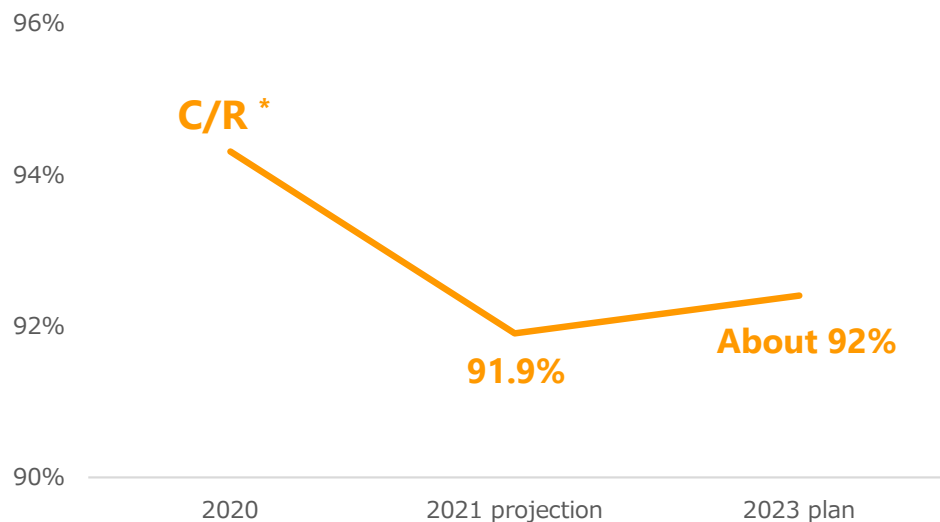
\*3: After tax; estimation

\*4: Premiums on a managerial accounting basis

# [Progress of Current MTP] Initiatives to improve C/R

- Investment c. JPY40.0bn in DX to improve productivity and top line. Improve C/R by 1.0pt. (c. 92% for FY2023)
- C/R at 91.9%. well on track towards FY2021 projection

## Progress towards FY2023 Plan



C/R improvement (vs. 2020) \*

-2.4 pt

Over -1.0 pt

### Key Measures

### Progress Status (FY2021 projection)

**Thoroughly reduce internal administrative work through thorough use of digital technology, etc.**

- Business expense related
  - Digitalization of customer contact
  - Automation and improved efficiency of inquiry response and administration
  - Promotion of paperless operations, etc.
- Loss adjustment expenses-related
  - Web-based process to be completed by customers
  - Accident situation reproduction system
  - Full-scale deployment of various types of AI, etc.

**The time created will be used to develop new markets and strengthen pre- and post-event measures, utilizing digital technology.**

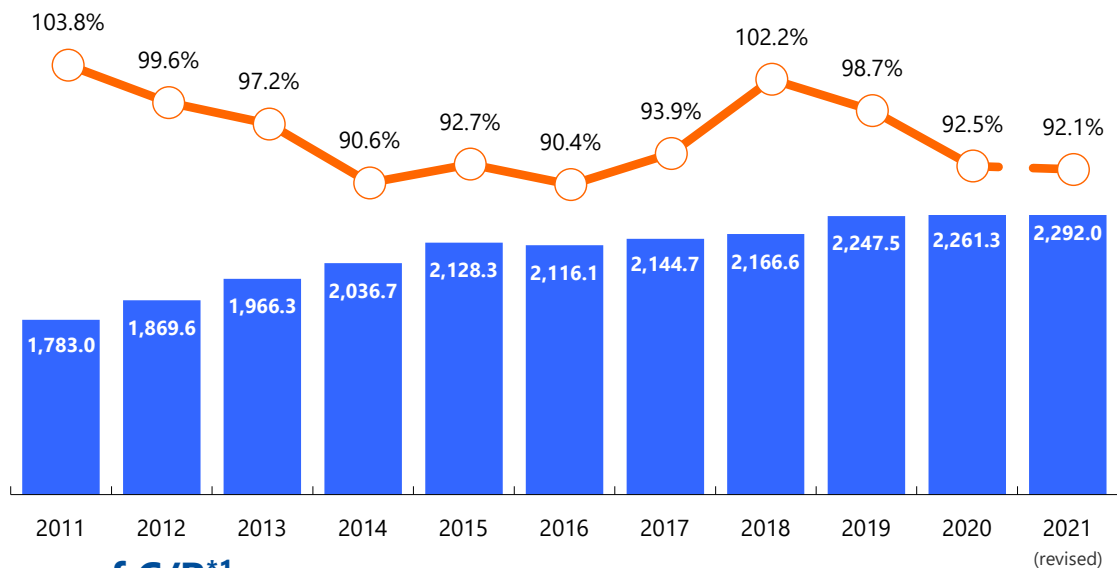
**C/R: 91.9% (-2.4pt)**

- Progress is being made in line with the plan through the measures described in the left.
- TMNF's digital strategy is progressing well including the establishment of a committee headed by the president. (Reference)  
Our digital strategy for claims payment won Good Design Award at the Good Design Award 2021 organized by the Japan Institute of Design Promotion
- See page 36 for growth of specialty insurance, and page 64-66 for pre- and post-event measures.

\*: For 2020, the figure is adjusted to reflect actual ability by excluding the impact of COVID-19 and adjusting the natural catastrophes to the average annual level.

# [Basic Information] TNNF

## Changes in net premium written (all categories; billions of JPY) and C/R\*1 (Private insurance E/I basis)



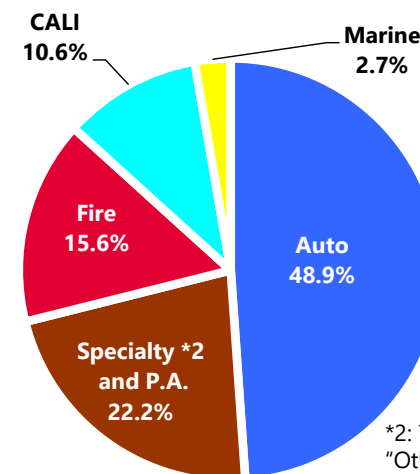
## Breakdown of C/R\*1 (Private insurance E/I basis)

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (revised)	vs. original projection
<b>C/R*1</b>	103.8%	99.6%	97.2%	90.6%	92.7%	90.4%	93.9%	102.2%	98.7%	92.5%	92.1%	-1.7pt
<b>E/I basis loss ratio</b>	69.8%	66.8%	65.0%	58.5%	60.1%	57.7%	61.4%	70.0%	66.3%	60.8%	59.5%	-1.2pt
(Natural catastrophe, annual average basis)	63.5%	64.7%	62.2%	59.2%	58.2%	57.3%	59.1%	59.9%	60.4%	58.7%	60.2%	-0.5pt
<b>W/P expense ratio</b>	34.0%	32.8%	32.2%	32.2%	32.6%	32.7%	32.5%	32.3%	32.4%	31.6%	32.7%	-0.4pt

\*1: C/R = E/I loss ratio + W/P expense ratio

## Composition by category

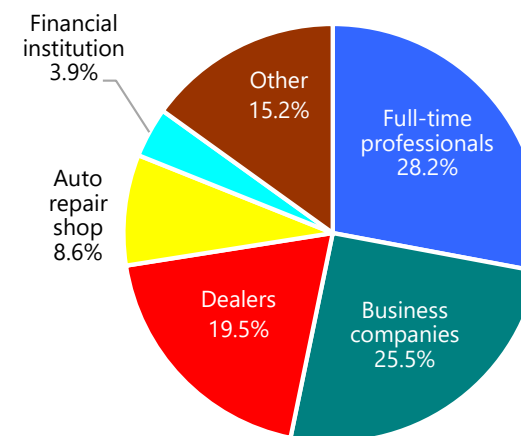
(FY2020: On a net premium written basis)



\*2: The category for "Other" on financial statements

## Composition by channel

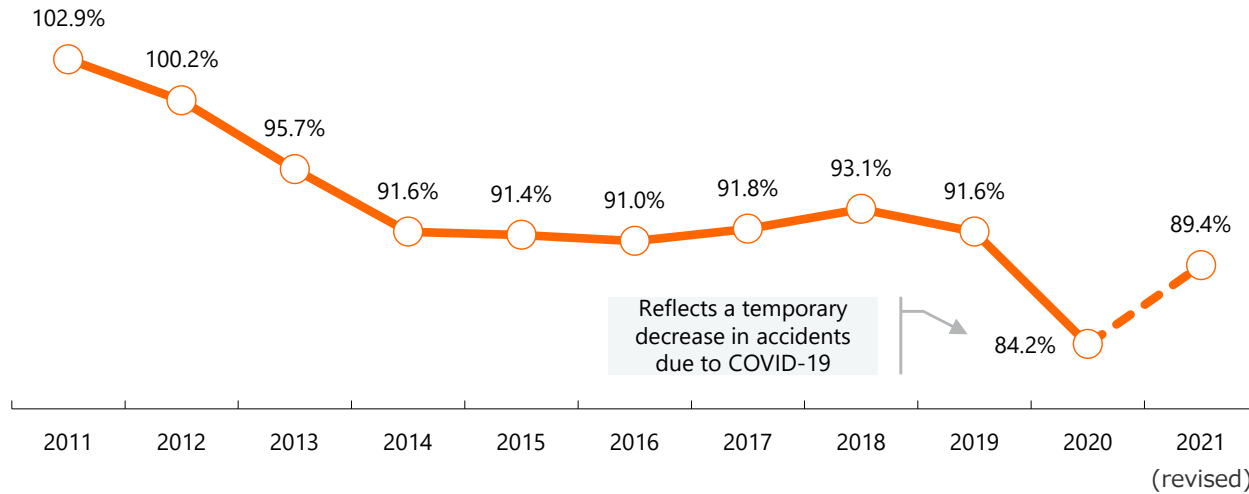
(FY2020 premiums on a managerial accounting basis)





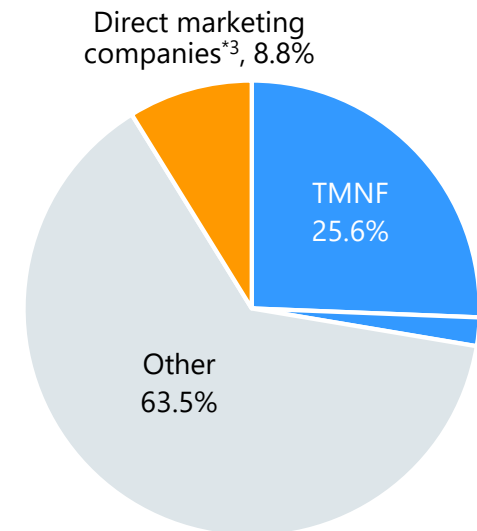
# [Basic Information] TMNF

## ● C/R <sup>\*1</sup> in auto insurance (on a private insurance E/I basis)



## ● Auto insurance market share <sup>\*2</sup>

(Based on FY2020 direct net premiums written)



## ● Breakdown of C/R<sup>\*1</sup> in auto insurance (on a private insurance E/I basis)

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (revised)	VS. original projection
<b>C/R <sup>*1</sup></b>	<b>102.9%</b>	<b>100.2%</b>	<b>95.7%</b>	<b>91.6%</b>	<b>91.4%</b>	<b>91.0%</b>	<b>91.8%</b>	<b>93.1%</b>	<b>91.6%</b>	<b>84.2%</b>	<b>89.4%</b>	<b>-3.0pt</b>
<b>E/I loss ratio</b>	<b>70.7%</b>	<b>69.4%</b>	<b>65.3%</b>	<b>61.1%</b>	<b>60.5%</b>	<b>60.2%</b>	<b>60.8%</b>	<b>62.3%</b>	<b>60.8%</b>	<b>54.3%</b>	<b>58.4%</b>	<b>-2.7pt</b>
(Natural catastrophes on an average annual basis)	70.3%	69.3%	64.4%	61.2%	60.4%	60.5%	60.6%	61.0%	60.0%	54.6%	58.6%	-2.4pt
<b>W/P business expense ratio</b>	<b>32.2%</b>	<b>30.8%</b>	<b>30.4%</b>	<b>30.5%</b>	<b>30.9%</b>	<b>30.8%</b>	<b>31.0%</b>	<b>30.9%</b>	<b>30.8%</b>	<b>29.9%</b>	<b>31.0%</b>	<b>-0.4pt</b>

\*1: C/R = E/I loss ratio + W/P business expense ratio

\*2: (Source) Insurance No. 4912

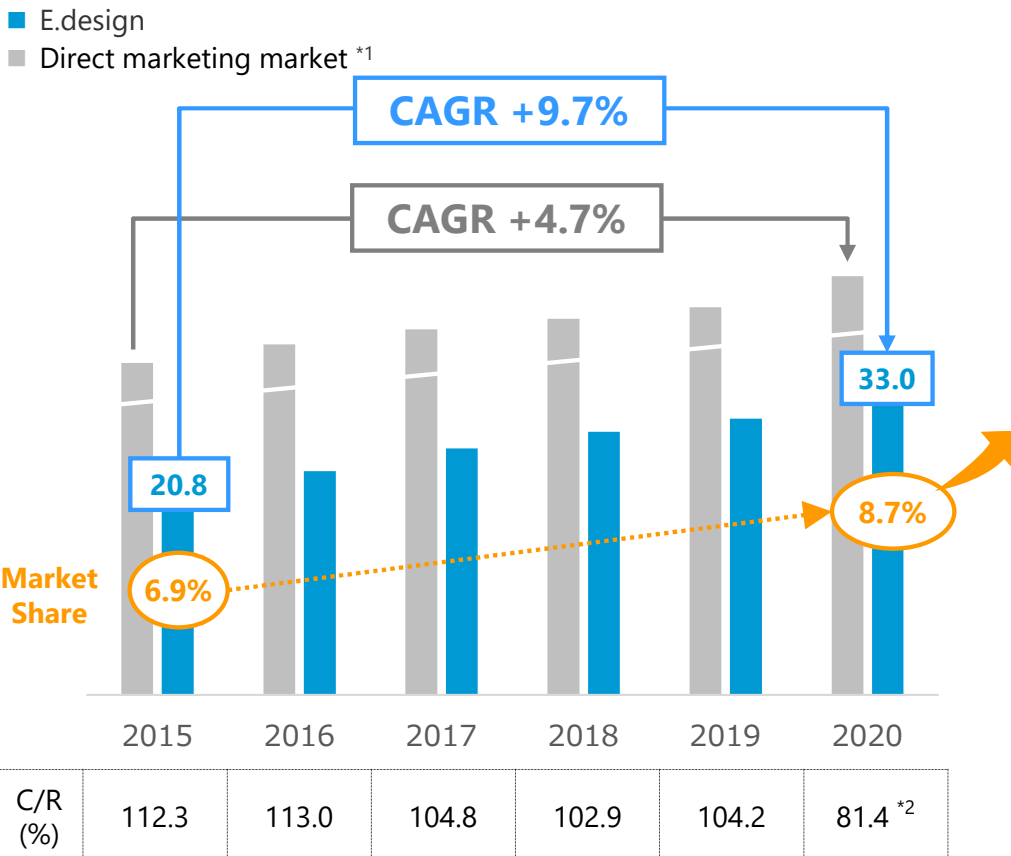
\*3: Included are: Sony, AXA, Mitsui Direct, Saison, Sonpo24, SBI, E.design, and Zurich

# [Basic Information] E.design Insurance

- Accelerate transformation to InsurTech company and create new experience value using digital technology

## Significant growth in the direct marketing market

Direct net premiums written (auto) (Billions of Yen)



\*1: Included are: Sony, American Home, AXA, Mitsui Direct, Saison, Sonpo 24, SBI, E.design, Zurich  
 (Source: Insurance Statistics and the respective company's website)  
 \*2: Reflects a temporary decrease in accidents due to COVID-19

## Nov. 2021: Launched “&e,” a new auto insurance policy

insurance contract

- All procedures can be **completed via smartphone.**
- **Thorough UI/UX** with digital natives in mind
- AI-OCR completes an official insurance quote **in as little as 60 seconds.**

accident support

- **One-tap** accident reporting with IoT sensors
- Easing stress **with repair shop booking via smartphone** etc.
- Created an **accident reproduction dashboard** with IoT sensors and AI

accident reduction

- Support for daily driving with IoT sensors and AI (Points program based on **safe driving score**)
- **Data-driven accident reduction** through linkage with Apple Watch etc.

## High recognition by third parties



1-click estimation of auto insurance premium

**30 clicks** → **1 click**



Received 3 stars (highest rating) on HDI's "Support Portal Rating Web site" for nine consecutive years.

# [Basic Information] Progress of Automated Driving Technology

- Although the auto insurance market will gradually shrink due to the progress of automated driving technology, expectations for insurers as a social infrastructure will rise against the backdrop of the increasing sophistication of automobiles and the complexity of liability relationships.

**Autonomous driving technology is making certain progress but universal deployment will take considerable time (short-time changes are limited)**

## ➤ Progress in Autonomous Driving Technology

<Level of Autonomous Driving> <Driver> <Government Target (private vehicles)>

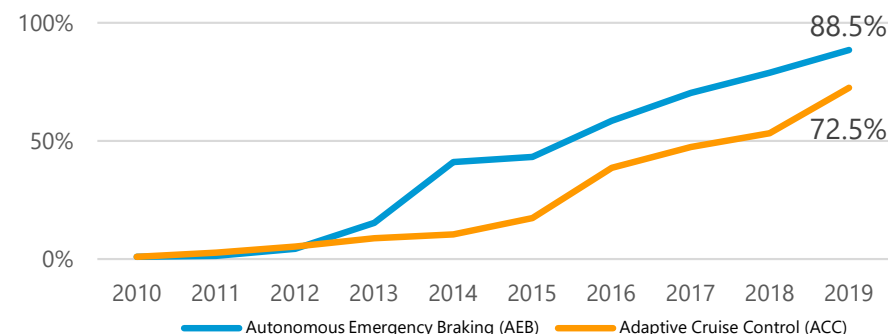
Level 0 (zero autonomous)	Human	
Level 1 (driving support)	Human	
Level 2 (partially autonomous)	Human	
Level 3 (conditional autonomous)	System	by 2020, autonomous driving on <b>expressways</b> *1
Level 4 (highly autonomous)	System	by 2025, autonomous driving on <b>expressways</b> *1
Level 5 (fully autonomous)	System	<b>TBD</b>

## Rising expectations for insurance companies as social infrastructure

- **Current positioning of auto insurance**  
Operator liability to be maintained up to Level 4 for initial migration period to provide quick relief to victims\*4
- **Our initiatives**  
April 2017: Launched coverage riders for expenses for saving victims [First in industry]  
April 2021: Auto accidents during autonomous driving have no impact on the grade rating system for non-fleet auto insurance [First in industry]

\*1: Based on our data, insurance payment for expressway accidents comprise about 3% of all accidents  
\*2: Based on MLIT Survey on Penetration of ASV Technology, Dec. 2020

## ➤ ASV installation ratio for new cars\*2



- **Average car ownership: 9 years**  
Replacement of all vehicles will take **more than 15 years**\*3

## No significant changes to claims cost for the time being

$$\text{Claims cost} = \text{Accident frequency} \downarrow \times \text{Insurance unit price} \uparrow$$

