

*Inspiring Confidence.  
Accelerating Progress.*

# FY2023 & 2024 Financial Performances and New Mid-Term Plan KPI Target

May 20, 2024



Tokio Marine Holdings

## Highlight

– Key Messages	.....	3
– Executive Summary	.....	4
– Natural Catastrophes	.....	12

## FY2024 Full Year Forecast

– Group (Adjusted Net Income)	.....	31
– Japan P&C (TMNF)	.....	32
– Japan Life (TMNL)	.....	37
– International	.....	39

## FY2023 Results

– Group (Adjusted Net Income)	.....	15
– Japan P&C (TMNF)	.....	17
– Japan Life (TMNL)	.....	22
– International	.....	23

## Reference

– Reference	.....	43
-------------	-------	----

### ◆ Abbreviations used in this material

➢TMNF : Tokio Marine & Nichido Fire Insurance	➢PHLY	: Philadelphia
➢TMNL : Tokio Marine & Nichido Life Insurance	➢DFG	: Delphi
	➢TMHCC	: Tokio Marine HCC
	➢TMK	: Tokio Marine Kiln
	➢TMSR	: Tokio Marine Seguradora

(Blank Page)

## Strong 2023 Results and 2024 Projections

- Adjusted net income rose to JPY711.6bn in FY2023, up JPY21.6bn vs the full-year projections (released in Feb.) (+60% YoY) mainly due to less winter storm losses and increased capital gains from sale of business-related equities
- Excluding one-off effect, normalized based adjusted net income was in line with the Feb. projections, which was +11% YoY increase. Underlying capabilities are steadily improving
- FY2024 is projected at JPY1tn (+46% YoY) as a result of enhanced underlying capabilities and accelerated sale of business-related equities
- Business-related equities outstanding will be “zero\*” in six years (c. JPY3.5tn in market value and c. JPY0.4tn in book value as of Mar. 31, 2024) with a three-year reduction of 50%

\*: Excluding non-listed stocks (c. JPY22.5bn in market / book value as of Mar. 2024) and investments related to capital and business alliance

## New MTP KPI Target

- Deliver EPS growth at +8% or more (3Y CAGR) for the new MTP (+16% or more including capital gains from sale of business-related equities)
- Adjusted ROE in FY2026 is projected at 14% or higher (20% or higher including capital gains from sale of business-related equities)

## Expansion of Shareholder Returns Consistent with Profit Growth

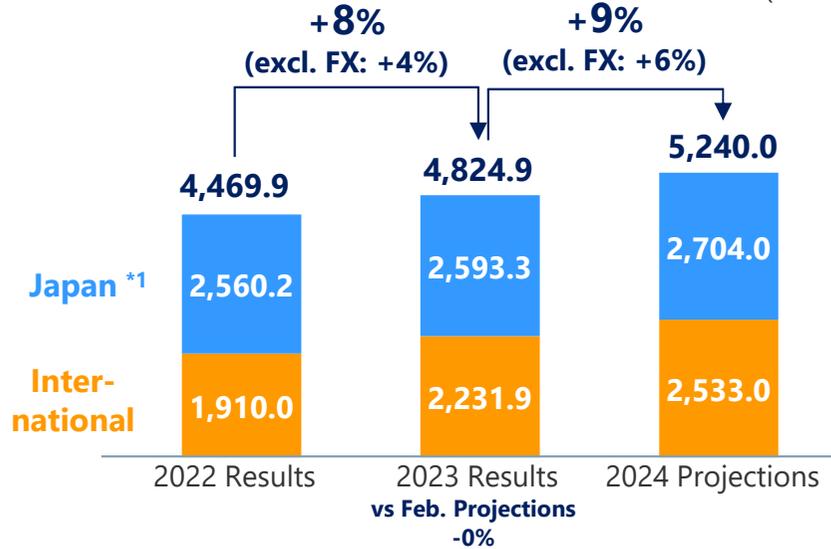
- DPS in FY2023 will be JPY123, an increase of JPY2 from original projection based on the profit growth (DPS growth: +23% YoY)
- DPS for FY2024 is projected at JPY159 (up +29% YoY) based on significant growth in source of dividends. Continue realizing DPS growth consistent with strong profit growth
- Latest ESR is strong at 140%. Current plan for FY2024 share buyback is JPY200.0bn throughout the year (as the first step, JPY100.0bn share buyback has been approved today)

# Executive Summary: Top-Line

- FY2023 showed steady performance mainly in International business (Premiums declined for Japan Life due to increased cancellations of corporate insurance)
- Solid growth expected for FY2024 driven by rate increases and underwriting expansion in P&C business

## Net Premiums Written

(billions of JPY)



YoY Growth (Excl. FX)	Japan *1	International
	+1%	+8%
	+4%	+7%

[2023 Results] ●: Japan, ●: International

- Increased, led by rate/product revisions for auto and increase in sales of specialty lines, etc.
- Strong performance due to steady rate increases and expanded underwriting, etc.

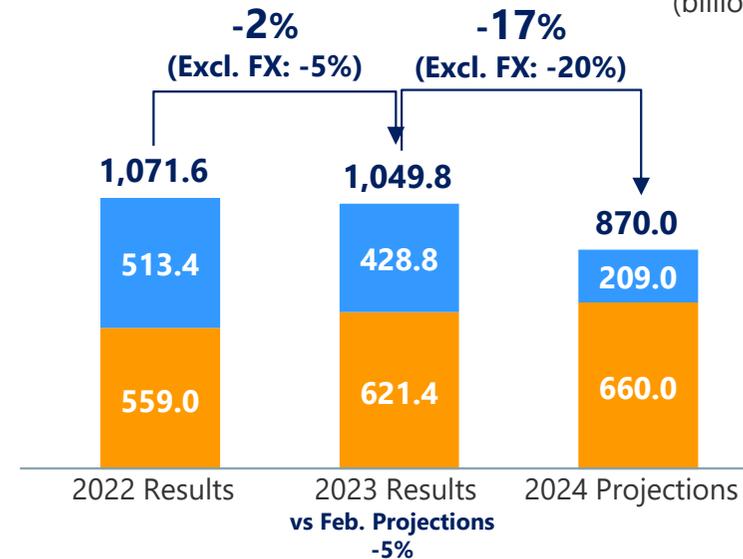
[2024 Projections]

- Expected to increase due to rate/product revisions (auto: Jan. 2024 and Jan. 2025 (plan), fire: Oct. 2024 (plan)) and growth in specialty lines, etc.
- Expected to increase through steady rate increases and expanded underwriting, etc. with continued focus on disciplined underwriting

\*1: Net premiums written includes Japan P&C other than TMNF

## Life Insurance Premiums

(billions of JPY)



[2023 Results] ●: Japan, ●: International

- Declined mainly due to increased in surrender & Lapse of corporate owed life insurance
- Performance was robust due to strong rate increases and expanded underwriting, etc.

[2024 Projections]

- Expected to decline due to impacts from some of the existing policy blocks ceded through co-insurance scheme\*2
- Expected to remain mostly flat due to strong performance for TMHCC's medical stop-loss insurance which is offset by decrease in Asian life

\*2: To diversify and enhance risk control measures against various risks, some of the existing policy blocks are ceded through co-insurance scheme. The impact on financial accounting and business unit profit are limited, due to the takedown of underwriting reserves and sale of ALM bonds, etc.

# Executive Summary: Adjusted Net Income FY2023 Results (Actual Basis)

**[Group Results (Adjusted net income)] JPY711.6bn (+JPY21.6bn vs Feb. projections, +JPY267.5bn YoY)**

- Exceeded Feb. projections due to less winter storm loss and increased capital gains from sale of business-related equities, etc.
- Significant increase YoY due to +JPY199.1bn one-off effects (COVID-19 and Nat Cats, etc.) and strong performance by international businesses, etc.

## [Business Unit Profits]

**[Japan P&C] JPY101.4bn** (+JPY5.4bn vs Feb. projections, -JPY7.9bn YoY)

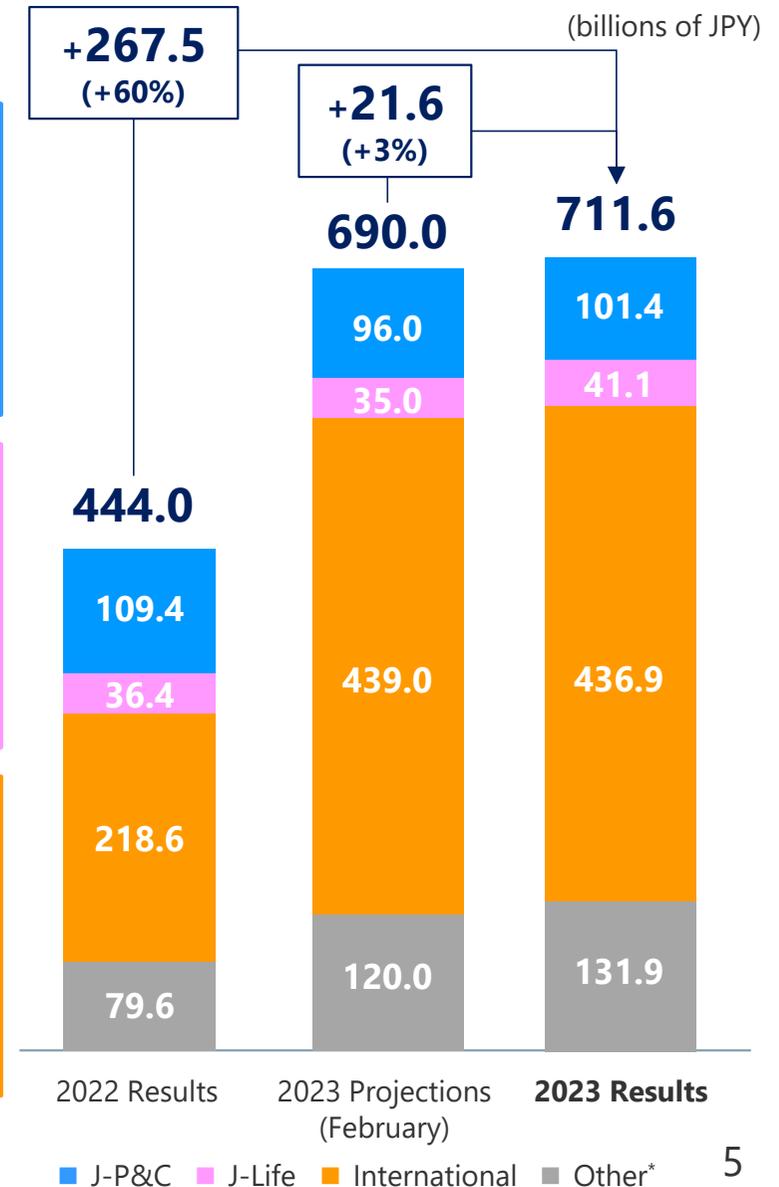
- Slightly exceeded Feb. projections due to less winter storm loss (+JPY4.7bn)
- Decreased YoY due to deterioration of loss ratio for auto, depreciation of JPY (-JPY19.2bn) and increase in hedging cost (c. -JPY30.0bn), offset by the effect of rate increases for fire and increase in investment income as well as the "impact of one-off effects of +JPY27.5bn (drop of the previous year COVID-19 impact c. +JPY20.0bn and decrease in Nat Cats (c. +JPY9.0bn)"

**[Japan Life] JPY41.1bn** (+JPY6.1bn vs Feb. projections, +JPY4.7bn YoY)

- Exceeded Feb. projections driven by lower initial costs due to decrease in top-line, etc.
- Increased YoY due to the "impact of one-off effects of +JPY8.5bn (drop of the previous year COVID-19 impact)", increase in in-force policies and investment income, partially offset by increase in hedging costs (c. -JPY11.0bn)

**[International] JPY436.9bn** (-JPY2.1bn vs Feb. projections, +JPY218.3bn YoY)

- In line with Feb. projections
- Significant increase YoY due to the "impact of one-off effects of +JPY125.0bn (drop of the negative impact of Taiwan COVID-19 in the previous year c.+JPY109.0bn and Russia / Ukraine war c. +JPY14.0bn, etc)", the strong performance by key entities and further JPY depreciation (+JPY17.9bn), partially offset by increase in provisions for CECL (c. -JPY32.0bn), etc



\*: Japan P&C other than TMNF, financial and general businesses, capital gains from sale of business-related equities, etc. The same applies below

# Executive Summary: Adjusted Net Income FY2023 Results (Normalized basis)

**[Group Results (Adjusted net income)] JPY685.5bn (+JPY1.5bn vs Feb. projections, +JPY68.3bn YoY)**

- In line with Feb. projections
- Increased YoY primarily led by strong performance by international businesses

## [Business Unit Profits]

**[Japan P&C] JPY109.0bn** (+JPY1.0bn vs Feb. projections, -JPY35.4bn YoY)

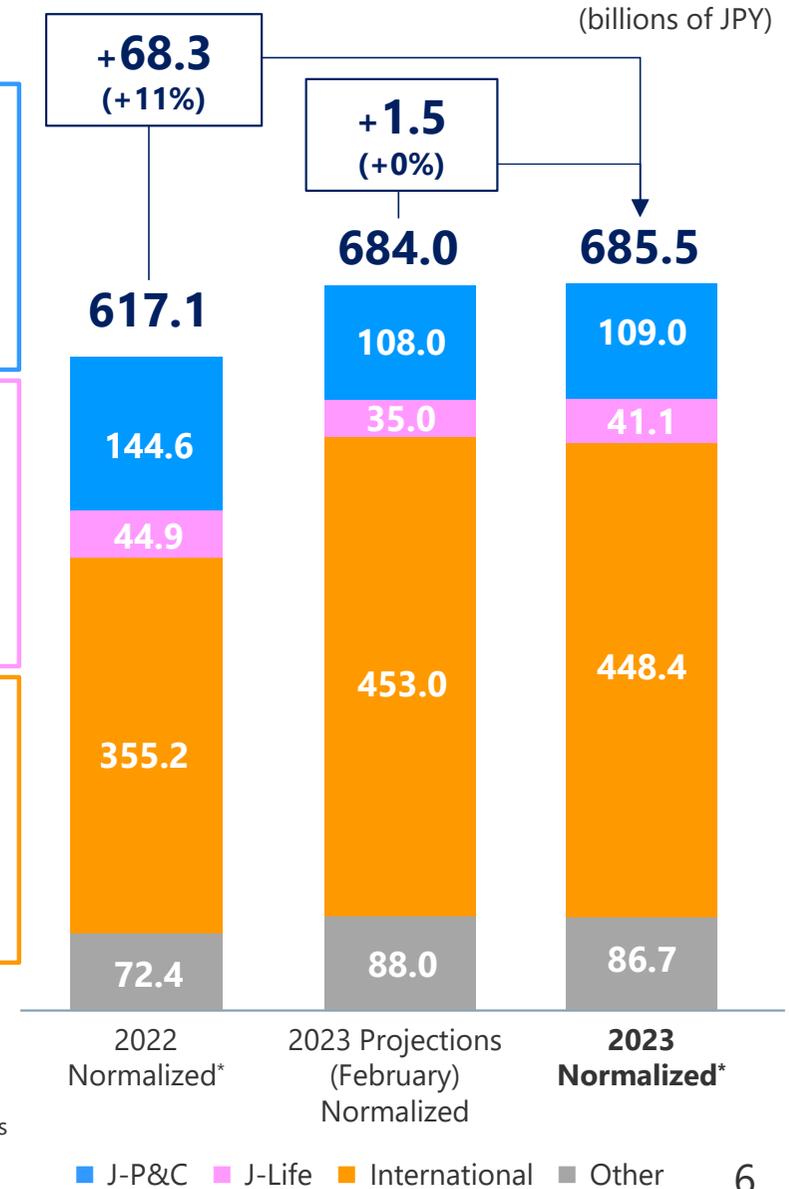
- In line with Feb. projections
- Decreased YoY due to deterioration of loss ratio for auto, depreciation of JPY (-JPY19.2bn) and increase in hedging cost (c. -JPY30.0bn), partly offset by the effect of rate increases for fire and increase in investment income

**[Japan Life] JPY41.1bn** (+JPY6.1bn vs Feb. projections, -JPY3.7bn YoY)

- Exceeded Feb. projections driven by lower initial costs due to decrease in top-line, etc.
- Decreased YoY due to the impact of increase in hedging costs (c. -JPY11.0bn) despite the increase in in-force policies and investment income

**[International] JPY448.4bn** (-JPY4.6bn vs Feb. projections, +JPY93.2bn YoY)

- In line with Feb. projections
- Increase YoY due to the strong performance led by key entities, in addition to further JPY depreciation (+JPY17.9bn) and increase in provisions for CECL (c. -JPY32.0bn), etc.



\*: Deducted following one-off effects of -JPY173.1bn from FY2022 results of JPY444.0bn:  
 (1) Nat Cats c. -26.0, (2) capital gains / losses in North America c. -16.0, (3) COVID c. -134.0, (4) war c. -14.0,  
 (5) South African floods c. -4.0, (6) capital gains from sale of business-related equities c. +15.0 (for part of sale exceeded JPY100.0bn), (7) FX gains / losses between foreign currencies c. +6.0  
 Deducted following one-off effects of +JPY26.1bn from FY2023 results of JPY711.6bn:  
 (1) Nat Cats c. -13.0, (2) capital gains / losses in North America c. -7.0, (3) capital gains from sale of business-related equities c. +47.0 (for part of sale exceeded JPY150.0bn), (4) FX gains / losses between foreign currencies c. -5.0, etc.

