

To Be a **Good Company**

TOKIO MARINE GROUP BUSINESS STRATEGY

NOVEMBER 22, 2023



Tokio Marine Holdings



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◆ Abbreviations used in this material

TMHD : Tokio Marine Holdings
TMNF : Tokio Marine & Nichido Fire Insurance
NF : Nisshin Fire & Marine Insurance
TMNL : Tokio Marine & Nichido Life Insurance

PHLY : Philadelphia
DFG : Delphi Financial Group
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)

Sustaining World's Top-class EPS Growth

- ◆ World's top-class EPS growth at +13% (10Y CAGR*)
- ◆ EPS growth is attributable to strong organic growth (10Y CAGR* of +12%; projected +9% YoY growth in FY2023). With a robust, globally diversified underwriting portfolio and strong investment income leveraging its liability characteristics as the source of earnings, steadily continue achieving the world's top-class growth
- ◆ World's top-class DPS growth which is in line with the EPS growth, with the projected +21% YoY increase in FY2023; DPS will increase sharply and with certainty on the back of the growing moving-average profit (no planned decrease in dividends)

*: 2012-2022 CAGR

Confidence in Maintaining ROE at the Existing World Class Top Level

- ◆ Adjusted ROE in FY2023 is projected at 16.1%; further lift ROE to the level comparable to global peers
- ◆ This will be achieved by realizing the "world's top-class EPS growth" and the "efficient use of capital"; the sale of business-related equities is accelerating smoothly (with the sale of JPY600.0bn or more in the next four years); continue implementing the in/out strategy of business with discipline
- ◆ ESR as of Sept. 30, 2023 was strong at 133%. Share buyback for FY2023 will be increased from originally announced JPY100.0bn to JPY120.0bn comprehensively considering one-off profit from Group reorganization and the current M&A pipeline, etc.

Continue Balance Between Profit Growth and Governance at High Levels

- ◆ Deep-rooted "Sustainability Management" since our founding and our unique strengths of "Global Risk Diversification (reduce volatility and generate profits)" and "Global Group Integrated Management (ability to be responsive leveraging expertise and insights)" support the above
- ◆ In addition to these, in the next MTP, we will deliver high-quality management where growth and governance coexist at a high level through exponential expansion of business area (promotion of the solution business) and strengthening of governance throughout the Group

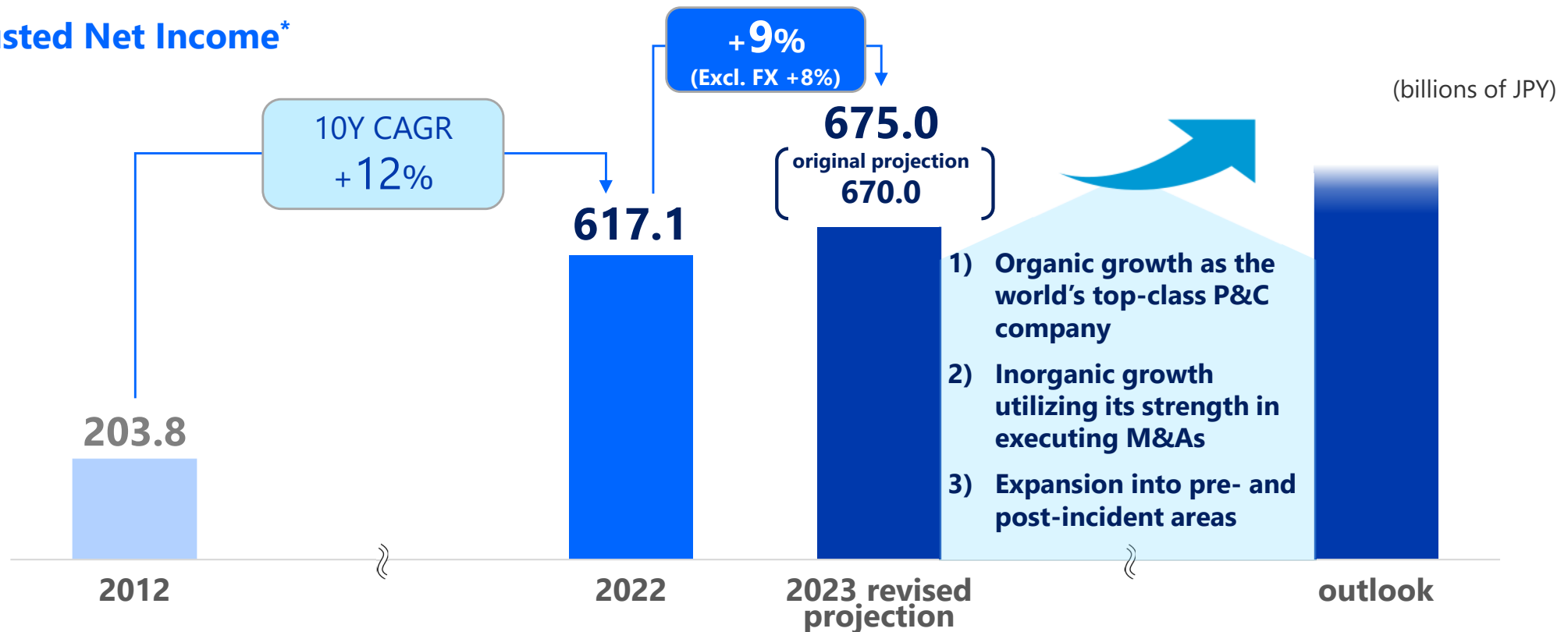
Current Position of Our Profit Growth

- Our existing profit growth is amongst the world's top-class with the 10Y CAGR of +12% and the projected growth of +9% in FY2023 a journey that we plan to continue on. We will be able to stably achieve the world's top-class growth in the future

Track Record

Future Direction

Adjusted Net Income*

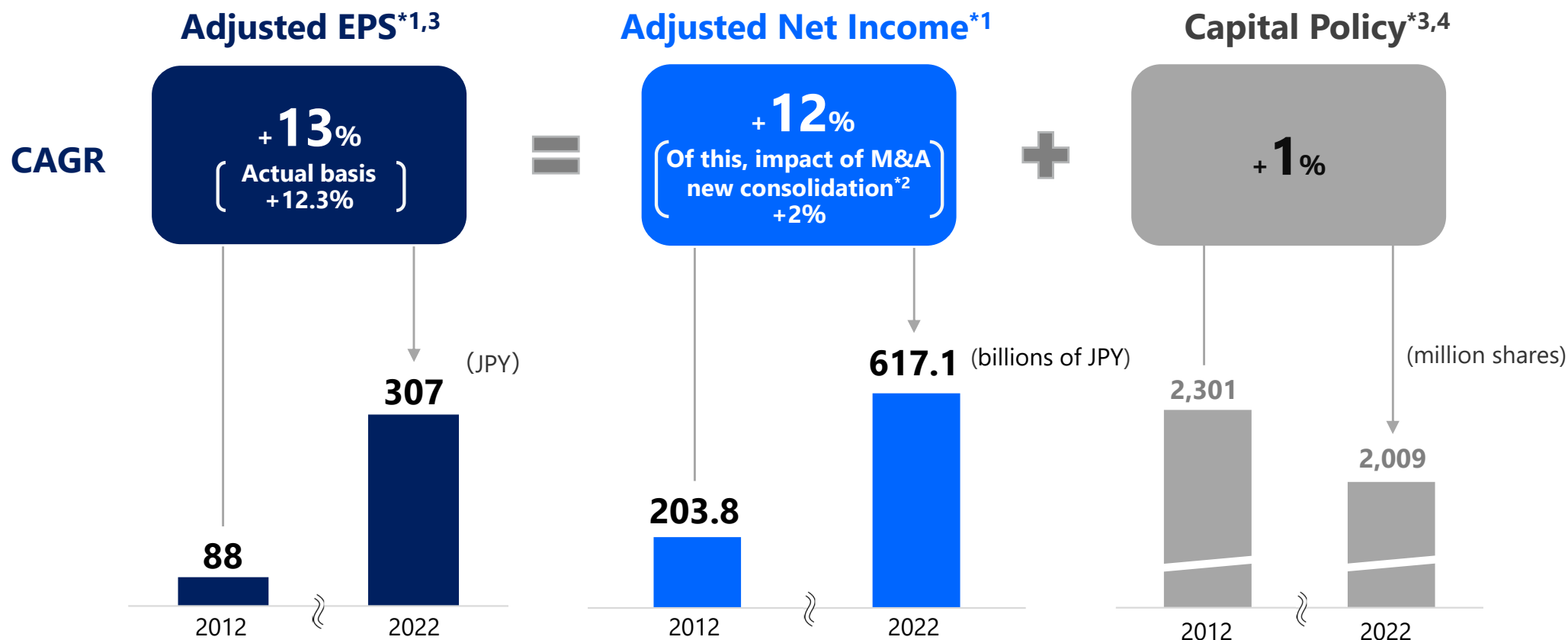


*: Normalized Nat Cats to an average annual level and excluding the impact of COVID-19, capital gains/losses in North America, etc., capital gains from the sale of business-related equities (for part of sale exceeding original projection) from 2022 results and 2023 revised projection. Wars and South African floods is also excluded from 2022 results.

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EPS Growth Track Record

- Our EPS growth is mainly driven by organic growth



*1: Normalized Nat Cats to an average annual level and excluding the impact of COVID-19, capital gains/losses in North America, etc., capital gains from the sale of business-related equities (for part of sale exceeding JPY100.0bn), wars and South African floods for 2022.

*2: Business unit profit of TMHCC and Pure.

*3: After the stock split (into three shares) executed in Oct. 2022.

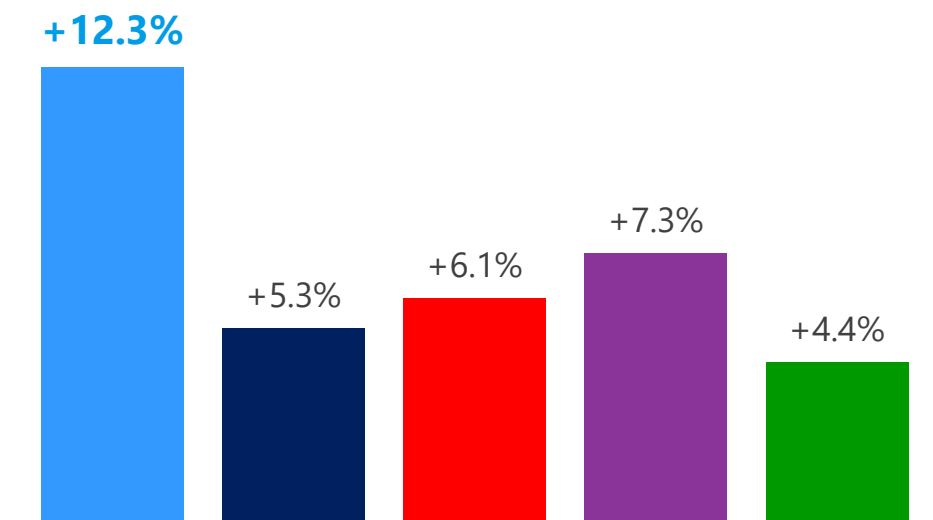
*4: The graphs show the average number of outstanding shares during the fiscal year excluding treasury shares.

(Ref.) World's Top-Class Stable EPS Growth

- We achieved the world's top-class EPS growth while managing volatility

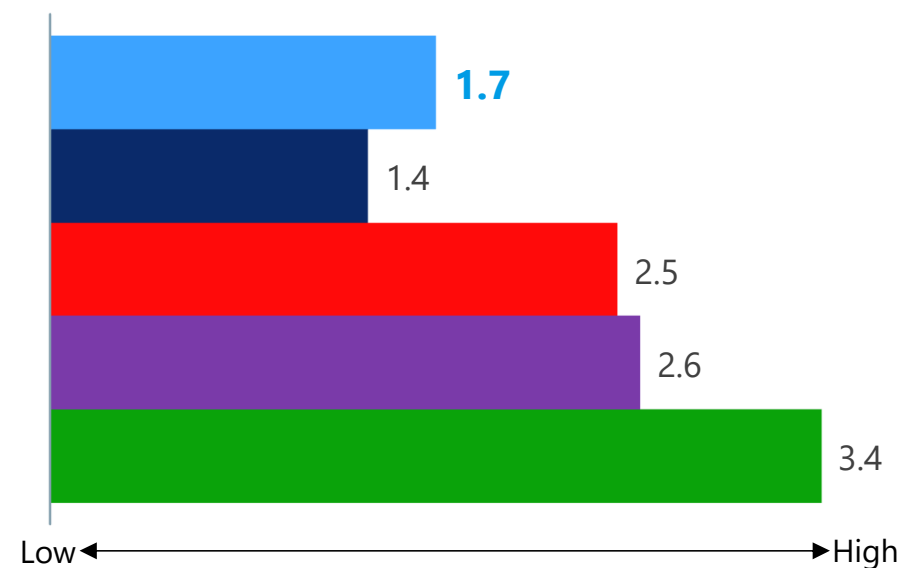
EPS Growth (2012-2022 CAGR)

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



EPS Growth Volatility (2012-2022)

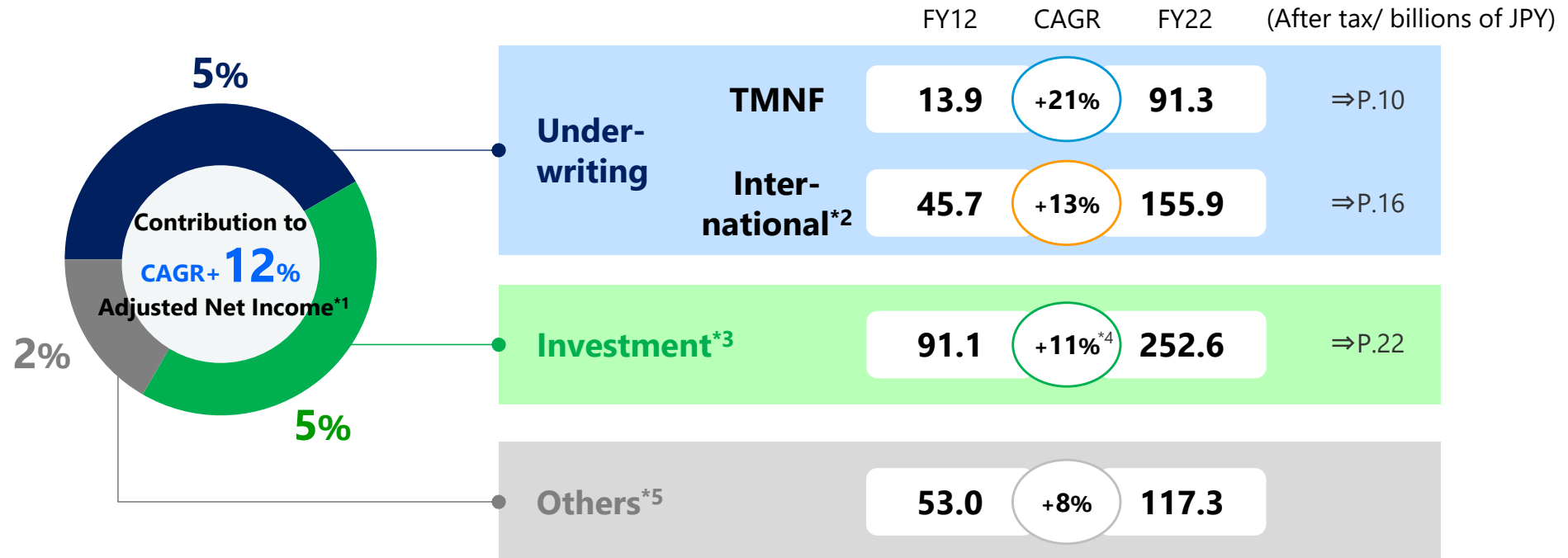
■ Tokio Marine ■ Peer 1 ■ Peer 2 ■ Peer 3 ■ Peer 4



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

Sources of Our Organic Growth

- Our EPS growth is mostly attributable to strong organic growth
- Its sources are a robust, globally diversified underwriting portfolio and strong investment income leveraging its liability characteristics
(ongoing sale of business-related equities also contributes to profit)



*1: Normalized Nat Cats to an average annual level and excluding the impact of COVID-19, capital gains/losses in North America, etc., capital gains from the sale of business-related equities (for part of sale exceeding JPY100.0bn), wars and South African floods for 2022

*2: Includes Pure's business unit profit

*3: Total of investment income and other of TMNF (excl. capital gains on sale of business-related equities) and International business

*4: Contribution to 10Y CAGR of Investment +11% is +14% by DFG's investment income growth, -1% by TMNF hedge cost increase and -2% by others. 10Y CAGR of DFG's investment income itself is +22% including assets managed by DFG for key GCs

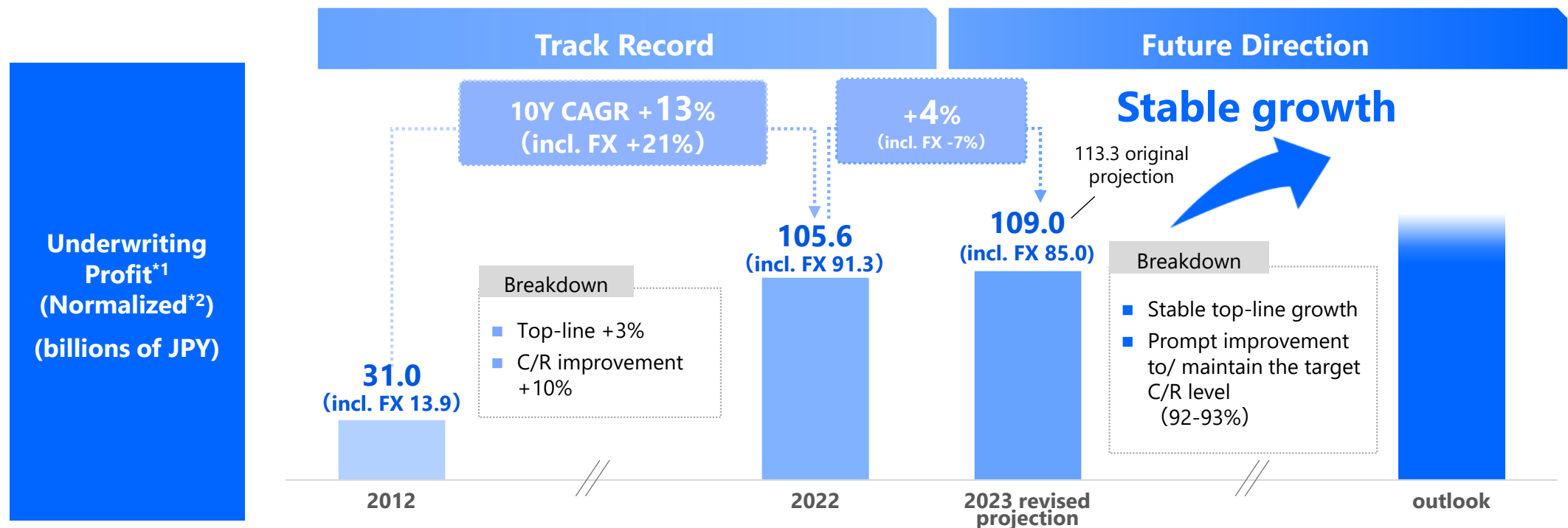
*5: TMNL and other group companies' business unit profit, capital gains on sale of business-related equities, etc.

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[Domestic Non-Life U/W Profit] Organic Growth Breakdown

- Underwriting profit has expanded at a 10Y CAGR of +13% (with a +3% in top-line and +10% in C/R improvement). We achieved the stable growth of top-line and the target C/R level leveraging rate increases in auto and fire insurance with product revisions
- C/R has recently slightly deteriorated (+0.8pt) mainly due to the impact of inflation. We will promptly improve/maintain C/R with a strong focus on bottom-line, while stably expanding top-line with commitment to ensuring profitability, and as a result, will expand underwriting profit

[Structure of TMNF Underwriting Profit]



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[Domestic Non-Life U/W Profit] Organic Growth Breakdown

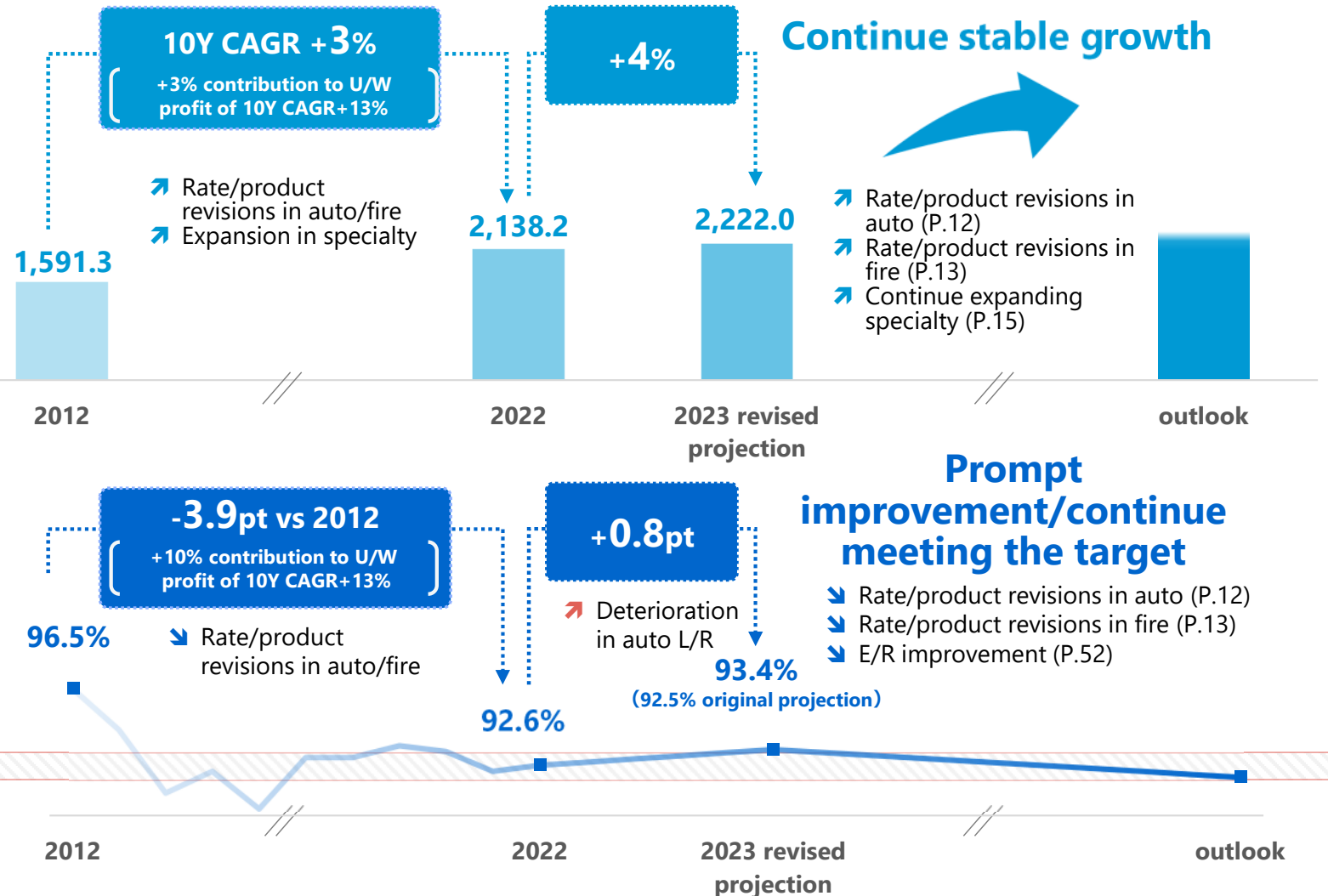
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previous page)

Top-line*³
(billions of JPY)

C/R*⁴
(Normalized*²)

Track Record

Future Direction



*1: After tax, estimates

*2: Assuming the average annual level of impact from Nat Cats, excl. the impact of FX. The impact of COVID-19 for 2020, 2021 and 2022, as well as South African floods for 2022 are excluded.

*3: Net premiums earned (private insurance).

*4: Private insurance E/I basis; estimates

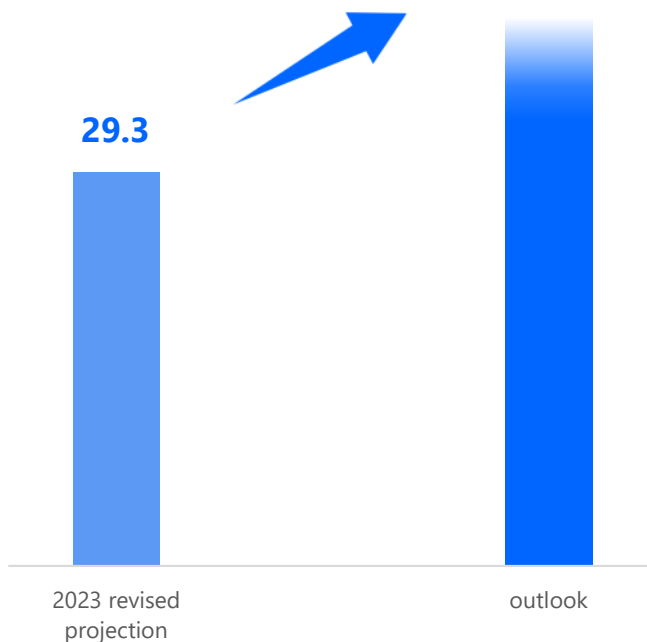
Notes *2 to 4 apply to all domestic non-life sections below (P.12-P.15, P.46-P.51)

[Domestic Non-Life U/W Profit] Profit Improvement and Maintenance in Auto Insurance

- C/R has recently worsened mainly due to the impact of inflation and the surge in driving after the COVID-19 pandemic
- To overcome this, we will keep working on raising operation efficiency while undertaking rate / product revisions in January 2024. In addition, we will implement proactive rate increases depending on the profitability trend to promptly improve and stably maintain C/R at a level below 95%

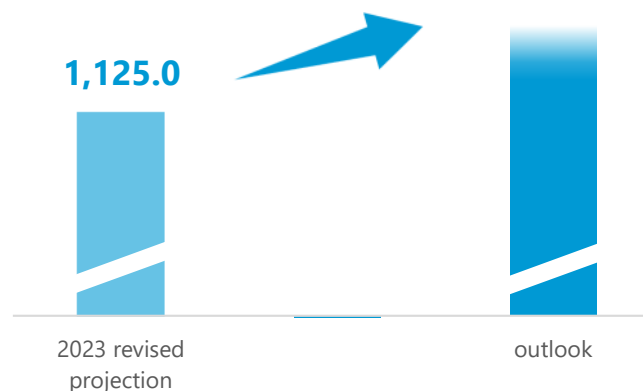
Underwriting Profit (Normalized) (billions of JPY)

Increase after hitting
bottom in 2023



Top-line (billions of JPY)

Achieve at least a +1% increase
in CAGR despite a slow decrease
trend of the number of vehicles*1



Measures after 2023

For both top-line and C/R

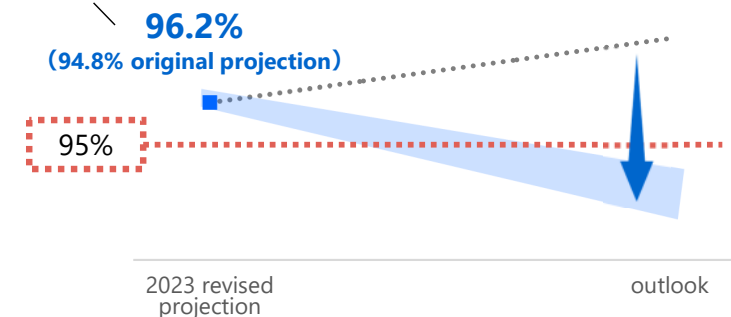
- Rate/product revisions
Jan. 2024 rate increase **+2.5%**
+expanded coverage

- Offer accident prevention solutions (e.g., accident reduction by DAP*2)

C/R (Normalized)

Promptly improve and stably maintain
C/R to the level below 95%

Deterioration mainly
due to inflation and the
surge of driving after
COVID-19 pandemic



C/R

- Enhance disciplined U/W
- Improve E/R (P.52)
(e.g., raise business efficiency)

[Domestic Non-Life U/W Profit] Profit Improvement in Fire Insurance

- Although recently turned profitable (normalized basis), RoR still does not meet capital cost
- Achieve RoR > capital cost (7%) by FY2026 through rate/product revisions under the next MTP, in addition to past continuous rate/product revisions, reinsurance optimization, enhancement to disciplined U/W, and so on (Conduct additional rate/product revisions, etc. depending on the situations of Nat Cats, inflation and reinsurance cost)

Underwriting Profit
(Normalized) (billions of JPY)

Top-line

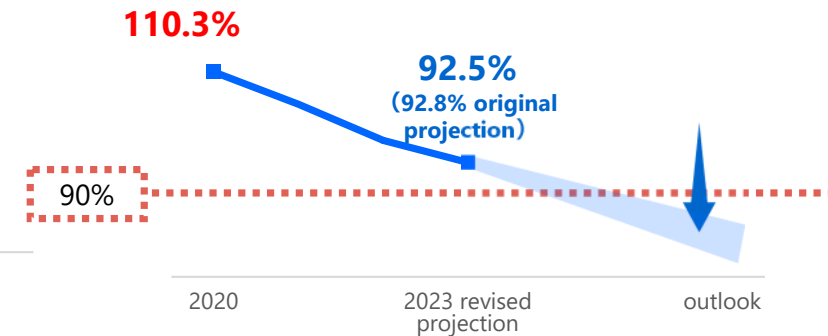
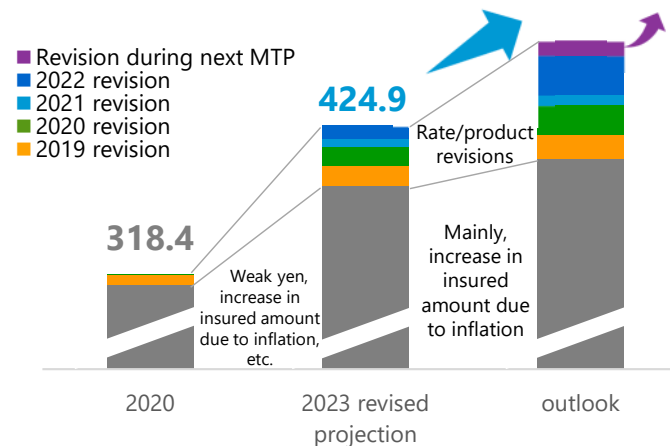
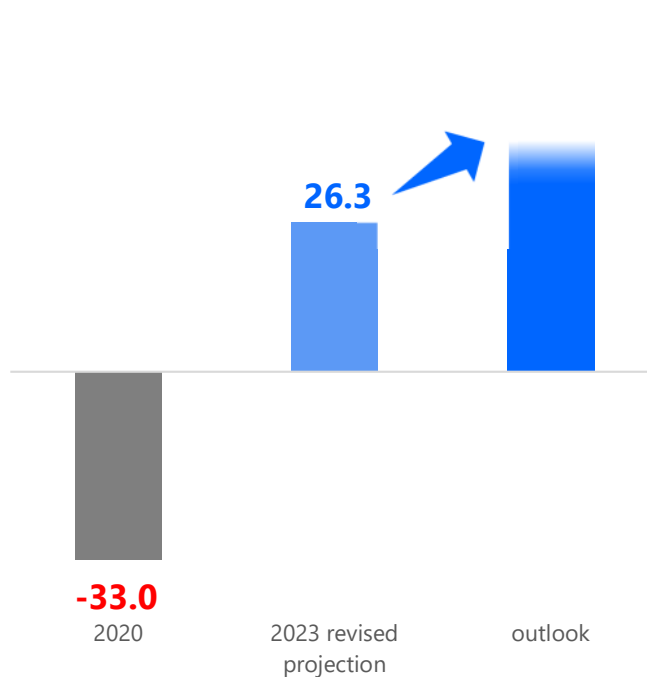
(billions of JPY)

C/R
(Normalized)

Increase with certainty

Rate revisions impact with certainty

Promptly improve and maintain
RoR > 7% (C/R below 90%*)



Measures after 2023

For both top-line and C/R

- Rate/product revisions
Revision under next MTP*
 - Review of insured amount based on inflation
- (*)Based on the June 2023 advisory rate revision (home +13%)

C/R

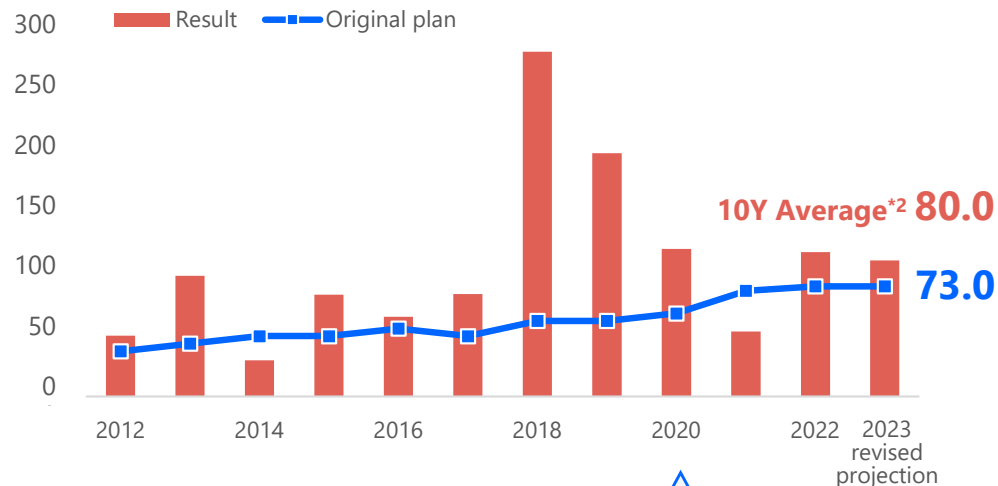
- Offer disaster prevention / mitigation solutions (P.37,81)
- Optimize reinsurance (P.45)
- Enhance disciplined U/W
- Improve E/R (e.g., raise business efficiency) (P.52)

(Ref.) Increase in Nat Cats and Reinsurance Market Conditions

- We recognize the needs to increase the domestic Nat Cats budget (currently at JPY73.0bn) under the next MTP; in addition, the reinsurance market continues to harden and remain at high levels
- To address these issues, we will accelerate the development of disaster prevention/mitigation solution business, in addition to rate/product revisions and reinsurance optimization, to overcome increases in Nat Cats and reinsurance cost

[Issue 1] Increase in Nat Cats

Net Incurred Losses Relating to Nat Cats at TMNF*¹ (billions of JPY)



[Issue 2] Reinsurance Market Conditions

Shared understanding at Monte Carlo reinsurance conference in Sept. 2023

- Against the backdrop of frequently occurring Nat Cats and the rising inflation, **the reinsurance market is expected to continue hardening and staying at high levels at the 2024 renewals**
- Meanwhile, reinsurers' capital will build up if there is no major Nat Cat in 2H, **which may increase their appetite and underwriting capacity for Nat Cats risks**

Key measures

Rate/product revisions of fire insurance (P.13)

Reinsurance optimization (P.45)

Disaster prevention / mitigation solution business (P.37,81)

*1: Before tax *2: 10Y average excluding maximum (2018) and minimum (2014)

[Domestic Non-Life U/W Profit] Profit Growth of Specialty Insurance

- We will be able to achieve the current MTP's target of expanding net premiums written by +JPY100.0bn through the provision of solutions to societal challenges
- Specialty insurance market will keep growing due to the growing diversity and complexity of societal challenges and can be expected to stably achieve high levels of profitability; we will aim to increase revenue and profits under the next MTP at a pace faster than the current MTP

Underwriting Profit
(Normalized)

(billions of JPY)

Top-line*

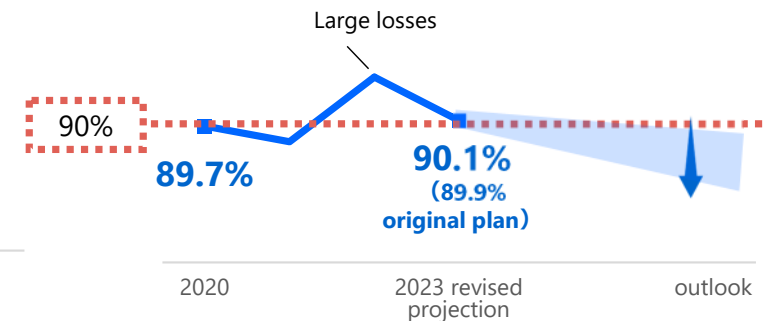
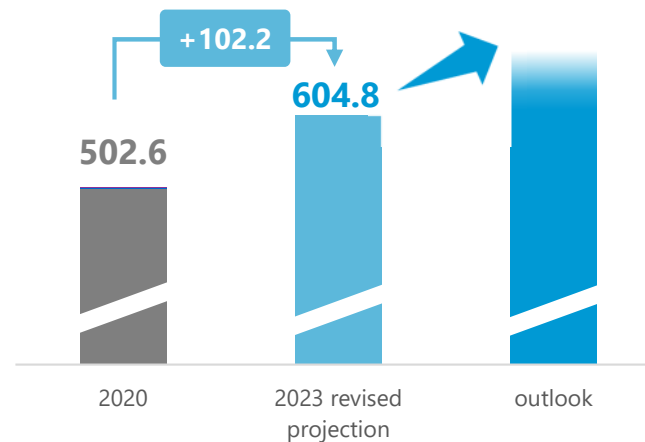
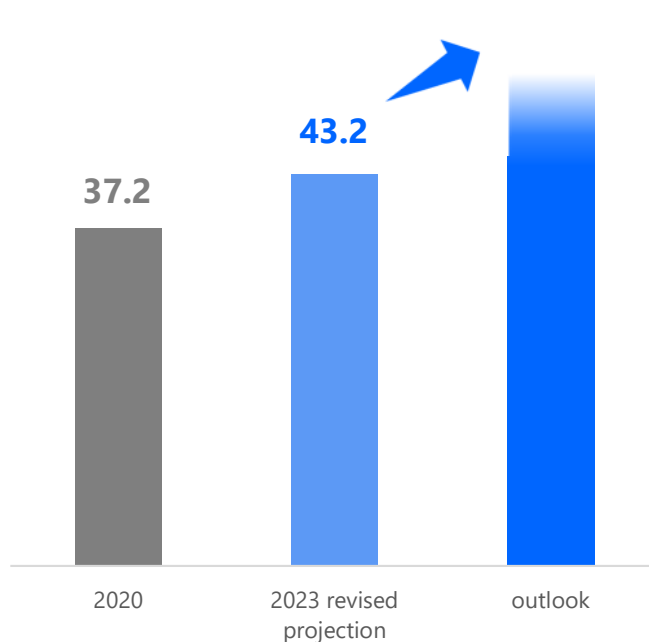
(billions of JPY)