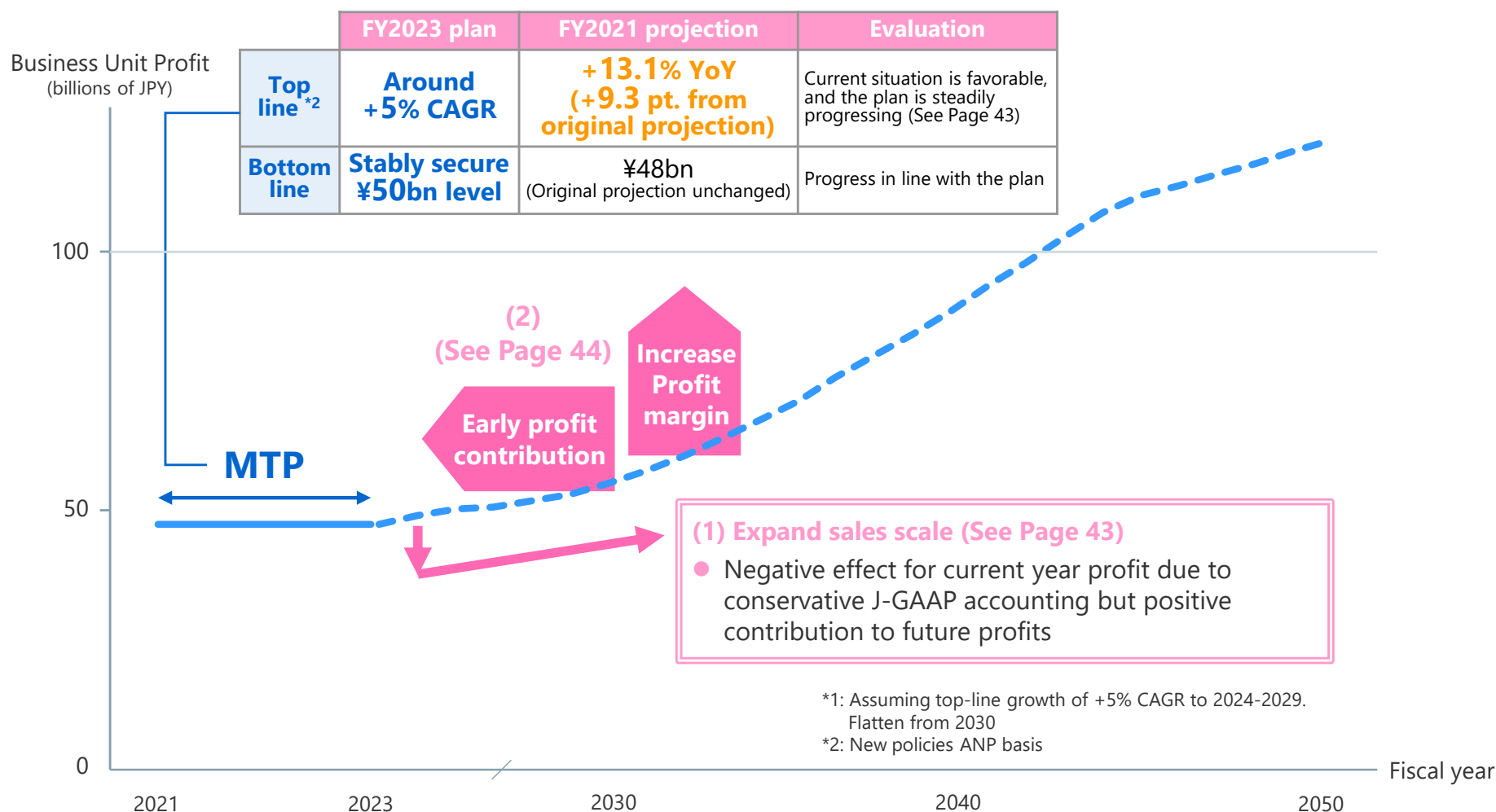
- **Lower accident frequency** ↘
- **Higher insurance unit price** ↗
  - Higher repair expense unit price due to expensive parts ↗
  - Possible increase in assessment cost ↗

\*3: Public-Private ITS Initiative / Roadmaps 2020.  
\*4: Mar. 2018, MLIT Research Group on Liability for Accident Compensation concerning Autonomous Driving

# [Progress of MTP] Risk diversification and long-term growth

- Top line growth c. +5% CAGR. Current +13.1% CAGR on track towards FY2021 projection (the long-term profit level will surpass JPY 100.0bn, contributing to our long-term growth and risk diversification)

TMNL profit growth curve\*1 (image)

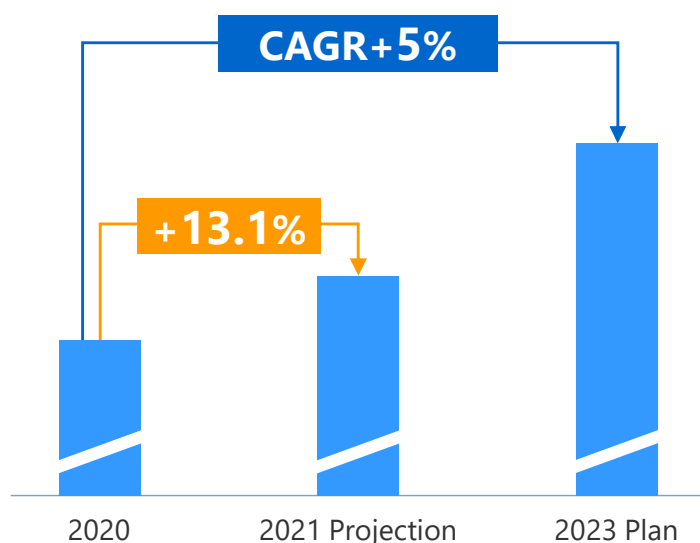


# [Progress of Current MTP] Expansion of sales scale

- Expand sales volume by focusing on growth areas and promotion of cross-selling of both life and non-life products
- Top line growth in 2021 projection is +13.1% YoY. The plan is making a steady progress.

## Progress toward FY2023 Plan

<Top line (new policies ANP)>



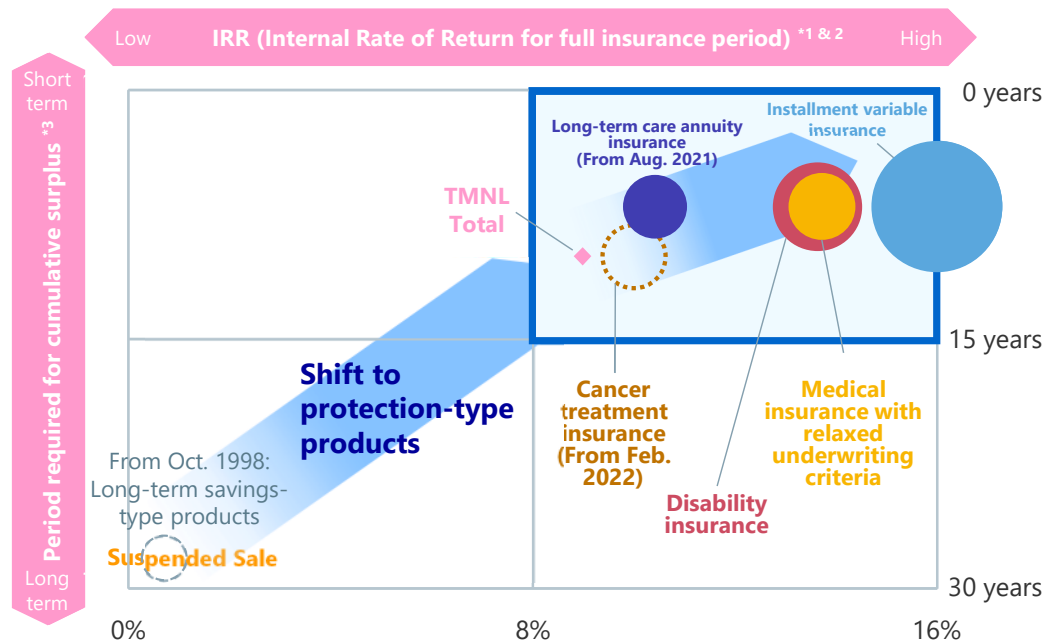
Key Measures	Progress Status (FY2021 projection)
<p><b>Focus on growth areas (Seniors, healthcare, and asset formulation)</b></p>	<ul style="list-style-type: none"> <li>● High growth in growth areas is driving the top-line increase</li> </ul> <p>(Reference) Top-line growth as of Sep. 2021*</p> <p><b>Seniors/Healthcare: +38% YoY</b></p> <ul style="list-style-type: none"> <li>• The new product "Long-term Care Annuity Insurance" has surpassed in sales 2020 hit product "Medical Insurance with Relaxed Underwriting Criteria".</li> </ul> <p><b>Asset formulation: +74% YoY</b></p>
<p><b>Promote cross-sell with integrated business model for life and non-life</b></p>	<ul style="list-style-type: none"> <li>● Promoting cross-sell including by introducing new products such as Long-term Care Annuity Insurance launched in Aug. 2021</li> </ul>

\*: [Senior/Healthcare] Medical insurance with relaxed underwriting criteria, whole life nursing care insurance with lower surrender benefits and long-term care annuity insurance (August 2021-)  
[Asset formulation] Installment variable insurance

# [Progress of MTP] Improve profitability and accelerate profit contribution

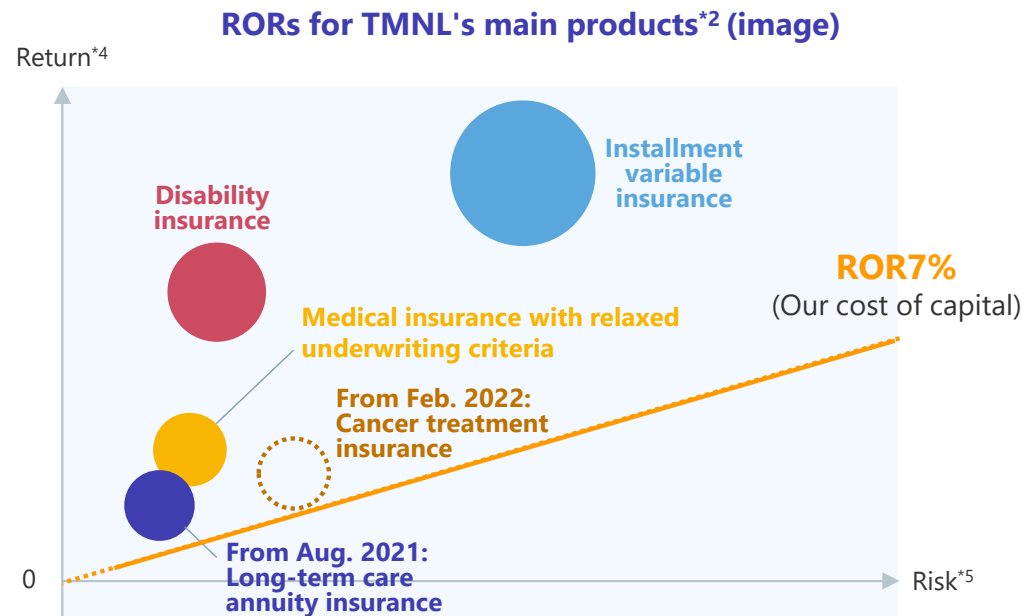
- High rate of return (IRR and ROR) by accelerating profit growth focusing on products that will contribute to profits at an early stage
- Progress on track: Introduced a long-term care insurance in August and will introduce a new cancer insurance in February next year.

## Improvement of IRR



\*1: IRR indicates profitability as expected return on cost for the entire insurance period on financial accounting basis  
 \*2: The size of the bubble indicates new policies ANP, and the sales projection for the full year for cancer treatment insurance.  
 \*3: Period until the cumulative profit on financial accounting basis to turn positive. (Figures in the above chart are FY2016 results for long-term saving-type products; and FY2021 projections for other products.)

## Improvement of ROR

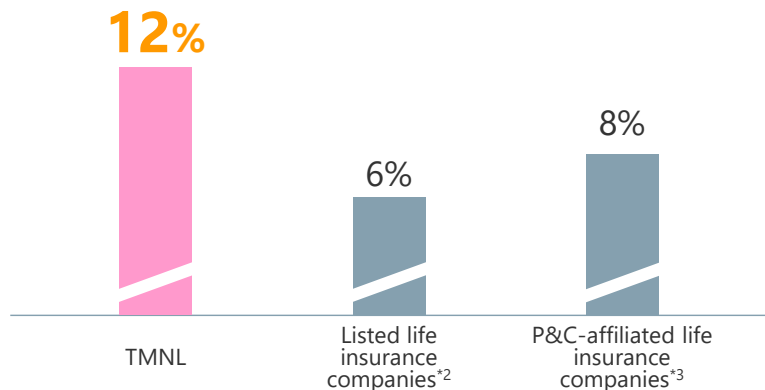


\*4: Value of new business and future release of cost of non-hedgeable risks (FY2021 projection)  
 \*5: Sum of the present value of required capital for each future fiscal year (projection as end of March 2022)

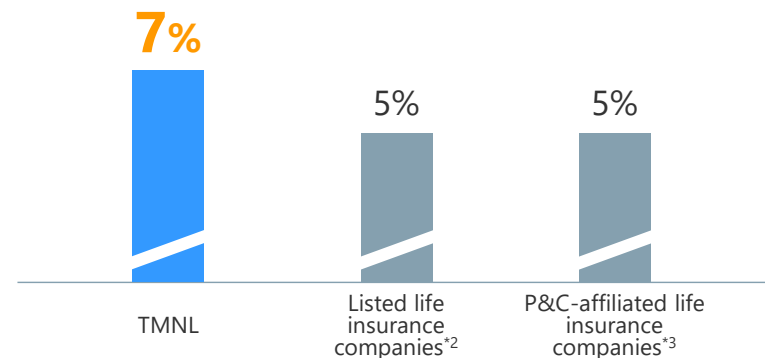
# (Reference) Capital efficiency

- The resulting capital efficiency is among the highest in domestic peers both on the financial accounting basis and on economic value basis.

## Adjusted ROE\*1 (Financial accounting basis, FY2020)



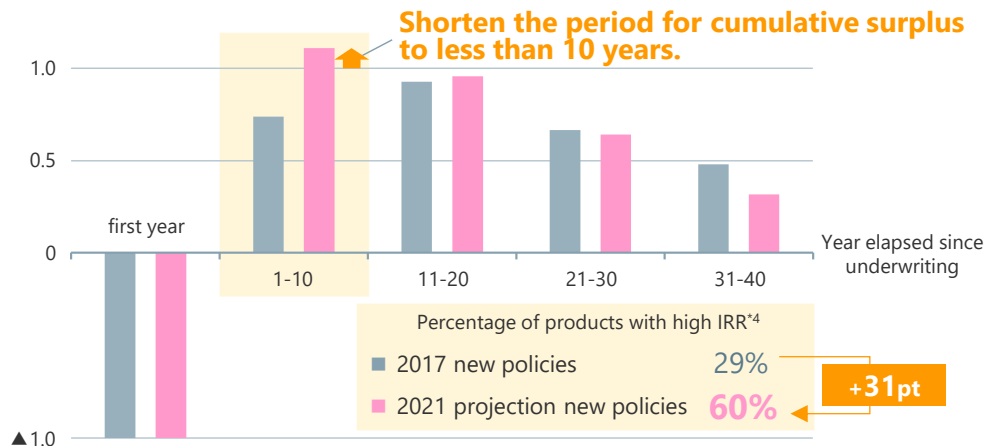
## Core ROEV\*5 (economic value basis, FY2020)



- Accelerate the growth of the numerator by expanding and accelerating profit contribution through further transformation of the product portfolio.
- As a result, we will ensure a stable double-digit level of capital efficiency.

- The value of new business in core ROEV numerator increased (2021 projection: **+10.9% YoY**) due to expansion of sales scale along with portfolio transformation. We will continue to increase the numerator.
- Limit the interest rate sensitivity of the denominator by reducing interest rate risk.

### <J-GAAP-based profit as a percentage of initial cost of new policy>



### <Changes in risk amount in domestic life (99.95% VaR, UFR not applied)>

	End-March 2019	End-March 2021
Total risk amount	¥970bn	¥680bn
Of which, interest rate risk	¥570bn	¥190bn

Interest rate risk reduced

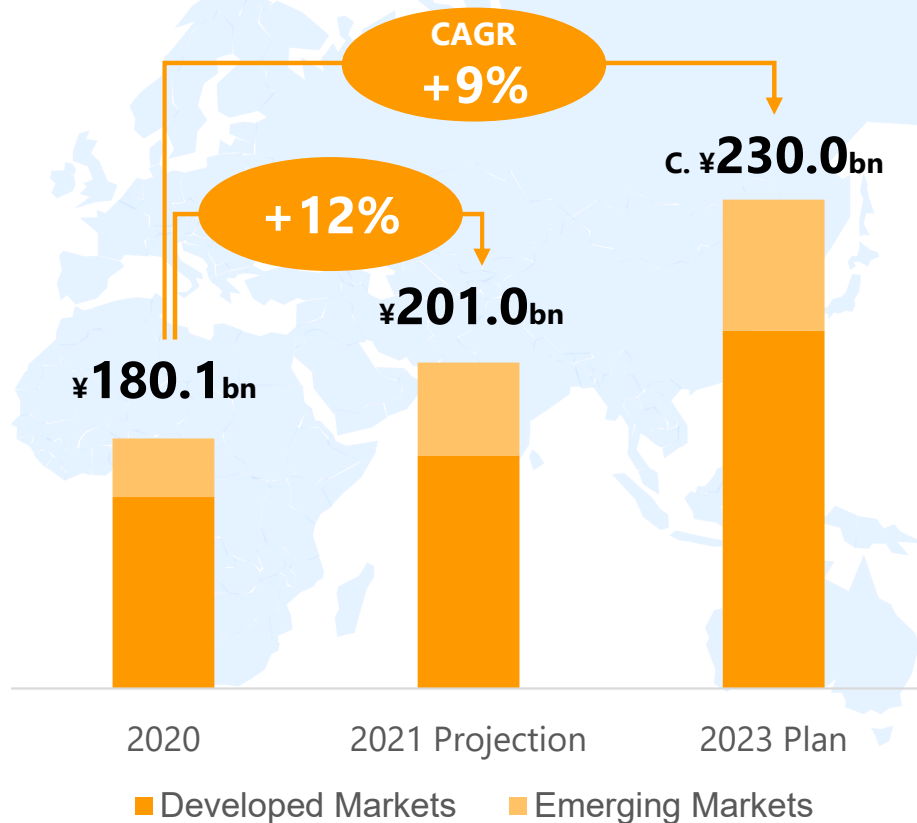
\*1: Numerator (Adjusted net income) = Net income + Provision for contingency reserve and price fluctuation reserve  
 ※Only TMNL deducts gains or losses on sales or valuation of ALM bonds etc.  
 Denominator (Adjusted net asset) = Net assets + Contingency reserve + Price fluctuation reserve  
 \*2: Dai-ichi Life, Taiyo Life, Daido Life, and Sony Life  
 \*3: Sompo Japan Himawari Life Insurance, and Mitsui Sumitomo Aioi Life Insurance  
 \*4: On a new policies ANP basis for products indicated on p.44, except business insurance  
 \*5: Numerator = Value of new business + Contribution from value of in-force policies (risk-free); Denominator = EV balance

# [Progress of Current MTP] Overview of International Insurance Strategy

- Current MTP aims to achieve +9% CAGR (c. +JPY 50.0bn) through growth strategies in developed and emerging markets
- FY2021 projection is +12% YoY, exceeding the plan (steady progress on an actual basis\*1 with +11% YoY)

## Progress towards FY2023 Plan

### Business Unit Profit\*2



	Key Measures	Progress Status (FY2021 Projection)
Developed Markets	<ul style="list-style-type: none"> <li>● Increase underwriting profits (rates increases, etc.)</li> <li>● Pure's growth</li> <li>● Increase investment income</li> </ul>	(See P.47-50 for details)
Emerging Markets	<ul style="list-style-type: none"> <li>● Capture market growth</li> </ul>	(See P.51 for details)

\*1: Excluding the impact of natural catastrophes and capital gains in North American entities

\*2: FX rate is as of Mar. 31, 2021.

For 2020, natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

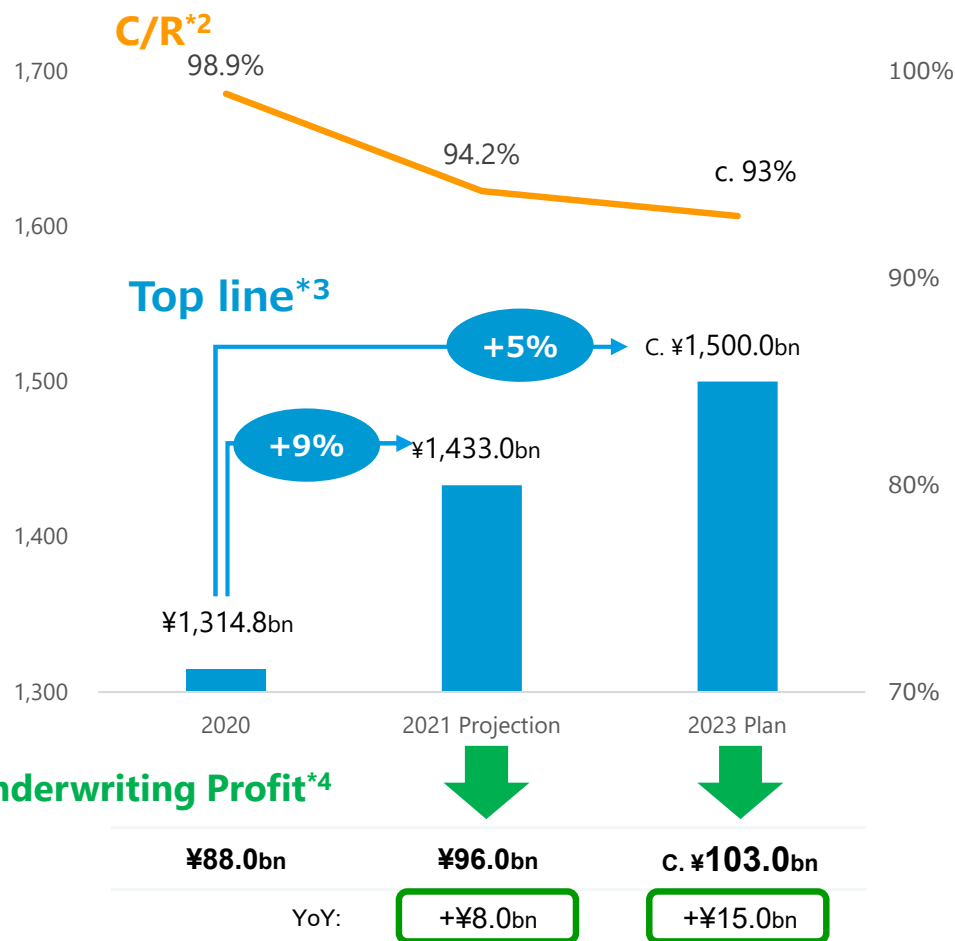


# [Progress of Current MTP] Increase Underwriting Profits

**Developed Markets**

- **Current MTP aims to increase underwriting profit by +JPY 12.0bn (+JPY 15.0bn before tax)\*1 by pursuing top and bottom-line growth while maintaining favorable C/R**
- **FY2021 projection was affected by nat cat, but otherwise making steady progress**

## Progress towards FY2023 Plan



**Underwriting Profit\*4**

Key Measures	Progress Status (FY2021 projection)
<b>Top-line growth</b> <ul style="list-style-type: none"> <li>● Premium rates increases</li> <li>● New risk-taking</li> <li>● Bolt-on M&amp;A</li> </ul>	<b>Top-line*3: +9%</b> <ul style="list-style-type: none"> <li>● Premium rate increase is exceeding projections (see P.48)</li> <li>● Favorable progress through GCube (Energy business), Marine Cargo business, etc. at TMHCC</li> <li>● Agreed on bolt-on acquisition of SSL by DFG in April (see P.54)</li> </ul>
<b>Maintain strong profitability</b> <ul style="list-style-type: none"> <li>● Maintain strict underwriting discipline</li> <li>● Improve operational efficiency</li> </ul>	<b>C/R: -4.7pt</b> <ul style="list-style-type: none"> <li>● Excluding nat cat impact (-JPY10bn from original projection), improvement of underwriting portfolio at PHLY and TMK and efficiency improvement by each GC are making steady progress</li> </ul>

\*1: Business Unit Profit basis

\*2: North America + Europe segments. Include policies with high C/R such as DFG's excess workers' compensation and life insurance.