# Executive Summary: Adjusted Net Income FY2024 Projections

## [Group Results (Adjusted Net Income)] JPY1tn (+JPY314.4bn YoY on normalized basis)

- **FY2024 is projected at JPY1tn (+46% YoY) as a result of enhanced underlying capabilities and accelerated sale of business-related equities**
- **Growth excluding the sale of business-related equities is +2%, due to increase in group total Nat Cats budget considering the impact of hail damage in Hyogo in April, and the favorable prior year loss reserves development in previous year**

## [Business Unit Profits]

### [Japan P&C] JPY113.0bn (+JPY3.9bn YoY, +4%)

- Increase expected driven by factors such as favorable FX effects (+JPY45.7bn), improved profitability in fire from rate/products revisions, and growth in specialty lines, despite increase in Nat Cats budget (c. -JPY36.0bn) including the impact of the Hyogo hail damage

### [Japan Life] JPY42.0bn (+JPY0.8bn YoY, +2%)

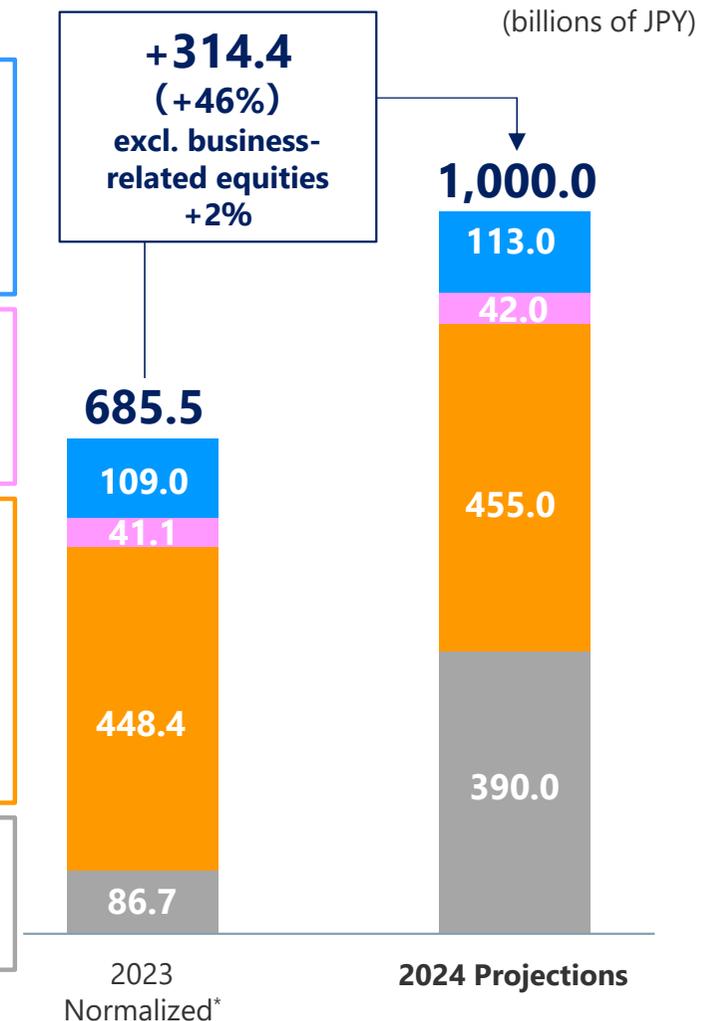
- While increase in business expenses, increase expected driven by accumulation of in-force policies and reversal of derivatives expenses, etc.

### [International] JPY455.0bn (+JPY6.5bn YoY, +1% (-JPY23.0bn, -5% excl. FX))

- While strong performance continue to be expected by key entities, decrease in overall income (c. -JPY23.0bn) is due to increase in Nat Cats budget (-JPY16.0bn, excl. FX c. -JPY9.1bn) and the favorable prior year loss reserves development in previous year (c. -JPY29.0bn) (overall income is expected to be increased by c. +JPY6.0bn excl. prior year loss reserves development)

### [Other] JPY390.0bn (+JPY303.3bn YoY)

- Significant increase expected driven by increased capital gains from accelerated sale of business-related equities (c. +JPY300.0bn), etc.

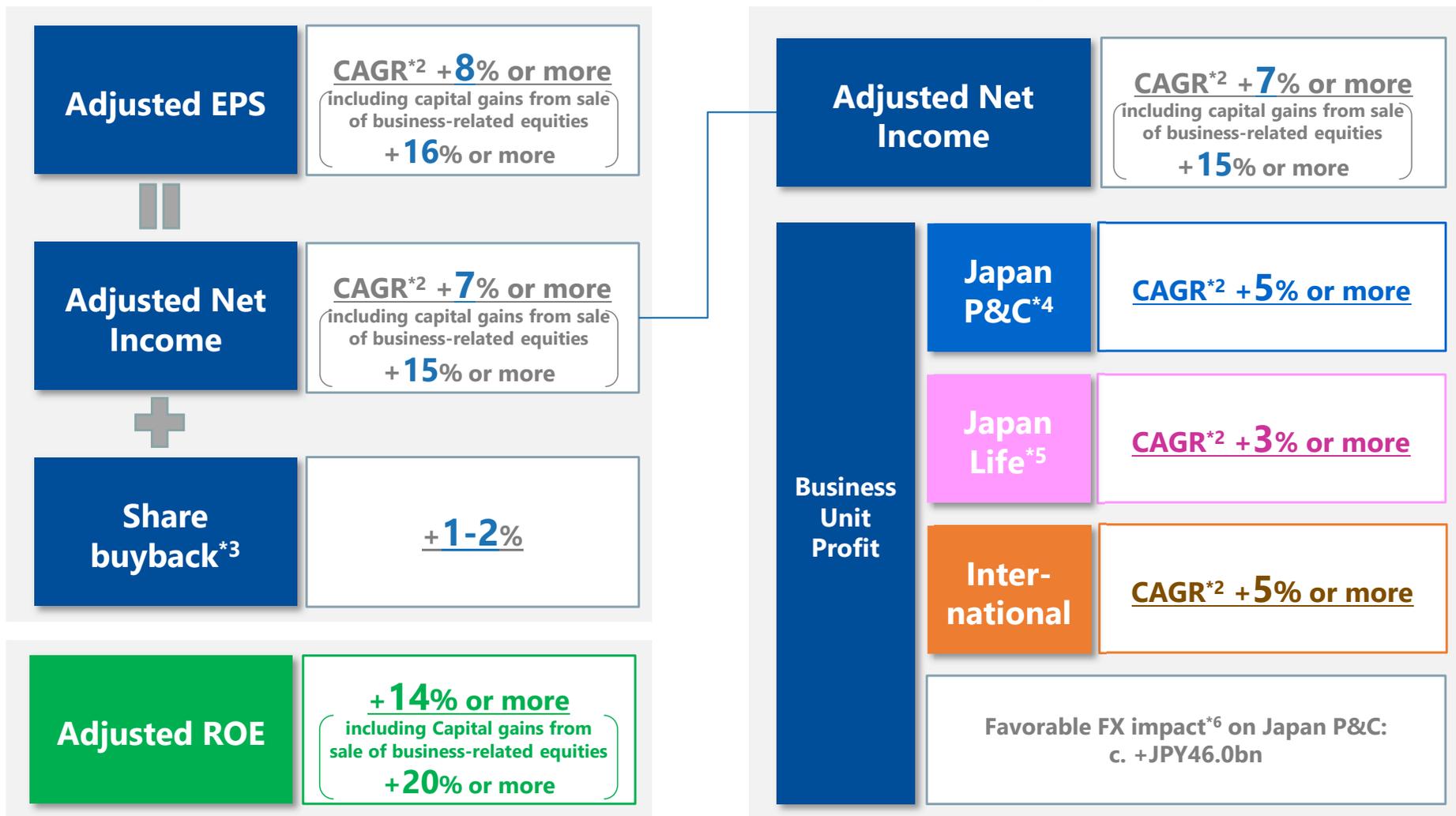


\*: Deducted following one-off effects of +JPY26.1bn from FY2023 results of JPY711.6bn:

(1) Nat Cats c. -13.0, (2) capital gains / losses in North America c. -7.0, (3) capital gains from sale of business-related equities c. +47.0 (for part of sale exceeded JPY150.0bn), (4) FX gains / losses between foreign currencies c. -5.0, etc.

# Executive Summary: New MTP (2024-2026) KPI Target\*<sup>1</sup>

- Deliver EPS growth at +8% or more (3Y CAGR\*<sup>2</sup>) for the new MTP (+16% or more including capital gains from sale of business-related equities). Our diversified U/W portfolio delivers stable growing U/W profits and our investment capability leverage the cashflows generated for superior investment income performance
- Adjusted ROE in FY2026 is projected at 14% or higher (20% or higher including capital gains from sale of business-related equities); continue to lift to the level equivalent to global peers



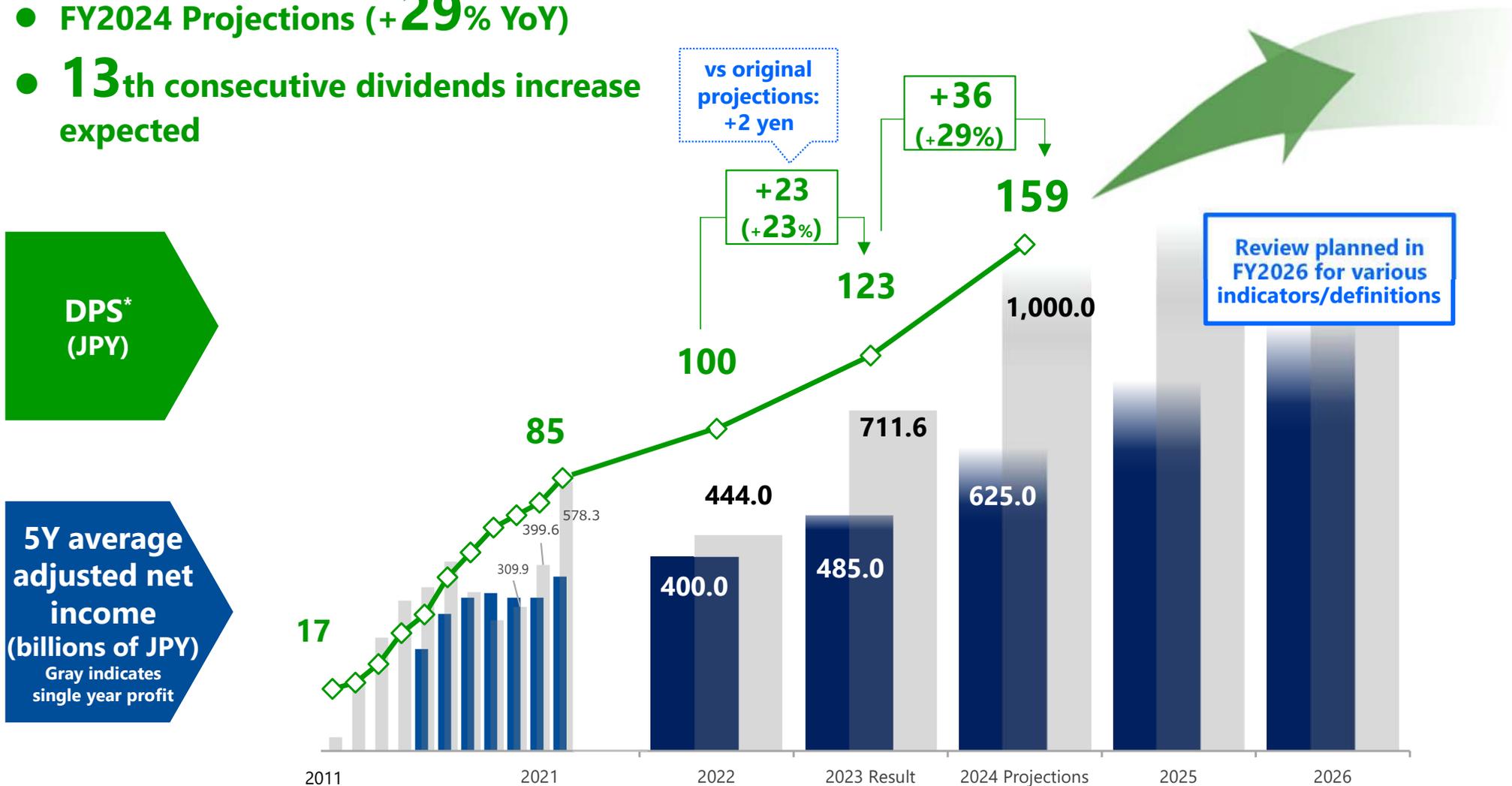
\*1: Based on current definition of KPIs. Refer to P.47 for review of KPIs after introduction of IFRS  
 \*2: 3Y CAGR vs the base year of FY2023 on normalized basis (normalized Nat Cats to an average annual level and excluding the capital gains from the sale of business-related equities and capital gains / losses in North America, etc.)  
 \*3: Effect to EPS growth from share buyback

\*4: Japan P&C = TMNF, excl. FX effects  
 \*5: Japan Life = TMNL  
 \*6: Drop of the negative impact of FX in FY2023 (increase in provision for foreign currency denominated loss reserves and losses on FX derivatives at TMNF due to depreciation of the yen in FY2023)

# Executive Summary: Shareholder Returns

- DPS in FY2023 will be JPY123 (+23% YoY), an increase of +JPY2 from original projection based on the profit growth
- DPS for FY2024 is projected at JPY159 (+29% YoY) based on significant growth in source of dividends and continue realizing DPS growth consistent with strong profit growth (Review planned in FY2026 for various indicators and definitions considering the impact of introduction of IFRS / ICS)

- FY2024 Projections (+29% YoY)
- 13th consecutive dividends increase expected



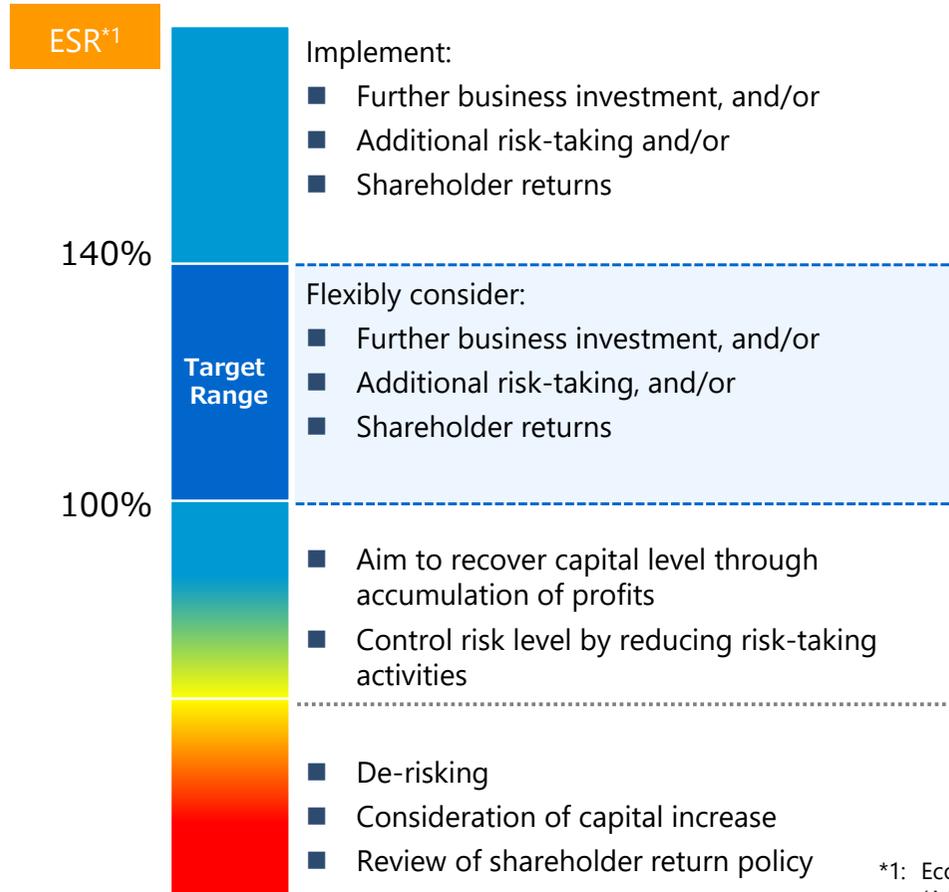


# Executive Summary:

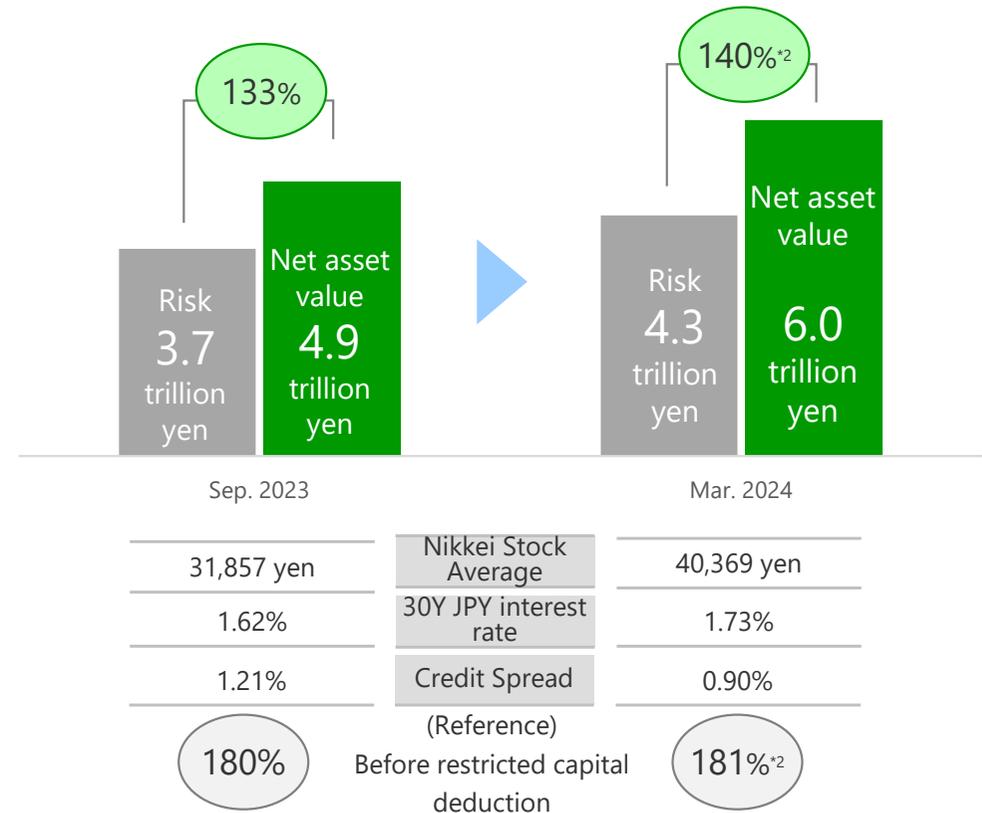
## Strong Capital Stock and Disciplined Capital Policy (Share Buyback)

