

To Be a **Good Company**

TOKIO MARINE GROUP BUSINESS STRATEGY

MAY 24, 2023



TOKIOMARINE

Tokio Marine Holdings

Tokio Marine Group's Purpose

Protecting Customers and Society in Times of Need

Tokio Marine Group has provided safety and security to society and contributed to its development by utilizing the knowledge and experience we have gained over the years in the insurance industry and solving various social challenges that change with times.

We will continuously support our customers and society in times of need, endeavoring to solve social challenges as the focus of our business and raising the Group's corporate value for ever and more, while contributing to creating a safe, secure and sustainable future.

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◆ Abbreviations used in this material

TMNF : Tokio Marine & Nichido Fire Insurance Co., Ltd.

NF : Nisshin Fire & Marine Insurance Co., Ltd.

TMNL : Tokio Marine & Nichido Life Insurance Co., Ltd.

PHLY : Philadelphia Insurance Companies

DFG : Delphi Financial Group, Inc.

TMHCC : Tokio Marine HCC

TMK : Tokio Marine Kiln

TMSR : Tokio Marine Seguradora

◆ "Normalized basis" in the material generally refers to the definition where Nat Cats are adjusted to average level (other adjustments will be stated in the text)

Achieve World's Top-Class EPS Growth

- ◆ FY2023 target is set as +9% organic EPS growth (+8% excluding FX) in order to maintain top-class growth among global peers. We are convinced to achieve the target by leveraging on continuously enhancement of our underlying capabilities
- ◆ Despite uncertain volatile business environment, we aim to achieve world's top-class EPS growth by implementing appropriate action plans against various issues and enjoying global risk diversification effects
- ◆ DPS growth trajectory with confidence in line with EPS growth are maintained. Our DPS in FY2023 is projected at JPY121 (+21% YoY), and we will continue to increase DPS (No decrease in dividends, in principle)

Continue to enhance the level of ROE to Top of Class

- ◆ Despite achieving adjusted ROE of 15.1%, we will lift the level further to compete with global peers
- ◆ In addition to the world's top-class EPS growth, ROE will be further enhanced by accelerating sale of business-related equities (more than JPY600.0bn in the next four years) and maintaining disciplined capital management*
- ◆ Strong ESR as of the end of March 2023 is at 124%. Our current share buybacks policy for FY2023 is for JPY100.0bn throughout the year. (Execution of JPY50.0bn approved for the moment)

High-Quality Management to Support the Above

- ◆ Deep-rooted "Sustainability Management" and unique "globally Integrated Group Management" supports EPS growth and further ROE enhancement. We are committed to handle management succession and development of the next-generation management
- ◆ Our "ability to be responsive", which helped overcome numerous challenges in the past, is an element of our high-quality management. In addition, ERM is being further enhanced, including for medium and small overseas entities, in order to continuously maintain a balance between growth and risk management at a higher level

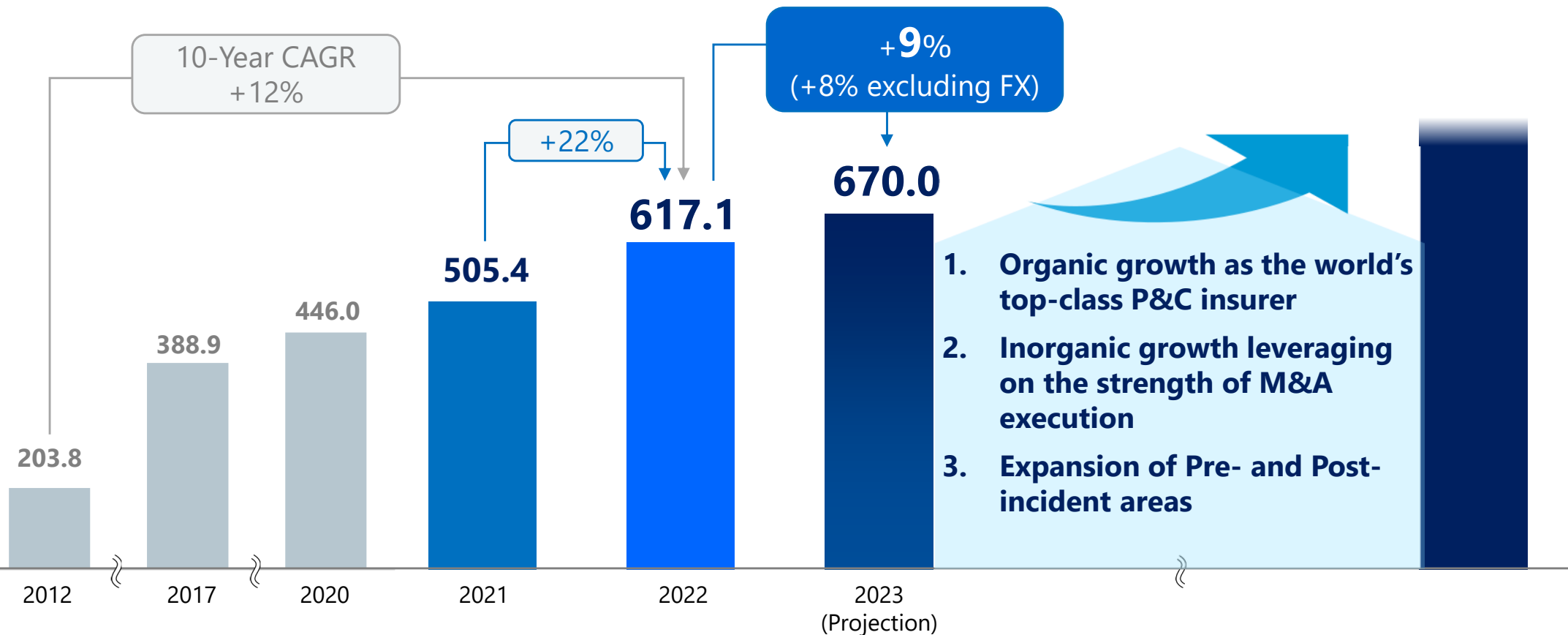
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FY2023 Business Plan (Organic Growth)

- **FY2023 organic growth projection aims to maintain the world's top-class EPS growth at +9% (+8% excluding FX). These are milestone figures, and we will maintain the growth trajectory with confidence by leveraging on continuously enhanced underlying capabilities**

Track Record of Adjusted Net Income (Normalized*)

(billions of JPY)



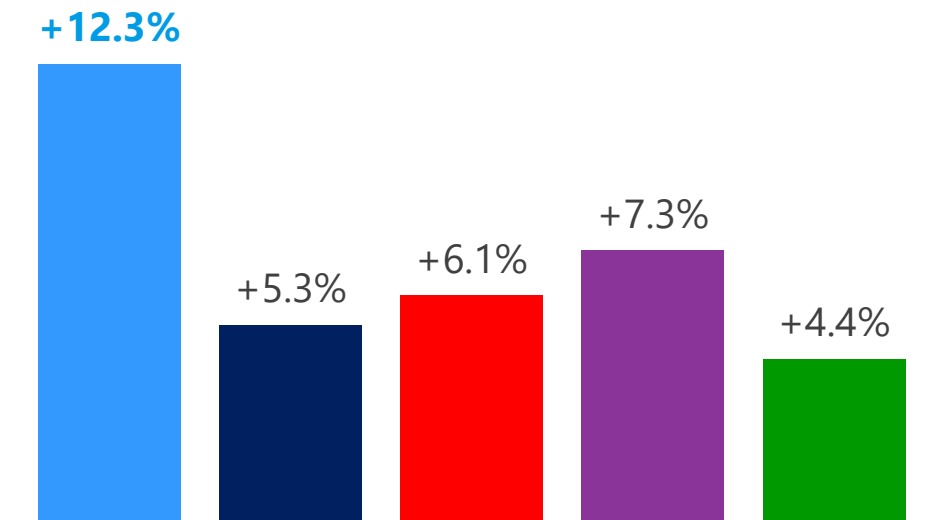
*: Normalized Nat Cats to an average annual level and excluding the impact of COVID for 2020; additionally, capital gains in North America, etc., and capital gains from the sale of business-related equities (for part of sale exceeding JPY100.0bn); as well as war, and South African floods for 2022

World's Top-Class Stable EPS Growth

- We can deliver high EPS growth results with managed volatility by enjoying global risk diversification effects

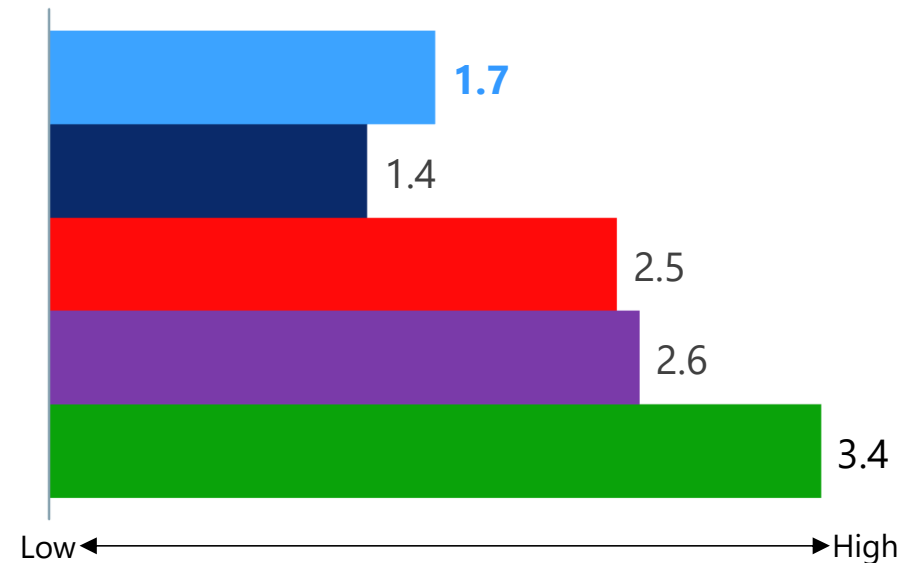
**EPS Growth
(2012-2022 CAGR)**

■ Tokio Marine ■ Peer 1 ■ Peer 2 ■ Peer 3 ■ Peer 4



**EPS Growth Volatility
(2012-2022)**

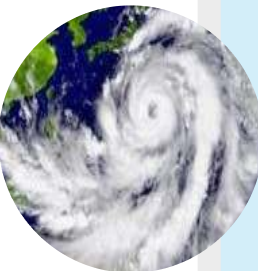


■ Tokio Marine ■ Peer 1 ■ Peer 2 ■ Peer 3 ■ Peer 4



EPS: Profit in the numerator is adjusted net income for Tokio Marine and KPI for peers
 Volatility: Coefficient of variation
 Peers: Allianz, AXA, Chubb, Zurich (Source): Each company data, Bloomberg




Sustainable EPS Growth with Confidence (Underwriting)

- Business environment is volatile, but underwriting profit growth can be maintained with global risk diversification and strategies considering each risk characteristic

Business environment and expected risks	Strategies	Impact on FY2023* (pre-tax)
 <p>Nat Cats (Intensified with global warming)</p>	<ul style="list-style-type: none"> ■ Management with global risk diversification (P.10) ■ Improve profitability with continued rate and product revisions for fire insurance (P.32) ■ In addition to proactive rate increases and disciplined U/W, implement loss control measures based on risk characteristics 	<ul style="list-style-type: none"> ✓ Budget for group total Nat Cats incurred loss : JPY144.0bn (Reference) 10y Average Results Group total : JPY139.7bn
 <p>Reinsurance cost (Rising reinsurance cost due to inflation and increase in natural catastrophe and large losses, etc.)</p>	<ul style="list-style-type: none"> ■ Strengthen retention / reinsurance strategy at group level (P.52) ■ Cycle management based on economic rationale (for earnings cover) ■ Improve profitability with proactive rate increase and disciplined underwriting 	<ul style="list-style-type: none"> ✓ Cost increase at April 2023 renewal was managed through the initiatives on the left column
 <p>Economy / social inflation (Increasing loss costs)</p>	<ul style="list-style-type: none"> ■ Respond to increasing loss cost for auto (unit price for repair, labor charge, etc.) with Jan. 2024 planned product / rate revision (P.31) ■ Implemented measures against social inflation including rate increases and early settlement of litigations (Given that our portfolio centers on specialty insurance, the impact of economic inflation are relatively small) 	<ul style="list-style-type: none"> ✓ -JPY25.0bn YoY (Effect of revision is limited for FY2023) ✓ Limited

Sustainable EPS Growth with Confidence (Investment)

- Stable increase in investment income can be realized through ALM even in a volatile situation
- Impact from current financial market volatility is limited

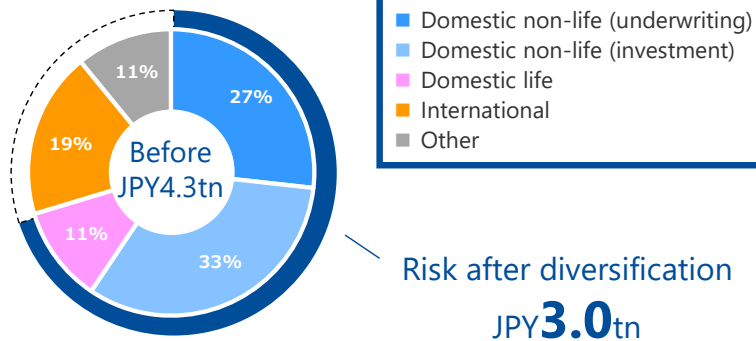
Business environment and expected risks	Strategies	Impact on FY2023* (pre-tax)
 <p>Interest rate / FX volatility (Unrealized losses and impairment losses on bonds due to sharp hikes in interest rates, increase in FX hedging cost due to widening of the US / Japan interest gap)</p>	<ul style="list-style-type: none"> ■ Control interest rate risk with ALM (Impact from current interest rate movement is limited) ■ Maintain the strategy of leveraging the large income from DFG-managed portfolio ■ Mitigate the impact of rate hikes by including variable rate assets within the portfolio while manage duration by increasing investments in attractive long-term bonds 	<ul style="list-style-type: none"> ✓ Increased investment income (+JPY110.0bn YoY) ✓ Increased FX hedging cost (-JPY45.0bn YoY)
 <p>Financial market volatility (Financial market volatility triggered by the collapse of Silicon Valley Bank, etc.)</p>	<ul style="list-style-type: none"> ■ Direct exposure to U.S. local bank*1 and Credit Suisse is limited ■ Can invest in undervalued assets by increased dry powder ■ Dedicated team with rich experience in evaluating the accounts manages the CRE Loan portfolio (P.15) ■ DFG's source of investment capital is long-term and predictable insurance liability, which can absorb the liquidity risk 	<ul style="list-style-type: none"> ✓ Limited <p>(Reference) Confirmed the following through stress tests with financial crisis and economic recession scenarios:</p> <ul style="list-style-type: none"> • CRE loans: Impairment loss is expected to be recovered within six months from income from the asset • CLO: No loss is expected even when applying a stress at the same level as the 2008 financial crisis to the failure rate of the underlying loans
 <p>Economic recession (Risk of monetary tightening negatively affecting the economy)</p>	<ul style="list-style-type: none"> ■ Reduce exposure to stock price fluctuation by accelerating the sale of business-related equities 	<ul style="list-style-type: none"> ✓ Increase in gain from sale of business-related equities (+JPY20.0bn YoY)

Global Risk Diversification

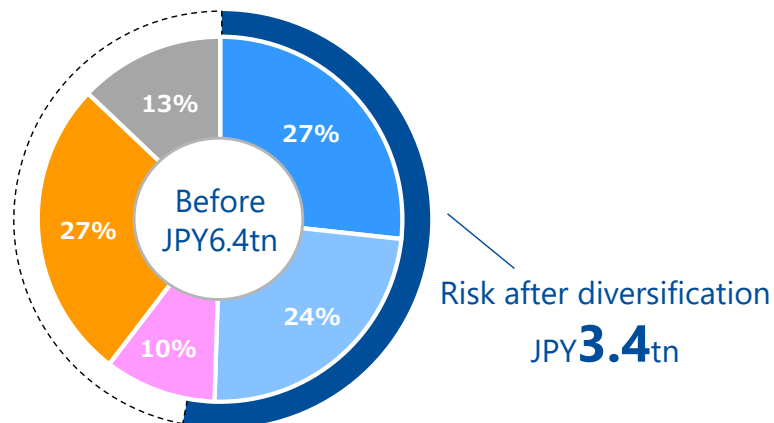
- Our true worth in managing a volatile business environment can be seen in our global risk diversification
- Current diversification effects are 47%, owing to the sustainable growth of domestic and overseas entities that have low correlation
- The impact of COVID-19 and large Nat Cats profit were less than 30% in FY2022

Global Risk Diversification

FY2013
Diversification
effects:
30%



FY2023
Diversification
effects:
47%



Impact of COVID-19 and Nat Cats on Adjusted Net Income*

2011 (Large Nat Cats)

Impact on profit circa **-80%**

2019 (Large Nat Cats)

2020 (COVID-19 / Large Nat Cats)

2022 (COVID-19 / Large Nat Cats)

Impact on profit circa **-20-30%**

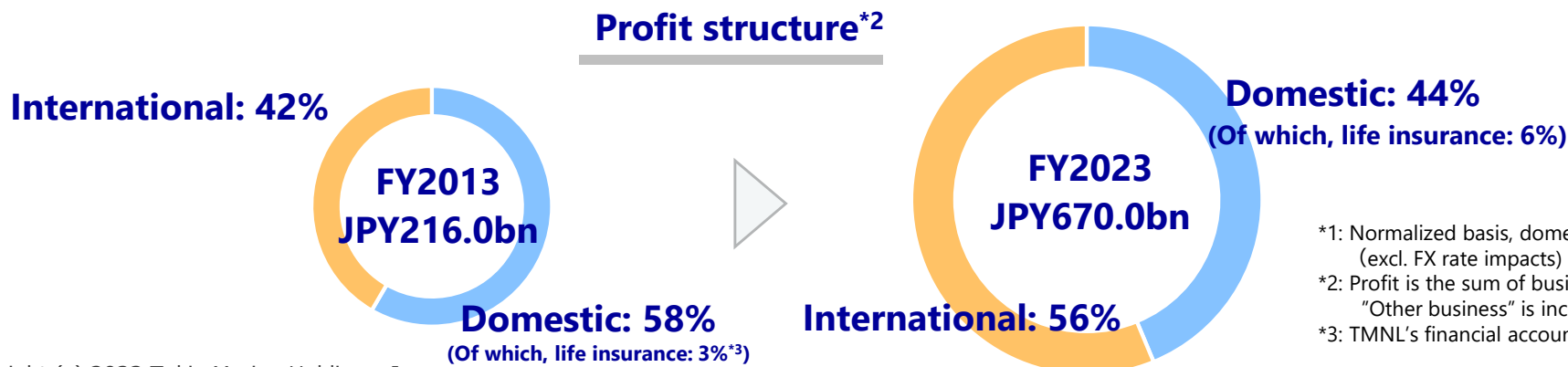
*: Impact on adjusted net income of excess portion of net incurred losses from COVID-19 and Nat Cats at beginning of the year

Solid Business Model

- Source of our EPS growth is the globally diversified solid business model centering on stable domestic earnings and strong North American specialty insurance

	Positioning	Key features / strategy	Profit growth*1 (CAGR)
Domestic	Maintain generation of stable earnings	No.1 domestic non-life insurance Bottom-line focus	FY13→FY23 +6%
International	Sustained profit growth underpinned by business lines with low correlation	Specialize in specialty (developed markets) Bottom-line focus	FY13→FY23 +12%

Diversification effects



*1: Normalized basis, domestic CAGR is for TMNF (excl. FX rate impacts)

*2: Profit is the sum of business unit profits (original plan) "Other business" is included in "Domestic"

*3: TMNL's financial accounting profit

Solid Business Model: Domestic Non-Life

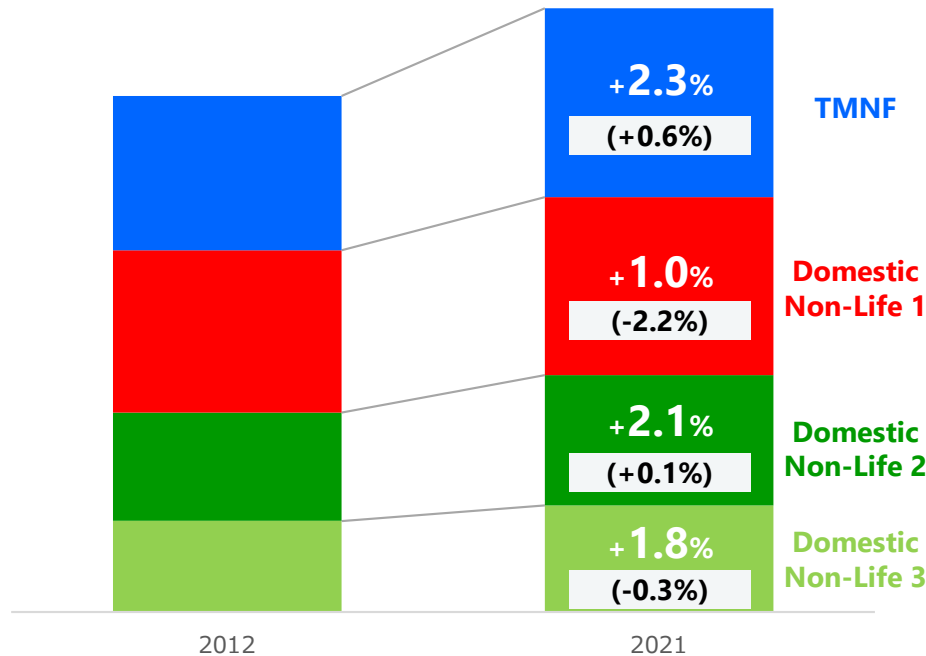
- Realized No. 1 growth and above-market profitability in the domestic non-life insurance market where sustained stable earnings can be generated

Growth exceeding other domestic non-life insurers

Top-line Growth*1

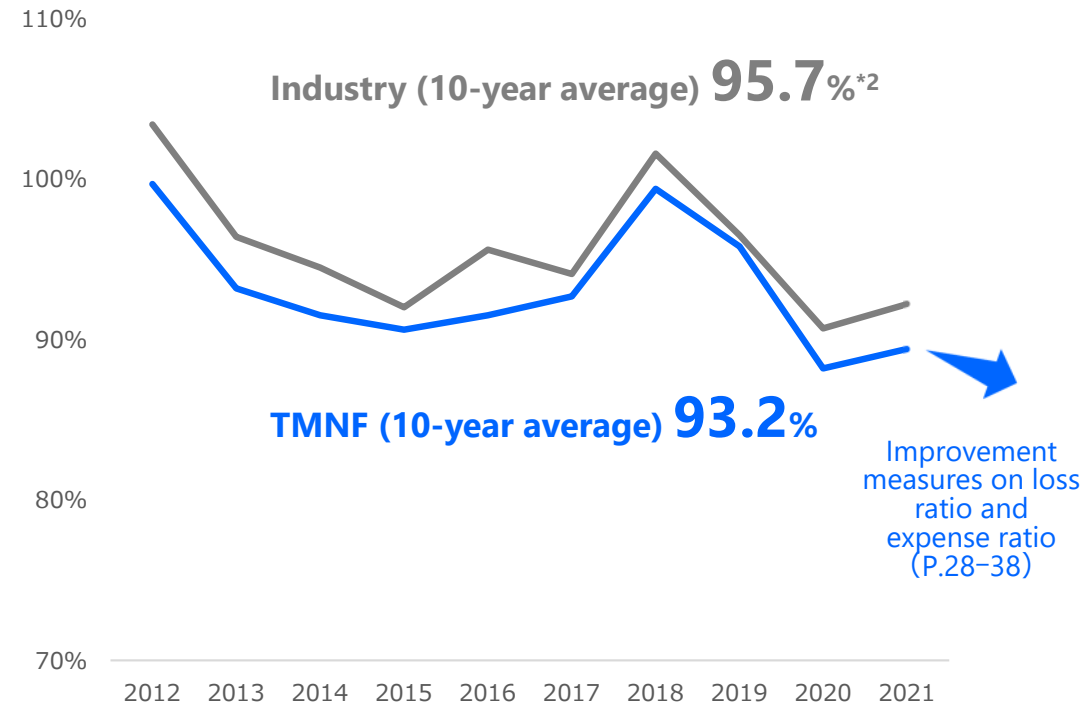
CAGR from 2012

(Market share*2 improvement in brackets)



Profitability exceeding the market

Combined Ratio*3



*1: Net Premiums Written (Source): Each company website

*2: Source: General Insurance Association of Japan website

*3: W/P basis for all lines

Solid Business Model: North America

- Realized high growth exceeding the market by building a high-growth / high-profitability specialty insurance franchise

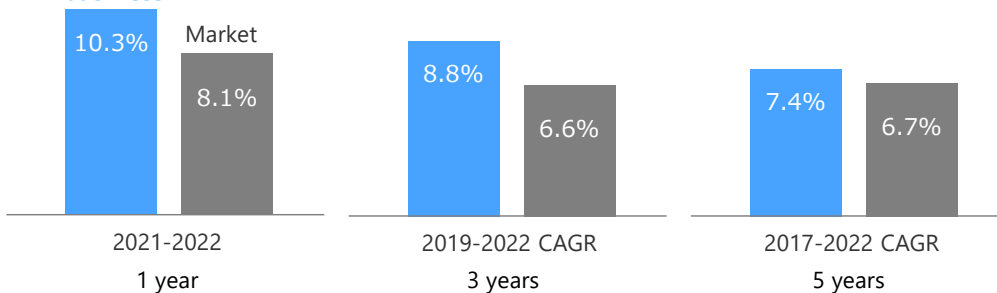
Top specialty insurance players in North America*1



Growth exceeding the market

<Top-line*2>

TM North American business



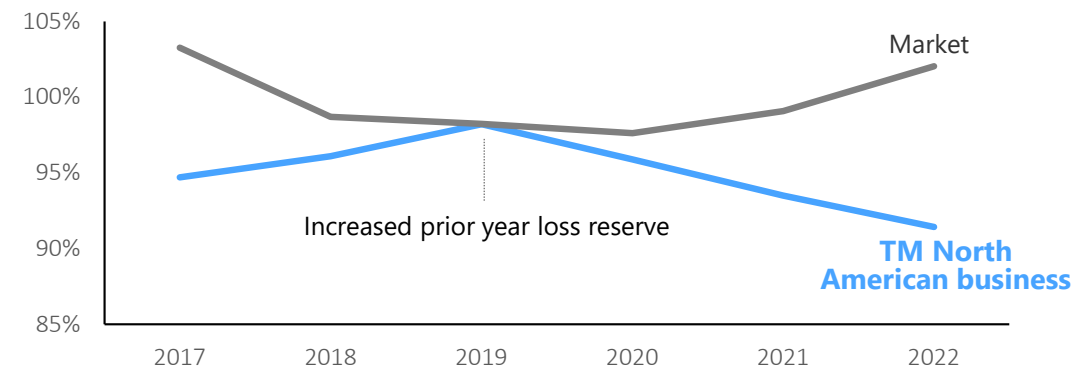
*1: Excess WC, D&O, Surety, Crop (Source): S&P Capital IQ
Medical Stop Loss, (Source): NAIC

Renewable Energy (Source): Estimate by Tokio Marine based on corporate disclosure data

*2: Local financial accounting basis for TMHD; for Market, financial accounting basis of North American non-life insurance companies (Source): S&P Capital IQ

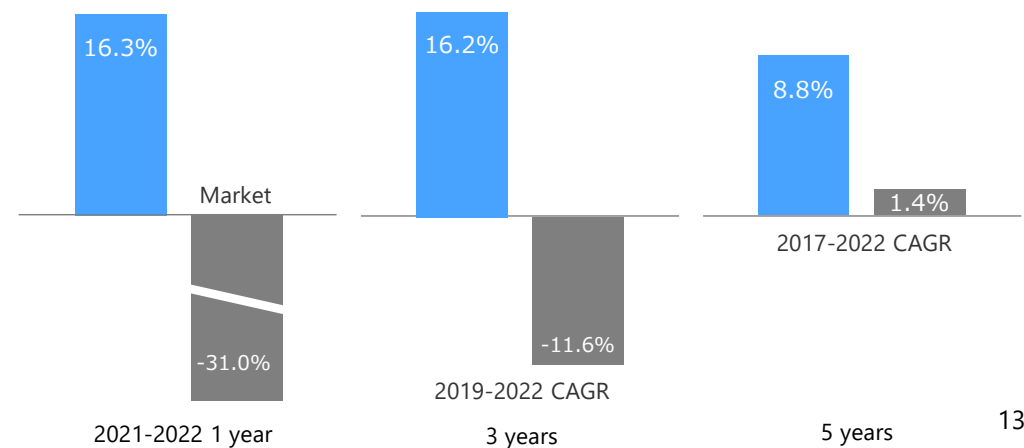
Profitability above the market

<Combined ratio>



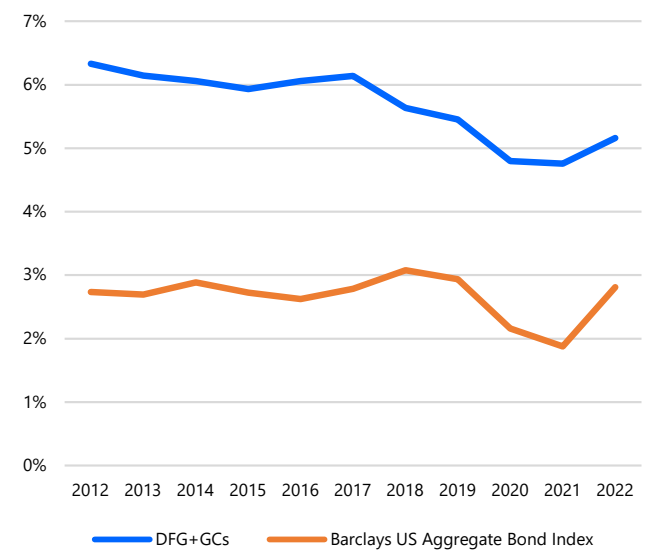
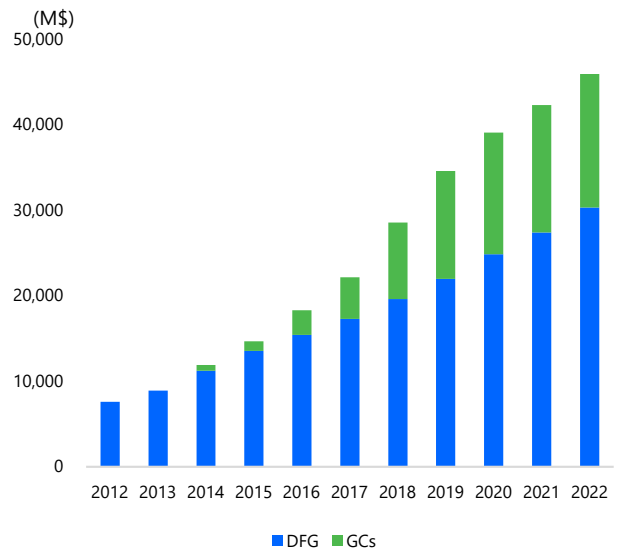
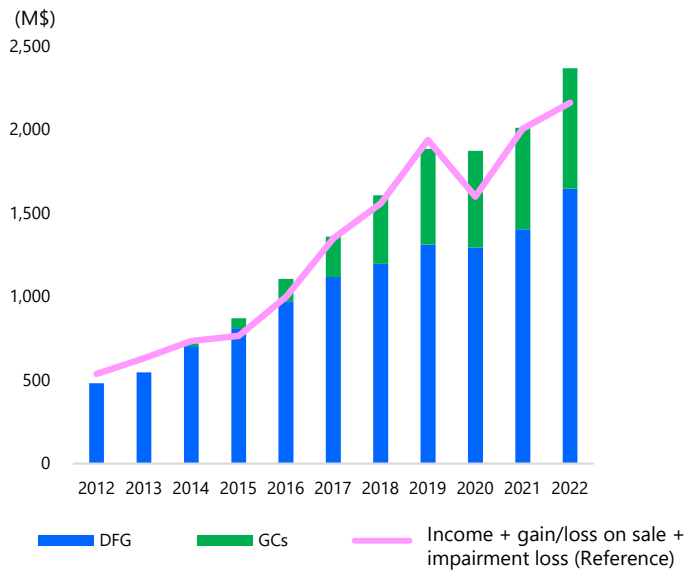
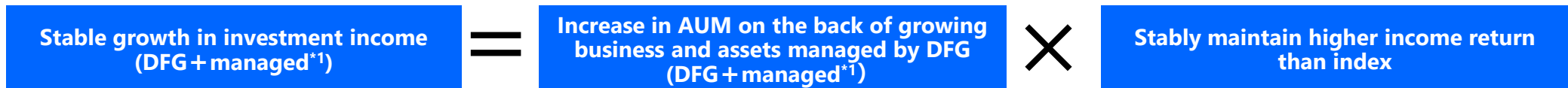
<Bottom-line*2>

TM North American business

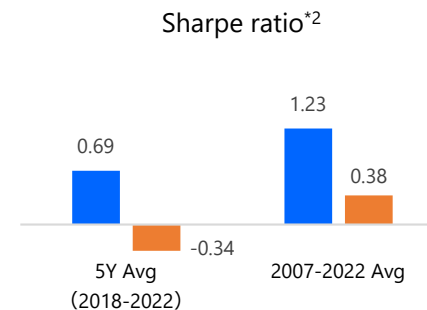
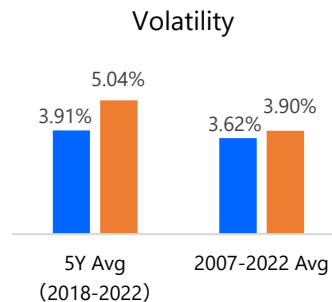
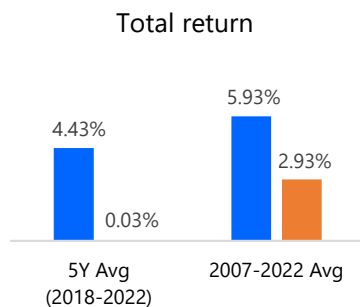


Solid Business Model: DFG Credit Investment

- Business expansion increased the long-term and predictable insurance liabilities, and DFG realized stable investment income with its strength in credit investment



<Track record vs. index> ■ DFG ■ Barclays US Aggregate Bond Index



*1: Assets managed by DFG for key GCs (TMNF, TMNL, NF, PHLV, TMAIC, TMHCC)

*2: Measures excess return per unit of risk. Calculated as "(Total return - Risk-free rate) / Volatility." Risk free rate: LIBOR6M

(Reference) Strength of DFG CRE Loans

● Impact of current financial market volatility on DFG's CRE loans is limited due to its strength

Nature of market concerns

Rise in office vacancy rate

[Background]
Working from home becoming the norm after COVID-19, large scale lay-offs, etc.

Rising U.S. interest rate

[Background]
Monetary tightening by FRB

Stricter criteria for bank loans

[Background]
Fall in liquidity due to outflow of deposits from commercial banks triggered by the collapse of SVB, etc.