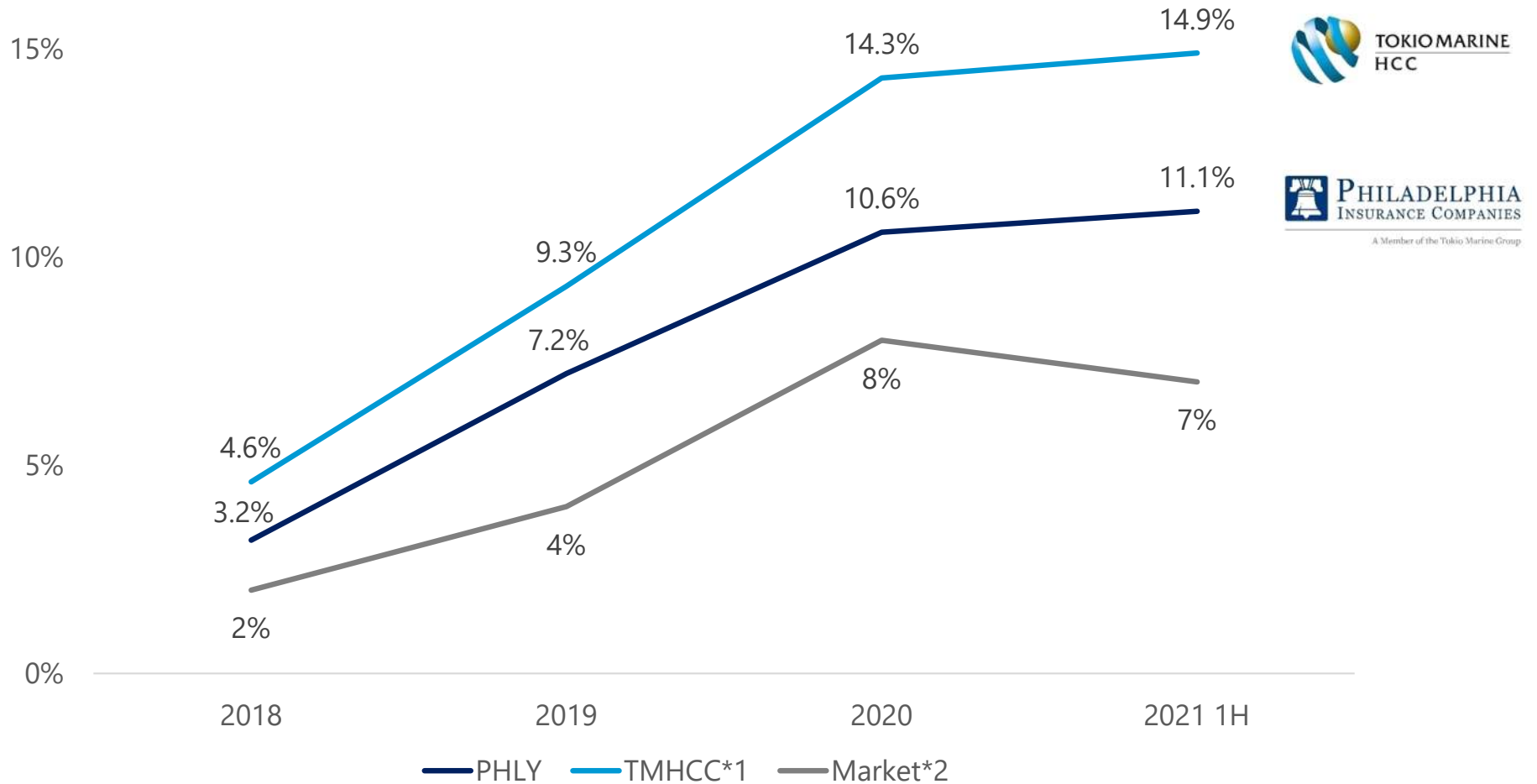
C/R for 2020 results adjusted for nat-cat and COVID-19 effects is 93.3%, C/R for 2020 projection adjusted for nat-cat is 93.3%

\*3: Total NPW of North America and Europe segments. FX rate is as of Mar. 31, 2021.

\*4: Estimated with Top-line×(1-C/R) (before tax). Adjusted C/R in \*2 above used for 2021 and 2021

# Reference: Rates Increases

- Realized rates increases that cover for future loss costs and above market average in the hardening market
- Aim for further profit growth



\*1: Excluding A&H, Surety, Credit  
 \*2: Source: Wills Tower Watson

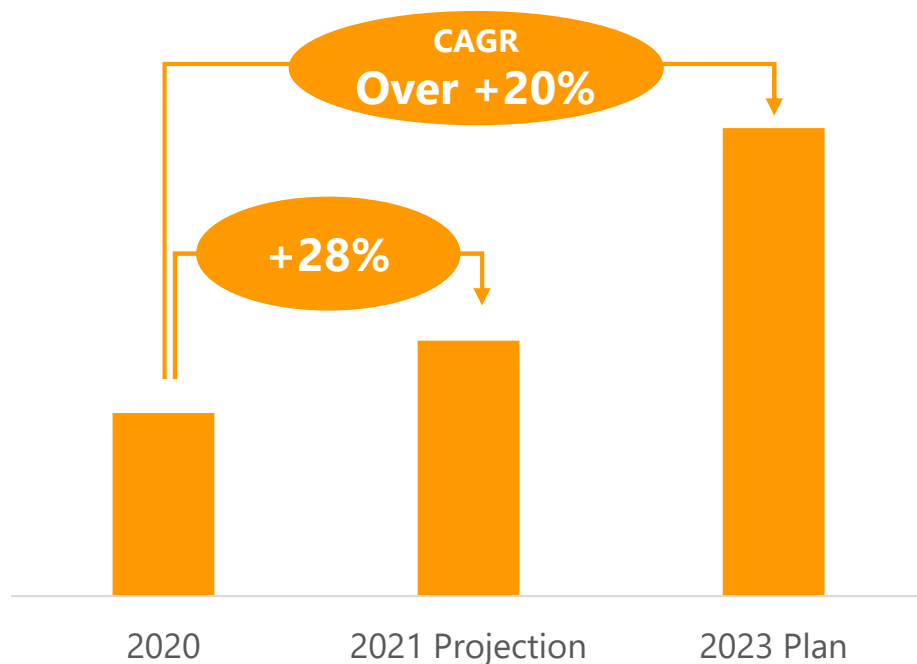
# [Progress of Current MTP] Pure's Growth

**Developed  
Markets**

- **Current MTP aims to achieve +JPY 13.0bn (over +20%). Business unit profits by expanding reciprocal business leveraging on the strong competitiveness**
- **Even under COVID-19 pandemic, top-line\*<sup>1</sup> is growing by +16%, making steady progress**

## Progress towards FY2023 Plan

### Business Unit Profit\*<sup>2</sup>



### Key Measures

### Progress Status

- Implement growth strategies

- Further expansion of synergies

**Top-line\*<sup>1</sup>: +16%**  
(2020.1H vs 2021.1H)

- Expand customer base, enhance cross-sell efforts
- Expand transactions with brokers and affiliated insurance companies with HNW clients
- File an application to establish a Canada branch
- New business relation with PHL's leading agents holding HNW clients
- Introduce DFG's HNW clients to PURE
- Joint marketing to agents in Hawaii with Hawaiian subsidiary FICOH
- Joint development of cyber insurance products with TMHCC for individual clients

\*1: Premiums under management company

\*2: FX rate is as of Mar. 31, 2021. For 2020, natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

# [Progress of Current MTP] Investment Strategy

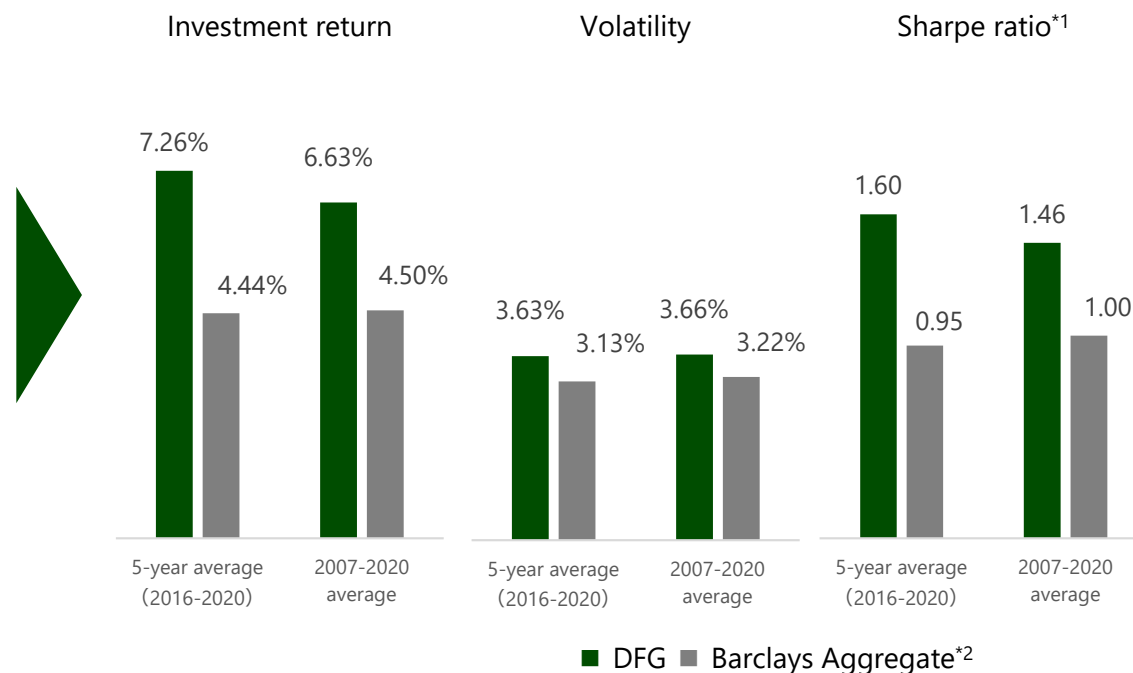
**Developed  
Markets**

- **Current MTP aims to increase investment income by c. +JPY 10.0bn leveraging our outstanding capabilities in the credit market**
- **Income yield and AUM are making steady progress (FY2021 projection assumes capital gains of c. +JPY 12.0bn)**

## DFG's credit investment expertise

- Invest in interest rate assets such as bonds and loans that match the cash flow structure of the long-term, stable insurance liabilities (can take liquidity risk)
- Hold to maturity based on ALM regardless of short-term market fluctuation
- Flexibly rebalance investment portfolio in accordance with economic condition by leveraging DFG's excellent research and robust analysis by utilizing broad network
- Currently securing income yield exceeding projection by increasing products with relatively high yield compared to risks in asset portfolio

### <Track record vs index>



\*1: Measures excess return per unit of risk. Calculated as "(Investment return – risk-free rate) / Volatility".  
Risk free rate: LIBOR3M

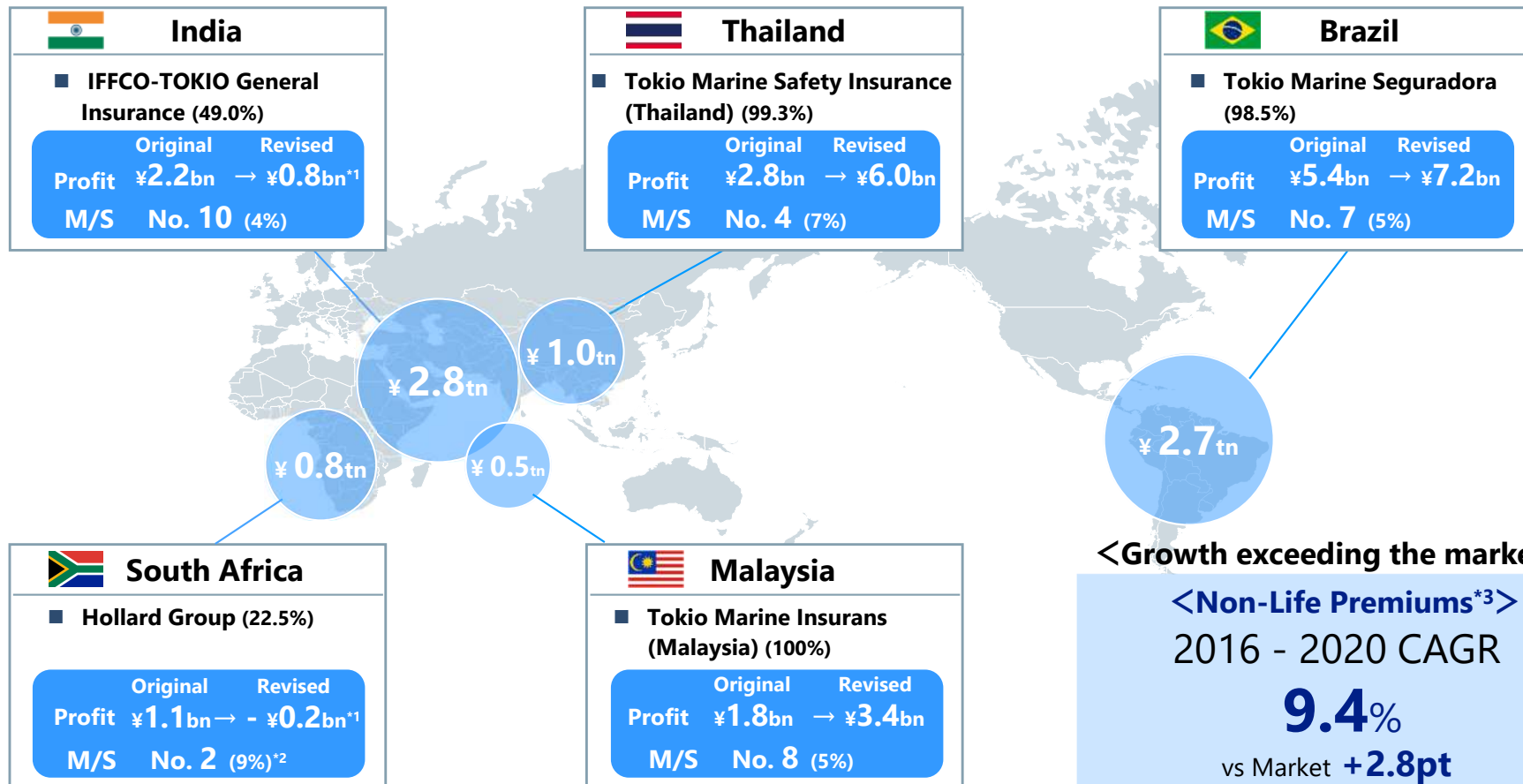
\*2: Bloomberg Barclays US Aggregate Bond Index

# [Progress of Current MTP] Emerging Markets Strategy

**Emerging Markets**

- Current MTP aims to achieve a CAGR of 10% or higher
- Due to the reduction in auto accidents caused by COVID-19, progress was higher than expected. Steady progress even excluding such effects

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



Profits: Business unit profits

M/S: Source: AXCO, IRDAI, IPRB, SUSEP, Swiss Re, FSCA Financial Sector Conduct Authority

Figures in brackets by the company name: Ownership ratio as of Mar. 2021

Figures in circles: GWP as of FY2020 Source: Swiss Re

\*1: Downward revision due to expected increase in net incurred losses from COVID-19

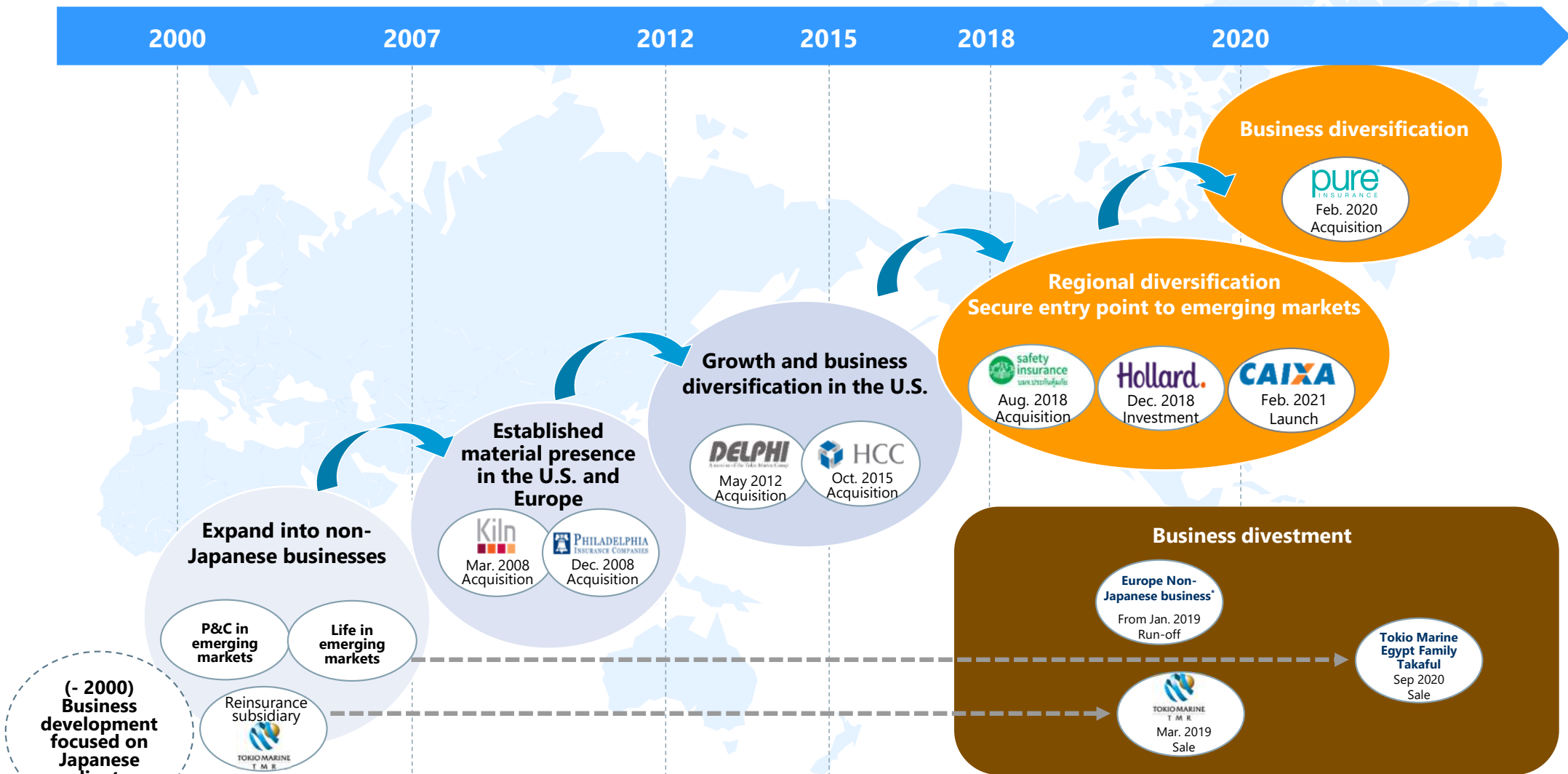
\*2: M/S of P&C business

\*3: NWP for TMHD, GWP for market Source: Swiss Re

# [Basic Information] M&A Transactions

Re-post from IR Conference on May 27, 2021

- Building a strong franchise by acquiring blue chip companies with solid business model
- Driving optimization of business portfolio by determining core and non-core businesses