- Strong ESR\*<sup>1</sup> as of March 31, 2024 at 140%. Current plan for FY2024 share buyback is JPY200.0bn throughout the year, comprehensively considering the current M&A pipeline, etc. (approx. +2% effect on EPS Growth. As the first step, JPY100.0bn share buyback has been approved )

### Target Range



### ESR\*1



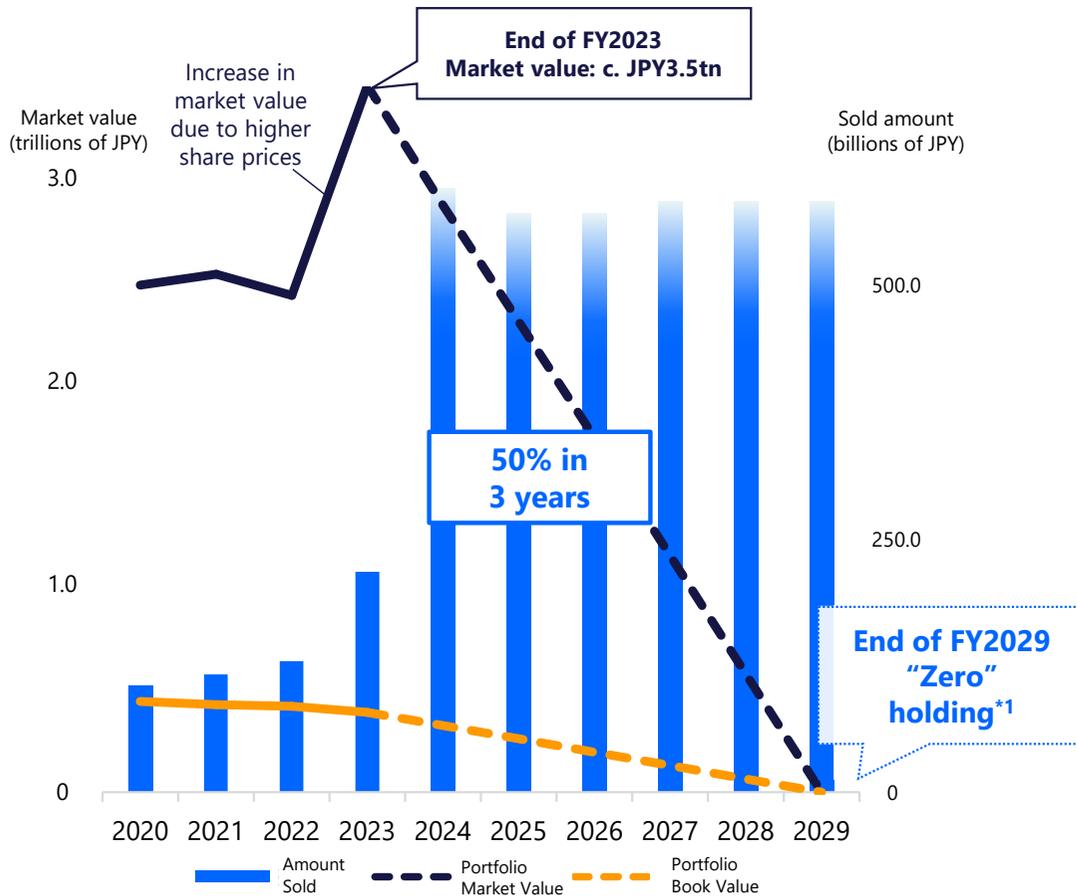
\*1: Economic Solvency Ratio (under the current definition, risk is calculated using a model based on 99.95%VaR (AA credit rating equivalent)). Net asset value of overseas subsidiaries shows the balance as of three months earlier (Jun. 30, 2023, and Dec. 31, 2023) See P.46 for sensitivity.

\*2: ESR after the JPY200bn share buyback is 135% (176% before restricted capital deduction)

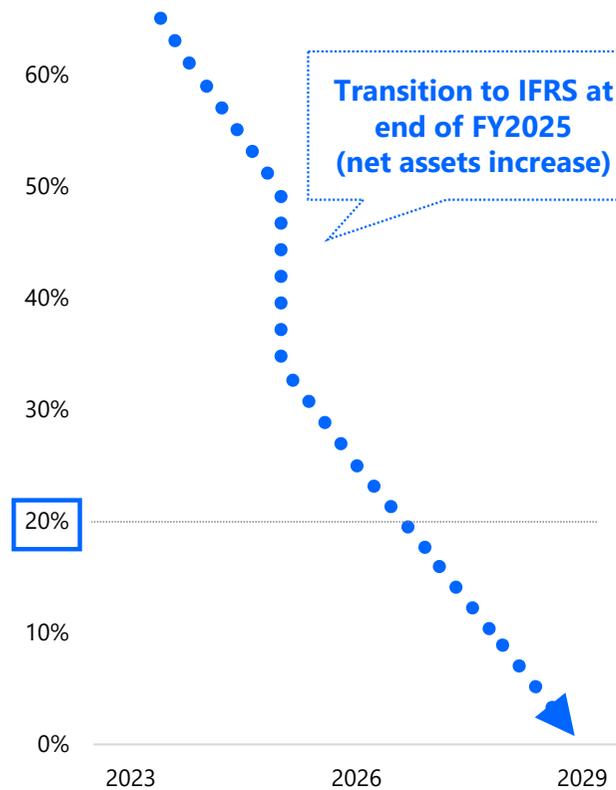
# Reduction of Business-Related Equities

- Business-related equities outstanding will be “zero<sup>\*1</sup>” in six years (JPY3.5tn in market value as of Mar. 31, 2024 and JPY0.4tn in book value) with a three-year reduction of 50%  
We will not merely reclassify them as pure investments (expected sale for FY2024 is JPY600.0bn in market value as of Mar. 31, 2024 and JPY53.0bn in book value)
- Business-related equities ratio compared to IFRS net assets will be around 20% by end of FY2026

## Timeline and amount of sale of business-related equities



## Ratio to net assets<sup>\*2</sup>



\*1: Excluding non-listed stocks (market value as of Mar. 31, 2024, c. JPY22.5bn in book value) and investments related to capital and business alliance, etc.

\*2: Based on share prices as of Mar.31, 2024. Net assets at the end of FY2024 onwards are estimates.

- Net incurred losses relating to Nat Cats in FY2023 decreased by -JPY8.2bn to JPY167.8bn compared to Feb. projections (pre-tax)
- Annual budgets in the new MTP to be increased by +JPY38.0bn across the Group incorporating the rise in secondary perils and exposure. The budgets for FY2024 is +JPY225.0bn (pre-tax) factoring in the impact of the Hyogo hail damage in April (approx. JPY50.0bn)

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

Before-tax	2022 Results	2023 Results	YOY Change*2	2023 February Projections	(1)	(2)	(3)	(2)-(1) Change*2	(3)-(1) Change*2
					2023 Original Budgets	New MTP Annual Budgets	2024 Original Budgets		
Japan*1	100.9	88.7	-12.2	96.0	86.0	103.0	136.0	+17.0	+50.0
International	62.6	79.1	+16.4	80.0	68.0	89.0	89.0	+21.0	+21.0
<b>Total</b>	163.6	<b>167.8</b>	+4.2	176.0	154.0	192.0	<b>225.0</b>	+38.0	+71.0
<b>After-tax*3</b>					<b>-8.2bn vs. Feb. projections (176.0bn)</b>				
Japan*1	72.8	63.9	-8.8	69.2	62.0	74.0	98.0	+12.0	+36.0
International	48.7	60.2	+11.5	61.0	53.0	69.0	69.0	+16.0	+16.0
<b>Total</b>	121.5	124.2	+2.7	130.2	107.7	143.0	167.0	+28.0	+52.0

## ■ Major Nat Cats in FY2023 (Nat Cats above a certain scale)

[Japan*1]	Gross incurred losses*4
July 2023 Gunma/Tochigi Hail Damage	JPY25.4bn
Typhoon No.2(Mawar)	JPY10.3bn
Typhoon No.13(Yun-yeung)	JPY6.6bn
[International]	Net incurred losses*4
Hawaii wildfires	JPY36.1bn

## ■ Trend in Nat Cats Budgets (Japan\*1, billions of JPY)

	2023 Original Budgets	Annual Budgets in New MTP	2024 Original Budgets
Wide area Nat Cats	76.0		136.0
Small Nat Cats*6	10.0	103.0	
		Increase from secondary perils +17.0	Increase factoring in Hyogo hail damage (c. 50.0*5) +33.0

\*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 basis \*5: Current rough estimates/provisional figures

\*6: From FY2024, "Small Nat Cats" will also be included in "Nat Cats budgets," which was not the case in the fiscal records up to FY2023

(Blank Page)



# FY2023 Results

[Reference]	FX Rate (USD / JPY)	
	FY22	FY23
End of March (Japan P&C and Life)	JPY133.53 (-JPY11.14 from Mar. 31, 2022)	JPY151.41 (-JPY17.88 from Mar. 31, 2023)
End of December (International)	JPY132.70 (-JPY17.68 from Dec. 31, 2021)	JPY141.83 (-JPY9.13 from Dec. 31, 2022)

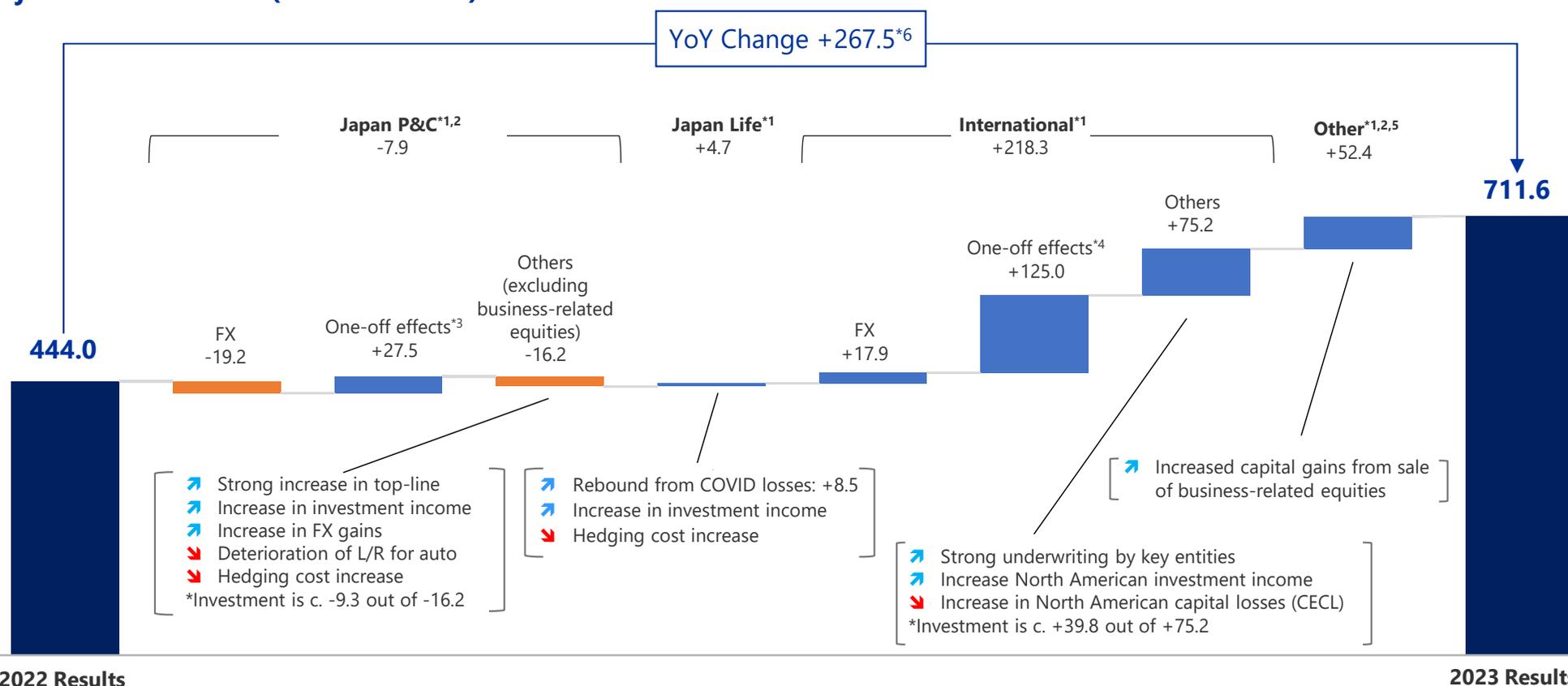
# Group Results: FY2023 Adjusted Net Income (Actual)

Group	Japan Life
Japan P&C	International



- Significant increase in adjusted net income on actual basis of +JPY267.5bn YoY due to the strong performance driven by International business, in addition to the impact of one-off effects such as drop of the negative impacts of COVID-19 (Taiwan and Japan) in the previous year

## Adjusted Net Income (billions of JPY)



- ↗ Strong increase in top-line
- ↗ Increase in investment income
- ↗ Increase in FX gains
- ↘ Deterioration of L/R for auto
- ↘ Hedging cost increase
- \*Investment is c. -9.3 out of -16.2

- ↗ Rebound from COVID losses: +8.5
- ↗ Increase in investment income
- ↘ Hedging cost increase

- ↗ Increased capital gains from sale of business-related equities
- ↗ Strong underwriting by key entities
- ↗ Increase North American investment income
- ↘ Increase in North American capital losses (CECL)
- \*Investment is c. +39.8 out of +75.2

\*1: Japan P&C=TMNF. Japan Life=TMNL. All figures are on a business unit profit basis (Other: Japan P&C other than TMNF, financial and general businesses, capital gains from sale of business-related equities, consolidation adjustment, etc.)

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

\*3: Nat cats: c. +9.0, COVID-19: c. +20.0, etc.

\*4: Nat cats: c. +3.0, COVID-19: c. +109.0, North America capital gains / losses: c. +10.0 (incl. reversal of previous year capital losses c. +16.0), war: c. +14.0, FX losses between foreign currencies: c. -11.0

\*5: Including one-off effects: c. +38.0 (capital gains from sale of business-related equities, c. +32.0, etc.)

