

## **Conference Call Presentation Script**

This is Chief Financial Officer Yuasa.

Thank you very much for participating in this conference call at this late hour despite your busy schedule.

I will explain the 3Q FY2021 results and revision of full-year projections announced today.

Please turn to page 3 of the materials.

[Key Messages]

We have summarized the two points that we would like to emphasize today.

Firstly, the 3Q results were "outstanding."

Adjusted net income for the 3Q was 472.9 billion yen. This represents 96.5% progress rate against the full-year projections announced in November 2021, and I can say that the current performance is strong.

Secondly, we will make upward revision to the full-year projections based on the strong 3Q results and current performance.

More specifically, we are going to revise upwards the full-year projections for adjusted net income by 70 billion yen from 490 billion yen announced in November to 560 billion yen.

I will explain these points in a little more detail. Please turn to page 4.

[Top-line results]

Let us start with the top-line results.

For the 3Q, net premiums written excluding foreign exchange effects increased by 4.9% year-on-year, and life insurance premiums increased by 0.5% year-on-year. Both made steady progress against the full-year projections with robust performance.

Based on the strength of international performance, we will raise the full-year projections for the net premiums written to a year-on-year increase of 4.2%.

I will now explain about the adjusted net income. Please move on to page 5.

[Adjusted net income (3Q results)]

I have already stated that the 3Q results were outstanding, and this was driven by Tokio Marine & Nichido Fire (TMNF) and international business.

TMNF had a buoyant top-line result and significantly lower-than-expected net incurred losses compared to the November projections. This was effectuated by below average natural catastrophes and large losses mainly in fire insurance, and reduced loss ratio for auto resulting from decrease in traffic due to COVID-19.

Consequently, the progress rate for the 3Q reached 106.5%, already surpassing the full-year projections.

Overseas underwriting profits and investment income were both strong, also achieving high progress rate of 92.4% for the 3Q.

Based on these, I will now explain the revision to the full-year projections. Please turn to page 6.

[Upward revision of full-year projections]

As I have explained earlier, we have revised our full-year projections for adjusted net income upward by 70 billion yen. I will explain the key points of the revision.

Firstly, the 20 billion yen increase for TMNF was achieved by revising the annual natural catastrophe budget to 40 billion yen before tax by releasing 15 billion yen and revising the net premiums earned based on the latest results.

Secondly, we have revised our projections for the international business upwards by 45 billion yen. Due to the fiscal year ending in December for overseas, the figures indicate our best understanding. The breakdown is shown in the slide and reflects the solid underwriting performance boosted by less-than-expected natural catastrophes; robust investment performance both in terms of capital-gain and net interest and dividends income; and weaker yen.

"Others" category was revised upwards by 5 billion yen as a result of 10 billion yen increase in sales of business-related equities.

Accordingly, the revised adjusted net income is 560 billion yen. I believe you are also interested in the actual level of net income that will form the base of FY2022 projections.

The 560 billion yen figure includes a total of 40 billion yen transient effects, comprising of about 20 billion yen each of transient effects for decrease in natural catastrophes and capital gains in North America.

In addition, roughly calculated, there is about 10 billion yen including the decrease in loss ratio due to COVID-19, and the sales of business-related equities have also exceeded our plans.

The management team believes that the actual figure is likely to exceed 500 billion yen.

[Capital Policy]

Finally, I would like to comment on the capital policy, although it is not included in the slides.

In December 2021, we made announcements on share repurchases worth 40 billion yen and made purchase of 20 billion yen by the end of January 2022. Aggregated amount of share repurchase for FY2021 has come to 80 billion yen.

Current share price has exceeded 7,000 yen and market capitalization has reached about five trillion yen, but based on our capabilities explained today, the management believes the current share price to be undervalued.

We will make agile decisions for repurchasing the remaining 20 billion yen of own shares and are committed to continue increasing profits and ROE through steady execution of management and business strategies, and disciplined capital policy.

We aspire to meet the expectations of the participants of capital markets, and very much appreciate your continued support for us.

This is the end of my presentation.

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