\*: UK non-Japanese business and part of non-Japanese business in continental Europe with low profitability (continue Lloyd's business)

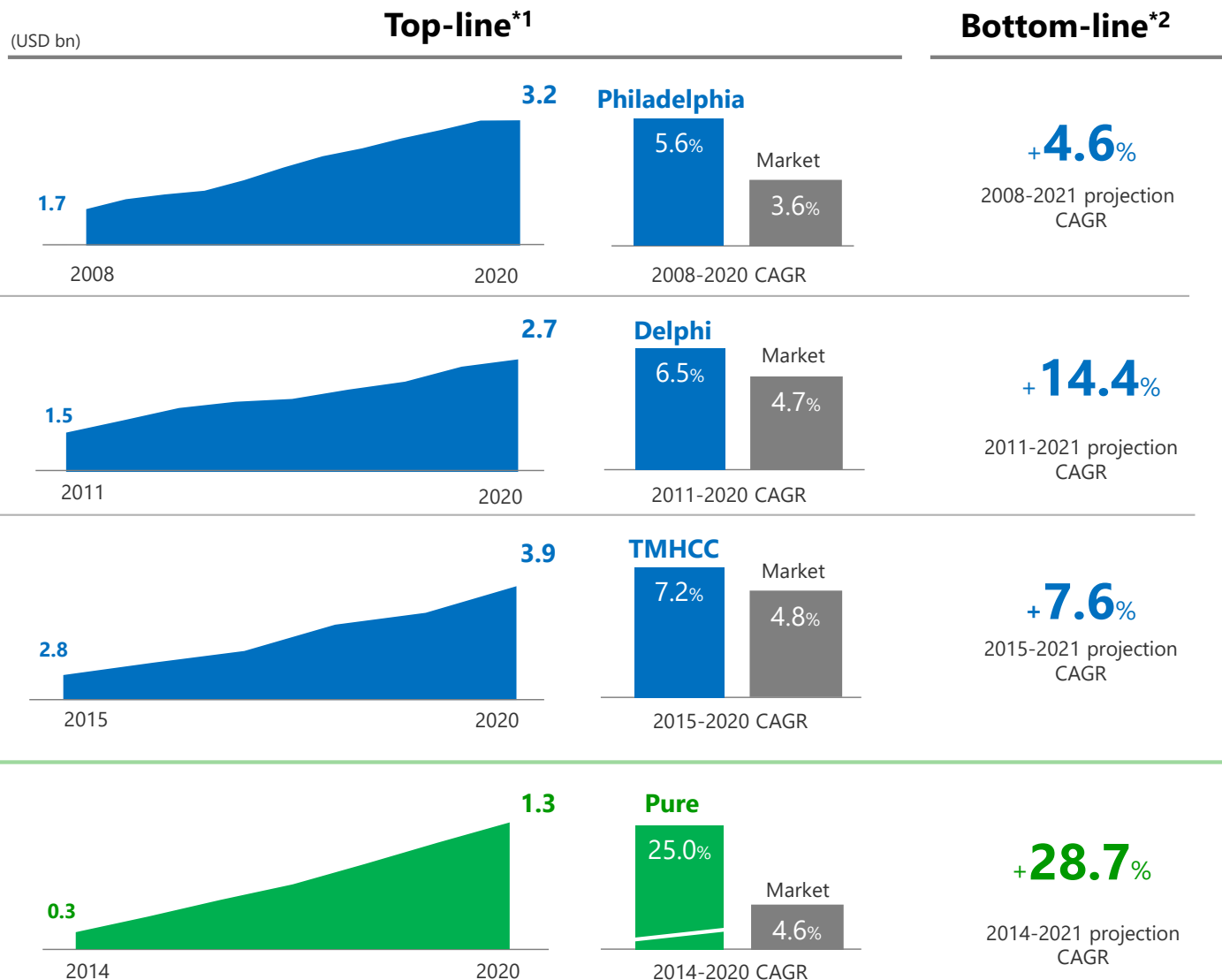
# [Basic Information] Strong Track Record in M&A

- The three U.S. subsidiaries outperformed market growth after joining our Group
- Achieve further growth through the addition of Pure to our Group

**Achieved high growth after joining the Group**



**Joined in 2020 Will achieve further growth**



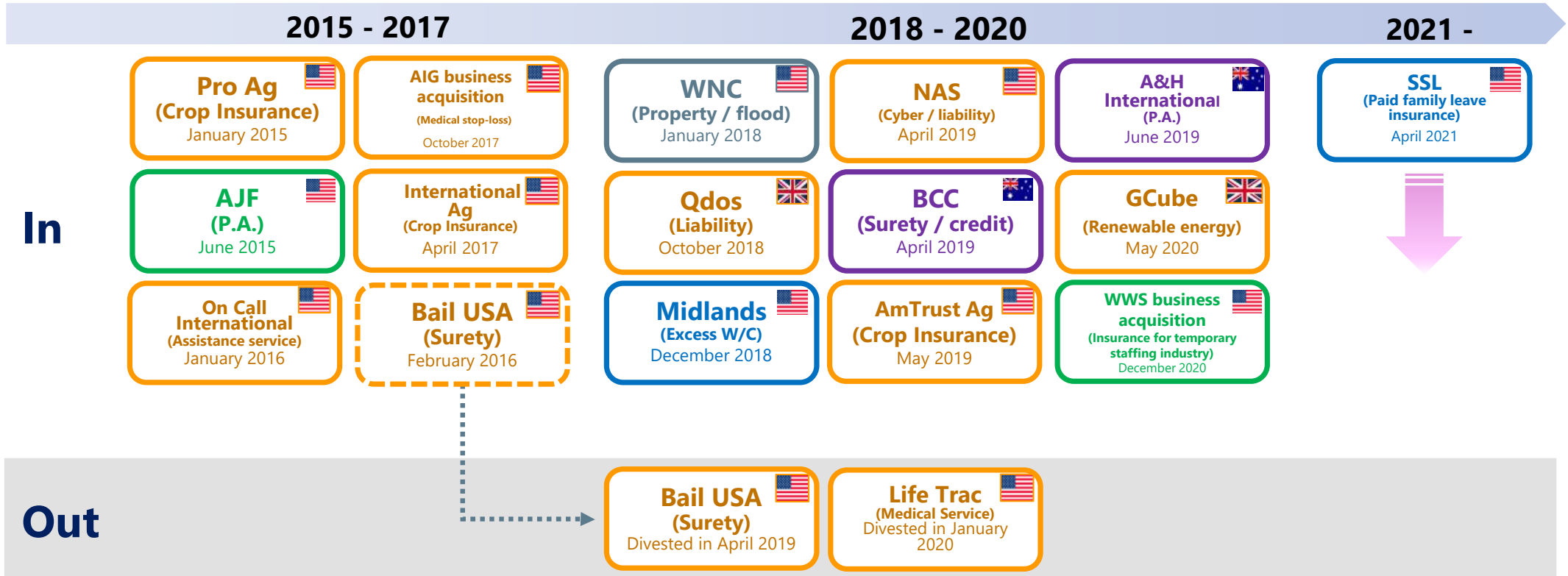
\*1: Net premiums written on a local accounting basis (For Pure, premiums under management company)  
\*2: After-tax profit on a local accounting basis

# [Basic information] Bolt-on M&As

Re-post from IR Conference on May 27, 2021

## ● Execute strategic bolt-on M&As leveraging global talents

<b>Advantages of bolt-on M&amp;A</b>	<b>High success rate</b>	: In-depth understanding based on a long-term business relationship
	<b>Accumulated know-how</b>	: Experience of executing over 60 bolt-on M&As
	<b>Disciplined M&amp;A</b>	: Strategic portfolio adjustment taking the future business environment into consideration



Colors represent the acquiring companies: TMHCC (orange), TMK (grey), PHLV (green), DFG (blue), TMMA (Australia) (purple)



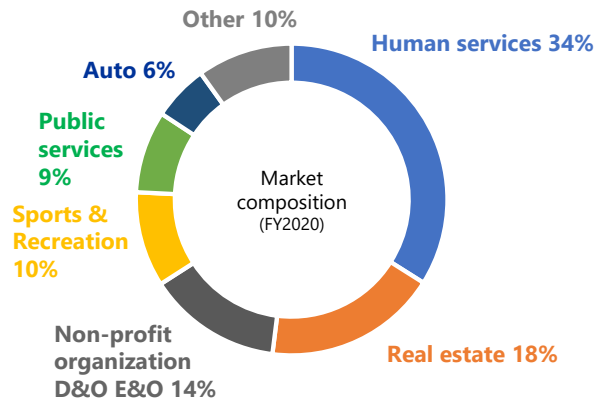
# [Basic information] PHL Y



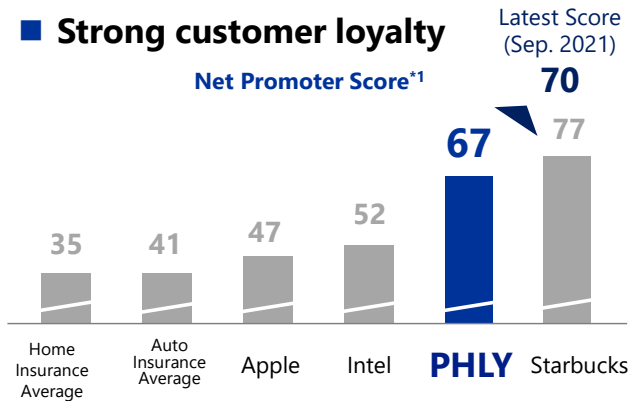
## Build competitive edge focusing on niche markets

### What's PHL Y

#### Focus on niche markets



#### Strong customer loyalty



\*1: Indicator to measure customer loyalty and their willingness to use products/services continuously. It shows how likely a customer recommends a brand to others.  
PHLY: 2020 data  
Source: Customer GURU, NICE Satmetrix 2021, Consumer Net Promoter Benchmark Study

### Current Focus

#### Steady profit growth while managing social inflation\*2

- ✓ Jury trials decreased due to the COVID-19 pandemic but following measures will be implemented in preparation for reopening of courts

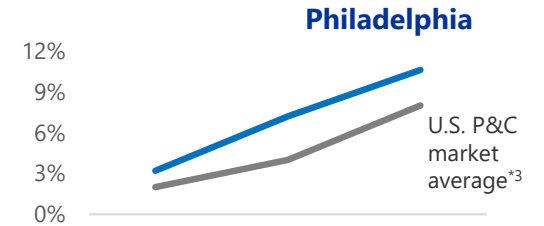
<b>Rate increases</b>	Rate increases above loss-cost (see right)
<b>Product mix optimization</b>	Non-renew or declinature, reduce limits, etc.
<b>Accelerate settlement</b>	Measures to mitigate inflation risks
<b>Reference: reserves provision</b>	Set as early as in 2019 the provisions for the past reserve (\$273m) *No significant increase in provisions since then

\*2: Social inflation refers to skyrocketing compensatory awards resulting from aggressive litigation practices, plaintiff-friendly jury composition, and other trends.

### Results

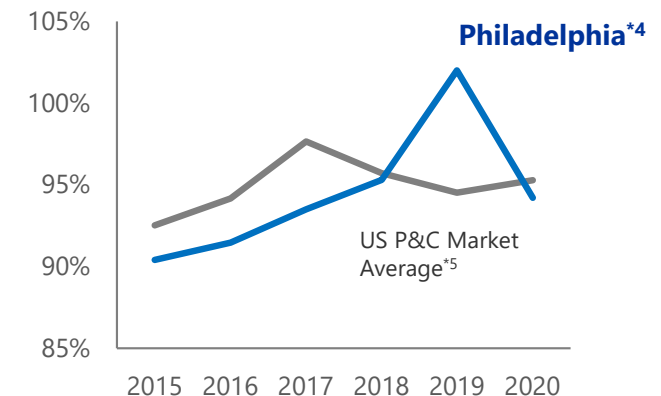
#### High renewal ratio and rate increases

##### Premium rate increases



	2018	2019	2020
Philadelphia	89.3%	89.6%	86.2%

#### Favorable combined ratio



\*3: Source: Willis Tower Watson  
\*4: Local management accounting basis. Temporary increase due to increase in past reserve provision in 2019.  
\*5: W.R. Berkley, Markel, Cincinnati, AFG, Hanover, Selective  
Source: Companies' disclosure

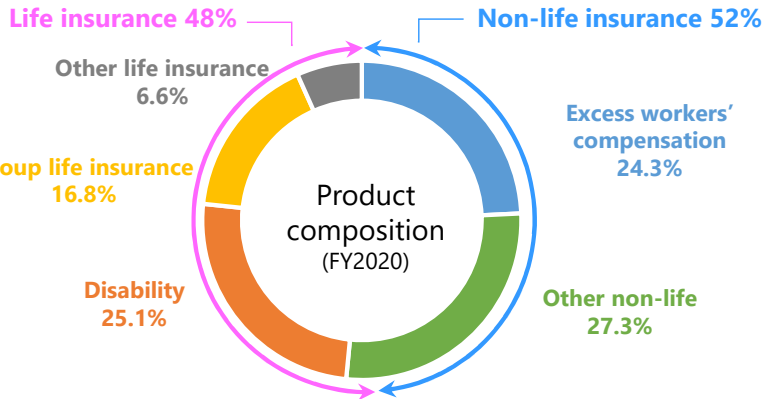
# [Basic information] DFG



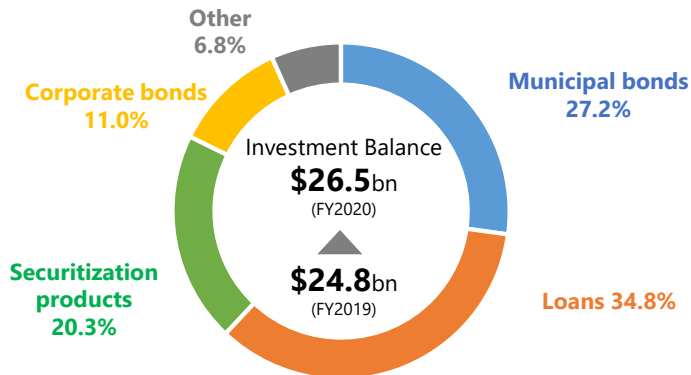
## Maintain U/W profit and expand investment income leveraging its strengths

### What's DFG

#### Strength in employee benefits and retirement products/services



#### Growing AUM and diversified investment portfolio



In addition to the above, managing \$14.0bn of Group company entrusted assets  
 Copyright (c) 2021 Tokio Marine Holdings, Inc.

### Current Focus

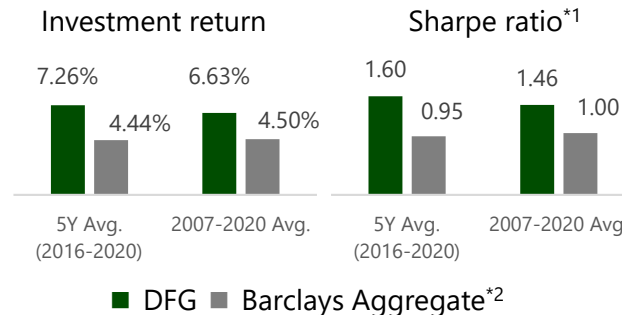
#### Enhance underwriting

- ✓ Increased rates for excess W/C and self-insurance amount

#### Response to changes in environment including low interest rates

- ✓ Utilize DFG's strength in abilities to gather and analyze information to select sectors for improving profitability
- ✓ Currently securing income yield exceeding projection by increasing products with relatively high yield compared to risks in asset portfolio

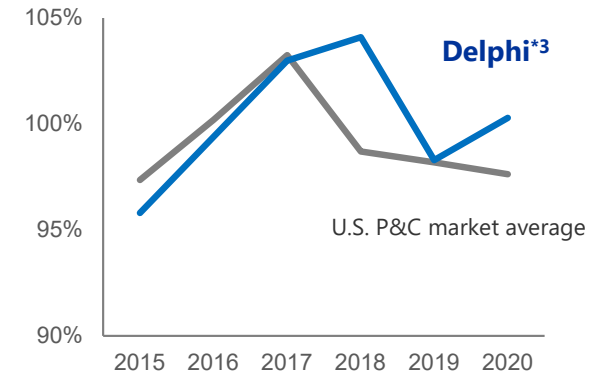
<Track record vs. index>



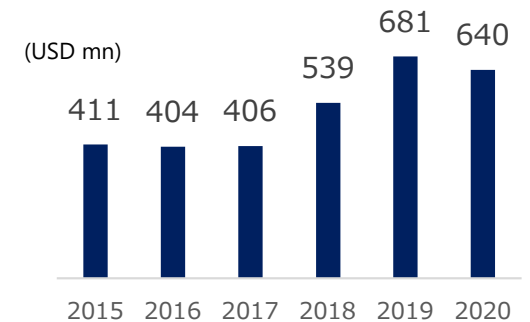
\*1: Measures excess return per unit of risk. Calculated as (Investment return – risk-free rate) / Volatility Risk free rate: LIBOR3M  
 \*2: Bloomberg Barclays US Aggregate Bond Index

### Results

#### Favorable combined ratio



#### Strong profit\*4 growth



\*3: Local management accounting basis. Temporary increase due to review of reserves in 2018. Includes impact of COVID-19 for 2020.  
 \*4: Business Unit Profit - capital gains and losses (after-tax)

# [Basic information] TMHCC

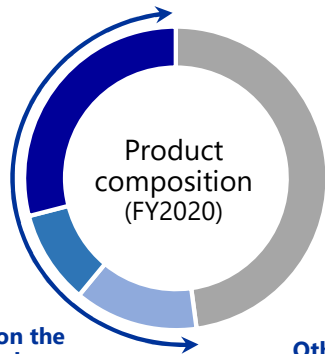


## Global leader in specialty insurance with over 47 years of deep technical expertise

### What's TMHCC

#### Highly profitable and well-balanced business portfolio

- ✓ Built a diversified specialty portfolio through organic growth, green field operations and bolt-on M&As (more than 60 acquisitions)
- ✓ Underweight exposure to natural cat disasters



Less dependent on the P&C market cycles  
About **52%**

Other  
About **48%**

- Medical stop-loss
- Crop
- U.S. Surety, etc.

- D&O
- Property
- Aviation
- Energy & Marine, etc.

### Current Focus

#### Latest bolt-on M&As



(May 2020)

- UK Coverholder with over 25 years of market expertise in renewable energy business
- Aim to improve profitability while promoting creation of a sustainable future



AmTrust Ag  
(May 2019)

- A US-based Crop Managing General Agent of AmTrust Group
- Aim to improve profitability through business combination

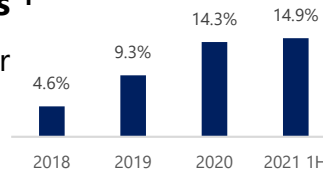


(Apr. 2019)

- A US-based Cyber Specialist Managing General Underwriter
- Pioneer in cyber market with credible portfolio for informed underwriting management

#### Rates increases\*1

- ✓ Aim to cover for loss cost increases

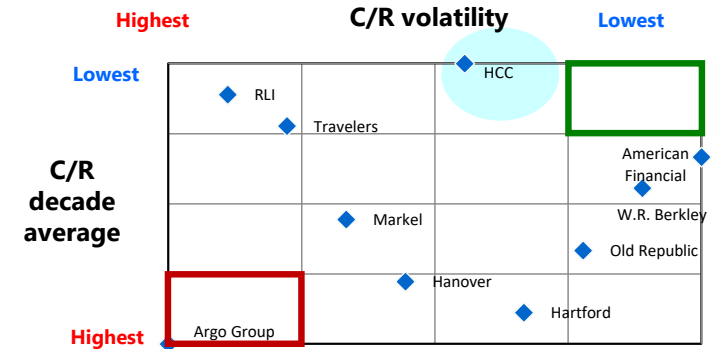


#### Additional risk taking

- ✓ Favorable growth above rate increases  
Energy & Marine (incl. Renewables), Int'l Casualty & A&H & Surety/Credit, Aviation, Property, Financial Lines, Travel, Guaranty, Event Cancellation, Disability, Public Risks etc.