Risk of fall in property prices

- Decrease in rent which is the basis for calculating the property price
- Decrease in present value from rising discount rate

Risk of borrower default on interest payment

- Decrease in rental income, which is the source of interest payment
- Increased burden of interest payment from rate hikes

Risk of default on maturity

- Difficulty in refinancing due to
- Fall in property price
 - Stricter criteria for bank loans

DFG's strength against the concerns (measures)

- Selective loan execution based on ability to identify superior properties and sponsors
 - ✓ Review and select the accounts which have **solid business plans** and can expect increase in value after executing loans
 - ✓ **Dedicated and experienced team makes decisions** based on several factors such as the capabilities & financials of the sponsor and the tenant's stability
 - ✓ **99%*1** of the portfolio continues to pay interest as they become due
- Most of the portfolio comprises of **sole lender transactions**
 - ✓ Able to exercise workout (collection activity) on its own judgement
⇒ Steadily promoting collection in actual workouts, including a case of gain on sale of attached property
- DFG's source of investment capital is a **long-term and predictable insurance liability**
 - ✓ **Can hold the position until market recovery**, including with an extension of the maturity

- ✓ **Limited** impact on PL even when applying a stress at the same level as the 2008 financial crisis

In addition to the above strength:

- Stress testing*2 confirmed that the large investment return from CRE loans **could recover its expected impairment amount within six months** (DFG's CRE loans investment historical return data shown on P.82)
- Range of fall in portfolio value at 2008 financial crisis was 37.5%*3 vs average DFG's portfolio LTV*4 of c.60%

*1: Balance as of the end of Mar. 2023 basis

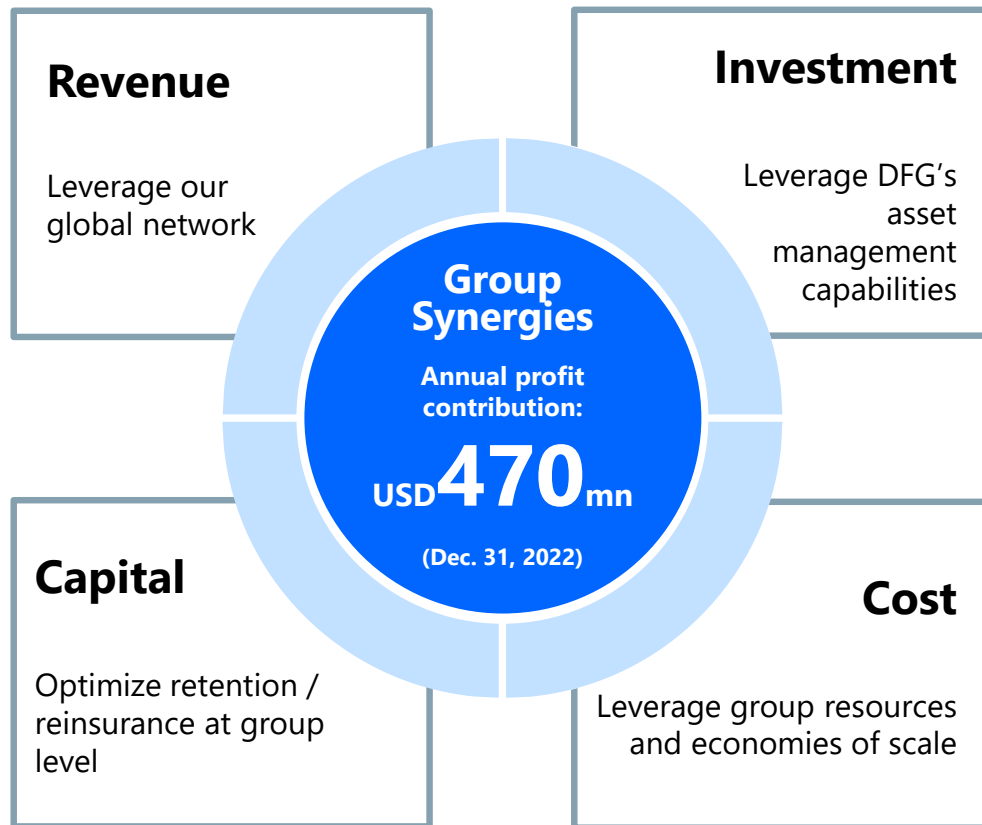
*2: Conservatively calculated using default rate for the portfolio referencing the 2008 financial crisis and predict certain losses

*3: Refer CPPI Index

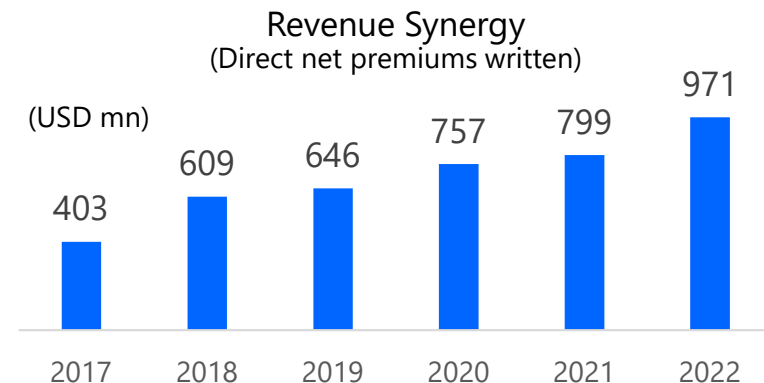
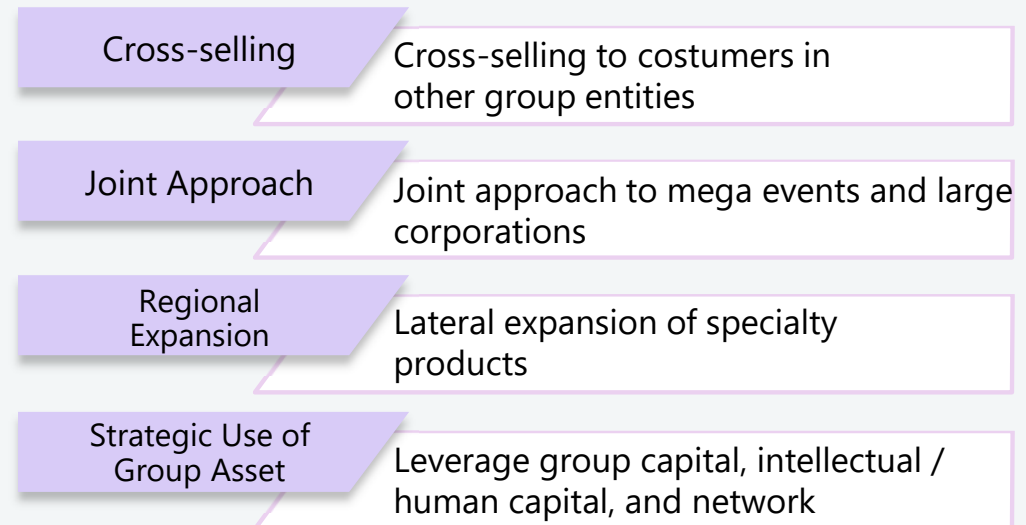
*4: Loan to Value (balance of loan / collateral value)

Expansion of Group Synergies

- Realized Group synergies of USD470mn



(Ref.) Example of Revenue Synergy



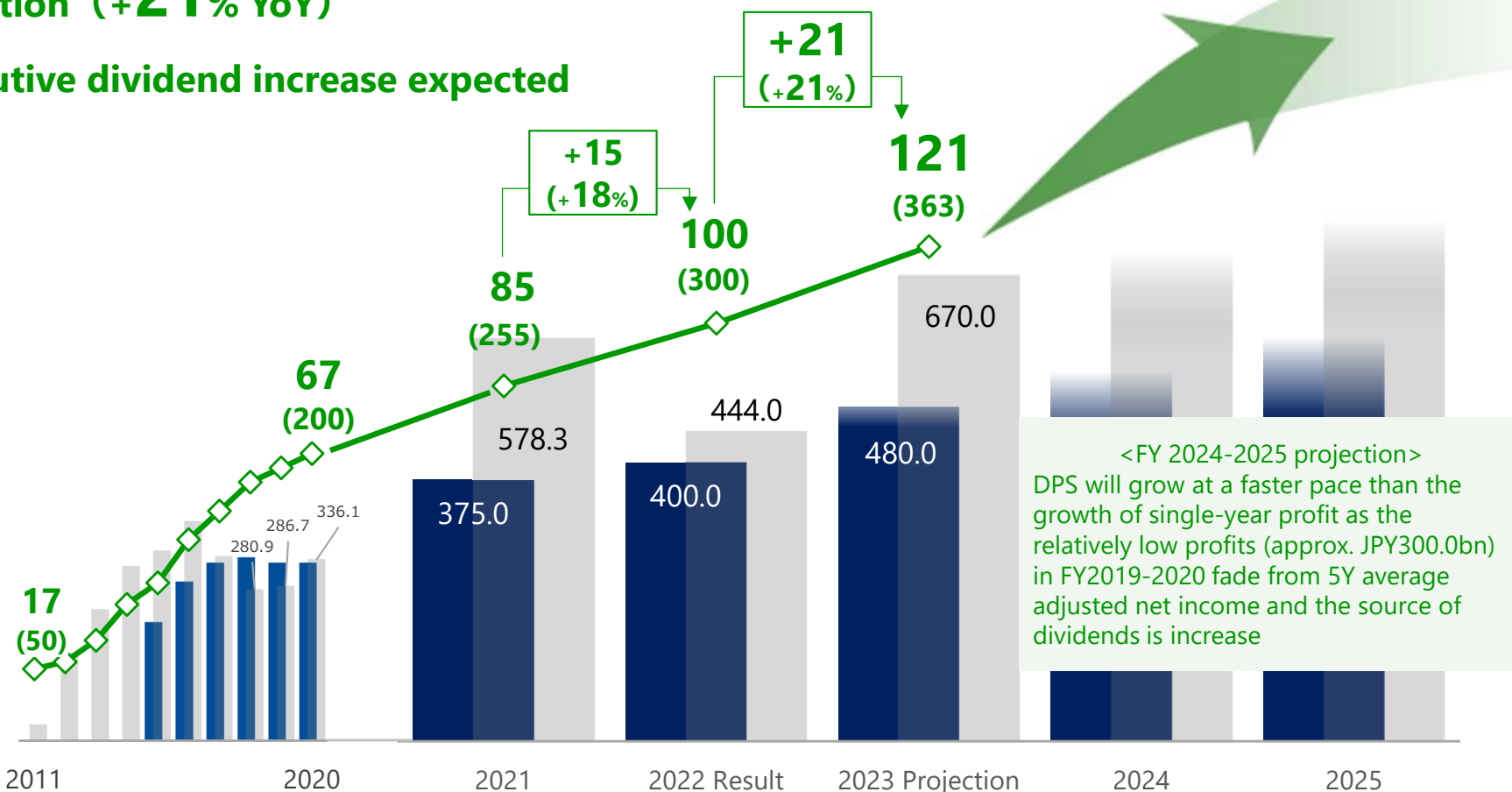
DPS Growth Trajectory with Confidence

- Continue to maintain DPS growth trajectory with confidence in line with EPS growth
- DPS for FY2023 is projected at JPY121 (+21% YoY) by raising dividend payout ratio to 50%*1 (FY2022: 48.5%), and DPS will continuously increase (in principle, no decrease in dividends)

- FY2023 projection (+21% YoY)
- 12th consecutive dividend increase expected

DPS*2,3
(JPY)

5Y average adjusted net income
(billions of JPY)
Gray indicates single year profit



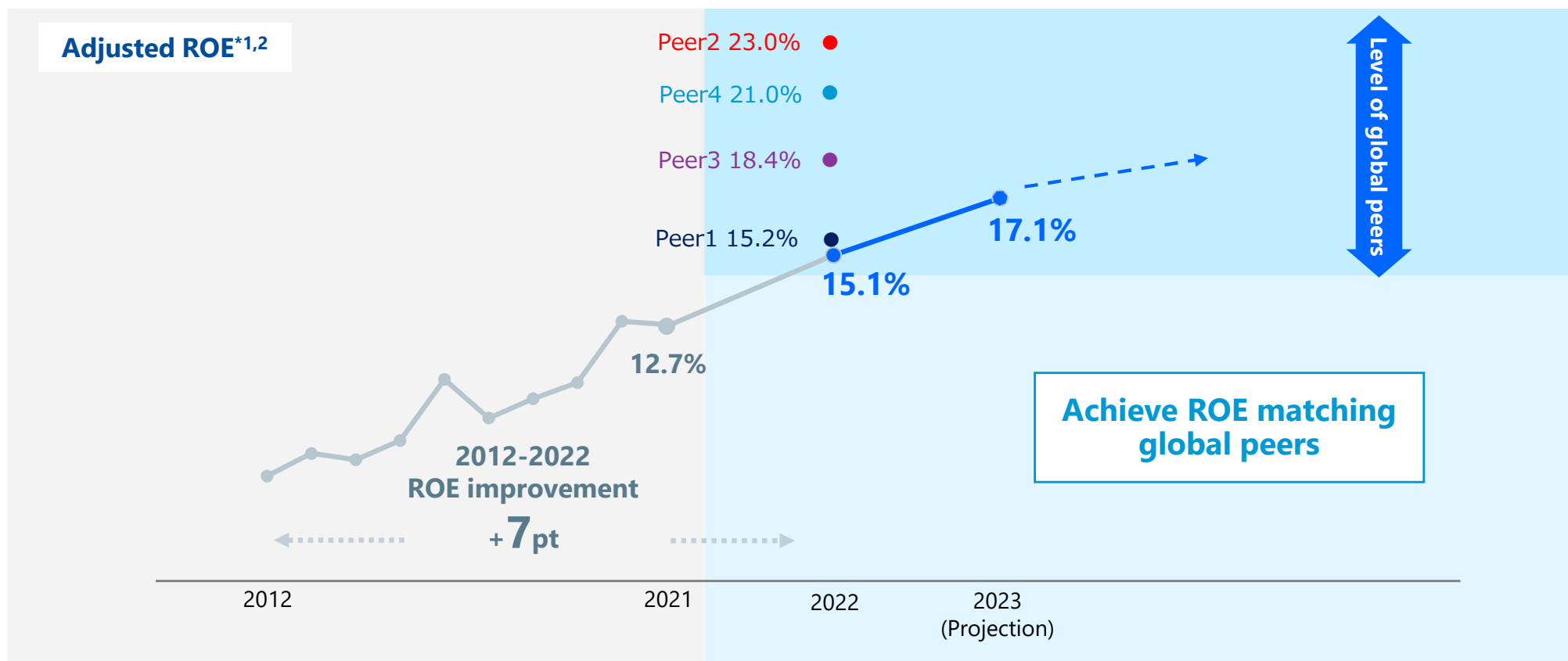
*1: Original projection basis

*2: DPS is calculated by 5Y average adjusted net income * payout ratio / number of shares

*3: Figures in brackets are before stock split (split into three shares) in October 2022

Adjusted ROE

- Current adjusted ROE is 15.1%
- Continue to lift the level to compete with global peers (a moving target)



*1: The numerator for calculating EPS is adjusted to normalized Nat Cats to an average annual level and excluding the impact of COVID-19 for 2020; additionally, capital gains in North America, etc., capital gains from sale of business-related equities (for part of sale exceeding JPY100.0bn), and FX between foreign currencies for 2021; as well as war and South African floods for 2022

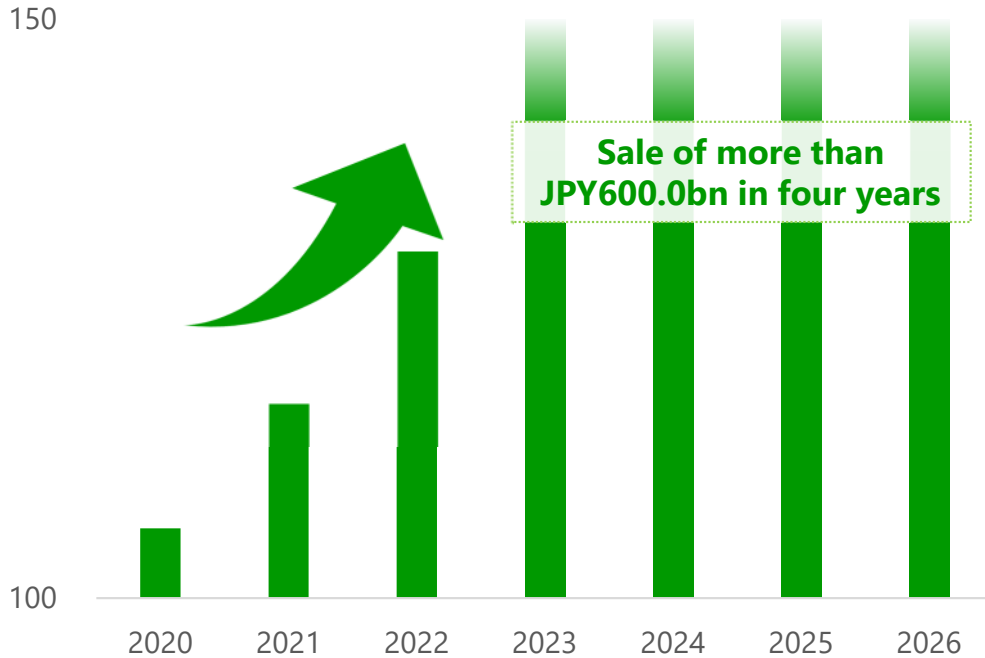
*2: Peers: Allianz, AXA, Chubb, Zurich
For Peers, disclosed ROE as their KPI is adjusted to the tangible basis to align it with TMHD's adjusted ROE (Source): Estimated by TMHD using each company data

Accelerate Reduction of Business-Related Equities

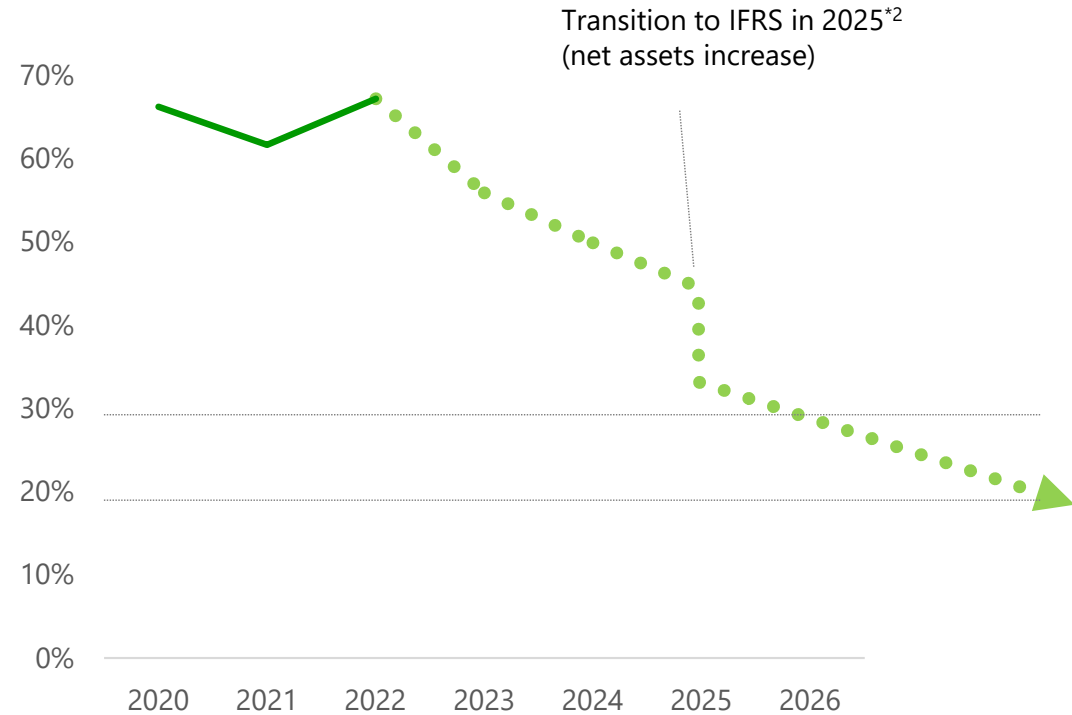
- Decided further acceleration of sale of more than JPY600.0bn by FY2026 (in four years)
- To reach approx. 30% of IFRS-based net assets in FY2026
- “Continue sale”, meaning 20% of net assets is only a passing point

Amount of sale of business-related equities

(billions of JPY)



Holding ratio vs net assets*1



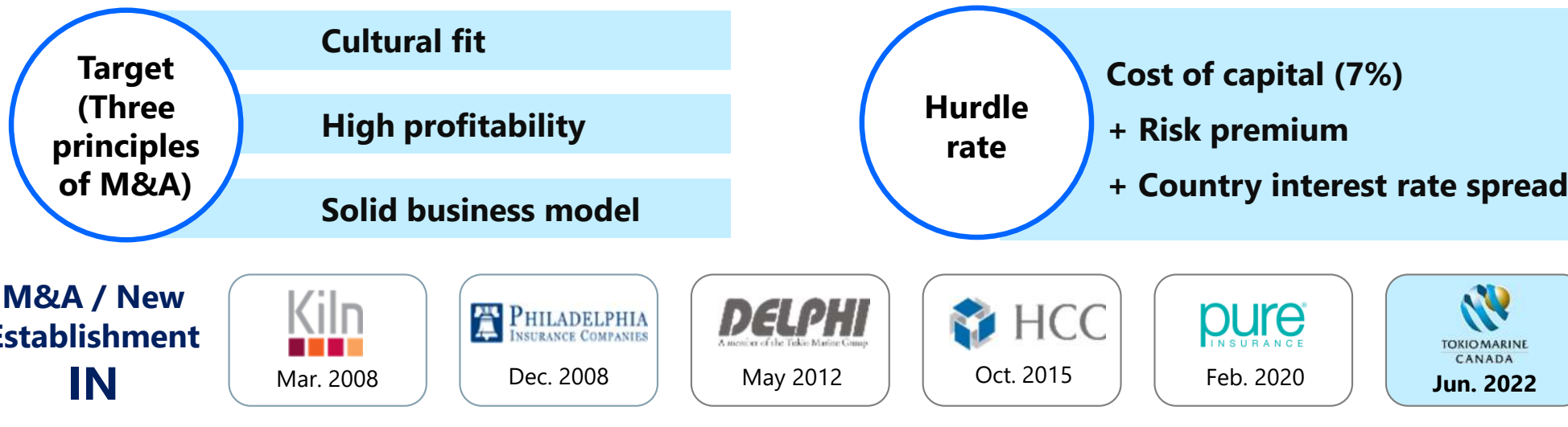
*1: Figures from FY2023 are estimates

*2: Plan to disclose in May 2026

Disciplined In / Out Strategy

- Our M&A track record are built on identification of investment targets and PMI
- Valuations are currently high, and we need to continue being patient with large-scale M&As, but we will capture seize opportunities for bolt-on M&As and implement the “Out” strategy with discipline

Strict acquisition criteria



(Ref.) Forward-looking and disciplined portfolio review

Divestment / Run-off OUT

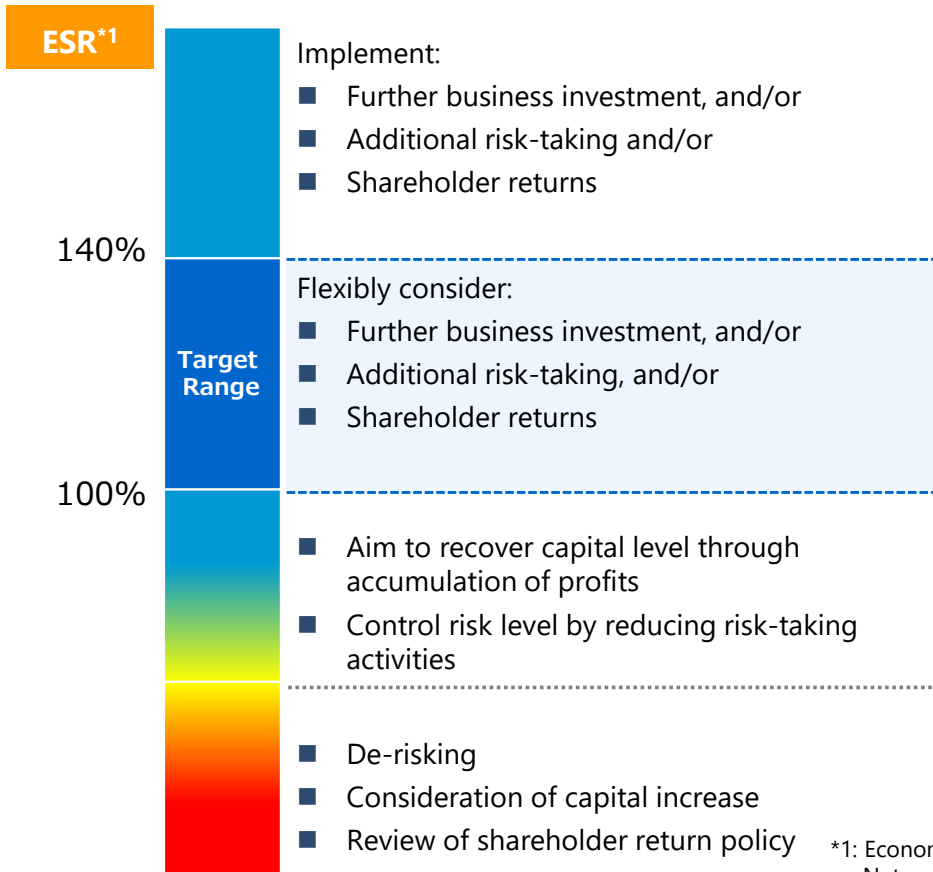


*1: UK non-Japanese business and part of non-Japanese business in continental Europe with low profitability (continue Lloyd's business)
 *2: Agent handling construction insurance in the Tokio Marine Highland (former WNC) group owned by TMK

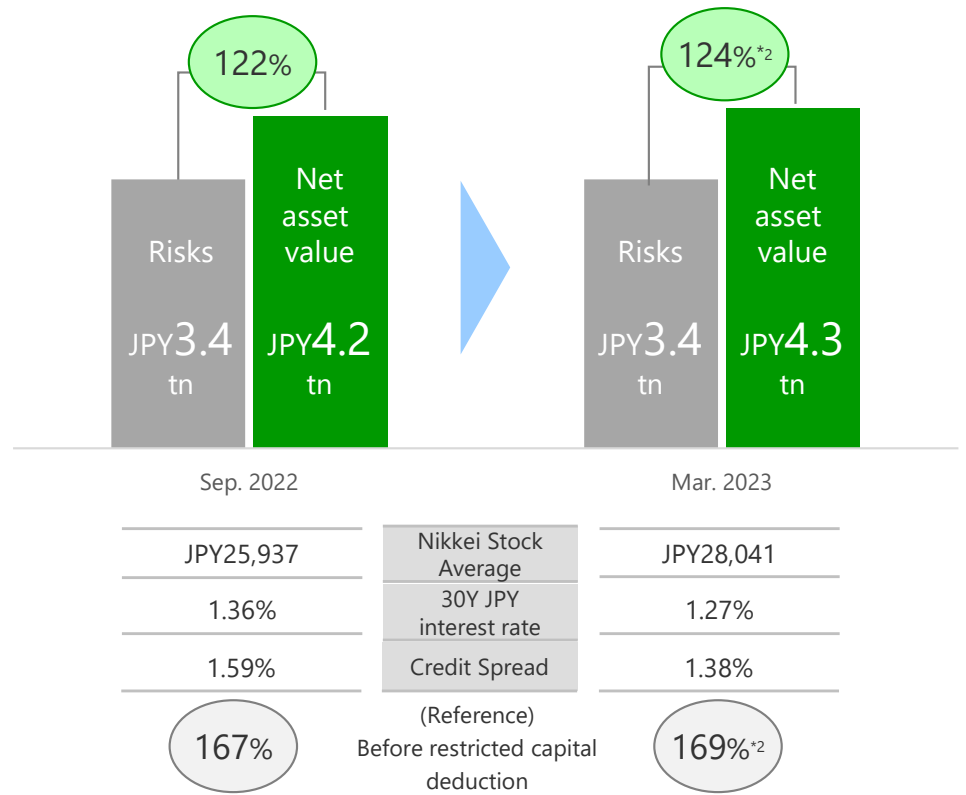
Strong Capital Position and Disciplined Capital Policy (Share Buyback)

- **Current ESR^{*1} is 124%, which is solid and within the target range. With created capital, we will first consider business investments contributing to ROE enhancement. If there are not such investment opportunities, we will conduct share buyback instead of accumulating unnecessary surplus capital**
- **Our current policy for FY2023 share buyback is JPY100.0bn (Execution of JPY50.0bn share buybacks were approved)**

Target Range



ESR^{*1}



*1: Economic Solvency Ratio (Risk is calculated using a model based on 99.95%VaR (AA credit rating equivalent))
 Net asset value of overseas subsidiaries shows the balance as of three months earlier (Jun. 30, 2022, and Dec. 31, 2022)
 See P.89 for sensitivity

*2: ESR after the JPY100.0bn share buyback is 121% (166% before restricted capital deduction)

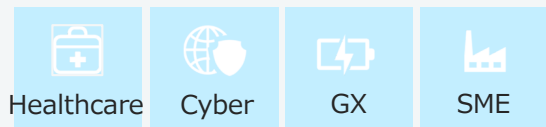
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Pursuit of Deep-Rooted Sustainability Management

- Since our founding, we realized both "sustainable society" and "our company's sustainable growth" through resolution of social issues
- These initiatives are accelerating around the world, and at the center of our business

Japan

Accelerated efforts to resolve social issues in four priority areas (see P.33, 53)



Japan

Contributed to quick rebuilding of lives for victims of large-scale disasters by automating insurance payment process and shortening time for payment



Japan

Started business development that contributes to improving disaster resilience, centered on the disaster prevention consortium CORE (see P.36, 84)



USA

Developed services to support employees on leave and their companies, in addition to providing unemployment insurance



USA

Developed initiatives to support accident prevention and loss reduction by distributing various sensors free of charge



China

Organized medical-related consortium and developing insurance / services for health promotion for residents in smart city



SE Asia

Plan to roll out cargo insurance to countries in Southeast Asia to donate food products that have lost value from damage to outer packaging



South Africa

Promote fire insurance and fire alarm for low-income housing



Global

Expand insurance business that supports spread of renewable energy



See P.91 for initiatives on resolving social issues since our founding

Globally Integrated Group Management





- TMHD is leveraging global talent and knowledge to decide and implement important management actions
- Global Group integrated management is steadily developing in its 8th year, including diverse international top management and appointment / contribution of CxO (including Deputy CxO)

Appropriate application of expertise on global basis





International top management

 Donald Sherman Vice President Executive Officer Co-CIO	 Christopher Williams Vice President Executive Officer Co-CRSO Co-Head of Int'l Business	 Robert O'Leary Managing Executive Officer
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Executive Officer

TMSR  José Adalberto Ferrara	TMHCC  Susan Rivera
TMK  Brad Irick	PHLY  John Glomb

Deputy C-Suite

Deputy CLCO  Randy Rinicella	Deputy CDO  Gus Aivaliotis
Deputy CITO  Robert Pick	Deputy CDIO  Caryn Angelson

Application of expertise

Reserving  Daniel Thomas	Internal Audit  Dawn Miller	Cyber Insurance  Daljitt Barn	Reinsurance  Barry Cook	Auto Pricing  Allen Juang
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Leveraging global talent and knowledge to decide and implement important actions

Key Management Matters	Key Global Committees
ERM	• ERM Committee
M&A	• International Executive Committee
Underwriting	• Global Retention Strategy Committee
Reserving	• International P&C Reserving Actuary Committee
Investment	• Investment Executive Roundtable
Risk Management	• International Risk Committee
IT Security Digitalization	• Global IT Committee • Digital Round Table
Sustainability	• Sustainability Committee • GX Round Table
Diversity	• Diversity Council
Internal Audit	• International Internal Audit Committee

Next-Generation Management Resource Development and Succession

- **Actively promote next-generation management resource development, which will be necessary for sustainable Integrated Group Management, using the Tokio Marine Group Leadership Institute (TLI) created in April 2023**

Next-generation management resource development

TLI (Tokio Marine Group Leadership Institute)

- Newly established as a framework for stable and continuous development of executive leadership that can promote integrated Group management (April 2023)
- Offer a systematic development program across the global Group as the gateway to becoming a Group leader

<Features of TLI>



- Operation linked with the global talent management data
- "Targeted development" by leveraging the qualitative and quantitative data



- A structure linked with global recruitment of younger generation/mid-career employees
- Commitment by current global management to the development of next-generation leaders
- Succession of our purpose and values



- Gather and utilize global wisdom on leadership development
- Enhance collaboration with overseas Group entities and HR divisions
- Offer global experience to deal with difficulties in and out of the Group

Group-wide global talent management and succession

Systematically discuss succession for key Group positions

- Clarify the selection criteria and definition of roles for each position (currently 17 positions)
- Group-wide talent management with participation by key officers, including the C-suite executives, has been held 3-4 times per year since September 2019
- Increase the number of candidates for Group management and discuss the career development plan for each candidate (c.70 candidates across the Group as of FY2022)

Steady succession at acquired companies

Sep. 2018

Christopher Williams

➔

Susan Rivera

Leading the whole Group as Vice President Executive Officer of Tokio Marine HD (and Co-Head of International Business)

Jan. 2021

Robert O'Leary

➔

John Glomb

Incumbent CEO of TMNA, Chairman of PHLI, and Managing Executive Officer of Tokio Marine HD

Our Management's "Ability to be Responsive"

- Our management has a track record of overcoming various challenges, and possesses the experience and ability to respond to future change in environment

Case 1: TMSR



Challenges (2006-2010)

Competitive superiority and profitability was significantly inferior to other companies amid intensifying rate competition

Responsive execution

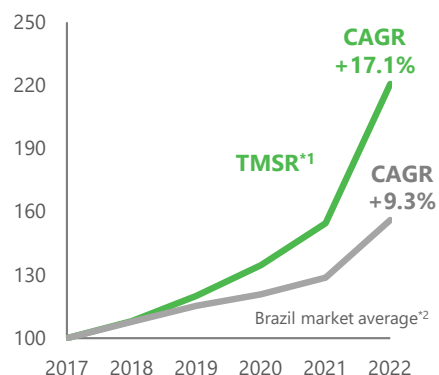
Pursued differentiation of products and services through continuous improvement of IT use and business processes

Results

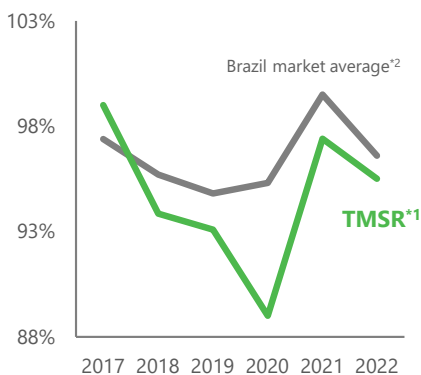
Growing significantly while maintaining CR that is superior to the market. Bottom-line has expanded to JPY10.0bn

<Top-line>

Growth rate of gross premium with 2017 set as 100



<Combined Ratio>



Case 2: TMK



Challenges (2017-2018)

Profitability deteriorated with market softening and increased natural catastrophes in the U.S.

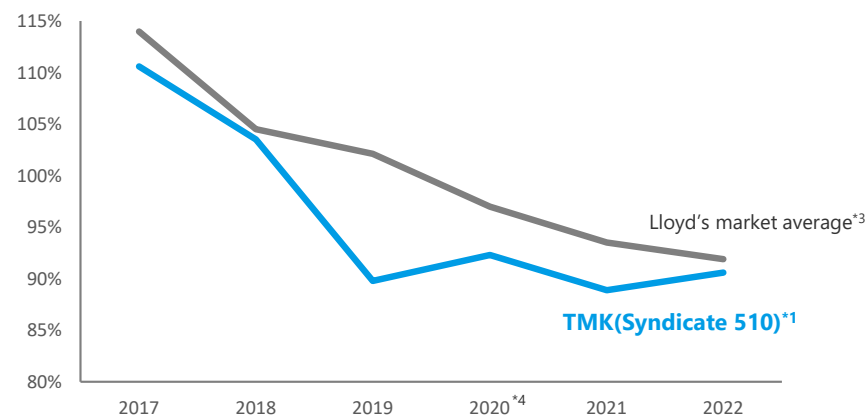
Responsive execution

Quickly implemented exit from non-Japanese business, reviewed business lines and tightened UW discipline

Results

Quickly returned to profitability ahead of the market recovery

<Combined Ratio>



Enhance ERM at small to mid-size entities and minority investments

- **Balance growth and risk management at a high level by enhancing support by TMHD, including for small to mid-size entities and minority investments to strengthen enterprise risk management (ERM) on global-basis**

Group-based initiatives

- Established the Chief Audit Officer position as a new C-Suite position (April 2023)
- Appointed business executive with governance responsibility for overseas business (April 2023)
- Carried out to send top management messages relative to cultivating Group-wide risk culture, enhancing risk sensitivity, strengthening training, and so on

Enhancement of individual entities

- Enhance entities with effective measures corresponding to their maturity and independence

(Example) Taiwan

- ✓ Became the majority shareholder
- ✓ Appointed Chair of the Board and CRO from TMHD
- ✓ Newly appointed President from outside the company (from June 2023)

(Example) Minority investments

- ✓ Confirmed concerns that could lead to capital events (mainly management for underwriting risk aggregation, and new product approval process, etc.) and prepared such action plans

Key Messages (Domestic Non-Life Strategy)

Stable growth of insurance business

- ◆ General view on the growth of the overall Japanese market is severe due to the decreasing population, etc., but we do not fit the mold
- ◆ Japanese non-life insurance market has long-term stable profitability, and we have reliable growth potential notably from profitability improvement in Fire insurance and growth of Specialty insurance (TMHD: OG>5%)
- ◆ We have been leading other Japanese P&C insurers in the sale of business-related equities, and we will also lead the market in underwriting by clarifying our focus on the bottom-line and implement high-quality business operations to drive our further growth

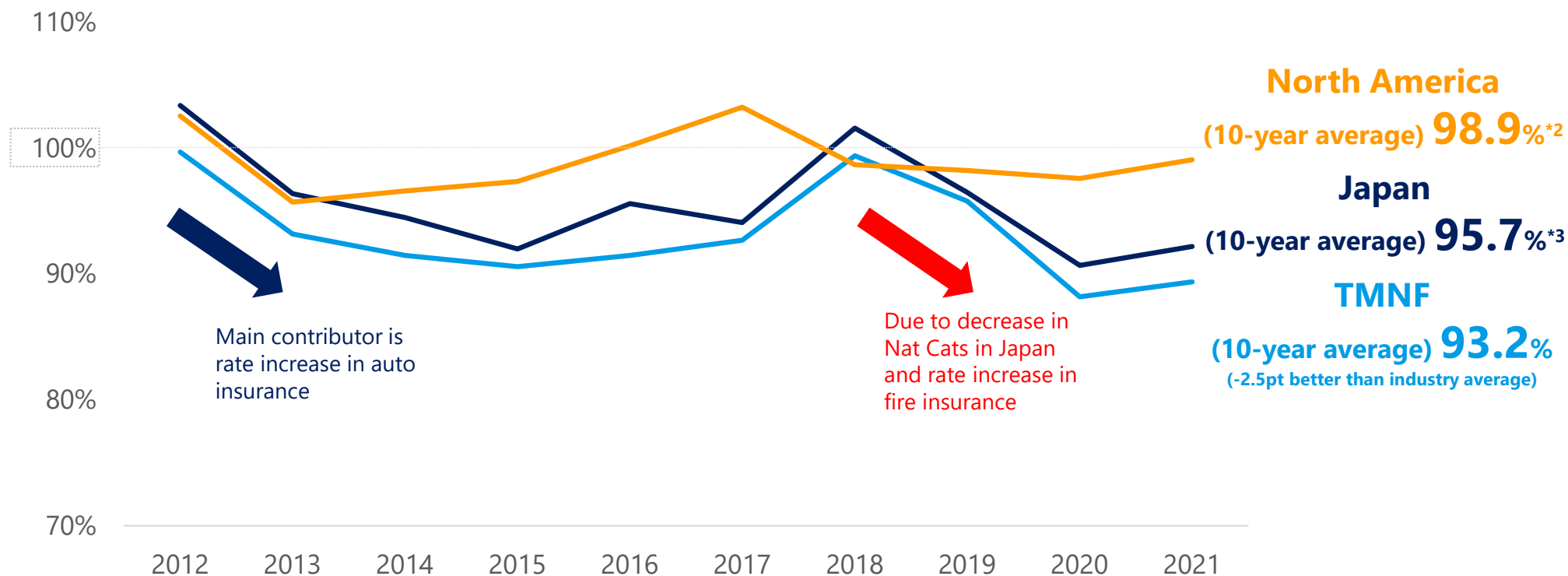
Transformation of the business model

- ◆ In addition to the above, we are also aiming to transform our business model by entering Pre-and Post-incident areas
- ◆ Disaster prevention and reduction area offers a broad horizon, and we have been making careful preparation with the launch of the CORE consortium in 2021. Actual business operation is about to start centering on the general disaster prevention consulting business which has estimated market size of JPY1.2 trillion*. It is a capital-light business, and expansion will directly lead to profit growth and enhanced ROE
- ◆ Tokio dR supports creating such new business models in terms of expertise and human resources. We will utilize the sophisticated Group digital capability centralized in Tokio dR and, by combining it with the knowledge and technology of external partners, generate new added values and businesses unique to Japan

Stable Profitability

- There is long-term stable profitability in Japanese non-life insurance market
- Continue to achieve stable C/R by quickly / proactively implementing rate increases and product revision against profit deterioration

Combined Ratio (C/R)*1



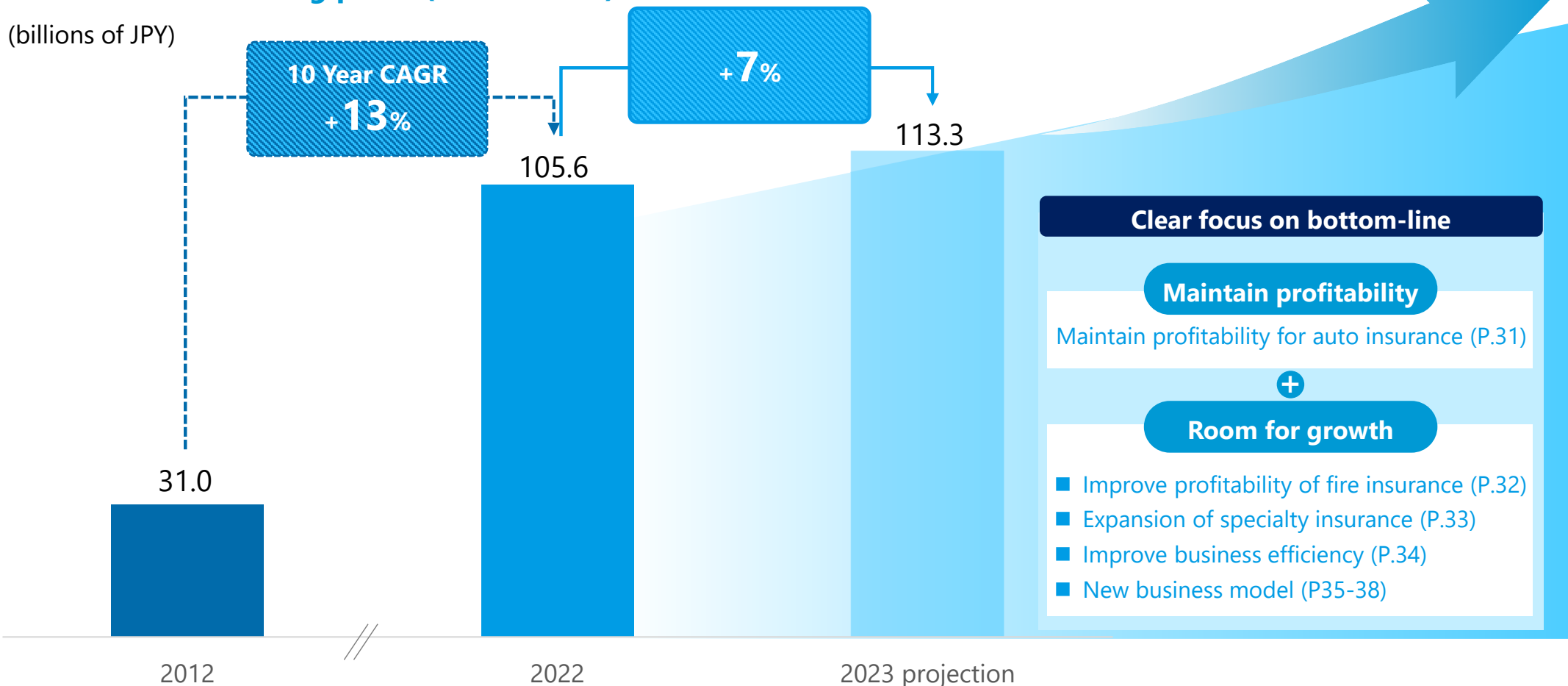
*1: W/P basis for all lines
 *2: Source: S&P Capital IQ.
 *3: Source: General Insurance Association of Japan website

Steady Underwriting Profit Growth

- **10-Year CAGR of underwriting profit is +13%**
- **Plan to achieve +7% growth in FY2023 with further focusing on bottom-line by growth measures, and carrying out thorough higher business quality**

TMNF Underwriting profit (Normalized*)

(billions of JPY)



Steady Growth: Maintain Profitability for Auto Insurance

- The rises in loss cost from inflation and revenge drive will be dealt with by continuous efforts to improve loss prevention and operational efficiency as well as the product revision and rate-up in Jan. 2024 (plan)
- The gradual decreases in vehicles in the market will also be dealt with through policy volume outperforming the market and coverage expansion

Auto profitability

TMNF Auto C/R (Normalized*1)

Expecting further natural decline; respond with rates and products revision in January 2024 (plan), etc.