C/R
(Normalized)

Stable growth

Achieve a greater increase in revenue
under next MTP

Maintain/improve high levels
of profitability



Measures after 2023

For both top-line and C/R

- Capture markets with strong growth prospect
- Increase highly profitable products

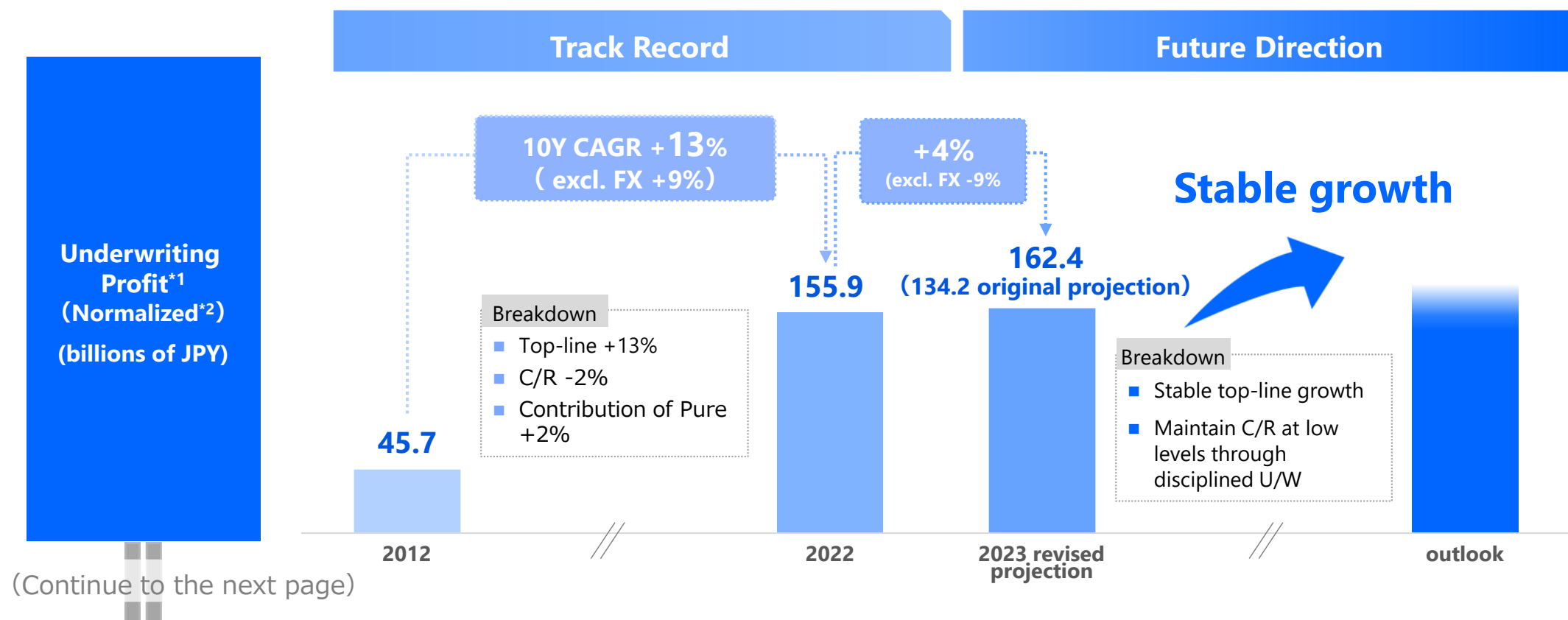
C/R

- Enhance disciplined U/W
- Improve E/R (P52) (e.g., raise business efficiency)

[International U/W Profit] Profit Growth Breakdown

- CAGR of underwriting profit grew to +13%, realizing a stable top-line revenue growth, and stable & low C/R levels through rate increases and business-line expansion
- Given the current ongoing hardening of the overall market environment, we will continue to increase underwriting profit through a stable top-line growth enabled by continued rate increases and low C/R levels achieved through disciplined U/W strategy

[Structure of International U/W Profit]

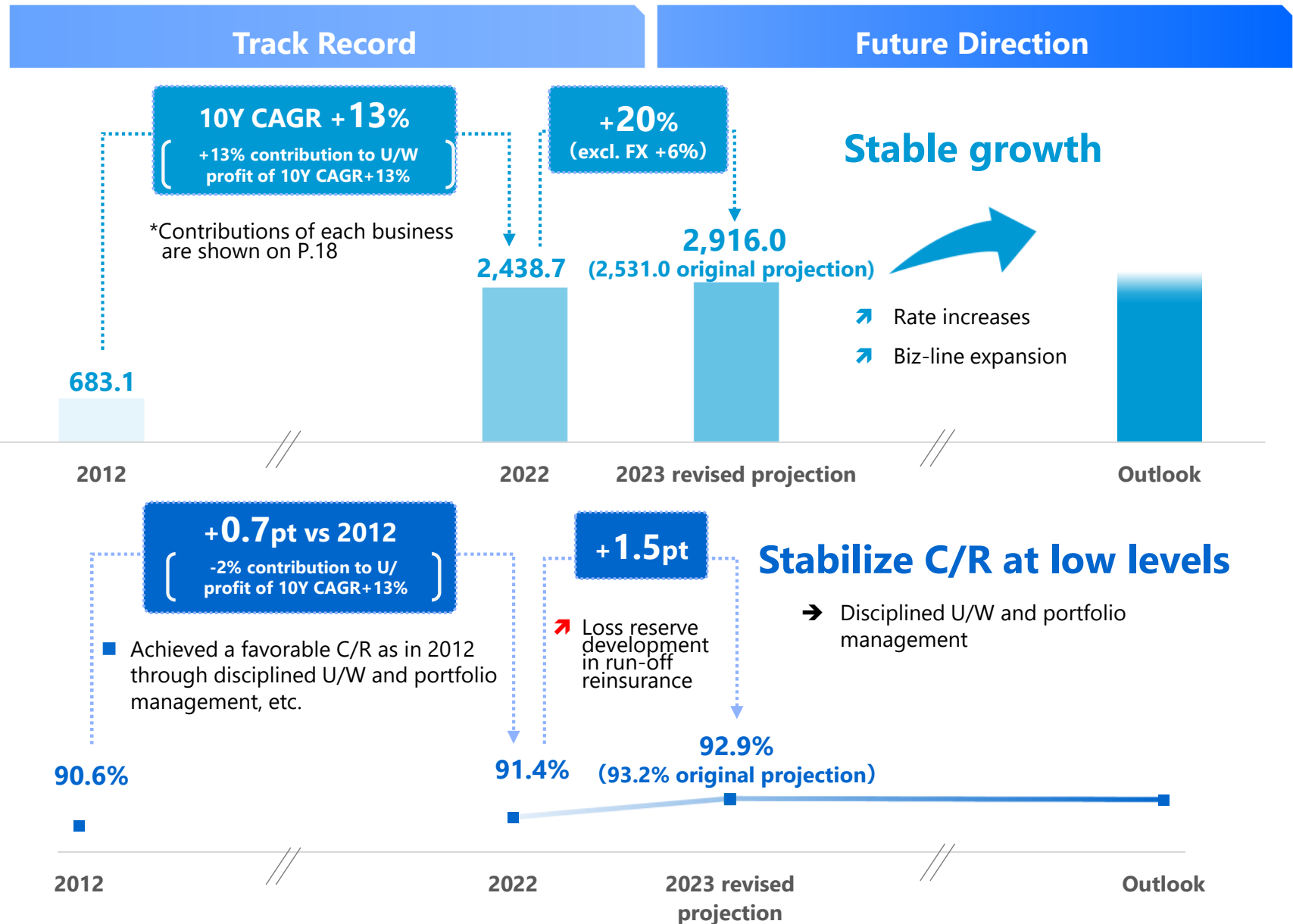


[International U/W Profit] Profit Growth Breakdown

(Continuing from
the previous page)

Top-line*³
(billions of JPY)

C/R
(Normalized*²)



*1: After tax, estimates incl. Pure's business unit profit.

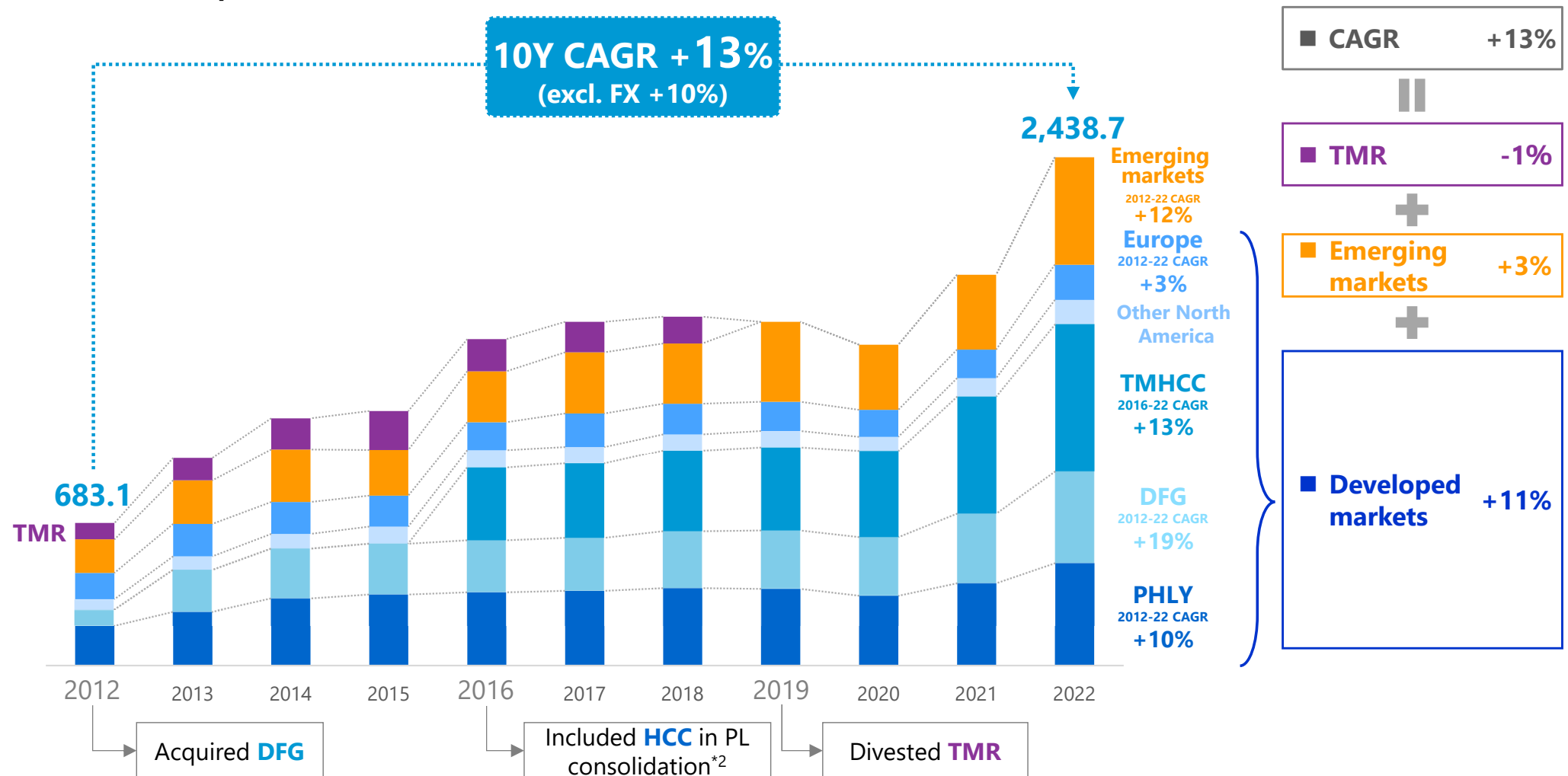
*2: Normalized Nat Cats to an average annual level and excluding the impact of COVID-19 and Wars, etc. for 2022, as well as excluding the impact of COVID-19, etc. for 2023 revised projections

*3: Net premiums written

(Ref.) Top-line Growth Breakdown

- 10Y CAGR of +13% reflects +11% in developed markets, +3% in emerging markets, and -1% at TMR

International Top-line Revenue*¹ (billions of JPY)



*1: Net premiums written

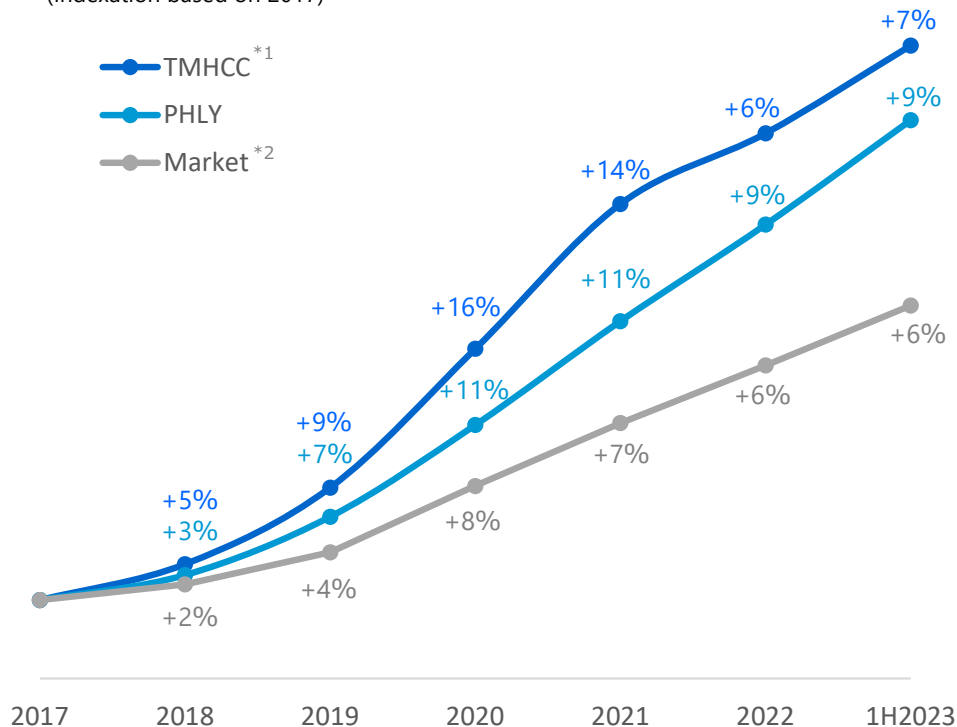
*2: Acquired HCC in Oct. 2015 and started its PL consolidation from FY2016

[International U/W Profit] Rate increase in Developed Markets

- Achieving above-market rate increase in the hard market by forward-looking loss-cost projection
- Overall market is expected to keep hardening despite the current softening in some parts

Rate Increase (% represent YoY rate increase)

(Indexation based on 2017)



*1: Excluding A&H, Surety, Credit

*2: Source: Willis Towers Watson

*3: PHLY's FY2022 new business (GWP)

*4: PHLY's Preferred Agents and equivalent brokers

*5: Indicator to measure customer loyalty and their willingness to use products/services continuously.
Source: Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

Our Strength



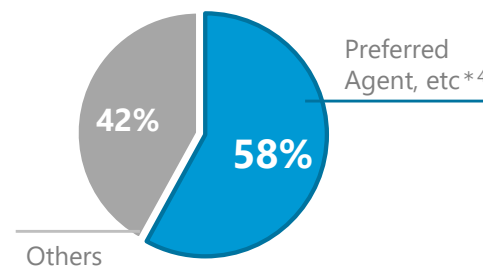
Strong Competitive Advantages

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



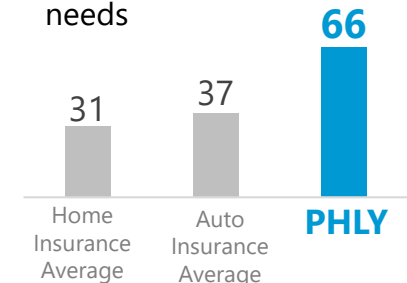
Strong Agent / Broker Network^{*3}

- Strong relationship with leading agents / brokers that enables disciplined underwriting



Net Promoter Score^{*5}

- Provide superior expertise and high-quality products and services that meet customers' needs

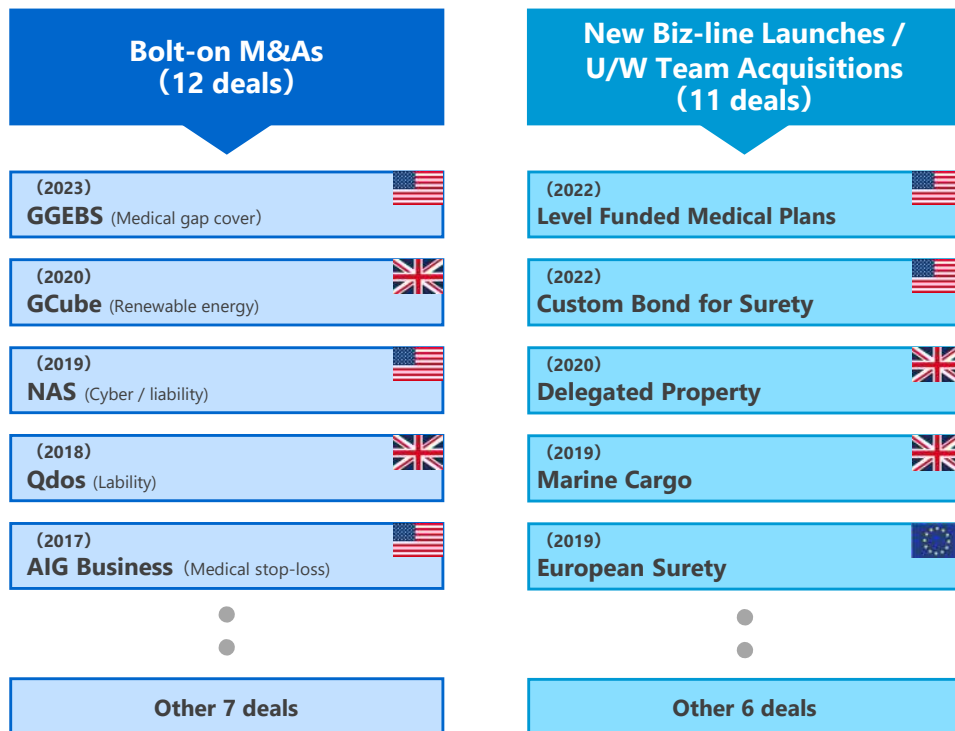


[International U/W Profit] Expansion of Business-line in Developed Markets (TMHCC)

- Working on business-line expansion through the launch of new business-lines and the capturing of U/W teams in addition to bolt-on M&As that meet our profitability target (contribution to top-line growth: approx. USD 1,610mn^{*1,2})
- Continuing to expand business-line in 2023 with bolt-on M&A of medical gap cover insurance business^{*3}

Business-line Expansion Track Record

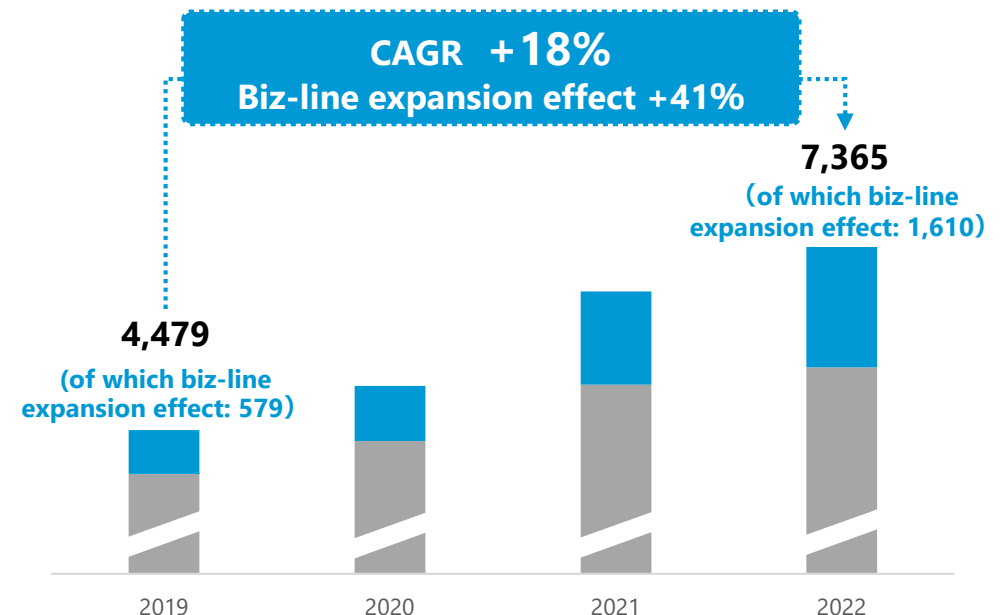
- Executed a total 23 bolt-on M&As, new business line launches, and underwriting team acquisitions since 2017



Business-line Expansion's Contribution to Top-line

TMHCC's Top-line^{*1} (USD mn)

- Biz-line expansion effect^{*2}
- Existing Business



*1: GWP

*2: GWP is calculated by biz-line expansion effect executed in or after 2017

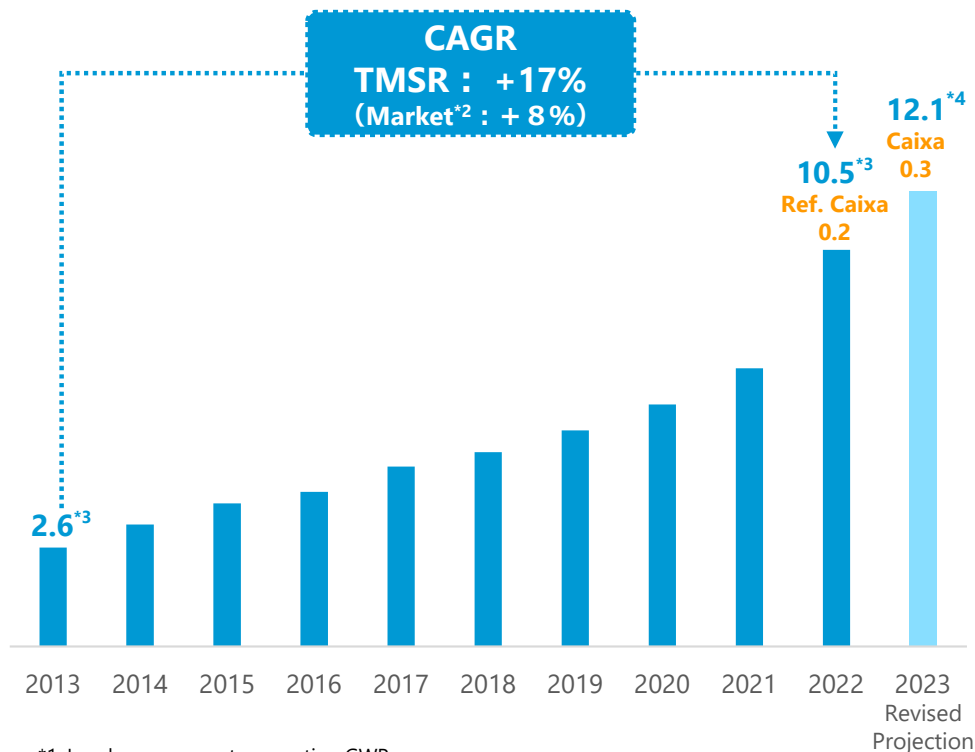
*3: Generic name for incidental insurance that covers medical costs not covered by primary health insurance

[International U/W Profit] Capturing Growth in Emerging Markets (TMSR)

- Achieving above-market growth in growing markets on the back of product and system strengths (CAGR +17%)
- Caixa JV has grown +68% (YoY; operation commenced in 2021) as part of business-line expansion
- Strong performance incl. inflation management through rate increases; keep achieving strong growth

Above-market Growth

TMSR's Top-line Revenue (BRL bn)



*1: Local management accounting GWP

*2: Source: Brazilian insurance regulator SUSEP, GWP

*3: JPY66.0bn in 2013 and 265.1bn in 2022 are calculated based on Dec. 2022 FX rate (JPY25.11@BRL)

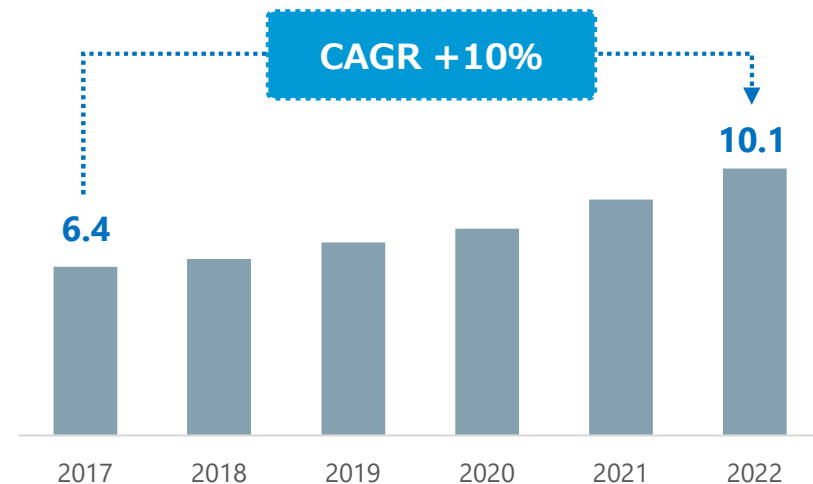
*4: JPY360.5bn in 2023 revised projection is calculated based on Sep. 2023 FX rate (JPY29.72@BRL)

Capturing Growth of Caixa JV

- It is estimated that Brazil will have demand for approx. 16.9mn new homes by 2040 and its mortgage market is expected to grow further
- Our JV with Caixa Bank, which has a dominant share in Brazil's mortgage market, is capturing the market growth (5Y CAGR +10%) and achieving growth

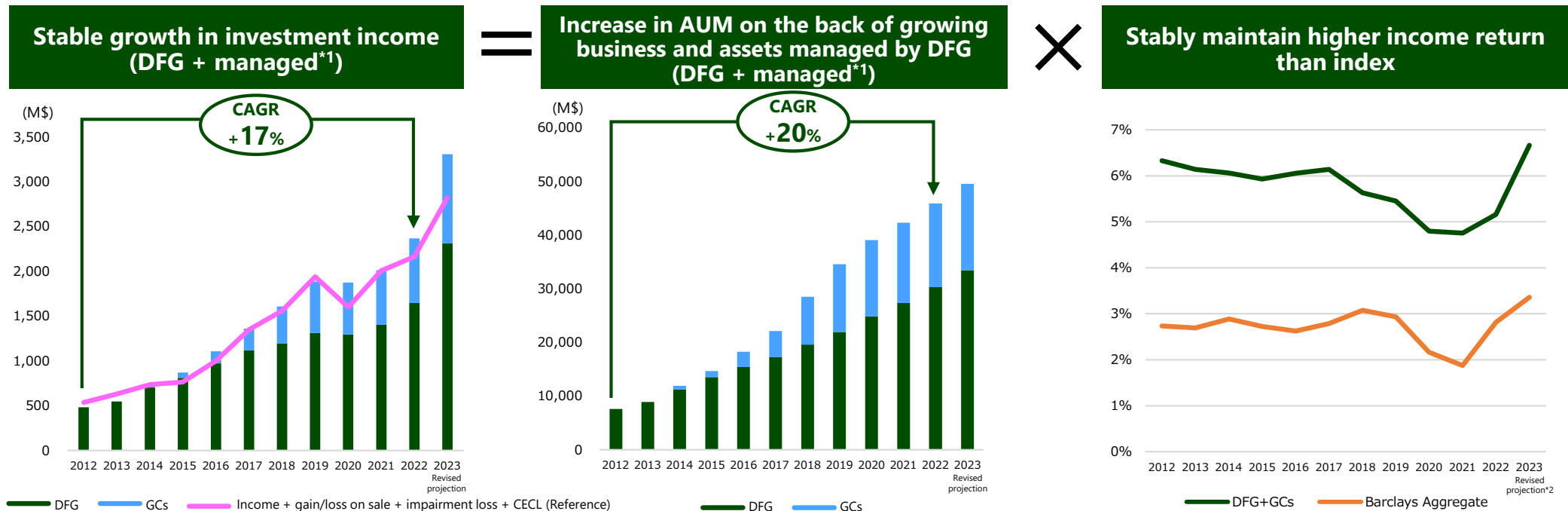
(Reference) Brazil Home Insurance Market^{*2}

(BRL bn)

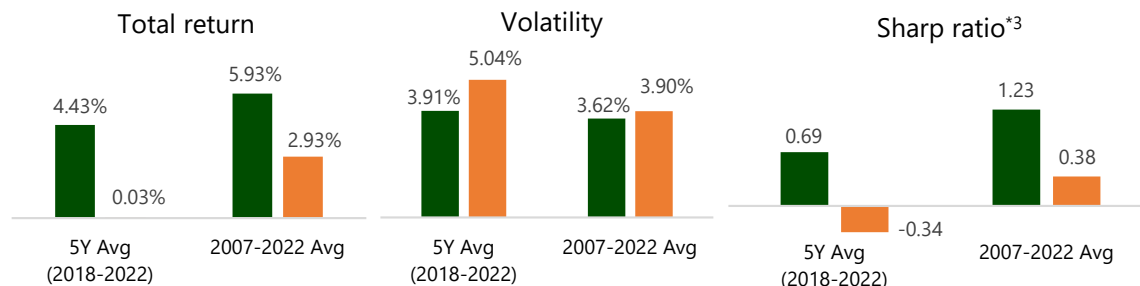


[Investment] Breakdown of DFG Investment Income

- DFG's investment income has grown at the CAGR of +17% (or +22% incl. FX), growing significantly on the back of an increase in long-term and predictable insurance liabilities and stable investment income supported by an expansion of the entire Group's business



<Track record vs. index> ■ DFG ■ Barclays Aggregate



<DFG's strengths and risk management>

- ✓ DFG's source of investment capital is a **long-term, predictable liabilities**, which enable DFG to hold the position until market recovery, including with an extension of the maturity
- ✓ Control credit risk of the entire portfolio within a certain threshold in collaboration with TMHD

*1: Assets managed by DFG for key GCs (TMNF, TMNL, NF, PHLY, TMAIC, TMHCC) *2: Index is as of September 30, 2023.

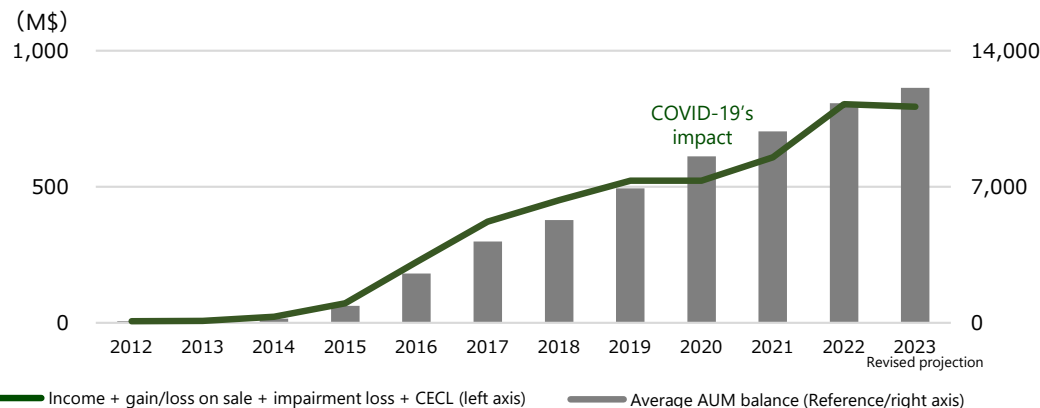
*3: Measures excess return per unit of risk. Calculated as "(Total return - Risk-free rate) / Volatility". Risk free rate: LIBOR6M.

[Investment] Update on CRE Loans

- Given the highly individualistic nature of CRE loans, DFG has made investments selectively and increasing returns. As the market conditions are currently getting tougher, we post a certain level of provisions for CECL (approx. 2.5% cumulatively). We will continue investments while exercising appropriate risk management

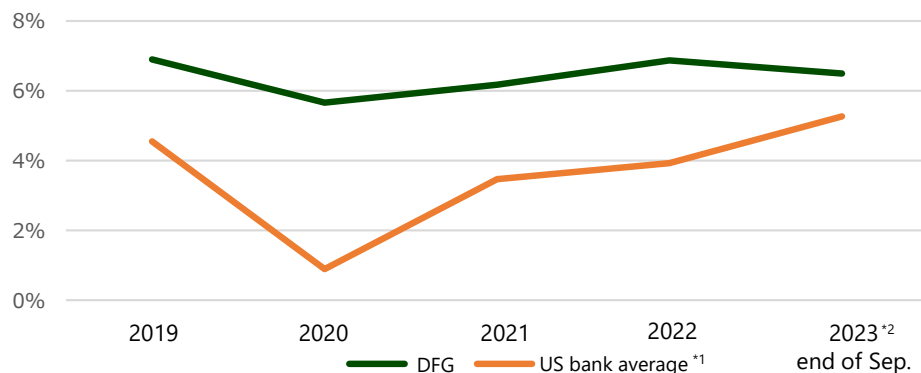
Track record of CRE loan investments

<Total return (including assets managed by DFG for GCs)>



<Investment return* comparison with other players>

*Income – (impairment loss + CECL)



Stress tolerance of CRE loan investments

- Losses that may be incurred under harsh scenarios*3 can be **recovered within six months or so** thanks to high returns
- Range of fall in portfolio value at 2008 financial crisis was 37.5%*4 vs average DFG's portfolio LTV*5 of c.60%

Features of CRE loan investments

- Enjoyed high returns from loans that **mainly targeted properties under construction/renovation, which would require abilities and experience to identify superior business models**
- Being a sole lender in most cases, it is possible to perform **collection activities (workout) and attachment on its own judgement for poor-performing properties**

*See p. 80 on specific investment decisions and workout cases.

*1: Calculated based on the results released by the Bank of America, Wells Fargo, PNC and U.S. Bancorp.

*2: Revised full-year projection for FY2023 for DFG.

*3: Conservatively calculated considering the range of fall in portfolio value at 2008 financial crisis and predicting certain losses.