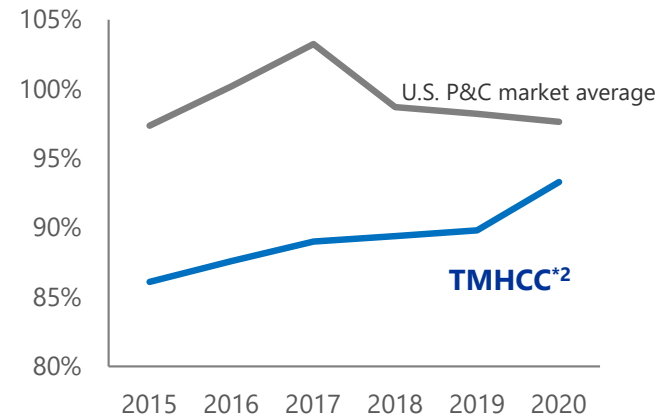
### Results

#### Stable profitability



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

#### Favorable combined ratio



\*1: Excluding A&H, Surety, Credit

\*2: Local management accounting basis

# [Basic information] Pure

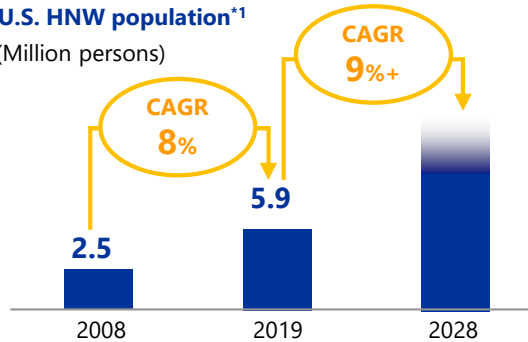


## Specialty insurance group focused on the U.S. High Net Worth insurance market

### What's Pure

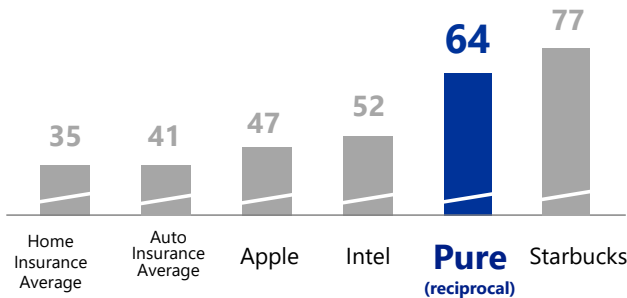
- Focus on HNW market with high growth potential

U.S. HNW population\*1  
(Million persons)



- Strong customer loyalty

Net Promoter Score\*2



### Current Focus

- Business Expansion

- ✓ Expand customer base
- ✓ Enhance cross-sell efforts

- Rate Increase & Value Up

- ✓ Align with market conditions

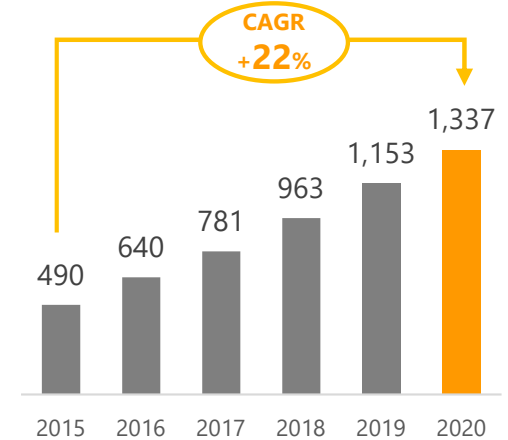
- Expansion of synergies

- ✓ New business relation with PHLI's leading agents holding HNW clients
- ✓ Introduce DFG's HNW clients to PURE
- ✓ Joint marketing to agents in Hawaii with Hawaiian subsidiary FICOH
- ✓ Joint development of cyber insurance products with TMHCC for individual clients

### Results

- Strong top-line\*3 growth

(USD mn)



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

\*2: Indicator to measure customer loyalty and their willingness to use products/services continuously. It shows how likely a customer recommends a brand to others.  
Pure: 2020 data  
Source: Customer GURU, NICE Satmetrix 2021 Consumer Net Promoter Benchmark Study

\*3: Premiums under management company

# [Basic information] TMK



## Top class player in Lloyd's market

### What's TMK

■ One of the largest underwriting capacity in Lloyd's market

(GBP mn)

Ranking	Company	2020 GWP*1
1	Beazley	2,881
2	Brit	1,986
3	Hiscox	1,875
4	TMK	1,845
5	QBE	1,809

\*1: Source: S&P Capital IQ

■ Superior expertise

- ✓ Focus on Lloyd's specialty lines in the U.S., Asia, etc.
- ✓ Innovation and product development for new risk-taking with Lloyd's

### Current Focus

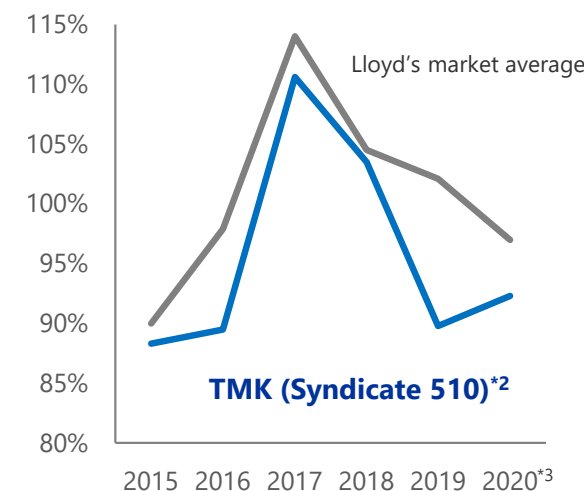
■ Return to focus on Lloyd's Business

Through the following initiatives, reduce volatility and maintain / improve profitability

- ✓ Focus on growing Lloyd's specialty businesses with superior risk-adjusted returns and existing underwriting expertise
- ✓ Rebalance product portfolio to be more diversified and remediate under-performing businesses
- ✓ Rate increases, capturing the hardening market
- ✓ Review reinsurance program

### Results

■ Favorable combined ratio



\*2: Local management accounting basis

\*3: Excluding the impact of COVID-19

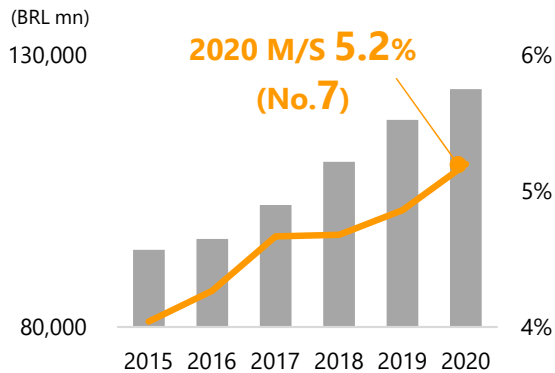
# [Basic information] TMSR



## Highly competitive in the largest market in Latin America leveraging cutting-edge DX

### What's Seguradora

- Growing market\*<sup>1</sup> (bar chart) and growing market share\*<sup>2</sup> (line chart)



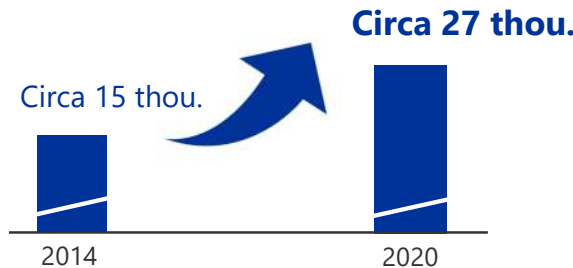
- Provide products and services that match the demand

- ✓ Provide systems and call centers that support the broker's sales activities
- ✓ Utilize wireless technology to reduce auto theft risk and develop specialized products
- ✓ Enhance service quality by providing inhouse contact center of roadside assistance service

\*1: GWP Source: SwissRe  
\*2: Source: SUSEP

### Current Focus

- Expanding the number of brokers



- Caixa JV

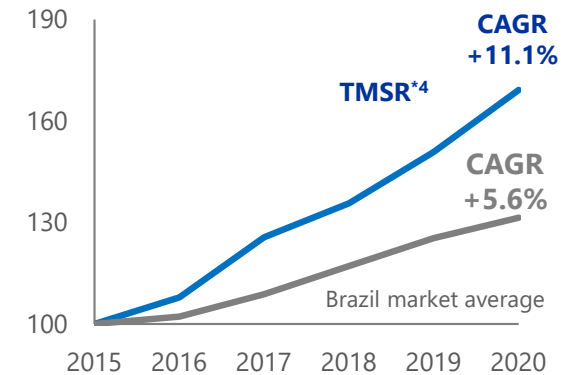
- ✓ Launched JV with Caixa Bank in Feb. 2021 and achieved favorable progress
- ✓ Sell highly profitable housing insurance and aim at circa ¥6.5bn after-tax profit\*<sup>3</sup> in FY2025

\*3: Exchange rate at time of publication, company with by equity

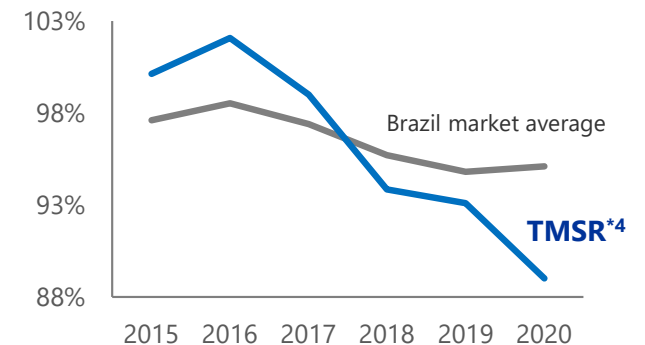
### Results

- Growth exceeding the market

Growth rate of gross premiums with 2015 set as 100



- Favorable combined ratio



\*4: Local management accounting basis

# [Basic information] International Insurance (Results by Region)

Net Premiums Written (billions of JPY)	2020	2021 Projection			2023
	Actual	Original ①	Revised ②	Changes ②-①	Plan
<b>North America</b> <sup>*1</sup>	1,095.8	1,235.0	1,311.0	76.0	
Philadelphia	336.4	365.0	382.0	17.0	
Delphi	279.5	311.0	318.0	7.0	
TMHCC	413.5	482.0	527.0	45.0	
<b>Europe</b> <sup>*2</sup>	130.9	142.0	135.0	- 7.0	
<b>South &amp; Central America</b>	105.6	113.0	121.0	8.0	
<b>Asia &amp; Oceania</b>	174.3	194.0	189.0	- 5.0	
<b>Middle East &amp; Africa</b>	33.1	36.0	34.0	- 2.0	
<b>Total Non-Life</b> <sup>*3</sup>	<b>1,539.9</b>	<b>1,720.0</b>	<b>1,790.0</b>	<b>70.0</b>	
<b>Life</b>	<b>93.3</b>	<b>95.0</b>	<b>97.0</b>	<b>2.0</b>	
<b>Total</b>	<b>1,633.3</b>	<b>1,815.0</b>	<b>1,887.0</b>	<b>72.0</b>	<b>c. 2,000.0</b>

Business Unit Profits (billions of JPY)	2020	2021 Projection			2023
	Actual	Original ①	Revised ②	Changes ②-①	Plan
<b>North America</b> <sup>*1</sup>	116.3	149.0	176.0	27.0	
Philadelphia	39.9	38.0	41.0	3.0	
Delphi	45.6	65.0	77.0	12.0	
TMHCC	25.3	44.0	50.0	6.0	
<b>Europe</b> <sup>*2</sup>	- 12.4	8.0	9.0	1.0	
<b>South &amp; Central America</b>	10.9	6.0	7.0	1.0	
<b>Asia &amp; Oceania</b>	- 6.0	14.0	19.0	5.0	
<b>Middle East &amp; Africa</b>	0.6	1.0	0.0	- 1.0	
<b>Total Non-Life</b> <sup>*3</sup>	<b>97.3</b>	<b>173.0</b>	<b>205.0</b>	<b>32.0</b>	
<b>Life</b>	<b>- 0.5</b>	<b>- 5.0</b>	<b>1.0</b>	<b>6.0</b>	
<b>Pure</b>	<b>8.2</b>	<b>13.0</b>	<b>11.0</b>	<b>- 2.0</b>	
<b>Total</b> <sup>*4</sup>	<b>91.6</b>	<b>167.0</b>	<b>202.0</b>	<b>35.0</b>	<b>c. 230.0</b>

Applied FX rate	FY2020	FY2021 Projection	
	Actual	Original	Revised
	As of end-Dec. 2020	As of end-Mar. 2021	As of end-Sep. 2021
USD / JPY	¥103.5	¥110.7	¥111.9
GBP / JPY	¥139.8	¥152.2	¥150.4
Brazilian Real / JPY	¥19.9	¥19.6	¥20.5

\*1: North American figures include European business of TMHCC, but do not include North American business of TMK.

\*2: European figures include North American business of TMK, but do not include European business of TMHCC.

\*3: Total Non-Life figures include some life insurance figures of composite overseas subsidiaries.

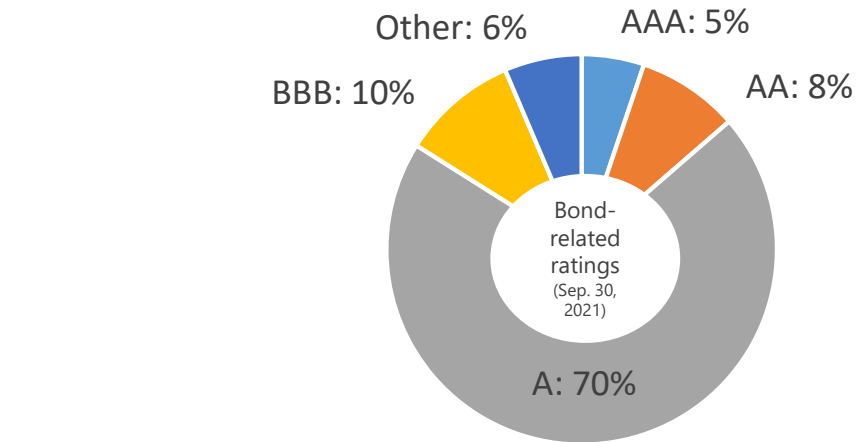
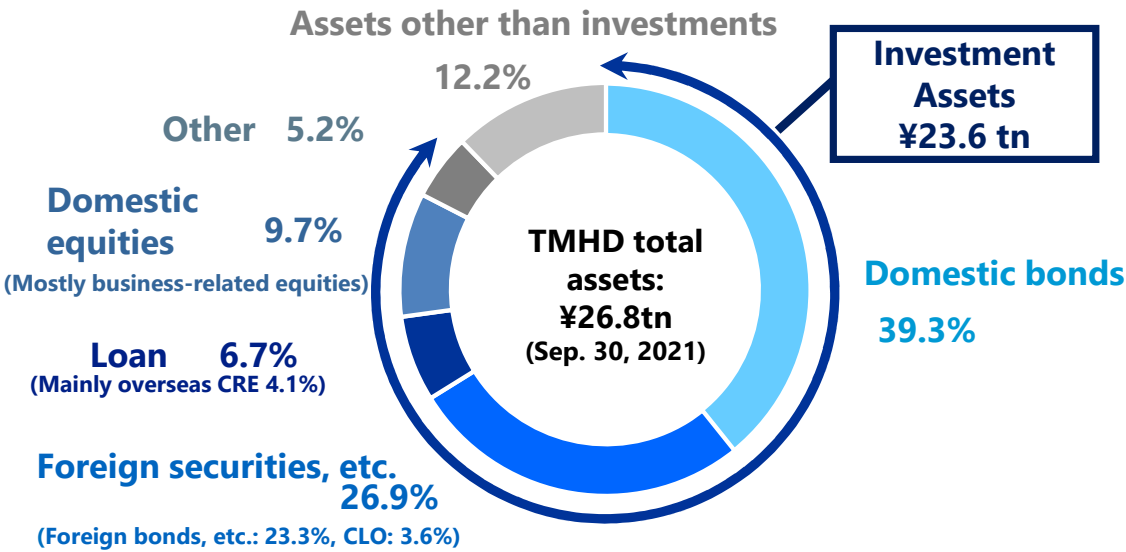
\*4: After adjustment of head office expenses

C/R	2020	2021 Projection		2023
	Actual	Original ①	Revised ②	Plan
<b>North America</b> <sup>*1</sup>	96.0%	95.7%	94.8%	
Philadelphia	94.7%	96.3%	96.3%	
Delphi	100.3%	101.8%	101.0%	
TMHCC	93.4%	89.7%	89.5%	
<b>Europe</b> <sup>*2</sup>	<b>111.8%</b>	<b>93.7%</b>	<b>90.6%</b>	
<b>South &amp; Central America</b>	<b>89.6%</b>	<b>96.0%</b>	<b>97.0%</b>	
<b>Asia &amp; Oceania</b>	<b>111.3%</b>	<b>96.4%</b>	<b>93.4%</b>	
<b>Middle East &amp; Africa</b>	<b>97.2%</b>	<b>96.0%</b>	<b>101.8%</b>	
<b>Total Non-Life</b> <sup>*3</sup>	<b>99.8%</b>	<b>96.2%</b>	<b>95.0%</b>	
<b>Life</b>	-	-	-	
<b>Pure</b>	-	-	-	
<b>Total</b>	<b>99.8%</b>	<b>96.2%</b>	<b>95.0%</b>	<b>c. 94%</b>

# [Basic information] Group Asset Management Policy

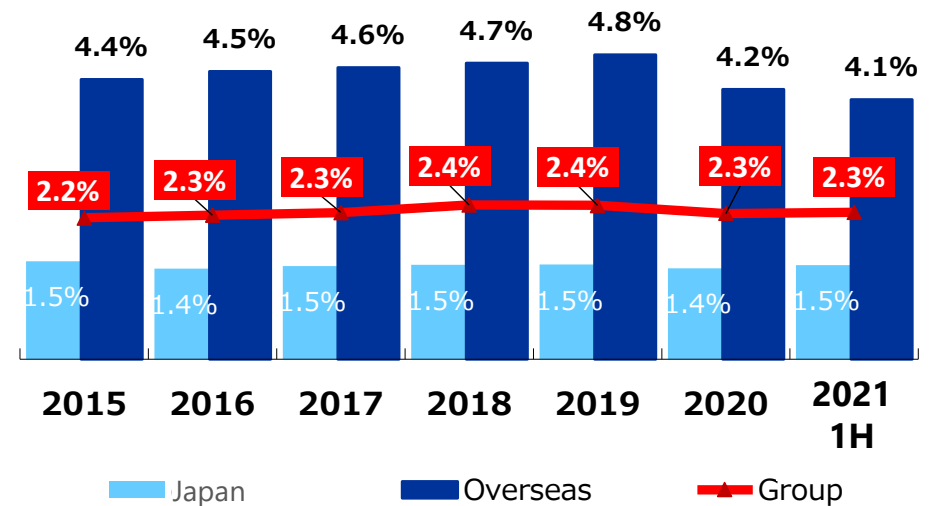
- Maintain long-term, stable income based on ALM aligned with characteristics of insurance liabilities

## Investment Portfolio (Sep. 30, 2021)

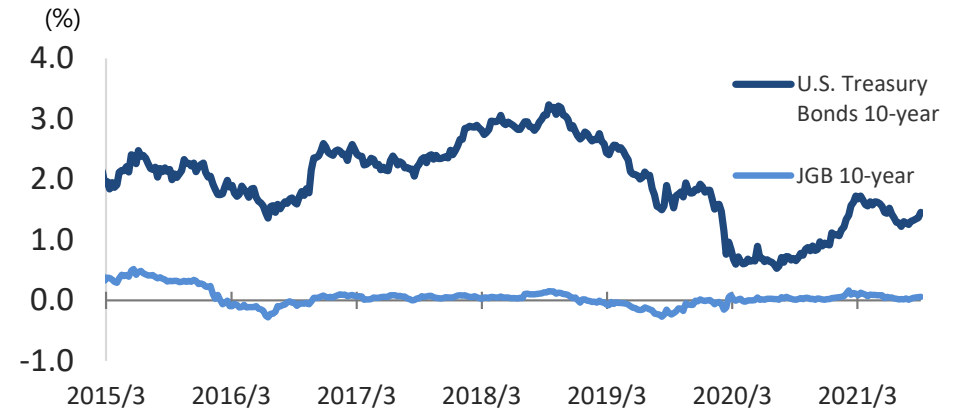


## Securing a stable yield

<Changes in Group income yield>



(Reference) Open Market Rates



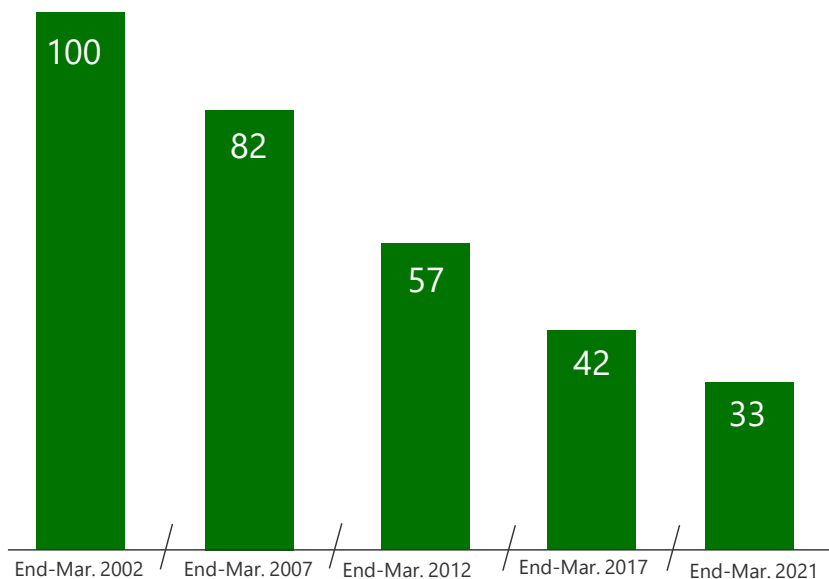


## [Basic information] Reduction of cross-shareholdings

### ● Continue to reduce business-related equities to enhance capital efficiency

- Book value of business-related equities decreased to 33% from Mar. 31, 2002 through steady actions.
- Sold total amount of circa JPY 2.3tn\*<sup>1</sup> since FY2002.
- In the current mid-term business plan, we will also work to sell JPY 100bn or more per year.