\*6: Main difference with the +JPY319.3bn YoY change in financial accounting profit comprised -6.2 reserves, +81.6 decrease in tax expenses due to transfer of Pure Group shares, -5.4 amortization of goodwill and other intangible fixed assets, and -15.6 other extraordinary gains / losses (see P.50 for details)



- **Business unit profits decreased by -JPY3.5bn vs Nov. projections to JPY101.4bn due to the rise in large losses and provision for foreign currency denominated loss reserves due to JPY depreciation, etc., despite decrease in Nat Cats budget in Japan**
- **Decreased by -JPY7.9bn YoY due to the deterioration of loss ratio for auto, despite the effects of fire insurance rate increases in addition to the above**

(billions of JPY, except for %)

	FY2022 Results	FY2023 Results	YoY Change	FY2023 Projection (November projection)
<b>Underwriting profit/loss</b>	<b>116.4</b>	<b>109.2</b>	- 7.1	<b>101.0</b>
(Underwriting profit/loss: excluding (1)-(5))	<b>190.4</b>	<b>177.9</b>	- 12.4	<b>186.6</b>
Net premiums written (Private insurance)	2,171.7	2,219.4	47.7	2,221.4
Net premiums earned (Private insurance)*1	2,138.2	2,231.1	92.8	2,221.9
Net incurred losses (Private insurance)*2	- 1,363.7	- 1,470.5	- 106.7	- 1,442.8
(1)Natural catastrophe losses in Japan	- 95.6	- 83.5	12.0	- 90.0
(2)Provision/Reversal of foreign currency denominated outstanding claims reserves	- 19.8	- 37.4	- 17.5	- 33.5
Other than above	- 1,248.2	- 1,349.5	- 101.2	- 1,319.2
Business expenses (Private insurance)	- 696.2	- 706.6	- 10.4	- 719.1
(3)Provision/Reversal of catastrophe loss reserves	1.1	30.7	29.5	31.1
Auto	15.5	59.3	43.8	68.5
Fire	- 5.4	- 22.4	- 16.9	- 30.4
(4)Provision/Reversal of nat-cat underwriting reserves	- 1.7	27.5	29.3	4.6
(5)Provision/Reversal of underwriting result for the first year*3	42.2	- 5.9	- 48.1	2.0
<b>Net investment income (loss) and other</b>	<b>243.7</b>	<b>319.2</b>	75.4	<b>283.9</b>
<b>Ordinary profit/loss</b>	<b>362.1</b>	<b>430.6</b>	68.4	<b>387.0</b>
<b>Extraordinary gains/losses</b>	<b>- 99.2</b>	<b>- 9.8</b>	89.4	<b>- 11.5</b>
<b>Net income/loss</b>	<b>189.5</b>	<b>420.7</b>	231.1	<b>362.0</b>
<b>Reconciliation of Business Unit Profits(P.52)</b>	<b>- 80.1</b>	<b>- 319.2</b>	- 239.1	<b>- 257.0</b>
<b>Business Unit Profits</b>	<b>109.4</b>	<b>101.4</b>	- 7.9	<b>105.0</b>

\*1 Excluding provision for nat-cat underwriting reserves

\*2 Including loss adjustment expenses

\*3 Provision for the general underwriting reserves excluding provision for unearned premiums (Notes)

1. Plus and minus of the figures in the above table correspond to positive and negative to profit respectively

2. Private insurance includes all lines excluding compulsory automobile liability insurance and residential earthquake

## [Results compared to November projections]

- **Underwriting Profit** (excl. impact of Nat Cats and various reserves, etc.)
  - ➔ Decreased by -JPY8.7bn from Nov. projections due to the impact of large losses in Japan and overseas, etc.
- **Business Unit Profit**
  - ➔ Decreased by -JPY3.5bn from Nov. projections due to FX effects from JPY depreciation (-JPY5.0bn), despite being offset by less than expected domestic Nat cat (+JPY4.7bn) and strong investment income (+JPY4.0bn), etc.

## [Ref.] Reserves changes compared to November projections

- Provision / Reversal of Nat-Cats underwriting reserves:
  - ➔ Mostly in line with Nov. projections with the increase in takedowns from the impact of more than expected progress in insurance payment for Hawaii wildfires, etc., offset by special provisions for fire (-JPY12.0bn)

- Private insurance total was mostly in line with Nov. projections at JPY2,219.4bn
- Achieved +2.2% growth YoY with all lines exceeding FY2022 results

(billions of JPY, except for %)

	FY2022 Results	FY2023 Results	YoY		FY2023 Projection (November projection)
			Change	%	
Fire	414.7	417.9	3.1	0.8%	412.4
Marine	85.0	85.1	0.1	0.1%	84.6
P.A.	186.8	194.6	7.8	4.2%	204.9
Auto	1,114.0	1,135.5	21.4	1.9%	1,133.2
CALI	213.2	198.2	-14.9	-7.0%	202.2
Other specialty	371.3	386.5	15.1	4.1%	386.4
<b>Total</b>	<b>2,385.2</b>	<b>2,417.9</b>	<b>32.7</b>	<b>1.4%</b>	<b>2,424.0</b>
<b>o/w Private insurance Total</b>	<b>2,171.7</b>	<b>2,219.4</b>	<b>47.7</b>	<b>2.2%</b>	<b>2,221.4</b>

## [Results compared to November projections]

- Fire
  - Exceeded Nov. projections due to the effect of JPY depreciation and increase in insurance amount for inflation adjustment, etc.
- Marine
  - ➔ In line with projections
- P.A.
  - Below Nov. projections due to the weaker-than-expected recovery in overseas travel insurance
- Auto
  - ➔ Mostly in line with Nov. projections resulting from efforts to raise unit price incl. rate/product revisions and more sales of additional, etc.
- CALI
  - Slightly below projections mainly due to decrease in new car sales
- Other specialty
  - ➔ Mostly in line with projections due to increase mainly for liability insurance

- Net incurred losses exceeded Nov. projections by +JPY27.6bn with the increase in provisions for foreign currency-denominated loss reserves due to JPY depreciation (c. +JPY4.0bn) and the impact of large losses, etc., offsetting the decrease in Nat cats in Japan (c. -JPY6.0bn)
- Increased by +JPY106.7bn YoY due to the rise in provisions for foreign currency denominated loss reserves due to JPY depreciation (c. +JPY17.0bn), deteriorating loss ratio for auto (c. +JPY55.0bn) and the impact of large losses in originated from international business, etc., offsetting the decrease in Nat Cats in Japan (c. -JPY12.0bn) and COVID losses (c. -JPY31.0bn)

(billions of JPY, except for %)

	FY2022 Results		FY2023 Results		YoY Change		FY2023 Projection (November projection)
		Domestic Nat-Cat losses		Domestic Nat-Cat losses	Change	%	
Fire	261.2	63.1	270.0	44.6	8.7	3.4%	261.1
Marine	46.3	0.0	54.5	0.1	8.2	17.7%	55.2
P.A.	111.5	-	120.5	-	9.0	8.1%	120.0
Auto	696.0	28.0	758.9	35.3	62.8	9.0%	760.6
Other specialty	248.5	4.3	266.4	3.4	17.8	7.2%	245.7
<b>Total</b>	<b>1,363.7</b>	<b>95.6</b>	<b>1,470.5</b>	<b>83.5</b>	<b>106.7</b>	<b>7.8%</b>	<b>1,442.8</b>

## [Results compared to November projections]

- Fire
  - ↘ Slightly exceeded Nov. projections due to the impact of large losses
- Marine
  - ➔ In line with Nov. projections
- P.A.
  - ➔ Mostly in line with Nov. projections due to the increase in net incurred losses associated with the expected increase in activities
- Auto
  - ➔ In line with Nov. projections
- Other specialty
  - ↘ Exceeded Nov. projections due to the impact of large losses

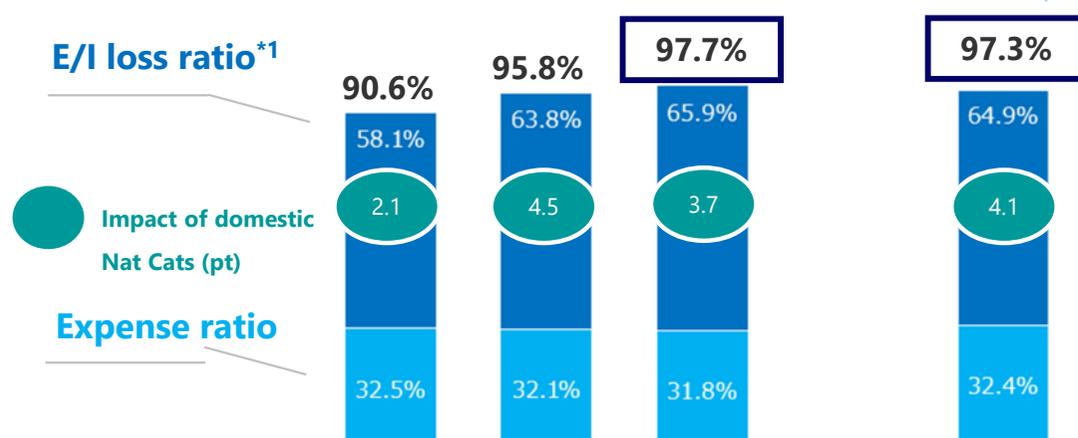
(Notes)

Including loss adjustment expenses in the above table

Copyright (c) 2024 Tokio Marine Holdings, Inc.

- E/I loss ratio exceeded Nov. projections due to increase in net incurred losses. Expense ratio was below Nov. projections
- Expense ratio decreased YoY mainly driven by topline growth, but Combined ratio increased due to an increase in E/I loss ratio notably from a rise in net incurred losses

## Combined Ratio (Private insurance E/I basis)



## [Results compared to November projections]

- E/I loss ratio
  - ➔ Exceeded Nov. projections due to increase in net incurred losses (see P.19) despite the top-line performance in line with the projections
- Expense ratio
  - ➔ Admin expenses ratio was below Nov. projections at 11.3% due to the impact of decrease in non-personnel expenses from delay in systems development
  - ➔ Agency commission ratio (20.5%) was mostly in line with projections

(billions of JPY)

	FY2021 Results	FY2022 Results	FY2023 Results	YoY Change	FY2023 Projection (November projection)
Net premiums written	2,067.9	2,171.7	2,219.4	47.7	2,221.4
Net premiums earned <sup>*2</sup>	2,054.6	2,138.2	2,231.1	92.8	2,221.9
Net incurred losses <sup>*1</sup>	1,193.7	1,363.7	1,470.5	106.7	1,442.8
Business expenses	671.5	696.2	706.6	10.4	719.1
Admin expenses	238.6	245.8	250.7	4.8	256.8
Agency commissions	432.8	450.3	455.9	5.6	462.2

\*1 Including loss adjustment expenses

\*2 Excluding provision for nat-cat underwriting reserves

## E/I loss ratio<sup>\*1</sup>

	FY2022 Results	FY2023 Results	YoY Change	FY2023 Projection (November projection)
Fire	66.5%	62.0%	- 4.5pt	61.4%
Marine	56.5%	64.5%	8.0pt	64.4%
P.A.	62.5%	62.6%	0.1pt	60.2%
Auto	62.5%	67.3%	4.8pt	67.6%
Other specialty	66.9%	68.1%	1.2pt	63.5%
<b>Private insurance Total</b>	<b>63.8%</b>	<b>65.9%</b>	<b>2.1pt</b>	<b>64.9%</b>

## ● Net investment income and capital gains exceeded Nov. projections

(Billions of JPY)

	FY2022 Results	FY2023 Results	YoY Change	FY2023 Projection (November projection)
<b>Net investment income and other</b>	243.7	319.2	75.4	283.9
<b>Net investment income</b>	285.8	361.1	75.2	324.3
<b>Net interest and dividends income</b>	213.9	257.9	43.9	242.1
Interest and dividends	245.2	289.2	43.9	270.8
Dividends from domestic stocks	75.7	77.9	2.1	75.7
Dividends from foreign stocks	99.2	125.6	26.4	114.0
Income from domestic bonds	16.5	15.4	-1.0	15.1
Income from foreign bonds	1.9	1.6	-0.2	1.5
Income from other domestic securities <sup>*1</sup>	1.1	0.6	-0.4	-0.3
Income from other foreign securities <sup>*2</sup>	35.8	46.2	10.4	44.0
Transfer of investment income on deposit premiums	-31.3	-31.2	0.0	-28.7
<b>Net capital gains</b>	71.9	103.1	31.2	82.2
Gains/Losses on sales of securities	97.5	187.3	89.7	163.9
Impairment of losses on securities	-1.0	-5.0	-3.9	-3.0
Impairment losses on domestic stocks	-0.3	-1.9	-1.6	-0.3
Impairment losses on foreign securities	-0.7	-2.5	-1.7	-2.6
Gains/Losses on derivatives	-57.7	-124.1	-66.3	-113.6
Foreign exchange gains/losses	30.8	43.7	12.9	33.8
Other	2.2	1.2	-1.0	1.1
<b>Other ordinary income and expenses</b>	-42.0	-41.8	0.2	-40.4

\*1: Income from domestic securities excluding domestic stocks and domestic bonds

\*2: Income from foreign securities excluding foreign stocks and foreign bonds

Note: Plus and minus of the figures in the above table correspond to positive and negative to profit respectively

## [Results compared to November projections]

### – Net interest and dividends income

- ➔ Exceeded projections due to increase in dividends from overseas subsidiaries and investment income from DFG

### – Net capital gains

- ➔ Exceeded projections with sale of business-related equities of JPY219.0bn (+JPY24.0bn from Nov. projections) and capital gains of JPY190.0bn (+JPY20.0bn from Nov. projections)
- ➔ Hedging cost was mostly in line with projection
- ➔ An increase in the cost of derivative contracts associated with JPY depreciation is offset by an increase in FX gains, delivering a result almost according to plan

- Annualized premium of New Business was below projections due to lower sales from intensified competition, etc.
- Business unit profits exceeded Nov. projections by +JPY6.1bn due to decrease in initial costs from lower-than-expected top-line, etc.

(billions of JPY)

	FY2022 Results	FY2023 Results	YoY		FY2023 Projection (November projections)
			Change	%	
			Annualized Premium of New Business	53.4	
Annualized Premium of Policies in-force	797.6	779.9	-17.6	-2.2%	792.0
Ordinary income	994.7	989.4	-5.2	-0.5%	914.0
Insurance premiums and other	812.7	785.7	-26.9	-3.3%	791.0
Net income	35.6	39.7	4.1	11.7%	33.0
Ordinary profit	67.6	39.7	-27.8	-41.2%	32.0
(-) Capital gains / losses	28.2	-2.0	-30.3	-107.3%	0.0
(-) Non-recurring income / losses	-0.9	-0.6	0.3	-	-1.0
Core operating profit	40.3	42.4	2.1	5.3%	33.0
Business unit profits	36.4	41.1	4.7	12.9%	35.0
(Reference)					
Value of New Business	75.0	64.8	-10.1	-13.6%	73.0

## [Results compared to November projections]

- Annualized Premium of New Business
  - ↘ Below Nov. projections by -JPY5.8bn due to slower growth for regular premium variable life insurance due to expansion of foreign currency denominated products across the market, and intensified competition for protection-type products, etc.
- Annualized Premium of In-force
  - ↘ Below projections by -JPY12.1bn due to less-than-expected top-line and higher-than-expected surrender & Lapse of corporate owned life insurance
- Business Unit Profits
  - ↗ Exceeded projections by +JPY6.1bn due to decrease in initial acquisition costs from lower-than-expected top-line, etc.
- Value of New Business
  - ↘ Below projections by -JPY8.1bn due to less-than-expected top-line

# International 1: Net Premiums Written

- In line with Nov. projections due to the strong performance by all key entities
- Increased by +4.8% YoY thanks to growth action plans (rate increases and underwriting expansion, etc.) implemented by each entity

(billions of JPY, except for %)

	FY2022 Results	FY2023 Results	YoY		YoY % (Excluding FX effects <sup>*4</sup> )	FY2023 Projections (November projection) <sup>*5</sup>	Progress rate (Excluding FX effects) <sup>*4</sup>
			As of end Dec. 2022	As of end Dec. 2023		Change	
Applied FX rate (USD/JPY)	JPY 132.7	JPY 141.8				JPY 149.5	
North America <sup>*1</sup>	1,754.3	1,946.8	192.5	11.0%	3.8%	2,044.0	100.5%
PHLY	491.8	556.5	64.7	13.2%	5.9%	581.0	101.0%
DFG	437.3	510.3	73.0	16.7%	9.2%	536.0	100.4%
TMHCC	707.1	773.4	66.3	9.4%	2.3%	815.0	100.1%
Europe <sup>*2</sup>	169.3	220.7	51.3	30.3%	16.2%	225.0	99.6%
South & Central America	230.6	310.0	79.3	34.4%	15.4%	317.0	99.5%
Asia & Oceania	244.1	270.0	25.9	10.6%	3.6%	279.0	98.6%
Middle East & Africa	40.0	41.8	1.8	4.5%	6.0%	51.0	85.0%
<b>Total Non-Life<sup>*3</sup></b>	<b>2,438.7</b>	<b>2,789.5</b>	<b>350.8</b>	<b>14.4%</b>	<b>5.8%</b>	<b>2,916.0</b>	<b>99.8%</b>
<b>Life</b>	<b>131.7</b>	<b>120.5</b>	<b>- 11.2</b>	<b>- 8.5%</b>	<b>- 14.5%</b>	<b>128.0</b>	<b>95.4%</b>
<b>Total</b>	<b>2,570.4</b>	<b>2,910.0</b>	<b>339.6</b>	<b>13.2%</b>	<b>4.8%</b>	<b>3,044.0</b>	<b>99.7%</b>

## (Ref.) Pure Reciprocal GWP

Pure	246.7	304.6	57.8	23.4%	15.5%
------	-------	-------	------	-------	-------

The above figures of International Business are the total of foreign branches of TMNF, equity method investees, and nonconsolidated companies, etc., and are aligned with the disclosure format of our IR materials from before (same applies to P.25)

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

\*2: Europe figures include North America 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: Excluding FX effects due to yen conversion  
(All of the above notes also apply to P.25)

\*5: Projections not revised in Feb.

## [FY2023 Results]

- North America (see pages 27-29 for details on the three main companies)

PHLY: Expansion primarily in new businesses despite the increase in reinsurance cost (in line with projection). Maintained strong rate increases (FY2023 results: +9%) and increased revenue

DFG: Increased for P&C (excess WC) and life (disability / paid leave / group life) due to expansion of underwriting with favorable rates

TMHCC: Increased due to strong rate increases (FY2023 result: +5% (excluding A&H, Surety, Credit)) and underwriting expansion mainly for A&H and non-US business

- Europe

Increased due to strong rates increases (FY2023 results: +8%) and steady expansion of highly profitable lines at Lloyd's

- South & Central America

Significant increase due to strong rate increase and underwriting expansion in 1H despite intensified competition in auto insurance in 2H

- Asia & Oceania

Increased mainly in auto and overseas travel insurance due to recovery of economic activities

# International 2: Business Unit Profits

- In line with Feb. projections\*
- Substantial YoY increase of +JPY218.3bn due to strong underwriting, investment income, reversal of the impact of COVID-19 in Taiwan (c. +JPY109.0bn), and JPY depreciation (c. +JPY17.9bn) offsetting the increased North American capital losses mainly due to increase in CECL (c. -JPY30.0bn) and increased Nat Cats (c. -JPY8.0bn)

\*: Following Nov. projections of JPY395.0bn, preliminary figure of JPY439.0bn was announced in Feb. with changes including increased profits for key entities (+JPY34.0bn), FX impact compared to Sep. 30, 2023 (-JPY19.0bn), decrease in Nat Cats (+JPY10.0bn), and other one-off effects (+JPY15.0bn), etc.