(2) Natural C/R

94.8%

(1) Original C/R projection

C/R deteriorated slightly from the MTP projection due to increase in loss cost

91.1%

91.6%

90.5%

2020 2021 2022 2023 projection 2026 outlook

Future initiatives

Policy volume measures: Establish early contacts and strengthen digital contact points with customers

Number of auto policies

Indexed to FY2012 as 100.

TMNF: 109

Number of owned vehicles in Japan:

103*2

Expected to decrease by 0.4% CAGR*3

2012 2015 2018 2021

Unit price measures: Expand coverage with new DAP*4 and mechanical breakdown rider

Auto insurance unit price

Indexed to FY2012 as 100.

TMNF: 111

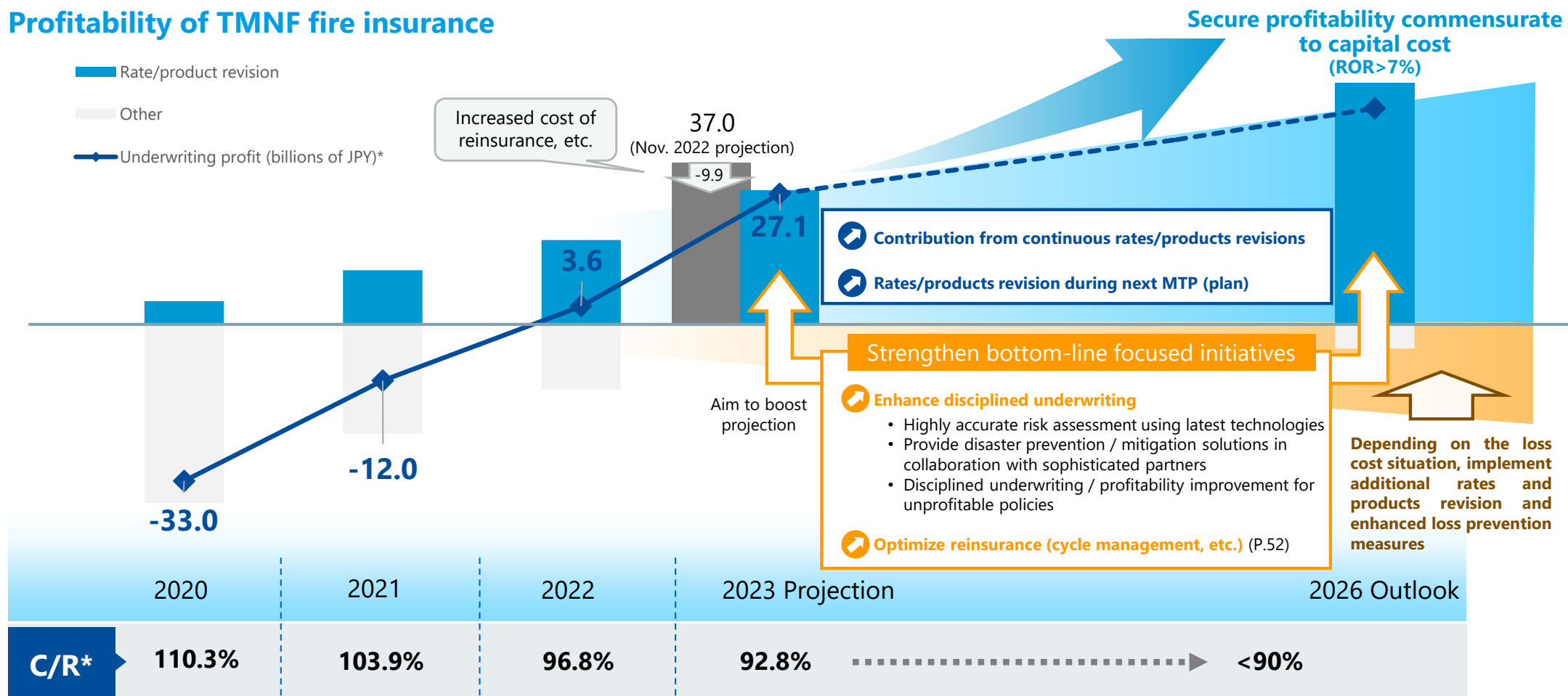
2012 2015 2018 2021

*1: The impact of Nat Cats is assumed to be the average annual level and the impact of COVID-19 is deducted *2: Source: Automobile Inspection & Registration Information Association *3: Source: Automobile Dealers Vision 2021 *4: Drive Agent Personal (DAP). A product offering accident prevention and response services utilizing an original dash cam with a communication function

Steady Growth: Profit Improvement for Fire Insurance

- Drive profit growth for domestic non-life by continued contribution of rate / product revision since FY2019, rate / product revision during the next MTP period (plan), strengthening disciplined underwriting, and optimization of reinsurance
- However, maintain attention to Nat Cats, inflation, and reinsurance cost. Depending on the situation, steadily implement second and third measures, including additional rate / product revision and enhanced loss prevention measures

Profitability of TMNF fire insurance

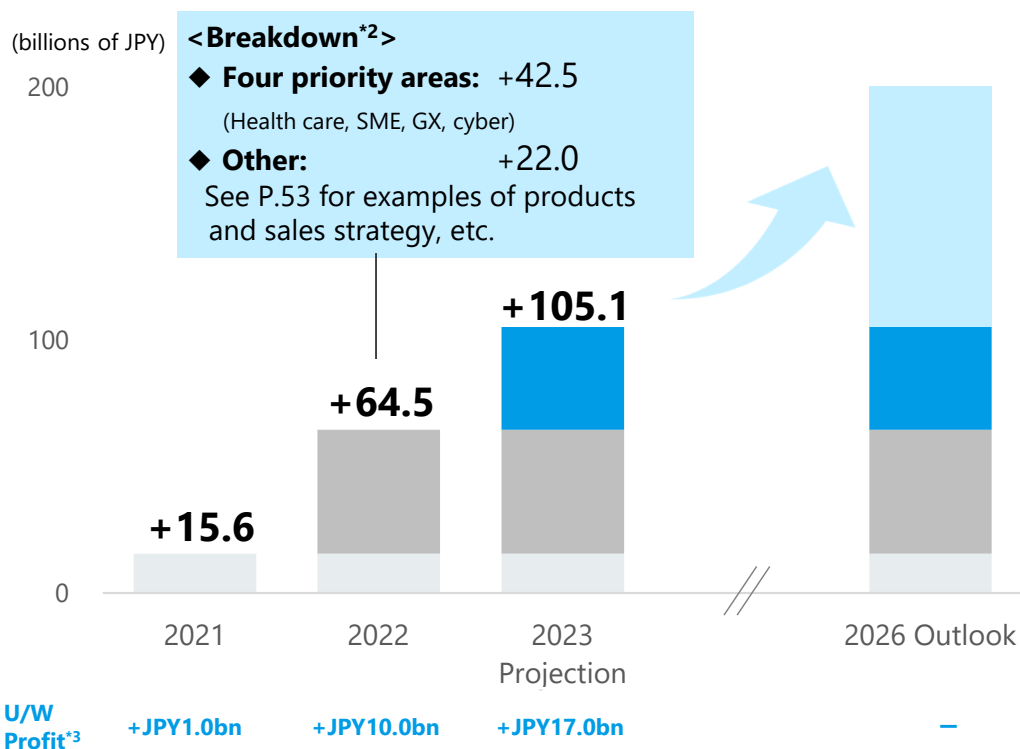


Steady Growth: Growth of Specialty Insurance

- The target of +JPY100.0bn premium increases (+JPY17.0bn profit increase) in specialty insurance under the current MTP can be achieved
- Firmly capture the market ever-growing from increasingly diverse and complex social issues

Specialty insurance premium growth plan

TMNF specialty insurance premium increase*1 (vs 2020)

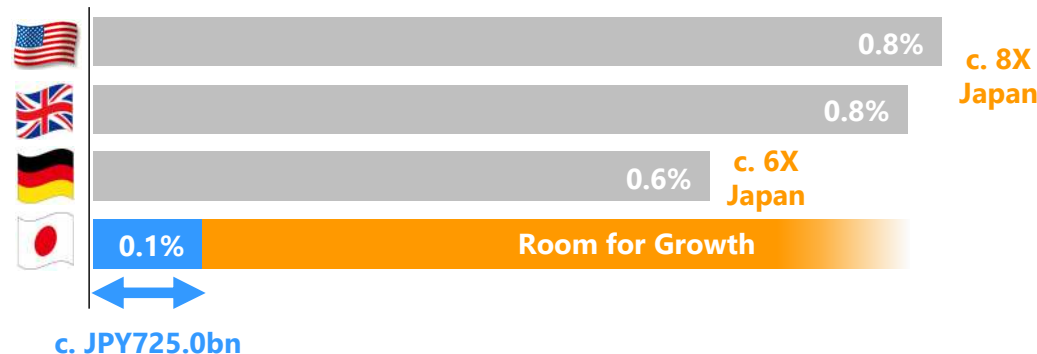


Room for growth

Room for growth in four priority areas

Priority Area	Market Size	Penetration Rate
Health Care	JPY1.7tn*4	75%*4
SME	JPY400.0bn*5	20-30%*5
GX	JPY200.0bn*6	—
Cyber	JPY180.0bn*7	Less than 10%*8

Potential growth compared to the U.S. and Europe (GDP)*9



*1: Including P.A. *2: Managerial accounting basis *3: After Tax, estimation
 *4: Market for group medical insurance / cancer insurance / GLTD. (Source): Japan Institute of Life Insurance, Rosei Jihou
 *5: Japanese market size (Source): TMHD estimate *6: Global offshore wind insurance market as of 2030 (Source): TMHD estimate *7: Japanese market size (Source): Research company
 *8: Source: "Cyber Risk Awareness and Countermeasure Survey 2020, General Insurance Association of Japan
 *9: Direct premiums written for liability insurance / GDP (FY2020) (Source): Prepared based on "OECD Insurance Statistics 2021"

Steady Growth: Lean Structure and Resource Reallocation

- Continuing initiatives to reduce internal administration by 20-30% by FY2026
- In addition to direct reduction of administration cost, reallocate the workforce to increase strategic implementation on C/R improvement and creation of new profit opportunities

Invest in digitalization to improve business efficiency

Investment c. JPY40.0bn (aggregated total for FY2021 ~ FY2023)

Expected Impact -15% reduction of internal administration*1 (end of FY2023)
= -JPY20-25bn p.a. equivalent

Progress **Reduction of internal administration** (vs end of FY2019)

end of 2019: -9%
end of 2022: -15%
end of 2023: -15%
end of 2026: -20-30%

	FY2023 (Projection)	FY2026 (Outlook)
1. Reduction of internal administration cost	Prioritize resource investment for increasing strategy execution c. -JPY3.0bn*2	Reduction of internal administration cost (FY2026) c. -JPY13.0bn*2
2. Increase strategy execution	(1) Top-line expansion Specialty insurance growth (See P.33) +JPY100.0bn or more premium growth Profit contribution: c. +JPY17.0bn*3	Across Lines Specialty insurance growth + additional 1% to base growth Profit contribution: over+JPY30.0bn *3
	(2) L/R improvement Profitability improvement in Fire (See P.32) Loss prevention, rate / product revision, etc. Profit contribution: +JPY27.1bn*3,4	Profitability improvement in Fire Securing profitability commensurate to capital cost in view Profit contribution: +c. JPY40.0bn*3,4 + Rate/product revision during next MTP
	(3) Create new profit opportunity Expand to disaster prevention / loss mitigation business (See P.36)	Business alliance with Kokumin Kyosai Co-op (see P.38) Profit contribution: C. +JPY6.0bn*5
E/R (private insurance)	32.6%	31% range
C/R (private insurance)	92.5%	Maintain stable low C/R (92-93%)

*1: Reduction % is virtually calculated comparing actual result as of 2019 *2: vs2020, After Tax, estimation

*3: Total business unit profit contribution including reduction of internal administration (vs 2020, after tax, estimates)

*4: Normalized basis with natural catastrophes adjusted to the average annual level and excl. COVID-19 impact *5: Bottom line impact by collecting labor and IT related costs

New Business Model: Expansion to Pre- and Post-incident Areas

- With the increase in social issues that require solution, room for growth for us also expands
- Enhancing value proposition by leveraging our proprietary risk data, expertise in data analysis, as well as third-party knowledge

● Accelerate initiatives for commercialization in presymptomatic and preventive area (established preparatory company in April 2023)

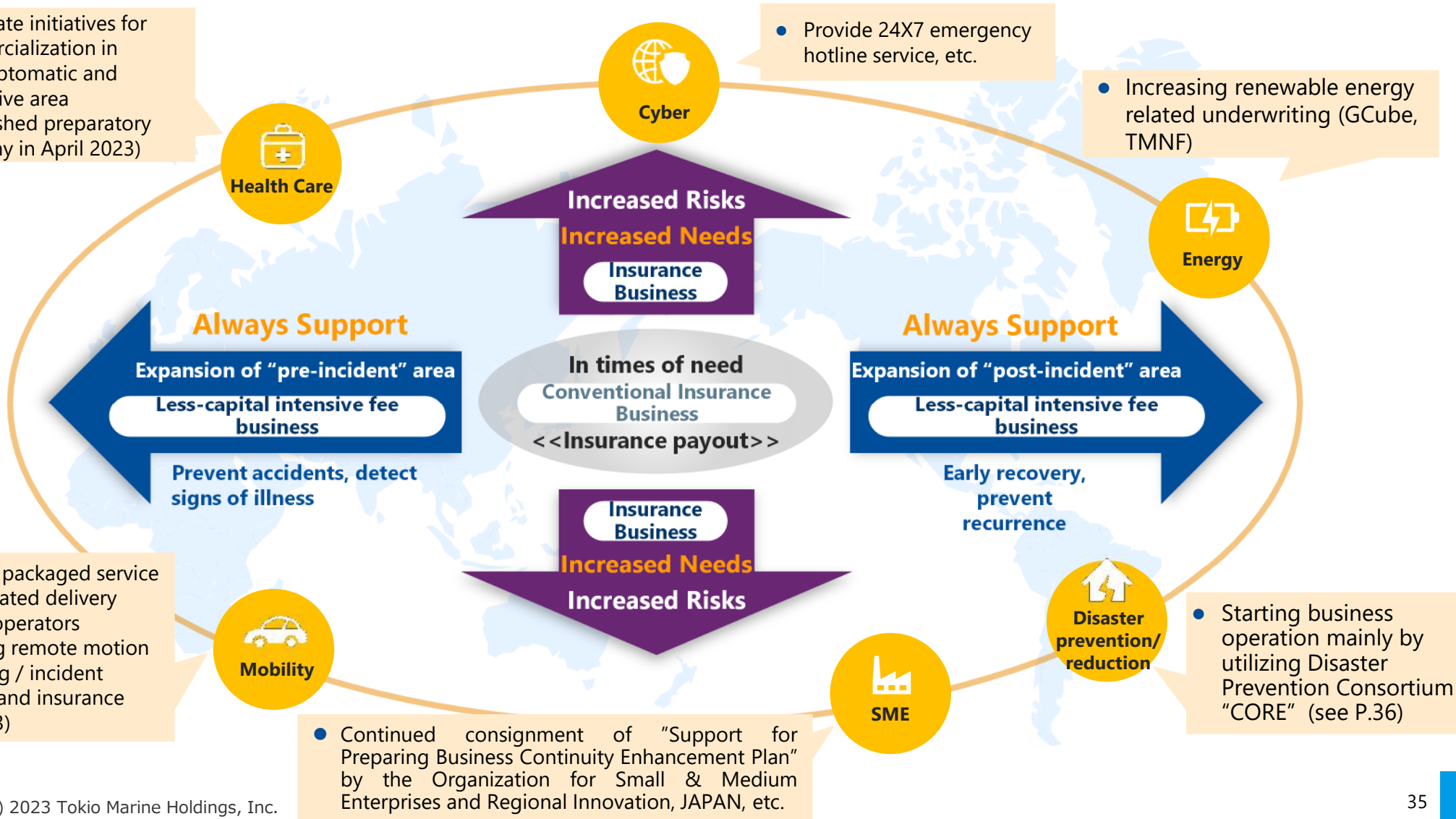
● Provide 24X7 emergency hotline service, etc.

● Increasing renewable energy related underwriting (GCube, TMNF)

● Launched packaged service for automated delivery business operators combining remote motion monitoring / incident response and insurance (May 2023)

● Continued consignment of "Support for Preparing Business Continuity Enhancement Plan" by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, etc.

● Starting business operation mainly by utilizing Disaster Prevention Consortium "CORE" (see P.36)



New Business Model: Expansion to Pre- and Post- Area with Risk Solution Business

- By providing pre-/post- incident risk solutions together with insurance, realize safety / security in addition to economic compensation. The disaster prevention and reduction areas have a broad horizon, with an estimated market size of c. JPY1.2tn for the general solution business in the areas
- Preparation was made since the launch of the CORE in 2021, and actual business operation is about to start

Disaster prevention / reduction area value chain and estimated market size

Visualization of measurement and risks

Market Size*1
JPY250.0bn

Continuous measurement of geology, water quality, ground displacement, etc., using sensors and satellites, etc.



Disaster

Prevention / Reduction
"Value Chain"

Utilize CORE (consortium for disaster prevention) and develop a "Disaster Prevention / Reduction General Solution Business"

General Disaster Prevention

Market size*1 **JPY1.0tn**

- Disaster risk assessment for infrastructure, etc.
- Disaster prevention consulting (incl. BCP)

*1: Market size in 2030 of businesses where synergy is expected with insurance; based on research by a research company

Examples of actual solutions

Case 1: Real Time Hazard (planned from August 2023)

Projecting JPY1mn or more per project p.a.*2



AI analysis of the depth of flooding



Alert (flooding map)

- Capture flood depth with AI analysis of CCTV image and send alert information
- Enable effective evacuation instruction at times of flooding

*2: Vary by the number of cameras installed, includes initial and operating costs

Case 2: Disaster Loss Simulation (planned from Oct. 2023)

Projecting JPY1mn or more per project p.a.*3

- Simulate total building damage from flooding for target area
- Support scrutiny on necessity / urgency, such as for infrastructure reinforcement plan by municipalities

*3: Vary by target area

Scheduled for launch in FY2023

- Resilience data / information service
- Sale of risk data utilizing Disaster Prevention / Reduction Data Platform, etc.

New Business Model: Expansion of Insurance Business with Data Strategy

- Progress in development of “data-driven” products leveraging the digital capability of the core data company Tokio dR (“TdR”)
- Continue creation of innovative added value and solutions such as development of new products / services for resolving social issues by promoting expansion of data and business models

Strength of TdR

Intellectual capital

Huge amount of data /
Capability of data analysis
and solution development

Data of accidents, disaster,
risk consulting etc.

Data analysis / processing
environment such as Databricks,
Snowflake, etc.

Human capital

Team of experts
with extensive and cutting-
edge capabilities

258 ⇒ 339 staffs*

- Risk consultants with expertise in engineering, physics, environment, social science etc.
- Data scientists / System architects
- Experts of insurance product development etc.



Expansion of Capabilities

Data expansion

Disaster Prevention / Reduction Data Platform

- Building a data platform integrating data held by TMHD and CORE members to provide analysis and sale of data

Business model expansion

Collaboration with boltech etc.

- Building a fully digitalized insurance offering procedure



Examples of actual solutions

Case 1: Underwriting using sophisticated data analysis

“Risk mitigation service insurance”

Provide integrated solution with data analysis of customer’s facility repair to support optimal insurance program and reduction of repair costs

“FIPI

(Financial Institutions Professional Indemnity liability insurance)”

Realize cover for wide range of operational risks for financial institutions with analysis of loss data and development of unique evaluation model

Case 2: Data solution (Insurance products & Fee business)

“Wind damage risk diagnosis”

Supplementary service for fire insurance using aerial image and TMHD’s accident data for diagnosis of wind damage risk from typhoons, etc.

Risk visualization service

- Natural disaster risk analysis for solar power generation facility
- Cyber risk scoring, etc.

Case 3: Develop embedded insurance

Provide TMHD insurance embedded in partner’s products / services:
See P.85 for details

New Business Model: Business Expansion Leveraging Claim Service Capability

- Started a business alliance with Kokumin Kyosai co-op in claims service area. Develop business utilizing loss servicing know-how acquired through insurance business
- Refine capability to achieve greater results in wide range of businesses leveraging loss servicing strength

Businesses leveraging claim service capability

Case 1. Kokumin Kyosai co-op Fee Business



- Develop and offer mutual aid proceeds payment system
- Consignment of part of auto mutual aid loss adjustment business, etc.

Expected impact

- ◆ Bottom line impact equivalent **+JPY6.0bn p.a.*** from FY2025
- ◆ Further improve business efficiency, etc.

Expected impact

- ◆ Fundamental reform of loss adjustment operation, reduce operation cost
- ◆ Improve convenience of members and policyholders, etc.

Case 2. Satellite Data Fee Business

- ◆ Tokio Marine has leveraged satellite since 2020 for prompt insurance payment for flood claims
- ◆ Currently considering selling **the know-how of utilizing satellite data to local governments, etc.** (projecting **average of around JPY50mn per transaction**)



Refine capability to achieve greater results in wide range of businesses leveraging loss servicing strength

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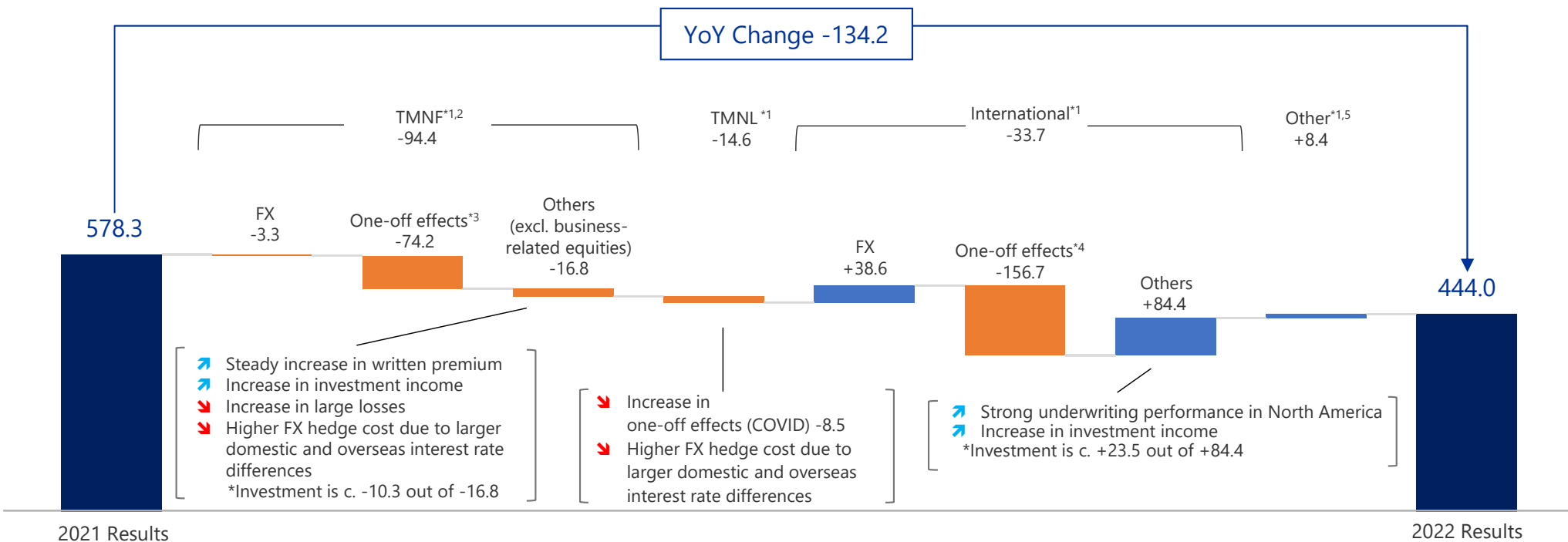
Group	P. 40	Value Area Expansion	P. 84
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Domestic Life	P. 57	ESG	P. 91
International	P. 61	Data	P. 100
Investment	P. 80		

FY2022 Adjusted Net Income (Actual)

Re-post from Results Conference Call on May 19

- Adjusted net income on actual basis fell by -JPY134.2bn YoY primarily due to one-off effects such as COVID-19 (Taiwan / Japan) and Nat Cats mainly in Japan

Adjusted Net Income (billions of JPY)



*1: All figures are on a business unit profit basis (Other: Domestic non-life other than TMNF, financial and other businesses, capital gains/losses on sale of business-related equities, consolidation adjustment, etc.)

*2: Capital gains from the sale of business-related equities are not included in business unit profits but are included in adjusted net income.

*3: Nat Cats c. -36.0, COVID c. -40.0 (incl. a reversal of positive COVID impact on auto insurance in the previous year), floods in South Africa c. -4.0

*4: Nat Cats c. -3.0, COVID losses in Taiwan -105.3, capital gain in North America, etc. c. -35.0 (incl. a reversal of capital gains mainly from North America c. +24.0), war c. -14.0, etc.

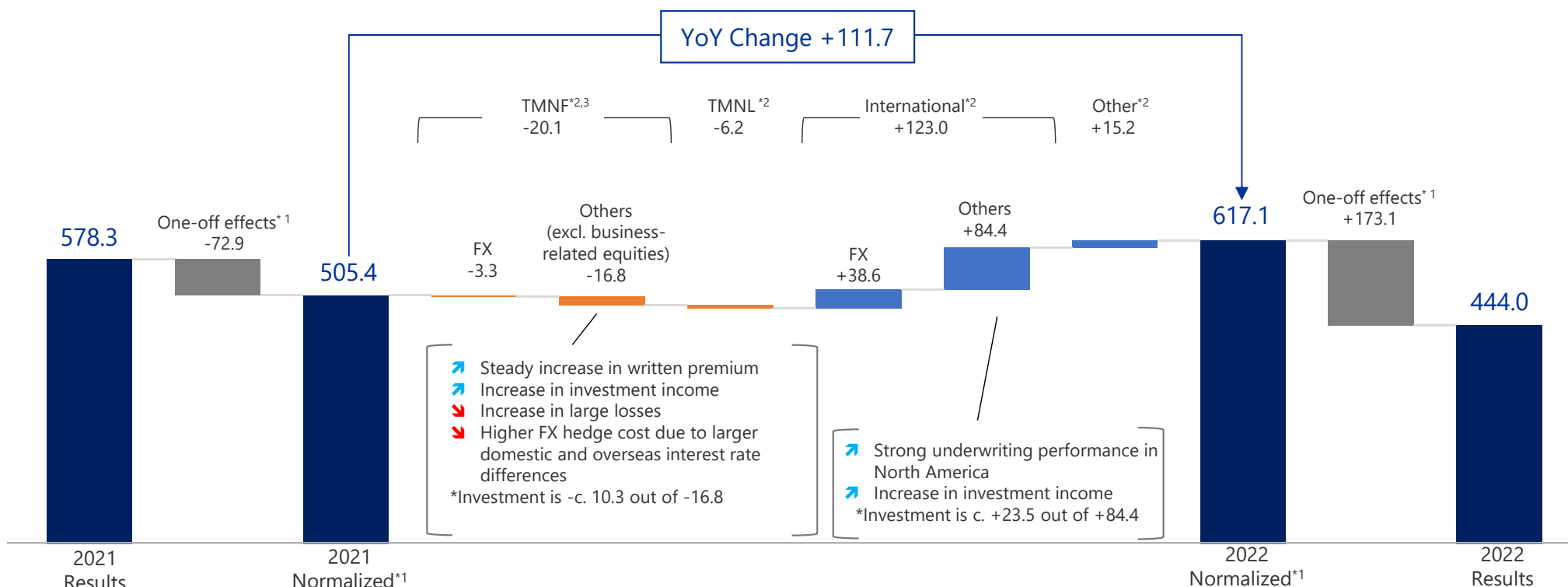
*5: Includes one-off effects of -6.6 (gains on sale of business-related equities c. +6.0, Nat Cats and COVID, etc. in domestic non-life other than TMNF c. -13.0)

FY2022 Adjusted Net Income (Normalized*1)

Re-post from Results Conference Call on May 19

- Significantly increased by +JPY111.7bn YoY mainly led by the strong performance notably from key overseas entitles

Adjusted Net Income (billions of JPY)



*1: Deducted following transient effects of +JPY72.9bn from FY2021 results of JPY578.3bn:

(1) Nat Cats c. +17.0, (2) capital gains in North America etc. c. +24.0, (3) COVID c. +23.0, (4) capital gains/losses on sale of business-related equities c. +9.0 (for part of sale exceeding JPY100.0bn)

Deducted following transient effects of -JPY173.1bn from FY2022 results of JPY444.0bn:

(1) Nat Cats c. -26.0, (2) capital losses in North America etc. c. -10.5, (3) COVID c. -134.0, (4) war c. -14.0, (5) South African floods c. -4.0, (6) capital gains/losses on sale of business-related equities +15.0 (for part of sale exceeding JPY100.0bn)

*2: All figures are on a business unit profit basis (Other: Domestic non-life other than TMNF, financial and other businesses, capital gains/losses on sale of business-related equities; consolidation adjustment, etc.)

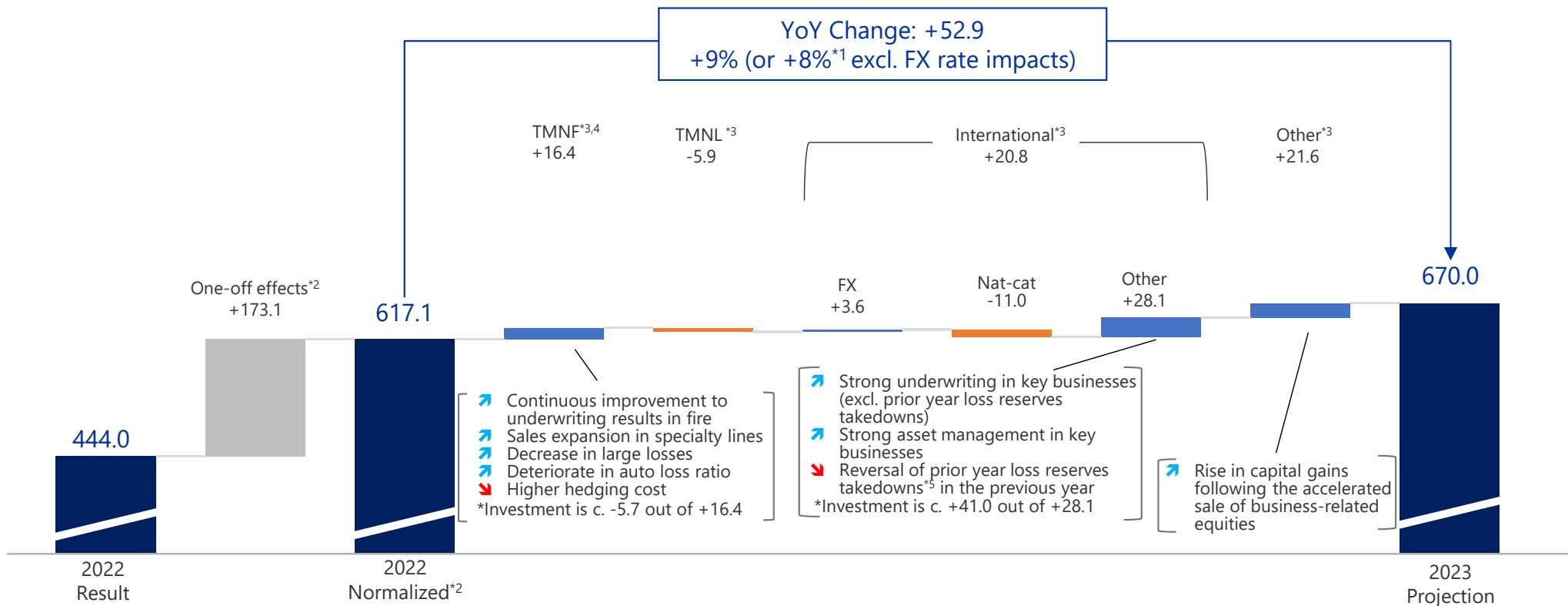
*3: Capital gains from the sale of business-related equities are not included in business unit profits but are included in adjusted net income

FY2023 Adjusted Net Income (Projections)

Re-post from Results Conference Call on May 19

- Projected to grow by +9% on a normalized basis (or +8% excl. FX impacts*1) mainly thanks to an increase in underwriting profits supported by the rate increases, expanded underwriting, an increase in investment income capturing the rising interest rates, and “the accelerated sale of business-related equities (JPY600.0bn or more in the next four years)”

Adjusted Net Income (billions of JPY)



*1: Excluding FX effects due to yen conversion

*2: Deducted the impact of following one-off effects (-JPY173.1bn) from the 2022 adjusted net income of JPY444.0bn:

(1) Nat Cats c. -26.0, (2) capital losses in North America, etc. c. -10.5, (3) COVID c. -134.0, (4) war c. -14.0, (5) floods in South Africa c. -4.0, (6) gains on sale of business-related equities c. +15.0 (for transactions where the sale amount exceeds JPY100.0bn)

*3: All figures are business unit profits (Other: domestic non-life other than TMNF, finance and other businesses, gains/losses on sale of business-related equities, consolidation adjustments, etc.)

*4: Capital gains from the sale of business-related equities are not included in business unit profits but are included in adjusted net income

*5: Change in prior year loss reserves was not projected at the time projections were made at the beginning of the year

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Mid-Term Business Plan (2021-2023 / KPI Targets)

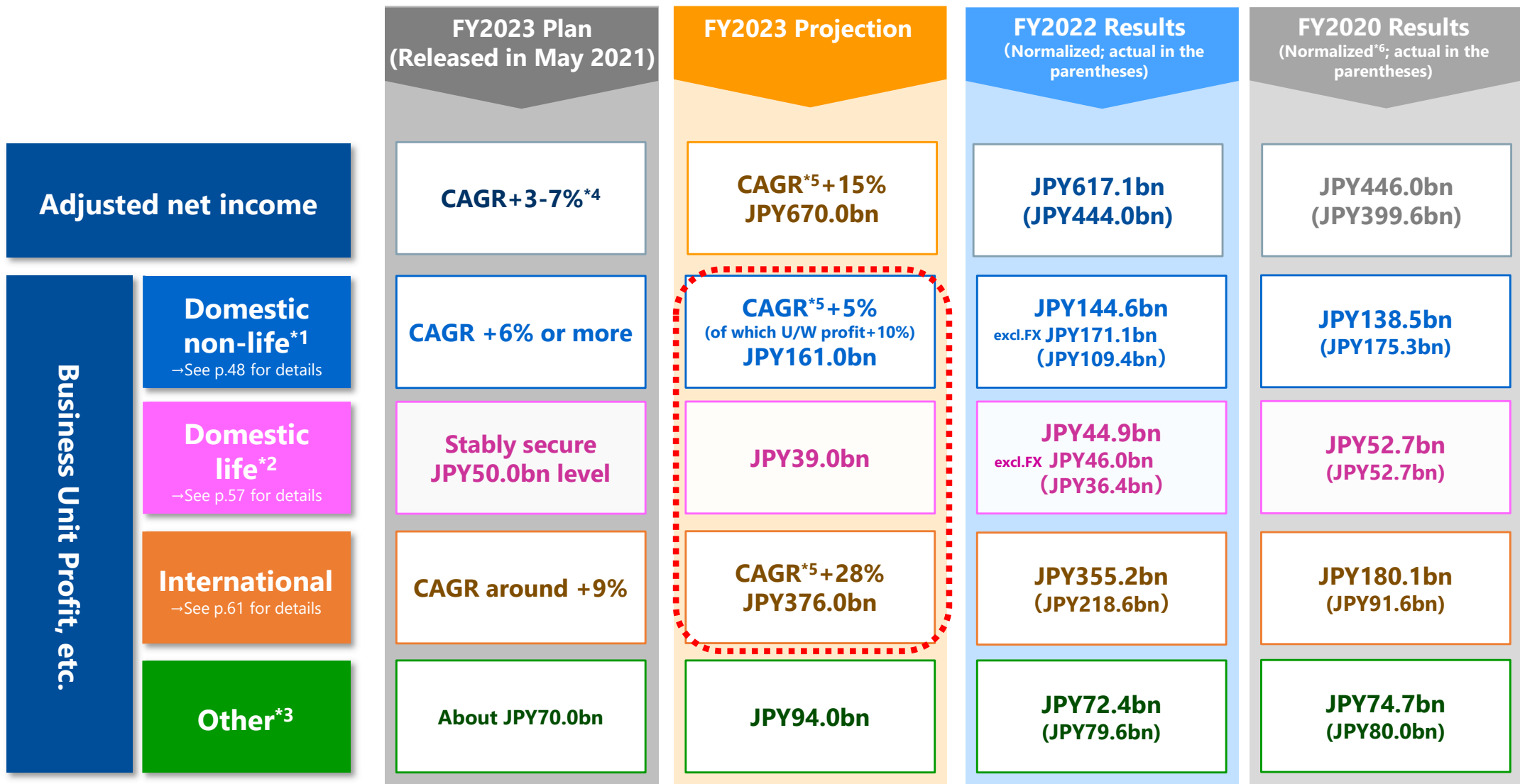
	FY2023 Plan (Released in May 2021)	FY2023 Projection	FY2022 results (Normalized; actual in the parentheses)	FY2020 Results (Normalized; actual in parentheses)
Adjusted net income	CAGR+3-7%*1	JPY670.0bn	JPY617.1bn (JPY444.0bn)	JPY446.0bn*2 (JPY399.6bn)
Adjusted ROE	Around 12%	17.1%	15.1% (11.1%)	11.5%*2 (11.3%)
Shareholder Returns				
Dividend payout ratio*3	40% or more ↓ 50% (Revised in Nov. 2021)	50%	48.5%	40%
Capital level adjustment	Flexible execution	JPY100.0bn (Approved JPY50.0bn in May 2023 as the first step)	JPY100.0bn	JPY50.0bn

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

*2: Starting numbers for the current mid-term business plan (the impact of natural catastrophes assumed to be at the average annual level, and the impact of COVID-19 and FX 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, it will be raised to 50%. Thereafter, we will raise DPS with profit growth as a driver (We will not, in principle, decrease dividends.)