#### Book value of business-related equities held by TMNF\*<sup>2</sup>



1: Market value at the time of sale  
2: When the end of March 2002 is set as 100

#### Sales amount

Mid-term business plan	Fiscal year	Sales amount
Innovation and Execution 2014	2012	¥115bn
	2013	¥109bn
	2014	¥112bn
To Be a Good Company 2017	2015	¥122bn
	2016	¥117bn
	2017	¥108bn
To Be a Good Company 2020	2018	¥107bn
	2019	¥107bn
	2020	¥106bn

- In the current mid-term business plan (2021-2023), we will continue to sell JPY 100bn or more each year

## Pre- and post-event “peace of mind provider”

- **Successfully enhancing value proposition leveraging our proprietary risk data, expertise in data analysis, as well as third-party knowledge**
- **To be a partner “always” with customers to support them in their time of “sudden” need**

### Disaster prevention and mitigation

Market size\* JPY1.9tn

#### Direction of initiatives

To contribute to building a safe, secure, and resilient society, we are taking on the challenge of expanding our insurance business and launching a disaster prevention and mitigation business.

#### Latest initiatives

- **Services to raise awareness of disaster prevention in society as a whole**

AR-based disaster experience that allows users to simulate the risk of flooding due to river inundation or landslides using smartphones, etc. (July 2021)

- **Services to promote disaster prevention and mitigation behaviors**

- Proof-of-Concept project to support evacuation behavior in the event of a disaster (Sep. 2021-)
- Proof-of-Concept project on water-related disaster alert service using IoT (Nov. 2021-)

- **Launching new initiative** (Nov. 2021)

- Established a JV, I-Resilience, with National Research Institute for Earth Science and Disaster Resilience
- Launched a consortium for disaster prevention, CORE

### Health Care

Market size\* JPY1.5tn

#### Direction of initiatives

Taking on the challenge of expanding the insurance business and launching a healthcare business to support the healthy and enriched lives of our customers

#### Latest initiatives

- **Rich range of supplementary insurance services (Aug. 2020)**

Prevention of increase in severity of illness, medical consultation, and appointment with specialist doctors and hospitals

- **A new solution for detecting signs of disease**

Proof-of-Concept project to detect diseases at an early stage by using health data collected from Apple Watches (Oct. 2021-)

- **Utilizing external knowledge, too**, we are considering products that include early detection and severity increase prevention services in the areas of cancer and dementia

# Pre- and post-event “peace of mind provider”

## Cyber

Market size\*1 JPY 0.9tn

### Direction of initiatives

**To protect our customers from increasing cyber risks, we are taking on the challenge of strengthening our services and businesses by utilizing new technologies**

### Latest initiatives

- **Quantitative assessment of cyber risk on a global basis**  
Quantitative global risk assessment service using Guidewire's cyber risk analysis model (May 2021)
- **Incident Response Services integrated with the claims services**  
Renewal of the emergency hotline service (scheduled for Apr. 2022)
- **Globally utilizing the Group's knowledge and network**  
Accelerating the search for new technologies and services including by leveraging the knowledge and network of Daljitt Barn<sup>\*2</sup>, Global Head of Cyber Risk  
Given possible incurrence of large-scale aggregate losses, we are establishing an appropriate insurance underwriting and risk management system at the Group level

## Mobility

Market size\*1 JPY 1.4tn

### Direction of initiatives

**We are taking on the challenge of increasing the sophistication of our products and services to help realize a mobility society where everyone can travel safely, securely, and comfortably**

### Latest initiatives

- **Insurance products that support a safe and secure mobility life**  
The industry's first drive recorder integrated with two cameras with communication function that includes a front camera and an interior camera (Apr. 2021)
- **A new service to detect signs of accidents**  
Proof-of-Concept project on accident predictive services using data obtained from drive recorders (Oct. 2021-)  
The accident predictive algorithm used in the demonstration experiment has patent pending
- **A new type of auto insurance that aims for “a world without accidents”**  
E.design Insurance's new auto insurance “&e” (Nov. 2021, see p. 40 for details)

\*1: According to a research firm; Market size of data-driven insurance products and services and data fee business in Japan in 2030

\*2: After working as a cyber risk specialist for more than 20 years, he previously worked for a global reinsurance company, where he developed and deployed the group's cyber insurance strategy.

# Pre- and post-event “peace of mind provider”

## Energy

Market size\* JPY 0.2tn

### Direction of initiatives

**Taking on the challenge for increasing the sophistication of consulting and commercialization to contribute to the diffusion of renewable energy**

### Latest initiatives

- **PML assessment of renewable energy facilities**
- **One-stop service for risk assessment and coverage**  
Solar M&A Package Plan (Sep. 2021)  
Providing one-stop service from risk assessment of acquired power plants to coverage for breach of representations and warranties after acquisition
- **Commercialization of storage battery management technology**  
Started collaboration with EC SENSING (Sep. 2021-)  
Jointly developing new services and solutions to further promote the diffusion of storage batteries to expand the introduction of renewable energy (e.g., diagnosis of storage battery deterioration and risk management services)

## SME

Market size\* JPY 0.4tn

### Direction of initiatives

**To contribute to the revitalization of local economies, we will take on the challenge of developing solutions that address the various issues surrounding SME**

### Latest initiatives

- **Financial support in response to the COVID-19 crisis**  
Began offering a simple diagnosis system for grants and subsidies (Aug. 2021)
- **One-stop support for business succession**  
Started business partnership with Nihon M&A Center (Nov. 2021)  
Providing one-stop service for holding seminars, disseminating information, M&A matching, and indemnifying against the risk of breach of representations and warranties after acquisition
- **Using DX to solve management issues**  
Started collaboration with SAP Japan (July 2021-)  
Identification and assessment of supply chain risks, data-linked insurance products, and new risk management

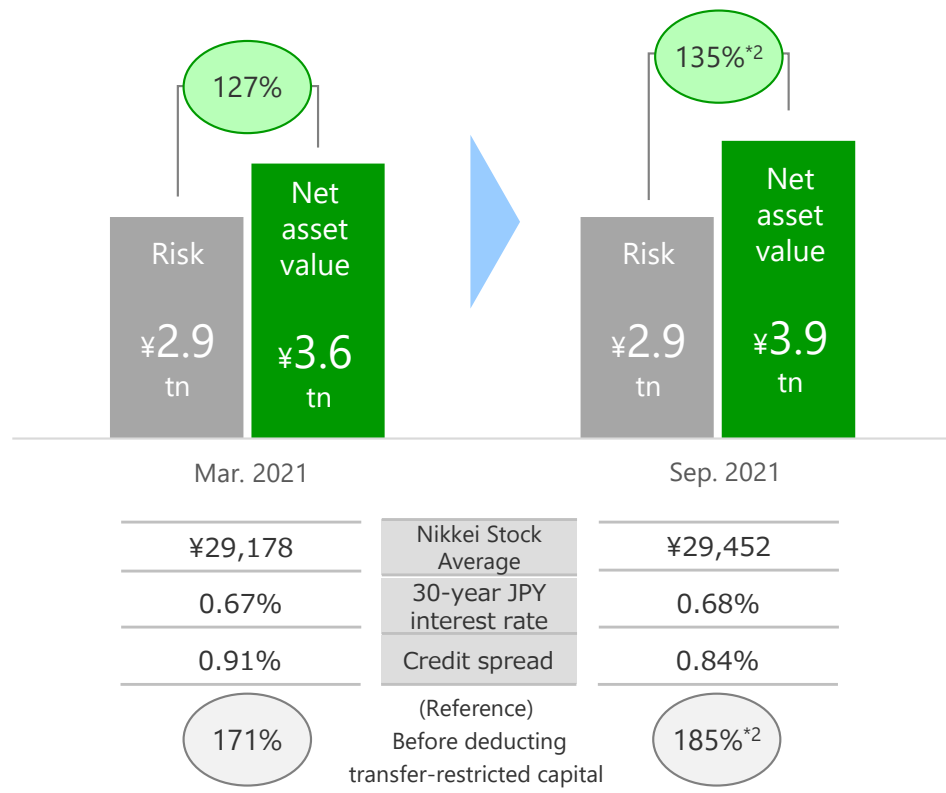
\*: According to a research firm; the market size of data-based insurance products and services and data fee business in Japan in 2030

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# Disciplined capital policy (ESR)

- ESR at end-September 2021 was 135% (within the target range) due to profit contribution in 1H despite return to shareholders

## ESR\*1



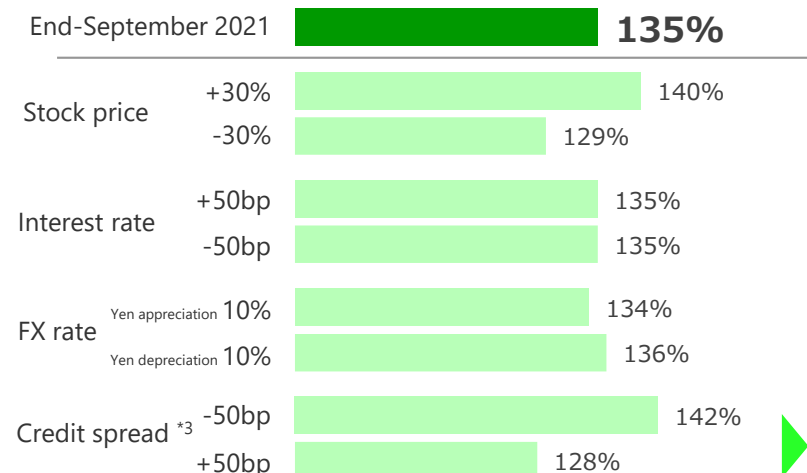
### Factors causing changes in net asset value

- ➔ Contribution of adjusted net income in 1H
- ➔ Tightening of credit spreads
- ➔ Stock price appreciation
- ➔ Shareholder returns, etc.

### Factors causing changes in risk amount

- ➔ Increase in equity risk due to rising stock prices, etc.

## ESR Sensitivity (based on parallel shift)



Of the ±7pt sensitivity, the overseas lag accounts for ±3pt

Stock price: Continue to sell business-related equities  
 Interest rate: Control the impact of interest rate fluctuations through ALM  
 FX rate: Limited impact on ESR  
 Credit: Allows risk-taking within risk limits

\*1: Economic Solvency Ratio (Risk amount is calculated using a model based on 99.95% VaR (AA rating standard))

Net asset value of overseas subsidiaries are the balance as of three months ago (end of Dec. 2020 and end of Jun. 2021).

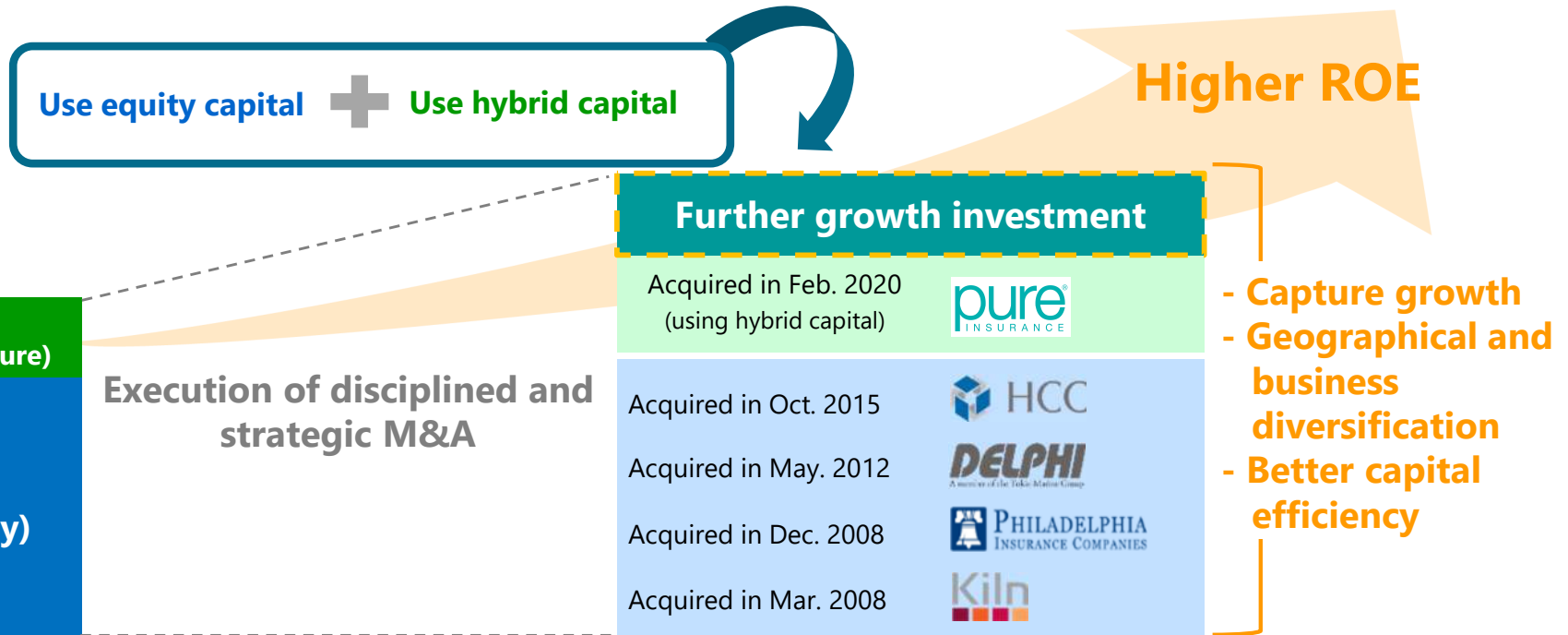
\*2: 133% after deduction of JPY 40bn yen in annual capital level adjustments (184% before deduction of transfer-restricted capital)

\*3: The period of credit spread fluctuation reflected in ESR differs due to the different account closing periods of overseas subsidiaries (as described in \*1 above).

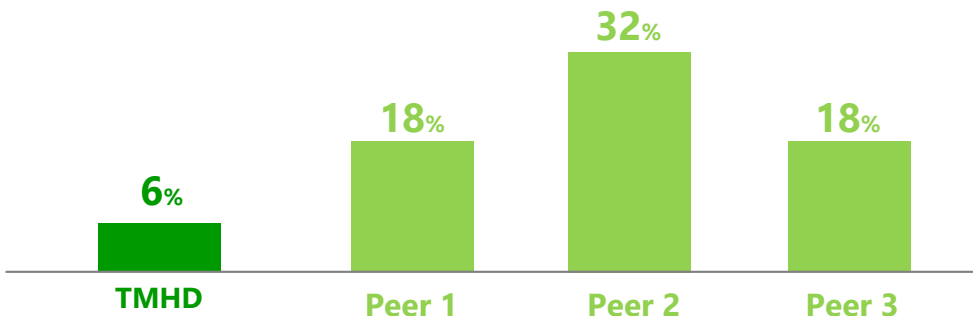
# Achieve further growth through flexible capital strategy

Re-post from IR Conference on May 27, 2021

- Use hybrid capital to realize further growth strategies including M&A
- Increase ROE on a long-term basis by maintaining appropriate capital and avoiding dilution



Ratio of hybrids in ESR capital (net asset value)\*



(Reference) Summary of the hybrid capital related to the acquisition of Pure Group

- Issue amount: JPY 200 bn
- Currency: JPY
- Coupon: 0.96% per annum (fixed until Dec. 24, 2029)
- Duration: 60 years (Early redemption permissible from Dec. 24, 2029)

# Purpose Story (1)

## Why do we exist?

- Since our founding, our purpose has been to “protect our customers and society in times of need.” We have achieved sustainable long-term growth by contributing to solving various social issues that change with the eras.
- Indeed, our business itself is a solution to social issues.

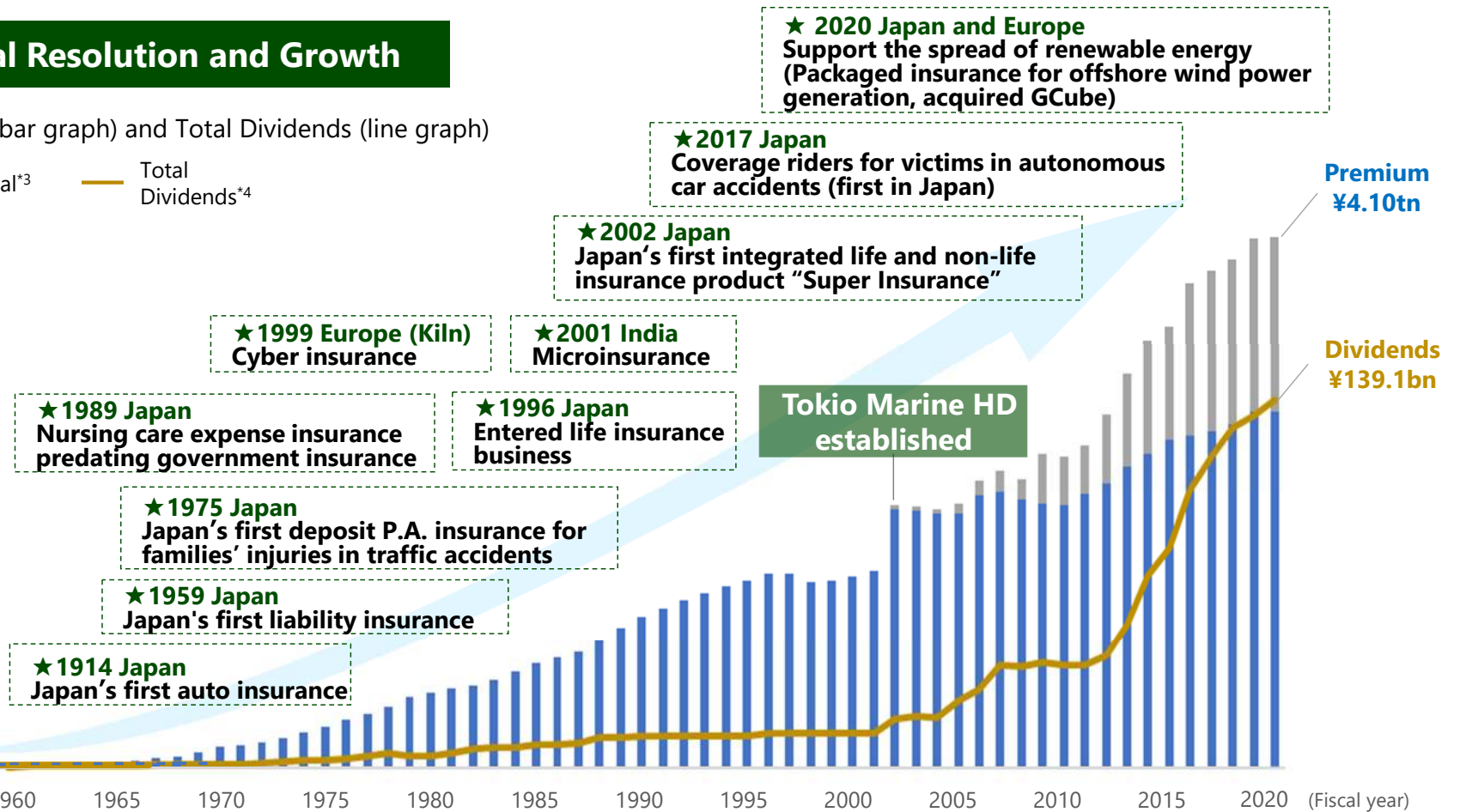
## Our History of Social Resolution and Growth

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

■ Domestic Non-life\*2   
 ■ International\*3   
 — Total Dividends\*4

### Founded as Japan's first insurance company

Contributed to the development of Japan's economy and society by protecting trade cargo from marine accidents through marine insurance



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



## Purpose Story (2)

### What are we aiming for?

- **Contribute to the realization of sustainable society and simultaneously enhance our social value and economic value (profit growth) by circulating business-oriented social issue resolution initiatives**
- **Established Group Chief Sustainability Officer and Sustainability Committee (consisting of CEO and C-suite) in April 2021 to accelerate our initiatives.**

### Values provided to stakeholders and Materiality

#### Our Vision

#### Materiality

##### For Customers

- Contribute to realizing healthy and enriched lives of our customers by delivering safety and security and by supporting them in taking on challenges for the future

- Combat climate change
- Support people's healthy and enriching life
- Enhance disaster resilience
- Facilitate and foster innovation through digitalization, etc.