*4: Refer CPPI Index

*5: Loan to Value = balance of loan / collateral value

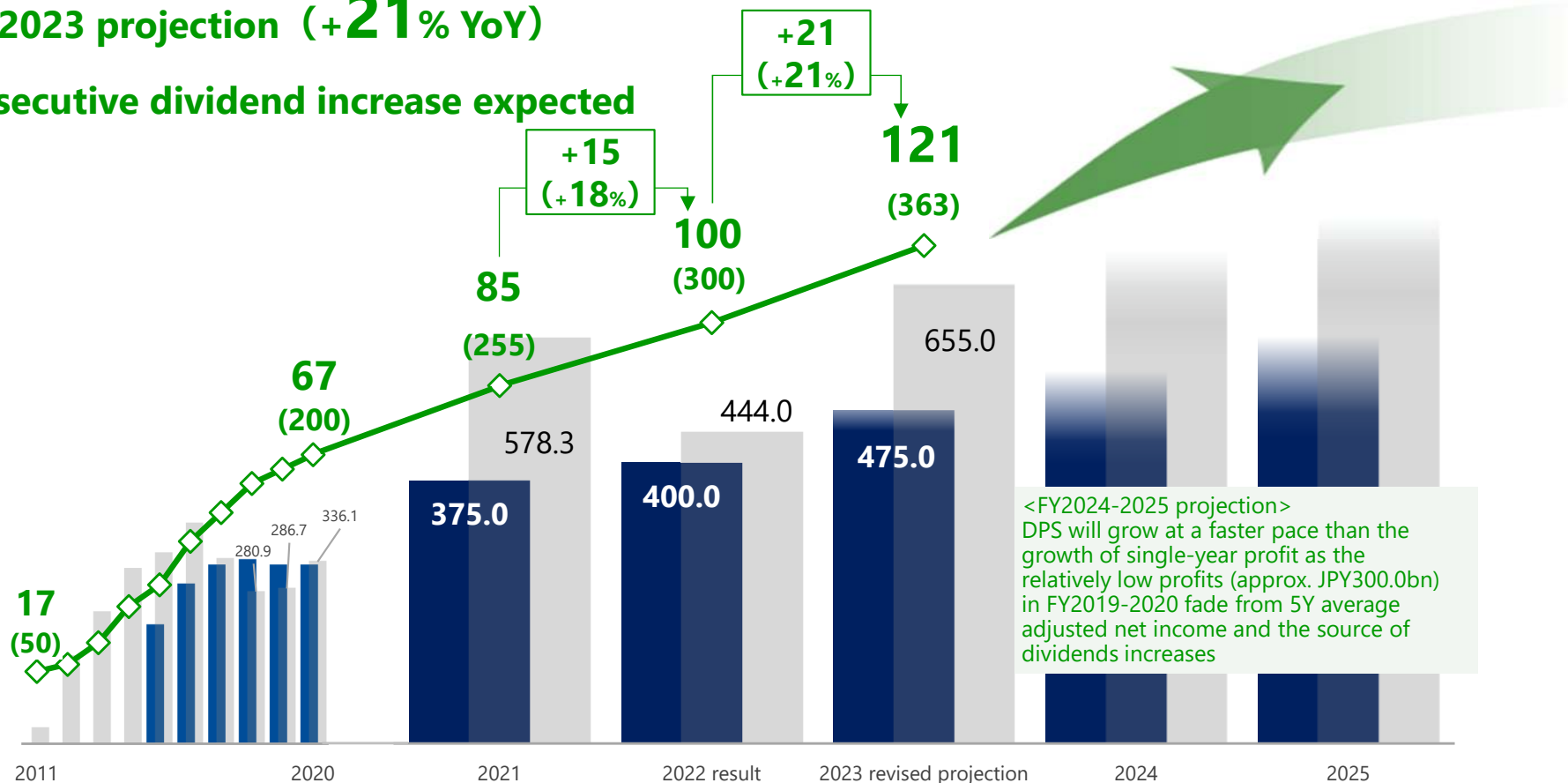
World's Top-Class DPS Growth

- Continue to maintain DPS growth trajectory with confidence in line with EPS growth
- DPS for FY2023 is unchanged at JPY121 (+21% YoY) and continue to increase DPS during next MTP period based on growth in moving average of source of dividends (no planned decrease in dividends)

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

DPS*1,2
(JPY)

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

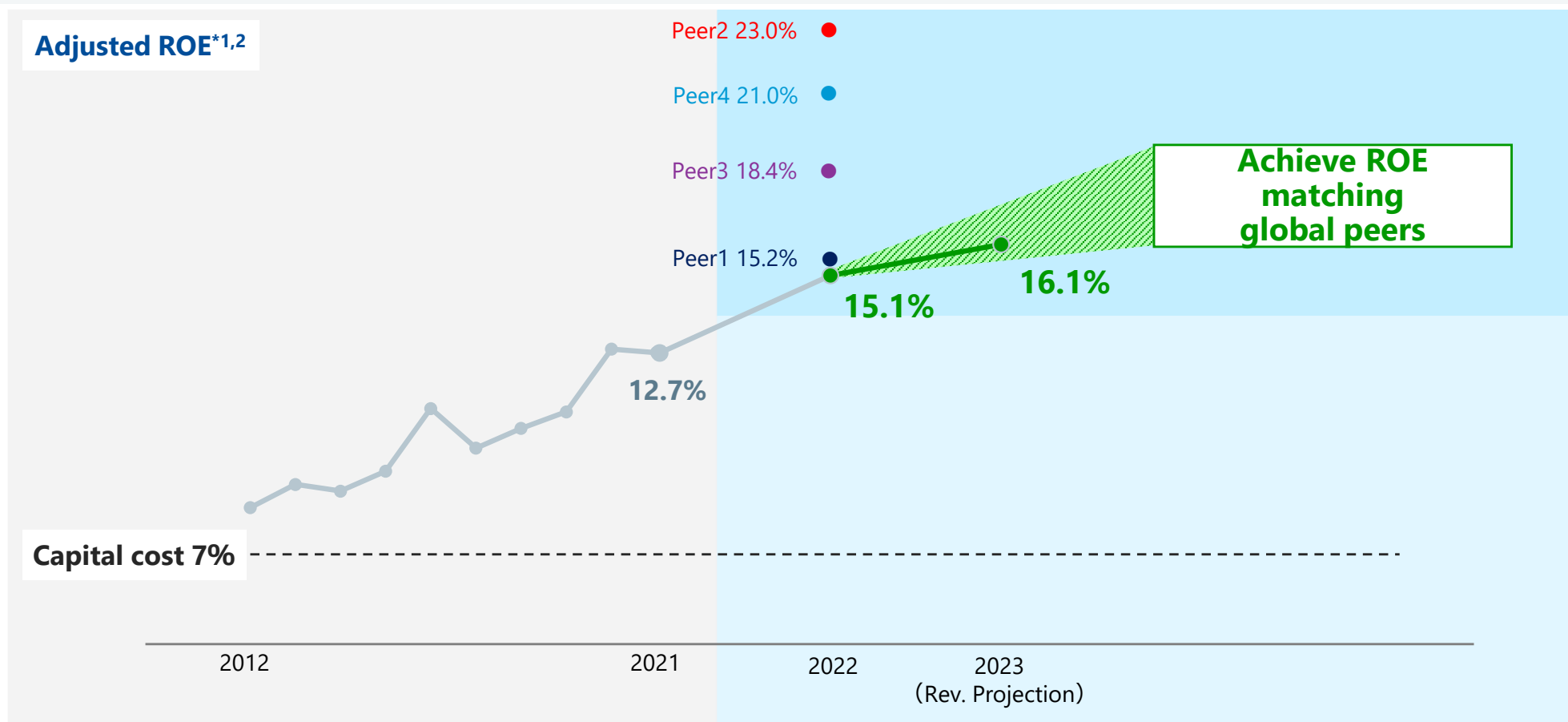


*1: DPS is calculated by 5Y average adjusted net income * payout ratio / number of shares

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

Confidence in ROE Enhancement

- Adjusted ROE projection for FY2023 is 16.1%. We will further lift ROE to the level comparable to global peers (expand equity spread further)
- The measures are “world’s top-class EPS growth” and “effective use of capital.” We are making smooth progress in accelerating sales of business-related equities (sale of more than JPY600.0bn in four years) and will continue to implement the in / out strategy with discipline



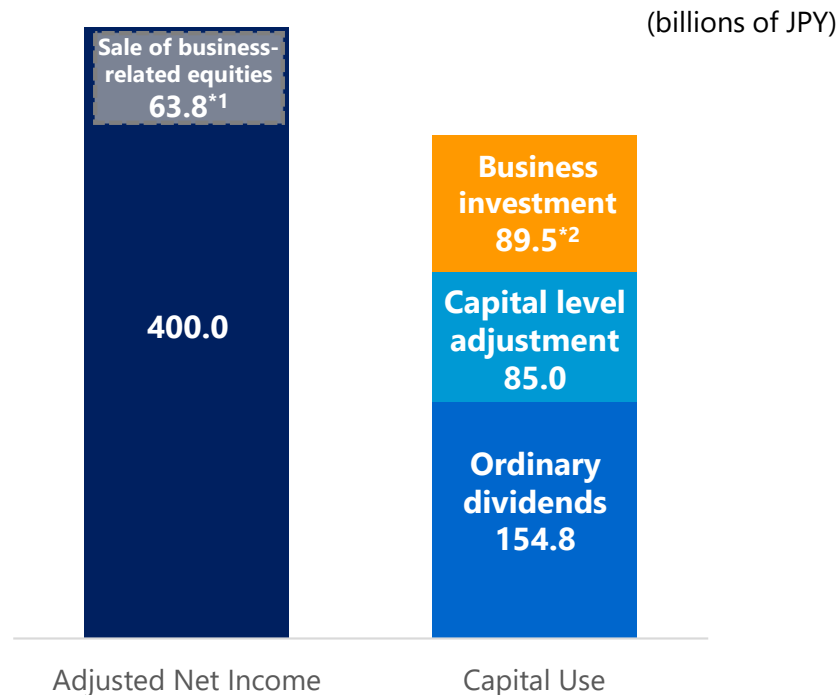
*1: Adjusted Nat Cats to an average annual level and excluded the impact of COVID-19 for 2020 and after, and capital gains/losses in North America, etc. and capital gains from sale of business-related equities (for part of sale exceeding the original projection of each fiscal year) for 2021 and after. Also excluded the impact of 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

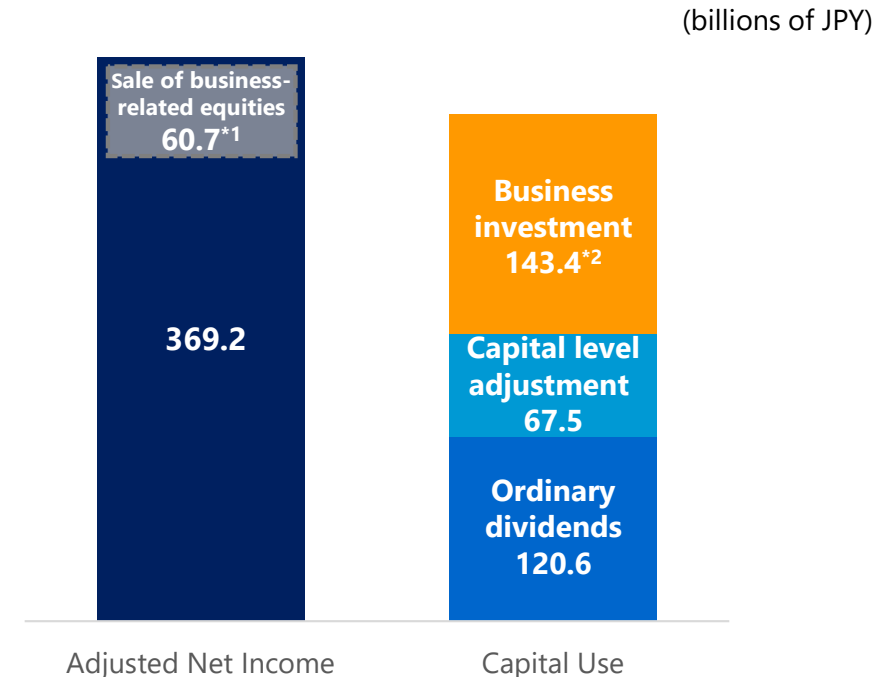
Track Record of Disciplined Capital Policy

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

"5-Year" Average (2018-2022)



"10-Year" Average (2013-2022)



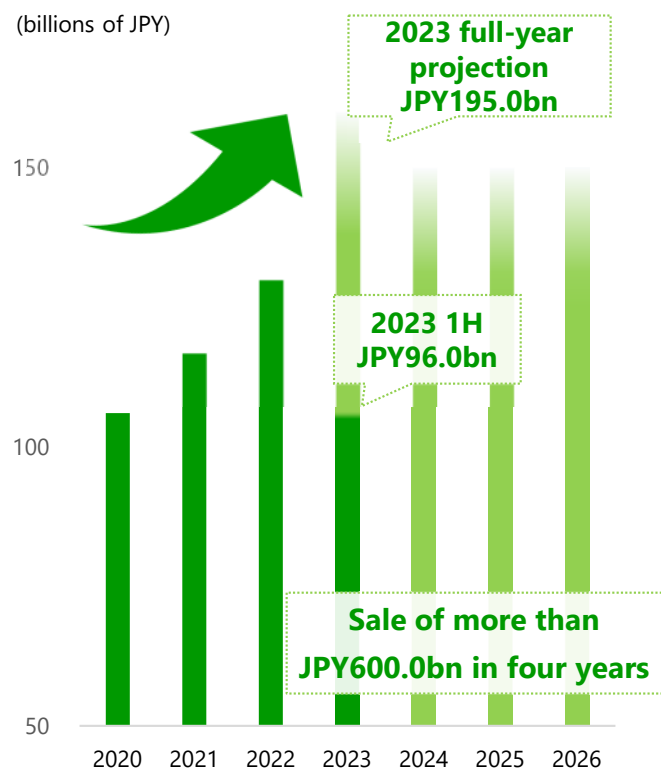
^{*1}: Unrealized gain on business-related equities (after tax) have already been included in capital and the sale would not newly generate capital (however, it will improve the quality of capital).

^{*2}: Total of published figures (source): Refinitiv Eikon

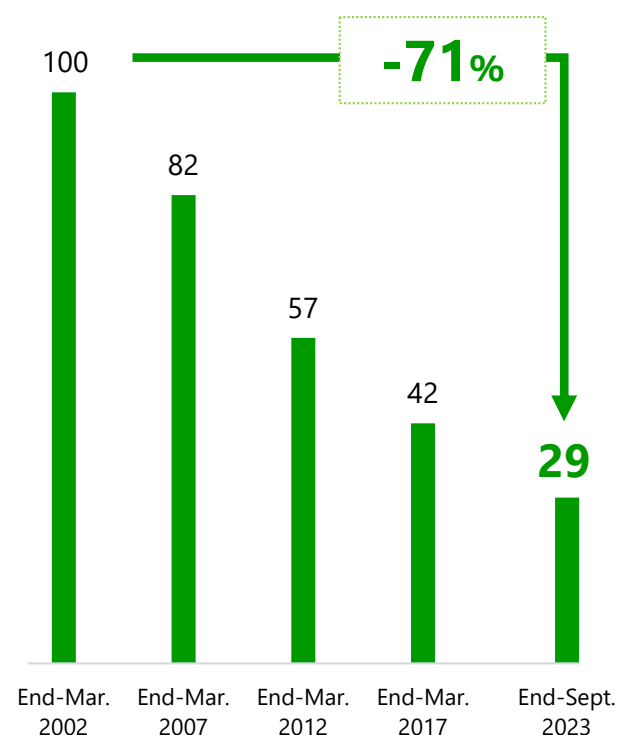
Accelerate Reduction of Business-related Equities

- With the full-year projection of JPY195.0bn for FY2023, we are making smooth progress in the sale of more than JPY600.0bn by FY2026 (in four years) announced in May
- To reach approx. 30% of IFRS-based net assets in FY2026
- “Continue sale”, meaning 20% of net assets is only a passing point

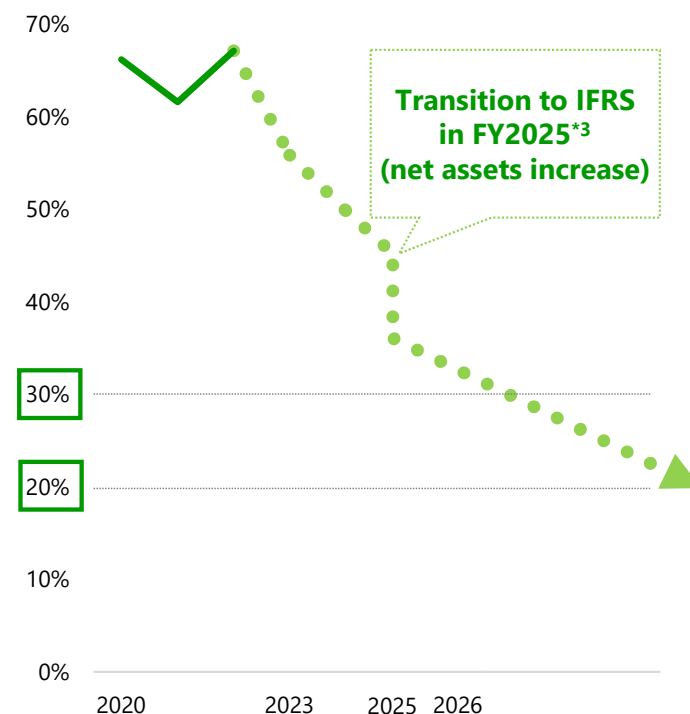
Amount of sale of business-related equities



Book value of business-related equities*1



Holding ratio vs net assets*2



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

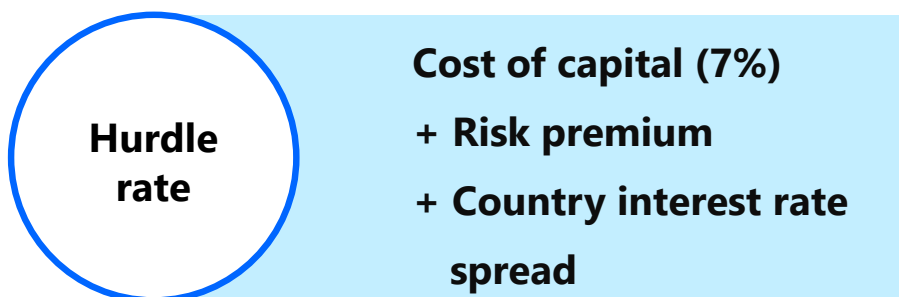
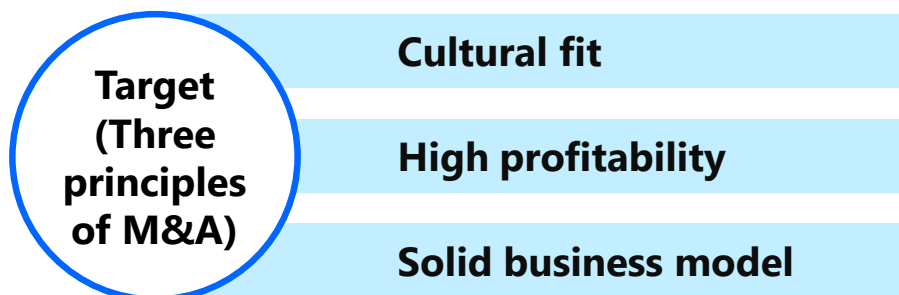
*2: Based on stock price levels as of end of Mar. 2023. Figures from FY2023 are estimates

*3: Plan to disclose in May 2026

Disciplined In / Out Strategy

- Our M&A track record is built on identification of investment targets, PMI, and group synergies, and ROI significantly exceed our cost of capital (7%)
- Valuations are currently high, and we need to continue being patient with large-scale M&As, but we will seize opportunities for bolt-on M&As and continue to implement the In / Out strategy with discipline

Strict acquisition criteria



"In" strategy (M&A, new establishment)

- ROI*¹ of our large-scale M&As is **18.8%**, significantly exceeding our capital cost (7%) (See P. 67 for details)
- We have been steadily implementing bolt-on M&As. Most recently, TMHCC completed acquisition of GGEBS*²



"Out" strategy (divestment, run-off)

- We are implementing the "Out" strategy also with discipline by determining the future of the business in a forward-looking manner



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

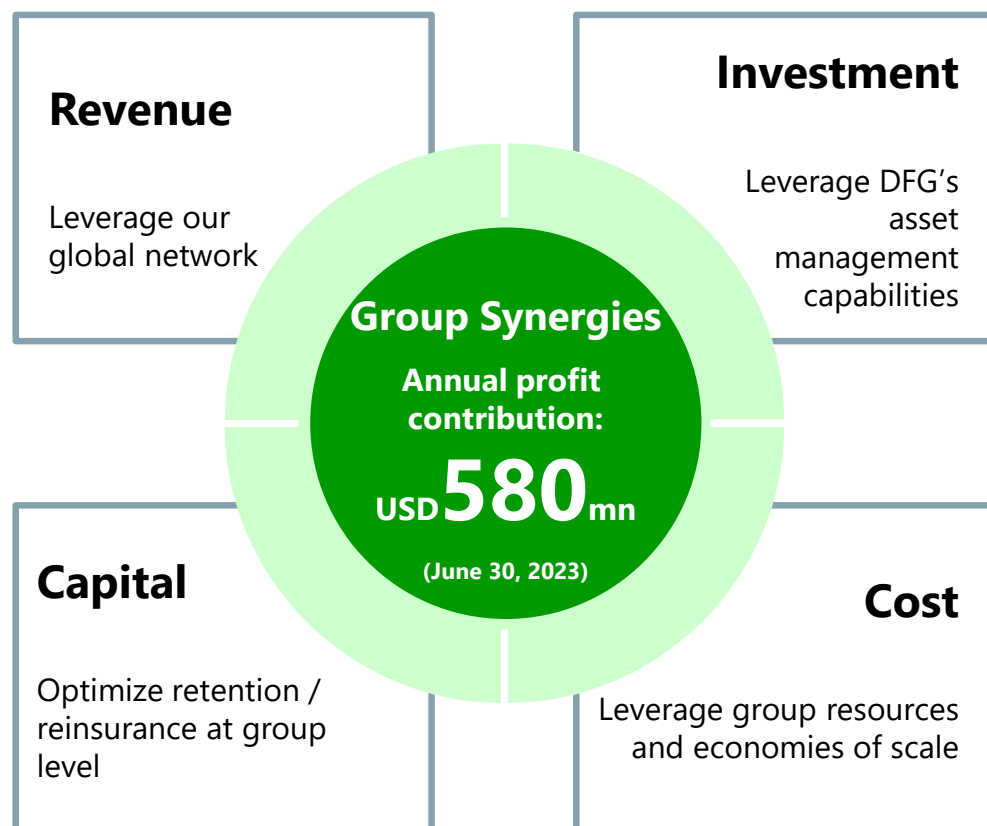
*2: Gulf Guaranty Employee Benefit Services, Inc.

A managing general underwriter that handles group gap medical insurance for small and mid-sized businesses.

*3: Agent handling construction insurance in the Tokio Marine Highland (former WNC) group owned by TMK.

(Ref.) Expansion of Group Synergies

● Realized Group synergies of USD580mn



(Ref.) Example of Revenue Synergy

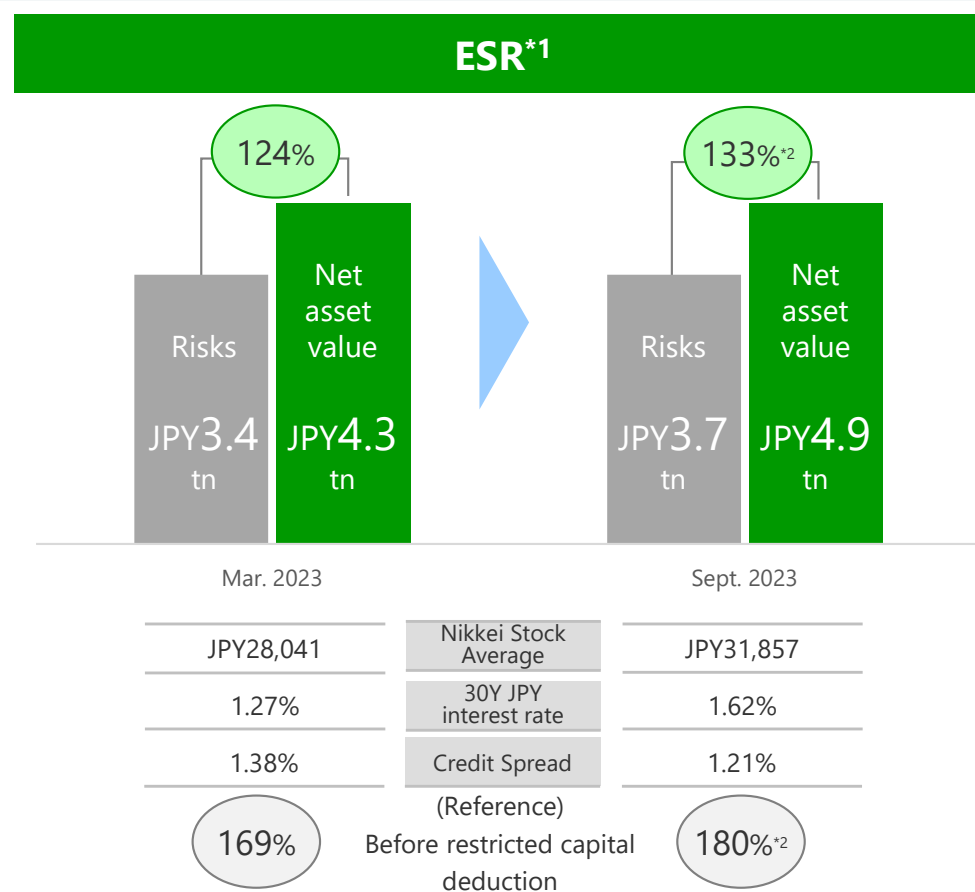
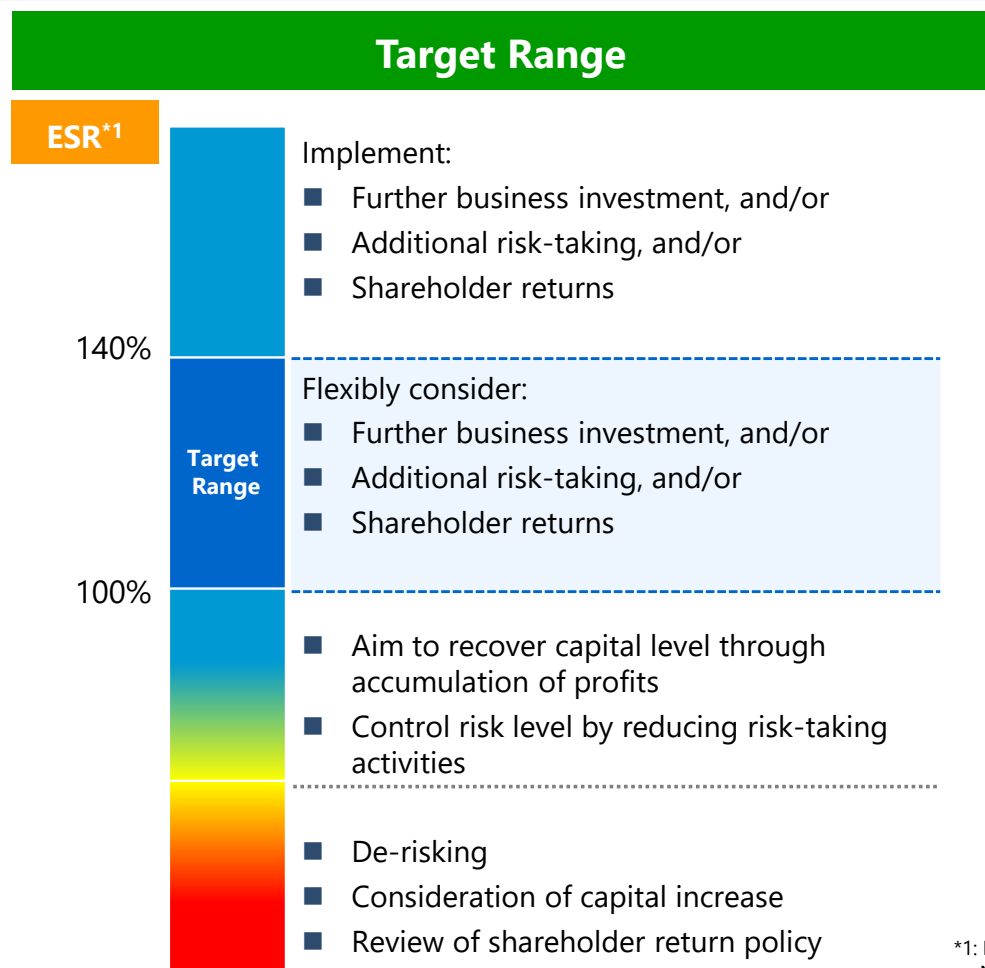
- Cross-selling**: Cross-selling to customers in other group entities
- Joint Approach**: Joint approach to mega events and large corporations
- Regional Expansion**: Lateral expansion of specialty products
- Strategic Use of Group Asset**: Leverage group capital, intellectual / human capital, and network

Revenue Synergy (Direct NWP)



Strong Capital Position and Disciplined Capital Policy (Share Buyback)

- ESR^{*1} as of the end of Sept. 2023 is solid at 133%
- We will increase the amount of share buybacks for FY2023 to JPY120.0bn from the initially announced JPY100.0bn comprehensively considering one-off profit (P.76) from the group reorganization and current M&A pipeline (JPY50.0bn has been executed in 1H. Execution of JPY70.0bn was recently approved)

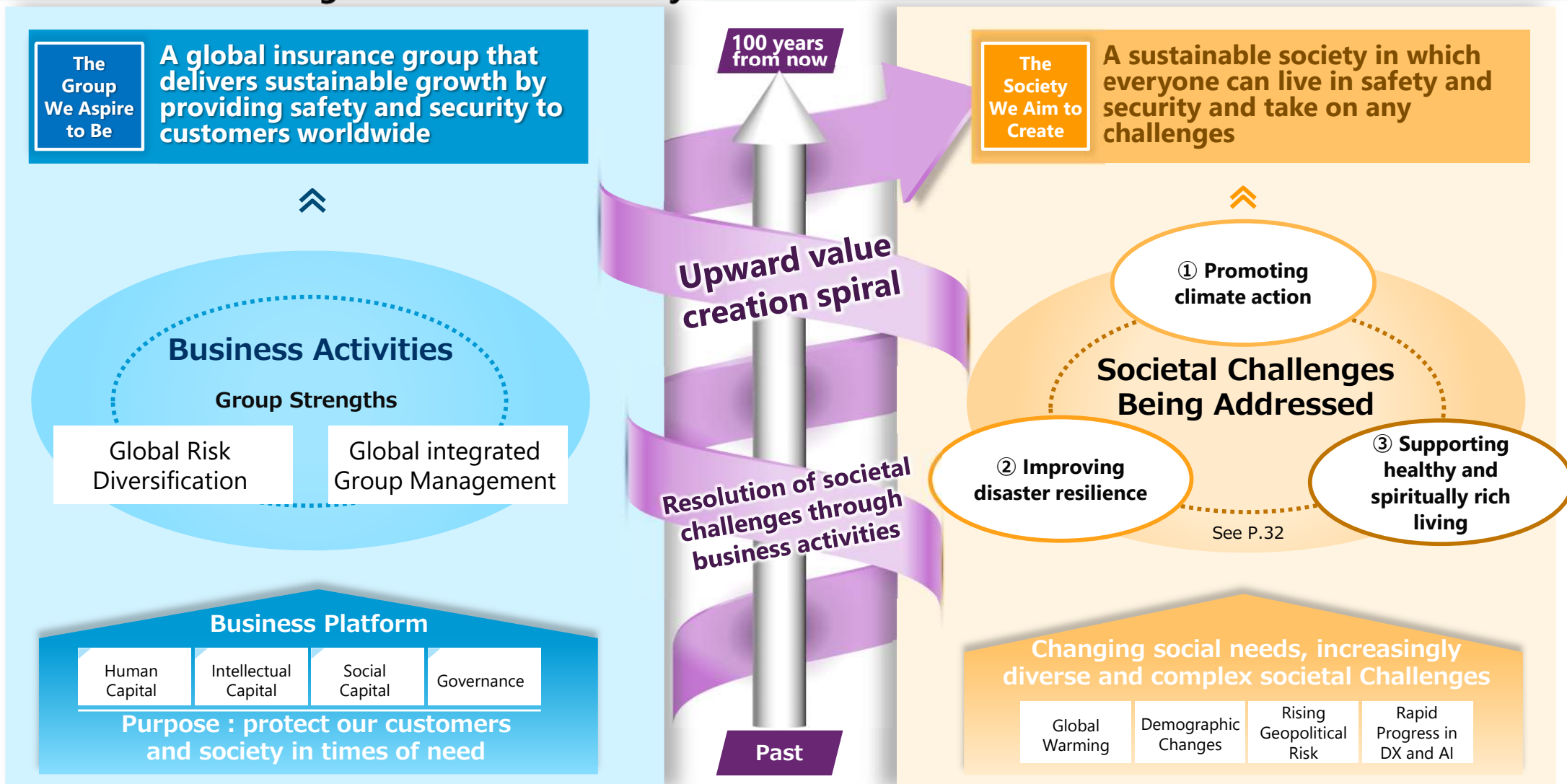


*1: Economic Solvency Ratio (Risk is calculated using a model based on 99.95%VaR (AA credit rating equivalent))
Net asset value of overseas subsidiaries shows the balance as of three months earlier (Dec. 31, 2022, and Jun. 30, 2023)
See P.85 for sensitivity.

*2: ESR after the JPY70.0bn share buyback is 131%. (178% before restricted capital deduction)

Pursuit of Deep-Rooted Sustainability Management

- With our purpose, “protect our customers and society in times of need,” we contribute to the creation of a safe and secure world by resolving the expanding and complex societal challenges, and continue to grow for the next 100 years



Examples of Recent Contributions to Resolution of Societal Challenges

- Since our founding, we realized both “sustainable society” and “our company’s sustainable growth” through resolution of societal challenges
- These initiatives are accelerating around the world and at the center of our business

(1) Promoting climate action

Global

Expand insurance business that supports spread of renewable energy

FY2020 FY2022
JPY**25.0**bn ▶ JPY**35.0**bn



(2) Improving disaster resilience

Japan

Prompt insurance payment in large Nat Cats by automating insurance payment process

Number of payments in large Nat Cats in FY2022
More than
150,000 cases



(3) Supporting healthy and spiritually rich living

Japan

Expanding underwriting of insurance in the related fields

Seniors/Healthcare*
2020–2023 revised projection
CAGR
+22.7%

Asset formation*
2020–2023 revised projection
CAGR
+27.7%

Japan

Promoting collection and recycling of automobile parts. It reduces CO₂ emissions by 50% compared with manufacturing of new parts



Japan

Started business development that contributes to improving disaster resilience, centered on the disaster prevention consortium CORE



China

Offering insurance / services for health promotion for residents of wellness smart town (to start in Nov. 2023)



Europe

Offering surety to support promotion of decarbonization. It covers battery storage system, etc.