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 sales of business-related equities not included in business unit profit, etc. (same for subsequent pages)

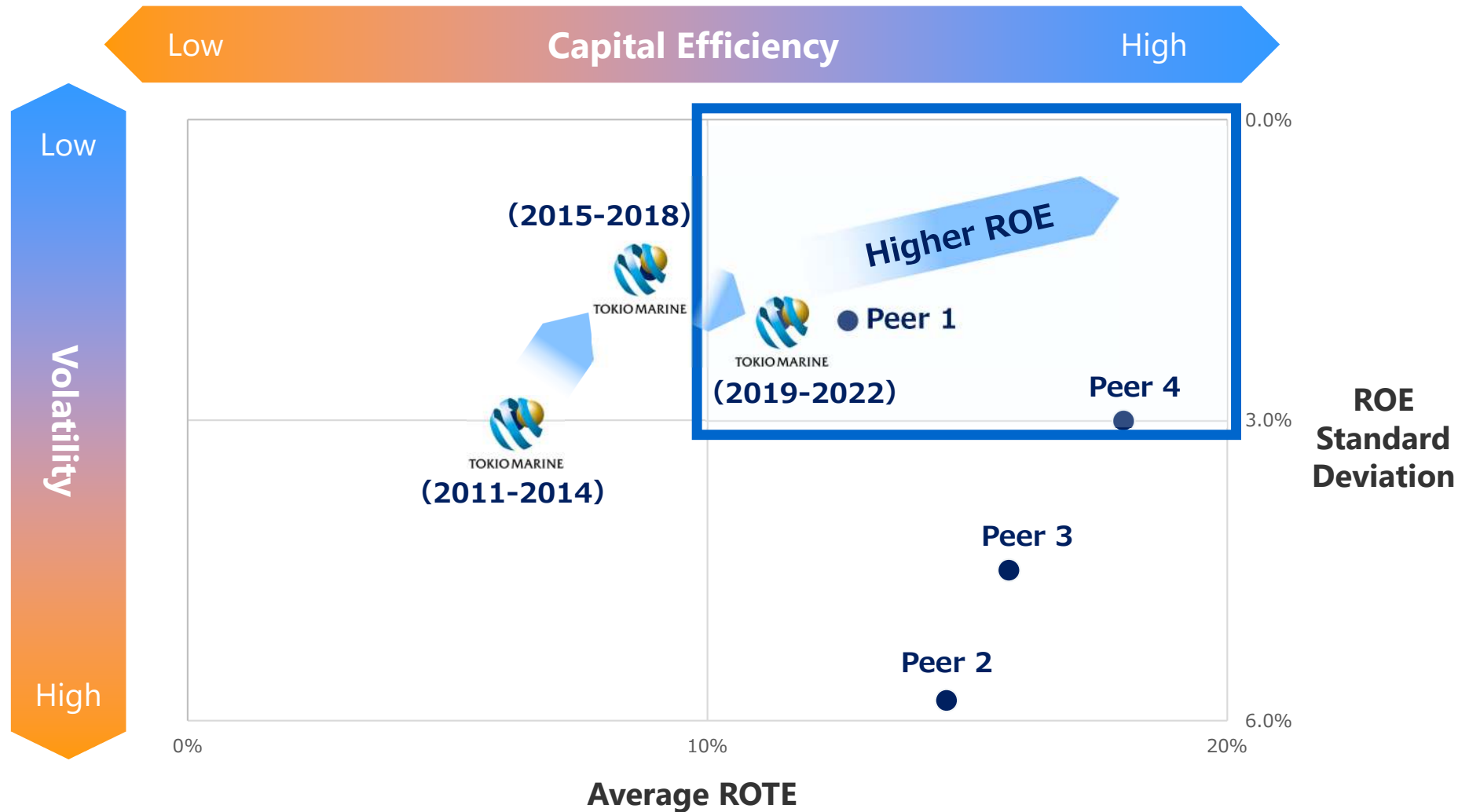
*4: At the IR presentation in May 2021, we explained that we expected OG to be 5% or more.

*5: vs FY2020

*6: 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.)

Stable ROE Enhancement

- As with EPS growth, ROE is enhancing with managed volatility



ROTE: Adjusted ROE for TMHD, 2019-2021 average on financial accounting basis for peers
 Peers: Allianz, AXA, Chubb, Zurich
 (Source): Bloomberg

Global Comparison of TSR (10 years)

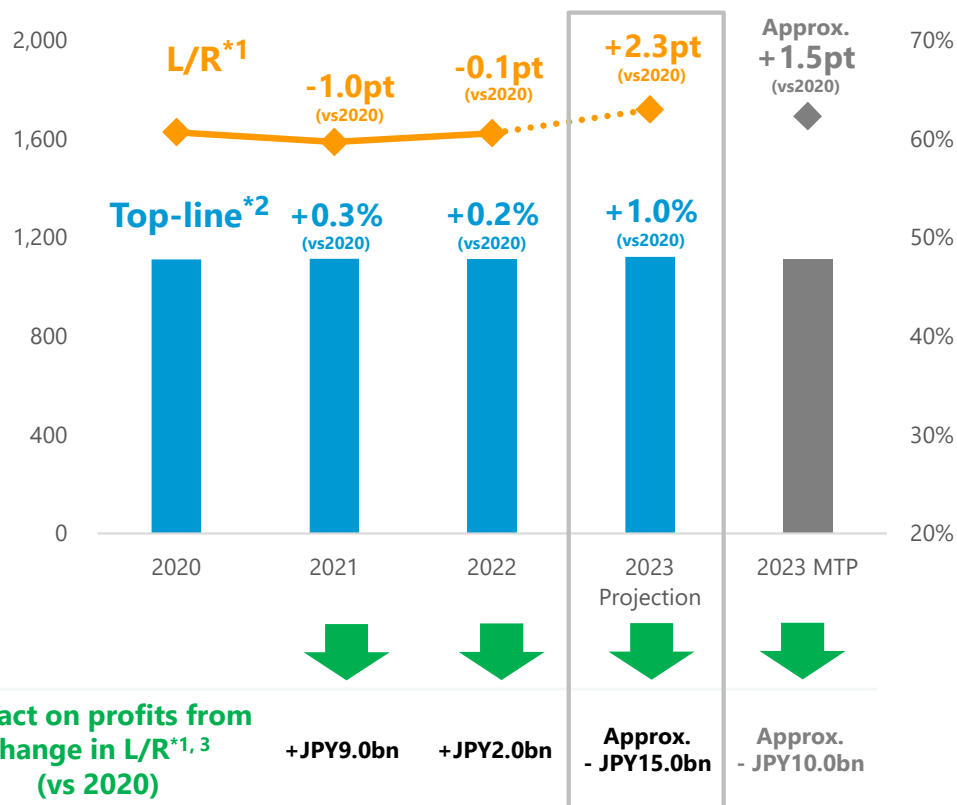


*: Total Shareholder Return (TSR): Capital return after reinvesting dividends
 Stock price indexed at 100 as of April 1, 2013
 Peer: Allianz, AXA, Chubb, Zurich

[Progress of Current MTP] Maintain Profit from Auto Insurance

- **Current MTP strategy plans to offset the impact of rate decreases by expanded coverage to limit the profit decline to c. -JPY10.0bn. However, the profit decline is expected to be c. -JPY15.0bn due to the current increases in loss costs**
- **Rate / product revisions are planned in January 2024 considering the current increases in loss costs with stable profit expected through the next MTP period**

(billions of JPY)



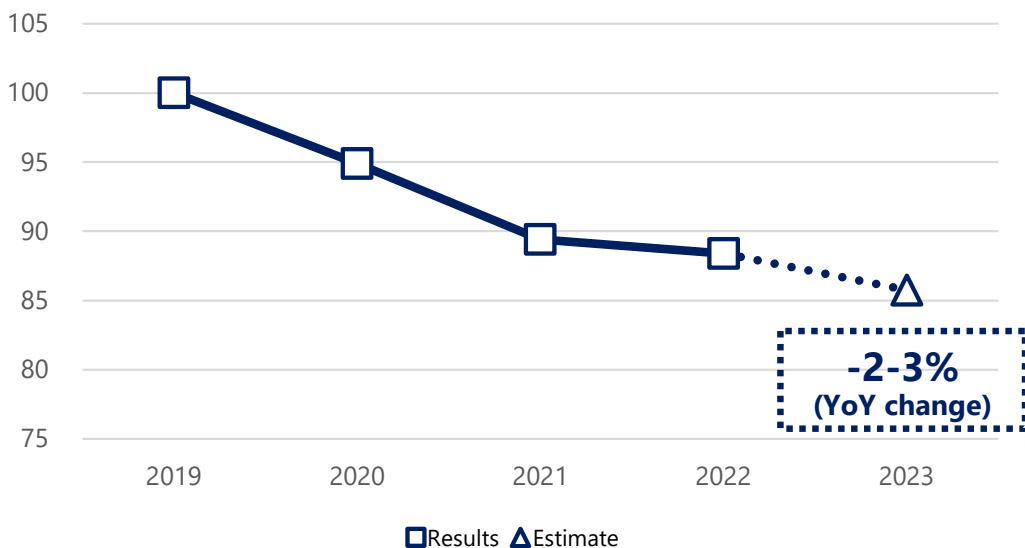
Key Measures	Progress Status
<p>[Top-line] Increase market share</p> <ul style="list-style-type: none"> ● Expand coverage through product revisions ● Establish early contacts ● Strengthen digital contact points for customers 	<p>2022 Results Top-line: +0.2%</p> <ul style="list-style-type: none"> ● Steady progress in coverage expansion, etc. <p>(Ref.) 2022 indicators (YoY change)</p> <ul style="list-style-type: none"> • Non fleet vehicle unit price*4 : +0.1% • Number of Non fleet vehicle*4 : -0.1% <p>2023 Original Projection Top-line: +1.0%</p> <ul style="list-style-type: none"> ● Steady progress against plan
<p>[Impact on profits from change in L/R]</p> <p>Generate sustainable and stable earnings</p> <ul style="list-style-type: none"> ● Initiatives to improve profitability ● Flexible review of premium levels in light of loss costs 	<p>2022 Results Impact on profit: +JPY2.0bn</p> <ul style="list-style-type: none"> ● Better-than-expected under the current MTP due to the impact of warm winter and takedown of prior year loss reserves (third party liability / personal injury) <p>2023 Original Projection Impact on profit: approx. -JPY15.0bn</p> <ul style="list-style-type: none"> ● Expected to be below current MTP projections despite the rate / product revision planned in January 2024

Auto Insurance Accident Frequency and Unit Price Trend

- Accident frequency increased due to the effect of revenge driving, but expecting FY2023 results mostly in line with FY2022 November projections
- Insurance unit price for FY2023 will be reviewed considering the impact of recent inflation

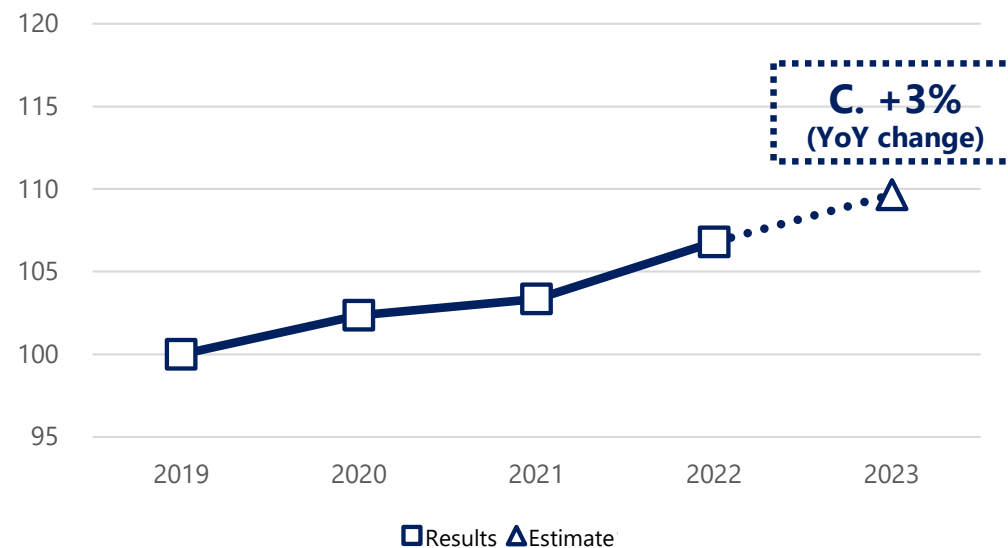
Accident frequency*1,2

- Although still on a declining trend for FY2022, the pace of decline is slower due to the increase in traffic (revenge drive) coming from the recovery of economic activities after COVID-19 (slightly above FY2022 Nov. projection)
- Expecting decline of approx. -2-3% YoY for FY2023 (mostly in line with FY2022 Nov. projections)



Unit price (vehicle / property liability)*2

- Price per claim increased for FY2022 due to the ongoing trend of rising repair cost and the effect of inflation (slightly above FY2022 Nov. projections)
- Expecting Increase of around +3% YoY for FY2023 (reviewed FY2022 Nov. projections)



*1: The impact of Nat Cats is assumed to be the average annual level and the impact of decrease in frequency due to COVID-19 is deducted
 *2: Indexed to FY2019 as 100

Progress of Automated Driving Technology

● **Auto insurance market will gradually shrink due to the progress of automated driving technology, but expectations for insurers as part of 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 Automated Driving Technology

<Autonomous driving level> <Driver> <Government target (private vehicles)>

Level 0 (zero autonomous)	Human	
Level 1 (driving support)	Human	
Level 2 (partially autonomous)	Human	
Level 3 (conditional autonomous)	Human	From Mar 2021, autonomous driving on expressways*1
Level 4 (highly autonomous)	System	By 2025, autonomous driving on expressways*1
Level 5 (fully autonomous)	System	TBD

Current auto insurance adapted to autonomous driving

➤ **Maintain the liability of automobile operator during autonomous driving**

Operator liability to be maintained up to Level 4*3; no change to the usefulness of the current auto insurance

➤ **System for speedy victim relief without payment by policy holders**

Achieve prompt victim relief under a special contract in case of accidents where operator liability is not applied or in cases where a responsible party is unclear, such as cyber risk

✓Apr. 2017: Launched coverage riders for victim relief expenses [First in industry]

✓Apr. 2021: Accidents during autonomous driving have no impact on the grade rating system [First in industry]

➤ No significant changes to claim cost for the time being

$$\text{Claim cost} = \text{Accident frequency} \downarrow \times \text{Price per claim} \uparrow$$

- **Lower accident frequency** ↓
- **Higher price per claim** ↑
(Higher repair expense unit price due to expensive parts ↑)

➤ **Average car ownership: 9 years**

Replacement of all vehicles will take **more than 15 years***2

Growing expectations of insurers as social infrastructure

➤ **Expectations of insurance companies to grow further**

Fulfill roles as social infrastructure, leveraging the strength of nationwide office network and wealth of experience in auto insurance services to ensure victim relief amid the progress in driverless driving technologies

➤ **Initiatives anticipating the future spread of Level 5**

✓Jan. 2022: Formed a capital and business alliance with May Mobility

✓Oct. 2022: Launched an additional rider for the insured such as the developer of driverless vehicles

✓May 2023: Launched remote motion monitoring/incident response service for automated delivery business operators

We will continue working on developing products and services that contribute to victim reliefs to help realize a safe and secure autonomous driving society with an eye on the future spread of Level 5

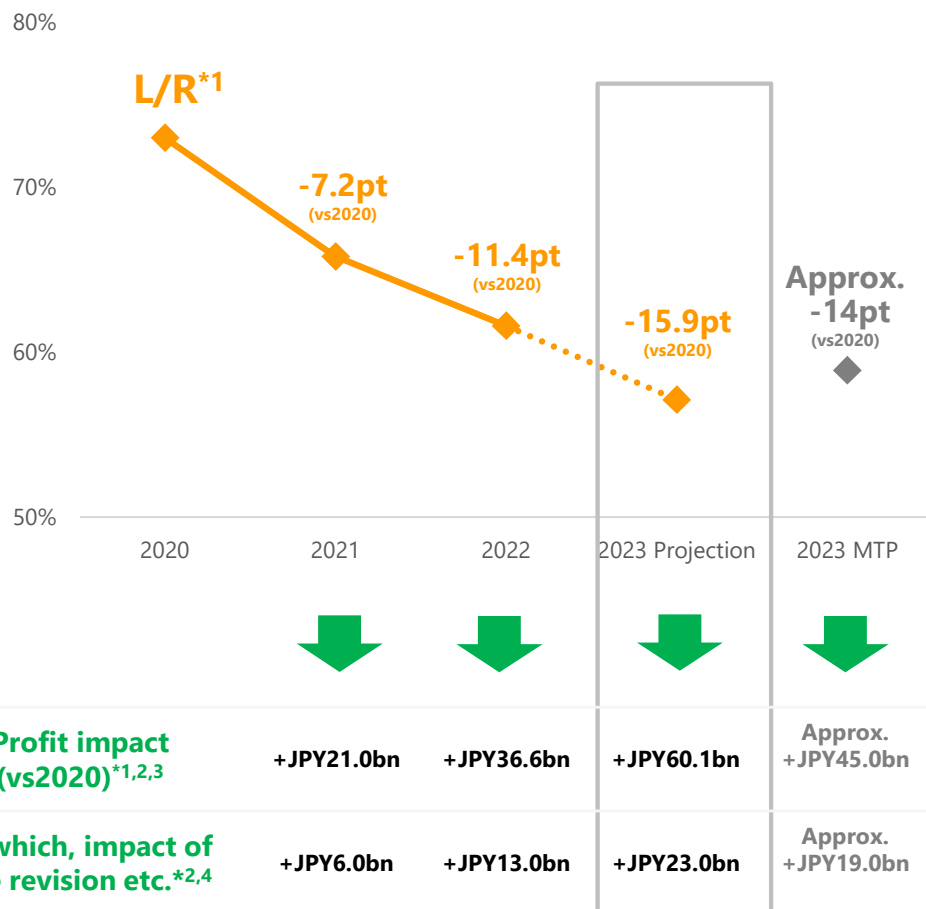
*1: Based on our data, insurance payment for expressway accidents comprise about 3% of all accidents.

*2: Public-Private ITS Initiative / Roadmap 2020

*3: Mar. 2018, MLIT Research Group on Liability for Accident Compensation concerning Autonomous Driving

[Progress of Current MTP] Improve Profit from Fire Insurance

- Current MTP aims to improve business unit profit by over +JPY45.0bn through rate revision, etc.
- Projecting cumulative profit improvement of +JPY36.6bn for FY2022 and +JPY60.1bn for FY2023 due to the steady effect of rate / product revisions despite the impact of rising reinsurance costs



Key Measures	Progress Status
<p>Rigorous profit improvement</p> <ul style="list-style-type: none"> ● Rate / product revisions ● Enhancement of underwriting ● Disaster prevention and mitigation and early recovery efforts ● Appropriate reinsurance arrangements 	<p>2022 Results</p> <p>Profit improvement: +JPY36.6bn</p> <ul style="list-style-type: none"> ● Excluding the impact of one-off effect of increase in small Nat Cats in Japan to the average year, the underlying trend is strong with the actualization of the impact of rate / product revisions
<p>Securing profitability commensurate to capital cost in view for FY2026</p>	<p>2023 Projection</p> <p>Profit improvement: +JPY60.1bn</p> <ul style="list-style-type: none"> ● Expected to achieve profit improvement exceeding MTP despite the rising reinsurance costs

*1: Assuming average annual level of impact from Nat Cats and excluding the impact of COVID-19 and FX.

Also exclude impact of South African floods (c. JPY3.0bn) for FY2022

*2: After tax, estimation

*3: Inflation's impact has been reflected on projection

*4: Cumulative value of the profit improvement impact actualized in the relevant year from product revisions, etc.

Outward Reinsurance Policy Related to Nat Cats

- Our primary objective of reinsurance is to protect the balance sheet from capital events
- Our decision based on economic rationale is important for the earnings coverage. As for 2023 reinsurance renewals, we can suppress global reinsurance cost increases by implementing flexible cycle management based on our financial strength and global business diversification, while maintaining a minimal risk increase

Basic approach to retention / reinsurance

Core Reinsurance Cover

Stable /continuous reinsurance arrangements for capital events

- Low frequency and high risk-transfer effect
- Relatively low reinsurance rates; less susceptible to market cycle

Earnings Reinsurance Cover

Implementing cycle management with focus on economic rationale

- High frequency and low risk-transfer effect
- Relatively high reinsurance rates; more susceptible to market cycle

Primary Retention

Key initiatives for retention / reinsurance

Use of Group reinsurance

- Pool exposures from group companies and purchase reinsurance
- Improve capital efficiency through risk diversification
 - Risk control based on group risk appetite
 - Exercise bargaining power

New Corporate U/W Dept. established at TMHD (2022-)

Department managing retention / reinsurance and underwriting at Group level was established in TMHD to enhance disciplined underwriting and reinsurance proposal / execution capabilities

New Global Reinsurance Team established (2023-)

Established reinsurance team headed by Barry Cook in London to strengthen reinsurance functions globally

Reinsurance renewal results in Apr. 2023

Latest market environment

- ✓ Reinsurer capital contracted due to Hurricane Ian and rising interest rates
- ✓ This caused unprecedented level of reinsurance market hardening. Contracts in Europe and the U.S. were renewed ahead of Japan on January 1, 2023, resulting in significant rate increase and tighter underwriting terms

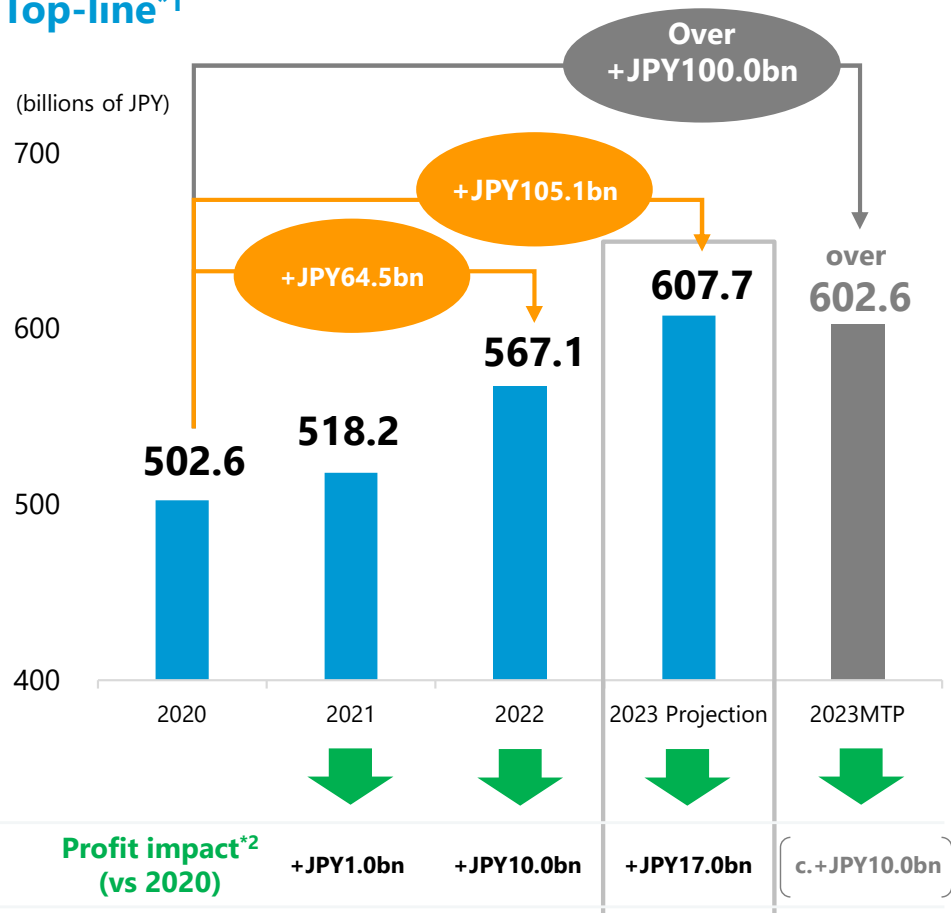
Reinsurance renewal in Apr. 2023

- ✓ Strategic negotiation with reinsurers leveraging the entire Group's strength
- ✓ In addition to the earnings cover review conducted ahead of peers in FY2022, abolished inefficient programs. Consequently, globally controlled reinsurance cost increase with minimal risk increase for FY2023 (Reinsurance cost for domestic Nat Cats is almost flat from FY2020, base year of current MTP)

[Progress of Current MTP] Growth of Specialty Insurance

- Current MTP aims to increase premium by over +JPY100.0bn through solving social issues
- Making steady progress and expecting to achieve MTP with top-line growth of +JPY64.5bn for FY2022 and this projection of +JPY105.1bn for FY2023

Top-line*1



*1: Including P.A.

*2: After tax, estimated (including impact of rate revision)

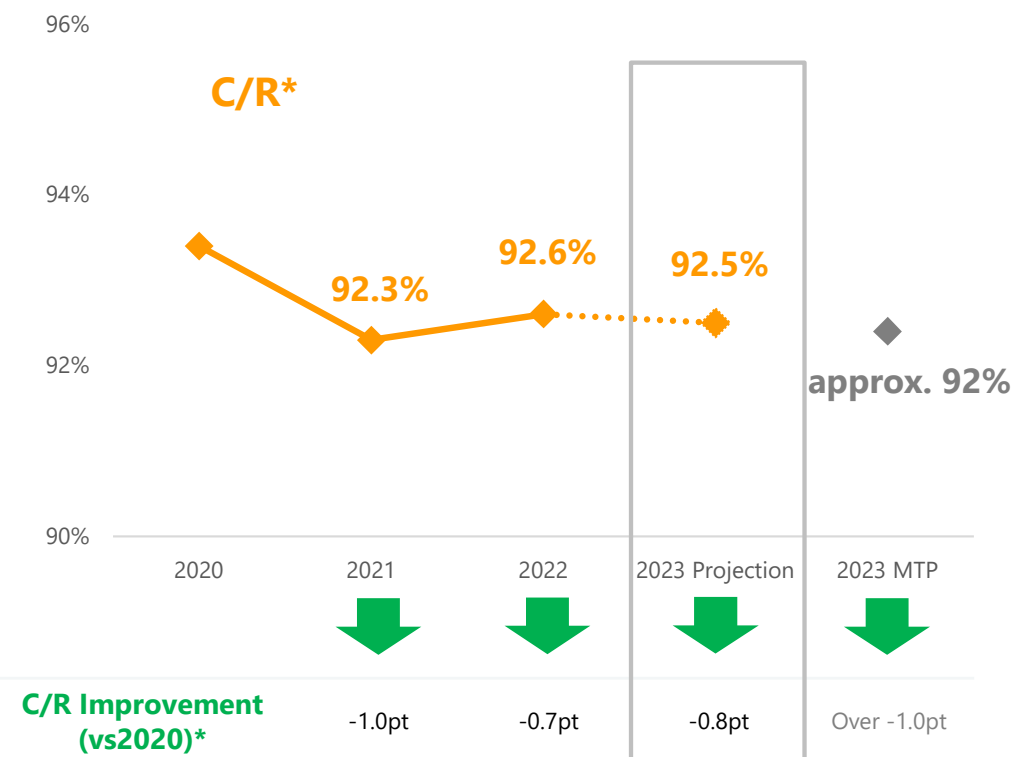
Key Measures	Progress Status
Increase top-line growth with profitability	<p>2022 Results Top-line: +JPY64.5bn ● Steady progress mainly in four priority areas</p> <p>2023 Projection Top-line: +JPY105.1bn ● Steady increase, expected to achieve MTP</p>

(Ref.) Initiatives in priority areas

Priority Area	Initiatives
Health care	<ul style="list-style-type: none"> • Use digital tools to switch group contracts and raise joining rate • Rigorously promote GLTD, which is a growth market
SME	<ul style="list-style-type: none"> • Promote additional coverage based on exclusive packaged products for SMEs • Strengthen customer approach with establishment of a solution site (BUDDY+), a one-stop service from gathering information to resolution of issues
GX	<ul style="list-style-type: none"> • Steadily underwrite large projects (offshore / onshore wind power); develop / roll out new products • Develop / roll out new solutions to support corporate TCFD disclosures
Cyber	<ul style="list-style-type: none"> • Provide 24X7 emergency hotline service • Promoting sales to a wide range of companies regardless of size / industry
Others New risks, etc.	<ul style="list-style-type: none"> • Creation of insurance program collaborating with overseas Group companies (global programs for cyber / D&O) • Roll out of data-driven products in collaboration with Tokyo Marine dR (dRIVEN series) (liabilities insurance for investment managers, intellectual property M&A, etc.)

[Progress of Current MTP] Initiatives to Improve C/R

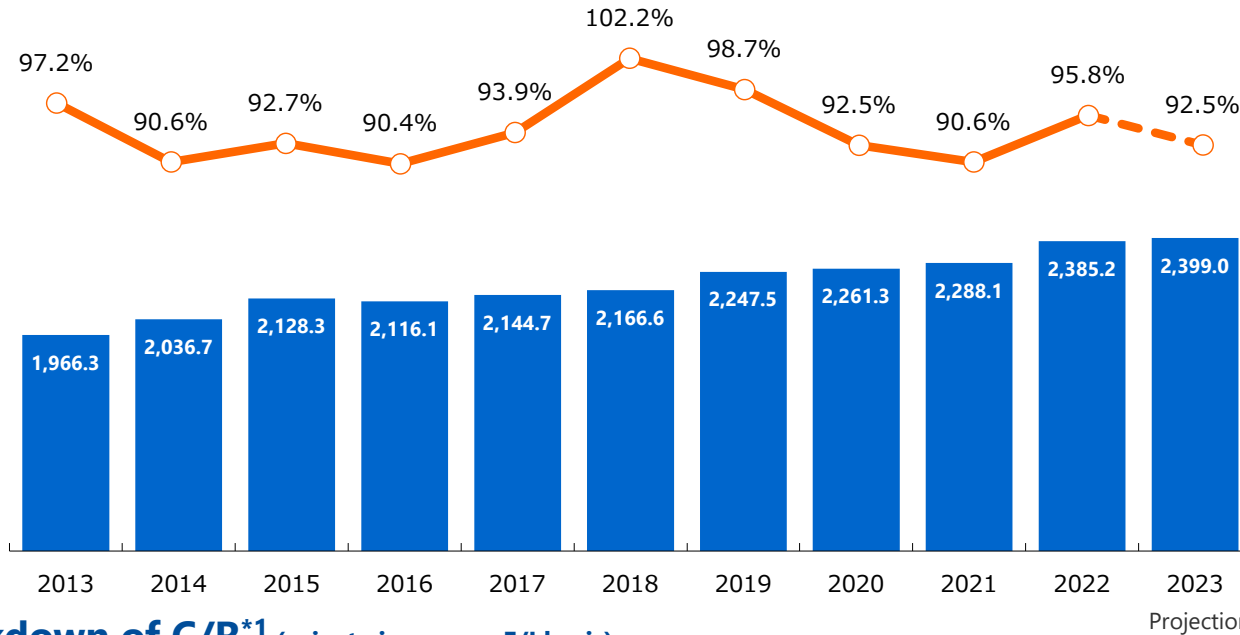
- In Current MTP, invest about JPY40.0bn in DX to rigorously reduce internal administration. The plan aims to use the time generated for increasing the execution of strategies including expansion of specialty, cross-selling of life and non-life insurance, and improving loss ratio, and improve C/R* to approx. 92%
- FY2022 C/R was 92.6% due to worsening L/R in fire, specialty, etc. Projection for FY2023 is 92.5% with various measures including profitability improvement of fire and growth of specialty starting to have an impact despite worsening of L/R for auto



Key Measures	Progress Status
<p><u>Rigorously reduce internal administrative work through thorough use of digital technology</u></p> <div style="border: 1px solid black; padding: 5px;"> <p>Efficient contract procedures</p> <ul style="list-style-type: none"> • C.80% use online bank transfer introduced in 2021 • Introduction of Smart Share Box for digital uploading and cloud storage of contract documents (Oct. 2022-) • Introduction of electronic signatures for corporate contracts (Oct. 2022-) </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>Automate insurance payout process</p> <ul style="list-style-type: none"> • Roll out to all branches: A full automation system (STP) to conduct initial procedures to insurance payouts online (Aug. 2022-) • Misconduct detection by AI and improve digital tool functions (Aug. 2022-) </div> <p>※ Trial use of AI chatbot aiming for an impact during next MTP (Jun. 2023-)</p>	<p>2022 Results C/R: 92.6%</p> <ul style="list-style-type: none"> ● To internal administration reduction plan aimed for -15% reduction by end of FY2023 (20-30% reduction by the end of FY2026), the results as of the end of FY2022 was -9% ● C/R for FY2022 was 92.6% due to the impact of above average large losses in fire and specialty and increase in loss cost for auto, etc. <p>2023 Projection C/R: 92.5%</p> <ul style="list-style-type: none"> ● Mostly achieve current MTP with the profitability improvement primarily for fire, expansion of top-line for specialty, etc., disciplined administration cost control, etc., starting to have an impact despite the effect of increased loss cost for auto, etc.