(billions of JPY, except for %)

	FY2022 Results	FY2023 Results	YoY		YoY % (Excluding FX effects)	FY2023 Projections (November projection)	Progress rate (Excluding FX effects)
			As of end Dec. 2022	As of end Dec. 2023		Change	
Applied FX rate (USD/JPY)	JPY 132.7	JPY 141.8				JPY 149.5	
North America	278.2	359.9	81.6	29.3%	21.0%	318.0	119.3%
PHLY	62.1	88.7	26.5	42.8%	33.6%	77.0	121.6%
DFG	126.5	174.3	47.8	37.8%	28.9%	148.0	124.2%
TMHCC	79.7	102.3	22.5	28.3%	20.0%	106.0	101.8%
Europe	4.7	36.1	31.4	667.3%	574.3%	32.0	115.2%
South & Central America	14.2	38.5	24.2	169.6%	131.1%	34.0	115.2%
Asia & Oceania	- 87.3	30.0	117.3	-	-	23.0	132.2%
Middle East & Africa	1.3	2.1	0.8	63.2%	68.9%	2.0	111.7%
<b>Total Non-Life</b>	<b>214.3</b>	<b>452.2</b>	<b>237.8</b>	<b>111.0%</b>	<b>96.2%</b>	<b>391.0</b>	<b>120.9%</b>
<b>Life</b>	<b>- 0.3</b>	<b>- 21.3</b>	<b>- 21.0</b>	<b>-</b>	<b>-</b>	<b>- 4.0</b>	<b>-</b>
<b>Pure</b>	<b>22.6</b>	<b>26.8</b>	<b>4.2</b>	<b>18.8%</b>	<b>11.2%</b>	<b>29.0</b>	<b>97.8%</b>
<b>Total</b>	<b>218.6</b>	<b>436.9</b>	<b>218.3</b>	<b>99.8%</b>	<b>85.3%</b>	<b>395.0</b>	<b>116.1%</b>

## [FY2023 Results]

- North America: Record profit at PHLY, DFG, TMHCC for the third consecutive year\* (see pages 27-29 for details on the three main companies) \*: PHLY achieved the fourth consecutive year record profit under local accounting basis
  - PHLY: Maintained strong combined ratio of 91.9% with rate increases and favorable prior year loss reserves development, despite the impact of Nat Cats. Investment income was also strong
  - DFG: Strong profit increase as strong investment income and underwriting offset the impact of capital losses mainly due to CECL, further enhanced by favorable prior year loss reserves development
  - TMHCC: Steadily increased profits supported with controlled combined ratio (86.7%) decreased by -0.4pt from last year and investment income
- Europe
  - Steadily increased profits with controlled combined ratio at 85.7% and reversal effect of losses due to rise in interest rate in 2022
- South & Central America
  - Steadily increased profits mainly with the strong underwriting and asset management in 1H, despite some impact of intensified competition in auto in 2H and torrential rain, etc., in 4Q
- Asia & Oceania
  - Steadily increased profit with strong auto underwriting, etc., in Thailand and Indonesia, in addition to the reversal of COVID-19 losses in Taiwan
- Pure
  - Steadily increased profit with increased fee income from solid top-line growth

## ■ Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2022 Results	FY2023 Results	YoY		(Ref.) YoY % (Excluding FX effects <sup>*2</sup> )
			Change	%	
FX rates (USD/JPY)	As of end Dec. 2022	As of end Dec. 2023			
	JPY 132.7	JPY 141.8			
Net premiums written	491.8	556.5	64.7	13.2%	5.9%
Net premiums earned	476.7	538.4	61.6	12.9%	5.7%
Net incurred losses	299.4	324.6	25.1	8.4%	1.4%
Nat-Cat losses	23.8	28.4	4.6	19.4%	11.7%
Commissions & expenses	147.7	170.4	22.6	15.4%	7.9%
Underwriting profit	29.5	43.3	13.8	46.9%	37.4%
Net investment income / loss	47.4	66.8	19.3	40.7%	29.4%
Income gain / loss	58.7	85.9	27.1	46.2%	36.8%
Capital gain / loss	- 2.1	- 9.6	- 7.4	-	-
Business unit profits	62.1	88.7	26.5	42.8%	33.6%
Loss ratio <sup>*1</sup>	62.8%	60.3%	- 2.5pt	-	-
Expense ratio <sup>*1</sup>	31.0%	31.6%	0.7pt	-	-
Combined ratio <sup>*1</sup>	93.8%	91.9%	- 1.9pt	-	-

\*1: Denominator used is net premiums earned

\*2: Excluding FX effects due to yen conversion

## Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2022 Results	FY2023 Results	YoY		(Ref.) YoY % (Excluding FX effects <sup>2</sup> )
			Change	%	
FX rates (USD/JPY)	As of end Dec. 2022 JPY 132.7	As of end Dec. 2023 JPY 141.8			
Net premiums written	437.3	510.3	73.0	16.7%	9.2%
Net premiums earned	430.6	499.3	68.7	16.0%	8.5%
Net incurred losses	288.2	303.5	15.3	5.3%	- 1.5%
Nat-Cat losses	-	-	-	-	-
Commissions & expenses	120.0	144.4	24.3	20.3%	12.5%
Underwriting profit	22.2	51.3	29.0	130.4%	115.5%
Net investment income / loss	131.3	173.2	41.9	32.0%	52.7%
Income gain / loss	245.6	402.7	157.1	64.0%	53.4%
Capital gain / loss	- 21.9	- 47.7	- 25.7	-	-
Business unit profits	126.5	174.3	47.8	37.8%	28.9%
Loss ratio <sup>*1</sup>	66.9%	60.8%	- 6.1pt	-	-
Expense ratio <sup>*1</sup>	27.8%	28.9%	1.0pt	-	-
Combined ratio <sup>*1</sup>	94.8%	89.7%	- 5.1pt	-	-

<The reason why the sum of income gain/loss and capital gain/loss is not equal to net investment income/loss>

- This is because there are other ordinary income/losses that are not included in the left table
- Other ordinary income/losses mostly consist of funding cost for the annuity business, which corresponds to net investment income/loss in the left table

## Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2022 Results	FY2023 Results	YoY		(Ref.) YoY % (Excluding FX effects <sup>2</sup> )
			Change	%	
FX rates (USD/JPY)	As of end Dec. 2022 JPY 132.7	As of end Dec. 2023 JPY 141.8			
Non-life	211.6	244.7	33.0	15.6%	8.2%
Life	225.6	265.6	39.9	17.7%	10.1%
Total	437.3	510.3	73.0	16.7%	9.2%

## Loss Ratio by Segment<sup>\*1</sup>

	FY2022 Results	FY2023 Results	Change
Non-life	68.3%	57.4%	- 10.9pt
Life	65.7%	63.8%	- 1.9pt
Total	66.9%	60.8%	- 6.1pt

\*1: Denominator used is net premiums earned

\*2: Excluding FX effects due to yen conversion

## Changes in Major P/L Items

(billions of JPY, except for % and pt)

	FY2022 Results	FY2023 Results	YoY		(Ref.) YoY % (Excluding FX effects <sup>2</sup> )
	As of end Dec. 2022	As of end Dec. 2023	Change	%	
FX rates (USD/JPY)	JPY 132.7	JPY 141.8			
Net premiums written	707.1	773.4	66.3	9.4%	2.3%
Net premiums earned	703.1	771.5	68.3	9.7%	2.7%
Net incurred losses	463.2	479.1	15.8	3.4%	- 3.2%
Nat-Cat losses	9.5	7.8	- 1.7	- 18.2%	- 23.5%
Commissions & expenses	149.2	190.0	40.7	27.3%	19.1%
Underwriting profit	65.4	75.4	9.9	15.2%	7.8%
FX effect between foreign currency (USD/GBP,USD/EUR)	2.4	-4.1	- 6.4	- 275.6%	- 264.3%
Underwriting profit (excluding FX effect between foreign currency)	26.6	44.8	18.1	68.1%	62.8%
Net investment income / loss	35.8	56.3	20.5	57.2%	47.0%
Income gain / loss	40.3	61.1	20.8	51.5%	41.8%
Capital gain / loss	- 1.3	- 1.4	- 0.0	-	-
Business unit profits	79.7	102.3	22.5	28.3%	20.0%
Loss ratio <sup>*1</sup>	65.9%	62.1%	- 3.8pt	-	-
Expense ratio <sup>*1</sup>	21.2%	24.6%	3.4pt	-	-
Combined ratio <sup>*1</sup>	87.1%	86.7%	- 0.4pt	-	-

<The reason why “net premiums earned – net incurred losses – commissions & expenses” is not equal to underwriting profit>

- This is because there are items that are not included in the left table such as expenses of the shareholding company, etc., in addition to the FX effect between foreign currency

## Net Premiums Written by Segment

(billions of JPY, except for %)

	FY2022 Results	FY2023 Results	YoY		(Ref.) YoY % (Excluding FX effects <sup>2</sup> )
	As of end Dec. 2022	As of end Dec. 2023	Change	%	
FX rates (USD/JPY)	JPY 132.7	JPY 141.8			
Non-life : North America	277.5	272.7	- 4.7	- 1.7%	- 8.0%
A&H	219.3	252.3	33.0	15.1%	7.7%
International	208.8	247.5	38.7	18.5%	10.9%
Total	707.1	773.4	66.3	9.4%	2.3%

## Loss Ratio by Segment<sup>\*1</sup>

	FY2022 Results	FY2023 Results	Change
Non-life : North America	67.4%	64.6%	- 2.8pt
A&H	74.2%	73.3%	- 0.9pt
International	51.3%	46.2%	- 5.0pt
Total	65.9%	62.1%	- 3.8pt

\*1: Denominator used is net premiums earned

\*2: Excluding FX effects due to yen conversion



# FY2024 Projections

## [Reference]

Assumptions used for FY2024 Projections	
FX Rate USD / JPY	Nikkei Stock Average
JPY151.41 (Mar. 31, 2024)	JPY40,369 (Mar. 31, 2024)

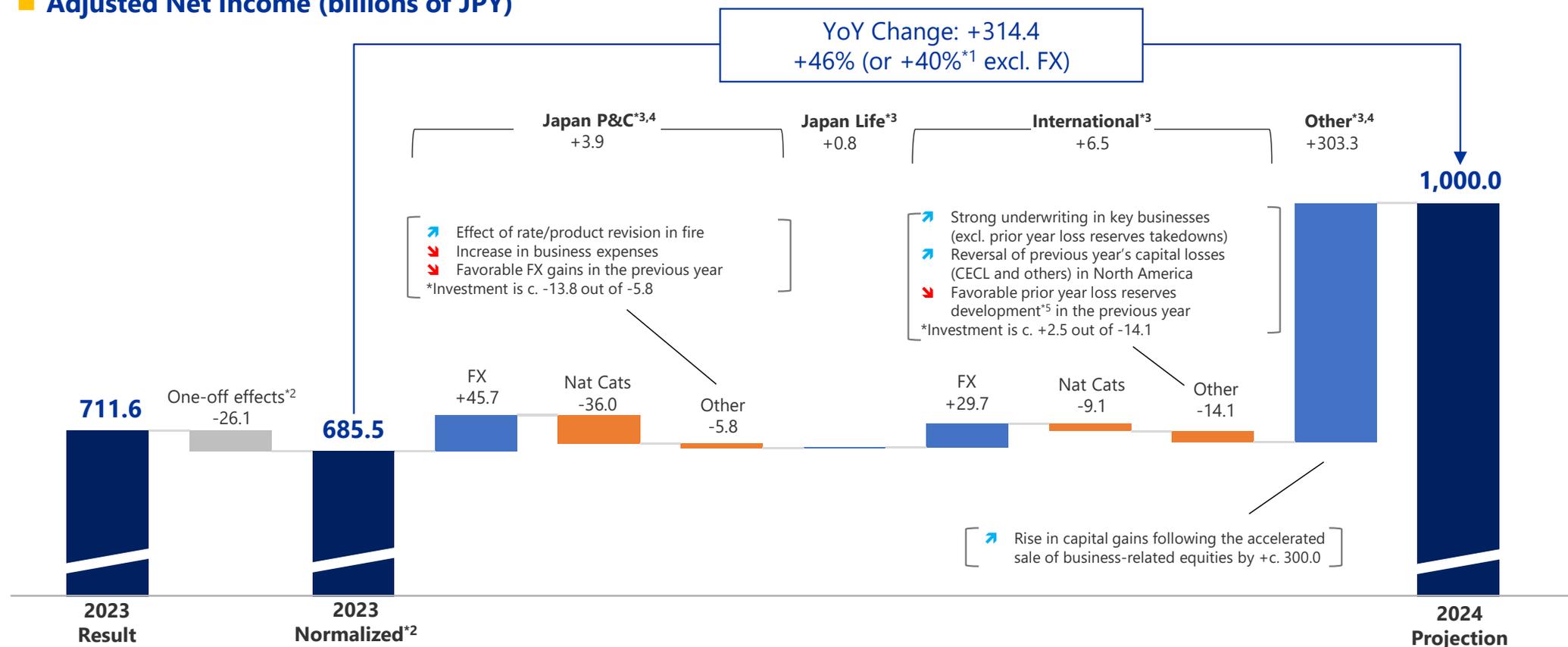
# Group: Adjusted Net Income Projection (YoY Change)

Group	Japan Life
Japan P&C	International



- Adjusted net income projected to be JPY1tn (+46% YoY) thanks to the accelerated sale of business-related equities (plan to sell equities worth JPY600.0bn in FY2024) despite increase in group total Nat Cats budget factoring in impact of Hyogo hail damage and the favorable prior year loss reserves development in the previous year

## Adjusted Net Income (billions of JPY)



\*1: Excluding FX effects due to yen conversion

\*2: Deducted the impact of following one-off effects +JPY26.1bn from the 2023 adjusted net income of JPY711.6bn

(1) Nat Cats c. -13.0, (2) capital gains / losses in North America, etc. c. -7.0, (3) gains on sales of business-related equities c. +47.0 (for part of sale exceeded JPY150.0bn),

(4) FX between foreign currencies c. -5.0, etc.

\*3: Japan P&C=TMNF. Japan Life=TMNL. All figures are business unit profits (Other: domestic non-life other than TMNF, finance / general businesses, gains / losses on sale of business-related equities, consolidation adjustments, etc.)

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

\*5: Prior year loss reserves development is not factored in the projection

- **Business unit profits are expected to increase by +JPY11.5bn YoY to JPY113.0bn mainly driven by reversal of provision for foreign currency denominated loss reserves, profitability improvement from rate and products revision in fire, and an increase in underwriting profit reflecting specialty insurance growth, partly offset by an increase in Nat Cats budgets, etc.**

(billions of JPY, except for %)

	FY2023 Results	FY2024 Projections	YoY Change
<b>Underwriting profit/loss</b>	<b>109.2</b>	<b>116.0</b>	6.7
(Underwriting profit/loss: excluding (1)-(5))	177.9	239.0	61.1
Net premiums written (Private insurance)	2,219.4	2,324.3	104.9
Net premiums earned (Private insurance)*1	2,231.1	2,315.9	84.7
Net incurred losses (Private insurance)*2	- 1,470.5	- 1,465.0	5.5
(1) Natural catastrophe losses in Japan	- 83.5	- 133.0	- 49.4
(2) Provision/Reversal of foreign currency denominated outstanding claims reserves	- 37.4	-	37.4
Other than above	- 1,349.5	- 1,332.0	17.4
Business expenses (Private insurance)	- 706.6	- 742.2	- 35.5
(3) Provision/Reversal of catastrophe loss reserves	30.7	16.4	- 14.2
Auto	59.3	65.0	5.7
Fire	- 22.4	- 36.3	- 13.9
(4) Provision/Reversal of nat-cat underwriting reserves	27.5	-	- 27.5
(5) Provision/Reversal of underwriting result for the first year*3	- 5.9	- 6.4	- 0.5
<b>Net investment income (loss) and other</b>	<b>319.2</b>	<b>664.1</b>	344.8
<b>Ordinary profit/loss</b>	<b>430.6</b>	<b>783.0</b>	352.3
Extraordinary gains/losses	- 9.8	- 6.7	3.1
<b>Net income/loss</b>	<b>420.7</b>	<b>588.0</b>	167.2
<b>Reconciliation of Business Unit Profits(P.52)</b>	<b>- 319.2</b>	<b>- 475.0</b>	- 155.7
<b>Business Unit Profits</b>	<b>101.4</b>	<b>113.0</b>	11.5

\*1 Excluding provision for nat-cat underwriting reserves

\*2 Including loss adjustment expenses

\*3 Provision for the general underwriting reserves excluding provision for unearned premiums (Notes)

1. Plus and minus of the figures in the above table correspond to positive and negative to profit respectively

2. Private insurance includes all lines excluding compulsory automobile liability insurance and residential earthquake insurance

Copyright (c) 2024 Tokio Marine Holdings, Inc.

- **Underwriting Profit** (excl. impact of Nat Cats and various reserves, etc.)