South Africa

Offering a set of fire insurance and fire alarm at an affordable price to low-income households



USA

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



Overview of Next MTP

- Set forth “Our Long-term Aspiration 2035” in light of the rapid changes in the business environment (as a result, it is expected to be a unique, unprecedented business portfolio)
- Towards its realization, we will steadily execute the “Group Major Strategies” in addition to continued implementation of “Group Core Strategies” in the next MTP (no change in pursuing the world’s top-class EPS Growth and ROE enhancement)

“Our Long-term Aspiration 2035” in light of changes in business environment

P.34

“A Partner that continuously provides innovative solutions”
to issues / risks of customers and society

“Group Core Strategies”
we continue to promote

➤ **Global Risk Diversification**

P.35

➤ **Globally Integrated Group Management**

P.36

“Group Major Strategies”
in the next MTP (2024-2026)

➤ **“3 Pillars” of “Growth”**

(1) Drastic expansion of domains where we can deliver our value

P.37

(2) Diversification of distribution model

(3) Extensive improvement of productivity

➤ **“2 Pillars” of “Discipline”**

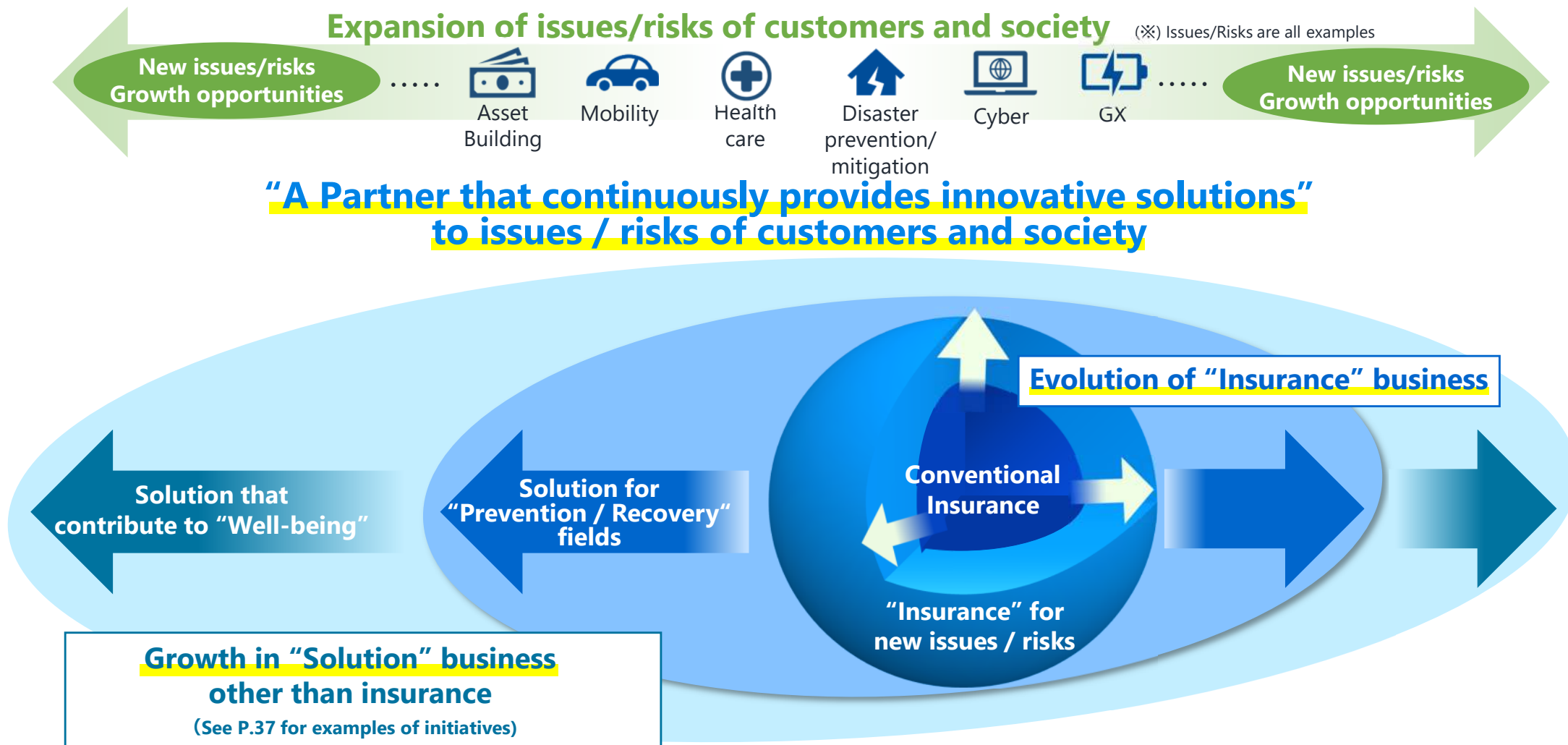
(1) Strengthening and improvement of Internal Control / Governance

P.38-39

(2) Enhancement of Business portfolio and capital management

“Our Long-term Aspiration 2035” and Its Image

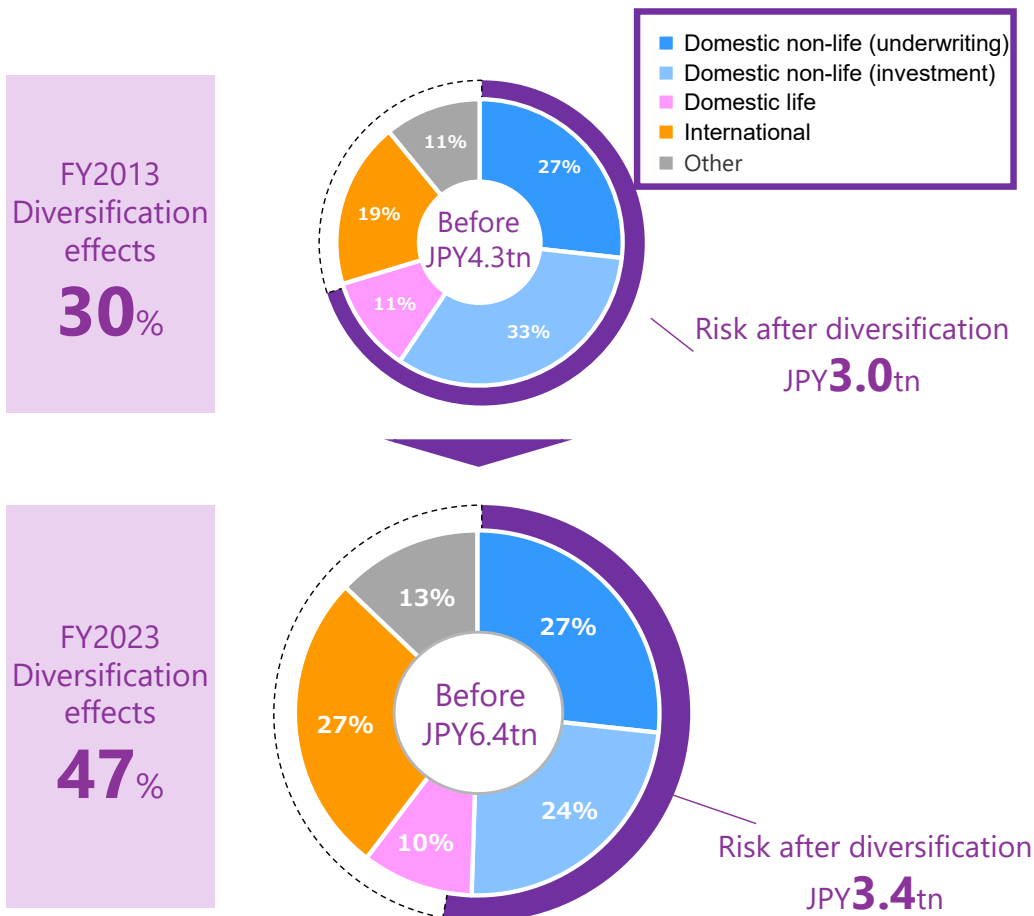
- In addition to providing best fit “Insurance” products to issues / risks of customers and society to protect customers and society “in times of need”, we will provide “Solutions” that contributes to “Prevention / Recovery fields” and “Well-being”, to “always” support them.



[Group Core Strategy] Global Risk Diversification

- We will continue to promote “global risk diversification,” which manages volatile business environment, in the next MTP
- We will further curb the impact on profit of large Nat Cats, etc. through risk diversification

Global risk diversification



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 (Large Nat Cats / COVID-19)

2022 (Large Nat Cats / COVID-19)

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

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

[Group Core Strategy] Globally Integrated Group Management

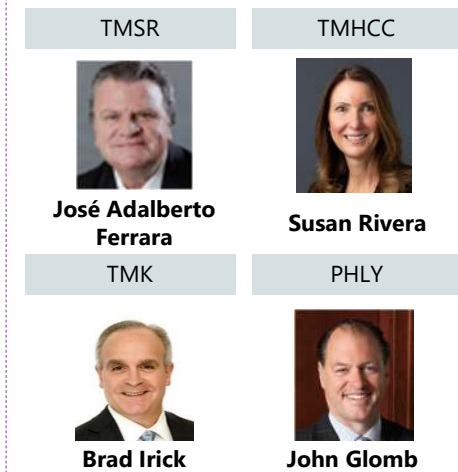
- We will continue to promote “integrated group management” that leverages global talent and knowledge to decide and implement important management actions
- Globally integrated group management is steadily developing in its 8th year, including diverse international top management and appointment / contribution of CxO (incl. Deputy CxO), raising the quality, accuracy, and speed of management decisions

Appropriate application of expertise on global basis

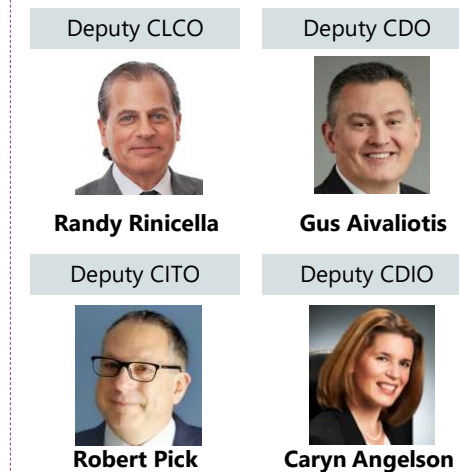
International top management



Executive Officer



Deputy C-Suite



Application of expertise



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

[Group Major Strategy] Expansion of Value Provision (Solution Business)

- Promote new “solution” business other than “insurance” and aim to achieve commercialization in multiple fields during the next MTP period so as to realize “drastic expansion of value delivery areas”

Case (1) Disaster prevention / mitigation

Estimated
target market
JPY1.5tn
(From 2030)

Background

- Intensifying natural disasters as well as prevention and mitigation is one of the priority social issues
- We have been contributing to building a society that is resilient against natural disasters through partnerships with various businesses, industries, and organizations

- ✓ **Established I-Resilience** with National Research Institute for Earth Science and Disaster Resilience
- ✓ In **Disaster Prevention Consortium “CORE”**, co-creating businesses under 10 working groups established with more than 100 member companies



Examples of
concrete
solutions*1

- ✓ **Resilient information distribution service** (since July 2023)
- ✓ **Disaster prevention and mitigation data fee business** (since July 2023)
- ✓ **Real time hazard** (to be launched in FY2023)

For development of more solutions

November 2023

New company “Tokio Marine Resilience” launched

Vision

Realize a comprehensive disaster prevention and mitigation solution

Support disaster prevention measures by comprehensive disaster management solutions*2

Case (2) Mobility

Estimated
target market
JPY0.7tn
(From 2030)

Background

- Implementing various initiatives that will contribute to mitigation of risks by increasing the sophistication of insurance products leveraging technology and utilization of accumulated data
- At the same time, mobility-related challenges are becoming more serious such as worsening labor environment and shortage and aging of drivers

- ✓ Handle 3 million accidents per year, offer 1 million drive recorders, utilize data
- ✓ Develop solution based on high level data and risk analyses model such as “**AlgoNaut**” by **core data company “TdR”** and PKSHA Technology

Examples of
concrete
solutions*1

- ✓ **Traffic accident prevention support service** (since April 2023)
- ✓ **Automated driving vehicle introduction and operation support package** (since June 2023)
- ✓ **Fleet management service** (Trial sales started from October 2023)

For development of more solutions

November 2023

New company “Tokio Marine Smart Mobility” launched

Vision

Realize mobility solutions for corporations

Mitigating risks and avoidable costs associated with transportation and logistics

*1: See P.81-82 for details of each example.

*2: Providing comprehensive solutions for disaster prevention and mitigation, encompassing all phases of the disaster prevention and mitigation value chain (assessment, preparedness, evacuation, recovery/reconstruction) and address the causes of damage such as flooding, landslides, earthquakes, and tsunamis (perils)

Enhancement of Governance (Update on Incidents at TMNF)

Re-post from Q2 Conference
Call on Nov. 17

- **Fraudulent insurance claims concerning BIGMOTOR: Prioritizing recovery of customer damages, implementing investigation to confirm the amount of fraud, and insurance policy grade adjustment, etc. Initiative on customer-oriented improvement of the “designated workshop system” is also being promoted**
- **Potential price-fixing among Japan non-life insurers: On-going investigation by a special committee. Steadily implement initiatives to prevent recurrence**

Fraudulent insurance claims concerning BIGMOTOR

Latest Status

- Prioritizing recovery of customer damages, and implementing investigation to confirm the amount of fraud, supporting safety checks, and insurance policy grade adjustment, etc.
- Key issues identified were (i) inability to quickly identify malicious and organized fraudulent claim; and (ii) room for customer-oriented improvement in the operation of the “designated workshop system”
- Based on the above, we will (i) implement further enhancement of claims adjustment system (development / utilization of warning system for adjusters, detection of abnormalities using repair cost big data, etc.); and (ii) develop network system providing designated workshop information for customers

Insurance premium fixing incident

Latest Status

- On-going investigation by a special committee headed by several external lawyers. Details of investigation cannot be discussed, but the preventative measures already implemented are stated below. We will steadily implement initiatives to prevent recurrence including these
 - Established Fair Trade Promotion Office in TMNF Legal Department (October 2023)
 - Conducted training to spread understanding of laws, regulations, and rules, and introduced a learning tool
 - Clarified rules and procedures about contacting competitors (prohibited as a general rule) etc.

Enhancement of Governance (Issue Analysis and Actions as TMHD)

- Following the occurrence of several incidents, further strengthening governance at the group level will be established and executed upon as one of the key pillars of the next mid-term plan
- We will enhance integrated group management while also ensuring to bring in external perspectives and expertise to deliver high quality management that balances growth and governance

Issue Analysis of Incidents from a Group Management Perspective

TMHD Involvement in Group Company Operations	■ The expansion and diversification of our global business has potentially led to a variance in the implementation of internal controls in each business. There is the potential need for HD to be further involved
Utilization of External Perspectives and Expertise	■ While we have been developing and strengthening various frameworks there is the opportunity for us to more effectively utilize external perspectives and expertise



Specific Measures to Address Identified Issues to Strengthen and Enhance Internal Controls and Governance. Identified as a Key Group Strategy in the Next Mid-Term Plan

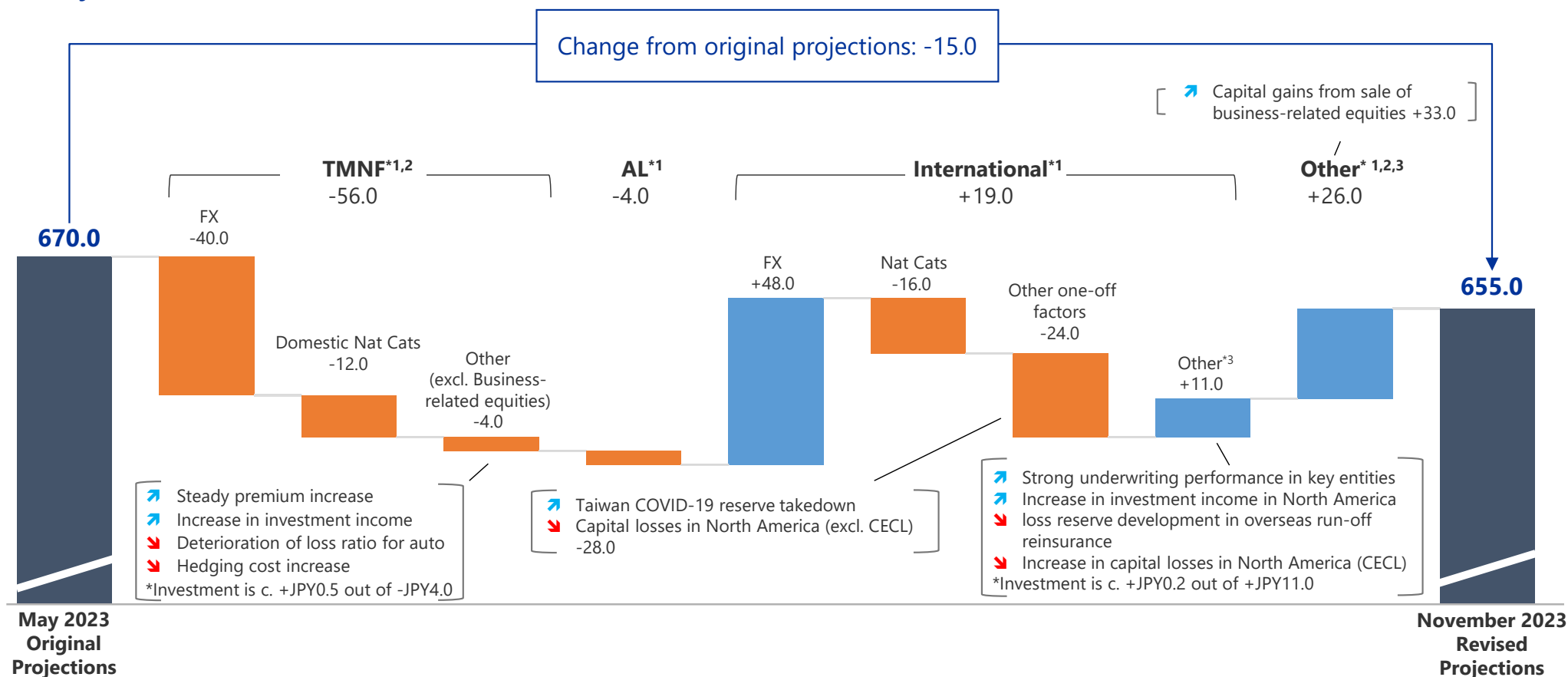
TMHD (Enhanced Framework)	<ul style="list-style-type: none"> ■ Further utilization of <u>external perspectives and expertise</u> on internal controls and governance ■ Recruitment in addition to further internal development of <u>industry leading experts</u> to implement enhanced governance measures, including those listed below
Domestic Group Companies	■ Better leverage " <u>specialized resources and knowledge sharing</u> " from TMHD functions (including governance-related) to enhance and strengthen those functions at the group company level
International Group Companies	■ Enhance internal controls aligned with the <u>maturity level</u> of each group company and provide Group Company support (resource sharing, training and secondment etc.)

FY2023 Adjusted Net Income Projections (Actual)

Re-post from Q2 Conference
Call on Nov. 17

- Full-year projection has been revised downward by -JPY15.0bn to JPY655.0bn due to the negative impact of increased Nat Cats losses and capital losses in North America, mostly offset by the strong performance notably from key overseas entities and increase in capital gains from the sale of business-related equities

Adjusted Net Income (billions of JPY)



*1: All figures are on a business unit profit basis (Other: Domestic non-life other than TMNF or financial and other businesses, capital gains from the 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.

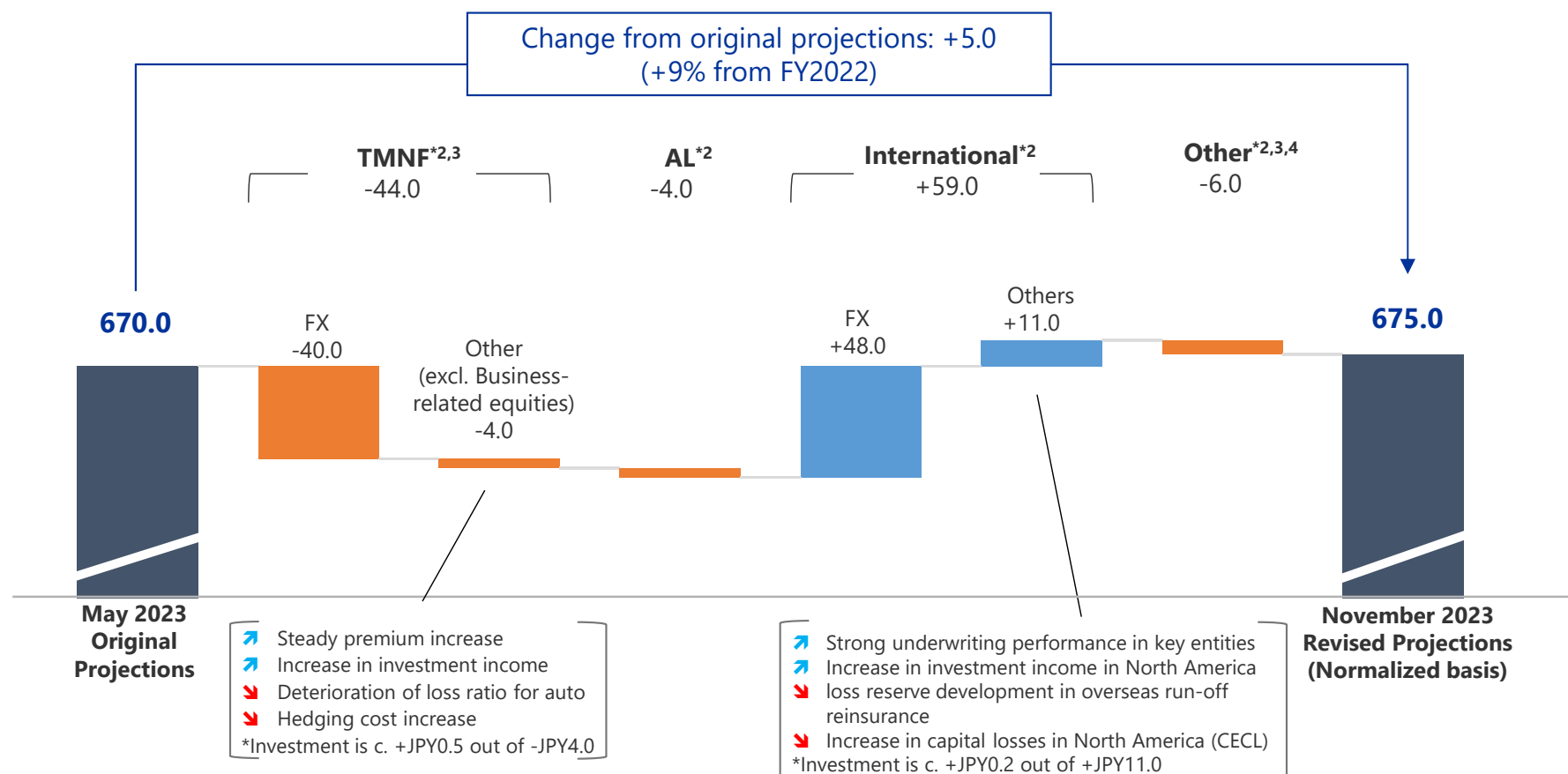
*3: Difference with P.41 is due to capital gains from sale of business-related equities (for part of sale exceeding JPY150.0bn) and rounding, etc.

FY2023 Adjusted Net Income Projections (Normalized)

Re-post from Q2 Conference
Call on Nov. 17

- Adjusted net income on a normalized basis^{*1} is expected to rise by +JPY5.0bn vs original projections to JPY675.0bn and +9% YoY mainly driven by the strong underwriting mostly from key overseas entities and increased investment income, etc.

Adjusted Net Income (billions of JPY)



^{*1}: Normalized Nat Cats to an average annual level and excluding the impact of COVID, capital gains / losses in North America (excl. CECL), etc., and capital gains from the sale of business-related equities (for part of sale exceeding JPY150.0bn)

^{*2}: All figures are on a business unit profit basis (Other: Domestic non-life other than TMNF or financial and other businesses, capital gains from the 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.

^{*4}: Difference with P.40 is due to capital gains from sale of business-related equities (for part of sale exceeding JPY150.0bn) and rounding, etc.

FY2023 KPI Targets (Mid-Term Business Plan 2021-2023)

	Mid-Term Business Plan (FY2021-FY2023)		FY2023 Projection (Normalized; actual in the parentheses)		FY2020 Results (Normalized; actual in parentheses)
	Released in May 2021	expect to achieve	Revised in Nov. 2023	Released in May 2023	Starting numbers for the current mid-term plan
Adjusted net income (CAGR : vs FY2020)	<u>CAGR+3-7%^{*1}</u>	✓	<u>CAGR+15%</u> JPY675.0bn (JPY655.0bn)	CAGR+15% JPY670.0bn	JPY446.0bn ^{*2} (JPY399.6bn)
Adjusted ROE	<u>Around 12%</u>	✓	<u>16.1%</u> (15.7%)	17.1%	11.5% ^{*2} (11.3%)
Shareholder Returns					
Dividend payout ratio^{*3}	40% or more ↓ 50% (Revised in Nov. 2021)	✓	<u>50%</u>	50%	40%
Capital level adjustment	Flexible execution	✓	<u>JPY120.0bn</u>	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.

Breakdown of Adjusted Net Income

		Mid-Term Business Plan (FY2021-FY2023)		FY2023 Projection (Normalized; actual in the parentheses)		FY2020 Results (Normalized; actual in parentheses)
		Released in May 2021	expect to achieve	Revised in Nov. 2023	Released in May 2023	Starting numbers for the current mid-term plan
Business Unit Profit, etc.	Adjusted net income (CAGR : vs FY2020)	CAGR+3-7% ^{*4}	✓	CAGR+15% JPY675.0bn (JPY655.0bn)	CAGR+15% JPY670.0bn	JPY446.0bn ^{*7} (JPY399.6bn)
	Domestic non-life ^{*1} →See P.46 for details	JPY160.0bn or more	✓ ^{*5}	JPY117.0bn excl. FX JPY157.0bn (JPY105.0bn)	JPY161.0bn	JPY138.5bn ^{*7} (JPY175.3bn)
	Domestic life ^{*2} →See P.56 for details	Stably secure JPY50.0bn level	✓ ^{*6}	JPY35.0bn excl. FX JPY36.0bn (JPY35.0bn)	JPY39.0bn	JPY52.7bn ^{*7} (JPY52.7bn)
	International →See P.60 for details	about JPY230.0bn	✓	JPY435.0bn (JPY395.0bn)	JPY376.0bn	JPY180.1bn ^{*7} (JPY91.6bn)
	Other ^{*3}	about JPY70.0bn	✓	JPY88.0bn (JPY120.0bn)	JPY94.0bn	JPY74.7bn ^{*7} (JPY80.0bn)

*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.

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*5: Revised projection for FY2023, excluding the impact of FX, is JPY157.0bn, mostly in line to achieve plan announced in May 2021.

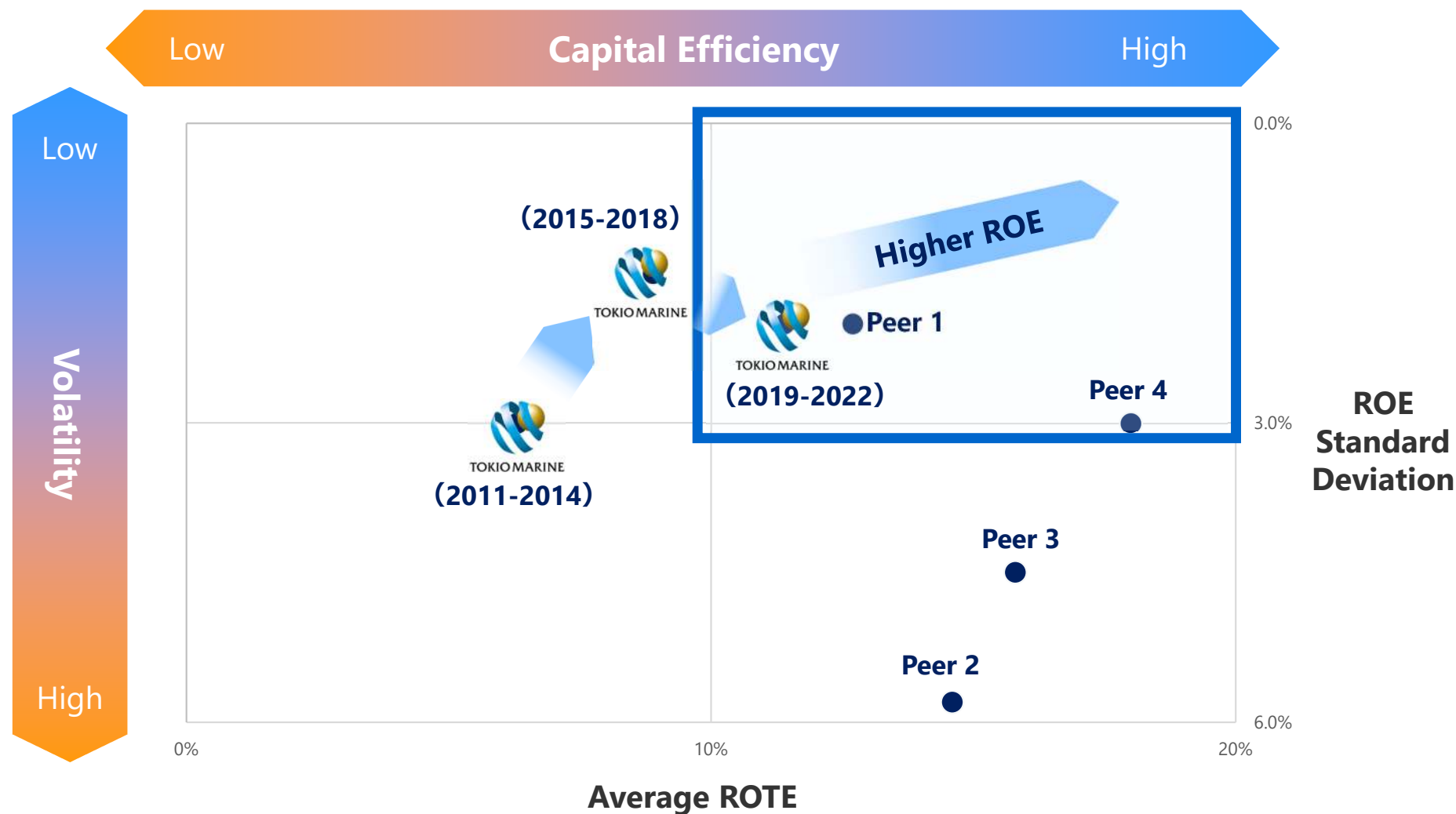
*6: Expected to fall short of the plan announced in May 2021 due to increase in initial acquisition costs from robust sales growth and rise in hedging costs.

*7: 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

Re-post from IR Conference on May 24, 2023

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

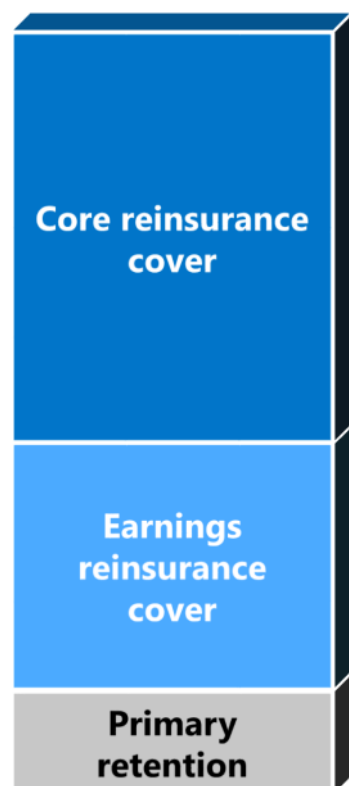


ROTE: Adjusted ROE for TMHD, 2019-2022 average on financial accounting basis for peers
 Peers: Allianz, AXA, Chubb, Zurich
 (Source): Bloomberg

Tokio Marine Group's Retention / Reinsurance Policy

- 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. We limit the impact of the market cycle by implementing flexible cycle management based on our financial strength and global business diversification and carrying out strategic negotiations as a group

Basic approach



Stable / continuous reinsurance arrangements for capital events

- Reinsurance for large Nat Cats, with relatively low reinsurance rates; able to procure large capacity
- Less susceptible to market cycle, stable procurement

Implementing cycle management with focus on economic rationale

- Coverage for losses occurring at high frequency; rates are relatively high
- More susceptible to market cycle; implementing flexible cycle management

Key initiatives

Evolution of organizational structure for enhancing retention / reinsurance and underwriting

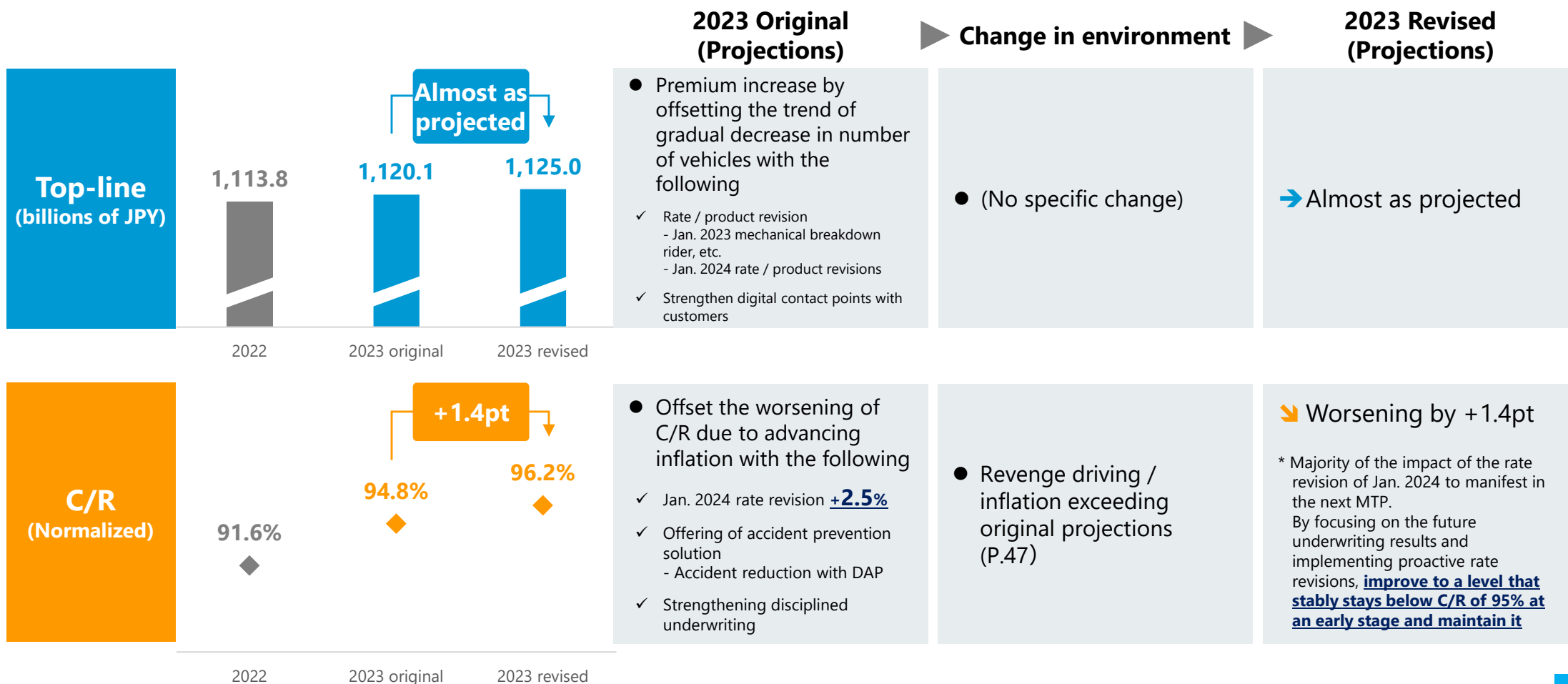
- **Corporate U/W Dept. established at TMHD** (2022-)
 - ✓ Department managing retention / reinsurance and underwriting at Group level was established in TMHD to enhance retention / reinsurance policy-related proposal / execution capabilities
- **Established reinsurance team in London** (2023-)
 - ✓ Established reinsurance team in London, the reinsurance hub, with Barry Cook as the head. Strengthen reinsurance function globally by enhancing reinsurance negotiations and reinsurance program leveraging the excellent access to reinsurance market
- **Cyber Underwriting Committee established at TMHD** (2023-)
 - ✓ Strengthen underwriting control at Group level against cyber risks that are becoming increasingly sophisticated with each passing day

Use of Group reinsurance

- **Pool exposures from group reinsurance at TMNF and purchase reinsurance**
 - ✓ Risks that cannot be retained by group companies individually are retained at TMNF, with large capital and risk diversification, to reduce reinsurance rate
 - ✓ Strengthen risk control based on group risk appetite through bulk purchasing of reinsurance (flexible implementation of retention / reinsurance policy)
 - ✓ Reinsurance negotiations under favorable terms leveraging economies of scale

[Update] Auto Insurance

- The top-line for FY2023 was expected to offset the trend of gradual decrease in number of vehicles with rate / product revision, and is expected to be in line with projections as proposed measures are steadily implemented
- C/R is expected to worsen by +1.4pt compared to original projection due to the impact of revenge drive / inflation exceeding original projections
(Majority of the effect of the rate / product revisions of January 2024 will actualize from FY2024 onwards)

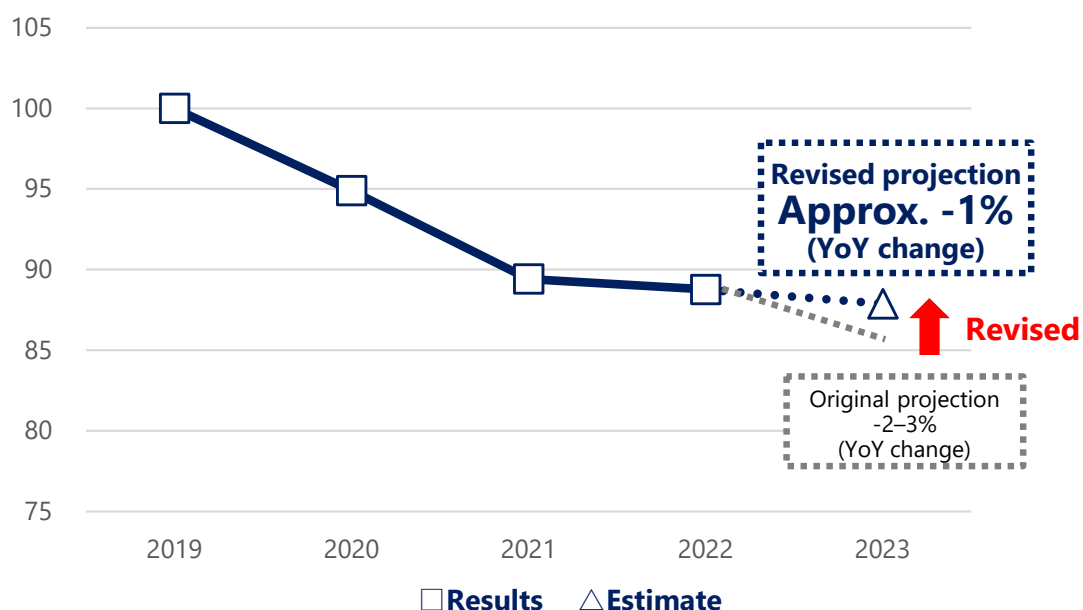


(Ref.) Auto Insurance Accident Frequency and Unit Price Trend

- Accident frequency for FY2023 is expected to decline approx. -1% YoY, while insurance unit price is expected to increase around +4%
- Both accident frequency and unit price respectively incorporate impacts of revenge drive and inflation that are higher than the projections at the beginning of the year, but both the impacts are expected to gradually diminish

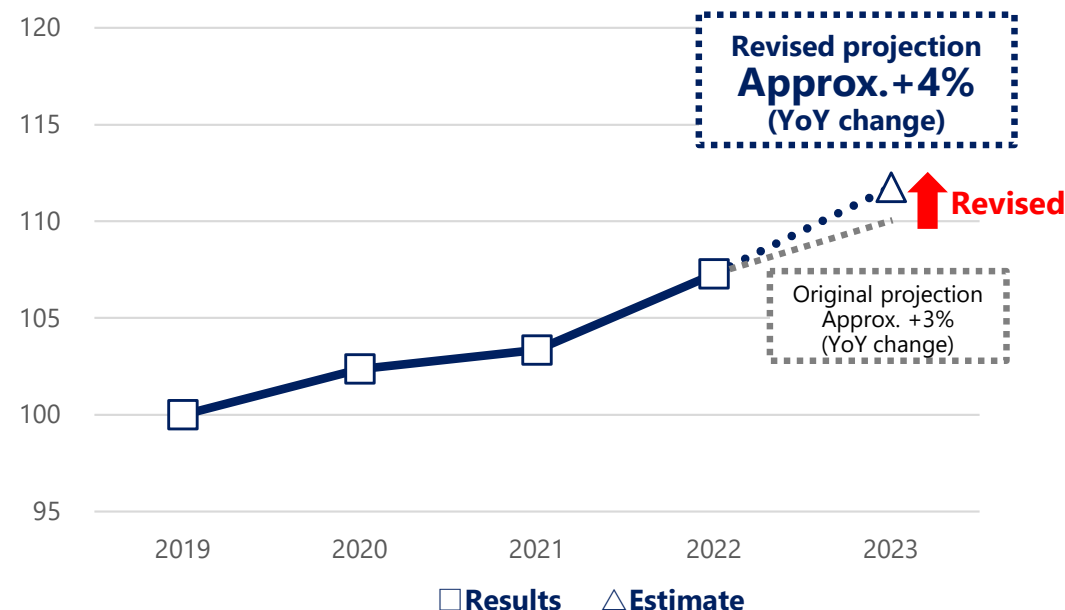
Accident frequency^{*1,2}

- FY2023 accident frequency exceeded original projection (-2-3%) due primarily to impact of revenge driving. Expecting a decline of approx. -1% YoY
- Impact of revenge driving is expected to diminish gradually



Unit price (vehicle / property liability)^{*2}

- Price per claim for FY2023 is expected to increase by approx. +4% YoY, exceeding the original projection (+3%) due to the impact of inflation
- Going forward, in addition to the existing upward trend due to the enhancement of various measures, gentle inflation is expected to continue



*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

(Ref.) 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)

Level 1 (driving support)

Level 2 (partially autonomous)

Level 3 (conditional autonomous)

From Mar 2021, **autonomous** driving on expressways*1

Level 4 (highly autonomous)

By 2025, **autonomous** driving on expressways*1

Level 5 (fully autonomous)

TBD

Human
System

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

Claim cost

=

Accident
frequency ↘

×

Price per
claim ↗

- Lower accident frequency ↘
- Higher price per claim ↗

➤ 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.