TMNF: Changes in Net Premiums Written for All Categories and C/R

Changes in net premiums written (all categories; billions of JPY) and C/R*1 (private insurance E/I basis)



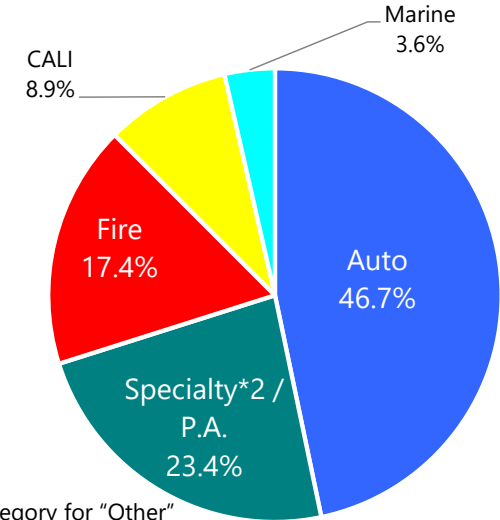
Breakdown of C/R*1 (private insurance E/I basis)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Projection
C/R*1	97.2%	90.6%	92.7%	90.4%	93.9%	102.2%	98.7%	92.5%	90.6%	95.8%	92.5%
E/I loss ratio	65.0%	58.5%	60.1%	57.7%	61.4%	70.0%	66.3%	60.8%	58.1%	63.8%	59.9%
(Nat-cat, annual average basis)	62.2%	59.2%	58.2%	57.3%	59.1%	59.9%	60.4%	58.7%	59.4%	62.7%	59.9%
W/P expense ratio	32.2%	32.2%	32.6%	32.7%	32.5%	32.3%	32.4%	31.6%	32.5%	32.1%	32.6%

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

Composition by category

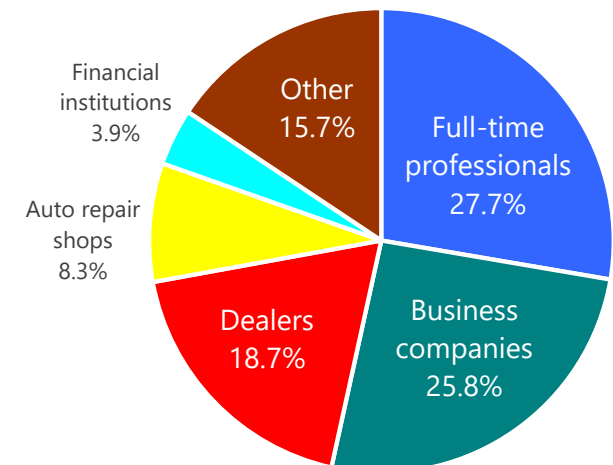
(FY2022: On net premium written basis)



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

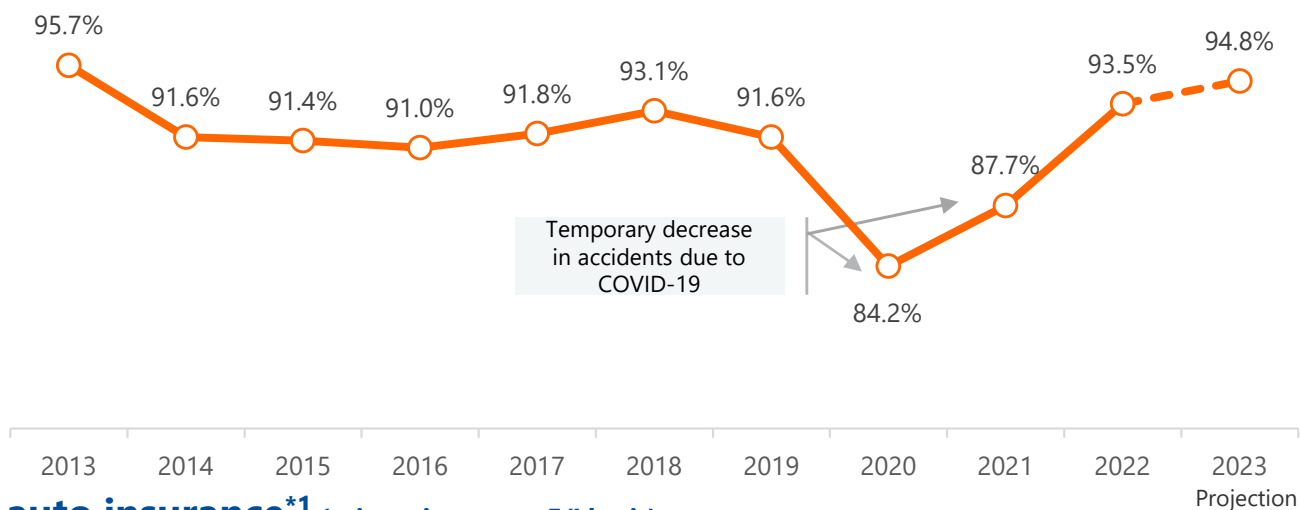
Composition by channel

(FY2022 premiums on managerial accounting basis)



TMNF: Changes in Auto Insurance C/R

● C/R in auto insurance*1 (private insurance E/I basis)



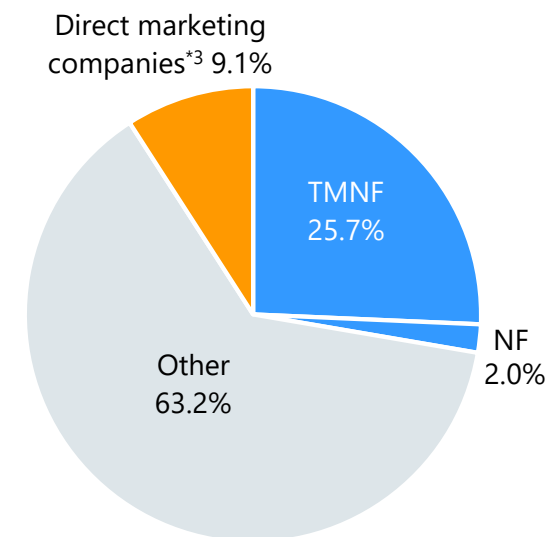
● C/R in auto insurance*1 (private insurance E/I basis)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Projection
C/R*1	95.7%	91.6%	91.4%	91.0%	91.8%	93.1%	91.6%	84.2%	87.7%	93.5%	94.8%
E/I loss ratio	65.3%	61.1%	60.5%	60.2%	60.8%	62.3%	60.8%	54.3%	56.8%	62.5%	63.0%
(Nat-cat, annual average basis)	64.4%	61.2%	60.4%	60.5%	60.6%	61.0%	60.0%	54.6%	57.3%	60.6%	63.0%
W/P expense ratio	30.4%	30.5%	30.9%	30.8%	31.0%	30.9%	30.8%	29.9%	30.8%	31.0%	31.8%

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

● Auto insurance market share*2

(Based on FY2021 direct net premiums written)



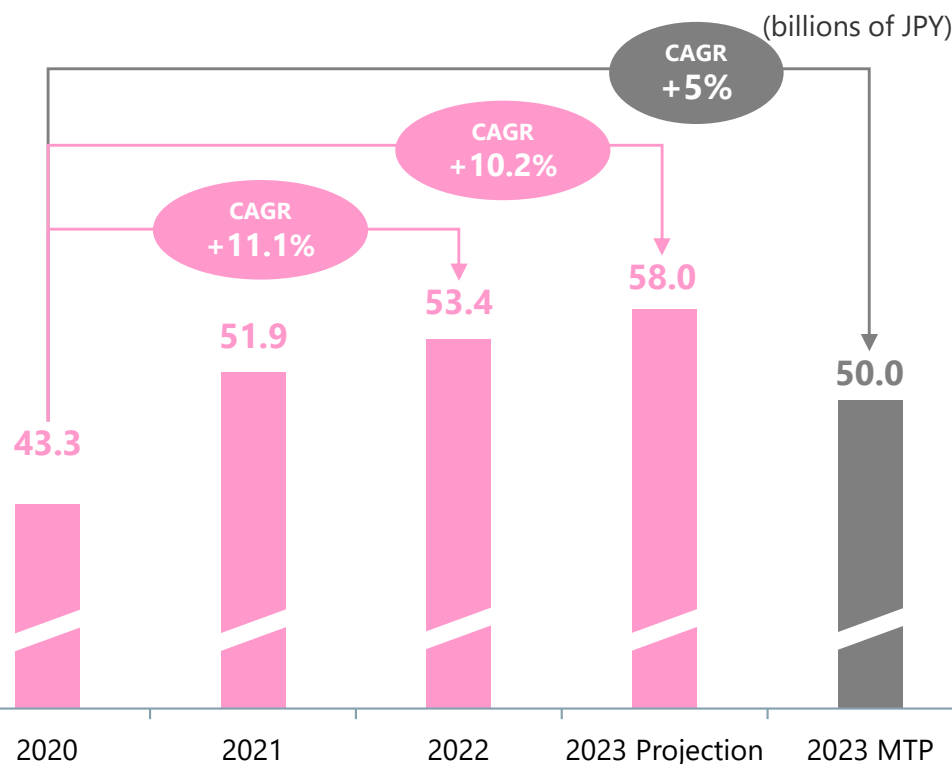
*2: Source: Insurance No. 4960

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

[Progress of Current MTP] Top-line KPI

- Current MTP aims to expand sales volume by focusing on growth areas and promoting cross-selling of life and non-life products
- FY2022 results at JPY53.4bn (+11.1% vs 2020 CAGR) and FY2023 projections at JPY58.0bn (+10.2% vs 2020 CAGR), exceeding current MTP (+5% CAGR)

Top Line (Annualized Premium of New Business)



*1: [Seniors / Health care]

Medical insurance with simple underwriting criteria, Whole Life Nursing Care insurance with lower lapse benefits, Term insurance (with a rider for no-lapse refund) (from May 2021), Nursing Care Annuity insurance (from Aug. 2021), Cancer Treatment Support insurance, Cancer insurance (from Feb. 2022)

[Asset formulation] Regular Premium Variable Life insurance

*2: Super insurance: ratio of the number of Super Insurance with either life or third sector coverage

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Key Measures

Top-line growth

- Focus on growth areas*1
 - : Seniors
 - : Healthcare
 - : Asset formulation
- Promote cross-selling of life and non-life products

Progress Status

2022 results JPY53.4bn

- Top-line increase in growth areas (vs 2020 CAGR)
 - Seniors/Healthcare: **+26%**, Asset formulation: **+39%**
- Cross-selling of life and non-life products
 - Cross-selling ratio*2: **29.3%** (+2.8pt vs Mar. 31, 2021)

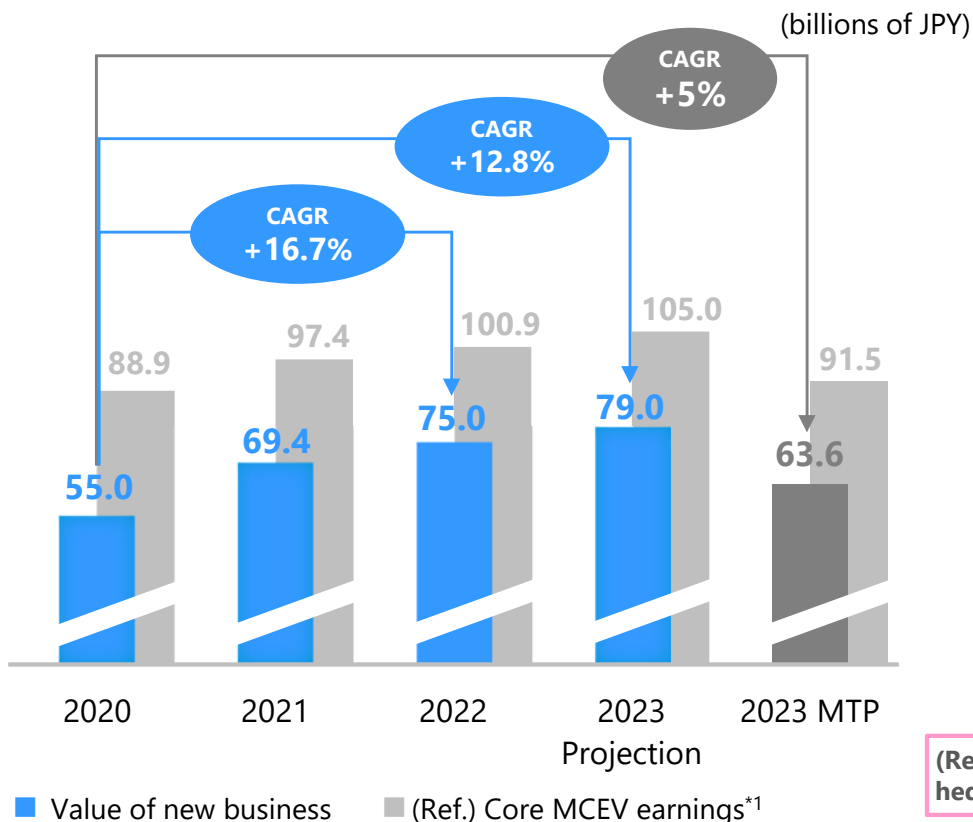
2023 projections JPY58.0bn (vs 2020CAGR +10.2%)

- Maintain growth exceeding MTP (vs 2020 CAGR +5%) with new products in seniors and healthcare areas, and expansion of regular premiums variable life insurance
- Promote cross-selling of life and non-life products
 - Achieve MTP "30% or more cross-selling ratio (+3.5pt or more vs Mar 31, 2021)" through expansion of use of "buddy+ for smile" which provide integrated life and non-life insurance diagnosis service
 - In addition to existing initiatives, deepen cross-selling by expanding the specialist agent model by building direct contact point with TMNL for non-life policyholders to provide information and arouse needs

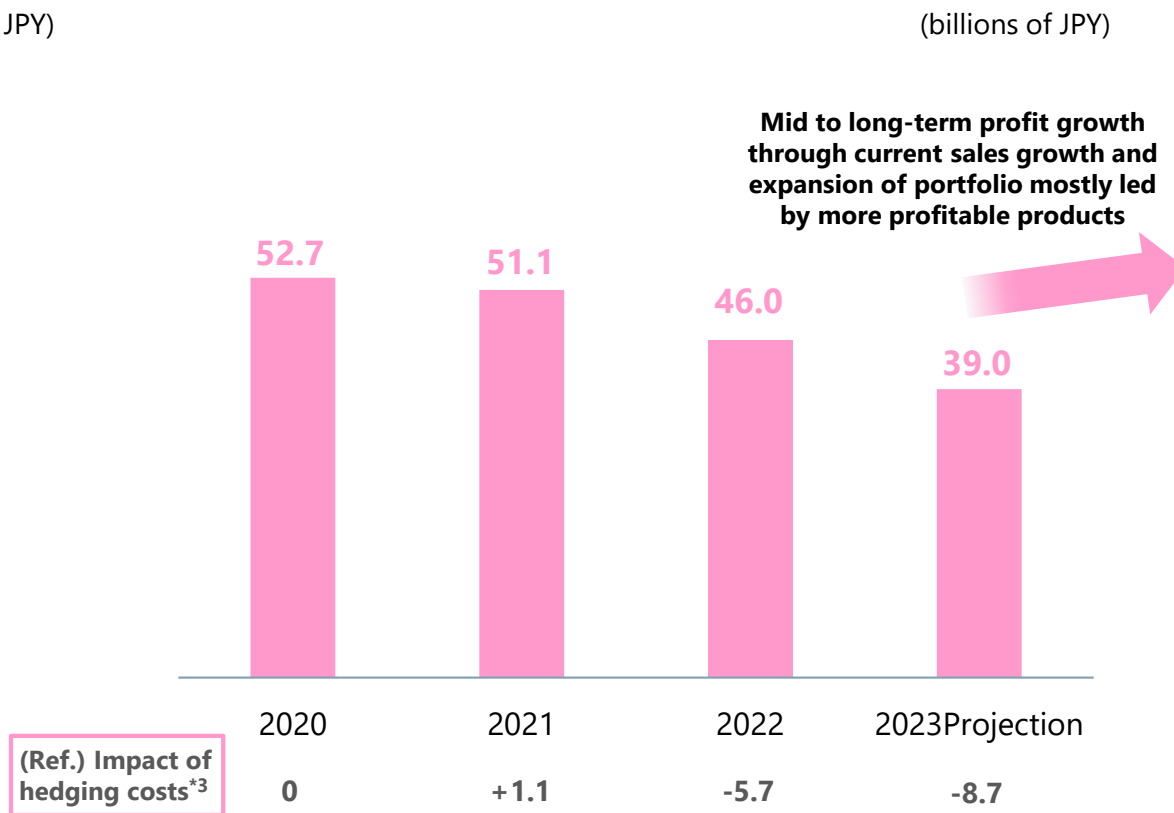
[Progress of Current MTP] Bottom-line KPI

- **[Economic Value Basis (Value of New Business)]** FY2023 projections are significantly greater than current MTP at +12.8% vs 2020 CAGR
- **[Financial Accounting Basis (Business Unit Profits)]** FY2022 results (excluding one-off effects) was JPY46.0bn mainly due to an increase in hedging costs. Current MTP aims to stably secure approx. JPY50.0bn, but FY2023 projection is revised downwards mainly due to an increase in initial acquisition costs from expected robust sales growth and a rise in hedging costs

Economic value basis (value of new business)



Financial accounting basis (business unit profits*2)



(Ref.) Impact of hedging costs*3

Year	Impact of hedging costs (billions of JPY)
2020	0
2021	+1.1
2022	-5.7
2023 Projection	-8.7

*1: Value of new business + contribution from value of in-force

*2: 2022 results excludes the impact of COVID-19 and FX fluctuations

*3: vs end of FY2020. After offset by income from variable interest assets that are hedged

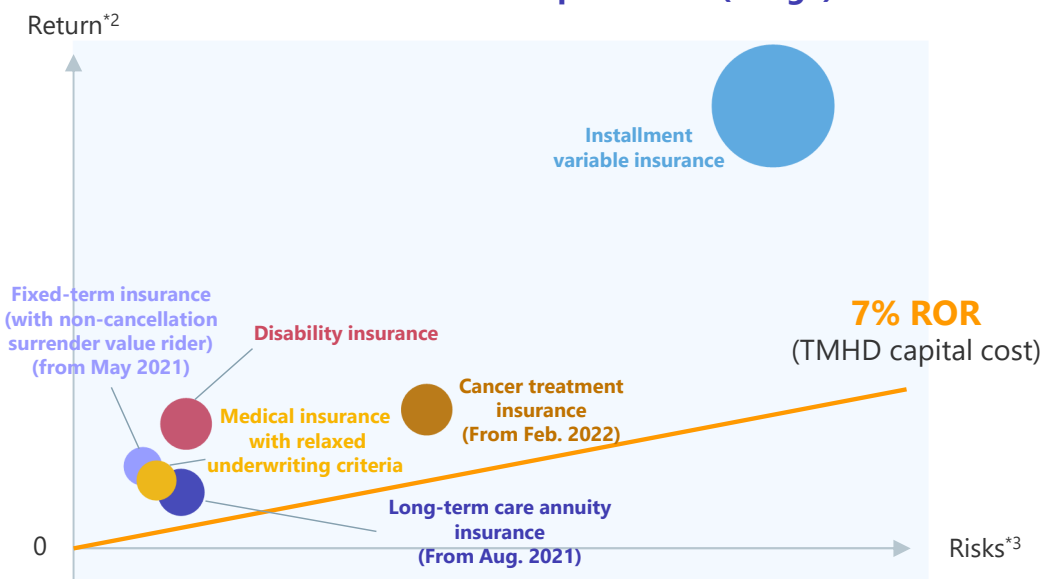
[Progress of Current MTP] Enhance Profitability and Accelerate Profit Contribution

- **Current MTP aims to accelerate future profit growth by focusing on products with high ROR and IRR that will promptly contribute to profits**
- **Expanded sales in FY2022 by the launch of highly profitable main products. Continue accelerating current MTP strategy by enhancing ROR / IRR and shortening PBP**

Enhancement of ROR

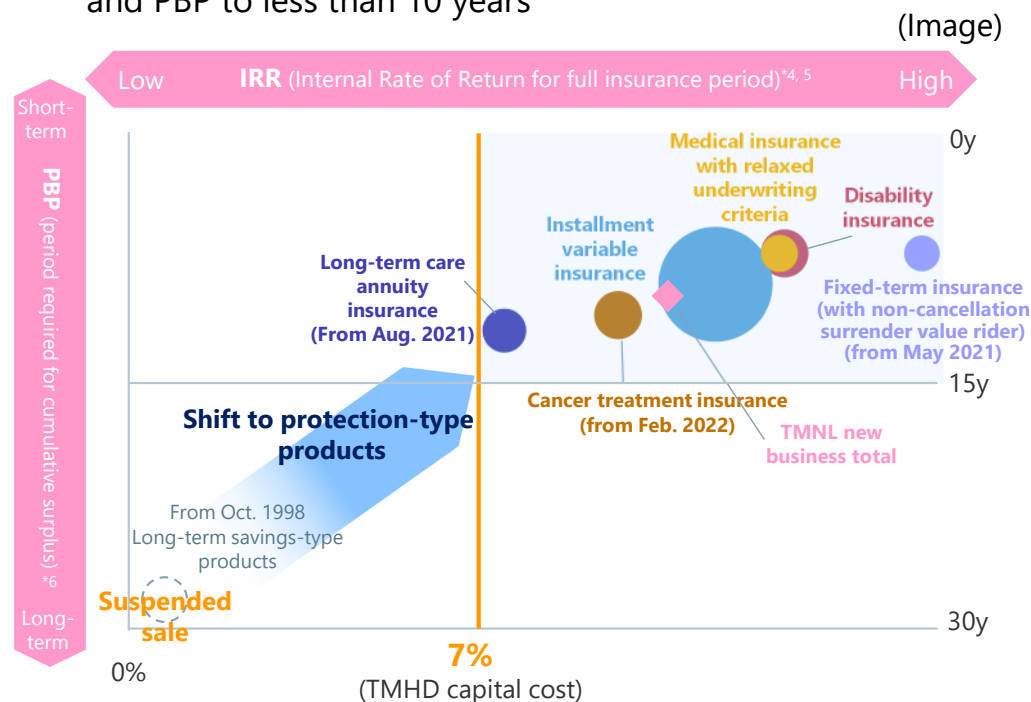
- Current main products have small interest rate risk, securing **ROR above capital cost** (TMNL new business total: 20%)

ROR for TMNL's main products*1 (image)



Enhancement of IRR and shortening of PBP

- TMNL's new business total IRR enhanced to over 10% and PBP to less than 10 years



(Image)

*1: The size of the bubble indicates annualized premium of business (2023 projections)
 *2: Value of new business and future release of cost relating to non-hedgeable risks (2023 projections)
 *3: Sum of the present value of required capital for each future fiscal year (2023 projections)

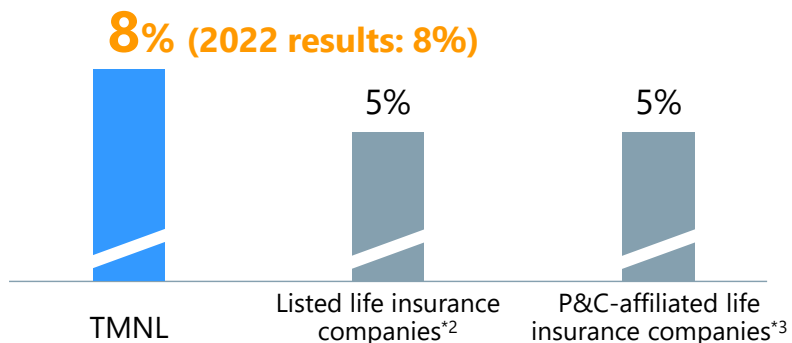
*4: Profitability as expected return on cost for the entire insurance period on financial accounting basis
 *5: The size of the bubble indicates annualized premium of new business (2023 projections)
 *6: Payback Period (period until the cumulative profit on financial accounting basis to turn positive)
 (Figures in the above chart are 2016 results for long-term saving-type products and 2023 projections for other products)

Capital Efficiency

- Capital efficiency is among the highest in domestic peers both on the financial accounting basis and economic value basis

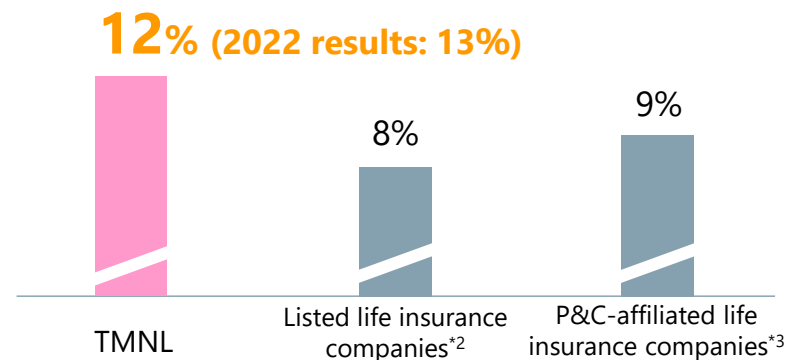
Core ROEV*1 (economic value basis, FY2021 results)

- Increase value of new business in core ROEV numerator with expansion of sales scale along with portfolio transformation
- Limit the interest rate sensitivity of the denominator by reducing interest rate risk



Adjusted ROE*4 (financial accounting basis, FY2021 results)

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

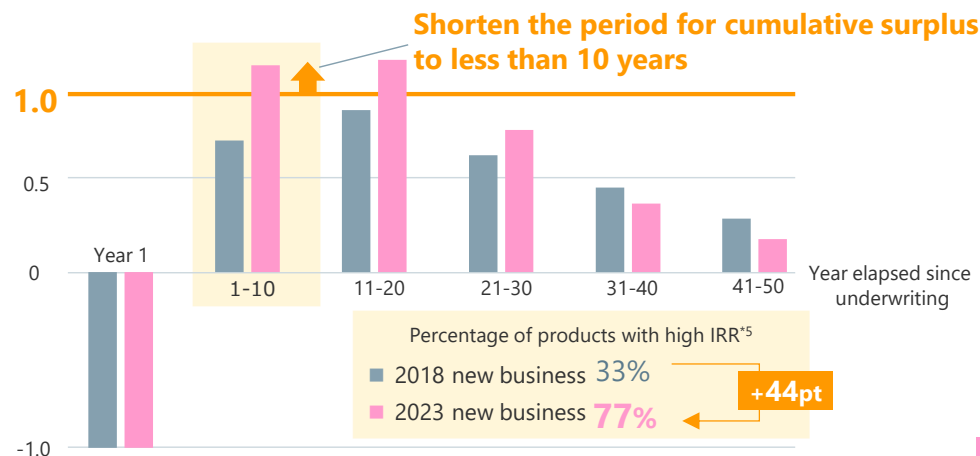


<Changes in risk amount in domestic life (99.95% VaR, UFR not applied)>

End of Mar. 2019 End of Mar. 2023



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



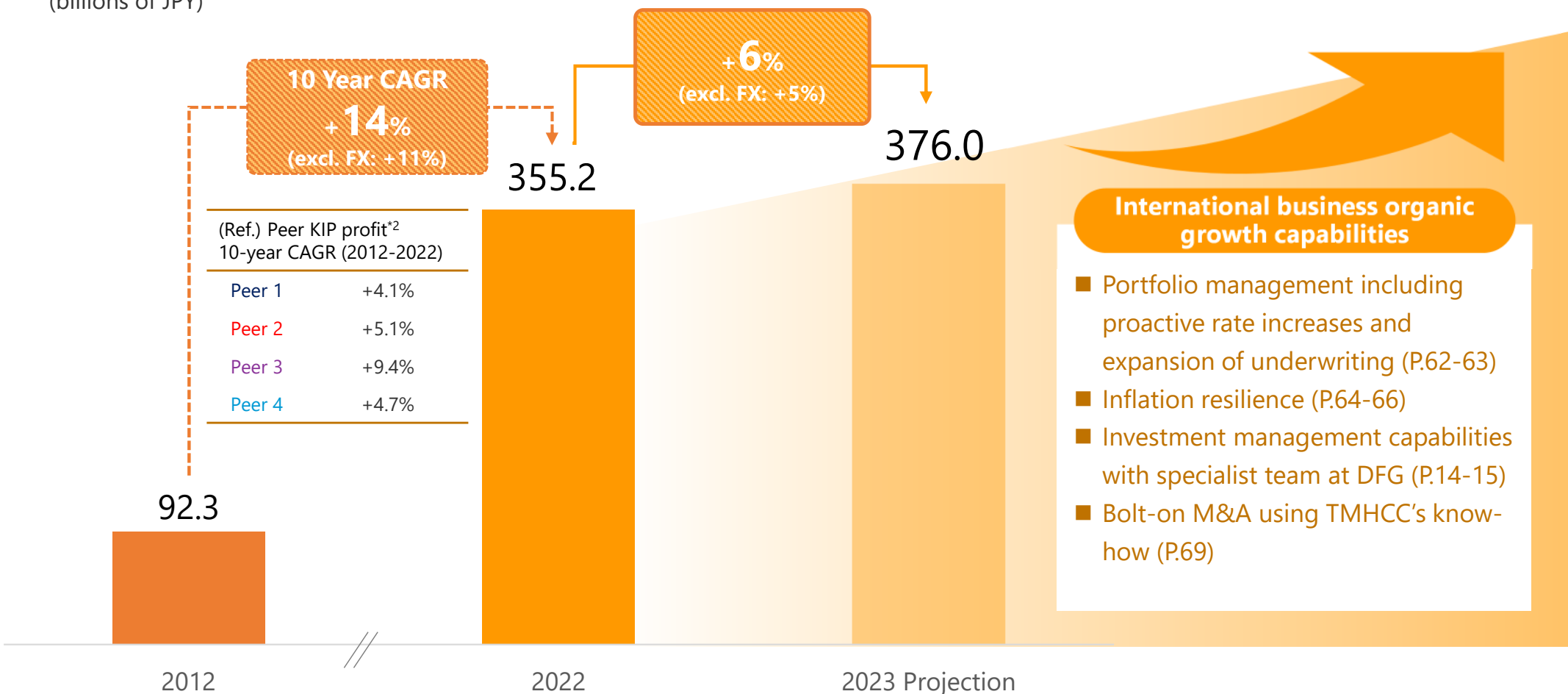
*1: Numerator = Value of new business + Contribution from value of in-force policies (risk-free);
Denominator = Embedded Value
*2: Dai-ichi Life, Taiyo Life, Daido Life, and Sony Life
Taiyo Life is excluded from average adjusted ROE due to the impact of reinsurance
*3: Sompo Japan Himawari Life Insurance, and Mitsui Sumitomo Aioi Life Insurance
*4: 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
*5: On annualized premium of new business basis for products indicated on p.59, except business insurance (products no longer sold before FY2019)

Growth Capacity of International Business

- **Business unit profit 10 Year CAGR: +14% (+11% excluding FX effects)**
- **Continue to be the growth driver for the entire Group with organic growth capacities that enable sustained growth even in a volatile environment**

Track Record of Business unit profit (Normalized*1)

(billions of JPY)



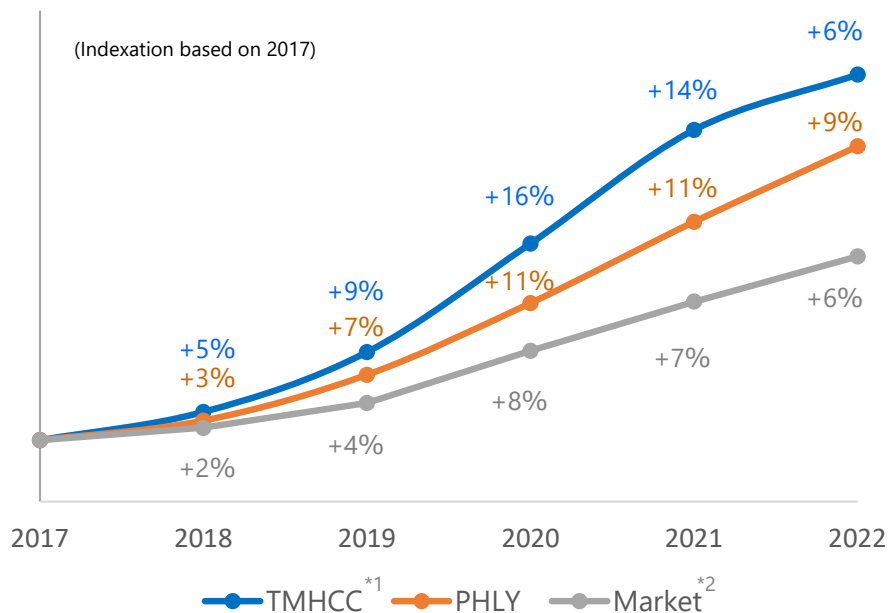
*1: Normalized Nat Cats to an average annual level, in addition excluding the impact of COVID-19, capital gains in North America, FX, war, and South African floods for 2022

*2: Peers: Allianz, AXA, Chubb and Zurich (Source): Each company data

Forward Looking Rate Increases

- **Achieving above market rate increase by not only covering loss-costs, but also leveraging on our strength to carry out forward-looking rate increases**

Rate Increase (% are YoY rate increase)



*1: Excluding A&H, Surety, Credit
 *2: Source: Willis Towers Watson
 *3: PHL's FY2022 new business (Sources): GWP
 *4: PHL's Preferred Agents and equivalent brokers
 *5: Indicator to measure customer loyalty and their willingness to use products/services continuously. 2022 data for PHL (Source): Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

Our Strength



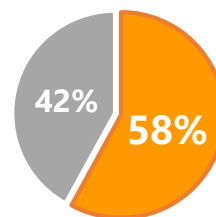
Highly Competitive Advantage

- Highly specialized underwriting and claims service expertise built as a specialty insurance company since establishment in 1974
- Trusted by customers / brand recognition
- Strong price negotiation as the market leader

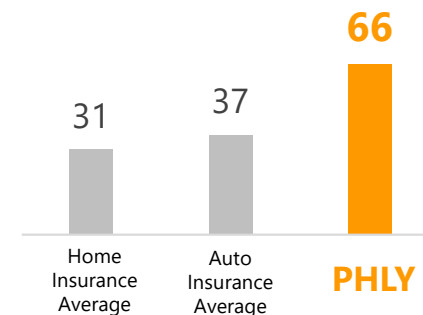


Strong Agent / Broker Network^{*3} Net Promoter Score^{*5}

- Strong relationship with leading agents / brokers that enables disciplined underwriting
- Provide superior expertise and high-quality products and services that meet customers' needs



■ Preferred Agent, etc^{*4} ■ Other



Improve Profitability through Portfolio Management

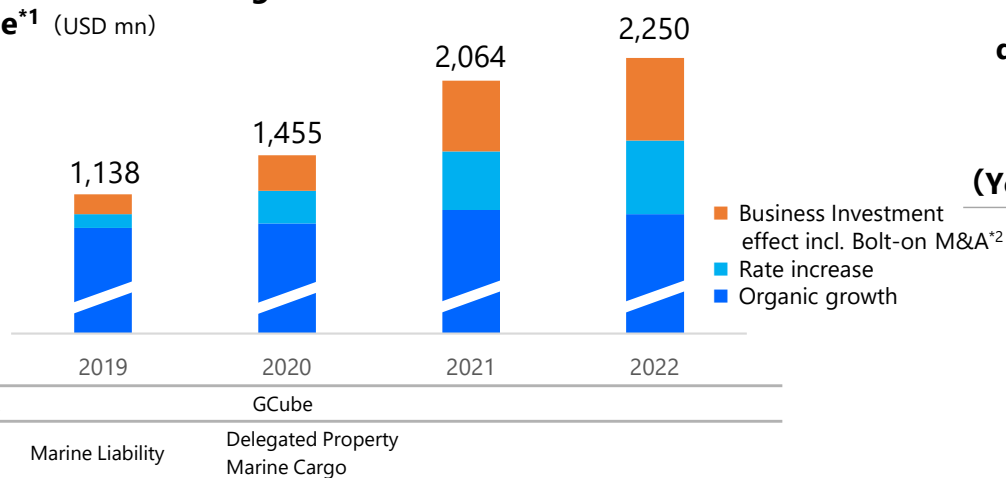
- Achieving sustainable expansion of portfolio profitability by risk selection considering hardening market, bolt-on M&A opportunities and disciplined underwriting



Expand profitable segment

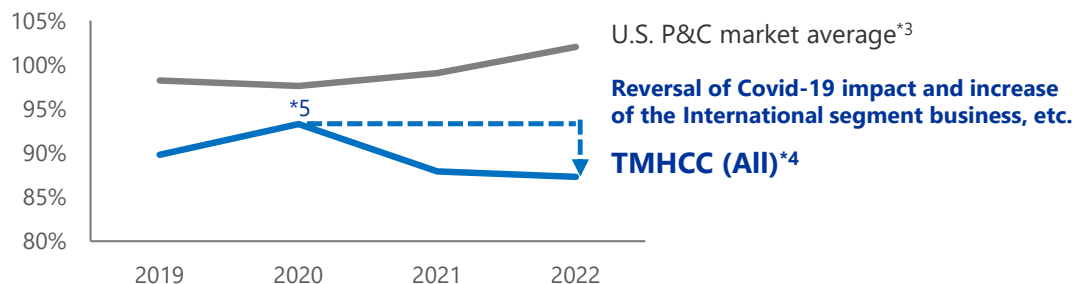
TMHCC International Segment

Top-line*¹ (USD mn)



Category	2019	2020
Bolt-on M&A	Marine Liability	GCube
Launched/Established	Marine Liability	Delegated Property Marine Cargo

(Ref.) Combined Ratio

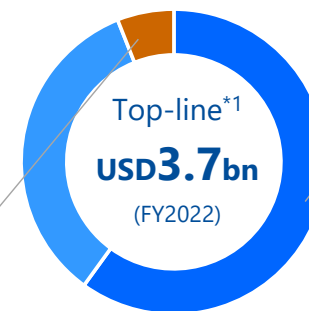


*1: TMHCC is GWP and PHLY is NWP
 *2: Written premium generated from business investment and Bolt-on M&A which were launched/acquired in/after 2018



Portfolio management based on profitability

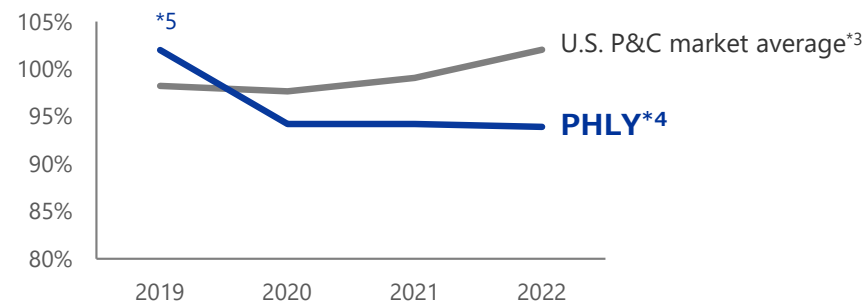
Implement more disciplined UW to low profitable segment
Tier 3
 (YoY NWP change -12%)



Expand **Tier 1** which is highly profitable
 (YoY NWP change +8%)

Tiering all products into Tier 1 – 3 based on profitability
 Disciplined UW approach on each Tiers would lead to enhance portfolio profitability

(Ref.) Combined Ratio



*3: Source: S&P Capital IQ
 *4: Local management accounting basis.
 *5: TMHCC's 2020 and PHLY's 2019 figures are temporary increased due to Covid-19 impact and aggressively strengthened carried reserves to account for social inflation, respectively

Inflation Resilience

- Resilience against economic / social inflation is enhanced
- Continue to take pro-active measures to manage rapid environment change

Loss Reserve by Estimated Inflation Type*1

■ Cost of Goods and Services ■ Medical & Wages ■ Social Inflation



**TMHD
U.S. Business**

Our Measurements

Social Inflation

- ✓ Resilience against social inflation has been enhanced with forward-looking initiatives (Please see next page)

Economic Inflation (Medical/Wages)

- ✓ Financial impact to key lines (e.g., Excess WC, Medical Stop Loss, Liability lines) from medical costs and wage increases are also mitigated by rate increases greater than loss costs and increasing SIR*2 levels (Please see P.66)

Economic Inflation (COGS)

- ✓ Rate increases cover loss cost due to the inflation (P.62)
- ✓ Relatively resilient structure against economic COGS inflation due to our business focus on specialty insurance (i.e., less property and auto physical damage insurance)
- ✓ As current economic COGS inflation indices (e.g., flexible CPI and construction costs) have come down rapidly from their highs in 2021, economic COGS inflation risk has decreased

Inflation Resilience (Social Inflation)

PHLY Business Strength*1

Ability to avoid impact

▶ **Disciplined underwriting**

- Continued **proactive actions** to identify policies with higher potential risk of performance deterioration, and review of underwriting details which may lead to lower rates of new business or higher rates of non-renewed policies
- Continued focus on reducing number of high limit policies which have limits \geq \$10M that is vulnerable to litigation

Over **90%** of all in-force policies*2 have **limits \leq \$5M**

▶ **Reduction of litigation**

- **c.60% reduction***3 of number of litigation claims compared to pre-COVID as a result of early claim settlement initiatives

Ability to mitigate impact

▶ **Robust portfolio**

- **Continued reduction** of unprofitable policies
- Rate increases continue to be higher than loss cost trends (P.62)

*1: PHLY initiatives that are relatively more affected by social inflation

*2: Umbrella insurance

*3: Compare to 2020 Q2 when PHLY started the claim settlement initiative

TMHD International Business Strength

Ability to prepare for impact

▶ **Enhanced reserves**

- Reserves in select Liability lines strengthened as early as FY2019
- Prior year reserves have **developed favorably** since 2019

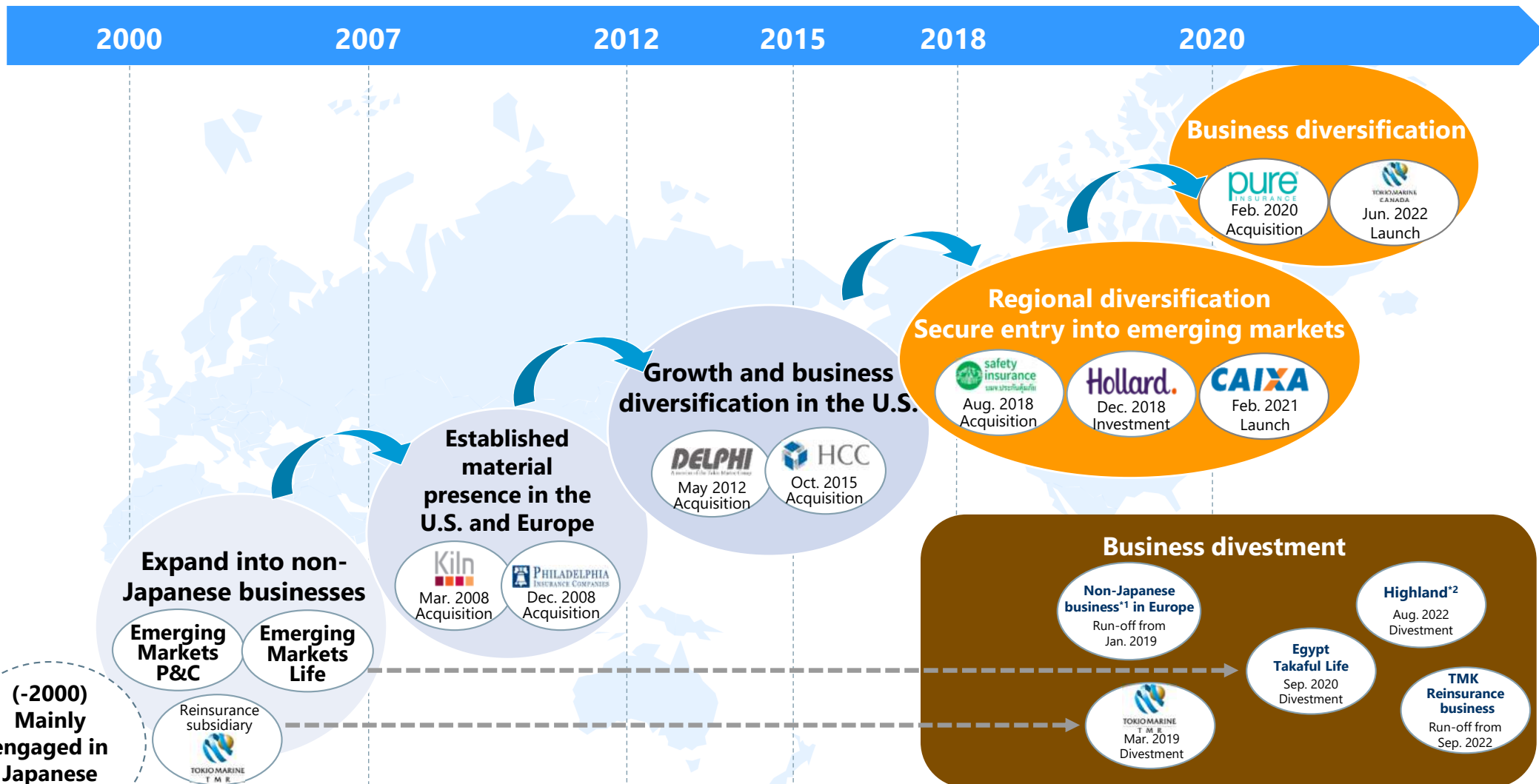
Inflation Resilience (Medical / Wage Inflation)