➤ Expected to increase by +JPY61.1bn YoY mainly led by the impact of rate revision and measures for improving profitability in fire, sales expansion in specialty, and reversal\* of the impact of the effects originated from international business in FY2023 despite a rise in business expenses

- **Business Unit Profits**

➤ Expected to rise by +JPY11.5bn YoY owing mainly to reversal of FX effects in the previous year (+JPY45.7bn) in addition to the above factors, despite increase in Nat Cats budget (c. -JPY36.0bn) including the impact of the Hyogo hail damage in April

## [Ref.] YoY Change in Reserves

- Provision / Reversal of Nat Cat underwriting reserves:

➤ Auto: Increase in reversals due to higher loss ratio

➤ Fire: Decrease in reversals with improved loss ratio

➤ Specialty: Decrease in reversals with improved loss ratio

\*: Reversal of the Hawaii wildfires (c. +JPY26.0bn before tax) and reversal of loss reserve development in overseas run-off reinsurance. They will be excluded from business unit profits

- Projected to increase by 4.7% mainly driven by the impacts of rate and products revision in fire and auto, rate increases of policies with low profitability, and implementation of growth measures for specialty insurance

(billions of JPY, except for %)

	FY2023 Results	FY2024 Projections	YoY	
			Change	%
Fire	417.9	458.3	40.4	9.7%
Marine	85.1	84.7	-0.3	-0.4%
P.A.	194.6	210.3	15.6	8.1%
Auto	1,135.5	1,174.7	39.2	3.5%
CALI	198.2	196.2	-2.0	-1.0%
Other	386.5	396.4	9.9	2.6%
<b>Total</b>	<b>2,417.9</b>	<b>2,521.0</b>	103.0	4.3%
<b>o/w Private insurance Total</b>	<b>2,219.4</b>	<b>2,324.3</b>	104.9	<b>4.7%</b>

- Fire
  - Realization of effect of past rates and products revisions
  - Impact of revision in Oct. 2024 (scheduled)
  - Rate increases of policies with low profitability and increase in insurance amount for inflation adjustment
- Marine
  - Higher revenue from rate increases
  - Lower revenue from decrease in logistics
- P.A.
  - Higher revenue from recovery in travel insurance
  - Higher revenue from expansion in sales of healthcare-related products (medical / income protection, etc.)
- Auto
  - Increase due to rates and products revision in Jan. 2024
  - Increase due to rates revision in Jan. 2025 (scheduled)
- CALI
  - Decrease due to lowering rates in April 2023 (-11.4%) (some effects of the rate decrease to be realized in FY2024 due to the structure)
- Other specialty
  - Increase through expansion of specialty insurance

- Projected to improve by -JPY5.5bn YoY mainly due to reversal of Hawaii wildfire (c. -JPY26.0bn), provision for foreign currency denominated loss reserves (-JPY37.4bn), and large losses, partly offset by a rise in Nat Cats budgets (+JPY49.4bn) considering the impact of hail damage in Hyogo in April

(billions of JPY, except for %)

	FY2023 Results	Domestic Nat-Cat losses	FY2024 Projections	Domestic Nat-Cat losses	YoY	
					Change	%
Fire	270.0	44.6	256.1		- 13.9	-5.1%
Marine	54.5	0.1	54.3		- 0.2	-0.5%
P.A.	120.5	-	121.5		1.0	0.9%
Auto	758.9	35.3	801.3		42.4	5.6%
Other	266.4	3.4	231.6		- 34.8	-13.1%
<b>Total</b>	<b>1,470.5</b>	83.5	<b>1,465.0</b>	133.0	<b>- 5.5</b>	-0.4%

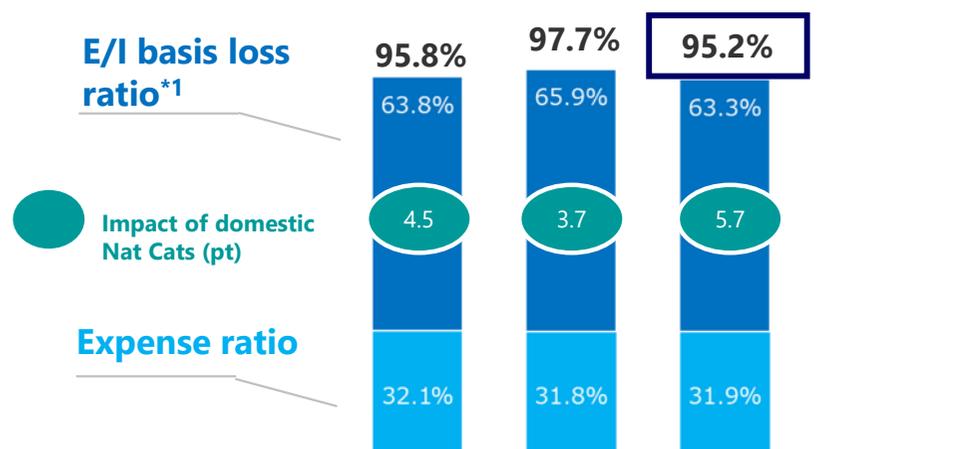
(Notes)

Including loss adjustment expenses in the above table

- Fire
  - Reversal of Hawaii wildfire (c. -JPY26.0bn) and large losses
  - Reversal of provision for foreign currency denominated loss reserves (c. -JPY9.0bn)
  - Increase in Nat Cat budget
- Marine
  - Expected to remain mostly flat YoY
- P.A.
  - Expected to remain mostly flat YoY
- Auto
  - More Nat Cats are expected (hail damage)
- Other specialty
  - Reversal of large losses, provision for foreign currency denominated loss reserves (c. -JPY24.0bn), and loss reserve development in overseas run-off reinsurance in FY2023

- E/I loss ratio is projected to improve by -2.7pt to 63.3%, and Expense ratio is expected to increase by +0.1pt to 31.9%
- Combined ratio is projected to improve by -2.6pt to 95.2%

## Combined ratio (private insurance E/I basis)



### E/I basis loss ratio

➔ Improve by -2.7pt due to revenue increase, a reversal of large losses despite deteriorating for auto mainly due to the impact of Nat Cats

### Expense ratio

➔ Admin expenses ratio is projected to raise by +0.1pt mainly due to increases in software amortization and personnel expenses despite the revenue increase

(Unit: billions of JPY)

	FY2022 Results	FY2023 Results	FY2024 Projections	YoY Change
Net premiums written	2,171.7	2,219.4	2,324.3	104.9
Net premium earned <sup>*2</sup>	2,138.2	2,231.1	2,315.9	84.7
Net incurred losses <sup>*1</sup>	1,363.7	1,470.5	1,465.0	-5.5
Business expenses	696.2	706.6	742.2	35.5
Admin expenses	245.8	250.7	266.7	16.0
Agency commissions	450.3	455.9	475.4	19.4

\*1 Including loss adjustment expenses

\*2 Excluding provision for nat-cat underwriting reserves

## E/I basis loss ratio<sup>\*1</sup>

	FY2023 Results	FY2024 Projections	YoY Change
Fire	62.0%	55.6%	- 6.5pt
Marine	64.5%	64.1%	- 0.4pt
P.A.	62.6%	59.5%	- 3.2pt
Auto	67.3%	68.8%	1.5pt
Other specialty	68.1%	57.9%	- 10.3pt
Private insurance total	65.9%	63.3%	- 2.7pt

- Thanks to an increase in sales of business-related equities, the net investment income and other is expected to increase by +JPY344.8bn to JPY664.1bn vs. the previous year

(billions of JPY)

	FY2023 Results	FY2024 Projections	YoY Change
<b>Net investment income and other</b>	319.2	664.1	344.8
<b>Net investment income</b>	361.1	709.5	348.4
<b>Net interest and dividends income</b>	257.9	242.0	- 15.8
Interest and dividends	289.2	271.0	- 18.1
Dividends from domestic stocks	77.9	72.1	- 5.7
Dividends from foreign stocks	125.6	113.0	- 12.6
Income from domestic bonds	15.4	13.2	- 2.1
Income from foreign bonds	1.6	1.4	- 0.2
Income from other domestic securities <sup>*1</sup>	0.6	- 1.5	- 2.2
Income from other foreign securities <sup>*2</sup>	46.2	54.0	7.7
Transfer of investment income on deposit premiums	- 31.2	- 28.9	2.2
<b>Net capital gains</b>	103.1	467.4	364.3
Gains/Losses on sales of securities	187.3	541.2	353.9
Impairment losses on securities	- 5.0	-	5.0
Impairment losses on domestic stocks	- 1.9	-	1.9
Impairment losses on foreign securities	- 2.5	-	2.5
Gains/Losses on derivatives	- 124.1	- 74.6	49.4
Foreign exchange gains/losses	43.7	-	- 43.7
Others	1.2	0.8	- 0.3
<b>Other ordinary income and expenses</b>	- 41.8	- 45.4	- 3.5

\*1 Income from domestic securities excluding domestic stocks and domestic bonds

\*2 Income from foreign securities excluding foreign stocks and foreign bonds

Note: Plus and minus of the figures in the above table correspond to positive and negative to profit respectively

- Net interest and dividends (income)
  - ↘ Decreases in dividends from overseas entities and business-related equities
  - ↗ An increase in realized gains from PE
- Net capital gains (capital)
  - ↗ An increase in gains on sales of securities
    - \* Sale of business-related equities are expected at JPY600.0bn (+JPY381.0bn vs. the previous year), with capital gains at JPY547.0bn (+JPY357.0bn vs. the previous year)
  - ↘ An increase in hedging costs
  - ↗ A rebound from an increase in derivative cost associated with JPY depreciation in the previous year (because FX is expected to remain stable for the beginning of the period)
  - ↘ A rebound from FX gains (because FX is expected to remain stable for the beginning of the period)

- Annualized premium of New Business is projected to increase mainly through expanded approaches to customers (a reform of customer contacts)
- Business unit profits are projected to increase mainly driven by accumulation of in-force policies and a rebound from rise in derivative costs associated with JPY depreciation in the previous year, partly offset by an increase in business expenses due to growth investment

(billions of JPY)

	FY2023 Results	FY2024 Projections	YoY	
			Change	%
<b>Annualized Premium of New Business</b>	49.2	54.0	4.7	9.7%
<b>Annualized Premium of Policies in-force</b>	779.9	776.0	- 3.9	- 0.5%
<b>Ordinary income</b>	989.4	969.0	- 20.4	-2.1%
Insurance premiums and other	785.7	768.0	- 17.7	-2.3%
<b>Net income</b>	39.7	40.0	0.2	0.6%
<b>Ordinary profit</b>	39.7	43.0	3.2	8.1%
(-) Capital gains / losses	- 2.0	- 29.0*	- 26.9	-
(-) Non-recurring income / losses	- 0.6	33.0*	33.6	-
<b>Core operating profit</b>	42.4	39.0	- 3.4	-8.2%
<b>Business unit profits</b>	41.1	42.0	0.8	2.0%
(Reference)				
<b>Value of New Business</b>	64.8	69.0	4.1	6.4%

## Annualized Premium of New Business

- ➔ Increased sales due to expanded approaches to customers (transformation of customer contacts)
- ➔ Increased sales due to the launch of new products

## Annualized Premium of In-force

- ➔ Decrease by the expected increase in the surrender & lapse of corporate owned life insurance

## Business Unit Profits

- ➔ Increase in profit due to accumulation of policies in-force
- ➔ Rebound from an increase in derivative costs associated with JPY depreciation in the previous year
- ➔ Increase in business expenses due to growth investment

## Value of New Business

- ➔ Expansion of the top-line centered on high-profitability products

\*: These are generally the impact of the reinsurance transaction. The existing policy blocks ceded by co-insurance result in non-recurring income (takedown of underwriting reserves, etc.), offset by capital losses (losses from the sale of securities)

(Blank Page)

# International 1: Net Premiums Written

Group

Japan Life

Japan P&C

International



- The net premiums written increase by +4.5% through steady rate increases and business expansion while maintaining underwriting discipline

(billions of JPY, except for %)

		FY2023 Results	FY2024 Projections	YoY		YoY % (Excluding FX effects <sup>*4</sup> )
Applied FX rate (USD/JPY)		As of end-Dec. 2023	As of end-Mar. 2024	Change	%	
		JPY 141.8	JPY 151.4			
International Business	North America <sup>*1</sup>	1,946.8	2,164.0	217.1	11.2%	4.1%
	PHLY	556.5	610.0	53.4	9.6%	2.7%
	DFG	510.3	561.0	50.6	9.9%	3.0%
	TMHCC	773.4	872.0	98.5	12.7%	5.6%
	Europe <sup>*2</sup>	220.7	257.0	36.2	16.4%	9.9%
	South & Central America	310.0	339.0	28.9	9.3%	5.8%
	Asia & Oceania	270.0	302.0	31.9	11.8%	8.2%
	Middle East & Africa	41.8	44.0	2.1	5.1%	0.7%
<b>Total Non-Life<sup>*3</sup></b>		<b>2,789.5</b>	<b>3,108.0</b>	318.4	11.4%	5.2%
<b>Life</b>		<b>120.5</b>	<b>111.0</b>	- 9.5	- 7.9%	- 10.5%
<b>Total</b>		<b>2,910.0</b>	<b>3,219.0</b>	308.9	10.6%	<b>4.5%</b>

The figures for International Business represent the total of International Business, including TMNF's branches outside of Japan, equity method investees, and unconsolidated companies, to align with the standards that have been disclosed in IR and other documents (the same applies to page 41)

\*1: The figures for North America include TMHCC's business in Europe but not TMK's business in North America

\*2: The figures for Europe include TMK's business in North America but not TMHCC's business in Europe

\*3: The figures for P&C Total include some life insurance figures of composite subsidiaries outside of Japan

\*4: FX impacts when converting to yen are excluded

(All of the notes above apply to page 41.)

## [Major Factors of Change]

### – North America

PHLY: Projected to increase mainly through rate increases while maintaining underwriting discipline

DFG: Projected to increase mainly through rate increases and business expansion primarily in P&C (excess WC)

TMHCC: Projected to increase mainly through business expansion while maintaining underwriting discipline

### – Europe

Projected to increase mainly through rate increases and business expansion while maintaining underwriting discipline in Lloyd's business

### – Central and South America

Projected to increase by steadily absorbing market growth while maintaining underwriting discipline

### – Asia and Oceania

Projected to increase mainly through steady implementation of growth strategies at each entity

# International 2: Business Unit Profits

- Profits are projected to increase by +4.1% due to the impact of JPY depreciation (c. +JPY29.0bn) and through the achievement of steady growth while maintaining C/R at a low level (of 92%) as a whole, despite a rebound from takedown of prior year loss reserves (c. -JPY29.0bn. Takedown is not incorporated in each year's original plan) and a certain level of decreased profits expected in Brazil, which achieved record profit in 2023
- Profits are projected to rise c. +JPY6.0bn, excluding the impact of JPY depreciation (+JPY29.7bn), a rebound from one-off effects such as Nat Cats (c. +JPY12.0bn), and takedown of prior year loss reserves (c. -JPY29.0bn\*)

\* North America major entities (PHLY, DFG, TMHCC): c. -JPY46.0bn, loss reserve development in overseas run-off reinsurance: c. +JPY17.0bn, etc.

(billions of JPY, except for %)

		FY2023 Results	FY2024 Projections	YoY		YoY % (Excluding FX effects)
				Change	%	
Applied FX rate (USD/JPY)		As of end- Dec. 2023	As of end- Mar. 2024			
		JPY 141.8	JPY 151.4			
	North America	359.9	371.0	11.0	3.1%	- 3.4%
	PHLY	88.7	88.0	- 0.7	- 0.9%	- 7.2%
	DFG	174.3	171.0	- 3.3	- 1.9%	- 8.1%
	TMHCC	102.3	112.0	9.6	9.4%	2.5%
	Europe	36.1	40.0	3.8	10.7%	4.4%
	South & Central America	38.5	27.0	- 11.5	- 29.9%	- 32.1%
	Asia & Oceania	30.0	26.0	- 4.0	- 13.5%	- 16.1%
	Middle East & Africa	2.1	2.0	- 0.1	- 6.6%	- 7.4%
<b>Total Non-Life</b>		<b>452.2</b>	<b>460.0</b>	7.7	1.7%	- 4.1%
<b>Life</b>		<b>- 21.3</b>	<b>- 12.0</b>	9.3	-	-
<b>Pure</b>		<b>26.8</b>	<b>33.0</b>	6.1	22.7%	14.9%
<b>Total</b>		<b>436.9</b>	<b>455.0</b>	18.0	<b>4.1%</b>	- 2.3%

## [Major Factors of Change]

- Major entities in North America (PHLY, DFG, and TMHCC)

Despite the favorable prior year loss reserves development in 2023 (c. -JPY46.0bn), these entities projected to continue to expand income gains and improve capital gains/losses while maintaining C/R at a low level.