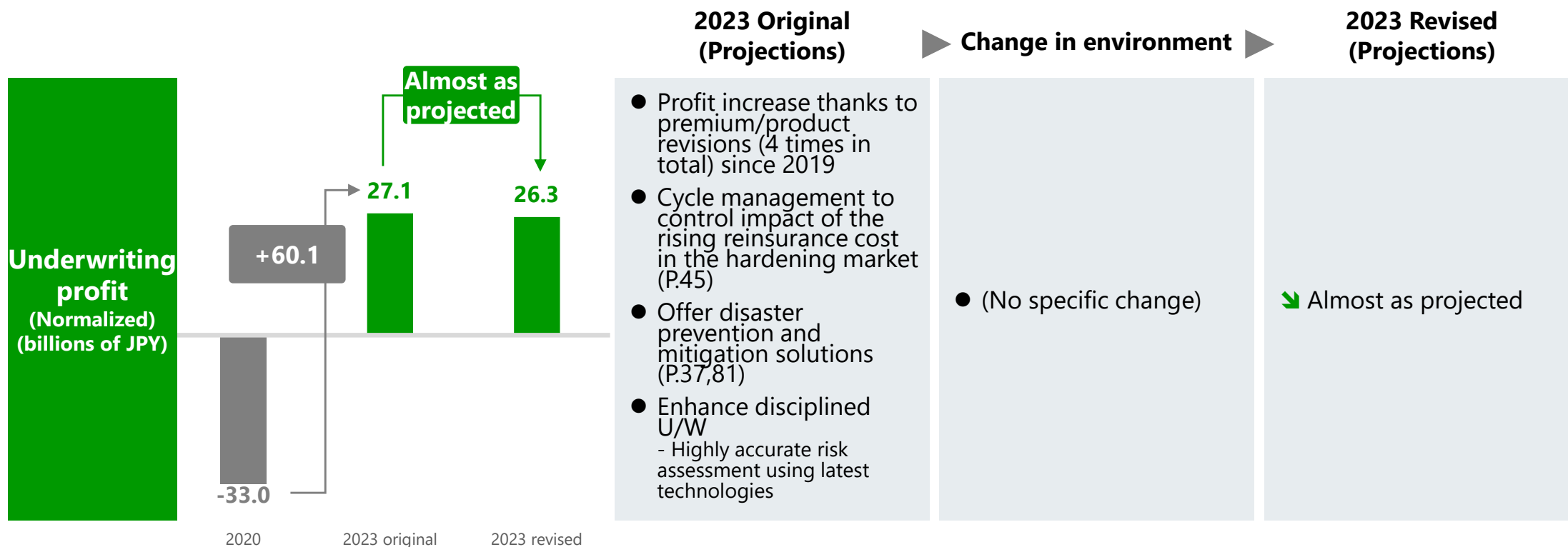
*2: Public-Private ITS Initiative / Roadmap 2020

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

[Update] Fire Insurance

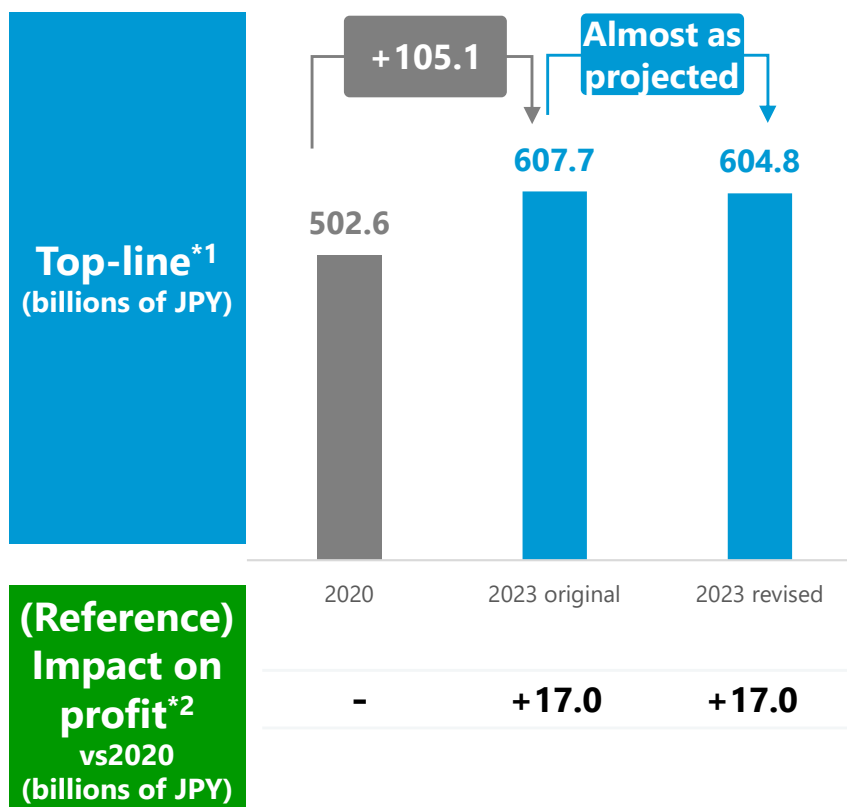
- Underwriting profit in FY2023 was projected to increase significantly by +JPY60.1bn from FY2020 (2023 original projection), while the current MTP has projected an approx. +JPY45.0bn rise.

The measures proposed have been implemented steadily and the result will likely be almost as projected



[Update] Specialty Insurance

- **Top-line revenue in FY2023 was projected to increase +JPY105.1bn from FY2020 (a revenue increase of over JPY100.0bn under the current MTP). With steady progress in initiatives, the result will likely be almost as projected**



2023 Original (Projections)

- Top-line growth with profitability
 - ✓ Capture promising markets focusing on 4 priority areas
 - ✓ Expand highly profitable products
 - ✓ Enhance disciplined U/W

(Ref.) Growth potential of 4 priority areas

Priority Area	Market Size	Penetration Rate
Healthcare	JPY1.7tn ^{*3}	75% ^{*3}
SME	JPY400.0bn ^{*4}	20-30% ^{*4}
GX (offshore)	JPY200.0bn ^{*5}	—
Cyber	JPY180.0bn ^{*6}	Less than 10% ^{*7}

Change in environment

- (No specific change)

2023 Revised (Projections)

→ Almost as projected

→ As projected

*1: Including P.A.

*2: Before deducting expenses

*3: Market for group medical insurance / cancer insurance / GLTD. (Source) Japan Institute of Life Insurance, Rosei Jihou

*4: Japanese market size (Source) TMHD estimate.

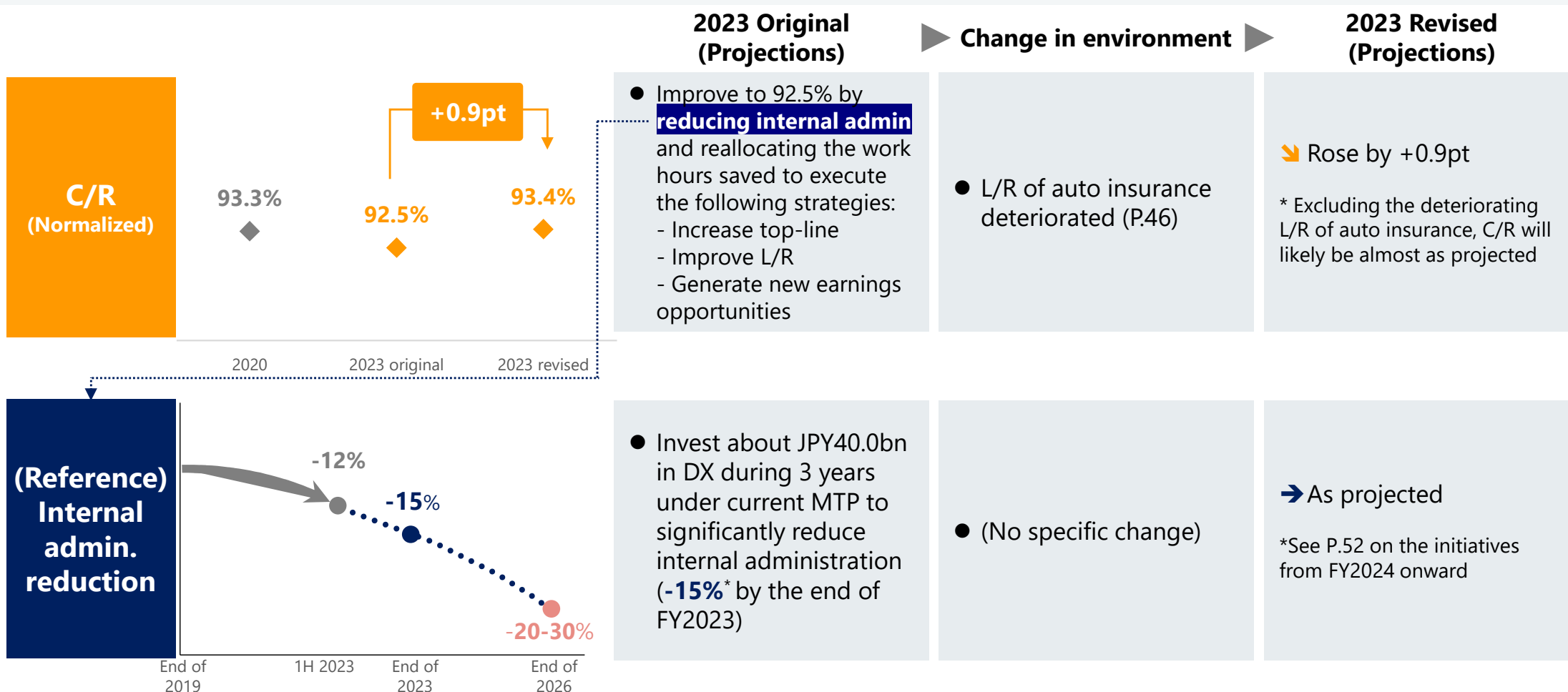
*5: Global offshore wind insurance market as of 2030. (Source) TMHD estimate

*6: Japanese market size. (Source) Research company

*7: (Source) "Cyber Risk Awareness and Countermeasure Survey 2020," General Insurance Association of Japan

[Update] Improvement to C/R

- C/R in FY2023 was projected at 92.5% reflecting the rigorous reduction of internal administration through investments in DX and the reallocation of the work hours saved to the execution of strategies. The measures proposed have been implemented steadily. Mainly due to the worsening of L/R of auto insurance, however, C/R will likely rise by +0.9pt (but will likely be almost as projected excluding the worsening L/R of auto)

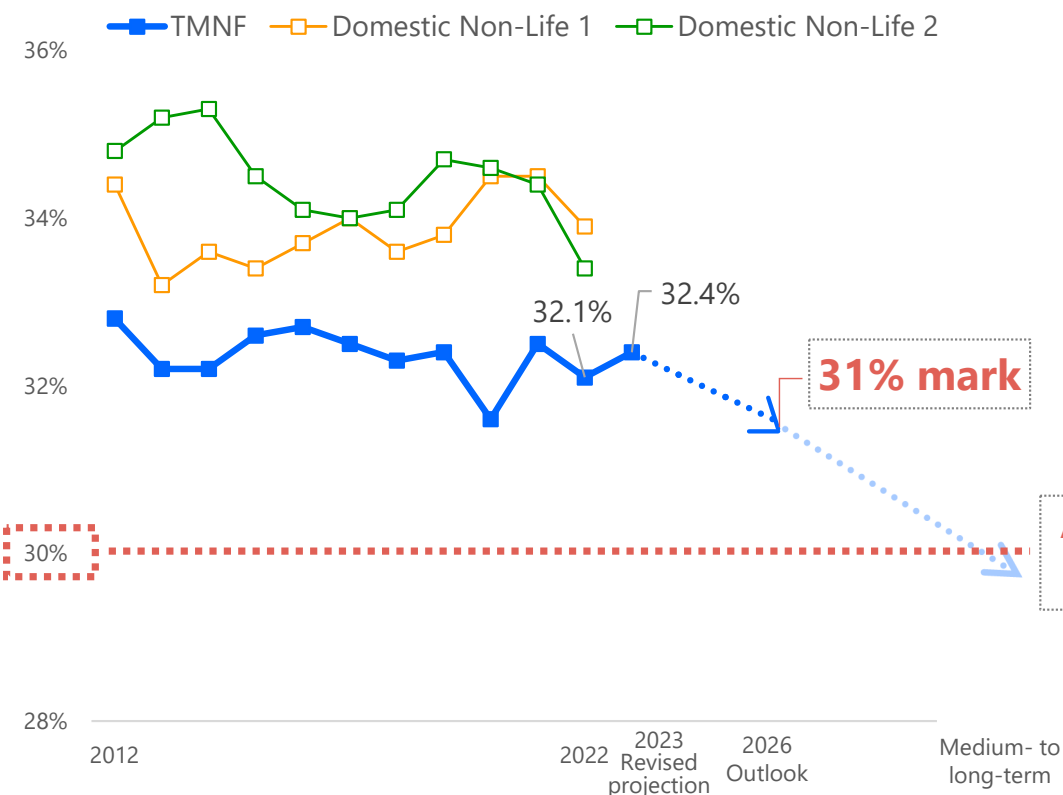


[Update] Improvement to E/R

- Current E/R remains better than that of other companies
- Aim for E/R below 30% in the medium- to long-term mainly through top-line growth achieved by solving societal challenges, without shrinking the size of business (aim to decrease E/R to the 31% mark by the end of FY2026 as a milestone)

Track Record and Future Direction

TMNF E/R*1



Measures for 2023→2026

Raise business efficiency through top-line growth

- **Increase activity volume of sales teams** mainly through further use of generative AI, in addition to the originally projected **administration volume reduction (-20-30%*2)** by the end of FY2026

Agency commission system with clear priorities (20.8%)

- Build an **agency commission system with clear priorities** focusing on delivering business quality and values based on customers' perspectives

Rigorously reduce personnel and non-personnel expenses (11.6%)

- **Cost cut without exceptions**
*Continue necessary investments incl. investments in human capital and intellectual capital (DX)
*No increase in non-personnel expenses from technical factors*3 from FY2026

- **Make work reduction project real**
(**About -JPY10bn***4 by end of FY2026)

*The figures in the parentheses show the breakdown of revised projection of E/R for 2023 (32.4%)

(Ref.) Use of Generative AI and AI Governance Initiatives

- The whole Group will promote productivity improvement through use of generative AI in business processes
- To address various risks and to ensure security as we increase the use of AI, take actions such as establishing AI governance incl. guidelines and vulnerability assessment

Productivity Improvement Through Use of Generative AI

Area 1 In daily operations

Introduced in October 2023

- Organize a system that enables employees nationwide to use ChatGPT in a secure environment to raise efficiency in writing, document making, information search, and so on, in daily work
- Roll out automation tools combined with technologies such as VBP and RPA to facilitate use of ChatGPT



Area 2 For customer enquiries

Scheduled to introduce in FY2024 or later

- Develop own interactive AI that specializes in insurance and has learned product rules and service contracts to raise efficiency of customer service in branches and sales sections
- Plan to introduce in FY2024 a tool that lets interactive AI to automatically generate answers to enquires from outsiders on the coverage of insurance products, purchase procedures, and so on

Area 3 In call center operations

PoC began

- Significantly reduce call center operations through rigorous use of AI and DX in all business processes incl. AI Chatbot and automatic generation of FAQs

Area 4 In claim service

PoC began

- Raise efficiency and quality of claim service through use of AI to summarize telephone enquiries, propose answer options, analyze accident data, and so on

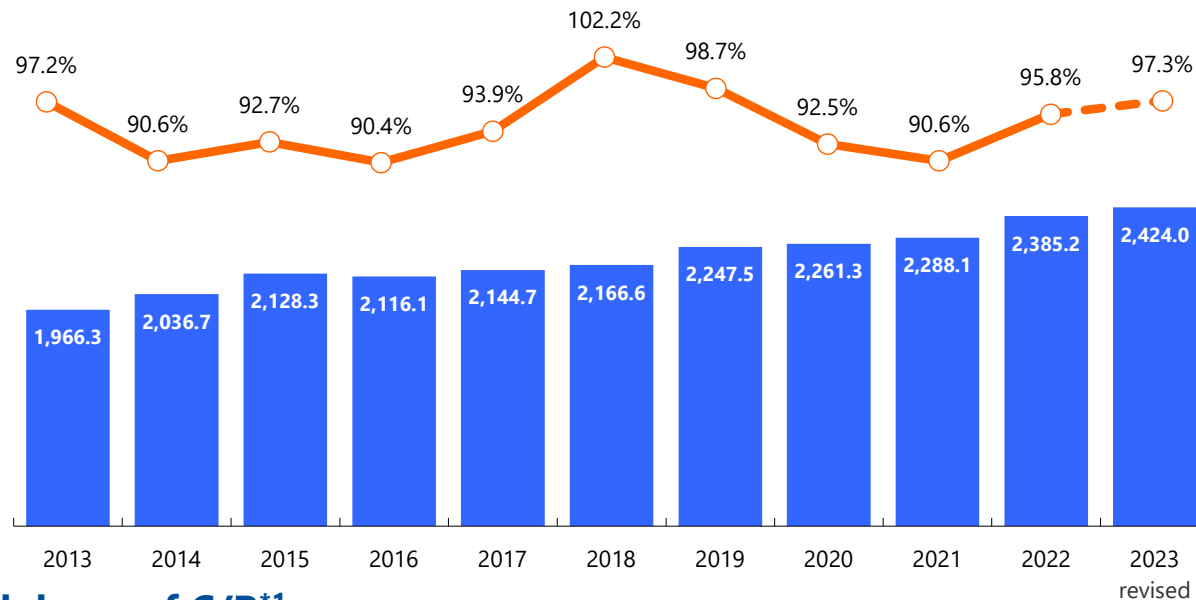
Gradually roll out generative AI to other areas in addition to the above

Measures to Address AI Risks

- Identify priority areas concerning various AI risks and promote risk reduction measures in terms of both governance and IT systems
- Organize guidelines and rules for using generative AI
- Capital alliance with Robust Intellicence (US) which has technology to evaluate AI's vulnerability to jointly upgrade AI risk countermeasures

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 revised	vs original projection
C/R* ¹	97.2%	90.6%	92.7%	90.4%	93.9%	102.2%	98.7%	92.5%	90.6%	95.8%	97.3%	+4.8pt
E/I loss ratio	65.0%	58.5%	60.1%	57.7%	61.4%	70.0%	66.3%	60.8%	58.1%	63.8%	64.9%	+5.0pt
(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%	64.2%	+4.3pt
W/P expense ratio	32.2%	32.2%	32.6%	32.7%	32.5%	32.3%	32.4%	31.6%	32.5%	32.1%	32.4%	-0.2pt

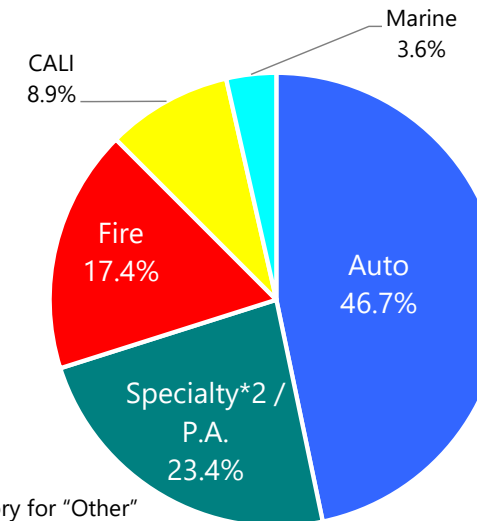
*1: C/R = E/I loss ratio + W/P expense ratio

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of which c.+2.3pt from originated from international business, +1.5pt from JPY depreciation, and +0.8pt from domestic Nat Cats

Composition by category

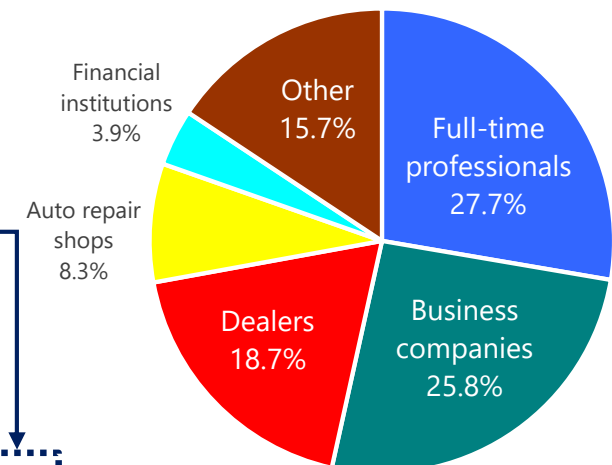
(FY2022: On net premium written basis)



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

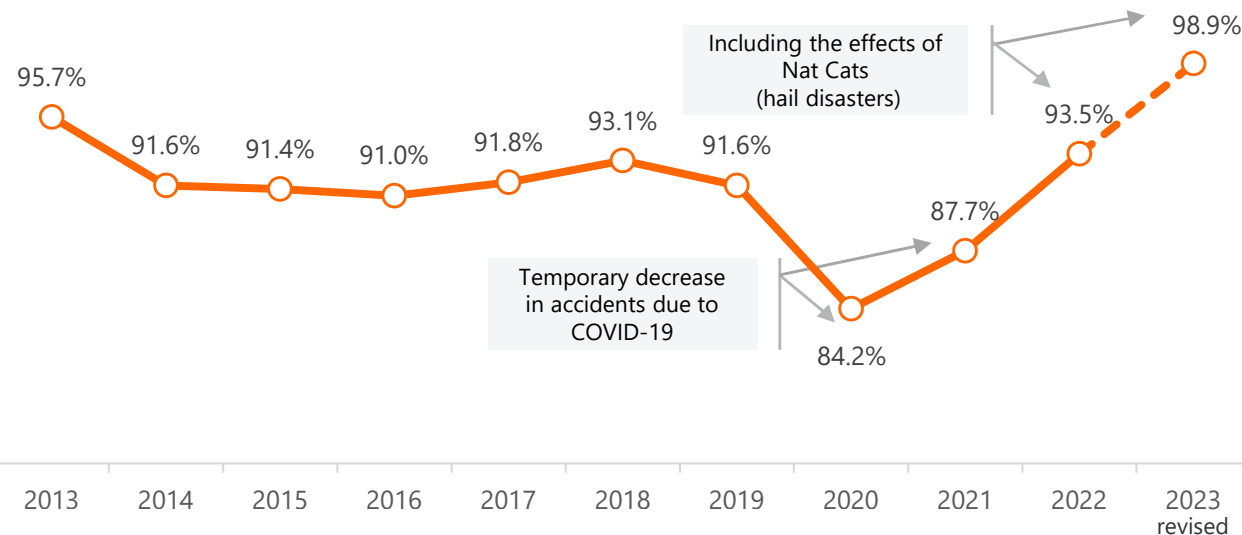
Composition by channel

(FY2022 premiums on managerial accounting basis)



TMNF: Changes in Auto Insurance C/R

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



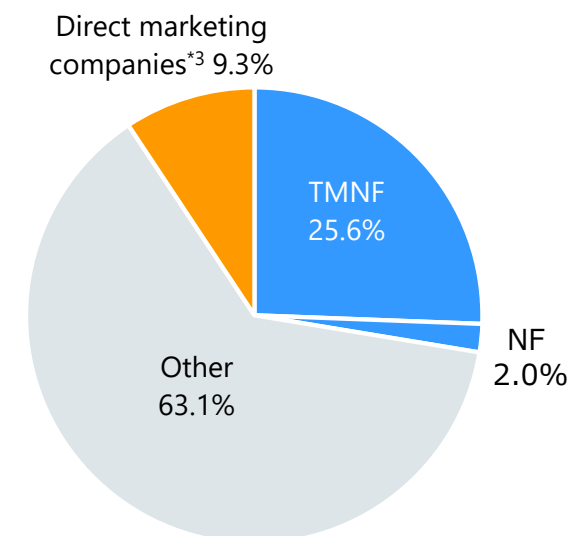
● C/R in auto insurance*¹ (private insurance E/I basis)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 revised	vs original projection
C/R*¹	95.7%	91.6%	91.4%	91.0%	91.8%	93.1%	91.6%	84.2%	87.7%	93.5%	98.9%	+ 4.1pt
E/I loss ratio	65.3%	61.1%	60.5%	60.2%	60.8%	62.3%	60.8%	54.3%	56.8%	62.5%	67.6%	+ 4.6pt
(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%	64.9%	+ 1.8pt
W/P expense ratio	30.4%	30.5%	30.9%	30.8%	31.0%	30.9%	30.8%	29.9%	30.8%	31.0%	31.3%	-0.5pt

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

● Auto insurance market share*²

(Based on FY2022 direct net premiums written)

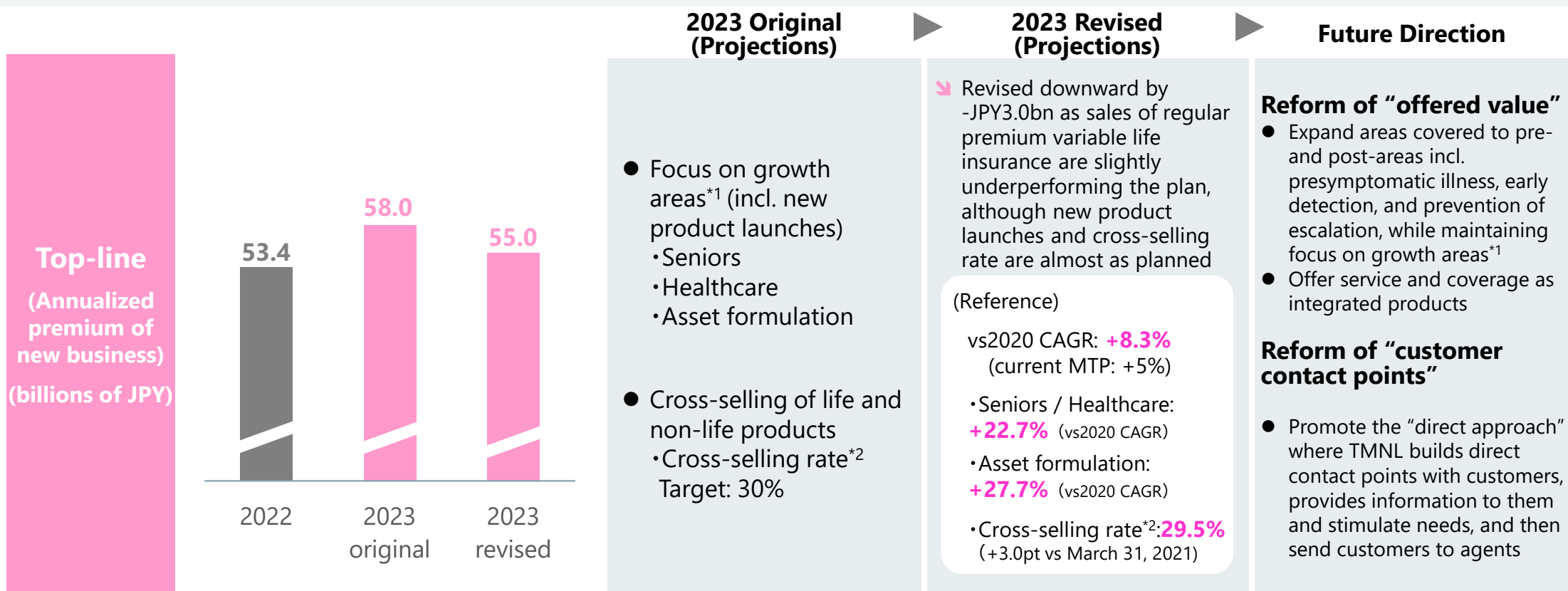


*2: Source: Insurance No. 5008

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

[Update] Top-line

- Plan to increase revenue in FY2023 by focusing on growth areas*¹ (incl. new product launches) and promoting cross-selling of life and non-life products. While sales of new products and cross-selling rate are almost as planned, sales of regular premium variable life insurance are slightly underperforming the plan. Top-line will be JPY55.0bn, -JPY3.0bn below the original projection
- Achieve above-market growth by offering new solutions with expanded coverage and service areas (reform of “offered value”) and expanding new approaches to customers (reform of “customer contact points”) in addition to the past initiatives



*1: [Seniors / Healthcare]

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 treatment insurance (from Feb. 2022), Specified diseases treatment insurance (from Aug. 2023)

[Asset formulation] Regular premium variable life insurance

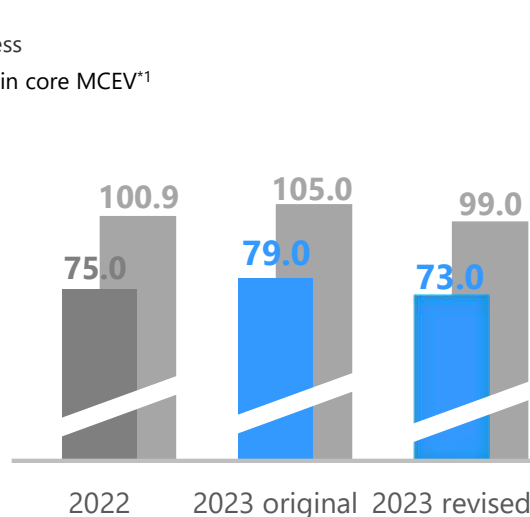
*2: Super insurance: ratio of the number of super insurance with either life or third sector coverage

[Update] Bottom-line

- **[Economic Value Basis (Value of New Business)] Revised downward by -JPY6.0bn to JPY73.0bn in FY2023 mainly due to the rising inflation**
- **[Financial Accounting Basis (Business Unit Profits)] Revised downward by -JPY3.0bn to JPY36.0bn in FY2023 projection (excl. FX) mainly due to the current impairment losses of CRE loans and provision of reserves, in addition to larger initial acquisition costs due to top-line growth and higher hedging costs**

■ Value of new business
■ (Reference) Increase in core MCEV*1

Economic value basis
(Value of new business)
(billions of JPY)



2023 Original (Projections)

- Increase in sales of highly profitable products

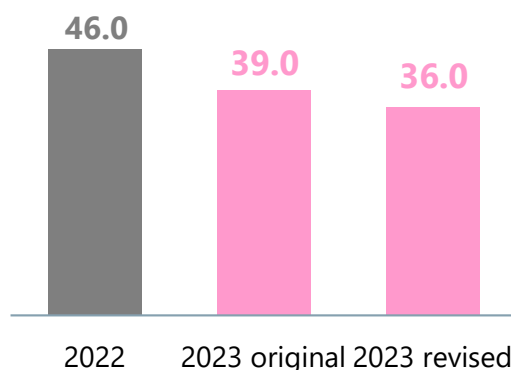
2023 Revised (Projections)

- ➡ Revised downward by -JPY6.0bn due to rising inflation and smaller-than-expected sales of variable insurance with installment plans
- (Reference)
vs2020 CAGR: **+10.2%**
(current MTP: +5%)

Future Direction

- Increase sales by continuously launching highly profitable products and adopting a new business model

Financial accounting basis
(Business unit profits*2)
(billions of JPY)



- Higher initial acquisition costs due to top-line growth
- Rise in hedging costs (vs 2022: -JPY3.0bn)

- ➡ Revised downward by -JPY3.0bn mainly due to impairment losses on CRE loans and provision of reserves

- Continue working to promptly post profit by expanding sales of highly profitable products with a shorter profit recovery period

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

*2: 2022 results exclude the impact of COVID-19 and FX; revised 2023 projection excludes FX

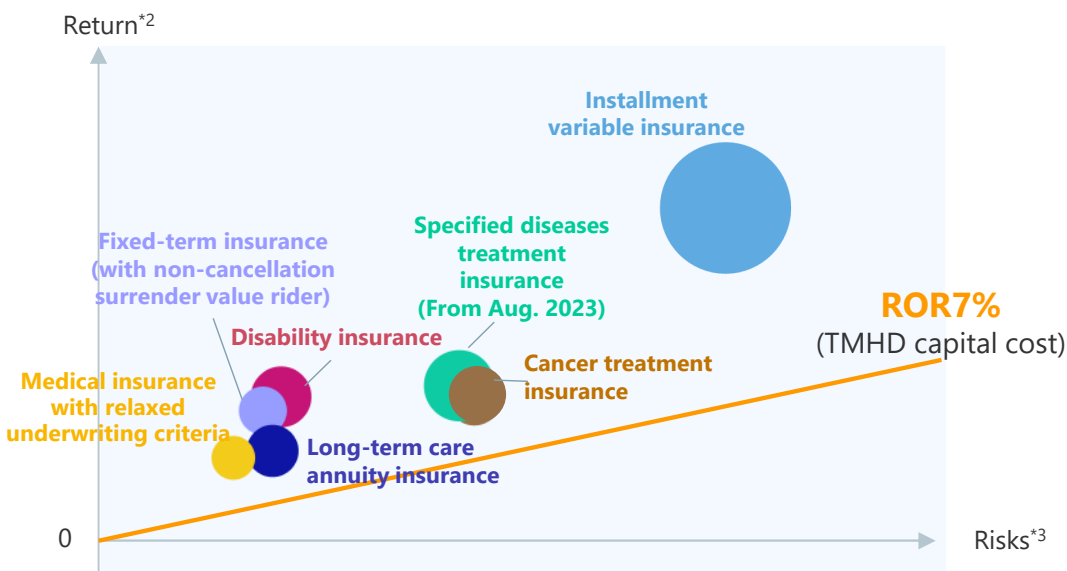
Enhance Profitability and Accelerate Profit Contribution

- Current MTP aims to accelerate future profit growth by focusing on products with high ROR and IRR that will promptly contribute to profits
- Sales expansion of highly profitable main products are smoothly continuing. Continue 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)



*1: The size of the bubble indicates annualized premium of new business (2023 revised projection)

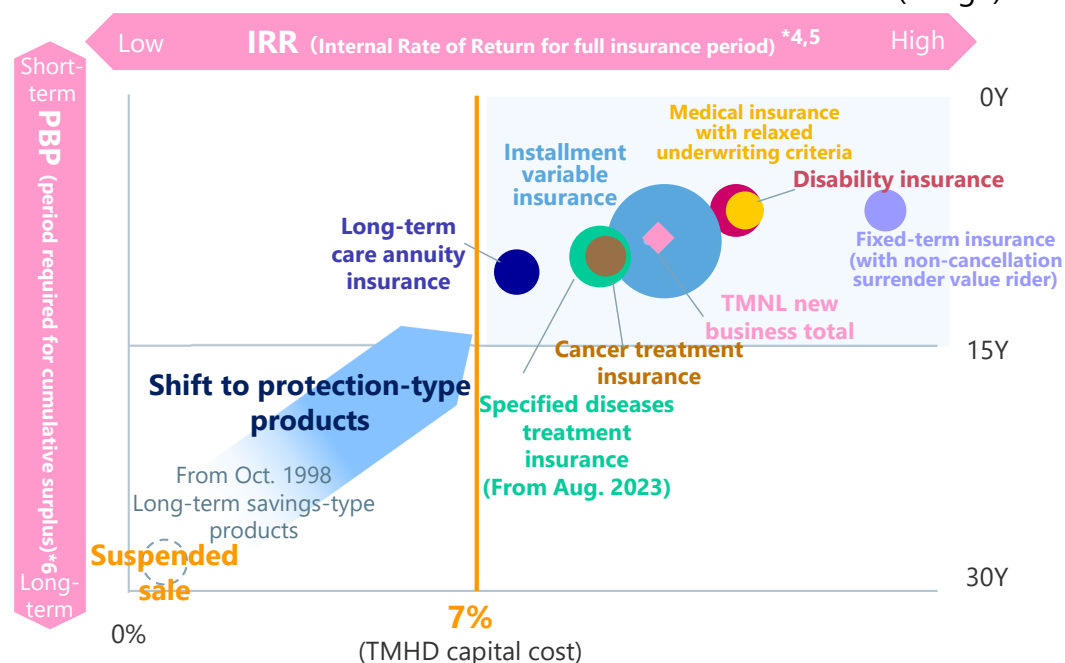
*2: Value of new business and future release of cost relating to non-hedgeable risks (2023 revised projection)

*3: Sum of the present value of required capital for each future fiscal year (2023 revised projection)

Enhancement of IRR and shortening of PBP

- Total IRR of TMNL's new business improved to over 10% and PBP to less than 10 years

(Image)



*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 revised projection)

*6: Payback Period (period until the cumulative profit on financial accounting basis to turn positive)

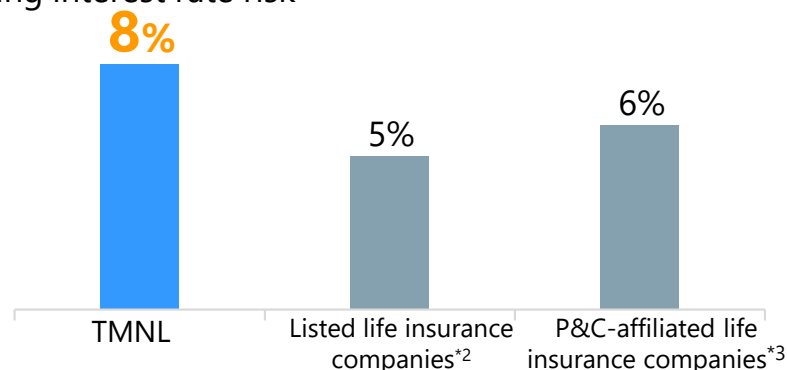
(Figures in the above chart are 2016 results for long-term savings-type products and 2023 revised projections for other products)

Capital Efficiency

- Capital efficiency is among the best in Japan both on the financial accounting basis and economic value basis

Core ROEV*¹ (economic value basis, FY2022 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



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



*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

*3: SOMPO 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/losses on sales or valuation of ALM bonds, etc.)