	Impact		Initiatives
	Existing Business Prior Year Loss Reserves	New Business Loss Cost	
Medical stop-loss (Short-tail)	<p>→</p> <p>Short-tail with limited prior year reserve impact</p>		<ul style="list-style-type: none"> Continued rate increases exceeding expecting lost cost inflation trends (P.62) Continued process to pro-actively increase SIR*; which results in an appropriate control on the impact of inflation on excess claims
Excess workers compensation (Long-tail)	<p>Impact of Wage Inflation : →</p> <p>Claim amount is calculated based on wage at time of accident, only some states require an inflation adjustment, resulting in limited prior year reserve impact</p> <p>Impact of Medical Cost Inflation : →</p> <p>Increasing SIR* result in limited prior year reserve impact</p>	<p>↗</p> <p>Increase with rising medical costs and wages</p>	

*: Self Insured Retention

M&A Transactions

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



*1: UK non-Japanese business and part of non-Japanese business in continental Europe with low profitability (continue Lloyd's business)
 *2: Construction insurance agency, part of Tokio Marine Highland (former WNC) Group owned by TMK

Track Record of M&A (Inorganic Growth)

- Five subsidiaries acquired with large-scale M&A have kept outperforming market growth
- ROI is significantly above TMHD capital cost (7%) at 17.2%

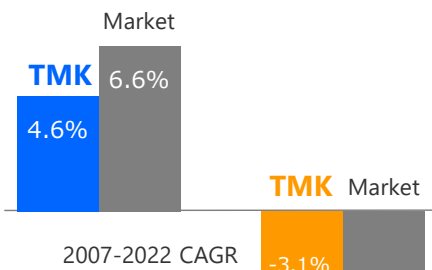
Growth after joining Group*1

ROI for large-scale M&A*2



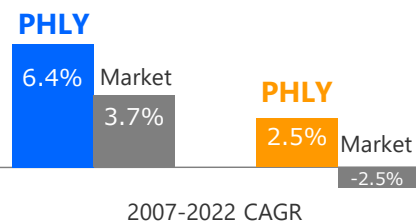
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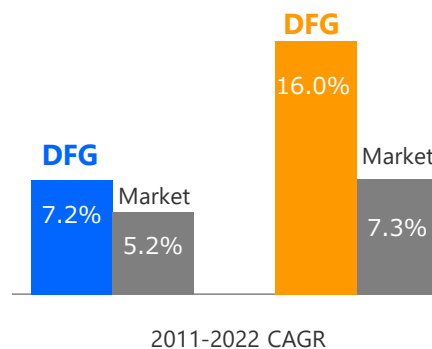
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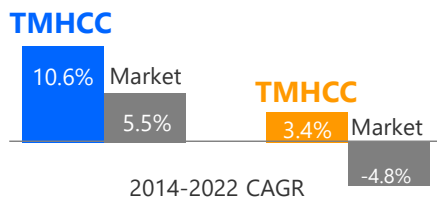
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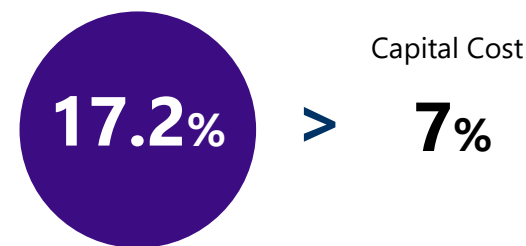
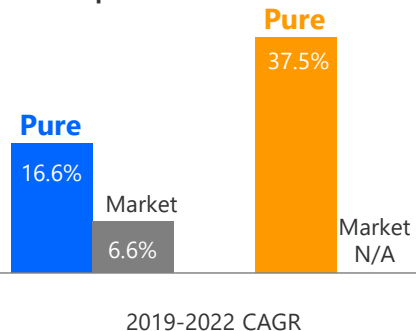
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*1: TMHD top-line / bottom-lines are local financial accounting basis, Pure's top-line is the premiums under management company
 Market for TMK: all Lloyd's companies, Other: North American non-life insurance
 (Source): Lloyd's Annual Report, S&P Capital IQ

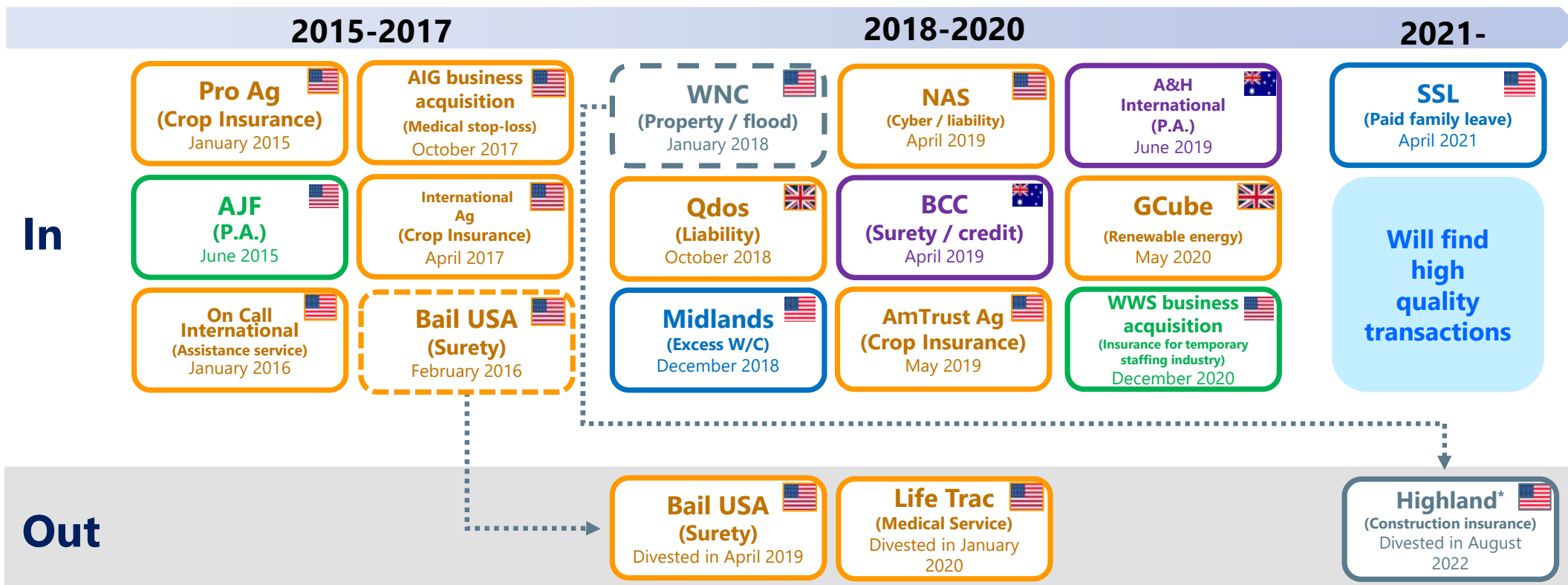
*2: ROI is calculated by using the sum of business unit profits under FY2023 projection as numerator and the sum of acquisition amounts as denominator
 (Different formula from ROE (=RoR / ESR) which reflects risk diversification effect, etc.)

Track Record of Bolt-on M&A

- Room for bolt-on M&A transactions with familiar businesses
- Transfer oversea GC's expertise to the other GCs to make it our strength and steadily execute transactions

Advantages of bolt-on M&A

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



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

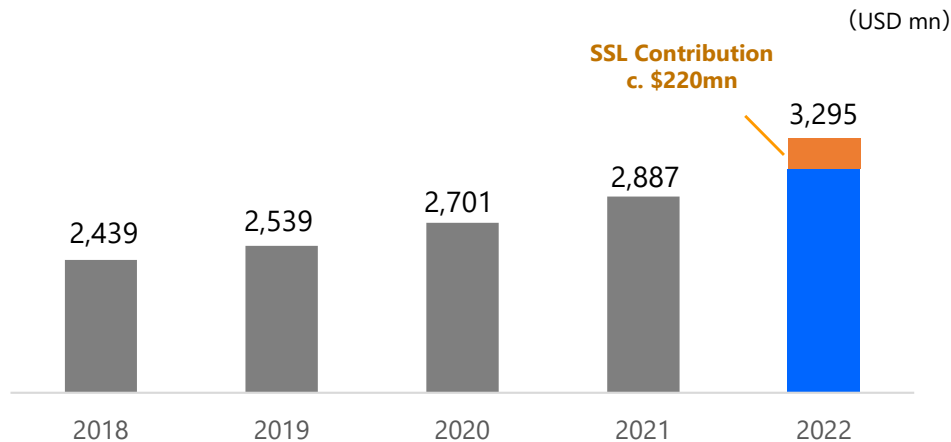
*: Construction insurance agency, part of Tokio Marine Highland (former WNC) Group owned by TMK

Contribution from M&A (Developed / Emerging Markets)

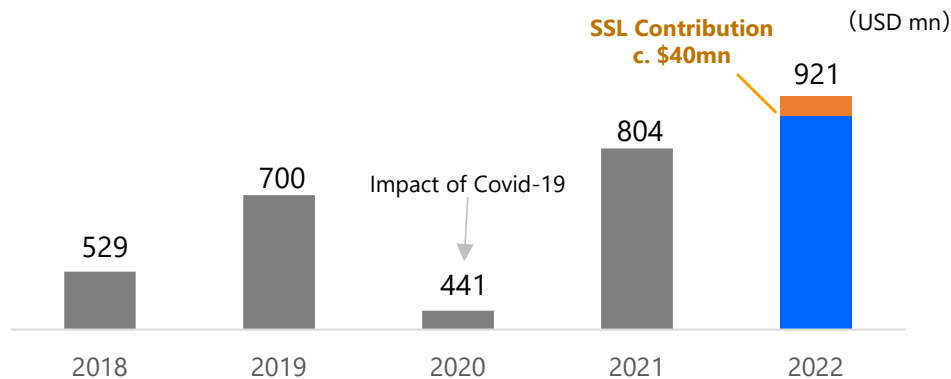
- Steadily realizing contribution from M&A transactions, and continuously accelerating the contribution from M&A with high growth

SSL: U.S. Paid Family Leave Insurance Market

Top-line (DFG total)*1

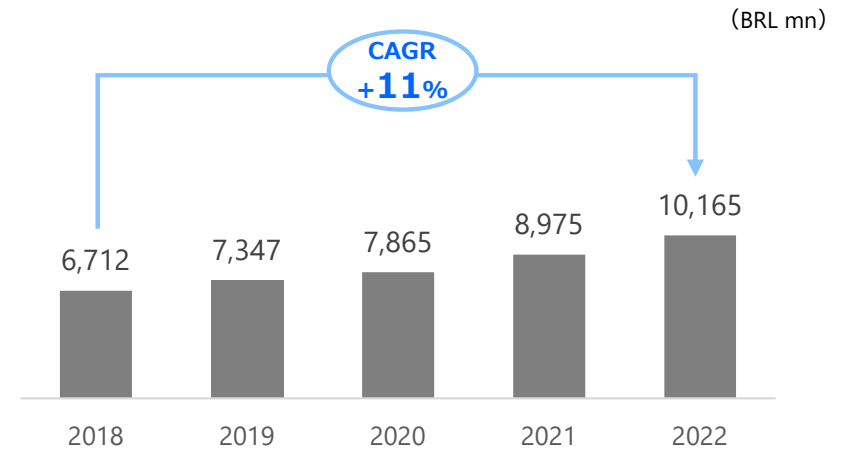


Bottom-line (DFG total)*1

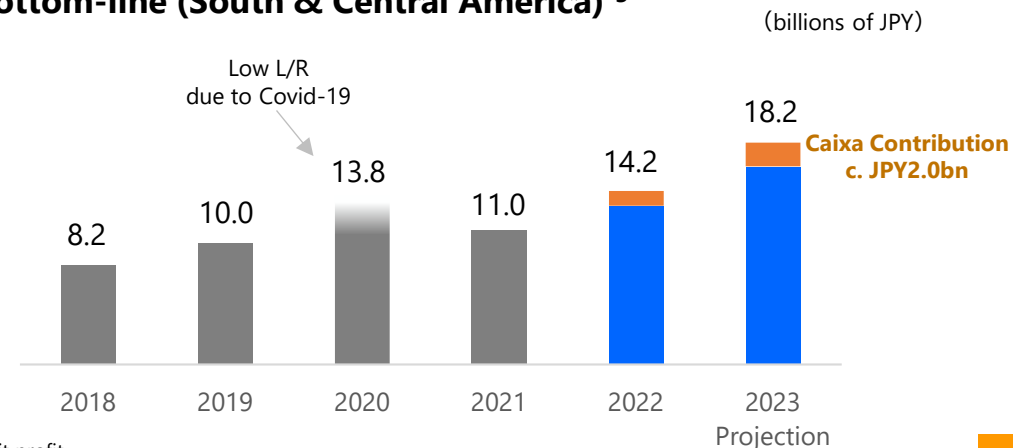


Caixa: Brazil Mortgage Market

(Ref.) Brazil Home Insurance Market*2



Bottom-line (South & Central America)*3



*1: Top-line: NWP

Bottom-line: Local financial accounting net profit

*2: Source: Brazilian insurance regulator SUSEP

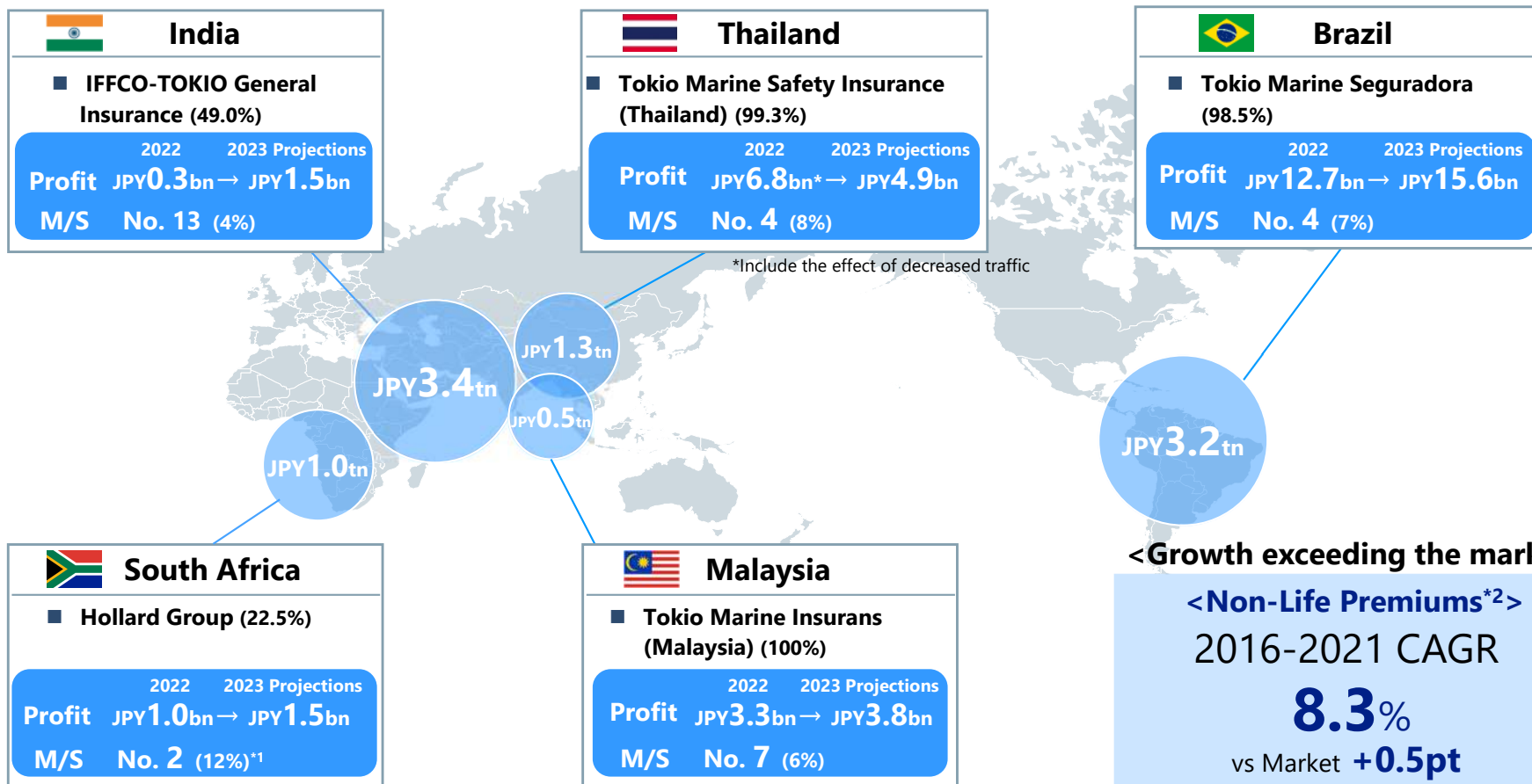
*3: Business unit profit

FX rate as of Dec. 31, 2022 and Mar. 31, 2023 are applied to period 2018-2022 and 2023 projection, respectively

Emerging Markets Strategy

- Building “pillars” with focus on regions with large market and strong expected growth
- Bottom-line in Brazil has grown to over JPY10.0bn with strong UW and use of DX, etc.

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



*Include the effect of decreased traffic

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. 2023
 Figures in circles: GWP as of FY2021 (Source): Swiss Re

*1: M/S of P&C business (2021)
 *2: NWP for TMHD, GWP for market (Source): Swiss Re

Digitalization Initiatives

- Initiatives to expand underwriting, improve profitability, and enhance services using technology / data are making progress around the world
- Realize synergies through Digital Round Table, etc. to accelerate profit growth

Top-line Initiatives (growth & efficiency improvement on underwriting)

Asia

Initiative

- Alliance with InsurTech company bolttech, etc.

Impact

- Acquire expertise and technology in the embedded insurance* area which has significant room for growth
- Expand sales through collaboration with platformers that have customer sales network

Brazil

Initiative

- Develop and provide "Super APP" that links with systems provided by other industries

Impact

- Enhance customer base by offering various value added services including app-based contract procedures, management, customer services, and special offers for using services provided by other industries

U.K. / U.S.

Initiative

- Introduce a system that automatically reads necessary information from paper and PDF format broker documents for efficient underwriting process

Impact

- Reduce costs for UW dept
- Reduce errors from manual operation and promote appropriate underwriting

Bottom-line initiatives (improve loss ratio / reduce administration cost)

U.S.

Initiative (1)

- Distribute various sensors free of charge to utilize IoT and telematics technology, etc.

Impact (1)

- Improve loss ratio by preventing accidents and reducing losses

Initiative (2)

- Use AI in disability insurance to automate claim adjustment

Impact (2)

- Reduce costs for Claims Dept
- Improve loss ratio by applying resources created to supporting early return to work for the insured

Initiative (3)

- Accelerate promotion of administration reduction with combination of outsourcing and automation technologies incl. RPA

Impact (3)

- Cost reduction for entire company
- Utilize resources created to sales expansion, etc.

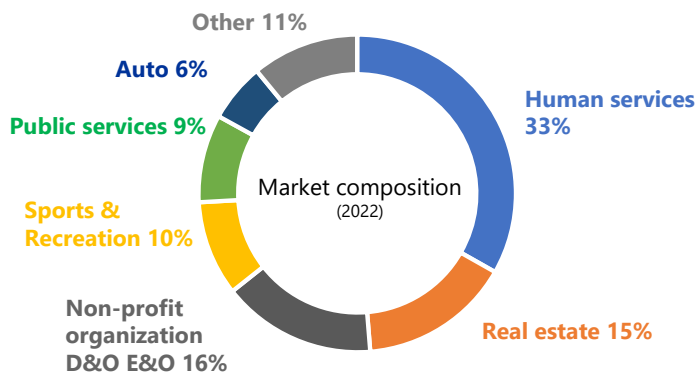
[Basic Information] PHLY



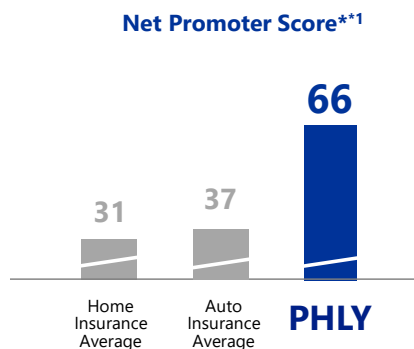
Build competitive edge focusing on niche markets

What's PHLY

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: 2022 data. (Source): Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

Current Focus

Steady profit growth while managing social inflation*2 (See P.62-65)

Rate Increases	Rate increases above loss-cost (see right)
Enhance disciplined underwriting	Enhanced disciplined underwriting by tiering strategy, reduce limits, etc.
Mitigate inflation risks	Accelerated settlements and reduced lawsuits by c. 60%
(Ref.) Reserves Provision	Set as early as in FY2019 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.

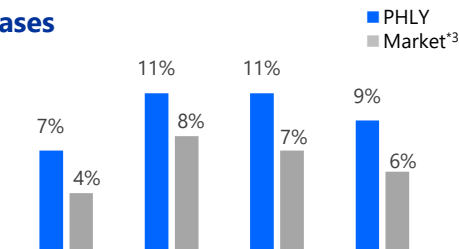
Enhance resilience against Nat Cat risk in light of Texas winter storm

- ✓ Take loss control measures in line with revised U/W guidelines and risk characteristics

Results

High renewal ratio and rate increases

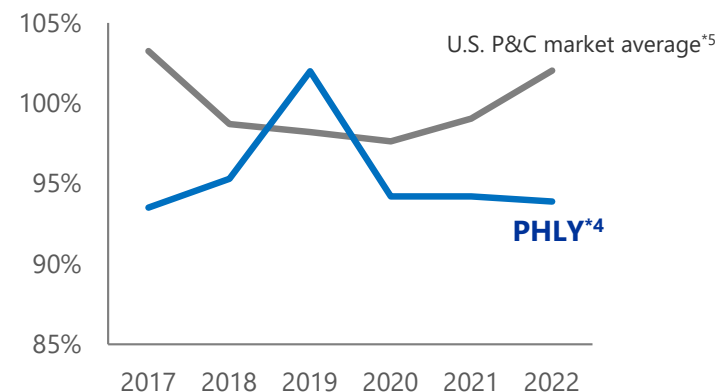
Rate increases



Renewal ratio

Year	PHLY
2019	89.6%
2020	86.2%
2021	90.1%
2022	93.2%

Favorable combined ratio



*3: Source: Willis Towers Watson
*4: Local management accounting basis. 2019 temporary increase due to increase in past reserve provision
*5: Source: S&P Capital IQ

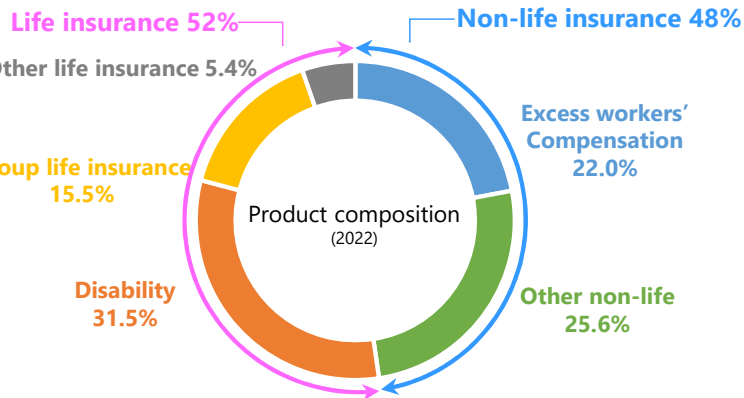
[Basic Information] DFG



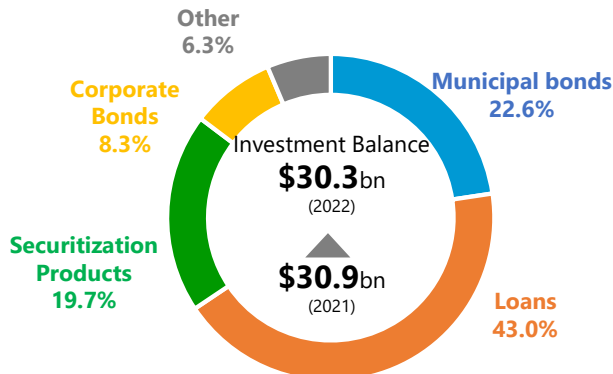
Maintain U/W profit and expand investment income leveraging its strengths

What's DFG

Strength in employee benefits and retirement products / services



A long-term, stable asset management portfolio focusing on investment income



In addition to the above, managing \$14.5bn of Group company entrusted assets

Current Focus

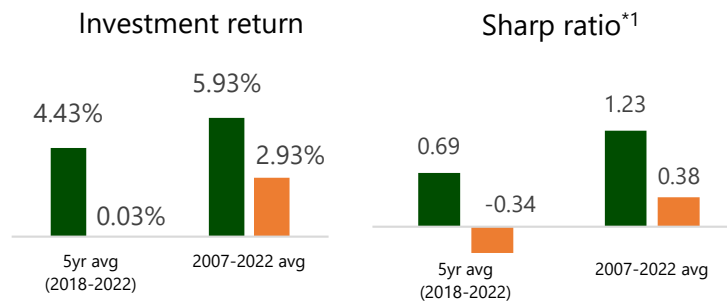
Enhance underwriting

- ✓ Increased rates for excess W/C and self-insurance amount to mitigate the effect of current inflation

Response to changes in environment including rising interest rates

- ✓ Utilize DFG's strength in abilities to gather and analyze information to develop flexible portfolio according to investment environment
- ✓ Currently securing high return by increasing variable interest products and products with high yield requiring expertise

<Track record vs. index>

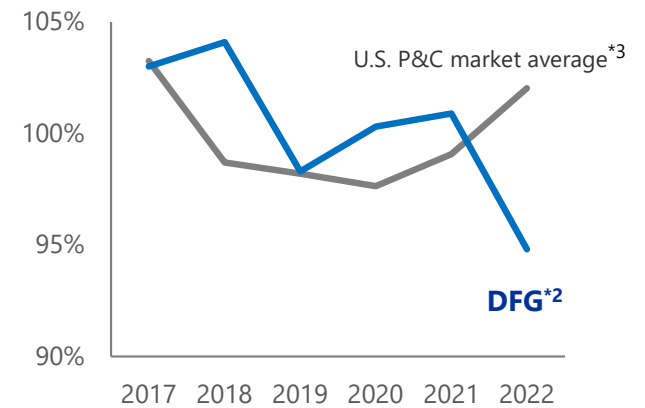


■ DFG ■ Barclays US Aggregate Bond Index

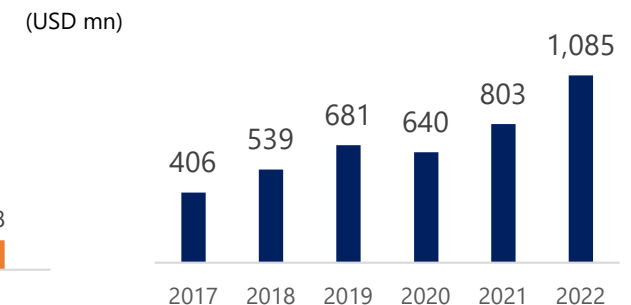
*1: Measures excess return per unit of risk. Calculated as $(\text{Investment return} - \text{risk free rate}) / \text{Volatility}$. Risk free rate: LIBOR6M

Results

Combined ratio



Strong profit^{*4} growth



*2: Local management accounting basis. Temporary increase due to review of reserves in 2018. Includes impact of COVID-19 for 2020 and 2021

*3: Source: S&P Capital IQ

*4: Business unit profits - capital gains / losses (after tax)

[Basic Information] TMHCC

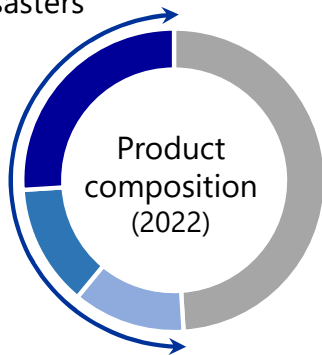


Global leader in specialty insurance with over 48 years of deep technical expertise

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 Nat Cat disasters



Less dependent on the P&C market cycles

About **51%**

Other

About **49%**

- Medical stop-loss
- Crop
- U.S. Surety, etc.
- D&O
- Property
- Aviation
- Energy & Marine, etc.

Current Focus

Latest bolt-on M&As



(May 2020)



AmTrust Ag
(May 2019)

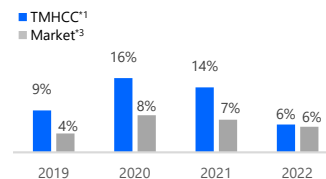


(Apr. 2019)

- UK Cover holder with over 25 years of market expertise in renewable energy business
- Aim to improve profitability while promoting creation of a sustainable future
- A US-based Crop Managing General Agent of AmTrust Group
- Aim to improve profitability through business combination
- A US-based Cyber Specialist Managing General Agent
- Pioneer in cyber market with credible portfolio for informed underwriting management

Rate Increases*1

- ✓ Aim to cover for loss cost increases
- ✓ Address current inflation risk through rate increases particularly for MSL*2 and increased self-insured retention amount

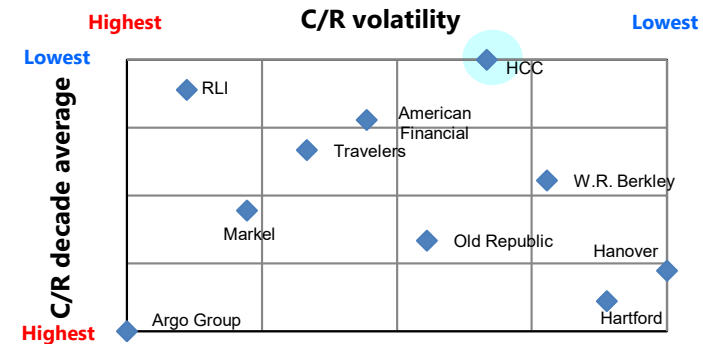


Additional risk-taking

- ✓ 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.

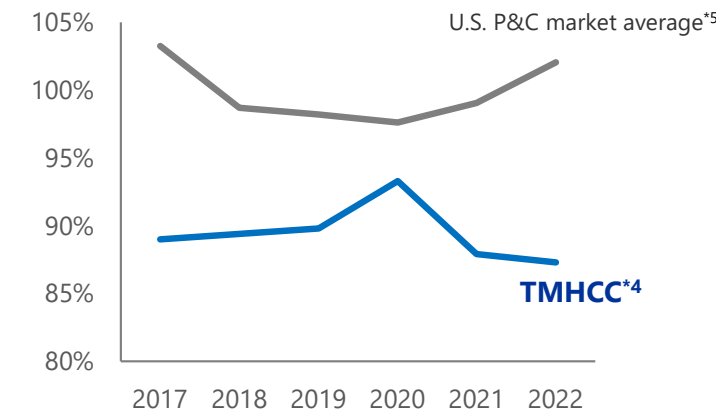
Results

Stable profitability



(Source): Created by each company report and Dowling & Partners Analysis (based on data through Dec. 31, 2022)

Favorable combined ratio



*1: Excluding A&H, Surety, Credit
*2: Medical stop-loss

*3: Source: Willis Towers Watson
*4: Local management accounting basis
*5: Source: S&P Capital IQ

[Basic Information] Pure



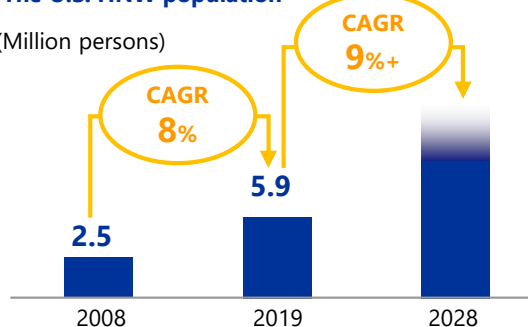
Specialty insurance group focused on the U.S. High Net Worth insurance market

What's Pure

Focus on HNW market with high growth potential

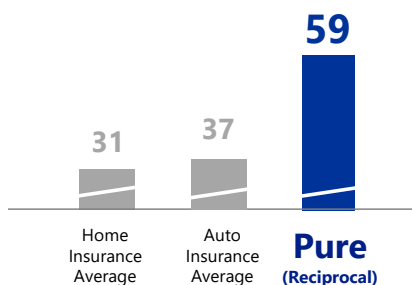
The U.S. HNW population*1

(Million persons)



Strong customer loyalty

Net Promoter Score *2



Current Focus

Business Expansion

- ✓ Increase insured amounts and rates to conform to the market environment
- ✓ Provide further additional value by strengthening multiline sales and leveraging a newly created E&S reciprocal
- ✓ Geographically diversify the portfolio, including expansion into Canada

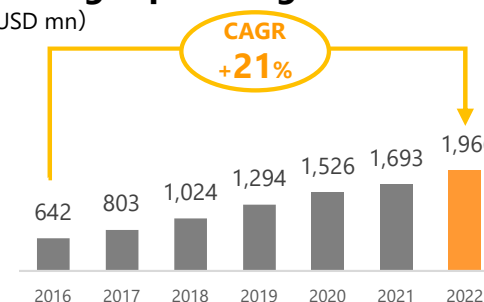
Expansion of synergies

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

Results

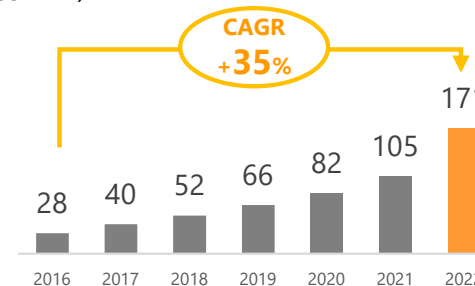
Strong top-line*3 growth

(USD mn)



Strong profit*4 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: 2022 data
(Source): Customer GURU, NICE Satmetrix 2022, and Consumer Net Promoter Benchmark Study

*3: Premiums under management company

*4: Local financial accounting profit

[Basic Information] TMK



Top Class Specialty Insurer in Lloyd's market

What's TMK

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

(GBP mn)

Ranking	Insurer	2022 GWP*1
1	Beazley	4,548
2	Brit	3,322
3	QBE	2,272
4	TMK	2,006
5	Hiscox	1,897

*1: Total GWP of syndicates managed by Managing Agents (Source): S&P Capital IQ

■ Superior expertise

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

Current Focus

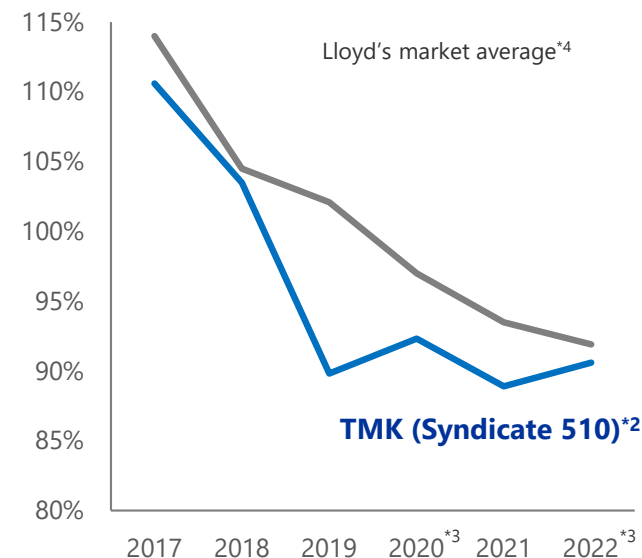
■ Return to focus on Lloyd's Business

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 have less dependence on property and be diversified, and drastically remediate underperforming businesses
- ✓ Flexibly review business portfolio including divestment of Highland and run-off of reinsurance business, etc.
- ✓ Rate increases considering the hardening market
- ✓ Review and strengthen reinsurance program

Results

■ Favorable combined ratio



*2: Local management accounting basis

*3: Excluding the impact of COVID-19 from 2020 Including the impact of Russia/Ukraine war in 2022

*4: Source: Lloyd's Annual Report 2022

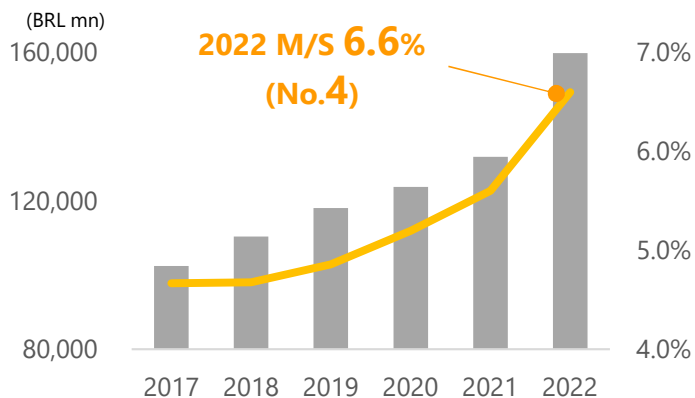
[Basic Information] TMSR



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

What's Seguradora

- Growing market ^{*1}(bar chart) and growing market share ^{*2} (line chart)



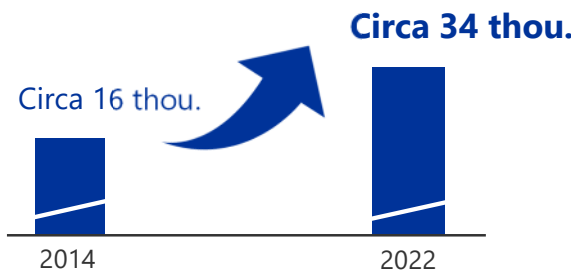
- Provide products and services that match the demand

- ✓ Provide various digital services, incl. distributing apps that can be linked to a range of functions accompanying insurance, or services of other industries, in addition to online insurance products (e.g., auto, overseas travel)
- ✓ Simplify the auto insurance rate calculation process by utilizing SNS information, and implement a sign language translation function on corporate websites
- ✓ Improve service quality through insourcing of the call center function for auto / fire insurance assistance service

*1: GWP (Source): Swiss Re
*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 c. JPY2.0bn^{*3} after-tax profit in FY2023

- Countermeasures for inflation

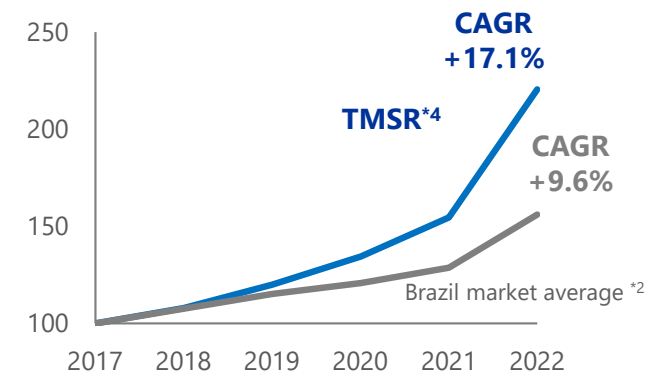
- ✓ Mitigate the effect of current sharp inflation through increasing rates and deductibles to cover for loss-cost, and expanding investment income from inflation-linked bonds, etc.