As a result, PHLY and DFG projected to decrease the profit (increase when excluding the impact of prior year loss reserves), while TMHCC projected to increase

- Europe

Projected to increase the profits by continuing to maintain high profitability in underwriting

- Central and South America

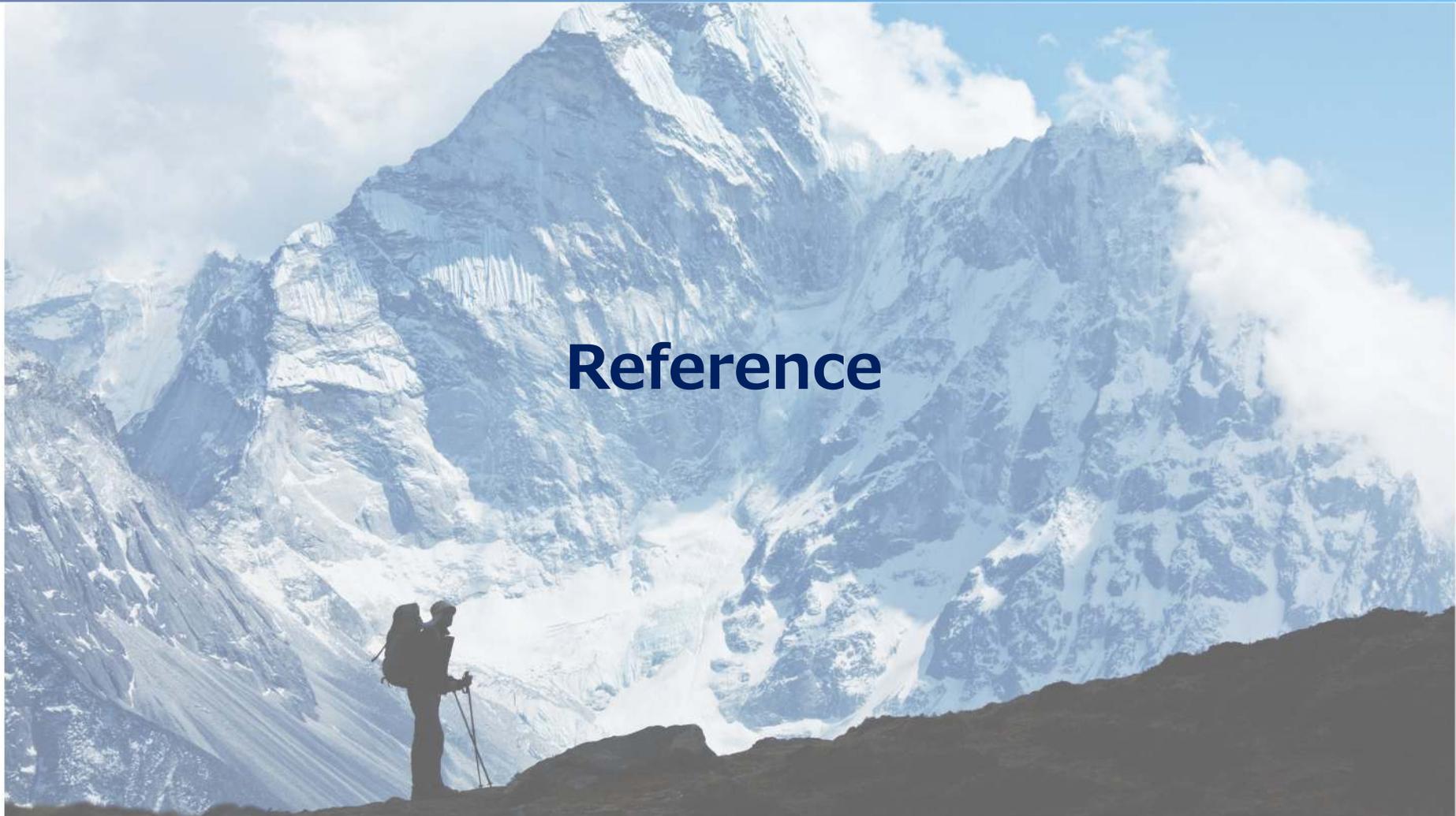
Projected to decrease the profits from 2023, following very good results, mainly due to intensified competition in auto insurance, although it continues to maintain maintaining C/R at a low level

- Asia and Oceania

Projected to decrease mainly due to the favorable prior year loss reserves development related to COVID-19 in Taiwan in 2023

- Pure

Projected to increase due to increased fee income through a steady growth in topline



# Business Unit Profit based P&L



Figures for each item are on a business unit profit basis and differ from financial accounting. Please refer to "Business Unit Profit based P&L" posted on our website for FY2022 results and YoY change. <https://www.tokiomarinehd.com/en/ir/event/presentation/2023/>

FY2023 (Actual)	Japan P&C <sup>1</sup>	Japan Life <sup>2</sup>	Inter- national	North America	PHLY	DFG	TMHCC	Europe	South & Central America	Asia & Oceania	Middle East & Africa	Life	Pure	(Business Unit Profit basis, unit: billions of JPY)		
														Capital gains from sale of biz- related equities	Others	Group total Adjusted net income
<b>Top Line</b>	<b>2,121.2</b>	<b>428.8</b>	<b>2,910.0</b>	<b>1,946.8</b>	<b>556.5</b>	<b>510.3</b>	<b>773.4</b>	<b>220.7</b>	<b>310.0</b>	<b>270.0</b>	<b>41.8</b>	<b>120.5</b>				
Non-Life	2,121.2	-	2,789.5	1,946.8	556.5	510.3	773.4	220.7	310.0	270.0	41.8	-				
Life	-	428.8	120.5	-	-	-	-	-	-	-	-	120.5				
<b>Net premium earned</b>	<b>2,135.7</b>		<b>2,718.0</b>	<b>1,909.4</b>	<b>538.4</b>	<b>499.3</b>	<b>771.5</b>	<b>221.0</b>	<b>290.2</b>	<b>268.0</b>	<b>28.5</b>					
<b>Net incurred losses</b>	<b>1,376.0</b>		<b>1,632.0</b>	<b>1,191.0</b>	<b>324.6</b>	<b>303.5</b>	<b>479.1</b>	<b>91.5</b>	<b>149.3</b>	<b>160.9</b>	<b>16.9</b>					
Nat-Cat losses	83.5		79.1	68.4	28.4	-	7.8	8.1	2.2	0.2	-					
<b>Commissions &amp; expenses</b>	<b>675.0</b>		<b>844.0</b>	<b>540.3</b>	<b>170.4</b>	<b>144.4</b>	<b>190.0</b>	<b>97.7</b>	<b>101.5</b>	<b>91.5</b>	<b>12.6</b>					
<b>Underwriting profit</b>	<b>84.7</b>		<b>220.6</b>	<b>151.4</b>	<b>43.3</b>	<b>51.3</b>	<b>75.4</b>	<b>38.3</b>	<b>38.4</b>	<b>15.1</b>	<b>▲0.9</b>					
L/R	64.4%		60.0%	62.4%	60.3%	60.8%	62.1%	41.4%	51.4%	60.0%	59.4%					
E/R	31.8%		31.1%	28.3%	31.6%	28.9%	24.6%	44.2%	35.0%	34.2%	44.1%					
C/R	96.3%		91.1%	90.7%	91.9%	89.7%	86.7%	85.7%	86.4%	94.2%	103.5%					
<b>Net investment income / loss</b>	<b>44.9</b>		<b>369.1</b>	<b>306.7</b>	<b>66.8</b>	<b>173.2</b>	<b>56.3</b>	<b>9.1</b>	<b>18.6</b>	<b>27.6</b>	<b>3.5</b>					
Income gain / loss	143.9		582.7	535.4	85.9	402.7	61.1	7.9	17.9	22.5	2.2					
Capital gain /loss	▲82.6		▲60.0	▲58.6	▲9.6	▲47.7	▲1.4	▲0.9	0.2	▲0.6	-					
<b>Net profits</b>	<b>101.4</b>	<b>41.1</b>	<b>436.9</b>	<b>359.9</b>	<b>88.7</b>	<b>174.3</b>	<b>102.3</b>	<b>36.1</b>	<b>38.5</b>	<b>30.0</b>	<b>2.1</b>	<b>▲21.3</b>	<b>26.8</b>	<b>135.8</b>	<b>▲3.8</b>	<b>711.6</b>

\*1: TMNF \*2 : TMNL

- DFG has successfully increased returns of TM Group's CRE Loan by demonstrating strong expertise in making selective investments
- Incurred -JPY47.0bn<sup>\*1</sup> of capital loss including -JPY34.0bn<sup>\*1</sup> of CECL in FY2023, following a detailed review of individual accounts, with no significant dollar deterioration observed thereafter
- Anticipate an increase in returns of +JPY21.0bn<sup>\*2</sup> in FY2024, primarily attributed to smaller capital losses of -JPY12.0bn despite the decrease in income gain due to lower interest rates

## Investment Return on CRE Loans (Group basis, billions of JPY)

	FY2023 February Projections <sup>*1</sup>	FY2023 Results <sup>*1</sup>	Change
Investment income	161.0	161.0	-
Capital	-47.0	-47.0	-
o/w CECL	-34.0	-34.0	-
o/w Impairment loss	-16.0	-16.0	-
Total	114.0	114.0	-

FY2024 Projections <sup>*2</sup>	Change
147.0	-14.0
-12.0	+35.0
135.0	+21.0

## (Reference) Investment Return of Group Companies in North American (billions of JPY)

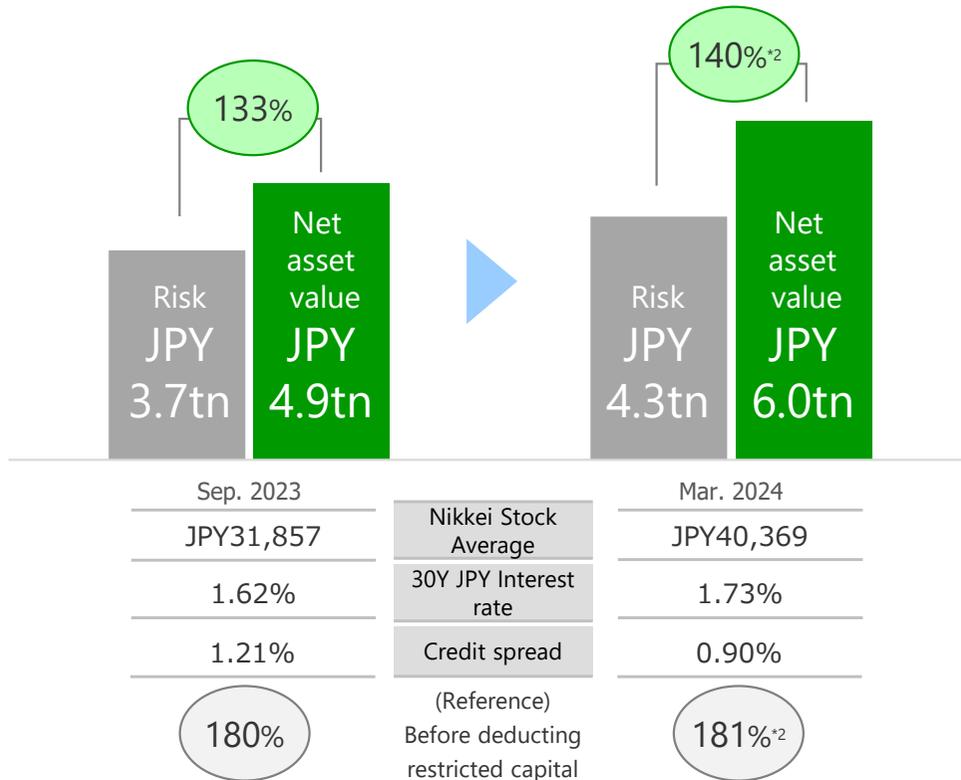
	FY2023 Results <sup>*1</sup>	FY2024 Projections <sup>*2</sup>	Change
Investment income	473.0	532.0 <sup>*3</sup>	+59.0
Capital	-61.0	-37.0	+24.0
(of which CECL)	-36.0		
(of which impairment)	-23.0		
Total	412.0	495.0	+83.0

\*1: Before tax, FX rate as of Dec. 31, 2023    \*2: Before tax, FX rate as of Mar. 31, 2024

\*3: Investment income will be driven by the expansion of AUM on the back of strong underwriting, despite the lower yields expected from the interest rate cuts

- ESR as of Mar. 31, 2024 stood at 140% (or 135% after share buyback), mainly reflecting profit contributions in 2H, stock price increases, shareholder return and execution of growth strategies

## ESR\*1



### Factors changing net asset value

- ➔ Stock price increases
- ➔ Contribution of 2H adjusted net income
- ➔ Credit spread tightening
- ➔ Shareholder return, etc

### Factors changing risk

- ➔ Stock price increases
- ➔ Increase in AUM, etc

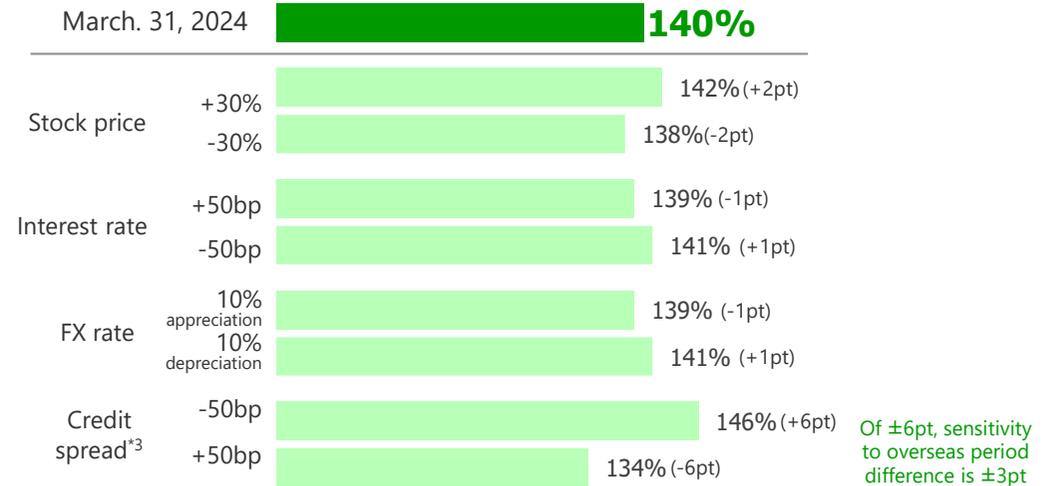
\*1: Economic Solvency Ratio (calculated with a model based on 99.95% VaR (equivalent to AA credit rating))  
 Net asset value of overseas subsidiaries shows the balance as of three months earlier (June 30, 2023 and Dec. 31, 2023)

\*2: 135% after a JPY200.0bn share buy-back (176% before deducting restricted capital)

\*3: Due to different consolidated accounting periods adopted by overseas subsidiaries (refer to \*1), the period of credit spread fluctuations reflected on ESR differ

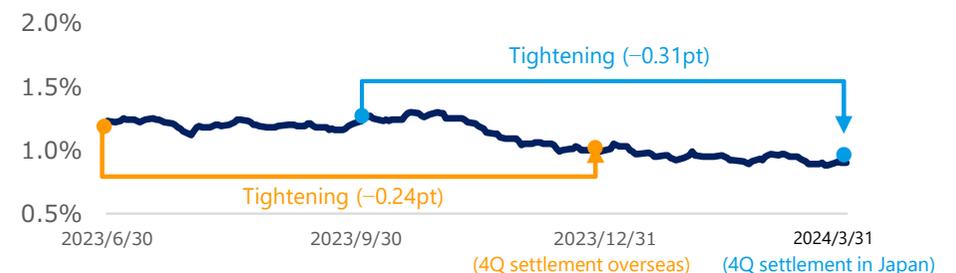
\*4: Source Bloomberg

## ESR Sensitivity (based on parallel shift)



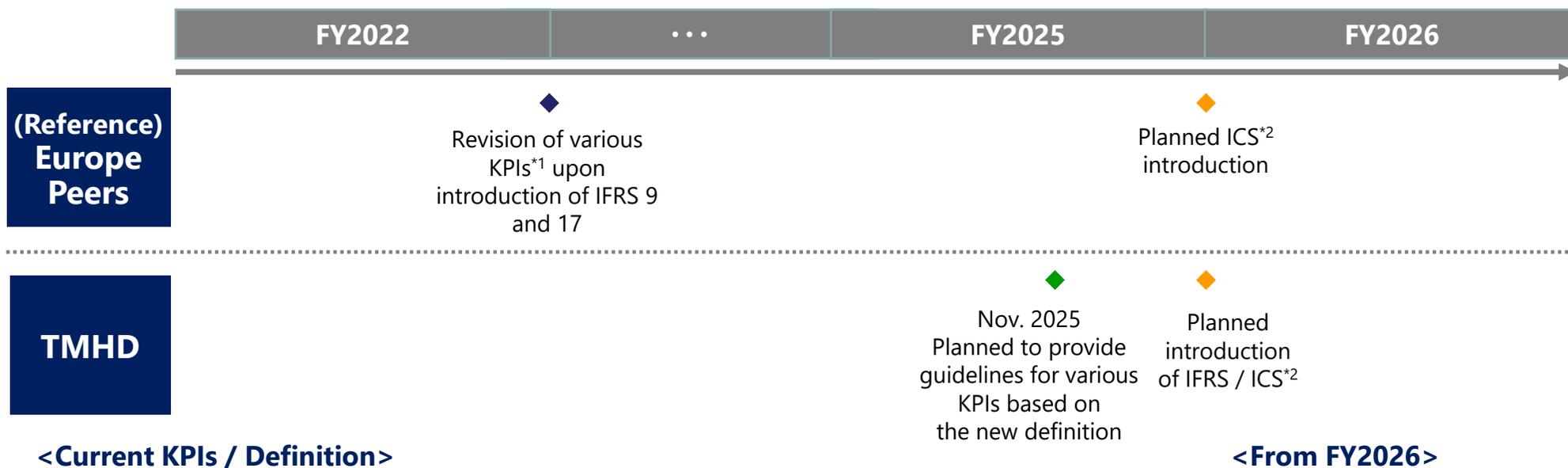
Stock price: Sharply accelerate sales of business-related equities  
 Interest rate: Control the impact of interest-rate fluctuations through ALM  
 FX: Limited impact on ESR  
 Credit: Allow risk-taking within the risk limit