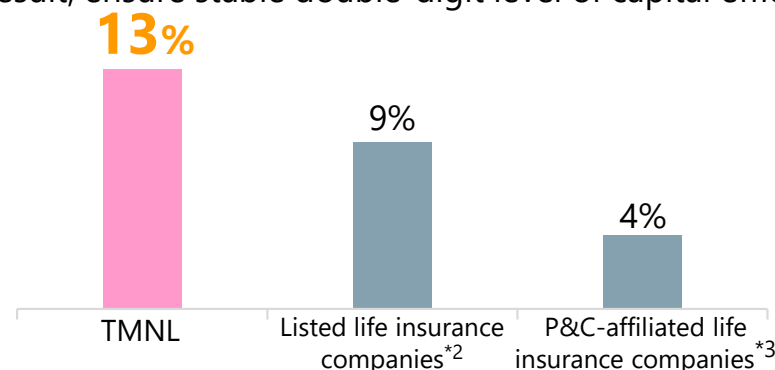
Denominator (adjusted net asset) = net assets + contingency reserve + price fluctuation reserve

*5: On annualized premium of new business basis for products indicated on P.56, except business insurance (products no longer sold before FY2019)

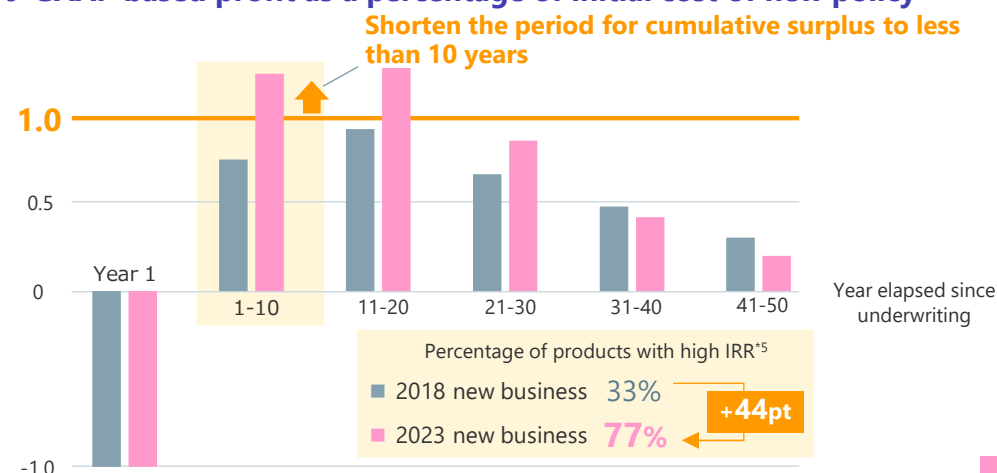
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Adjusted ROE*⁴ (financial accounting basis, FY2022 results)

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

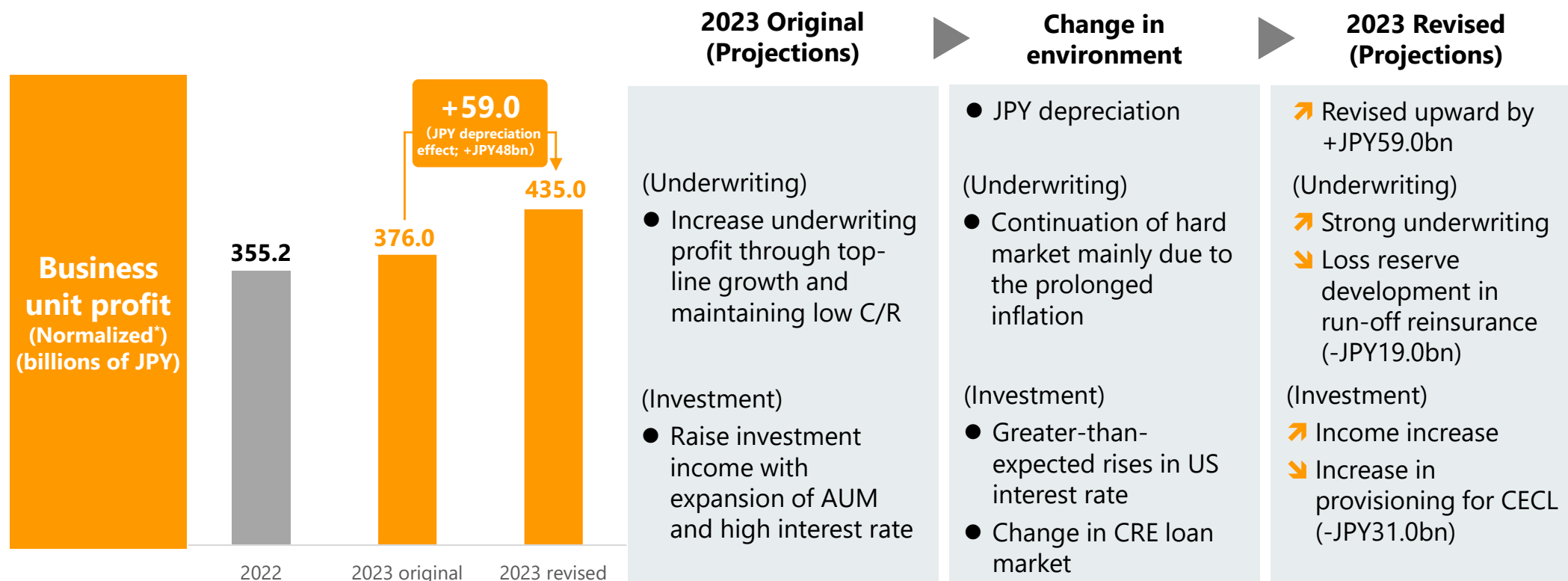


<J-GAAP based profit as a percentage of initial cost of new policy>



[Update] International Insurance Business

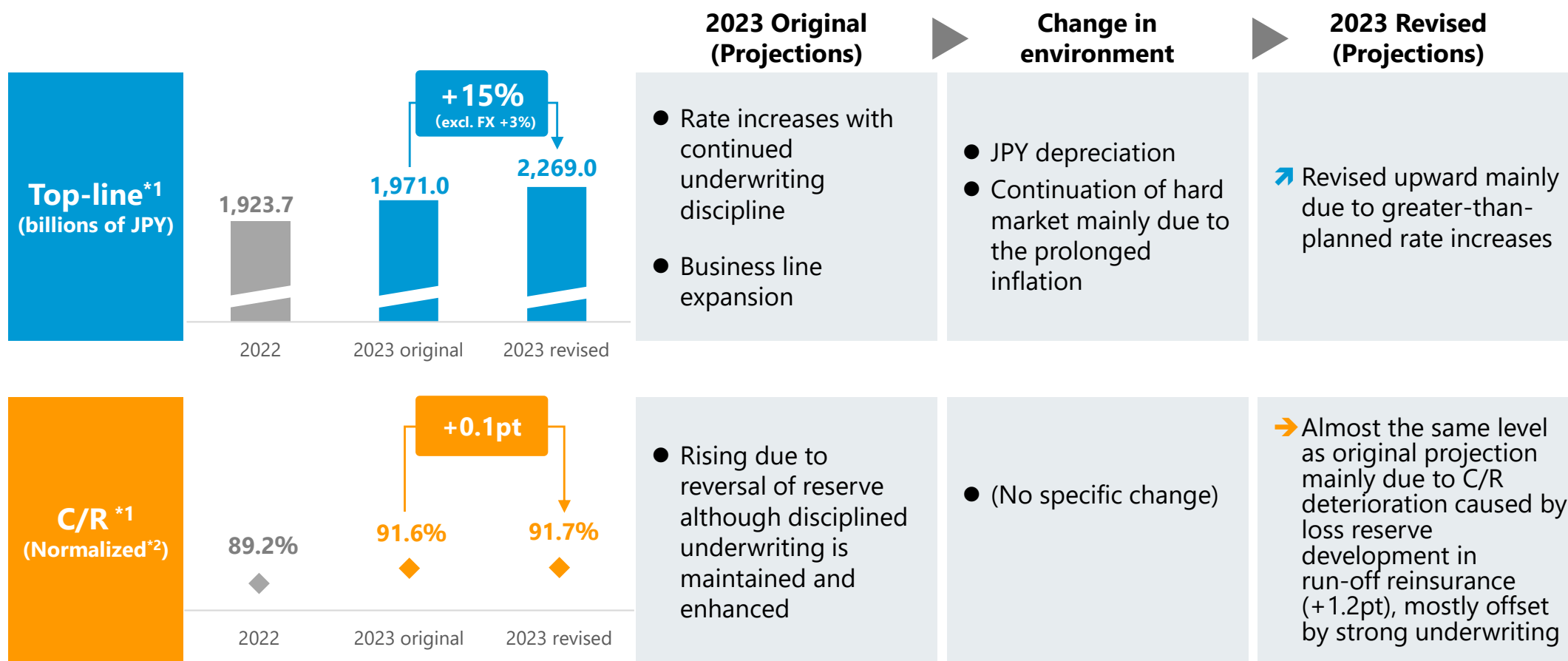
- **Business unit profit in FY2023 was projected to rise significantly mainly driven by steady revenue increase under the continuous exercise of underwriting discipline and an increase in investment income on the back of rising interest rates. We revised the original projection upward by +JPY59.0bn (of which JPY depreciation effect; +JPY48.0bn) to JPY435.0bn as rate increases and greater investment income will offset loss reserve development in run-off reinsurance and an increase in CECL reserving**



*: Normalized Nat-Cats to an average annual level and excluding the impact of COVID-19, war, capital gains/losses in North America, etc., for 2022 and excl. the impact of COVID-19, capital gains/losses in North America (excl. CECL), etc., for 2023 revised projection

[Update] Underwriting in Developed Markets

- **Top-line in FY2023 was projected to grow thanks to rate increases with the continuous exercise of underwriting discipline and business line expansion. We revised upward our original projections by +15% (+3% excl. FX) to JPY2,269.0bn mainly due to greater-than-planned rate increases**
- **C/R in revised projections is estimated to be the same level mainly due to its deterioration caused by loss reserve development in run-off reinsurance, mostly offset by strong underwriting**



*1: Total NWP of North America and Europe segments

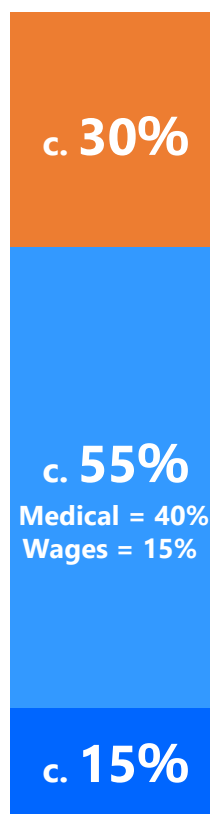
*2: Normalized Nat. Cats to an average annual level and excluding the impact of COVID-19, war, etc., for 2022 and excl. the impact of COVID-19, etc., for 2023 revised projection

(Ref.) Inflation Resilience

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

Inflation Type by Loss Reserve Split*¹

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



Medical = 40%
Wages = 15%

**TMHD
U.S. Business**

Our Measurements

Social Inflation

- ✓ Resilience against social inflation has been enhanced with forward-looking initiatives (Please see next page)
- ✓ Given that the sum of U.S. Nuclear Verdicts*² in 2022 exceeded its 2019 (pre-COVID-19) level, we carefully keep monitoring social inflation trends

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/or increasing SIR*³ levels (Please see P.64)

Economic Inflation (COGS)

- ✓ Rate increases greater than loss costs (P.19)
- ✓ Relatively resilient structure against economic COGS inflation due to our business focus on specialty insurance (i.e., less property and auto physical damage insurance)
- ✓ Economic COGS inflation risk continues to stay lower as indices (e.g., flexible CPI and construction costs) continue to remain down from their highs in 2021

(Ref.) Inflation Resilience (Social Inflation)

Re-post from IR Conference on May 24, 2023

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 are vulnerable to litigation

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

▶ Reduction of litigation

- Approx. **60% reduction***3 in 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.19)

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

*2: Umbrella insurance

*3: Compare to 2020 Q2 when PHLY started its 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 2020

(Ref.) Inflation Resilience (Medical / Wage Inflation)

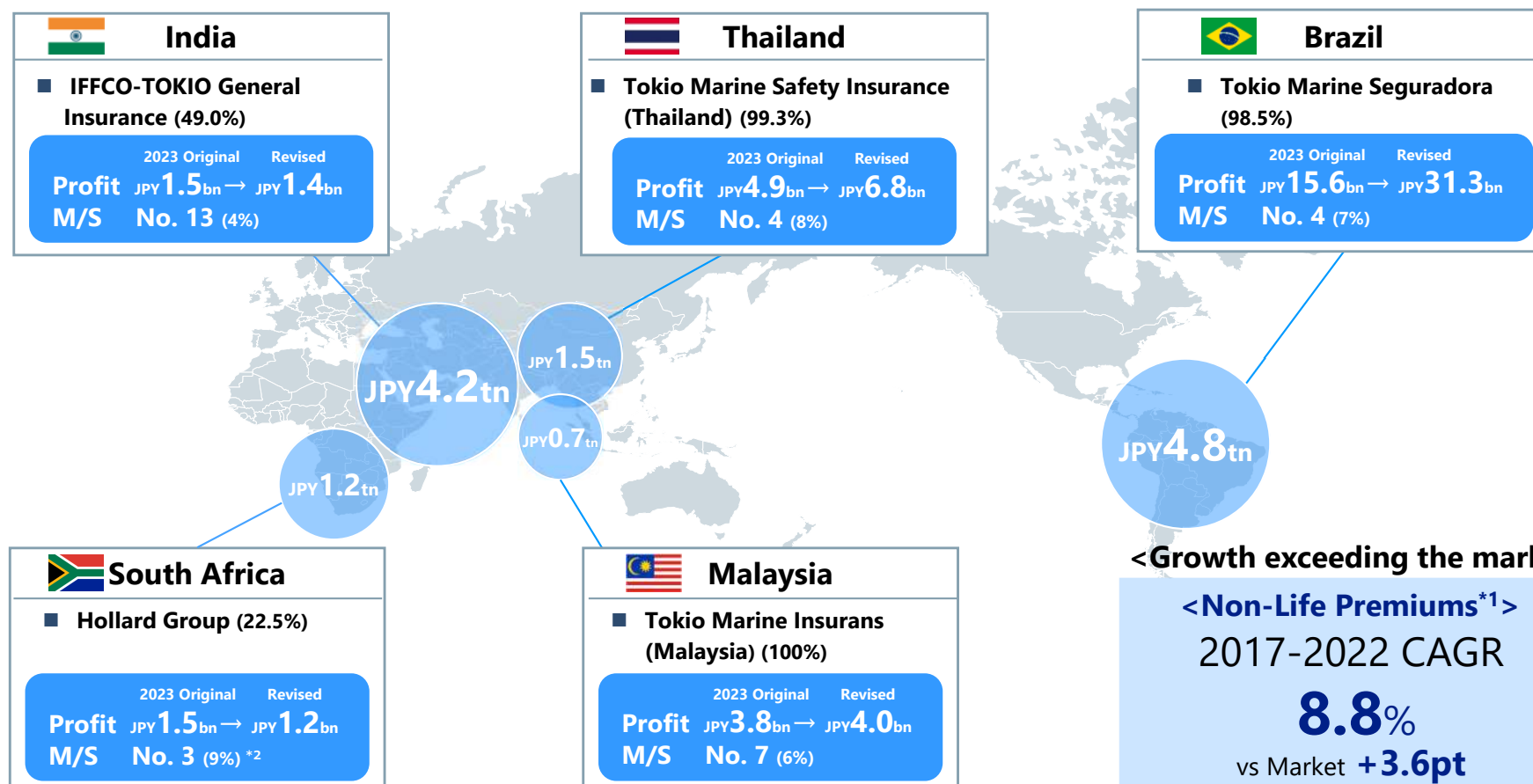
Impact		Initiatives
Existing Business	New Business	
Prior Year Loss Reserves	Loss Cost	
Medical stop-loss (Short-tail)	<p>→</p> <p>Short-tail with limited prior year reserve impact</p>	<ul style="list-style-type: none"> ■ Continued rate increases, if deemed necessary, exceeding expected lost cost trends (P.19) ■ Continued process to pro-actively increase SIRs*; which results in an appropriate control on the impact of inflation on excess claims
Excess workers compensation (Long-tail)	<p>↗</p> <p>Increase with rising medical costs and wages</p>	
<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 less risk of prior year reserve impact</p> <p>Impact of Medical Cost Inflation : →</p> <p>Increasing SIRs* result in less risk of prior year reserve impact</p>		

*: Self Insured Retention

[Update] Emerging Market Business

- FY2023 business unit profit is revised upwards by +JPY19.0bn to JPY59.0bn due to the strong underwriting profit growth in South & Central America and Thailand exceeding the plan

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



Profits: Business unit profits

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

Figures in brackets by the company name: Ownership ratio as of Mar. 2023

Figures in circles: GWP as of FY2022 (Source) Swiss Re

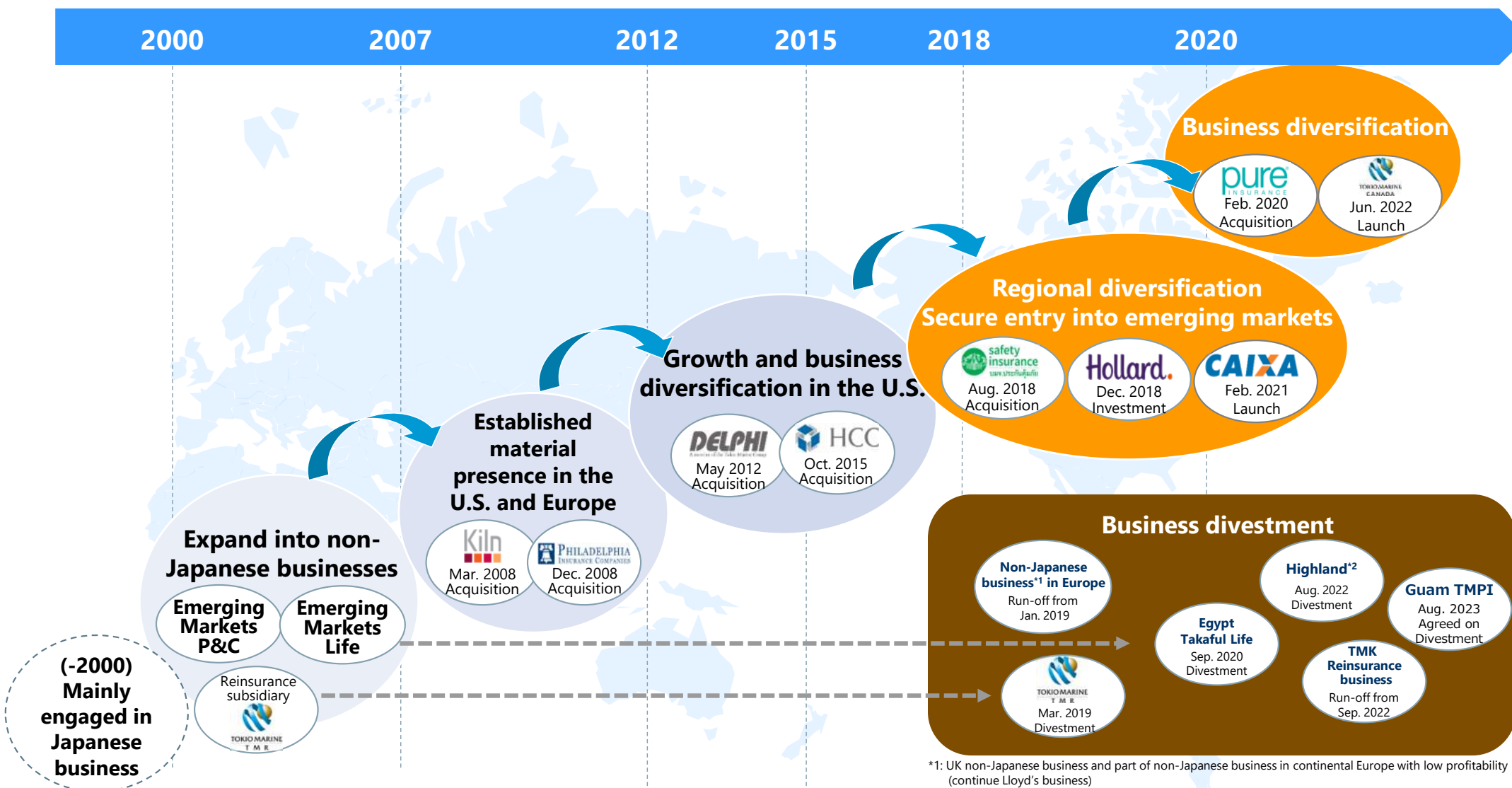
*1: NWP for TMHD, GWP for market

(Source) Swiss Re

*2: M/S of P&C business

Track record of In / Out Strategy

- 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

- Five subsidiaries acquired with large-scale M&A have kept outperforming market growth
- ROI is significantly above TMHD capital cost (7%) at 18.8%

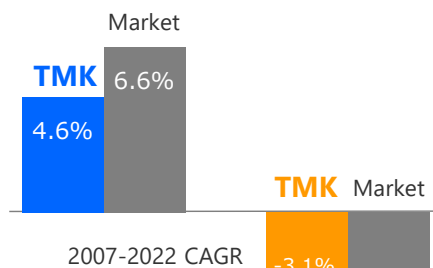
Growth after joining Group*1

ROI for large-scale M&A*2



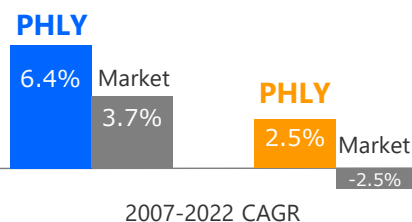
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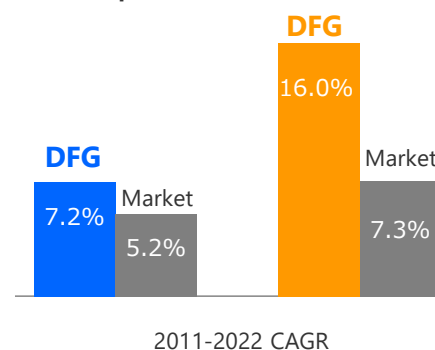
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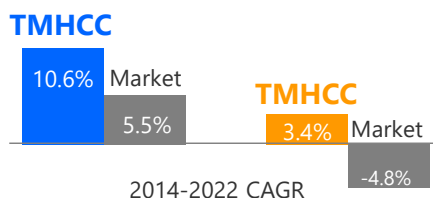
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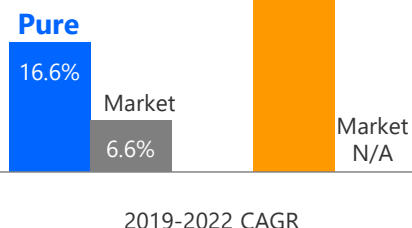
<Top-line>

<Bottom-line>



<Top-line>

<Bottom-line>



18.8%

>

Capital Cost

7%

*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

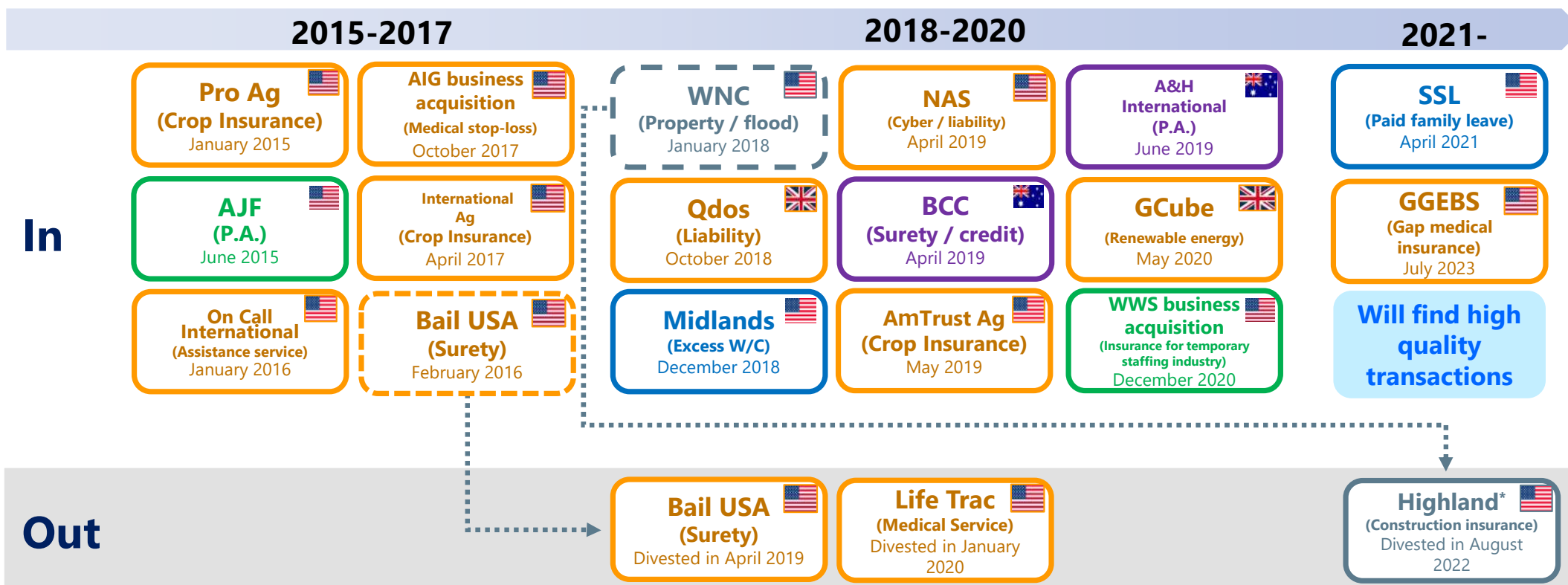
*2: ROI is calculated by using the sum of business unit profits under FY2023 revised projection as numerator and the sum of acquisition amounts as denominator
(Different formula from ROE (=RoR / ESR) which reflects risk diversification effect, etc.)

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 (blue), PHLY (green), DFG (purple), TMMA (Australia) (pink)

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

Digitalization Initiatives

Re-post from IR Conference on May 24, 2023

- 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

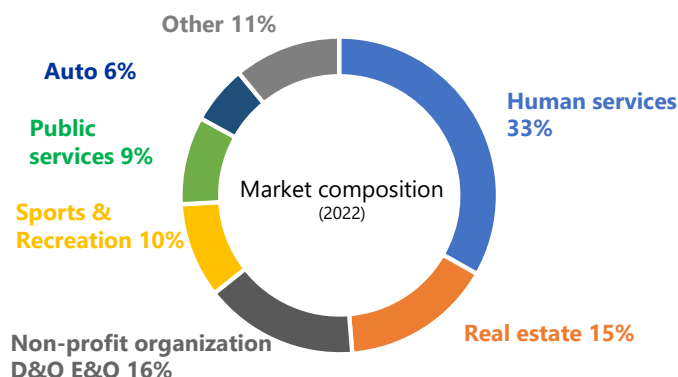


A Member of the Tokio Marine Group

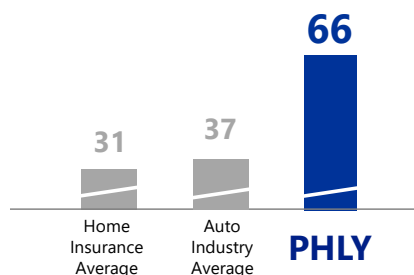
Build competitive edge focusing on niche markets

What's PHLY

Focus on niche markets



Strong customer loyalty

Net Promoter Score^{*1}

*1: Indicator to measure customer loyalty and their willingness to use products/services continuously. It shows how likely a customer is to recommend a brand to others.
(Source) Customer GURU, NICE Satmetrix 2022, Consumer Net Promoter Benchmark Study

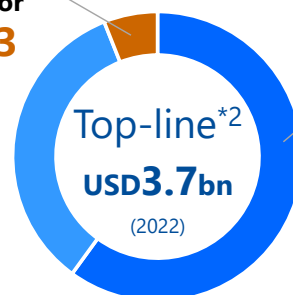
Current Focus

Steady profit growth while managing social inflation (see P.62-64)

Rate Increases	Rate increases above loss-cost (see right)
Mitigate inflation risks	Accelerated settlements and reduced lawsuits by c. 60%
Reference: reserves provision	Set as early as in 2019 the provisions for the past reserve (\$273m) *No significant increase in provisions since then

Portfolio management based on profitability

Stricter underwriting for less profitable **Tier 3**
(YoY growth: -12%)

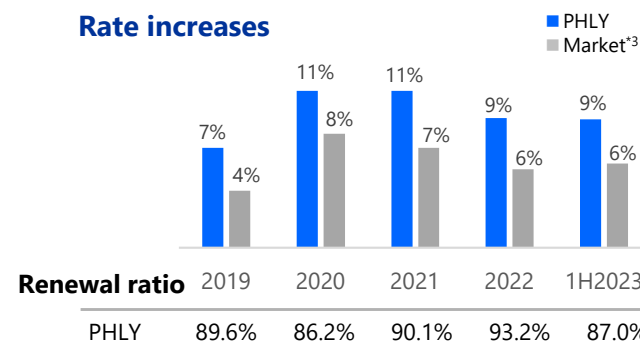


Expand profitable **Tier 1**
(YoY Growth: +8%)

Results

High renewal ratio and rate increases

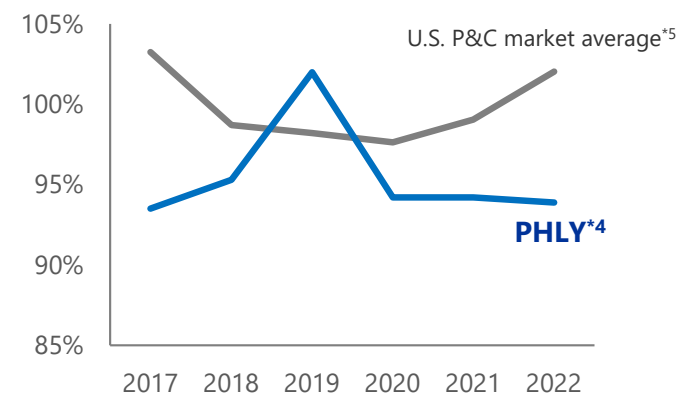
Rate increases



Renewal ratio

Year	2019	2020	2021	2022	1H2023
PHLY	89.6%	86.2%	90.1%	93.2%	87.0%

Favorable combined ratio



*2: NWP

*3: Source: Willis Towers Watson

*4: Local management accounting basis. Temporary increase due to increase in past reserve provision in 2019.