*3: Exchange rate at the end of Mar. 2023

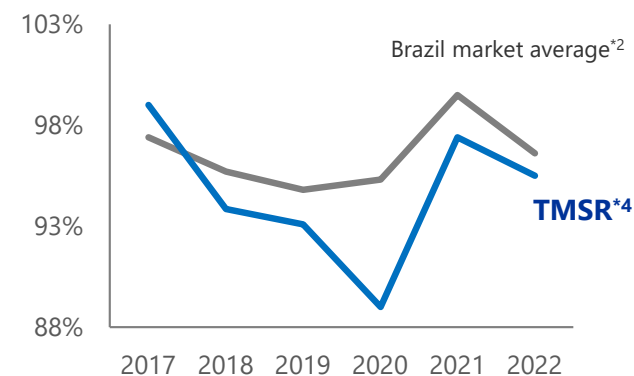
Results

- Growth exceeding the market

Growth rate of gross premiums with 2017 set as 100



- Favorable combined ratio



*4: Local management accounting basis

International Insurance (Results by Region)

Net Premiums Written (billions of JPY)	2022	2023 Projection	2023
	Actual	Original	Plan ⁵
North America ^{*1}	1,754.3	1,776.0	
Philadelphia	491.8	494.0	
Delphi	437.3	451.0	
TMHCC	707.1	713.0	
Europe ^{*2}	169.3	195.0	
South & Central America	230.6	257.0	
Asia & Oceania	244.1	263.0	
Middle East & Africa	40.0	40.0	
Total Non-Life ^{*3}	2,438.7	2,531.0	
Life	131.7	123.0	
Total	2,570.4	2,654.0	c. 2,000.0
Business Unit Profits (billions of JPY)	2022	2023 Projection	2023
	Actual	Original	Plan ⁵
North America ^{*1}	278.2	308.0	
Philadelphia	62.1	66.0	
Delphi	126.5	148.0	
TMHCC	79.7	87.0	
Europe ^{*2}	4.7	23.0	
South & Central America	14.2	18.0	
Asia & Oceania	- 87.3	20.0	
Middle East & Africa	1.3	2.0	
Total Non-Life ^{*3}	214.3	372.0	
Life	- 0.3	- 1.0	
Pure	22.6	25.0	
Total ^{*4}	218.6	376.0	c. 230.0

Applied FX rate	FY2022	FY2023 Projection
	Actual	Original
	As of end- Dec. 2022	As of end- Mar. 2023
USD / JPY	¥132.7	¥133.5
GBP / JPY	¥160.0	¥165.5
Brazilian Real / JPY	¥25.1	¥26.3

*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

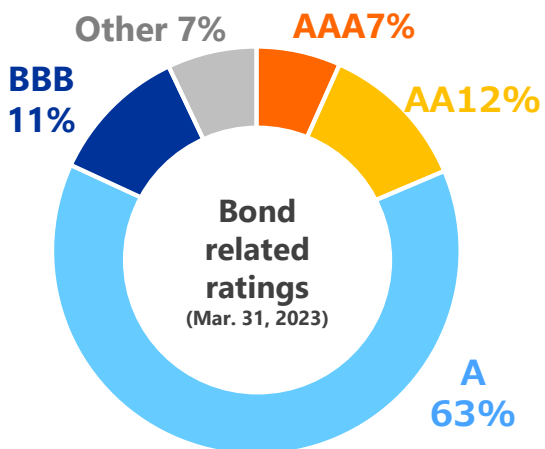
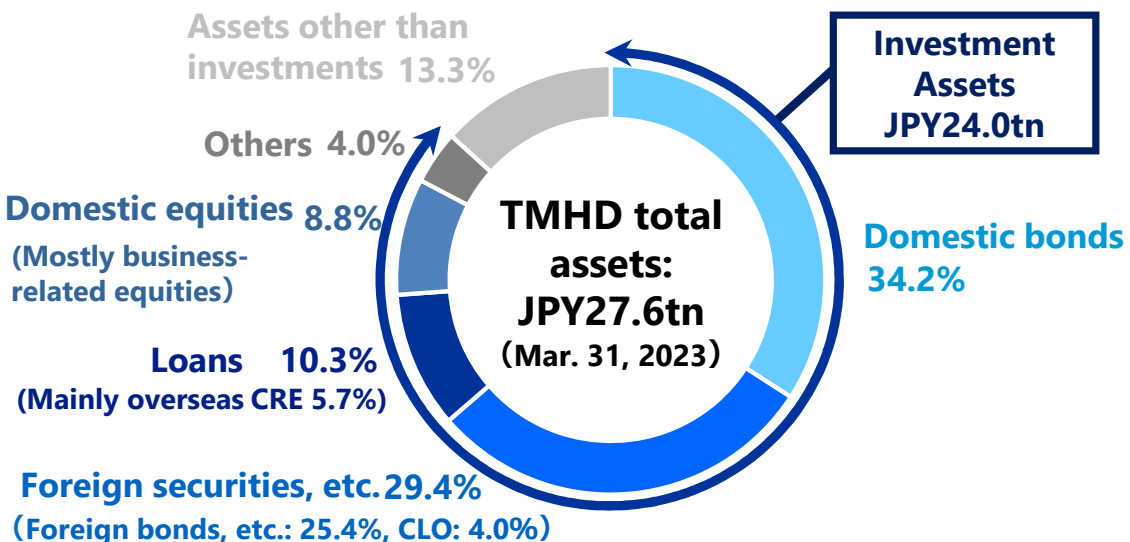
*5: Plan created in 2020

C/R	2022	2023 Projection	2023
	Actual	Original	Plan ⁵
North America ^{*1}	91.4%	92.7%	
Philadelphia	93.8%	95.5%	
Delphi	94.8%	95.8%	
TMHCC	87.1%	87.7%	
Europe ^{*2}	99.2%	88.8%	
South & Central America	95.4%	95.7%	
Asia & Oceania	146.8%	96.7%	
Middle East & Africa	102.4%	99.0%	
Total Non-Life ^{*3}	97.7%	93.2%	
Life	-	-	
Pure	-	-	
Total	97.7%	93.2%	c. 94%

Group Asset Management Policy

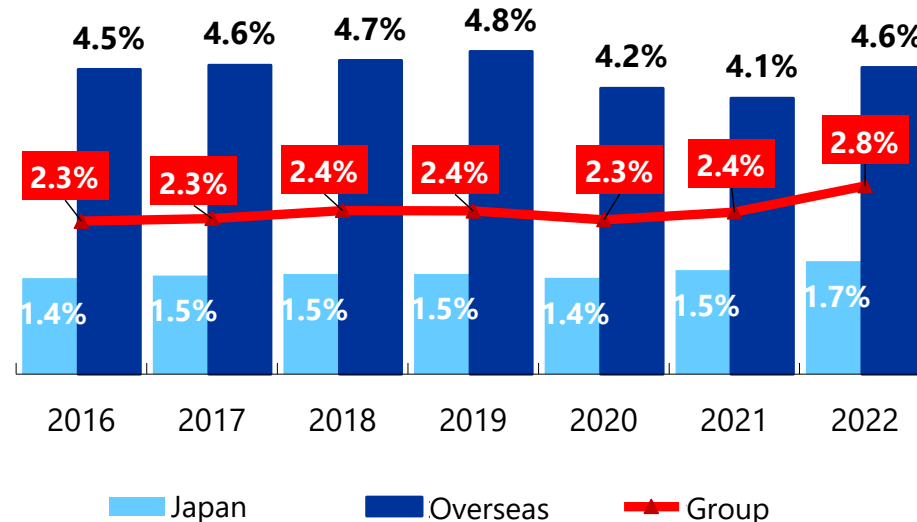
- Maintain long-term stable income based on ALM aligned with characteristics of insurance liabilities

Investment Portfolio (Mar. 31, 2023)

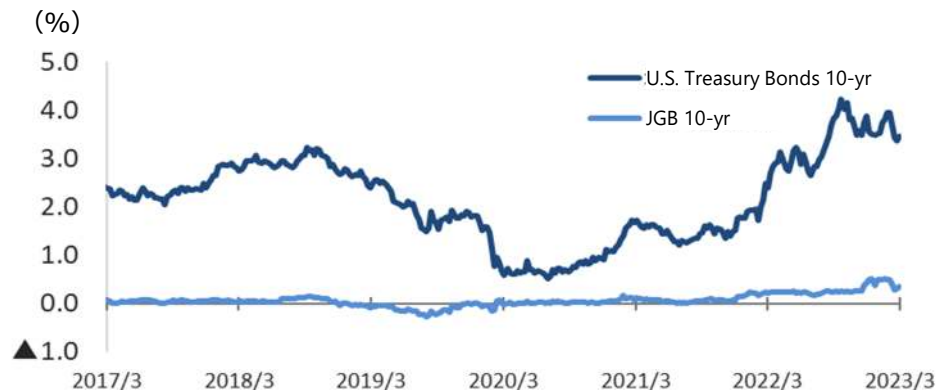


Securing a stable yield

<Changes in Group income yield>



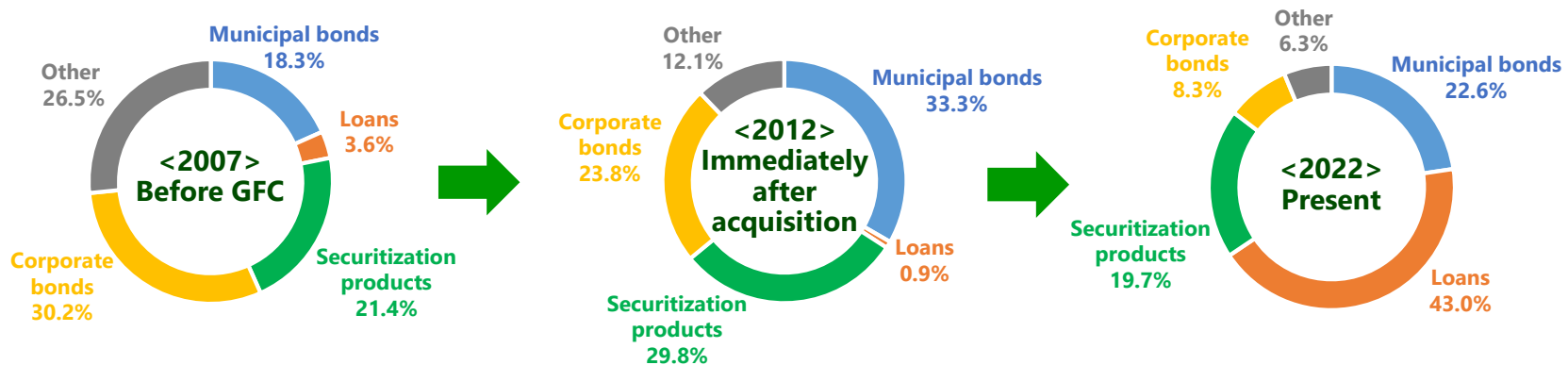
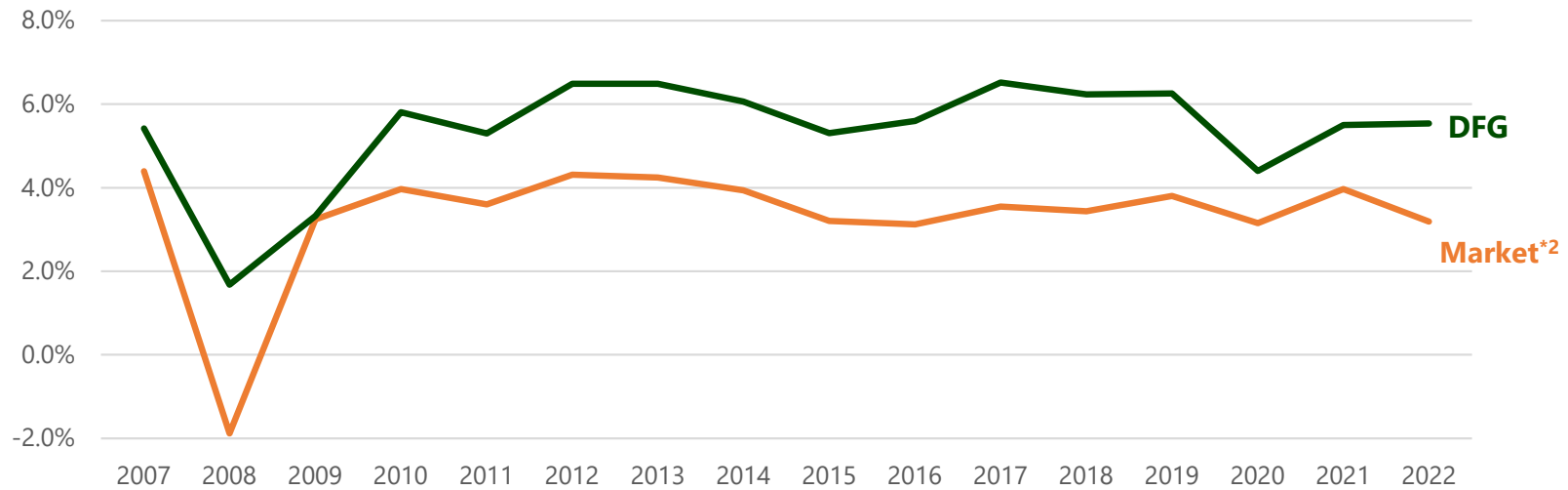
(Ref.) Open Market Rates



DFG Investment Track Record

- DFG investment performance (investment income + realized gains / losses) remained positive during the collapse of Lehman Brothers

<Investment Return*1 and Portfolio Change>



*1: Calculated as "(Income + gains / losses from sales + impairment) / AUM" *2: Average for US non-life insurance companies (market capital of \$20bn or more) (Source): S&P Capital IQ, Factset

DFG's Credit Management Capabilities

- Increase returns while controlling the credit risk through investment in CLO and CRE loans leveraging on DFG's strength

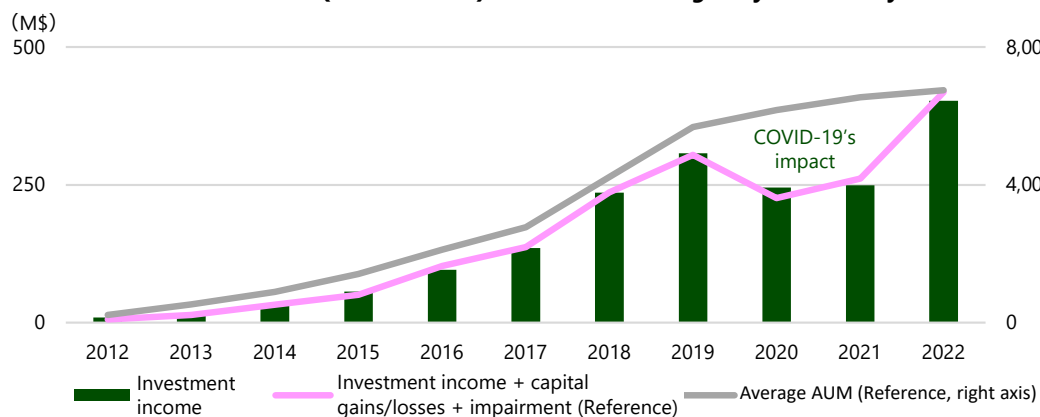
High returns generated with highly specialized investments

CLO

<Investment process>

- Select outside asset managers based on their response to the GFC, etc.
- Rigorously select and invest in well-priced investment targets leveraging liabilities that can be held to maturity, good judgement based on high level of expertise, abundant experience, and networks

<Investment income (before tax) *incl. Assets managed by DFG for key GCs>



<Risk management>

- Appropriately establish protection such as early redemption and subordinated tranches
- Perform meticulous risk management through regular monitoring including monitoring of underlying assets, conservative stress testing, strong checks on outside asset managers, etc.
- Loss is likely be extremely limited unless a default rate at or above three times the long-term average (which is around 10% or more) continues for three years or longer

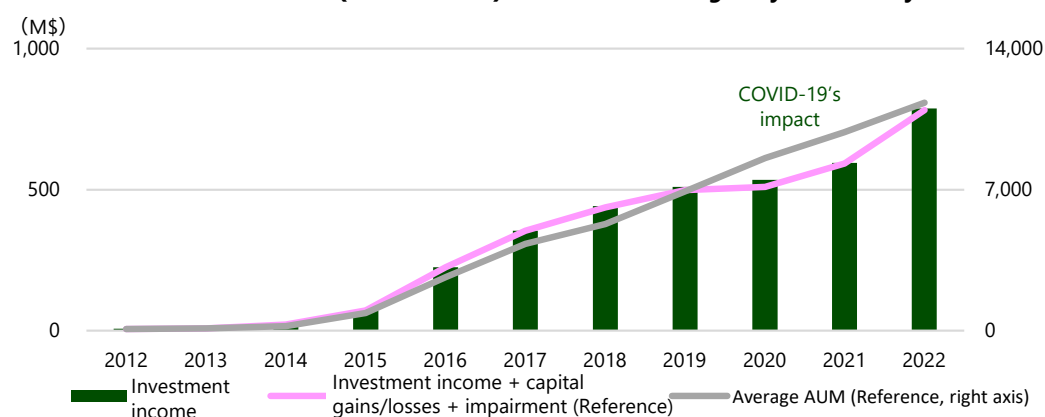
*: The default ratio as of Mar. 31, 2023 was c. 1.4%.

CRE Loans

<Investment process>

- Active involvement in outside asset managers' decision making based on a robust collaboration structure
- Meticulous underwriting based on properties' business plans, LTV, ease of attachment/collection, sponsor capacity, etc.

<Investment income (before tax) *incl. Assets managed by DFG for key GCs>



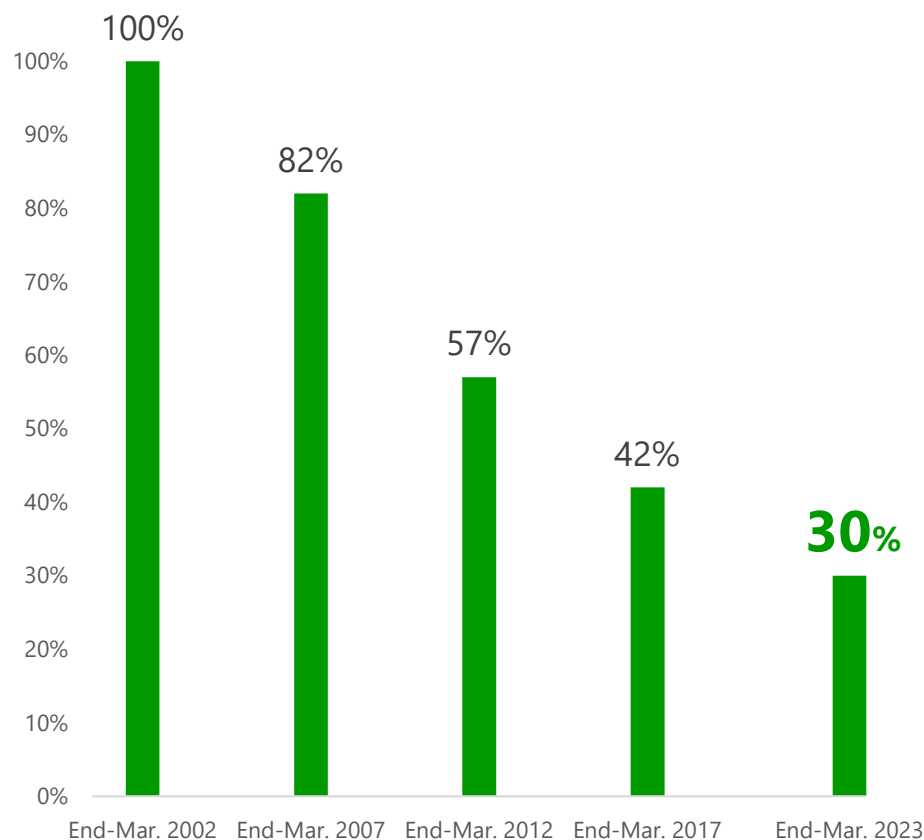
<Risk management>

- Monthly interest payments are made appropriately despite the current interest rate rising phase; there is no special concern
- Contractual arrangements are in place to control the borrowers' interest payment burden when interest rates rise; default risk is therefore structurally limited
- Generally being a sole lender, proactive collection activities (workout) and attachment are possible for poorly-performing properties (DFG has recently steadily implemented attachment/loan collection for some properties that have been particularly affected by COVID-19)

Reduction of Business-related Equities

- Sold total amount of c. JPY2.5tn*¹ and reduced book value by 70% since FY2002
- Accelerate divestment by selling JPY600.0bn or more over the next four years, and continue to sell thereafter

Book value of business-related equities held by TMNF*²



*1: Market value at the time of sale

*2: When the end of March 2002 is set as 100

Amount of Sale

Mid-term business plan	Fiscal year	Amount of sale	Plan
Innovation and Execution 2014	2012	115bn yen	100bn yen or more/year
	2013	109bn yen	
	2014	112bn yen	
To Be a Good Company 2017	2015	122bn yen	
	2016	117bn yen	
	2017	108bn yen	
To Be a Good Company 2020	2018	107bn yen	
	2019	107bn yen	
	2020	106bn yen	
To Be a Good Company 2023	2021	117bn yen	
	2022	130bn yen	

[From 2023]

- ✓ Sell JPY600.0bn or more over the four years from FY2023 to FY2026
- ✓ Continue to sell thereafter

Example ①

- **Promote the development of risk solutions for pre- and post- incident areas leveraging digital and other technologies through “CORE”, a disaster prevention consortium launched in November 2021, in disaster prevention / mitigation areas**

Disaster Prevention Consortium CORE: Working groups’ initiatives



- Composed of 95 companies and organizations (as of Apr. 1, 2023)
- Contributing to building a resilient society to disaster through partnerships with companies and organizations in a variety of industries
- **10 working groups**, launched by subject, **promote the development of solutions leading to disaster prevention / mitigate (in the table below)**

Working group’s subject	
1	Extraction of infrastructure maintenance and management risks through the utilization of remote sensing
2	Disaster forecast to support an evacuation
3	Real time hazard maps → See P.36 for the outline
4	Speeding up damage surveys and rehabilitation / reconstruction by leveraging digital technology
5	All hazards risk assessment and its utilization for town development / disaster prevention measures (“Disaster Loss Simulations” etc. → see P.36 for the outline)
6	Research on a new disaster prevention information system and consideration of disaster prevention business by applying the system
7	Preventing disaster and maintaining functions at disaster base hospitals, etc. by utilizing timeline during a flood disaster
8	Considering a BCP for drug supply during a disaster from a regional perspective
9	Comprehensive resilience support services for buildings and the use of buildings
10	Information provision services for the maintenance of logistics functions and corporate business continuity during a water-related disaster

Purpose / content of initiative (examples)

[Working group 4]

- Reduce the time to rebuilding livelihoods and victims’ burden by making most of digital technology
- Focus on disaster prevention DX, such as “Increasing efficiency / saving manpower of damage surveys using sensors, satellite, etc.” and “Simplification of various application/review through public-private information collaboration / PUSH type services”

[Working group 6]

- Research and development of livelihood rebuilding support services for evacuees at home during a disaster
- Study a new disaster prevention information system, which links customers to service companies, and aim to achieve “a private sector partnership disaster prevention,” which complements public disaster prevention

[Working group 7]

- Establish a method for devising an evidence-based, effective timeline disaster prevention plan, which is helpful in maintaining medical functions during a disaster
- Share information among various organizations engaged in disaster medical care, and aim to build mechanisms and digital foundations that enable smoother collaboration

Example ②

- **Deploy Embedded Insurance***, which embeds a variety of fully digitalized products, through the utilization of external partners' platforms and services, in addition to the expansion of internal capabilities

Examples of utilizing partners' platforms and embedding them into products

Concrete example

Starting of Tokio Marine X



Establish a digital small-amount short-term insurance company focusing on Embedded Insurance

Form alliances with a broad range of business partners, and provide a bundled white label type, fully digitalized insurance, system, and marketing method

Launch the first fully digitalized product through collaboration with Lawson
(From Mar. 2023)

- Provide, jointly with Lawson, "Motorcycle theft insurance," a fully digitalized insurance designed for motorcycle users

Concrete example

Collaboration with bolttech



Utilize a fully digitalized innovate platform for buying insurance

Utilize a quickly and flexibly customizable bolttech platform to build a new fully digitalized process for buying insurance

Deploy embedded insurance using a bolttech platform
(From Mar. 2023)

- Utilize a bolttech platform used in 30 countries globally. It has already produced successful results in Asia, and will accelerate deployment

Concrete example

Collaboration with Finatext



Utilization of a SaaS-type core insurance system

Utilize "Inspire," a SaaS-type system infrastructure provided by Finatext, to build a new fully digitalized process for buying insurance

Provide embedded insurance to a GA Technologies real estate platform
(From May. 2023)

- Provide fire insurance embedded in real estate on "RENOSY," an online marketplace for investment property

Investment in Digital Capability

- Have invested tens of billions by utilizing CVCs in the U.S.
- Capture external diversity to enhance value proposition

Healthcare

Mobility

HR-Tech

Green / Supply Chain

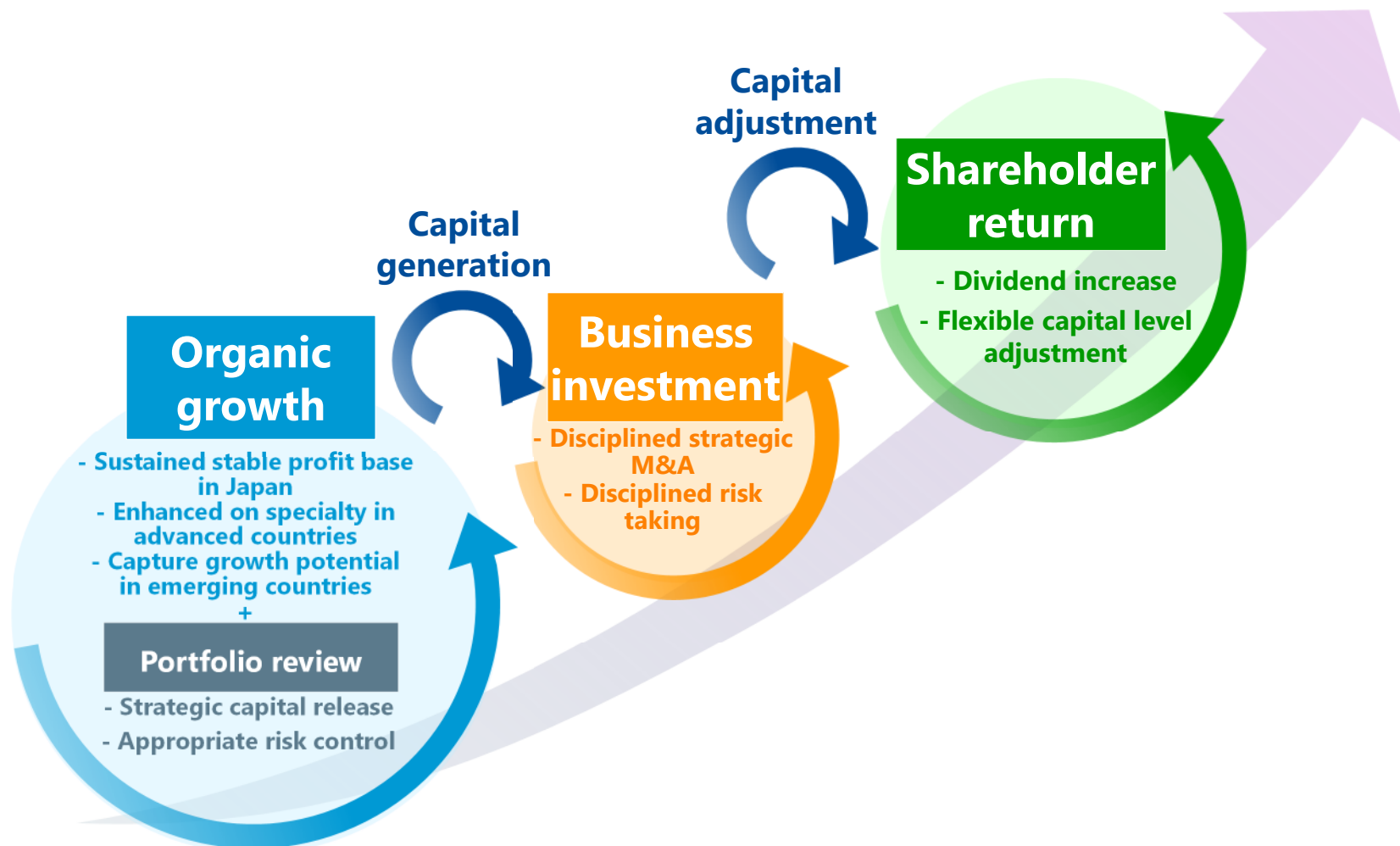
Nat-Cat

Deep-Tech

Insurtech / Fintech

Capital Circulation Cycle

- We conduct disciplined business investment and shareholder returns by utilizing capital generated from organic growth and portfolio review



ESG for sustainable growth

Track Record of Disciplined Capital Policy

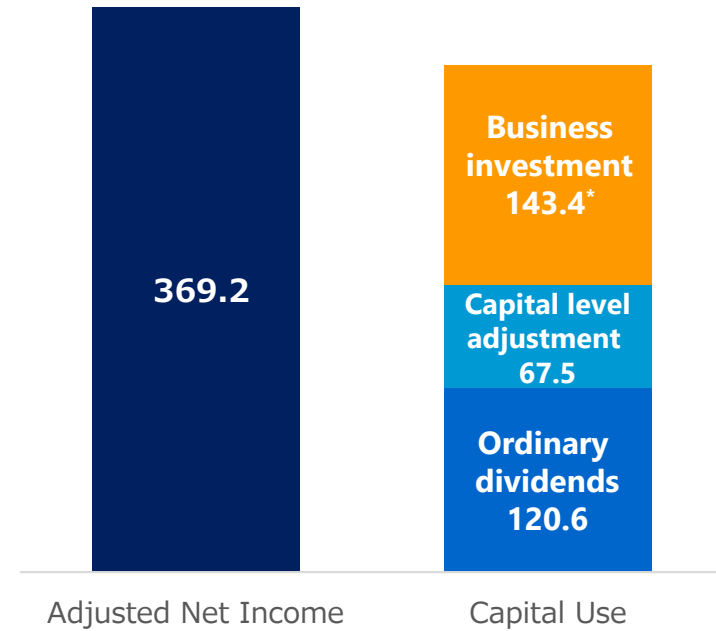
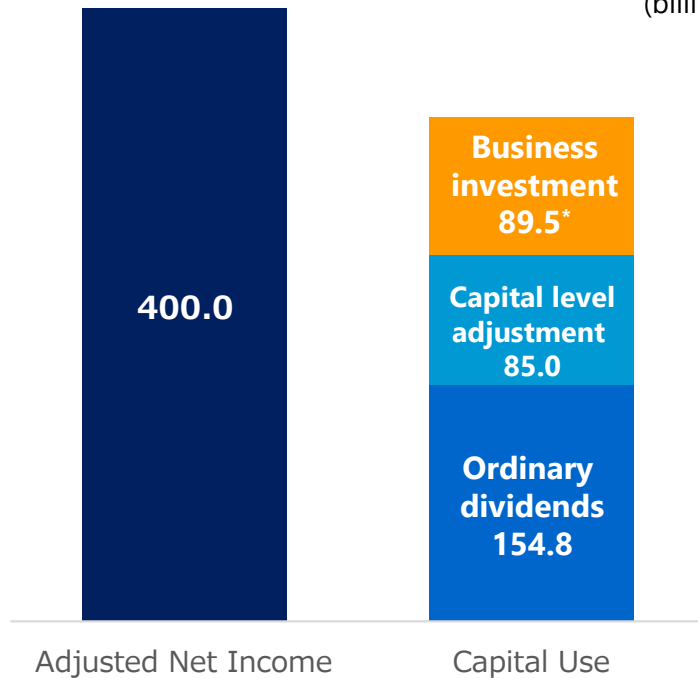
- We have enhanced ROE by utilizing generated capital for business investment and shareholder returns with discipline

"5-Year" Average (2018-2022)

"10-Year" Average (2013-2022)

(billions of JPY)

(billions of JPY)



Adjusted ROE growth

10.5%

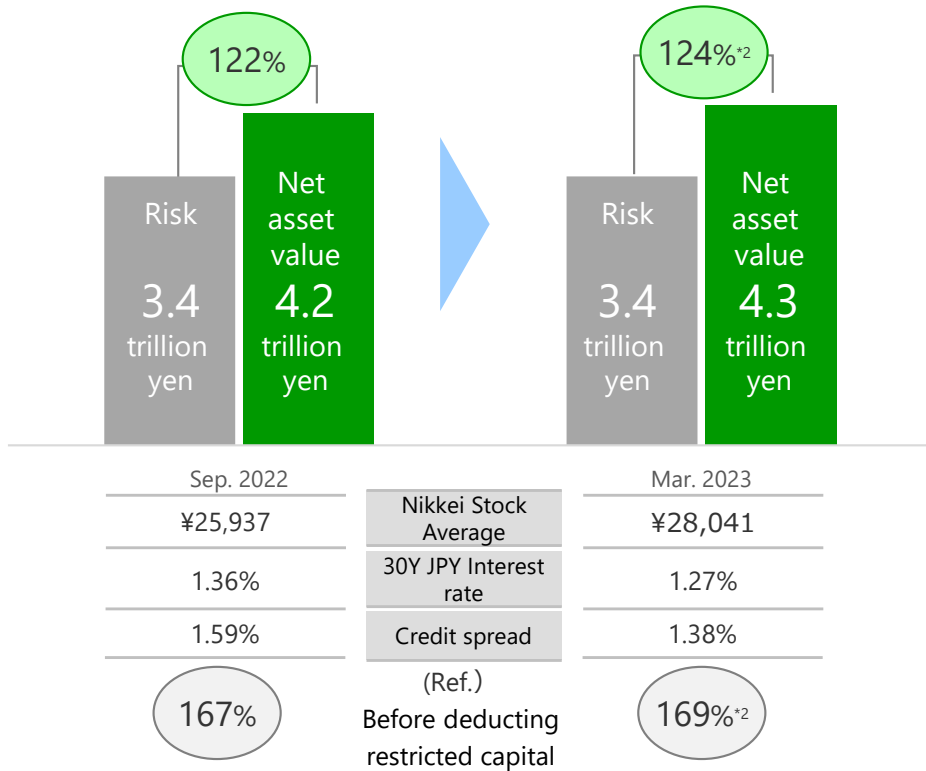
9.9%

*: Total of published figures (source): Refinitiv Eikon

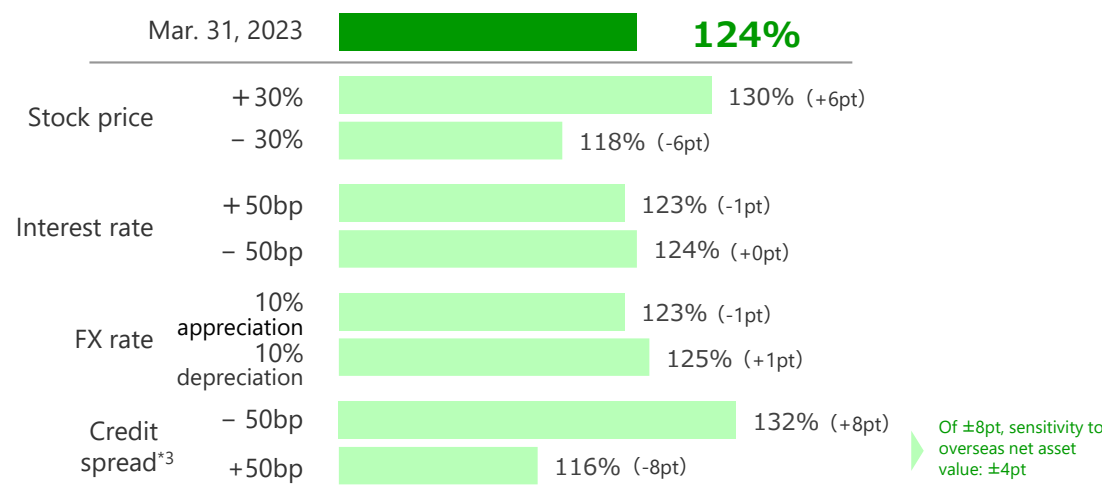
Disciplined Capital Policy (ESR)

- **ESP as of Mar. 31, 2023 was 124% (or 121% after share buy-back), reflecting profit contributions in 2H, shareholder return, implementation of growth strategies (underwriting and asset management), etc.**

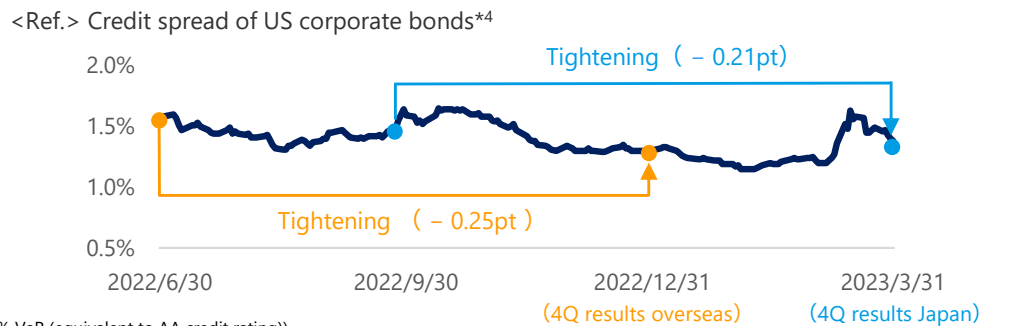
ESR*1



ESR Sensitivity (based on parallel shift)



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: Allow risk-taking within the risk limits



Factors changing net asset value

- ➔ 2H adjusted net income contribution
- ➔ Shareholder return
- ➔ Stronger JPY
- ➔ Higher stock prices
- ➔ Tighter credit spreads etc.

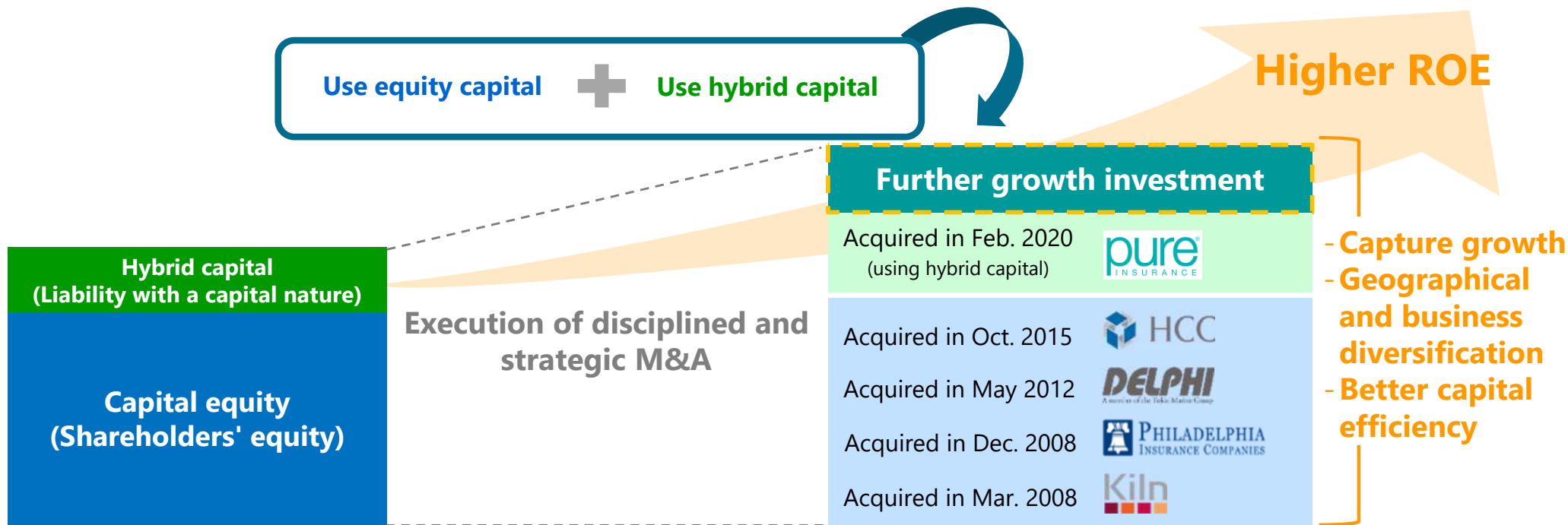
Factors changing risk

- ➔ Stronger JPY
- ➔ Decrease in equity risk caused by continued sale of equities
- ➔ Higher stock prices etc.