##### For Society

- Contribute to creating a sustainable society where everyone can live safely and securely and boldly take on challenges

##### For Shareholders / Investors

- Sustainable growth of shareholder returns
- Work to enhance the trust of shareholders / investors and improve corporate value through timely and appropriate disclosure and constructive dialogues

- Disclosure timely, appropriate and highly transparent information

##### For Employees

- Contribute to employees' high-performance by providing opportunities to work brightly and vibrantly and through engagement.

- Promote and support D&I

##### For Future Generations

- Pass on a sustainable environment to future generations

- Promote climate change actions
- Provide education to children, etc.

# Purpose Story (3)



## How will we proceed?

- Derivation of 4 medium- to long-term core themes from materiality
- Create value through steady implementation.

**Economic value**

**Social value**

: main elements improved as a result of the initiative.




Stakeholders	 <b>For customers</b>		<b>For society</b> 	
<b>Materiality (★ Core themes)</b>	<b>Combat climate change (★)</b>	<b>Support people’s healthy and enriching life (★)</b>	<b>Enhance disaster resilience (★)</b>	<b>Facilitate and foster innovation through digitalization</b>
<b>Core Initiatives</b>	<ul style="list-style-type: none"> <li>• Products and services that contribute to the development of renewable energy (Established Group-wide new organization, “Green Transformation Task Force” to accelerate initiatives)</li> </ul>	<ul style="list-style-type: none"> <li>• Disseminate and promote health management support service for companies</li> <li>• Provide new healthcare service and respond to asset formation and savings needs for longevity risk (products and services)</li> </ul>	<ul style="list-style-type: none"> <li>• Products and services useful for disaster prevention / mitigation, and early recovery</li> <li>• Invest in businesses that contribute to building resilient society</li> <li>• Support for BCP formulation in cooperation with local governments, companies, etc.</li> <li>• Build a sustainable fire insurance system</li> </ul>	<ul style="list-style-type: none"> <li>• New products and services that utilize digital technology, etc.</li> <li>• Responding to increasing cyber risks (products and services)</li> <li>• Products and services for development of companies such as SME support</li> </ul>
<b>Values Created etc.</b>	<div data-bbox="320 1198 528 1249"> <p><b>Economic value</b></p> </div> <div data-bbox="555 1198 736 1249"> <p><b>Social value</b></p> </div> <ul style="list-style-type: none"> <li>• <b>Initiatives for renewable energy, etc.:</b> See pages 36 and 66</li> </ul>	<div data-bbox="777 1198 985 1249"> <p><b>Economic value</b></p> </div> <div data-bbox="1012 1198 1193 1249"> <p><b>Social value</b></p> </div> <ul style="list-style-type: none"> <li>• <b>Response to demands for healthcare service, asset formulation and savings, etc.:</b> See pages 36, 43, 64</li> </ul>	<div data-bbox="1265 1198 1473 1249"> <p><b>Economic value</b></p> </div> <div data-bbox="1500 1198 1682 1249"> <p><b>Social value</b></p> </div> <ul style="list-style-type: none"> <li>• <b>Contribution to disaster prevention / mitigation and early recovery, and building sustainable fire insurance system, etc.:</b> See pages 35 and 64</li> </ul>	<div data-bbox="1774 1198 1982 1249"> <p><b>Economic value</b></p> </div> <div data-bbox="2009 1198 2190 1249"> <p><b>Social value</b></p> </div> <ul style="list-style-type: none"> <li>• <b>Products and services using digital technology, response to cyber risks, and initiatives to support SMEs, etc.:</b> See pages 36, 64-66</li> </ul>

# Purpose Story (3)

Economic value

Social value

: main elements improved as a result of the initiative.

Stakeholders	For shareholders / investors 	For employees 	For future generations 	
Materiality (★ Core themes)	Disclose timely, appropriate and highly transparent information	Promote and support D&I (★)	Combat climate change (★)	Provide education to children
Core Initiatives	<ul style="list-style-type: none"> <li>Properly disclosure information by strengthening intelligence with TCFD and other guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Promote diversity and penetrate culture</li> <li>Share best practices across the Group</li> <li>Carry out human rights due diligence and improvement activities</li> </ul>	<ul style="list-style-type: none"> <li>Achieve carbon neutrality through engagement with investees and insurance underwriters, etc.</li> <li>Reduce CO2 emissions in company operations (RE100 certification, etc.)</li> <li>Mangrove planting and forest conservation activities</li> </ul>	<ul style="list-style-type: none"> <li>Green lessons</li> <li>Disaster prevention lessons</li> <li>Lessons for managing risks and the future</li> </ul>
Values Created etc.	<p><b>Economic value</b>   <b>Social value</b></p> <ul style="list-style-type: none"> <li>Enhance disclosures in line with TCFD recommendation and take appropriate actions based on NGFS</li> <li>Sustainable growth of shareholder returns [Medium- to long-term targets]                             <ul style="list-style-type: none"> <li>Adjusted net income: Over ¥500bn</li> <li>Adjusted ROE: About 12%</li> <li>Shareholder returns will be mainly dividends, which will be sustainably increased along with profit growth</li> </ul> </li> </ul>	<p><b>Social value</b></p> <ul style="list-style-type: none"> <li>Annual culture &amp; value survey</li> <li><b>Female managers (TMNF): FY2030 30% of managers are female</b></li> <li>D&amp;I Promotion; see page 74</li> </ul>	<p><b>Social value</b></p> <ul style="list-style-type: none"> <li><b>Reduce our greenhouse gas emissions: FY2030 -60% reduction (compared to FY2015)</b></li> <li><b>Ratio of renewable energy to electricity consumption: Attain 100% at major sites by FY2030</b></li> <li><b>Electrify corporate vehicles (TMNF, TMNL): All corporate vehicles to be electrified*1 in FY2030</b></li> <li><b>Continue to achieve carbon-neutral*2 (achieved for eight consecutive years)</b></li> <li>Cumulative economic value from mangrove plantations expected to exceed ¥300bn by FY2038</li> </ul>	<p><b>Social value</b></p> <ul style="list-style-type: none"> <li>100% total participation ratio for social contribution activities</li> </ul> <div style="border: 1px dashed gray; padding: 5px;"> <p><b>Green lessons:</b></p> <ul style="list-style-type: none"> <li>About 870 times</li> <li>About 57,000 participants (total as of end of Mar. 2021)</li> </ul> <p><b>Disaster prevention lessons:</b></p> <ul style="list-style-type: none"> <li>About 810 times</li> <li>About 55,000 participants (total as of end of Mar. 2021)</li> </ul> </div>

\* See page 76 for the list of climate change related initiatives; page 81 for international initiatives, and; page 82 for external evaluation

\*1: EV, PHV, HV, etc.

\*2: Related to our business activities (Scope 1+2+3 (Category 1,3,5,6))

## People and culture as a foundation

- In this age of uncertainty, promoting diversity is critical to solve increasingly complex social issues.
- Unite diverse talents with shared corporate culture

### Promoting Diversity and Inclusion (D&I)

Positioning the promotion of D&I as an important management strategy, established Group Chief Diversity & Inclusion Officer (**CDIO**) and **Diversity Council** chaired by CEO in April 2021



Nabeshima CDIO

#### Nationality

- Appoint talents who join the Group through overseas M&As as Group Co-Heads and global committee leaders

#### Generation

- In-house venture program to support employees including young talents who are eager to innovate, and relaxation of side job rules

#### Gender

- Tokio Marine Group Women's Career College launched in 2019 to encourage spontaneous career development and active participation.



Domestic and  
overseas  
Group-based

- Result: Woman leader ratio: over 30% (as of FY2020E)
- Result: Woman executive ratio: over 10% (as of FY2020E)

TMNF

- Result: Woman sub-leader ratio: 54.9% (April 2021)
- Target: Woman leader ratio: 30% (FY2030)

### Spread the Core Identity

- CEO held a remote world tour during the pandemic
- By penetrating the corporate culture, engrave our purpose in all acts from individual action to management decision making (the essence of governance)

### Creation of Exciting and Rewarding Work Environment

#### Culture & Values Survey\* (84% response ratio)

**4.3 out of 5 (Group Attachment)**

**4.2 out of 5 (Culture & Look Beyond Profit)**

# Management Resource Development

Re-post from IR Conference on May 27, 2021

## ● Work on talent development at all levels to enhance sustainability of Group management

### Global Executive Program

- Training for senior managers from Japan and overseas
- Spending time together in a difficult environment, build strong relationships of trust between participants and increase Group-wide synergies



Hard training scene on the coast of Samoa



Onboard accommodation

### Middle Global Leadership Development Program

- Middle management training for overseas employees
- Visit Tohoku area affected by the Great East Japan Earthquake and Tsunami to understand the actions and emotions at the time of the disaster, and experience the significance of insurance and a "Good Company"
- Make a presentation to the management on Group synergy, and increase actual synergies



Visiting areas affected by the Great East Japan Earthquake



Presentation to management

### Management Academy

- Training for mid-level to young leaders in Japan
- Strengthening the innovation mindset and skills required for management by having participants experience the process of creating a new business



Discussion of new business proposals



The final presentation

### Management School

- Training for young leaders in Japan
- In-depth training in global leadership through a nine-month program
- Acquire broad perspectives and abilities to change required for management through a number of hands-on programs



A dialogue on leadership

# Responding to Climate Change

- **"As an insurance company, an institutional investor, and a global company", we will confront climate change head on and enhance our corporate value by contributing to creating an environment and society where people can live with peace of mind.**
- **Accelerate initiatives in line with the Group's policies announced\*1 in Sep. 2020 and Sep. 2021.**

## Initiatives as an insurance company

- **Increase the number of "fans" by expediting claims payments**
    - Expediting payments through digitalization: satellites, etc.
    - Products that lead to faster payments: index insurance for earthquakes and hurricanes
  - **"Achieve stable earnings" by building a sustainable insurance system** P.29
    - Ensuring earnings from fire insurance: Dynamic rate revision and shortening of insurance periods
    - Risk diversification: Global risk diversification without over-reliance on reinsurance
  - **"Acquiring new sources of revenue" by disaster prevention / mitigation, etc.** P.29
    - Disaster prevention / mitigation, etc.: BCP formulation support by Tokio Marine dR, various consulting services (including TCFD), new services using data
    - Quick recovery: Usage of Belfor, the world's largest company specializing in disaster recovery
  - **"Capturing renewable energy market" by mitigation of global warming** P.29
    - Supporting spread of renewable energy: Utilizing the know-how of GCube (acquired in May 2020), which underwrites insurance for renewable energy projects around the world, on a group basis
- Not provide new underwriting capacities to coal fired power plants or thermal coal mining projects regardless of whether they are newly constructed or not**\*2

## Initiatives as an institutional investor



- TMNF and Tokio Marine Asset Management signed PRI (United Nations Principles for Responsible Investment)
  - Promotion of ESG investment and financing (ESG engagement, ESG-conscious investment decisions)
  - Origination of funds supporting clean energy business, investment in green bonds
- Not provide new financing to coal fired power plants or thermal coal mining projects regardless of whether they are newly constructed or not**\*2

Announced  
Sep. 2021

## Initiatives as a global company



- As co-chair of the Geneva Association's WG, lead discussions on "Climate Change and Emerging Environmental Issues"
- Lead discussions on disaster risk finance program at APEC WG on "Disaster Risk Finance and Insurance Solutions"
- As a founding and current member of TCFD, lead TCFD discussions in Japan and overseas to enhance disclosure
- Achieved carbon-neutral\*3 for eight consecutive years

\*1: Sep. 28, 2020 "Our Climate Strategy"  
[https://www.tokiomarinehd.com/en/release\\_topics/release/k82ffv0000008juk-att/20200928\\_e\\_v2.pdf](https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf)  
 Sep. 30, 2021 Revision of "Our Climate Strategy"  
[https://www.tokiomarinehd.com/en/release\\_topics/release/k82ffv000000b7cy-att/20210930\\_Climate\\_Strategy\\_e.pdf](https://www.tokiomarinehd.com/en/release_topics/release/k82ffv000000b7cy-att/20210930_Climate_Strategy_e.pdf)

\*2: However, we may grant exceptions for projects with innovative technologies and approaches, such as CCS/CCUS\*1 and mixed combustion, with the aim of achieving the goals of the Paris Agreement, based on careful consideration.

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

# Major Global Committees

- Identify and address key management issues with integrated global expertise

<div style="background-color: #4b2c82; color: white; padding: 10px; border-radius: 15px; display: inline-block;">Group CEO / CCO (Culture)</div>		Domestic Non-Life	Domestic Life	International Insurance
Key Management Matters	Key Global Committees			Key person
<b>ERM</b>	ERM Committee (around 4 times a year)			<b>CFO</b> (Financial)
<b>M&amp;A</b>	International Executive Committee (around 6 times a year)			<b>Head of International Business</b>
<b>Underwriting</b>	Global Retention Strategy Committee (around 4 times a year)			<b>CRSO</b> (Retention Strategy)
<b>Reserving</b>	International P&C Reserving Actuary Committee (around 4 times a year)			<b>Chief International Actuary</b>
<b>Investment</b>	Global Investment Strategy Committee (around 2 times a year)			<b>CIO</b> (Investment)
<b>IT / Security / Digital</b>	Global Information Technology Committee (around 2 times a year) Digital Round Table (around 2 times a year)			<b>CITO</b> (Information Technology) <b>CISO</b> (Information Security) <b>CDO</b> (Digital)
<b>Sustainability</b>	Sustainability Committee (around 4 times a year)			<b>CSUO</b> (Sustainability)
<b>Diversity</b>	Diversity Council (around 2 times a year)			<b>CDIO</b> (Diversity & Inclusion)
<b>Internal Audit</b>	International Internal Audit Committee (around 4 times a year)			<b>International Head of Internal Audit</b>

## Governance System

- **Hybrid organizational design with a Board of Directors that makes high-quality decisions by utilizing the knowledge and expertise of outside directors, and a Nomination Committee and a Compensation Committee that ensure transparency in the decision-making process**










### <Governance System>

	<b>Board of Directors</b>	<b>Audit &amp; Supervisory Board</b>
Role	Make decisions on important matters relating to execution of the Group's business and supervise the performance of individual Directors	Audit the performance of Directors
Structure	<p><b>High-quality decision-making leveraging diversity</b></p> <p>Ratio of Independent Directors <b>43%</b> (6 out of 14)</p>	<p><b>Give advice / recommendations from multifaceted perspectives</b></p> <p>Ratio of outside members <b>60%</b> (3 out of 5)</p>
	<b>Nomination Committee</b>	<b>Compensation Committee</b>
Role	<ul style="list-style-type: none"> <li>• Deliberate on the appointment and dismissal of CEO, Directors, Audit &amp; Supervisory Board Members, Executive Officers, etc. and report to the Board of Directors</li> <li>• Deliberate on a succession plan for CEO and oversee the development of successor candidates</li> </ul>	<ul style="list-style-type: none"> <li>• Deliberate on policies concerning evaluation of performance of Directors, Executive Officers, etc., compensation system and level of compensation for Directors and Executive Officers, and determination of their compensation, and report to the Board of Directors</li> </ul>
Structure	<p><b>Ensure transparency</b></p> <p>Number of outside officers <b>6 out of 8</b> Chairperson is selected from outside officers</p>	<p>Number of outside officers <b>6 out of 7</b> Chairperson is selected from outside officers</p>



# Skill Matrix of Outside Officers

- **Achieve highly effective governance by incorporating the skills of a diverse range of outside directors in a well-balanced manner, including the most important aspect, internationalism.**

Position	Name	Major concurrent post	Skills and experiences							
			Corporate management	Finance & Economy	Accounting	Legal & Compliance	Human resources	Governance & Risk Management	Technology	International experience
Directors	Akio Mimura 	Senior Advisor, Honorary Chairman of Nippon Steel Corporation	●	●				●		●
	Masako Egawa 	Specially Appointed Professor, Graduate School of Business Administration, Hitotsubashi University	●	●	●			●		●
	Takashi Mitachi 	Senior Advisor of The Boston Consulting Group	●	●	●			●	●	●
	Nobuhiro Endo 	Chairman of the Board of NEC Corporation	●	●					●	●
	Shinya Katanozaka 	President & CEO, Representative Director of ANA HOLDINGS INC.	●	●			●	●		●
	Emi Osono* 	Professor, Graduate School of Business Administration, Hitotsubashi University	●	●	●			●		●
Audits	Akinari Horii 	Director and Special Advisor of The Canon Institute for Global Studies		●	●			●		●
	Akihiro Wani 	Lawyer		●	●	●		●		●
	Nana Otsuki 	Executive Officer and Chief Analyst of Monex, Inc.		●	●			●		●

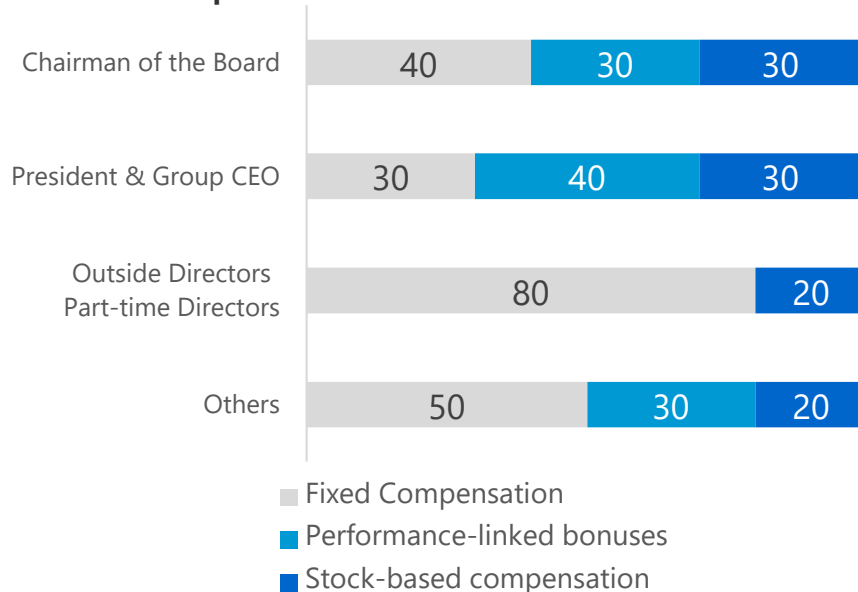
# Executive Compensation

- Designed a remuneration system linked to business performance and stock price as an incentive for directors to achieve sustainable growth
- Continue to review the remuneration system to contribute to the enhancement of corporate value

## Compensation System for Directors

- Consists of fixed compensation, performance-linked bonuses, and stock-based compensation
- In principle, ratio of performance-linked bonuses and stock-based compensation increases in conjunction with the rank of Directors
- Stock-based compensation has changed from stock options to stock delivery trust from July 2021 after obtaining approval at the general meeting of shareholders

### <Ratio of Compensation>



### <Performance-linked bonuses>

- Increase the incentive of Directors to improve performance
- Adjusted within a range of 0% to 200% depending on the level of accomplishment of the individual and company targets

**Individual Target** Set based on the scope of duties (includes ESG and medium-to long-term strategic targets\*1)

\*1: Further globalization and enhancement of functions of management, enhancement of human resources and organizations, etc.