*5: (Source) S&P Capital IQ

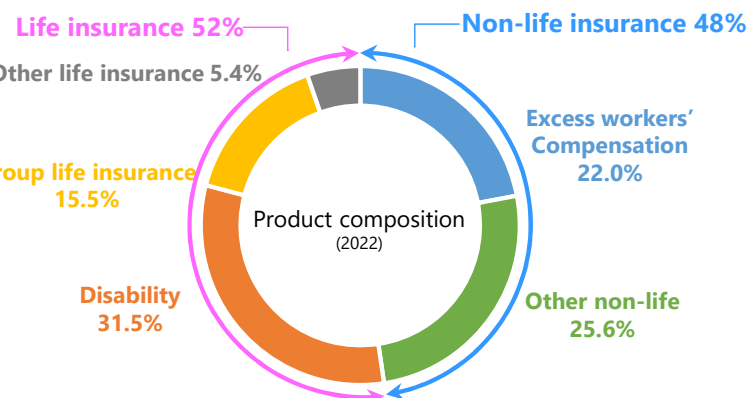
[Basic Information] DFG



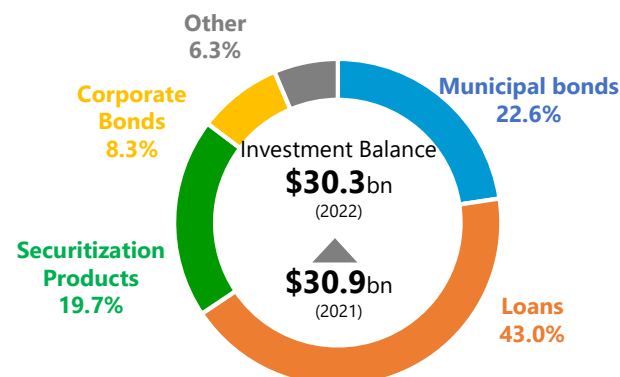
Maintain U/W profit and expand investment income leveraging its strengths

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

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Current Focus

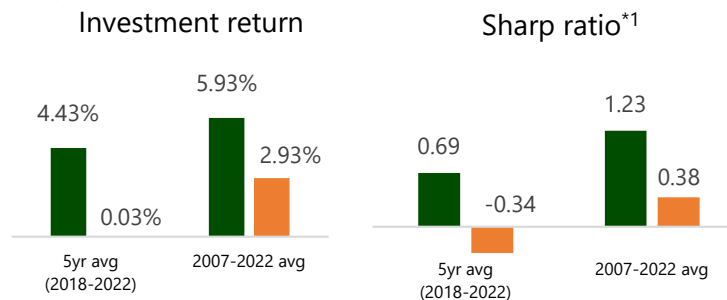
■ Profitability improvement

- ✓ Improve loss ratio with initiatives including early claims closing using digitalization, mainly for disability insurance

■ Response to changes in the environment, including rising interest rates

- ✓ Utilize DFG's strength in abilities to gather and analyze information to develop a flexible portfolio according to the investment environment
- ✓ Resilient against rising interest rates due to variable interest products in the portfolio. Also, controlling duration by increasing investment in attractive long-term bonds

<Track record vs. index>

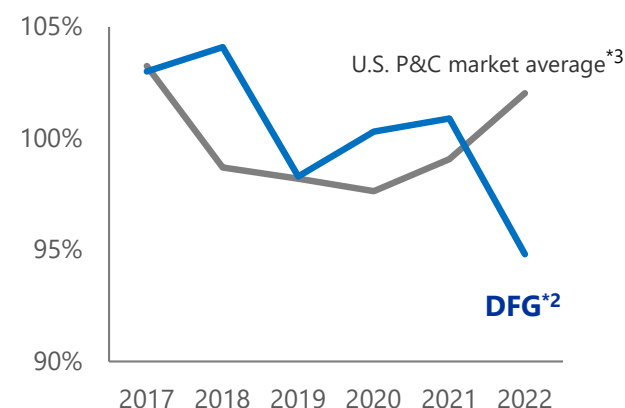


■ DFG ■ Barclays US Aggregate Bond Index

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

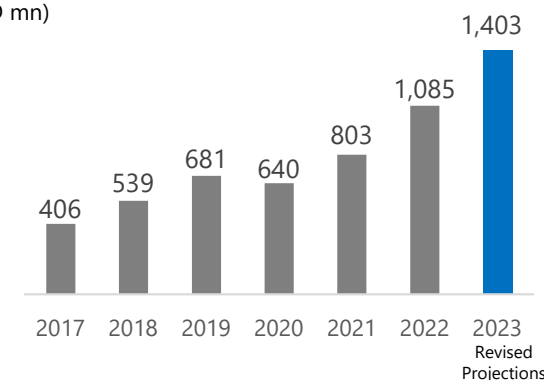
Results

■ Combined ratio



■ Strong profit*4 growth

(USD mn)



*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

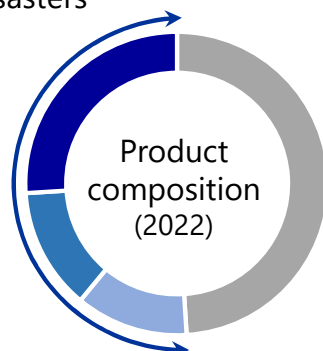


Global leader in specialty insurance with over 48 years of deep technical expertise

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%

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

Other

About 49%

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

Current Focus

■ Latest bolt-on M&As



(July 2023)



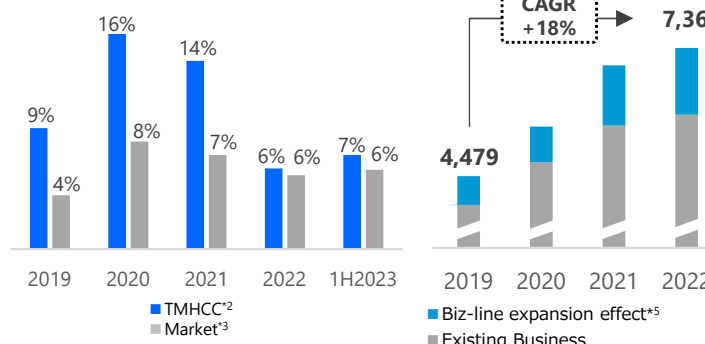
(May 2020)

- Underwrites group gap medical plans*¹ for small and mid-sized businesses expected to expand in the U.S.
- Help drive the growth of this business with TMCC's nationwide network to capture growth in the gap medical insurance market and further diversify business
- 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

■ Results of rate increase and Biz-line expansion

<Rate Increase>

<Top-line*⁴ USD mn>



*1: Generic name for incidental insurance that covers medical costs not covered by primary health insurance

*2: Excluding A&H, Surety, Credit

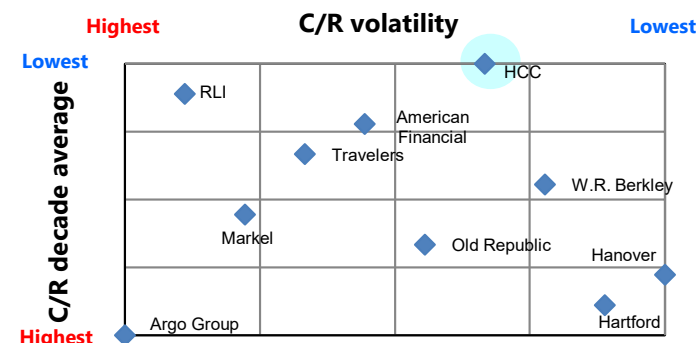
*3: (Source) Willis Towers Watson

*4: GWP

*5: GWP is calculated by biz-line expansion effect executed in or after 2017

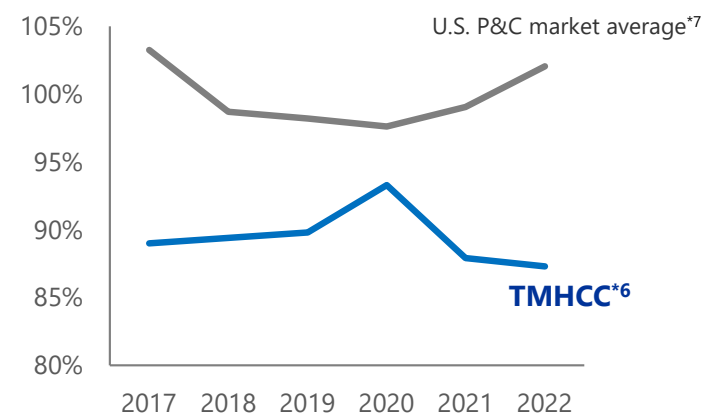
Results

■ Stable profitability



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

■ Favorable combined ratio



*6: Local management accounting basis

*7: (Source) S&P Capital IQ

[Basic Information] Pure



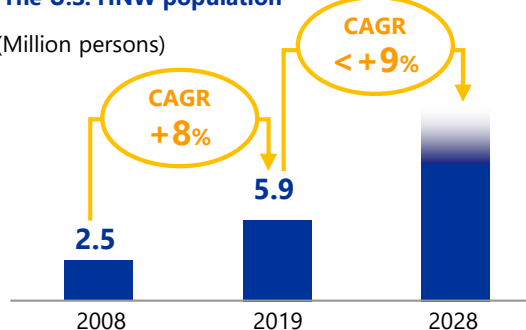
Specialty insurance group focused on the U.S. High Net Worth insurance market

What's Pure

■ Focus on HNW market with high growth potential

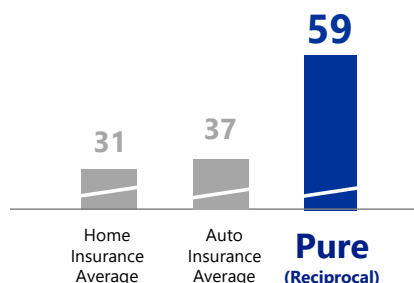
The U.S. HNW population^{*1}

(Million persons)



■ Strong customer loyalty

Net Promoter Score^{*2}



Current Focus

■ Sustainable business expansion

- ✓ Increase insured amounts and rates to conform with the market environment
- ✓ Provide further additional value by strengthening multiline sales and leveraging E&S reciprocal
- ✓ Geographically diversify the portfolio, including expansion into Canada. At the same time, control underwriting in some states to expand the top-line while enhancing disciplined underwriting

■ Expansion of synergies

- ✓ New business relation with PHLY'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

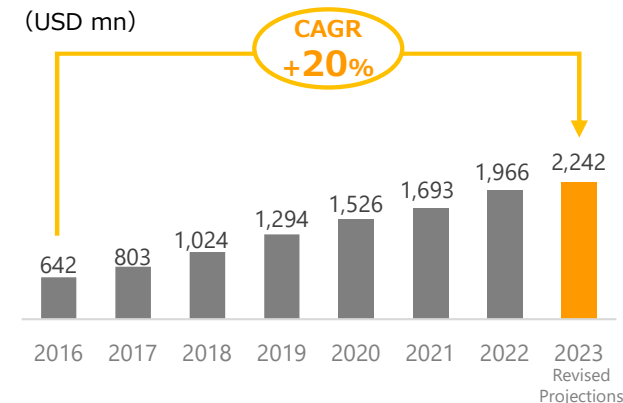
^{*1}: Estimated from past 10-year growth of U.S. HNW population (i.e., population with investable asset of more than USD 1M) etc. based on data from Capgemini, BMI, and Euro monitor

^{*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.
(Source) Customer GURU, NICE Satmetrix 2022, and Consumer Net Promoter Benchmark Study

Results

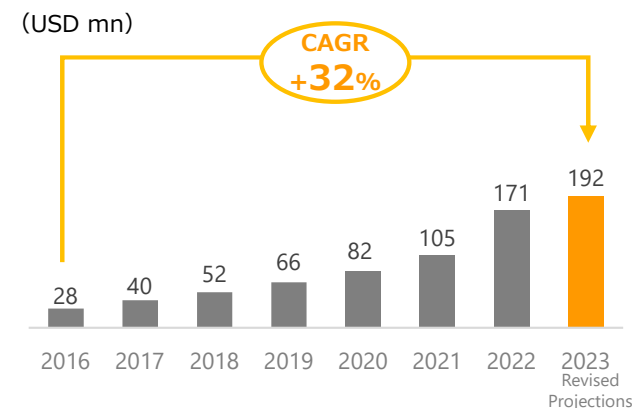
■ Strong top-line^{*3} growth

(USD mn)



■ Strong profit^{*4} growth

(USD mn)



^{*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

■ Rebalance U/W portfolio

- ✓ 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.

■ Disciplined U/W and volatility mitigation

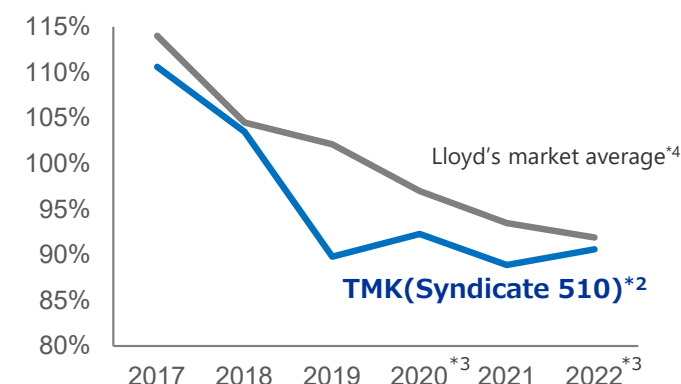
- ✓ Disciplined U/W for low profitability contracts
- ✓ Rate increases considering the hardening market
- ✓ Review / strengthen reinsurance program

■ Develop new insurance products and services

- ✓ Collaborate with start-ups to offer products that combine battery diagnosis service and extended battery warranty for used EV

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

■ Received Carrier of the Year 2023

- ✓ Selected for "Carrier of the Year" in Lloyd's market at the Insurance Insider mainly due to TMK's profit improvement evaluated (Year 2023)

[Basic Information] TMSR



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

What's TMSR

- One of the top players in Auto market in Brazil*¹
(GWP ranking, market share)

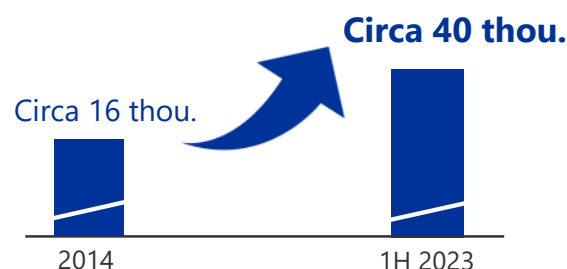
Insurers	1H 2023			
	#	2022	M/S	vs2022
PORTO	1	1	27.0%	-0.4pt
TMSR	2	2	13.4%	+0.8pt
BRASESCO	3	4	12.6%	+0.2pt
ALLIANZ	4	3	11.7%	-0.8pt
LIBERTY	5	5	10.0%	+0.8pt

Caixa JV

- Launched JV with Caixa Bank in Feb. 2021
- Sell highly profitable housing insurance in Brazil's growth mortgage market
- Business unit profit in FY2023 is projected to be c. JPY2.5bn*²

Current Focus

- Expanding the number of brokers

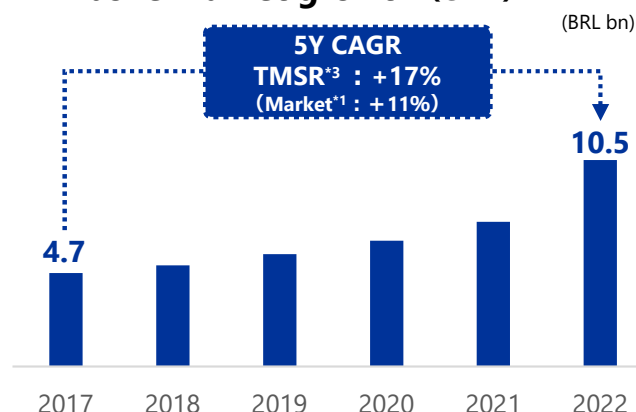


- Provide products and services that match the demand

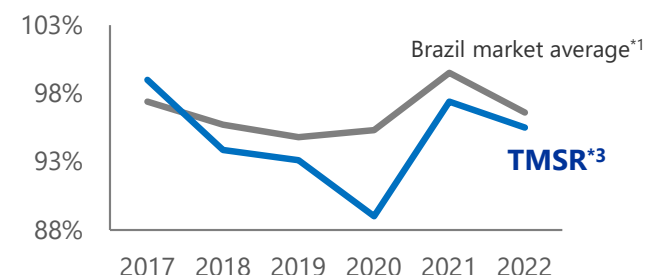
- ✓ Provide various digital services, incl. distributing apps that can be linked to a range of functions accompanying insurance, or services of other industries, in addition to online insurance products (e.g., auto, overseas travel)
- ✓ Simplify the auto insurance rate calculation process by utilizing 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

Results

- Above market growth (GWP)



- Favorable combined ratio



- Received The Best Insurance Company Award

- ✓ Received The Best Insurance Company Award from Brazil's renowned "Modern Consumer" magazine in 2023, in recognition of customer service, etc.

*¹ : Source: Brazilian insurance regulator SUSEP, GWP

*² : Calculated by Sep. 2023 FX rate (JPY29.72@BRL)

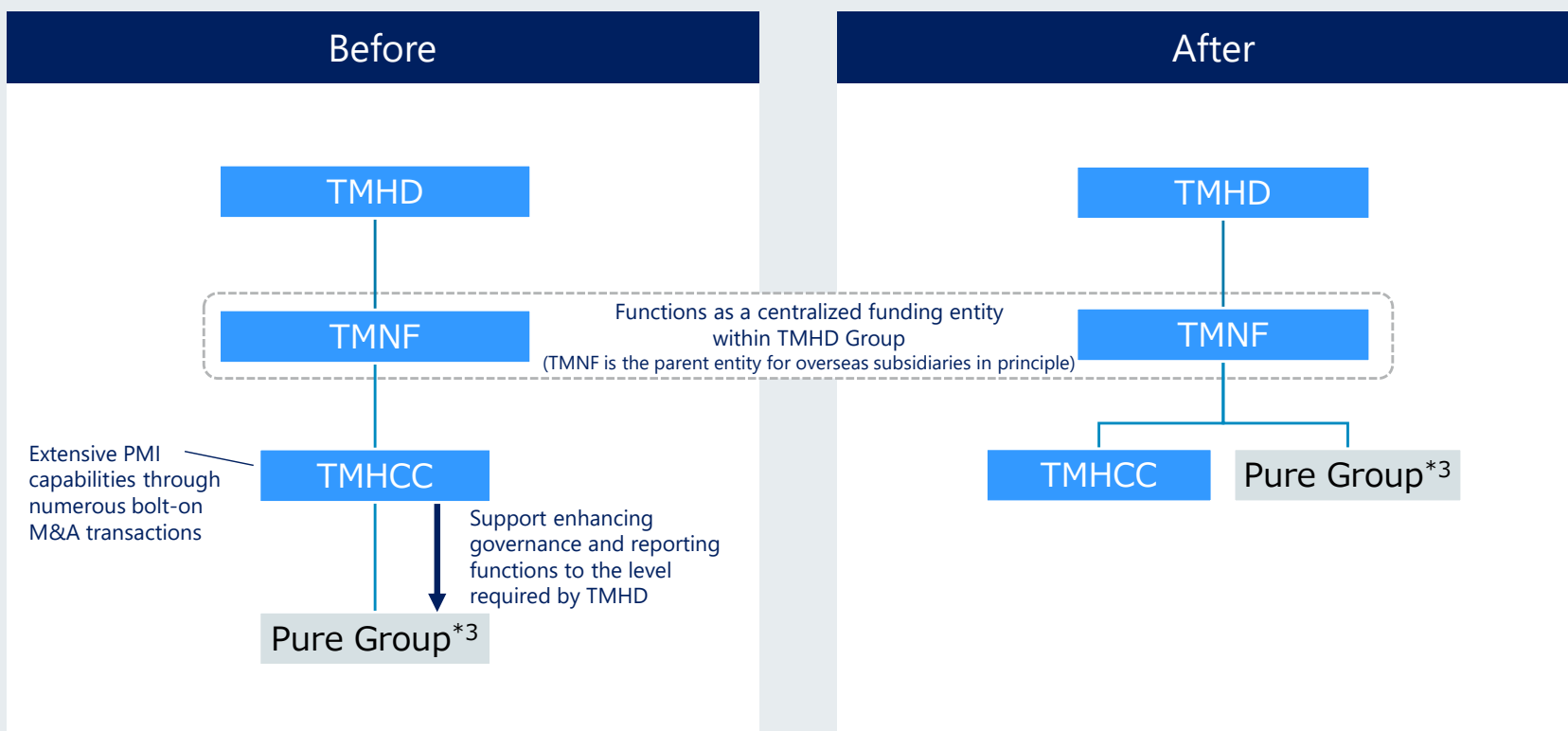
*³ : Local management accounting GWP

Reorganization of Group Company

Re-post from Q2 Conference Call on Nov. 17, 2023

- **Pure Group will be positioned directly under TMNF along other Group companies from Dec. 31 of FY2023 through stock transfer^{*1} (As Pure Group's governance and reporting capabilities have reached the level required by TMHD on a stand-alone basis)**
- **Financial impact^{*2} resulting from the transaction is +JPY40.0bn (provisional)**

<Details of the Reorganization>



*1: Dividend in kind from capital repayment

*2: By transferring Pure stocks from TMHCC, technical tax loss etc. will be booked in FY2023 results (positive for profit).
Adjusted net Income and business unit profits will not be affected

*3: Reciprocal's business management company and its group companies, with Privilege Underwriters, Inc. as the parent

International Insurance (Results by Region)

Net Premiums Written (billions of JPY)	2022	2023 Projection			2023
	Actual	Original ①	Revised ②	Changes ②-①	Plan ^{*5}
North America^{*1}	1,754.3	1,776.0	2,044.0	268.0	
Philadelphia	491.8	494.0	581.0	87.0	
Delphi	437.3	451.0	536.0	85.0	
TMHCC	707.1	713.0	815.0	102.0	
Europe^{*2}	169.3	195.0	225.0	30.0	
South & Central America	230.6	257.0	317.0	60.0	
Asia & Oceania	244.1	263.0	279.0	16.0	
Middle East & Africa	40.0	40.0	51.0	11.0	
Total Non-Life^{*3}	2,438.7	2,531.0	2,916.0	385.0	
Life	131.7	123.0	128.0	5.0	
Total	2,570.4	2,654.0	3,044.0	390.0	c. 2,000.0

Business Unit Profits (billions of JPY)	2022	2023 Projection			2023
	Actual	Original ①	Revised ②	Changes ②-①	Plan ^{*5}
North America^{*1}	278.2	308.0	318.0	10.0	
Philadelphia	62.1	66.0	77.0	11.0	
Delphi	126.5	148.0	148.0	-	
TMHCC	79.7	87.0	106.0	19.0	
Europe^{*2}	4.7	23.0	32.0	9.0	
South & Central America	14.2	18.0	34.0	16.0	
Asia & Oceania	- 87.3	20.0	23.0	3.0	
Middle East & Africa	1.3	2.0	2.0	-	
Total Non-Life^{*3}	214.3	372.0	391.0	19.0	
Life	- 0.3	- 1.0	- 4.0	- 3.0	
Pure	22.6	25.0	29.0	4.0	
Total^{*4}	218.6	376.0	395.0	19.0	c. 230.0

Applied FX rate	2022	2023 Projection	
	Actual	Original	Revised
	As of end-Dec. 2022	As of end-Mar. 2023	As of end-Sep. 2023
USD / JPY	¥132.7	¥133.5	¥149.5
GBP / JPY	¥160.0	¥165.5	¥182.5
Brazilian Real / JPY	¥25.1	¥26.3	¥29.7

*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

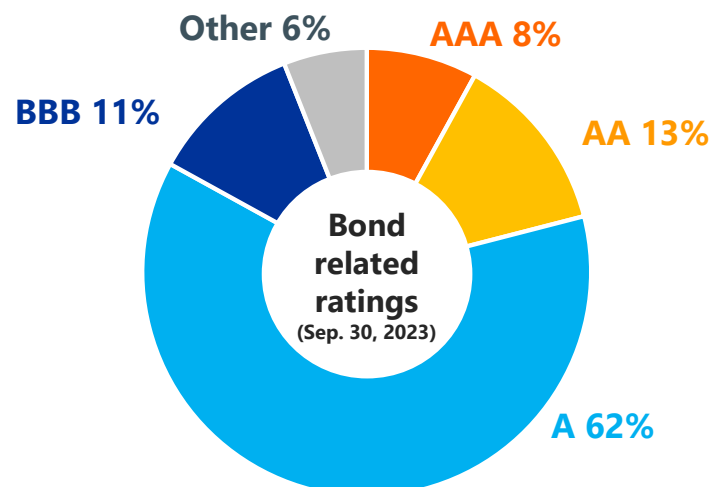
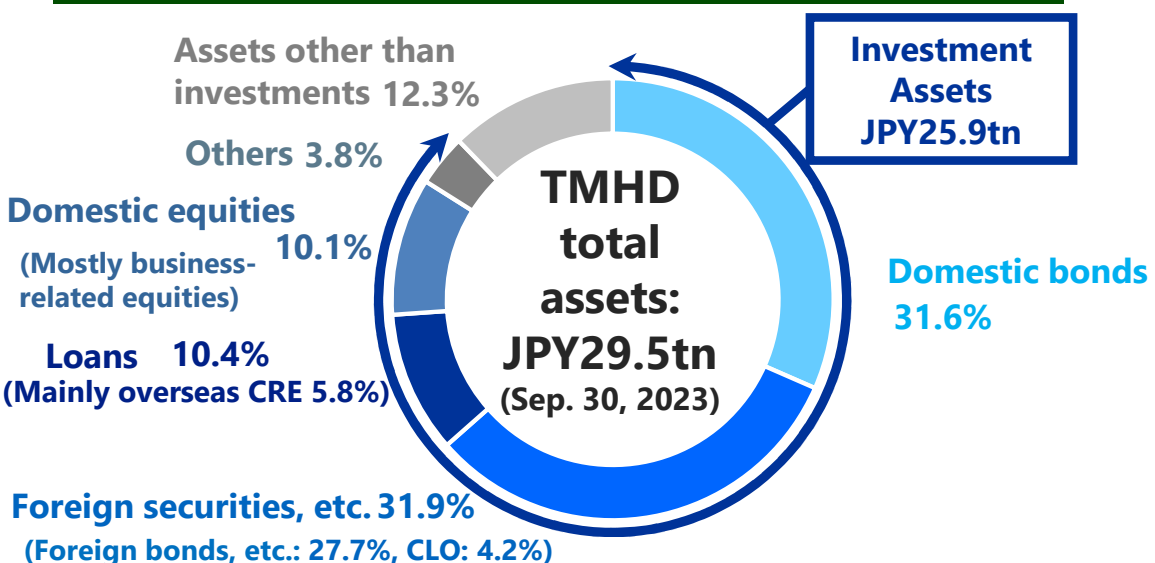
*5: Current MTP was created in 2020

C/R	2022	2023 Projection		2023
	Actual	Original ①	Revised ②	Plan ^{*5}
North America^{*1}	91.4%	92.7%	92.9%	
Philadelphia	93.8%	95.5%	94.5%	
Delphi	94.8%	95.8%	93.6%	
TMHCC	87.1%	87.7%	87.1%	
Europe^{*2}	99.2%	88.8%	86.0%	
South & Central America	95.4%	95.7%	89.3%	
Asia & Oceania	146.8%	96.7%	98.1%	
Middle East & Africa	102.4%	99.0%	96.0%	
Total Non-Life^{*3}	97.7%	93.2%	93.5%	
Life	-	-	-	
Pure	-	-	-	
Total	97.7%	93.2%	93.5%	c. 94%

Group Asset Management Policy

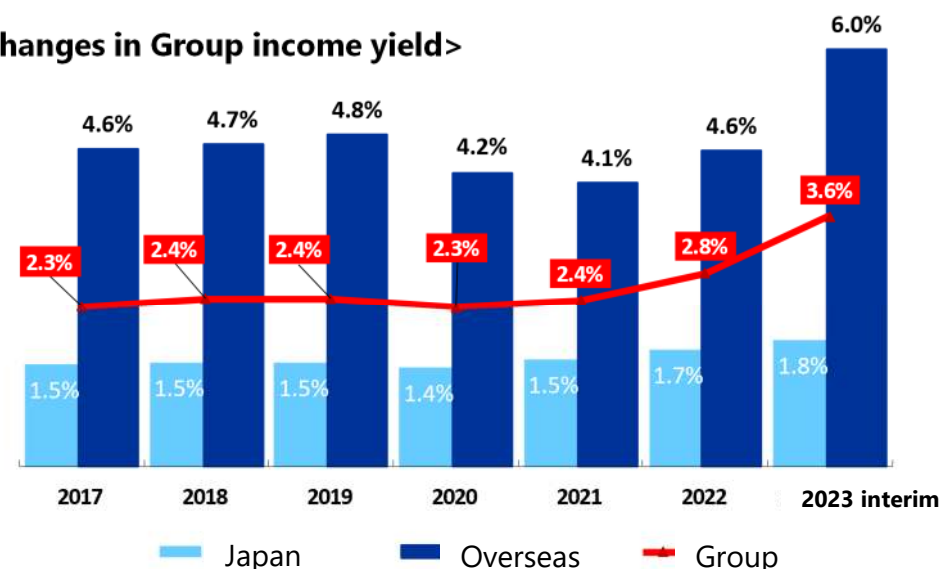
- Maintain long-term, stable income based on ALM aligned with characteristics of insurance liabilities

Investment Portfolio (Sep.30, 2023)

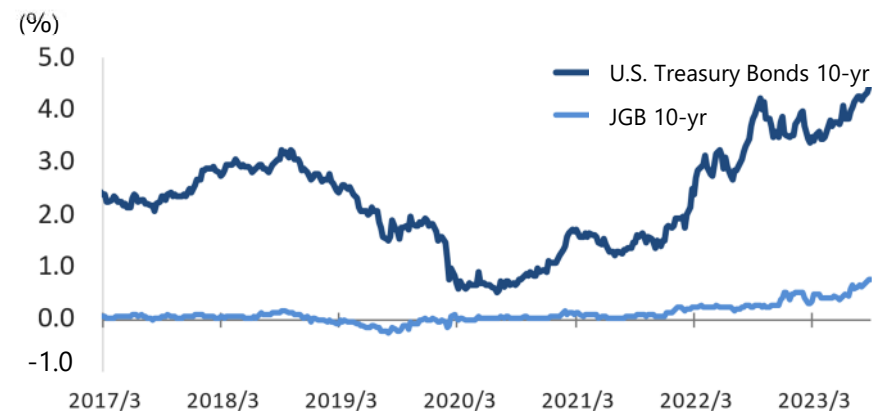


Securing a stable yield

<Changes in Group income yield>



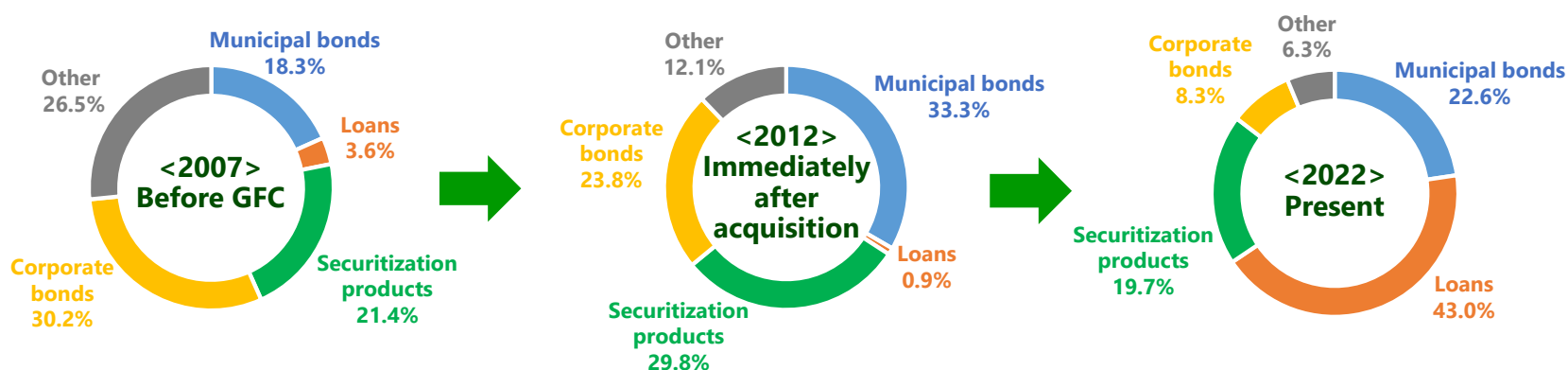
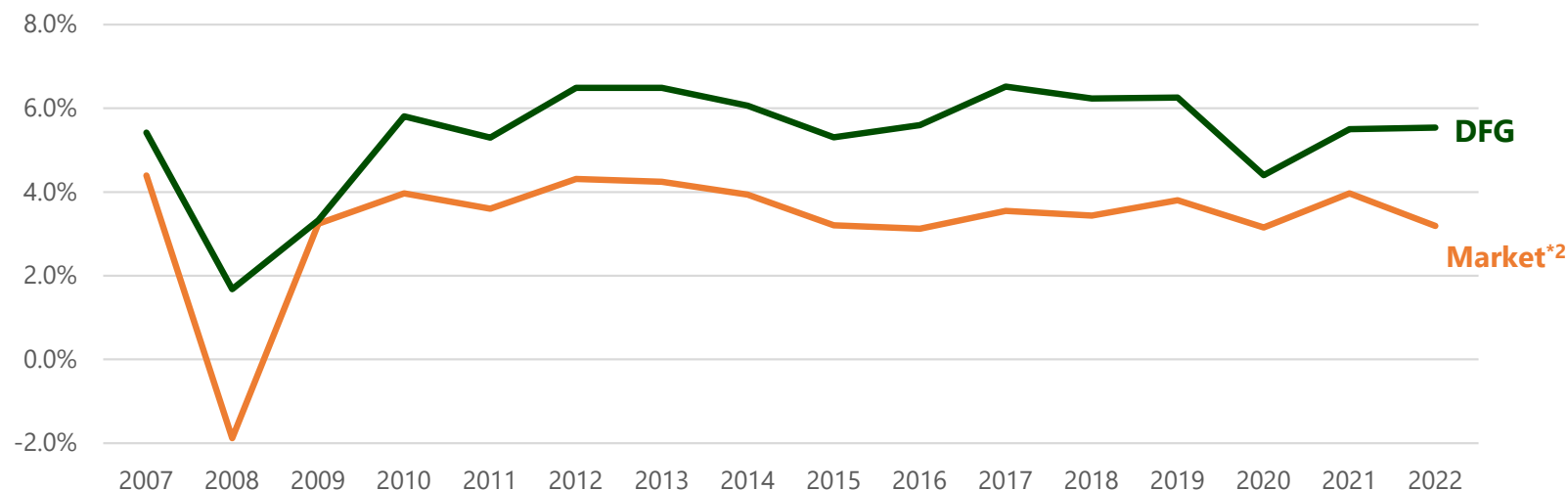
(Reference) Open Market Rates



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

Characteristics of DFG's CRE Loan Investments

- **Enjoyed high returns from loans that mainly targeted properties under construction/ renovation, which would require abilities and experience to identify superior business models**
*We understand that other players (banks, life insurers, etc.) mainly target properties in operation
- **DFG is a sole lender for most of its portfolio and thus can decide to perform workout if needed**

Investment decision: Renovation of a multi family, MI, U.S.

- Project to support the purchase and renovation of an old multi family
- Loan amount: \$35mn; Tenor: 3 years
- Made an investment in 2021 after performing a cash flow analysis and comparing the property with neighboring properties and concluding it to be a good property for the following reasons:
 - 1) **Business plan:** The property has historically had a low vacancy rate and is producing a positive cash flow; the renovation is expected to increase its attractiveness
 - 2) **Location:** The vacancy rate in the area has been less than 5% in the past ten years or more and rents have been stable. The notional NOI is strong
 - 3) **Sponsor:** The sponsor has a wealth of investment experience in apartment blocks
- Revenue generated from renovation exceeded the initial expectation and the loan was repaid on the due date

Workout: Redevelopment of a hotel, NY, U.S.

- Project to support the development of a high-class hotel
- Loan amount: \$80mn; Tenor: 3 years
- Made an investment in 2019; interest payment temporarily stopped in 2021 due to the impact of COVID-19
- Because 95% of construction had been completed and the property would become the highest-class property after completion, DFG took advantage of its position as a sole lender and accepted a 9-month grace period for interest payment on the condition of charging a higher interest rate
- As a result, the construction process progressed smoothly and was completed in a few months. After the property began operating, its sales and operating rate both exceeded the projections. DFG thus refinanced the loan and supported operating capital for the initial period
- The property continues to operate well to date; the loan is expected to be repaid soon
- DFG achieved its original earnings projection and also enjoyed subsequent earnings opportunities

Case 1: Disaster Prevention and Mitigation Area (Create solution business)

- Develop risk solutions for disaster prevention and mitigation area that can respond to increasingly complex multiperil leveraging Group and external capabilities, including the disaster prevention consortium CORE
- Established a new company, “Tokio Marine Resilience,” in November 2023 to develop and provide further solutions

Examples of actual solutions

Case 1.

Resilient Information Distribution Service

- Distribute various weather and disaster information (rain, mudslide, earthquake, snow, hail, etc.), send alerts to notify heightened risks for registered location, and provide information that leads to corresponding actions
- Price: JPY336,000 p.a. Per project



- Real time display of weather and disaster information for up to 500 locations
- Five-stage color display of disaster risks

Case 2.

Real Time Hazard (Planned)

- Capture real-time flooding status using CCTV and disaster prevention sensors, send alerts to customers, and visualize flooding status by location to realize effective evacuation and mitigation activities at times of disaster
- Price: From c. JPY1mil per project p.a. (planned)



- Early detection with flooding alert
- Mitigate disaster with early evacuation

Case 3.

Disaster Prevention / Mitigation Data Fee Business

- Support improved resilience for national and local governments and corporations by early capture of disaster based on satellite data analysis and assessment of impact on corporate activities at times of disaster, etc.
- Sales: JPY tens of millions p.a.



- Satellite data enables capturing wide area disaster status
- Business impact assessment leveraging insurance company expertise

Source of Competitive Capabilities

Co-creation with outside partners



- **Composed of 106 companies and organisations (as of November 2023)**
- Contributing to building a resilient society to disaster through partnerships with companies and organisations in a variety of industries
- Ten working groups launched by subject **promote the development of solutions leading to disaster prevention / mitigation**

Group capabilities

Strength of TdR and Insurance Company

- **Intellectual capital:** Accident, disaster, risk consulting data
- **Human capital:** Team of experts with extensive and cutting-edge capabilities

Case 2: Mobility Area (Create solution business)

- Develop risk solutions leveraging Group and external digital capabilities and technologies based on risk management expertise accumulated through insurance and related businesses
- Established a new company, “Tokio Marine Smart Mobility,” in November 2023 to develop and provide further solutions

Examples of actual solutions

Case 1. Fleet Management Service

- Realize reduction of risks and costs for corporations by providing safe driving diagnosis and automating daily report preparation for managers using real-time dynamic information and our accident data analysis capabilities
- Price: From c. JPY35,000 per unit p.a.