<Reference> Credit spread of US corporate bonds\*4



# Review of Indicators for Introduction of IFRS / ICS

- IFRS / ICS to be introduced at the end of FY2025
- Considering the impact of the introduction and comparability with peers (who revised various KPI indicators upon introduction of IFRS 9 and 17), review of various indicators and definitions is planned in FY2026



<Current KPIs / Definition>		<From FY2026>
Profit indicators	Adjusted Net Income / Business Unit Profits	<b>Based on new definitions</b>
ROE	Adjusted ROE	
Dividend Policy	Adjusted net income (5Y average) x Dividend payout ratio (currently 50%)	
ESR	Current ESR (confidence level: 99.95 VaR)	
Target	100-140%	

\*1: Profit indicators, etc.  
Europe Peers: Allianz, AXA, Zurich  
Source: Company data

\*2: Insurance Capital Standard. International Association of Insurance Supervisors is expected to introduce a prescribed capital requirement for Internationally Active Insurance Groups by the end of FY2025  
In Japan, it is expected to be introduced as the "Economic Value-based Solvency Framework"

## Adjusted Net Income (Group total)

Enhancing transparency and comparability /  
Linking with shareholder return

- For the Group total, “Adjusted Net Income” based on financial accounting is used from the perspective of enhancing transparency and comparability as well as linking with shareholder return
- Profit indicator for the Group total as the base for calculating capital efficiency (adjusted ROE) and source of dividends

## Business Unit Profits

Creating long-term corporate value

- For each business domain, “Business Unit Profits” is used from the perspective of accurately assessing corporate value including economic value, etc. for the purpose of long-term expansion

### <Main differences>

		Adjusted Net Income	Business Unit Profits
Domestic Non-life	Gains or losses on sale of business-related equities	Included	Excluded
	Provision for reserves of capital nature, etc.	Excluded	Excluded
Other than the above	Amortization expense of goodwill and other intangible fixed assets	Excluded	Excluded

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

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

$$\begin{aligned} \text{Adjusted Net Assets}^{*1} = & \text{Net assets (consolidated)} + \text{Catastrophe loss reserves} + \text{Contingency reserves} + \text{Price fluctuation reserves} + \text{Nat Cats underwriting reserves}^{*4} + \text{UW reserves related to underwriting result for the first year}^{*5} \\ & - \text{Goodwill and other intangible fixed assets} \end{aligned}$$

$$\text{Adjusted ROE} = \frac{\text{Adjusted Net Income}^{*1}}{\text{Adjusted Net Assets}^{*1,8}}$$

\*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

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

### Life insurance business<sup>\*9</sup>

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

### Other businesses

Net income determined in accordance with financial accounting principles

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

## Definition of Net Asset Value

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

# Reconciliation of Adjusted Net Income: FY2023 Results and FY2024 Projections



(billions of JPY)

## ● Reconciliation<sup>\*1</sup>

Note: Factors positive to profit are shown with a plus sign

	FY2022 Results	FY2023 Results	YoY Change	FY2024 Projections	YoY Change
<b>Net income attributable to owners of the parent (consolidated)</b>	<b>376.4<sup>*5</sup></b>	<b>695.8</b>	<b>319.3</b>	<b>870.0</b>	<b>174.1</b>
Provision for catastrophe loss reserves <sup>*2</sup>	-4.9	-23.9	-19.0	-11.0	12.9
Provision for contingency reserves <sup>*2</sup>	+2.0	+2.3	0.3	+3.0	0.6
Provision for price fluctuation reserves <sup>*2</sup>	-4.2	+5.6	9.9	+6.0	0.3
Provision for nat-cat underwriting reserve <sup>*2,3</sup>	+0.8	-20.0	-20.9	-	20.0
Provision for underwriting result for the first year	-33.2	+2.7	35.9	+5.0	2.2
Gains or losses on sales or valuation of ALM <sup>*4</sup> bonds and interest rate swaps	+0.1	+2.5	2.4	+5.0	2.4
Gains or losses on sales or valuation of fixed assets and business investment equities	+3.6	-78.0	-81.6	+1.0	79.0
Amortization of goodwill and other intangible fixed assets	+118.7	+124.2	5.4	+126.0	1.7
Other extraordinary gains/losses, valuation allowances, etc.	-15.3	+0.2	15.6	-	-0.2
<b>Adjusted Net Income</b>	<b>444.0</b>	<b>711.6</b>	<b>267.5</b>	<b>1,000.0</b>	<b>288.3</b>

\*1 Each adjustment is on post-tax basis

\*2 In case of reversal, it is subtracted from the equation

\*3 Unearned premiums for fire insurance corresponding to the risk of large-scale Nat Cats

\*4 ALM: Asset Liability Management. Excluded since it is the counter-balance of ALM related liabilities

\*5 Figures for FY2022 in this slide are before retrospective application of IFRS17

# Adjusted Net Assets / ROE (FY2023 Results and FY2024 Projections)



(billions of JPY)

## Adjusted Net Assets\*<sup>1</sup>

	FY2023 Results	FY2024 Projections	YoY Change
<b>Net assets(consolidated)</b>	<b>5,176.6</b>	<b>5,365.0</b>	<b>188.3</b>
Catastrophe loss reserves	+790.7	+780.0	-10.7
Contingency reserves	+48.9	+52.0	3.0
Price fluctuation reserves	+101.0	+107.0	5.9
Nat-Cat underwriting reserves	+0.4	+0.0	-0.4
Provision of underwriting result for the first year	+34.2	+39.0	4.7
Goodwill and other intangible fixed assets	-770.6	-644.0	126.6
<b>Adjusted Net Assets</b>	<b>5,381.4</b>	<b>5,698.0</b>	<b>316.6</b>

\*1 Each adjustment is on after-tax basis

\*2 Average balance basis

## Adjusted ROE

	FY2023 Results	FY2024 Projections	YoY Change
<b>Net income(consolidated)</b>	<b>695.8</b>	<b>870.0</b>	<b>174.1</b>
<b>Net assets(consolidated)<sup>*2</sup></b>	<b>4,403.8</b>	<b>5,271.0</b>	<b>867.1</b>
<b>Financial accounting basis ROE</b>	<b>15.8%</b>	<b>16.5%</b>	<b>0.7pt</b>
	<b>FY2023 Results</b>	<b>FY2024 Projections</b>	<b>YoY Change</b>
<b>Adjusted Net Income</b>	<b>711.6</b>	<b>1,000.0</b>	<b>288.3</b>
<b>Adjusted Net Assets<sup>*2</sup></b>	<b>4,590.3</b>	<b>5,540.0</b>	<b>949.6</b>
<b>Adjusted ROE</b>	<b>15.5%</b>	<b>18.1%</b>	<b>2.5pt</b>

# Reconciliation of Business Unit Profits (FY2023 Results and FY2024 Projections)



## ● Japan P&C\*1 (TMNF)

	FY2023 Results	FY2024 Projections	YoY
<b>Net income for accounting purposes</b>	<b>420.7</b>	<b>588.0</b>	<b>167.2</b>
Provision for catastrophe loss reserves*2	-20.1	-9.9	10.2
Provision for price fluctuation reserves*2	+4.4	+4.4	-
Provision for nat-cat underwriting reserves*2,3	-19.8	-	19.8
Provision for underwriting result for the first year	+4.2	+4.6	0.4
Gains or losses on sales or valuation of ALM*4 bonds and interest rate swaps	+2.3	+4.4	2.1
Gains or losses on sales or valuation of fixed assets, business-related equities, and business investment equities	-212.7	-394.0	-181.2
Intra-group dividends	-112.7	-99.2	13.4
Other extraordinary gains/losses, valuation allowances, etc	+35.3	+14.3	-21.0
<b>Business Unit Profits</b>	<b>101.4</b>	<b>113.0</b>	<b>11.5</b>

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

\*2 In case of reversal, it is subtracted from the equation

\*3 Unearned premiums for fire insurance corresponding to the risk of large-scale Nat Cats

\*4 ALM: Asset Liability Management. Excluded since it is the counter-balance of ALM related liabilities

\*5 Extraordinary gains/losses, head office expenses, etc.

## ● Japan Life\*1

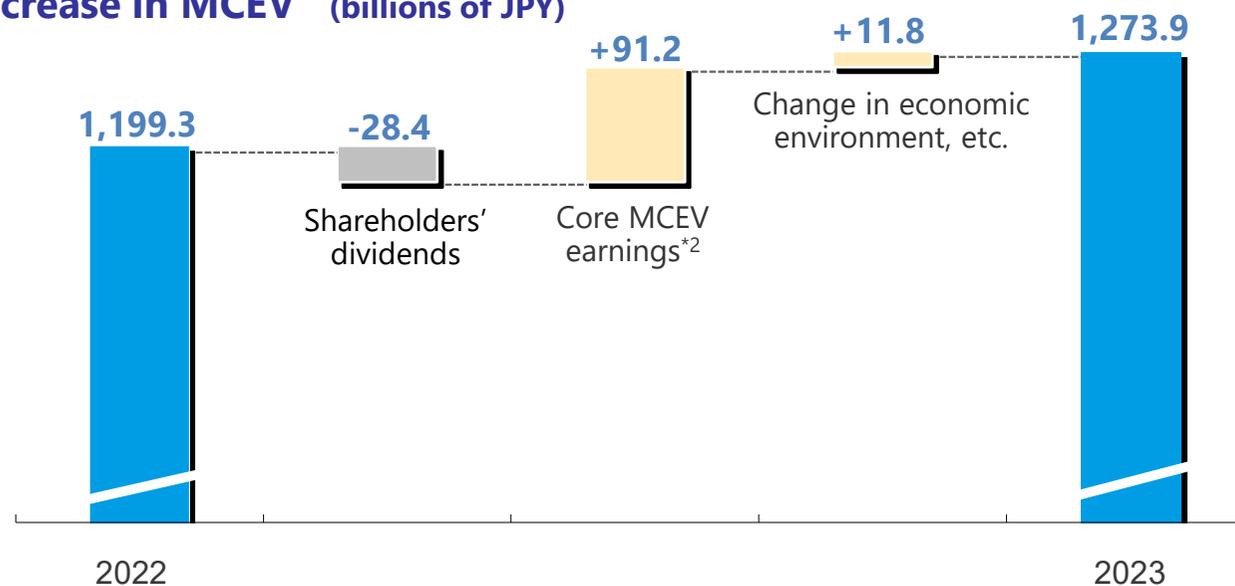
(billions of JPY)

	FY2023 Results	FY2024 Projections	YoY
<b>Net income for accounting purposes</b>	<b>39.7</b>	<b>40.0</b>	<b>0.2</b>
Provision for contingency reserves*2	+ 0.3	+ 0.6	0.2
Provision for price fluctuation reserves*2	+ 0.7	+ 0.7	0.0
Gains or losses on sales or valuation of ALM*4 bonds and interest rate swaps	+ 0.2	+ 0.8	0.6
Gains or losses on sales or valuation of fixed assets, business-related equities, and business investment equities	+ 0.0	+ 0.0	▲ 0.0
Other extraordinary gains/losses, valuation allowances, etc	-	-	-
<b>Business Unit Profits</b>	<b>41.1</b>	<b>42.0</b>	<b>0.8</b>

## ● International Business\*1

	FY2023 Results	FY2024 Projections	YoY
<b>Net income for accounting purposes</b>	<b>481.8</b>	<b>465.0</b>	<b>-16.8</b>
Adjustment of non-controlling interests	+2.2		
Difference of subsidiaries covered	-38.5		
Other adjustments*5	-8.4		
<b>Business Unit Profits</b>	<b>436.9</b>	<b>455.0</b>	<b>18.0</b>

## ● Breakdown of increase in MCEV<sup>\*1</sup> (billions of JPY)



Year-end MCEV <sup>*3</sup>	1,199.3	1,273.9
MCEV earnings <sup>*4</sup>		103.0

\*1: Figures are before review by an independent third party

\*2: Value of new business + Value of in-force contribution

\*3: Figures are after payment of shareholders' dividends of the prior fiscal year

\*4: Excluding the effects of payment of shareholders' dividends

## ● Breakdown of MCEV balance & Value of New Business, etc. (billions of JPY)

	FY2022	FY2023	YoY Change
<b>Year-end MCEV</b>	<b>1,199.3</b>	<b>1,273.9</b>	<b>74.6</b>
Adjusted net worth	48.7	- 340.1	- 388.9
Value of in-force	1,150.6	1,614.1	463.5
<b>Value of new business</b>	<b>75.0</b>	<b>64.8</b>	<b>- 10.1</b>
<b>Core MCEV earnings<sup>*2</sup></b>	<b>100.9</b>	<b>91.2</b>	<b>- 9.6</b>

Note: Figures are before review by an independent third party

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

- Estimated impact of the depreciation of JPY to USD by 1 yen\*<sup>1</sup>

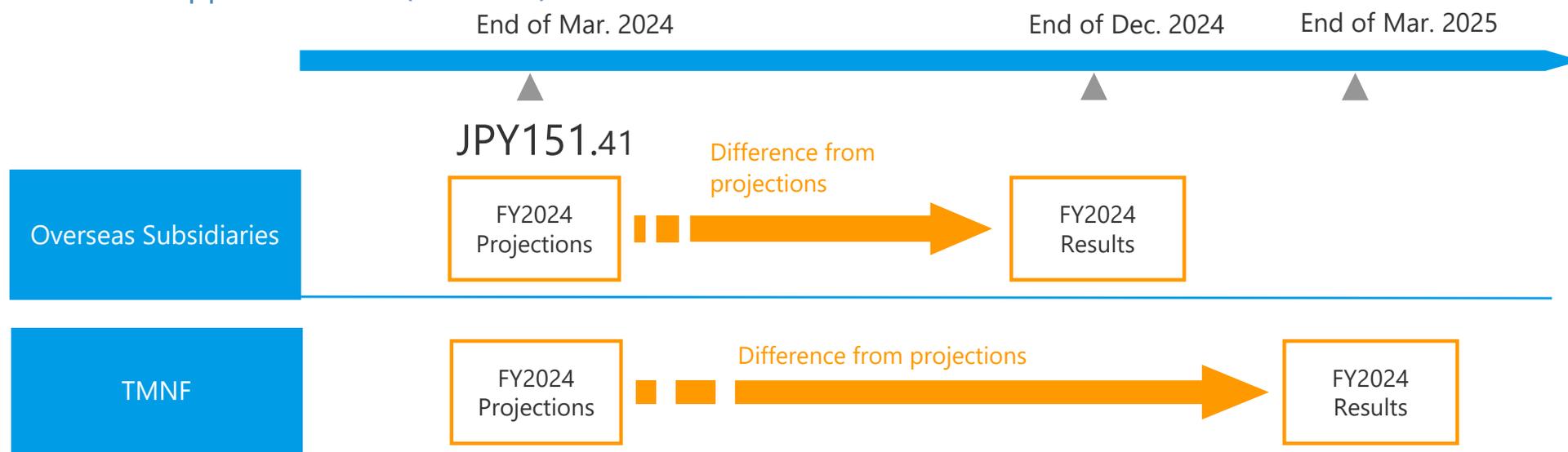
Impact on net income on financial accounting basis* <sup>2</sup>	
<ul style="list-style-type: none"> <li>■ Increase in overseas subsidiaries profit:                             <ul style="list-style-type: none"> <li>➤ Increase in profit from local subsidiaries</li> <li>➤ Increase in amortization of intangible fixed assets and goodwill</li> </ul> </li> <li>■ Change in reserves for foreign currency denominated loss reserves and FX derivatives income, etc. at TMNF:</li> </ul>	circa +¥2.4bn  circa -¥2.5bn
<b>Total:</b>	circa -¥0.1bn

Impact on adjusted net income* <sup>2</sup>	
<ul style="list-style-type: none"> <li>■ 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)</li> <li>■ Change in reserves for foreign currency denominated loss reserves and FX derivatives income, etc. at TMNF:</li> </ul>	circa +¥3.0bn  circa -¥2.5bn
<b>Total:</b>	circa +¥0.5bn

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

\*2: Estimated impact on the FY2024 projections on an after-tax basis

- Reference: applied FX rate (USD/JPY)



## **Disclaimer**

**These presentation materials include business projections and forecasts relating to expected financial and operating results of Tokio Marine Holdings and certain of its affiliates in current and future periods. All such forward looking information is based on information and assumptions available to Tokio Marine Holdings when the materials were prepared and is subject to a range of inherent risks and uncertainties. Actual results may vary materially from those estimated, anticipated, expected or projected in the accompanying materials and no assurances can be given that any such forward looking information will prove to have been accurate. Investors are cautioned not to place undue reliance on forward looking statements in these materials. Tokio Marine Holdings undertakes no obligation to update or revise any of this forward looking information, whether as a result of new information, recent or future developments, or otherwise.**

**These presentation materials do not constitute an offering of securities in any jurisdiction. To the extent distribution of these presentation materials or the information included herein is restricted by law, persons receiving these materials must inform themselves of and observe any such restrictions.**

**For further information...**

**Investor/Shareholder Relations Group, Global Communications Dept.  
Tokio Marine Holdings, Inc.**

**URL : [www.tokiomarinehd.com/en/inquiry/](http://www.tokiomarinehd.com/en/inquiry/)**

*Inspiring Confidence.  
Accelerating Progress.*



**Tokio Marine Holdings**

TOKIOMARINE