**Company Target** Annual adjusted net income and adjusted ROE targets\*2 set in the mid-term business plan

\*2: Certain changes are made to the indicators used for calculating the bonuses of Directors responsible for international business to reflect the results of this business

### <Stock-based compensation (stock delivery trust)>

- Increase the link between compensation and our stock price to have Directors share the benefits and risks of stock price movements with shareholders
- Raise Directors' incentive to improve corporate value over the medium- to long-term

# Participation in International Initiatives

- **Contribute to the resolution of social issues by conducting surveys, research and advocacy through participation in international initiatives. Also, contribute to the achievement of the SDGs leveraging our expertise in insurance risk consulting to solve social issues**

## Initiatives Tokio Marine Group is participating in



### UN Global Compact

- Expressed continuous support since becoming a signatory in 2005
- Participated in "Disaster Risk Reduction Working Group", "Reporting Study Group", etc. in FY2020



### Principles for Responsible Investment

- In Tokio Marine Group, TMNF and Tokio Marine Asset Management became signatories to promote responsible and sustainable investment



### United Nations Environment Programme Finance Initiative (UNEP FI)

- Participating as the Board Member for Asia of the UNEP FI Insurance Commission
- Lead discussion on disaster risk finance program at APEC "Disaster Risk Finance and Insurance Solutions" WG



### Principles for Sustainable Insurance

- Became a signatory in 2012 as a drafting committee member
- Joined the PSI TCFD Insurer Pilot Working Group in FY2018 to promote the creation of a framework for climate-related information disclosure in line with TCFD recommendations

### Principles For Financial Action for the 21st century



### IDF



### Japan Sustainable Investment Forum



### UNISDR Private Sector Alliance for Disaster Resilient Societies



### The Geneva Association



### ClimateWise



### Asia-Pacific Financial Forum



### CDP



### Task Force on Climate -related Financial Disclosures



### Eco First



### COOL CHOICE



### 30% Club Japan



# External Evaluation

- **Tokio Marine Group is promoting ESG (Environmental, Social and Governance) initiatives through our business activities, etc., and have received numerous evaluations and awards in Japan and overseas.**

## SRI/ESG indices including Tokio Marine Group


## Awards received in Japan

<ul style="list-style-type: none"> <li>● Received the SDGs Strategy / Economic Value Award at the Second Nikkei SDGs Management Grand Prix, for realizing the synergy of enhancement of corporate value and contribution to SDGs at high level</li> </ul>	<ul style="list-style-type: none"> <li>● TMHD was selected as one of the 2021 Health &amp; Productivity Stocks (6 consecutive years) as well as an Excellent Enterprise of Health and Productivity Management / Large Enterprise Category together with 11 Group companies, of which six were recognized as White 500 enterprise</li> </ul>
<ul style="list-style-type: none"> <li>● Selected as NadeshikoBrand in FY2013, FY2015, FY2017, and FY2018 (selected as a Semi-Nadeshiko Brand in FY2019 and FY2020)</li> </ul>	<ul style="list-style-type: none"> <li>● Commended as a model example of financial institution initiative for revitalizing regional economies for five consecutive years</li> </ul>

## Awards received overseas

<ul style="list-style-type: none"> <li>● Selected as a 2019 Climate Change A List company by the international non-profit environmental organization CDP</li> </ul>	<ul style="list-style-type: none"> <li>● Our overseas Group companies were selected as one of the “Best Places to Work in Insurance” in the U.S. and one of the “Great Place to Work” in Brazil</li> </ul>
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## Awards related to disclosure

<ul style="list-style-type: none"> <li>● Received Top Award for Excellence in Corporate Disclosure in Insurance / Securities / Other Financials industry category</li> </ul>	<ul style="list-style-type: none"> <li>● Our Integrated Annual Report 2020 received an Award for Excellence at the Nikkei Annual Report Awards</li> </ul>
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# FY2021 Projections: Impacts of Natural Catastrophes

Re-post from 2Q Results Conference Call  
on November 19, 2021

- Net insured losses from natural catastrophes in 2Q decreased by -JPY 30.9bn YoY to JPY 50.2bn (before tax)
- Full-year natural disaster budget for Japan and overseas combined remains conservatively at the level of the initial forecast (breakdown revised based on current conditions)

## ■ Net incurred losses relating to natural catastrophes on a business unit profit basis (billions of JPY)

	FY2020 2Q Results	FY2021 2Q Results	YoY Change*2
Before Tax			
Domestic Non-Life*1	72.5	27.7	-44.8
International	8.6	22.4	+13.8
Total	81.1	50.2	-30.9

FY2021 Projections		Change*2 (2) - (1)
(1) Original Projections	(2) Revised Projections	
74.0	58.0	-16.0
52.0	65.0	+13.0
126.0	123.0	-3.0

After Tax\*3

Domestic Non-Life*1	52.2	19.9	-32.2
International	6.8	18.0	+11.2
Total	59.0	38.0	-21.0

53.3	41.8	-11.5
40.0	51.0	+11.0
93.3	92.8	-0.5

## ■ Major natural catastrophes in the 2Q (natural catastrophes above a certain scale)

### [Domestic\*1]

Gross incurred losses\*4

Heavy rains caused by an autumn rain front in August 2021:

JPY13.4bn

Typhoon Lupit:

JPY5.7bn

### [International]

Net incurred losses\*4

Texas winter storm:

JPY16.8bn

\*Expected losses from natural catastrophes that occurred in July to September (Hurricane Ida, wildfires in California, etc.): circa JPY20.0bn\*4

# Impact of FX Rate Change on the Group's Financial Results

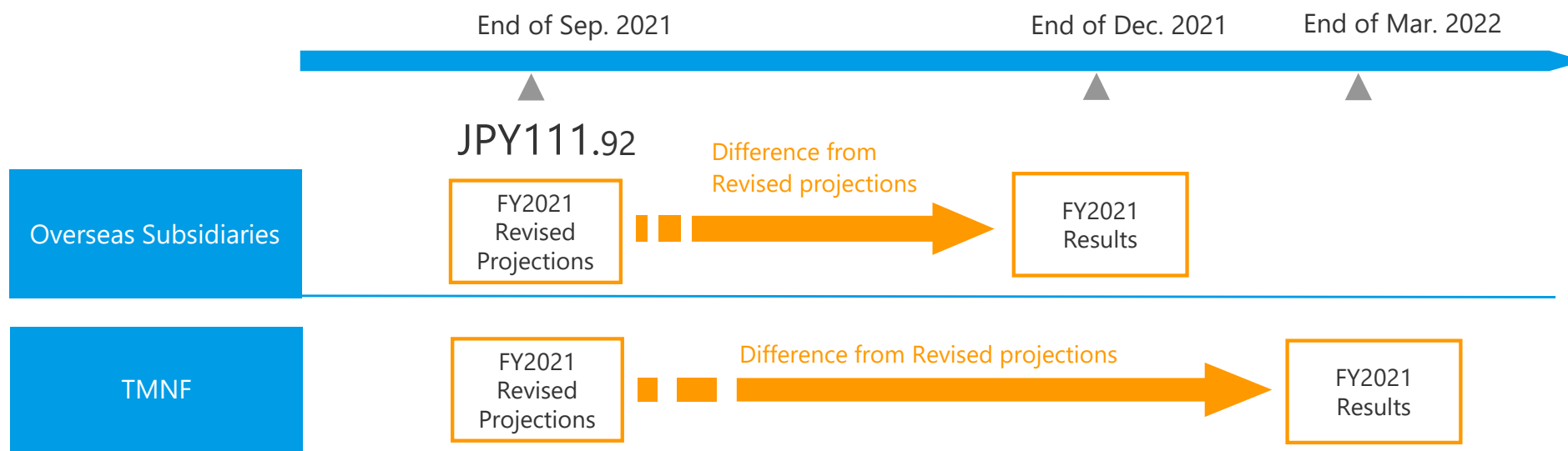
- Estimated impact of the appreciation of JPY to USD by 1 yen\*1 (adjusted basis)

Impact on net income on financial accounting basis*2		Impact on adjusted net income*2	
<ul style="list-style-type: none"> <li>Decrease in overseas subsidiaries profit: circa -¥1.0bn                             <ul style="list-style-type: none"> <li>Decrease in profit from local subsidiaries</li> <li>Decrease in amortization of intangible fixed assets and goodwill</li> </ul> </li> <li>Change in reserves for foreign currency denominated outstanding claims and FX derivatives income at TMNF: circa +¥2.2bn</li> </ul>		<ul style="list-style-type: none"> <li>Decrease in overseas subsidiaries profit: circa -¥1.9bn (Of the factors stated in the left, amortization of intangible fixed assets and goodwill has no impact as it is added back to adjusted net income)</li> <li>Change in reserves for foreign currency denominated outstanding claims and FX derivatives income at TMNF: circa +¥2.2bn</li> </ul>	
<b>Total:</b>	circa +¥1.3bn	<b>Total:</b>	circa +¥0.3bn

\*1: Assumes the FX rate of each currency changes by the same margin as USD.

\*2: Estimated impact on the FY2021 projections on an after-tax basis.

- Reference: applied FX rate (USD/JPY)



# Tokio Marine Holdings Key Statistics

		FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 Projections
Financial accounting basis	Net income (billions of yen) <sup>*1</sup>	23.1	128.4	71.9	6.0	129.5	184.1	247.4	254.5	273.8	284.1	274.5	259.7	161.8	345.0
	Shareholders' equity after tax (billions of yen)	1,627.8	2,169.0	1,886.5	1,839.6	2,340.7	2,712.7	3,578.7	3,484.7	3,542.1	3,805.1	3,574.2	3,372.1	3,664.0	3,987.0
	EPS (yen)	29	163	92	7	168	239	323	337	363	382	383	369	232	501
	BPS (yen)	2,067	2,754	2,460	2,399	3,052	3,536	4,742	4,617	4,722	5,245	5,058	4,832	5,285	5,818
	ROE	1.1%	6.8%	3.5%	0.3%	6.2%	7.3%	7.9%	7.2%	7.8%	7.7%	7.4%	7.5%	4.6%	9.0%
	PBR	1.16	0.96	0.90	0.95	0.87	0.88	0.96	0.82	0.99	0.90	1.06	1.02	0.99	1.03
KPI	Adjusted net income (billions of yen) <sup>*2</sup>	-	-	-	30.7	163.1	243.7	323.3	351.9	406.7	341.4	280.9	286.7	336.1	490.0
	Adjusted net assets (billions of yen) <sup>*2</sup>	-	-	-	2,301.6	2,746.5	3,172.5	4,103.4	3,599.3	3,812.4	4,086.4	3,763.1	3,240.9	3,692.4	4,215.0
	Adjusted EPS (yen)	-	-	-	40	212	317	423	466	539	459	391	408	482	709
	Adjusted BPS (yen)	-	-	-	3,001	3,580	4,135	5,437	4,769	5,082	5,633	5,325	4,643	5,326	6,151
	Adjusted ROE	-	-	-	1.3%	6.5%	8.2%	8.9%	9.1%	11.0%	8.6%	7.2%	8.2%	9.7%	12.2%
	Adjusted PBR	-	-	-	0.76	0.74	0.75	0.83	0.80	0.92	0.84	1.01	1.07	0.99	0.98
Business Unit Profits <sup>*2-3</sup> (billions of yen)	Domestic non-life insurance business <sup>*4</sup>	5.1	46.2	20.4	-26.1	48.3	34.0	122.5	126.0	167.6	144.3	18.9	25.9	127.9	184.0
	Domestic life insurance business <sup>*5</sup>	-57.2	52.0	27.5	15.9	110.3	104.5	139.8	-188.1	373.5	98.4	-158.6	-70.3	205.2	48.0
	International insurance business	20.8	76.5	24.8	-11.9	69.2	136.9	145.5	131.8	169.5	144.1	176.2	179.5	101.1	202.0
	Financial and general businesses	-21.1	-9.4	-0.7	2.6	-18.7	2.5	4.0	7.3	6.6	7.2	6.8	5.3	7.3	5.0
Sales of business-related equity holdings (billions of yen)	50	95	187	206	115	109	112	122	117	108	107	107	106	100 or more	
		2009/3E	2010/3E	2011/3E	2012/3E	2013/3E	2014/3E	2015/3E	2016/3E	2017/3E	2018/3E	2019/3E	2020/3E	2021/3E	2021/9E
Adjusted number of issued and outstanding shares <sup>*6</sup> (thousands of shares)		787,562	787,605	766,820	766,928	767,034	767,218	754,599	754,685	750,112	725,433	706,557	697,870	693,273	685,252
Market capitalization (billions of yen)		1,926.8	2,118.3	1,789.3	1,827.1	2,039.2	2,383.9	3,438.0	2,878.6	3,536.2	3,541.9	3,807.0	3,474.9	3,672.3	4,199.6
Share price (yen)		2,395	2,633	2,224	2,271	2,650	3,098	4,539	3,800	4,696	4,735	5,362	4,950	5,265	6,021
Percentage change		-34.9%	9.9%	-15.5%	2.1%	16.7%	16.9%	46.5%	-16.3%	23.6%	0.8%	13.2%	-7.7%	6.4%	14.4%
(Reference) TOPIX		773.66	978.81	869.38	854.35	1,034.71	1,202.89	1,543.11	1,347.20	1,512.60	1,716.30	1,591.64	1,403.04	1,954.00	2,030.16
Percentage change		-36.2%	26.5%	-11.2%	-1.7%	21.1%	16.3%	28.3%	-12.7%	12.3%	13.5%	-7.3%	-11.8%	39.3%	3.9%

\*1: From FY2015: The figure is "Net income attributable to owners of the parent"

\*2: FY2021 projection is based on new definition (see page 87)

\*3: Until FY2014: The figures are "Adjusted earnings" (Former KPI), domestic life insurance business is presented on TEV (Traditional Embedded Value) basis

\*4: Total for TMNF, NF, and E. design Insurance

\*5: Until FY2014: TEV (Traditional Embedded Value) basis, from FY2015 to FY2020: MCEV (Market Consistent Embedded Value) basis, FY2021 projection is based on J-GAAP

\*6: All figures exclude the number of treasury shares held from the total number of the shares issued

<New>

"Adjusted net income" and "adjusted ROE" data is now available on Bloomberg

(Data for some years are currently missing but will become available in the future)

Adjusted Net Income: IS328 IS\_ADJUSTED\_NET\_INC\_AS\_REPORTED

Adjusted ROE: IM797 IS\_ADJUSTED\_ROE

# Return to Shareholders

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 Projections
Dividends per share	48yen	50yen	50yen	50yen	55yen	70yen	95yen	110yen	140yen	160yen	180yen	190yen	200yen	245yen
Dividends total	38.0bn yen	39.4bn yen	38.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	72.2bn yen	83.0bn yen	105.3bn yen	117.6bn yen	128.0bn yen	133.0bn yen	139.1bn yen	168.0bn yen

Capital level adjustment <sup>*1</sup> (share buybacks, etc.)	50.0bn yen	-	50.0bn yen	-	-	-	50.0bn yen	-	50.0bn yen	150.0bn yen	125.0bn yen	50.0bn yen	50.0bn yen	60.0bn yen <sup>*5</sup>
Total distributions to shareholders	88.0bn yen	39.4bn yen	88.6bn yen	38.3bn yen	42.2bn yen	53.7bn yen	122.2bn yen	83.0bn yen	155.3bn yen	267.6bn yen	253.0bn yen	183.0bn yen	189.1bn yen	228.0bn yen

Adjusted net income <sup>*2</sup>				30.7bn yen	163.1bn yen	243.7bn yen	323.3bn yen	351.9bn yen	406.7bn yen	341.4bn yen	280.9bn yen	286.7bn yen	336.1bn yen	490.0bn yen	
Average adjusted net income <sup>*3</sup>	Adjusted net income was adopted as a new KPI in FY2015. (Figures from FY2011 to FY2014 were calculated as a reference)							220.0bn yen	295.0bn yen	330.0bn yen	340.0bn yen	330.0bn yen	330.0bn yen	330.0bn yen	360.0bn yen
Payout ratio <sup>*4</sup>								38%	36%	36%	38%	40%	42%	47%	

<Reference : Financial accounting basis>

Net income (Consolidated)	23.1bn yen	128.4bn yen	71.9bn yen	6.0bn yen	129.5bn yen	184.1bn yen	247.4bn yen	254.5bn yen	273.8bn yen	284.1bn yen	274.5bn yen	259.7bn yen	161.8bn yen	345.0bn yen
Payout ratio	165%	31%	54%	639%	33%	29%	29%	33%	39%	42%	47%	51%	86%	49%
Total shareholder return ratio	381%	31%	123%	639%	33%	29%	49%	33%	57%	94%	92%	70%	117%	66%

\*1: Total amount approved by the announcement date of financial results of each fiscal year. The figures include one-time dividends of circa ¥50.0bn in FY2018 and circa ¥25.0bn in FY2019 and FY2020, respectively.

\*2: FY2021 projection is based on new definition (see page 87).

\*3: FY2021 projection is calculated by applying new definitions to past results.

\*4: Payout ratio to average adjusted net income

\*5: Amount already implemented out of the total annual guidance of 100 billion yen

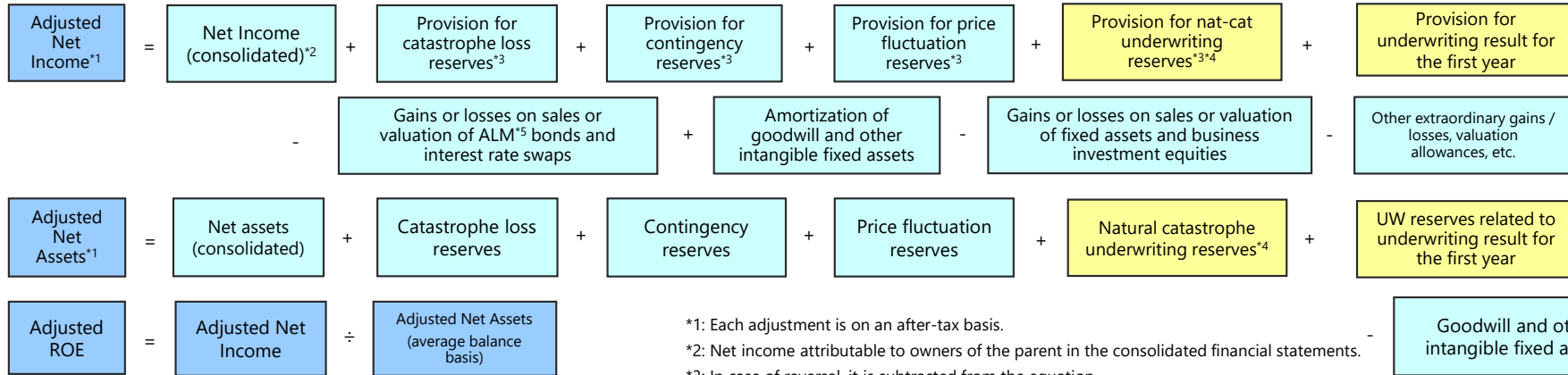


# Definition of Terms

Re-post from IR Conference on May 27, 2021

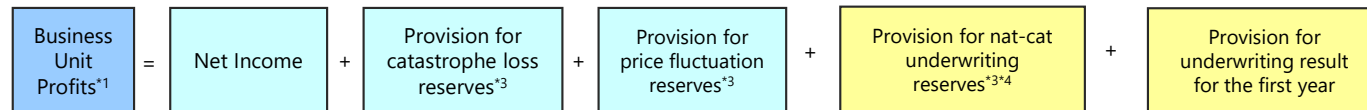
## Definition of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

\*Definition been partially revised from FY2021 to enhance transparency and comparability (parts highlighted in yellow)

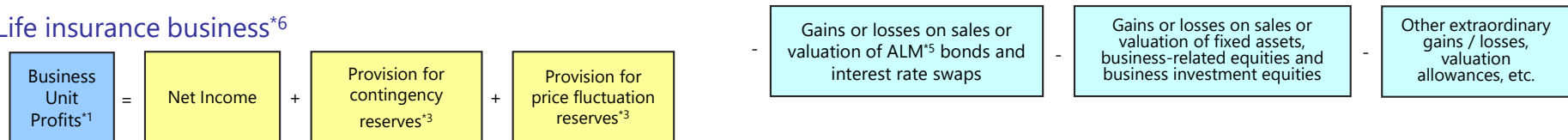


## Definition of Business Unit Profits

### ● Non-life insurance business

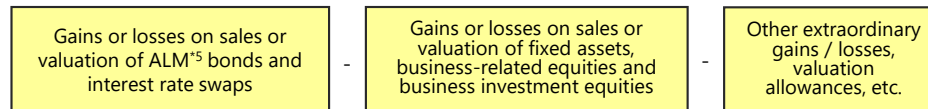


### ● Life insurance business<sup>\*6</sup>



### ● Other businesses

Net income determined in accordance with financial accounting principles



\*1: Each adjustment is on an after-tax basis.

\*2: Net income attributable to owners of the parent in the consolidated financial statements.

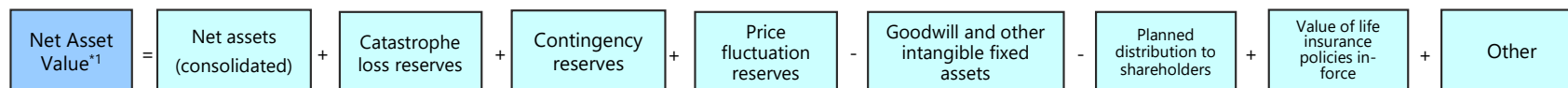
\*3: In case of reversal, it is subtracted from the equation.

\*4: Unearned fire insurance premiums corresponding to large natural catastrophe risk.

\*5: ALM: Asset Liability Management. Excluded since it is counter balance of ALM related liabilities.

\*6: For the overseas life insurance companies, Business Unit Profit is calculated by using the definition in Other businesses.

## Definition of Net Asset Value



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*To Be a **Good Company***



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