- Real-time visualization of location information and driving history, etc.
- Automated preparation of daily and monthly reports, safe driving instructions
- Visualize vehicle usage status, servicing reminders

Case 2. Autonomous Driving Vehicle Introduction/Operation Support Package

- Packaged support from safe introduction to operation by providing a combination of “risk assessment,” “remote monitoring / incident response,” and “insurance” for businesses introducing level 4 autonomous driving
- Price: from several million JPY per project



- Remote monitoring of autonomous driving and operation status
- Smoothly arrange necessary responses in case of accidents and troubles

Case 3. Traffic Accident Prevention Support Service

- Support traffic accident reduction by developing risk maps using our accident-related data and external data and prospective risk forecasting model using AI and providing them to local governments, etc.
- Price: from several million JPY per project



- Consulting to prepare countermeasures (optional)
- Related initiative was adopted for Phase 3 of the Cross-ministerial Strategic Innovation Promotion Program (SIP), “Construction of Smart Mobility Platform”

Source of Competitive Capabilities

Real data gathered through business

Extensive actual data obtained through insurance and related businesses

- **Accident data:** Annual accident response for 3 million cases in Japan
- **Drive recorder data:** Video data accumulated through DAP, which exceeded the cumulative sale of 1 million units

Other intellectual and human assets

Intellectual and human assets, including on risk management

- **Cause analysis capabilities:** Risk research, analysis, and consulting based on accident response experience
- **Cutting-edge experts:** Team of more than 300 experts with extensive and cutting-edge capabilities

Case 3: Deploy Embedded Insurance* (Evolution of insurance business)

- **Deploy Embedded Insurance, which embeds a variety of fully digitalized products through the utilization of external partners' platforms and services**
- **Capture expected growth markets by accelerating the creation of successful cases in various industries**

Expected market size and expansion of capabilities

Expected Market Size

- Japanese embedded insurance market is expected to grow and reach over JPY100.0bn by 2030
- Deploy embedded insurance targeting mega platformers such as telecoms, payments, EC, and financial services companies that have created massive economic zones and businesses that provide online products and services compatible with insurance

Expected target market
**Over
+JPY100bn**
(2030 and beyond)

Enhance capabilities

Establishment of Tokio Marine X

Established digital small-amount short-term insurance company that can flexibly provide optimal products for embedded insurance



Tokio Marine X

Collaboration with bolttech

Created a new process for purchasing insurance using the bolttech platform used in 30 countries

bolttech

Collaboration with Finatext

Created a new fully digitalized process for purchasing insurance using a SaaS-type system provided by Finatext

FINATEXT

Examples of actual cases

Sale of insurance on NTT DOCOMO's "d-Barai" payment app Launched in Oct. 2023

- Started offering overseas travel insurance and on-day auto insurance on NTT DOCOMO's "d-Barai" payment service app (plan to add products gradually)

Platform for individual delivery service providers Launched in Oct. 2023

- Launched a platform providing insurance and various services incorporated in a tool used by individual delivery service providers

Insurance sales on real estate platform Launched in May 2023

- Providing embedded fire insurance on the online real estate investment service brand "RENOSY" by GA Technologies

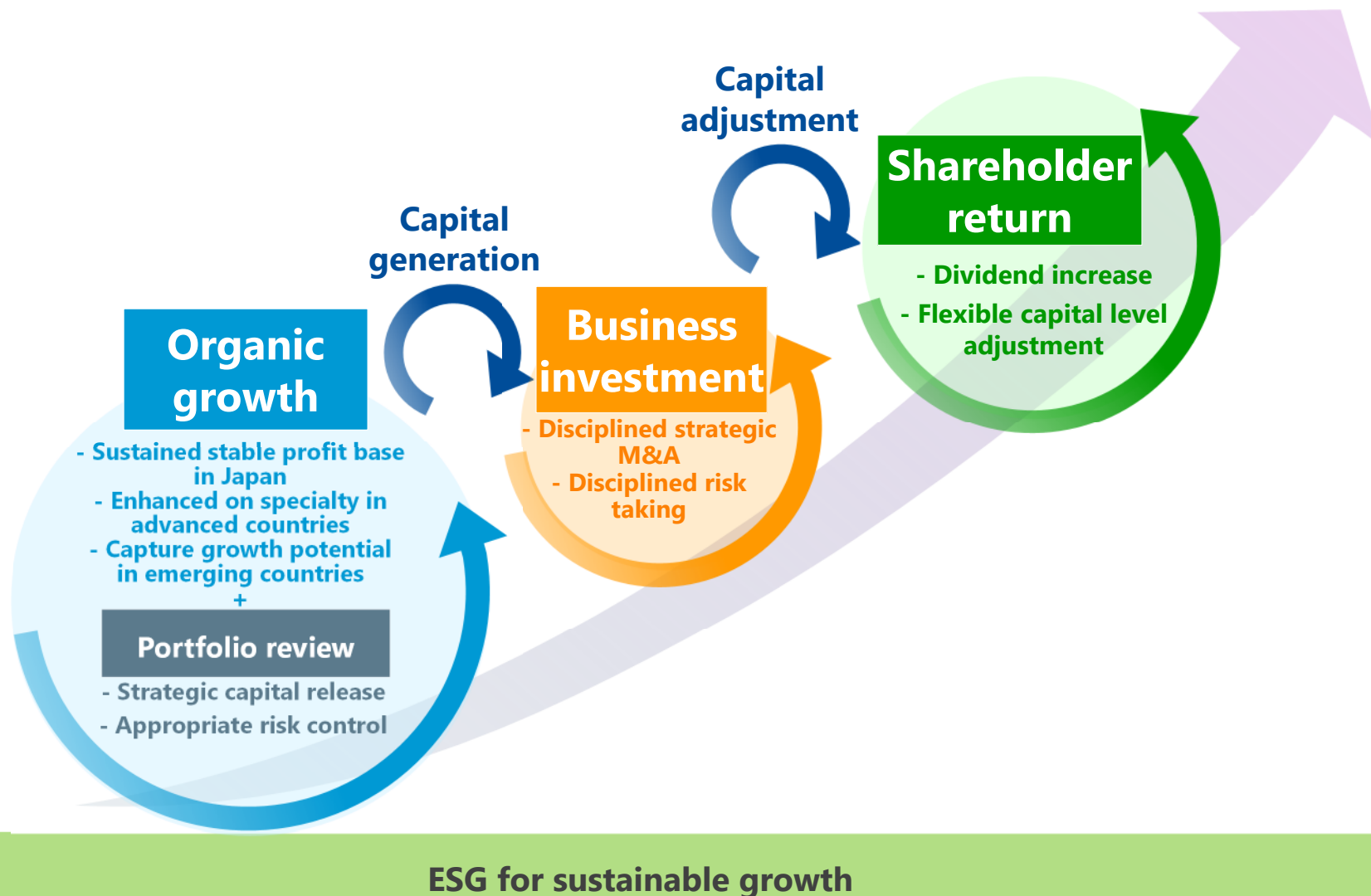
Mobile phone insurance (overseas case) Launched in Apr. 2023

- Embedded insurance for mobile phones sold by Landtop (major retailer in Taiwan)

Capital Circulation Cycle

Re-post from IR Conference on May 24, 2023

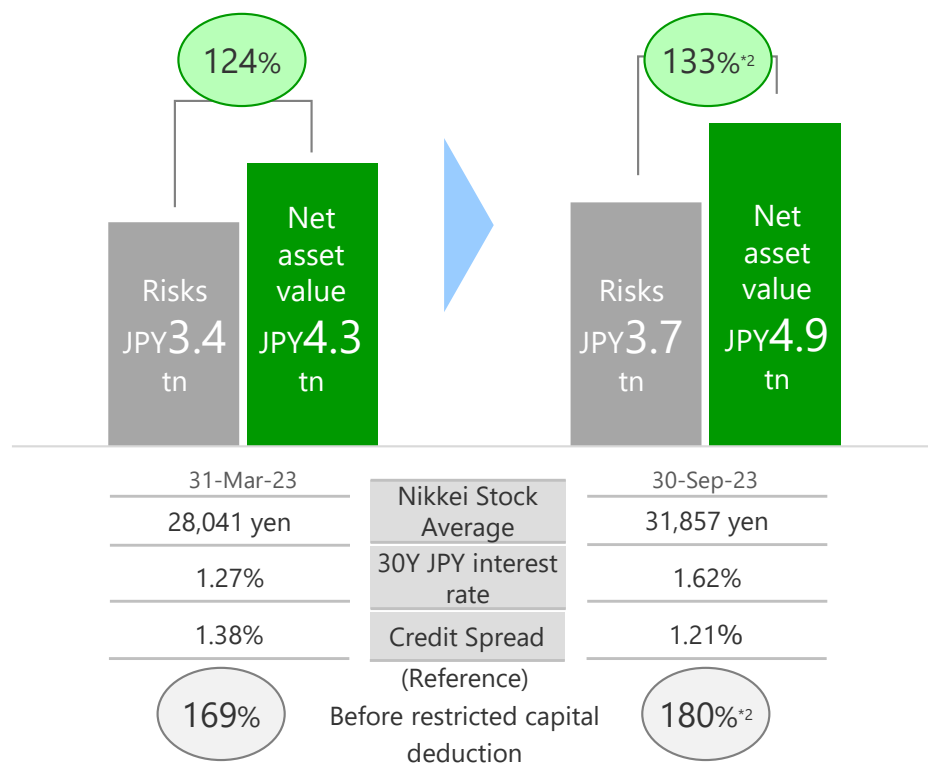
- We conduct disciplined business investment and shareholder returns by utilizing capital generated from organic growth and portfolio review



Disciplined capital policy (ESR)

- ESR as of September 30, 2023, stood at 133% (or 131% after share buyback), reflecting the profit contribution of 1H, increased share price, and JPY depreciation

ESR*1



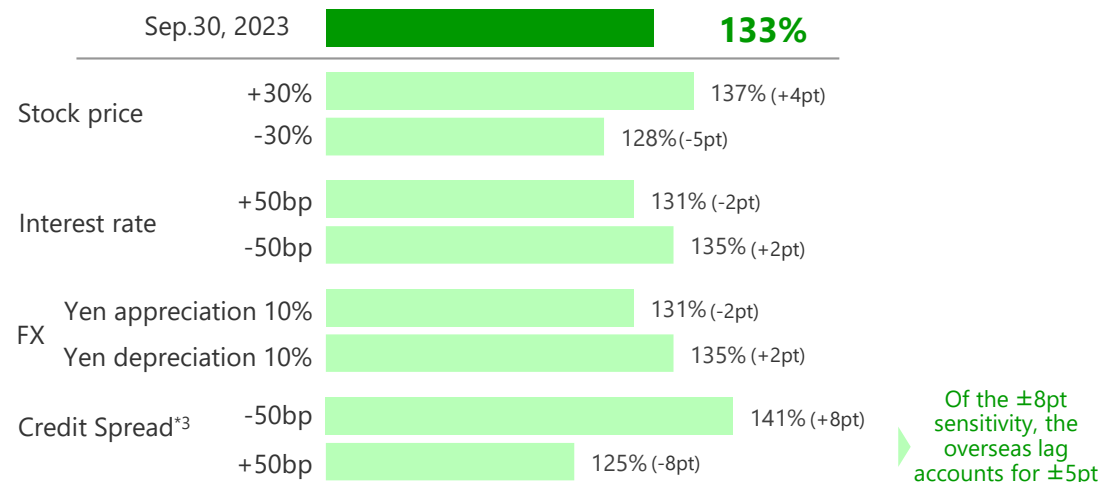
Factors causing changes in net asset value

- Higher share price
- JPY depreciation
- 1H adjusted net income contribution
- Shareholder return
- Early repayment of subordinated loan by TMNL, etc.

Factors causing changes in risk amount

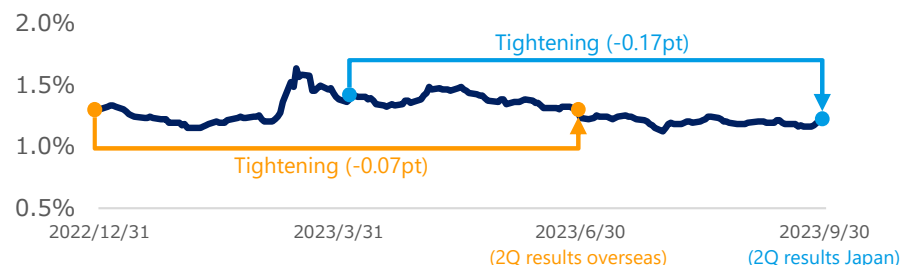
- JPY depreciation
- Higher share price, etc.

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: Allows risk-taking within risk limits

(Reference) Credit spread for U.S. Corporate bonds*4



*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 (Dec. 31, 2022, and Jun. 30, 2023)

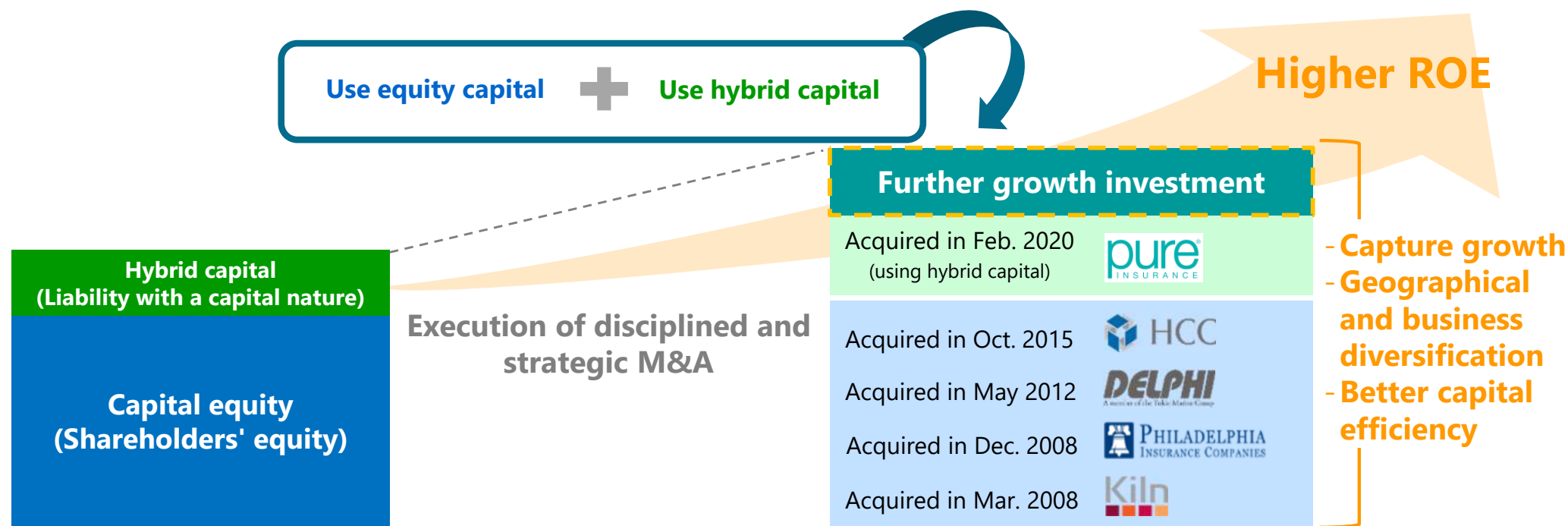
*2: ESR after the JPY70bn share buyback is 131% (178% before restricted capital deduction)

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

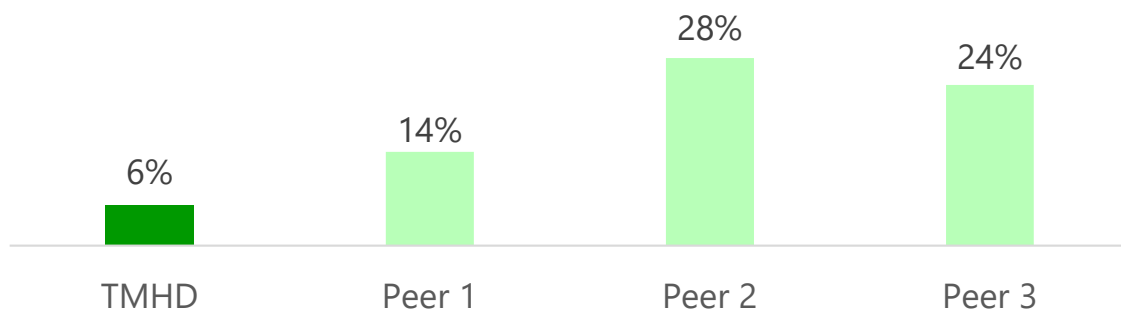
*4: Source: Bloomberg

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

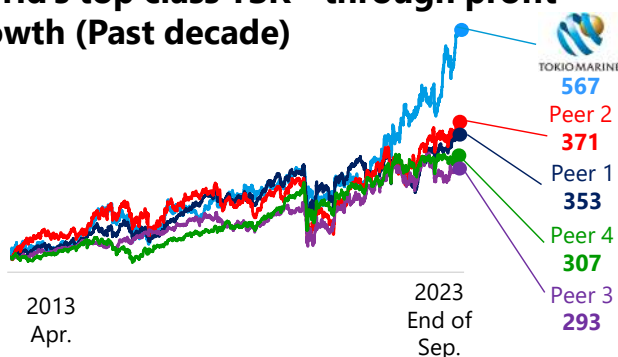
(Early redemption permissible from Dec. 24, 2029)

"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)

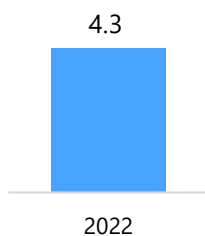


*1: Total Shareholder Return (TSR): Capital return after reinvesting dividends. Stock price indexed at 100 as of April 1, 2013.
Peer: Allianz, AXA, Chubb, Zurich

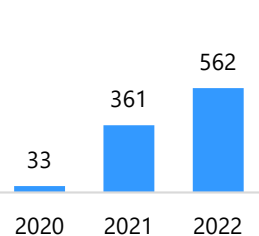
Employees

Highly motivated employee group

Group Attachment*²



Project Request*³
participants
(started in Sep. 2020)



*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:

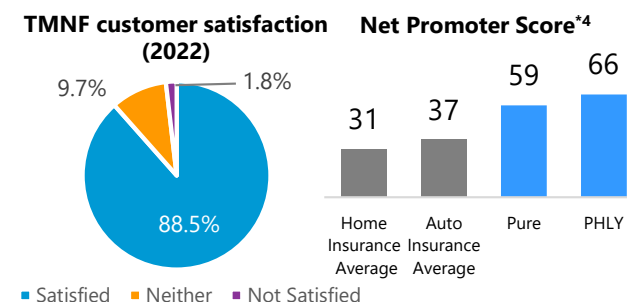
About **59** thou. participants

Disaster prevention lessons:

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

Customers

Appreciation for support "in times of need" around the world

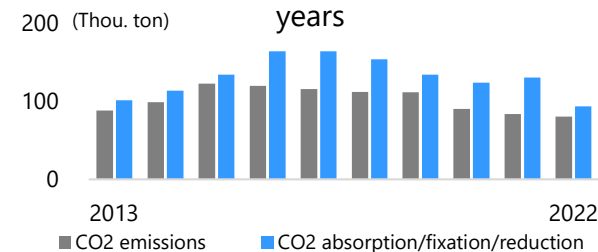


*4: (Source): Customer GURU, NICE Satmetrix 2022, Consumer, Net Promoter Benchmark Study

Society

Contribution to sustainable society through business activities

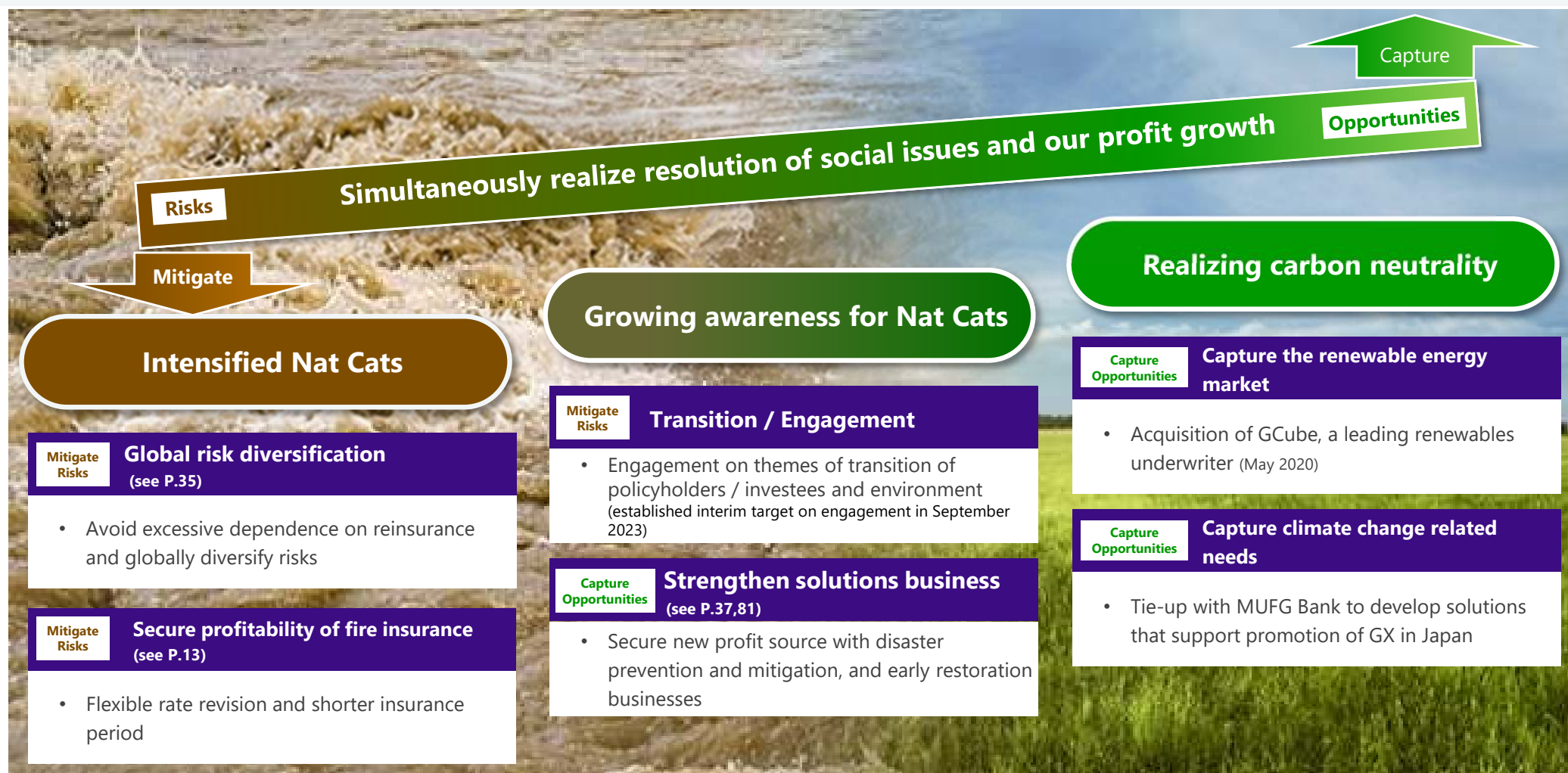
Achieved carbon neutrality*⁵ for **10** consecutive years



*5: Related to our business activities (Scopes 1+2+3 (Categories 1,3,5,6))
87

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 “strengthening solution business,” etc.



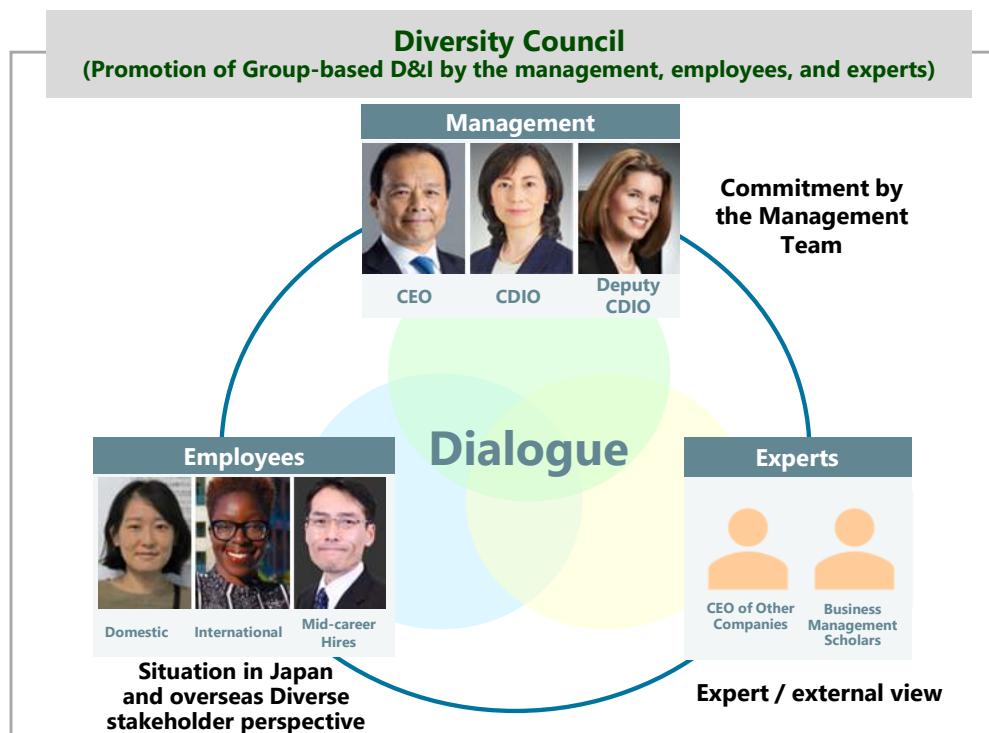
Initiatives for Promoting D&I

- Accelerated promotion of D&I by utilizing diverse knowledge
- Further strengthened top-down creation of inclusive culture and promoting initiatives in Japan and overseas

Establishment and operation of D&I promotion structure

<Diversity Council>

- Led by the Group CEO, promotes Group-wide D&I initiatives through dialogue between corporate officers from Japan and overseas, employee representatives, and outside experts
- Prepare Group-based initiatives and focus issues, hold D&I Forum, share best practices, and communicate with Group companies, etc.
- Utilize employees' opinions and outside experts' knowledge to steadily promote D&I from wide range of perspectives



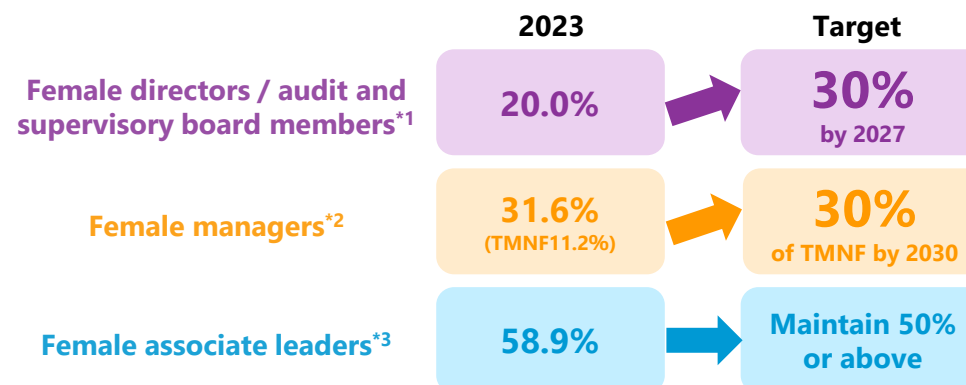
Strengthen inclusive leadership of the management team

<D&I Forum for the Management Team>

- Strengthening the inclusive leadership of the management team is critical for reflecting opinions and knowledge of diverse employees on decision making
- D&I Forum for the management team is held in each region (Europe, Americas, Asia, Japan) to hold robust discussions on inclusive leadership and to align the actions of the management team



KPI to close the gender gap



^{*1}: Ratio of female directors and audit and supervisory board members in TMHD

^{*2}: Ratio of female managers in major consolidated subsidiaries in Japan and overseas.
Target is for TMNF alone

^{*3}: Ratio of female assistant manager or above at TMNF

Governance System

Re-post from IR Conference on May 24, 2023

- 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>

Board of Directors

Role

Make decisions on important matters relating to execution of the Group's business and supervise the performance of individual Directors

High-quality decision-making leveraging diversity

Structure

Ratio of Independent Directors **47%**
(7 out of 15)

Audit & Supervisory Board

Audit the performance of Directors

Give advice from multifaceted perspectives

Ratio of outside members **60%**
(3 out of 5)

Nomination Committee

Role

- Deliberate on the appointment and dismissal of CEO, Directors, Audit & Supervisory Board Members, Executive Officers, etc. and report to the Board of Directors
- Deliberate on a succession plan for CEO and oversee the development of successor candidates

Ensure transparency

Structure

Ratio of outside officers **60%**
(3 out of 5)
Chairperson is selected from outside officers

Compensation Committee

- Deliberate on policies concerning evaluation of performance of Directors, Executive Officers, etc., compensation system and level of compensation for Directors and Executive Officers, and determination of their compensation, and report to the Board of Directors











Ratio of outside officers **80%**
(4 out of 5)

Chairperson is selected from outside officers

Skill Matrix of Outside Officers

Re-post from IR Conference on May 24, 2023

- 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

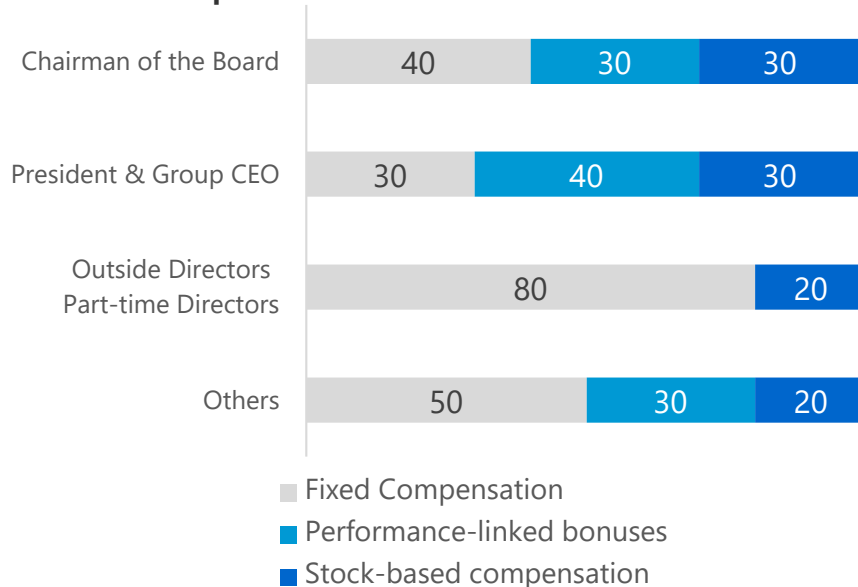
Re-post from IR Conference on May 24, 2023

- 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)

<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

Re-post from Q2 Conference Call on Nov. 17, 2023

- Actual net incurred losses relating to Nat Cats for 2Q declined by -JPY8.7bn YoY to JPY110.6bn (before tax)
- Full year budget for Nat Cats is increased by +JPY50.0bn to JPY194.0bn (before tax) considering domestic and international progress rate, etc.

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

	2022 2Q Results	2023 2Q Results	YoY Change ^{*2}	FY2023 Full-Year Projections		Change ^{*2} ((2)-(1))
				(1) Original Projections	(2) Revised Projections	
Before Tax						
Domestic Non-Life ^{*1}	109.0	80.7	-28.2	76.0	96.0	+20.0
International	10.3	29.8	+19.5	68.0	98.0	+30.0
Total	119.3	110.6	-8.7	144.0	194.0	+50.0
After Tax ^{*3}						
Domestic Non-Life ^{*1}	78.5	58.2	-20.3	54.7	69.2	+14.4
International	8.2	23.4	+15.2	53.0	75.0	+22.0
Total	86.7	81.7	-5.0	107.7	144.2	+36.4

■ Major Nat Cats in 2Q (Nat Cats above a certain scale)

[Domestic^{*1}]

July 2023 Gunma / Tochigi Hail Damage
Typhoon Mawar
Typhoon Yun-yeung

Gross incurred losses^{*4}

JPY24.9bn
JPY10.0bn
JPY7.6bn

[International (3Q)]

Hawaii wildfires^{*5} (August)

Net incurred losses^{*4}

JPY38.0bn

*1: Combined total for TMNF, Nisshin Fire, and E.design

*2: Note that "+" means a negative for profits, while "-" means a positive for profits

*3: After-tax figures are estimates

*4: before tax

*5: Hawaii wildfire related overseas reinsurance ceded to TMNF is reported as TMNF's financial accounting profit but will be transferred to international insurance for calculation of business unit profit. Due to the three-month difference in account closing periods between TMNF and international insurance, the figure is not included in 2Q results in the above table (business unit profit basis), but is included in the revised full-year international business unit profits

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

Re-post from Q2 Conference
Call on Nov. 17, 2023

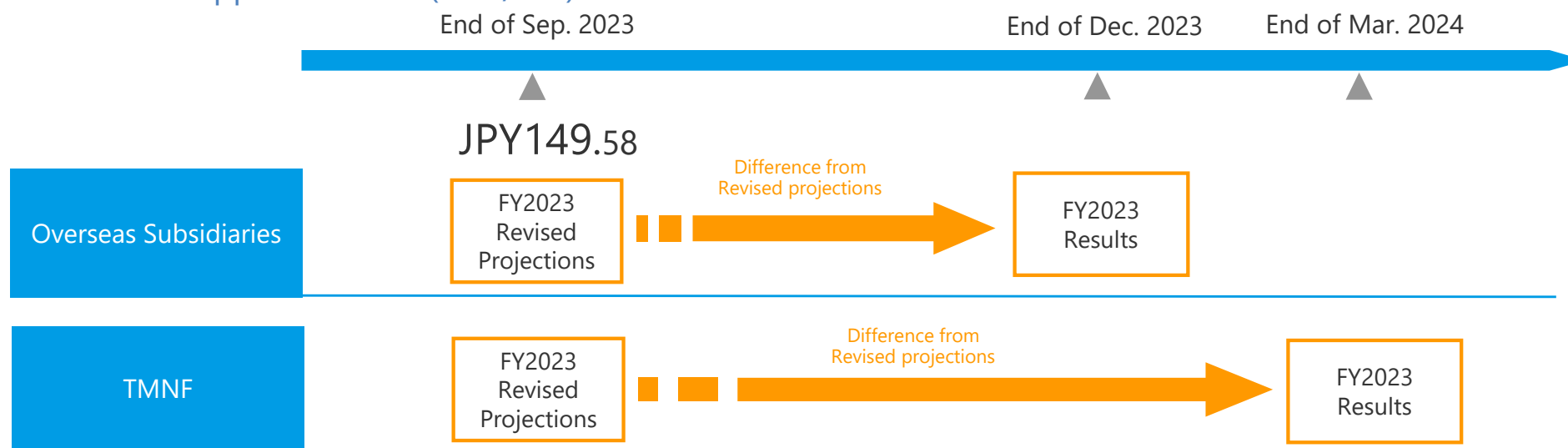
- Estimated impact of the JPY depreciation to USD by 1 yen*¹ 1 on revised projections

Impact on net income on financial accounting basis* ²		Impact on adjusted net income* ²	
<ul style="list-style-type: none"> ■ Increase in overseas subsidiaries profit: <ul style="list-style-type: none"> ➡ 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: 	<p>circa +¥2.1bn</p> <p>circa -¥2.4bn</p>	<ul style="list-style-type: none"> ■ Increase in overseas subsidiaries profit: (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: 	<p>circa +¥2.8bn</p> <p>circa -¥2.4bn</p>
Total:	circa -¥0.3bn	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	FY2023 Projections
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	575.0
	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	4,358.0
	EPS(yen) ^{*2}	107	112	121	127	127	123	77	204	187	289
	BPS(yen) ^{*2}	1,580	1,539	1,574	1,748	1,686	1,610	1,761	1,977	1,823	2,206
	ROE	7.9%	7.2%	7.8%	7.7%	7.4%	7.5%	4.6%	10.9%	9.8%	14.4%
	PBR	0.96	0.82	0.99	0.90	1.06	1.02	0.99	1.20	1.39	1.57
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	655.0
	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	4,555.0
	Adjusted EPS (yen) ^{*2}	141	155	179	153	130	136	160	281	221	330
	Adjusted BPS (yen) ^{*2}	1,812	1,589	1,694	1,877	1,775	1,547	1,775	2,077	1,908	2,305
	Adjusted ROE	8.9%	9.1%	11.0%	8.6%	7.2%	8.2%	9.7%	14.4%	11.1%	15.7%
	Adjusted PBR	0.83	0.80	0.92	0.84	1.01	1.07	0.99	1.14	1.33	1.50
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	102.0
	Domestic life insurance business ^{*6}	139.8	- 188.1	373.5	98.4	- 158.6	- 70.3	205.2	51.1	36.4	35.0
	International insurance business	145.5	131.8	169.5	144.1	176.2	179.5	101.1	252.3	218.6	395.0
	Financial and general businesses	4.0	7.3	6.6	7.2	6.8	5.3	7.3	6.9	7.0	6.1
Sales of business-related equity holdings (billions of yen)		112	122	117	108	107	107	106	117	130	195
		2015/3E	2016/3E	2017/3E	2018/3E	2019/3E	2020/3E	2021/3E	2022/3E	2023/3E	2023/9E
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	1,975,456
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	6,938.7
Share price (yen) ^{*2}		1,513	1,267	1,565	1,578	1,787	1,650	1,755	2,376	2,547	3,465
	Percentage change	46.5%	- 16.3%	23.6%	0.8%	13.2%	- 7.7%	6.4%	35.4%	7.2%	36.0%
	(Reference) 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	2,323.39
	Percentage change	28.3%	- 12.7%	12.3%	13.5%	- 7.3%	- 11.8%	39.3%	- 0.4%	2.9%	16.0%

*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.97)

*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	239.2bn 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	120.0bn 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	359.2bn 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	655.0bn 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	475.0bn 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	575.0bn yen
Payout ratio	29%	33%	39%	42%	47%	51%	86%	41%	53%	42%
Total shareholder return ratio	49%	33%	57%	94%	92%	70%	117%	65%	80%	62%

*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 c. JPY50.0bn in FY2018 and c. JPY25.0bn in FY2019 and FY2020, respectively.

*3: Figures for FY2021 and thereafter are based on new definition (see P.97)

*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 Q2 Conference Call on Nov. 17, 2023

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

$$\begin{aligned}
 \text{Adjusted Net Income}^{*1} &= \text{Net Income (consolidated)}^{*2} + \text{Provision for catastrophe loss reserves}^{*3} + \text{Provision for contingency reserves}^{*3} + \text{Provision for price fluctuation reserves}^{*3} + \text{Provision for Nat Cats underwriting reserves}^{*3,4} + \text{Provision for underwriting result for the first year}^{*5,6} \\
 &\quad - \text{Gains or losses on sales or valuation of ALM}^{*7} \text{ bonds and interest rate swaps} - \text{Gains or losses on sales or valuation of fixed assets and business investment equities} + \text{Amortization of goodwill and other intangible fixed assets} - \text{Other extraordinary gains / losses, valuation allowances, etc.} \\
 \text{Adjusted Net Assets}^{*1} &= \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} + \text{Nat Cats underwriting reserves}^{*4} + \text{UW reserves related to underwriting result for the first year}^{*5} \\
 &\quad - \text{Goodwill and other intangible fixed assets} \\
 \text{Adjusted ROE} &= \frac{\text{Adjusted Net Income}^{*1}}{\text{Adjusted Net Assets}^{*1,8}}
 \end{aligned}$$

*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

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

Life insurance business^{*9}

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

Other businesses

Net income determined in accordance with financial accounting principles

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

Definition of Net Asset Value

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

MEMO

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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