November 18, 2022
Tokio Marine Holdings, Inc.

Presentation Script for 2Q FY2022 Results Conference Call

- Good evening, everyone. I am Komiya. Thank you very much for participating in this conference call today despite your busy schedule. I also would like to express our gratitude to your continued support.
- I will start this conference call with an explanation of the details of the recent financial results and a message from management based on these results.

[Key Messages]
- Please look at page 3. There are mainly three points that we want to communicate to you today.
- The first point is the underlying tone of our business.
  Currently, we are affected by factors such as COVID-19 and natural catastrophes. The underlying tone of our business excluding these transient factors, however, remain strong especially in key overseas businesses.
  In fact, we have recently revised our earnings projection on a normalized basis by +JPY10 billion to JPY560 billion.
- The second point is the transient factors that are currently impacting us.
  We expect their combined impact to be -JPY160 billion for FY2022. Of this amount, COVID-related losses account for -JPY130 billion. This is mainly attributable to the impact of COVID-19 in Taiwan. We have revised the impact of COVID-19 in Taiwan to be -JPY91 billion, based on the current spread of infections.
  Meanwhile, Hurricane Ian, which is expected to cause the second largest loss in the industry's history, has not had so much impact on our results as our focus is on specialty insurance. We project that its impact will be within our international natural catastrophe budget.
- The third point is shareholder returns.
  I have been communicating to you that profit growth and DPS growth should be consistent and that we will execute share buybacks with discipline.
  With this in mind, as I have explained earlier, our business has a strong underlying tone, although it is currently affected by transient factors. Accordingly, we will maintain our DPS for FY2022 at 100 yen as originally planned. We will also maintain the DPS growth of +18%.
  With respect to share buyback, given that the management team considers that our capital is sufficient, we will maintain the originally announced plan to buy back shares worth JPY100 billion a year and have decided to execute the remaining

JPY50-billion buyback.

- I want to expand on these points a little more. Please turn to page 4.

[Top-line results]

- First, let us look at our top-line results.
- In 2Q, we posted an increase of +18.7% in net premiums written and an increase of +13.0% in life insurance premiums, driven by our international business. Excluding the foreign exchange impact, they rose by +10.4% and +3.1%, respectively. New premiums written and life insurance premiums both increased at a pace faster than our full-year projections released in May, demonstrating the strong underlying tone of our business.
- Given these strong results, we have revised our full-year projections upward; we now project net premiums written to increase by +9.1% and life insurance premiums by +2.8%, year on year, excluding the foreign exchange impact.
- Next, I will explain adjusted net income. Please look at page 5.

[Evaluation of adjusted net income for 2Q]

- As I have mentioned earlier, the underlying tone excluding transient factors remains strong. I will explain the details of our results for 2Q in more detail.
- TMNF was impacted by the following transient factors:
  (1) The domestic natural catastrophe budget which was consumed fast mainly due to the hails in June and typhoons
  (2) Impact of floods in South Africa
  (3) Increase in COVID-related losses resulting from the rising rate of infections in Japan
  (4) Higher provisions for foreign currency denominated outstanding claims reserves due to the cheaper yen

  Excluding these factors, TMNF maintained a steady performance with the 54.8% progress rate against the original projection.
- Now, please turn to page 6.

  TMNL was also impacted by transient factors such as an increase in COVID-related losses and losses on hedges used for investment assets not subject to hedge accounting. Excluding these factors, their progress rate is 51.5%, showing a steady performance.
- Our international business was impacted by transient factors such as the -JPY53.9-billion impact of COVID-19 in Taiwan which we had announced on August 5 and posted for 2Q. It was also affected by greater foreign currency translation gains when converting to the yen due to the depreciation of the yen.

  Excluding these factors, the progress rate of the international business is 56.5%. I

think we can say that their underlying tone is strong.
In fact, the results of main overseas businesses for 2Q overperformed the plans made locally by +JPY23 billion even excluding the impact of the cheaper yen.

- Next, I will explain our full-year projections. Please turn to page 7.

[Full-year adjusted net income projections (actual basis)]

- We expect our adjusted net income on an actual basis to be JPY400 billion, revising the original projection downward by -JPY150 billion.
- While our capabilities are no doubt improving, the downward revision reflects the material impact of transient factors, which stands at -JPY160 billion and includes the growing spread of COVID-19 infections and natural catastrophes in Japan.
- Of these transient factors, I will explain the situation of COVID-19 in Taiwan, which had a particularly material impact. Please look at page 8.

[COVID-19 in Taiwan]

- As announced on August 5, we posted a loss of -JPY53.9 billion for 2Q as a loss resulting from COVID-19 in Taiwan.
  As the basis of this figure, we projected the cumulative infection rate of COVID-19 in Taiwan at 30%. As of October 31, the actual rate was over 32%, showing the greater spread of infections.
  Given this situation, we decided to revise the impact of COVID-19 in Taiwan to -JPY91 billion. This is based on the cumulative infection rate of COVID-19 of 44%.
- While it is extremely difficult to predict the infection rate, we underwrite COVID-related insurance in Taiwan only until February 15, 2023. We will not suffer from this negative impact in the following FY2023.
- Please look at page 9.

[Full-year adjusted net income projections (normalized basis)]

- This page shows adjusted net income on a normalized basis excluding transient factors.
  As I have explained so far, our businesses' underlying tone is strong. We have therefore revised our full-year adjusted net income projection by +JPY10 billion from the original projection to JPY560 billion.
- This represents a +9% growth from the previous fiscal year's adjusted net income on a normalized basis.
- The profit driver is organic growth of the international insurance business, especially in North America. We believe that our capabilities are definitely increasing, and I plan to provide a more detailed explanation on this point in the IR Conference scheduled next week.

- Lastly, I want to summarize key issues. As I have explained, our results for FY2022are significantly impacted by transient factors. This reaffirms the management team's view that it is extremely important to (1) strengthen each business and (2) then, raise the level of management through the implementation of global risk diversification strategy and integrated group management.
- We will work steadily with a renewed resolve; we want to manage our business with a strong desire to maintain the world's top-level EPS growth into the future and to raise our ROE to a level comparable to our global peers through these efforts. I will explain the details at the next week's IR Conference.
- This is all from me.

[Shareholder returns]

- I am CFO Okada. Before concluding our telephone conference, I am going to explain our shareholder returns. Please turn to page 10.

- I want to reiterate that the basis of our shareholder returns is dividends and that we will keep increasing our DPS in line with our profit growth.
  As Komiya explained, although we have revised downward our adjusted net income on an actual basis for FY2022 due to transient factors, the underlying tone of profit in a normalized basis is strong. In addition, five-year average adjusted net income, which is the source of dividend payments, has increased from JPY375 billion to JPY390 billion year on year. Accordingly, we will maintain our DPS for FY2022 at JPY300 before reflecting the share split and at JPY100 after reflecting the share split, as originally planned. We will also maintain the DPS growth rate of +18%.
- There is no change to our approach to capital level adjustments. As before, we will execute M&As and risk-taking projects that will contribute to improving our corporate value and ROE and will execute share buybacks if there is no such opportunity.
- For FY2022, we disclosed in May our policy to buy back shares worth JPY100 billion. Given that our capital is sufficient with the current ESR standing at 122%, we will maintain this amount and have resolved to execute the remaining JPY50 billion at the Board of Directors meeting held today.

- We intend to steadily implement our business strategy to raise our EPS and ROE while controlling volatility so that we can meet the expectations of participants in the capital market. We would appreciate your continued support.
- This is the end of my briefing.

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