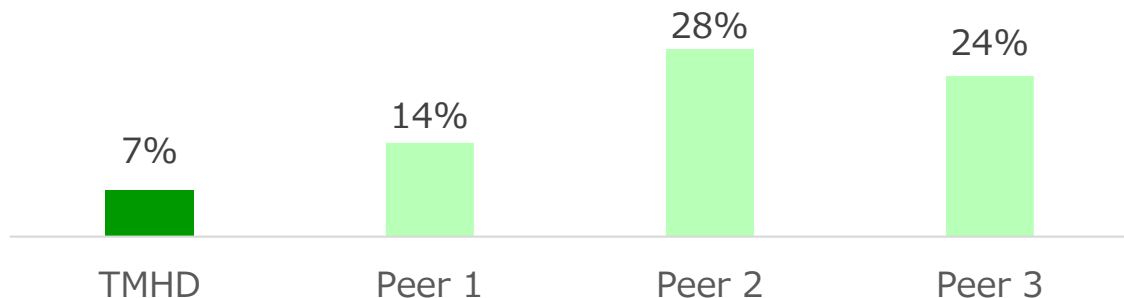
*1: Economic Solvency Ratio (calculated with a model based on 99.95% VaR (equivalent to AA credit rating))
 Net asset value of overseas subsidiaries shows the balance as of three months earlier (June 30, 2022 and Dec. 31, 2022)
 *2: 121% after a JPY100.0bn share buy-back (166% before deducting restricted capital)
 *3: Due to different consolidated accounting periods adopted by overseas subsidiaries (refer to *1), the period of credit spread fluctuations reflected on ESR differ
 *4: Source Bloomberg

Achieve Further Growth through Flexible Capital Strategy

- 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)*



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

- Issue amount: JPY200.0bn
- Currency: JPY
- Coupon: 0.96% per annum (fixed until Dec. 24, 2029)
- Duration: 60 years

(Early redemption permissible from Dec. 24, 2029)

Our Purpose

- 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*

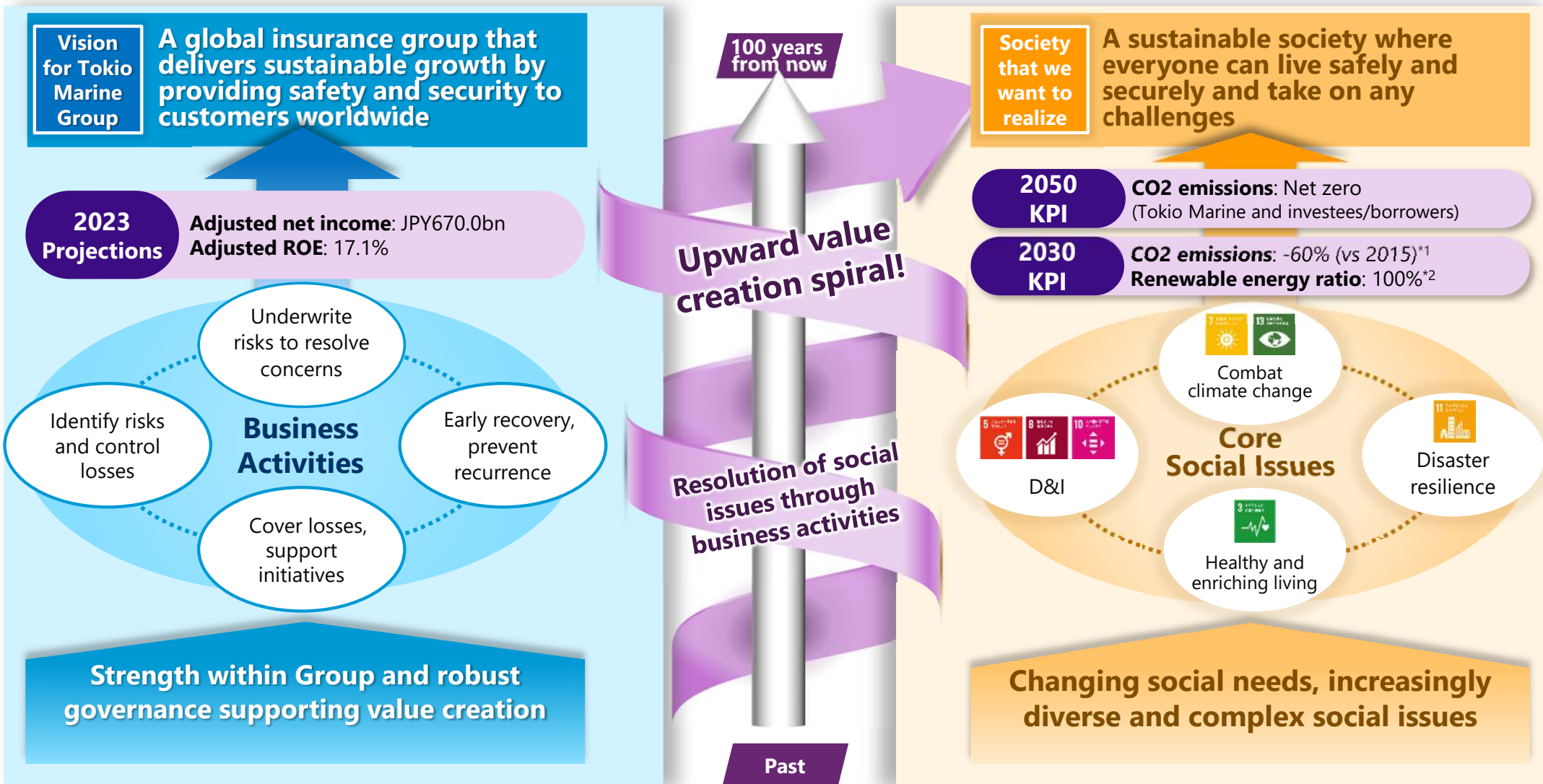
Founded as Japan's first insurance company

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



Sustainability Management for the Next Century

- By being true to our purpose and resolving the expanding and complex social issues, continue profit growth over the next century (simultaneously enhance social value and our economic value (profit))



*1: Related to our business activities (Scopes 1+2+3 (Categories 1,3,5,6))

*2: Ratio of renewable energy in electricity consumption at main business locations

Values Provided to Stakeholders and Materiality

- **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**
- **Promoted initiatives in line with the ESG basic policy and addressed existing issues (establish decarbonization plan for underwriting / investment and loan portfolio, further contribution to future generations, etc.) in FY2022**
- **For FY2023, further strengthen initiatives in materiality, and promote the integrated management of sustainable strategies and business activities**

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

- Disclosure timely, appropriate and highly transparent information

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

- Promote and support D&I

For Employees

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

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

For Future Generations

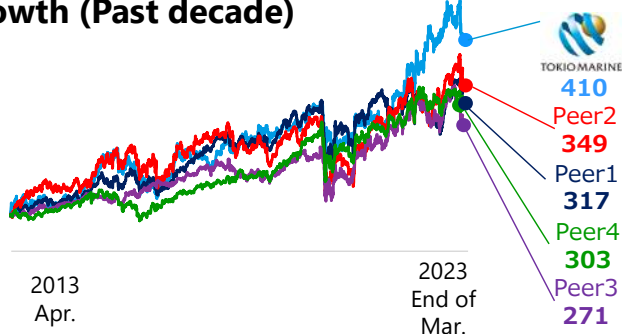
- Pass on sustainable environment / society to future generations with climate change actions and preservation of biodiversity
- Support future generation by providing education to children

“Win-Win” Situation with Stakeholders

- Provide balanced values to all stakeholders by being true to our purpose

Shareholders

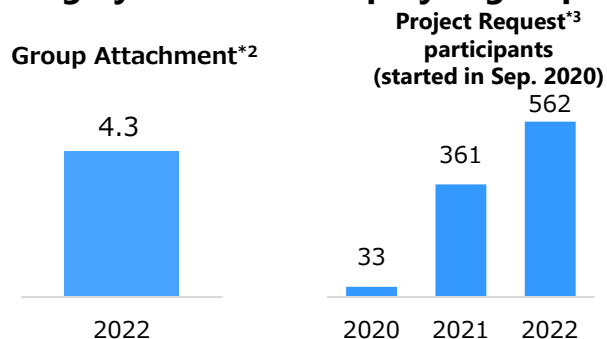
World’s top class TSR*1 through profit growth (Past decade)



*1: Total Shareholder Return (TSR): Capital return after reinvesting dividends. Stock price indexed at 100 as of April 1, 2013. Peer: Allianz, AXA, Chubb, Zurich

Employees

Highly motivated employee group



*2: Score of 1-5 (total for domestic GC and TMHD), *3: A system for voluntary resolution of issues across business units
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Future generation

Responsibility to nurture children’s strength to live

Green lessons:

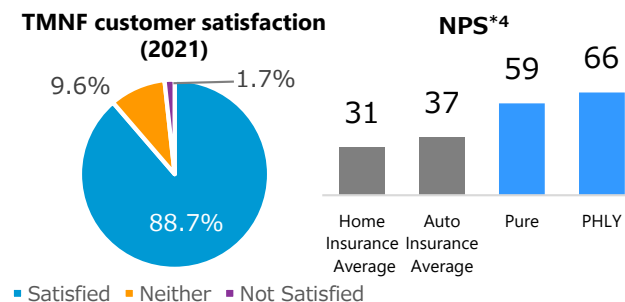
About **59** thou. participants

Disaster prevention lessons:

About **77** thou. participants
(Total at end-March 2023)

Customers

Appreciation for support “in times of need” around the world

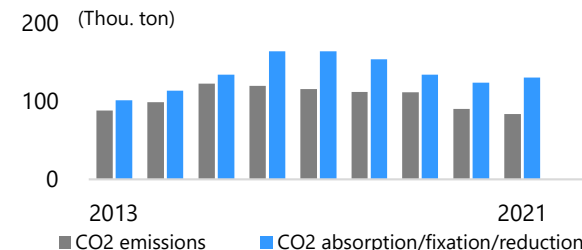


*4: Net Promoter Score. 2022 data for PHL Y, Pure (Source): Customer GURU, NICE Satmetrix 2022, Consumer, Net Promoter Benchmark Study

Society

Contribution to sustainable society through business activities

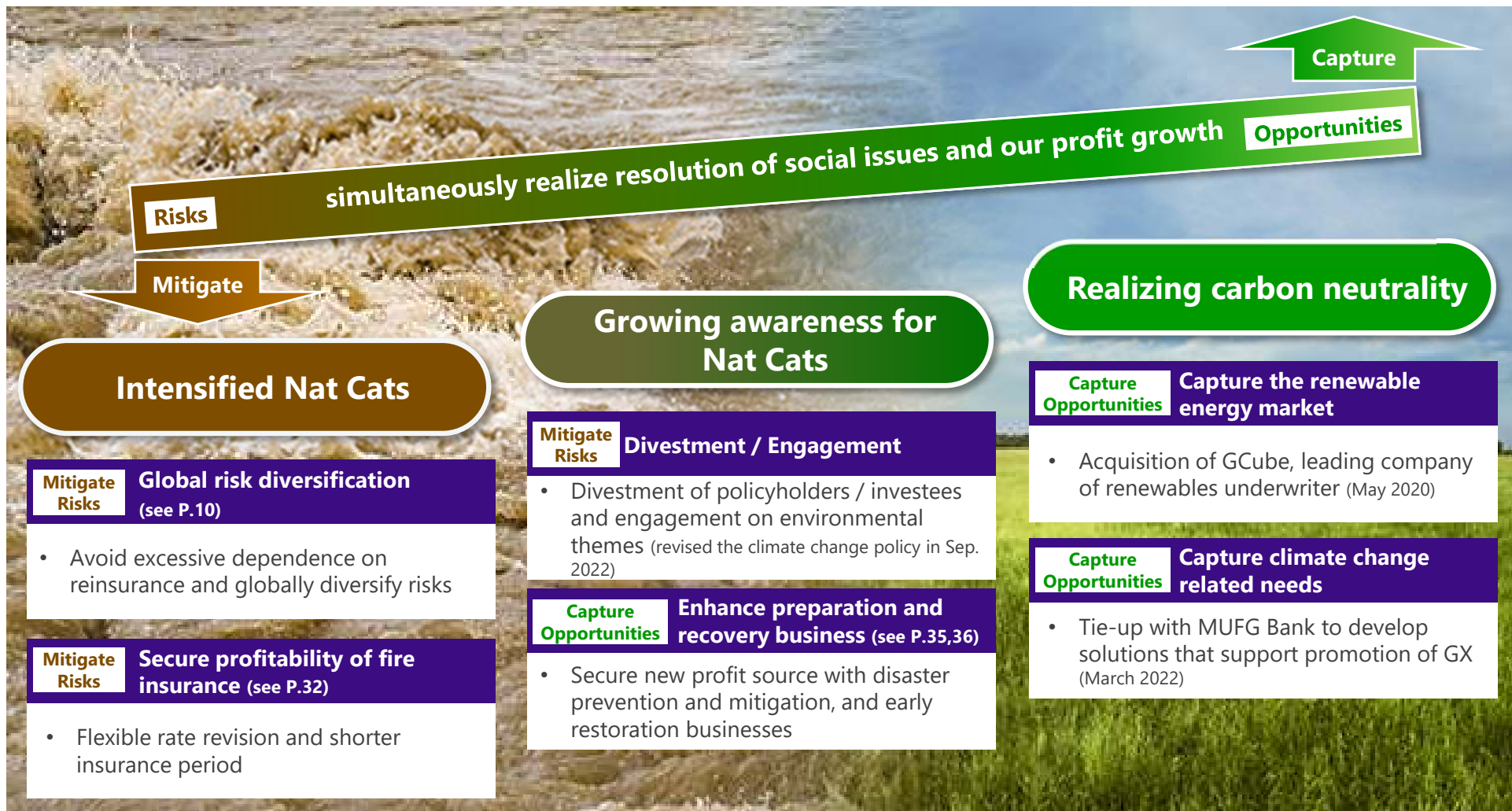
Achieved carbon neutrality*5 for **9** consecutive years



*5: Related to our business activities (Scopes 1+2+3 (Categories 1,3,5,6))

Response to Climate Change

- Climate change is one of the most important social issues across the planet. We will face up to this difficult issue
- Simultaneously enhance social and economic value by carrying out “decarbonization engagement through underwriting / investment / loan” and “business expansion to pre- and post-incident area”, etc.



Initiatives for promoting D&I

● Established Diversity Council headed by CEO and CDIO in April 2021 to strongly promote D&I

Diversity

Nationality

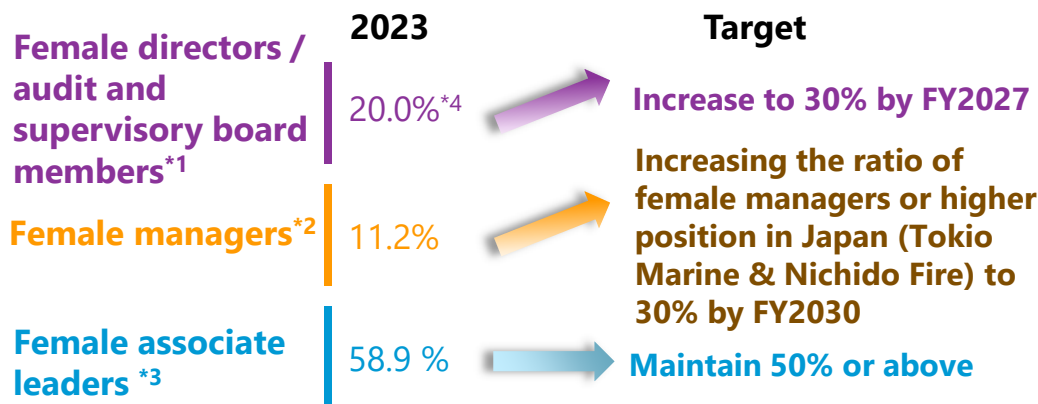
- Appoint talents who join the Group through overseas M&As as Group Co-Heads and global committee leaders

Generation

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

Gender

- Strengthened pipeline to resolve the gender gap



*1: Female Directors and Audit & Supervisory Board Members: Tokio Marine HD
 *2: Female Managers: Managers at TMNF, 49.0% for overseas major consolidated subsidiaries (2022)
 *3: Female Associate Leaders: Assistant Manager at TMNF
 *4: Scheduled after the 2023 Annual General Meeting of Shareholders
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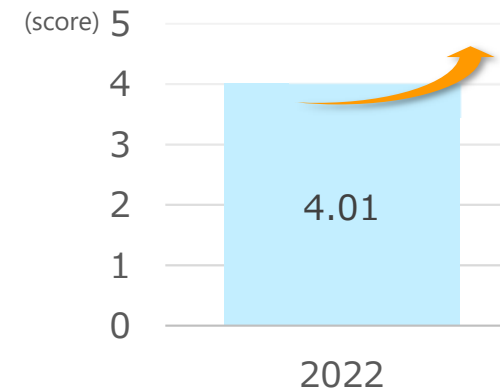
Inclusion

- Integrated global group management has been in place to resolve management issues. To maximize issue resolution capacity, continue to create "inclusive culture" with stationary observation

<Culture & Value Survey*5 >

* 5: 2022 result (total for domestic and overseas group companies and TMHD)

Q. Inclusive culture exists



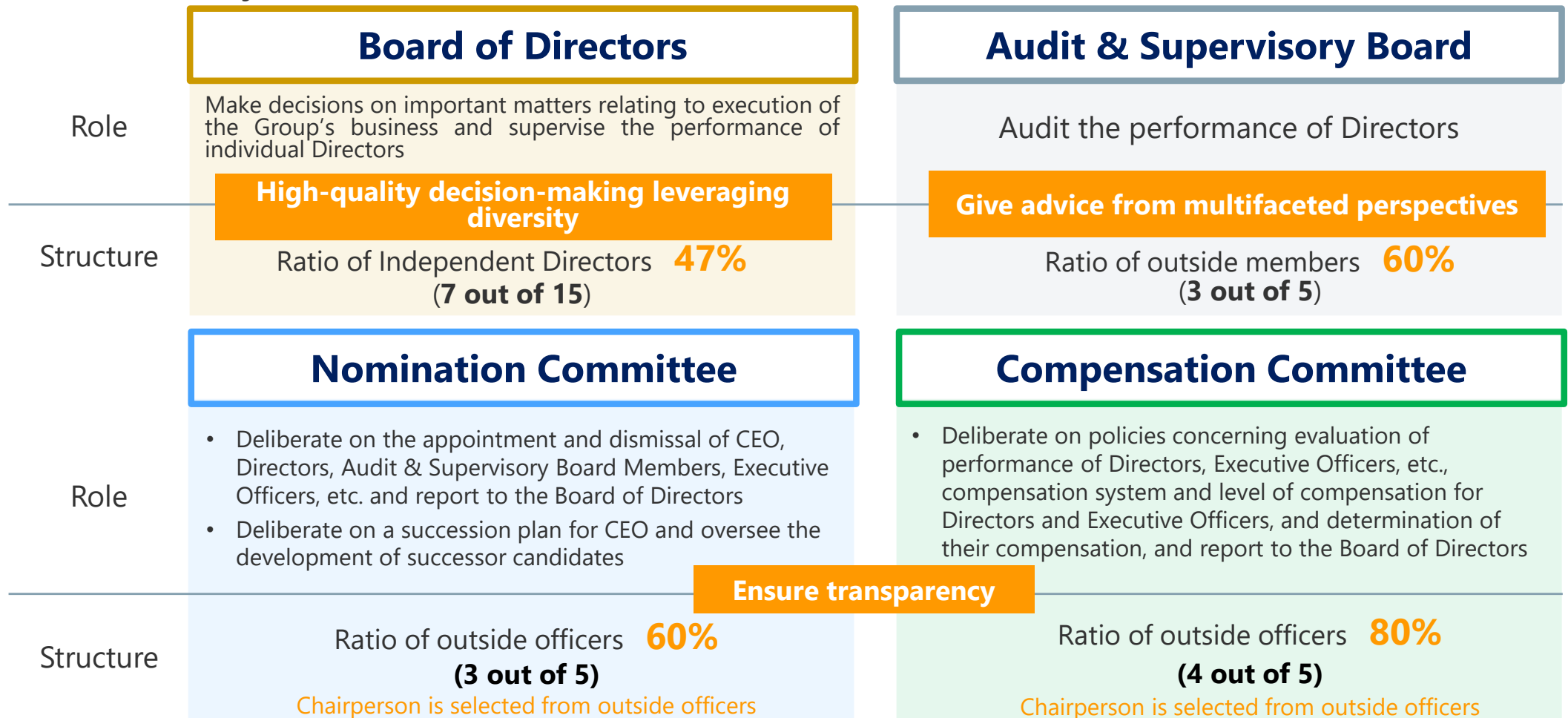
- Diffusion of core identity
 - CEO dialogue with domestic and overseas employees
 - With penetration of inclusive culture, make our purpose the basis of all of our behavior from individual action to management decisions (essence of governance)

See Tokio Marine Insights: "Tokio Marine Group D&I" (Mar. 17, 2022) for details <https://www.tokiomarinehd.com/en/ir/event/presentation/2021/>

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
- Continue to consider the optimal form of the Board of Directors including its role and composition from the perspective of strengthening monitoring functions

<Governance System*>



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

Position	Name	Major concurrent post	Skills and experiences								
			Corporate management	Finance & Economy	Accounting	Legal & Compliance	Environment	Human resources Strategy	Governance & Risk Management	Technology	International experience
Directors	Takashi Mitachi (2017-)	 Professor, Graduate School of Management, Kyoto University	●	●	●		●		●	●	●
	Nobuhiro Endo (2019-)	 Executive Advisor of NEC Corporation	●	●					●	●	●
	Shinya Katanozaka (2020-)	 Representative Director, Chairman of ANA HOLDINGS INC.	●	●				●	●		●
	Emi Osono (2021-)	 Professor, School of Business Administration, Hitotsubashi University Business School	●				●		●		●
	Kosei Shindo* (2023-)	 Representative Director and Chairman of NIPPON STEEL CORPORATION	●	●			●	●			●
	Robert Feldman* (2023-)	 Senior Advisor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	●	●	●		●		●	●	●
	Haruka Matsuyama* (2023-)	 Attorney-at-law		●	●	●			●		
Auditors	Akihiro Wani (2014-)	 Attorney-at-law		●	●	●			●		●
	Nana Otsuki (2018-)	 Professor, Graduate School of Management, Nagoya University of Commerce & Business		●	●			●	●		●
	Junko Shimizu* (2023-)	 Professor, Faculty of Economics, Gakushuin University		●	●			●	●		●

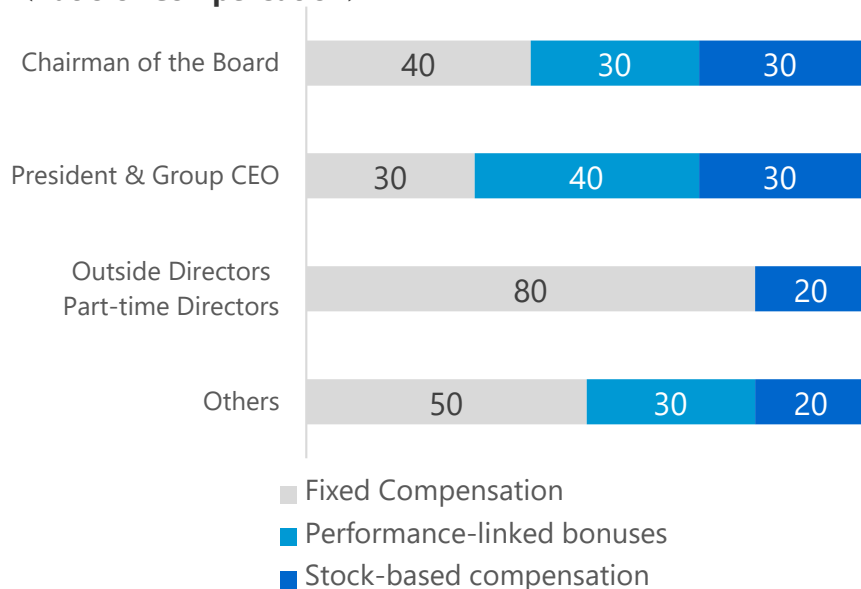
Executive Compensation

- 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 contributing 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

<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 Set based on **financial indicators***2 and **non-financial indicators***3

*2: Target "adjusted net income" and "adjusted ROE" in MTP.
 *3: Indicator to assess initiatives that contribute to earnings from a medium- to long-term perspective (indicators concerning employee engagement and sustainability strategy) introduced from FY2022

<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

Impact of Natural Catastrophes

- Net incurred losses relating to Nat Cats in FY2022 increased by +JPY61.7bn YoY to JPY163.6bn (pre-tax)
- FY2023 projection is total of JPY144.0bn (pre-tax) considering domestic and international businesses

Net incurred losses relating to Nat Cats on a business unit profit basis (billions of JPY)

	2021 Results	2022 Results	YOY Change* ²	2023 Projections
Pre-Tax				
Domestic Non-Life*¹	44.7	100.9	+56.2	76.0
International	57.0	62.6	+5.5	68.0
Total	101.8	163.6	+61.7	144.0
After Tax*³				
Domestic Non-Life*¹	32.2	72.8	+40.5	54.7
International	45.1	48.7	+3.5	53.0
Total	77.4	121.5	+44.0	107.7

Major Nat Cats in FY2022 (Nat Cats above a certain scale)

[Domestic*¹]

Typhoon Nanmadol:

Gross incurred losses*⁴

JPY33.2bn

June 2022 Hail Damage

JPY30.8bn

Typhoon Talas:

JPY15.2bn

[International]

Hurricane Ian

North America Winter Storm Elliott

Net incurred losses*⁴

JPY30.6bn

JPY15.5bn

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

Re-post from Results Conference Call on May 19

- Estimated impact of the depreciation of JPY to USD by 1 yen*1

Impact on net income on financial accounting basis*2

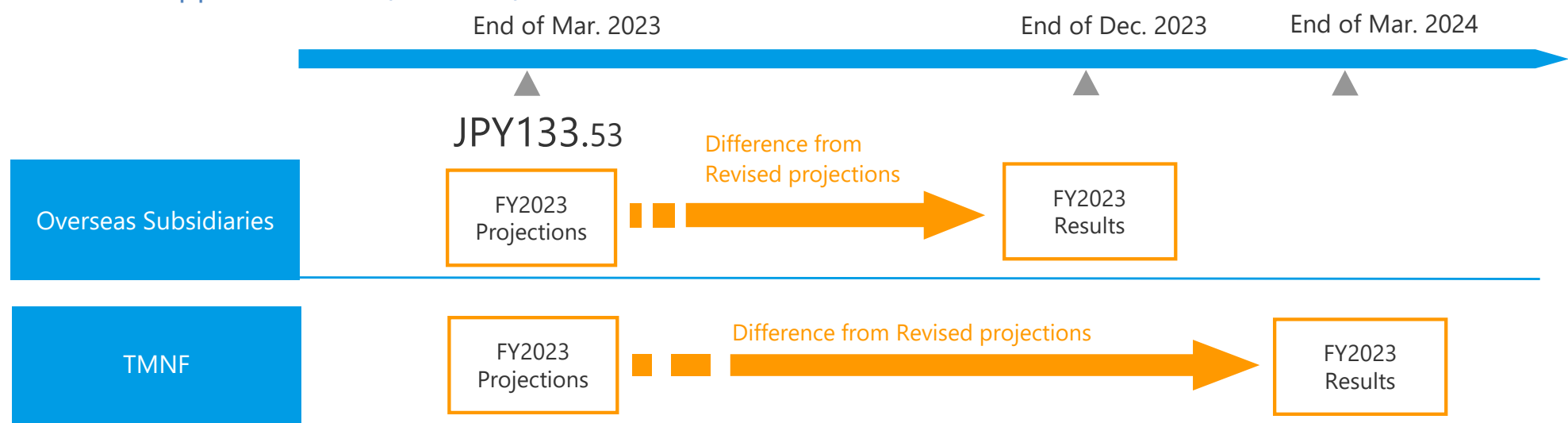
■ Increase in overseas subsidiaries profit:	circa +¥2.1bn
➔ Increase in profit from local subsidiaries	
➡ Increase in amortization of intangible fixed assets and goodwill	
■ Change in reserves for foreign currency denominated loss reserves and FX derivatives income, etc. at TMNF:	circa -¥2.4bn
Total:	circa -¥0.3bn

Impact on adjusted net income*2

■ Increase in overseas subsidiaries profit:	circa +¥2.8bn
(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)	
■ Change in reserves for foreign currency denominated loss reserves and FX derivatives income, etc. at TMNF:	circa -¥2.4bn
Total:	circa +¥0.4bn

*1: Assumes the FX rate of each currency changes by the same margin as USD.
 *2: Estimated impact on the FY2023 projections on an after-tax basis.

- Reference: applied FX rate (USD/JPY)



Tokio Marine Holdings Key Statistics

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Financial accounting basis	Net income (billions of yen) ^{*1}	247.4	254.5	273.8	284.1	274.5	259.7	161.8	420.4	376.4
	Shareholders' equity after tax (billions of yen)	3,578.7	3,484.7	3,542.1	3,805.1	3,574.2	3,372.1	3,664.0	4,020.6	3,631.0
	EPS (yen) ^{*2}	107	112	121	127	127	123	77	204	187
	BPS (yen) ^{*2}	1,580	1,539	1,574	1,748	1,686	1,610	1,761	1,977	1,823
	ROE	7.9%	7.2%	7.8%	7.7%	7.4%	7.5%	4.6%	10.9%	9.8%
	PBR	0.96	0.82	0.99	0.90	1.06	1.02	0.99	1.20	1.39
KPI	Adjusted net income (billions of yen) ^{*3}	323.3	351.9	406.7	341.4	280.9	286.7	336.1	578.3	444.0
	Adjusted net assets (billions of yen) ^{*3}	4,103.4	3,599.3	3,812.4	4,086.4	3,763.1	3,240.9	3,692.4	4,224.0	3,799.1
	Adjusted EPS (yen) ^{*2}	141	155	179	153	130	136	160	281	221
	Adjusted BPS (yen) ^{*2}	1,812	1,589	1,694	1,877	1,775	1,547	1,775	2,077	1,908
	Adjusted ROE	8.9%	9.1%	11.0%	8.6%	7.2%	8.2%	9.7%	14.4%	11.1%
	Adjusted PBR	0.83	0.80	0.92	0.84	1.01	1.07	0.99	1.14	1.33
Business Unit Profits ^{*3,4} (billions of yen)	Domestic non-life insurance business ^{*5}	122.5	126.0	167.6	144.3	18.9	25.9	127.9	216.7	107.9
	Domestic life insurance business ^{*6}	139.8	-188.1	373.5	98.4	-158.6	-70.3	205.2	51.1	36.4
	International insurance business	145.5	131.8	169.5	144.1	176.2	179.5	101.1	252.3	218.6
	Financial and general businesses	4.0	7.3	6.6	7.2	6.8	5.3	7.3	6.9	7.0
Sales of business-related equity holdings (billions of yen)	112.0	122.0	117.0	108.0	107.0	107.0	106.0	117.0	130.0	
	2015/3E	2016/3E	2017/3E	2018/3E	2019/3E	2020/3E	2021/3E	2022/3E	2023/3E	
Adjusted number of issued and outstanding shares ^{*2,7} (thousands of shares)	2,263,796	2,264,053	2,250,335	2,176,299	2,119,670	2,093,611	2,079,819	2,033,347	1,991,103	
Market capitalization (billions of yen)	3,438.0	2,878.6	3,536.2	3,541.9	3,807.0	3,474.9	3,672.3	4,847.0	5,100.4	
Share price (yen) ^{*2}	1,513	1,267	1,565	1,578	1,787	1,650	1,755	2,376	2,547	
Percentage change	46.5%	- 16.3%	23.6%	0.8%	13.2%	- 7.7%	6.4%	35.4%	7.2%	
(Ref.) TOPIX	1,543.11	1,347.20	1,512.60	1,716.30	1,591.64	1,403.04	1,954.00	1,946.40	2,003.50	
Percentage change	28.3%	- 12.7%	12.3%	13.5%	- 7.3%	- 11.8%	39.3%	- 0.4%	2.9%	

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

*2: Based on the October 2022 stock split (into three shares). Prior to FY2022, post-split recalculation.

*3: Figures for FY2021 and thereafter are based on new definition (see P.104).

*4: FY2014: The figures is "Adjusted earnings" (Former KPI)

*5: Total for TMNF, NF, and E.design, etc.

*6: FY2014: TEV (Traditional Embedded Value) basis, from FY2015 to FY2020: MCEV (Market Consistent Embedded Value) basis, from FY2021: J-GAAP

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

Return to Shareholders

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 Projections
Dividends per share ^{*1}	32 yen (95 yen)	37 yen (110 yen)	47 yen (140 yen)	53 yen (160 yen)	60 yen (180 yen)	63 yen (190 yen)	67 yen (200 yen)	85 yen (255 yen)	100 yen (300 yen)	121 yen (363 yen)
Dividends total	72.2bn yen	83.0bn yen	105.3bn yen	117.6bn yen	128.0bn yen	133.0bn yen	139.1bn yen	173.9bn yen	200.2bn yen	241.1bn yen

Capital level adjustment ^{*2} (share buybacks, etc.)	50.0bn yen	-	50.0bn yen	150.0bn yen	125.0bn yen	50.0bn yen	50.0bn yen	100.0bn yen	100.0bn yen	100.0bn yen
Total distributions to shareholders	122.2bn yen	83.0bn yen	155.3bn yen	267.6bn yen	253.0bn yen	183.0bn yen	189.1bn yen	273.9bn yen	300.2bn yen	341.1bn yen

Adjusted net income ^{*3}	323.3bn yen	351.9bn yen	406.7bn yen	341.4bn yen	280.9bn yen	286.7bn yen	336.1bn yen	578.3bn yen	444.0bn yen	670.0bn yen
Average adjusted net income ^{*4}	Adjusted net income has been used since FY2015 ^{*6}	220.0bn yen	295.0bn yen	330.0bn yen	340.0bn yen	330.0bn yen	330.0bn yen	375.0bn yen	400.0bn yen	480.0bn yen
Payout ratio ^{*5}		38%	36%	36%	38%	40%	42%	46%	50%	50%

<Ref. : Financial accounting basis >

Net income (Consolidated)	247.4bn yen	254.5bn yen	273.8bn yen	284.1bn yen	274.5bn yen	259.7bn yen	161.8bn yen	420.4bn yen	376.4bn yen	530.0bn yen
Payout ratio	29%	33%	39%	42%	47%	51%	86%	41%	53%	45%
Total shareholder return ratio	49%	33%	57%	94%	92%	70%	117%	65%	80%	64%

*1: Figures in brackets are before stock split (split into three shares) in October 2022.

*2: Total amount approved by the announcement date of financial results of each fiscal year (excluding FY2023). The figures include one-time dividends of circa ¥50.0bn in FY2018 and circa ¥25.0bn in FY2019 and FY2020, respectively.

*3: Figures for FY2021 and thereafter are based on new definition (see P.104).

*4: Figures for FY2021 and thereafter are calculated by applying new definitions to past results.

*5: Payout ratio to average adjusted net income.

*6: Figures FY2014 were calculated as a reference.

Definition of KPIs

Re-post from Results Conference Call on May 19

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

$$\text{Adjusted Net Income}^{\ast 1} = \text{Net Income (consolidated)}^{\ast 2} + \text{Provision for catastrophe loss reserves}^{\ast 3} + \text{Provision for contingency reserves}^{\ast 3} + \text{Provision for price fluctuation reserves}^{\ast 3} + \text{Provision for Nat Cats underwriting reserves}^{\ast 3,4} + \text{Provision for underwriting result for the first year}^{\ast 5,6}$$

$$- \text{Gains or losses on sales or valuation of ALM}^{\ast 7} \text{ bonds and interest rate swaps} - \text{Gains or losses on sales or valuation of fixed assets and business investment equities} + \text{Amortization of goodwill and other intangible fixed assets} - \text{Other extraordinary gains / losses, valuation allowances, etc.}$$

$$\text{Adjusted Net Assets}^{\ast 1} = \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} + \text{Nat Cats underwriting reserves}^{\ast 4} + \text{UW reserves related to underwriting result for the first year}^{\ast 5}$$

$$\text{Adjusted ROE} = \frac{\text{Adjusted Net Income}^{\ast 1}}{\text{Adjusted Net Assets}^{\ast 1,8}} - \text{Goodwill and other intangible fixed assets}$$

- *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: Premiums, minus a portion of net incurred losses and business expenses, to be carried forward in preparation for an insured event in the following year.
- *6: Provision for the general underwriting reserves excluding provision for unearned premiums.
- *7: ALM: Asset Liability Management. Excluded since it is counter-balance of ALM related liabilities.
- *8: Average balance basis.
- *9: For the overseas life insurance companies, Business Unit Profits is calculated by using the definition in Other businesses (For profit, excluding head office expenses, etc.).

Definition of Business Unit Profits

Non-life insurance business

$$\text{Business Unit Profits}^{\ast 1} = \text{Net Income} + \text{Provision for catastrophe loss reserves}^{\ast 3} + \text{Provision for price fluctuation reserves}^{\ast 3} + \text{Provision for Nat Cats underwriting reserves}^{\ast 3,4} + \text{Provision for underwriting result for the first year}^{\ast 5,6}$$

Life insurance business^{*9}

$$\text{Business Unit Profits}^{\ast 1} = \text{Net Income} + \text{Provision for contingency reserves}^{\ast 3} + \text{Provision for price fluctuation reserves}^{\ast 3} - \text{Gains or losses on sales or valuation of ALM}^{\ast 7} \text{ bonds and interest rate swaps} - \text{Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities} - \text{Other extraordinary gains / losses, valuation allowances, etc.}$$

Other businesses

Net income determined in accordance with financial accounting principles

$$- \text{Gains or losses on sales or valuation of ALM}^{\ast 7} \text{ bonds and interest rate swaps} - \text{Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities} - \text{Other extraordinary gains / losses, valuation allowances, etc.}$$

Definition of Net Asset Value

$$\text{Net Asset Value}^{\ast 1} = \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} - \text{Goodwill and other intangible fixed assets} - \text{Planned distribution to shareholders} + \text{Value of life insurance policies in-force} + \text{Other}$$

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