

## **Presentation Script for FY2025 Results Conference Call**

### **1. Presentation by CFO Endo**

- Good afternoon and good evening, everyone. I am Endo. Thank you very much for joining this conference call today, despite your busy schedules.
- I took over as CFO from Mr. Okada in April. As CFO, I aspire to contribute to improving corporate value while continuing to focus on dialogue with participants in the capital markets, and I very much appreciate your support.
- Let's get started. But before that, I'll briefly explain the method used for the financial results disclosure.
- As explained in the IFRS and ICS Implementation Overview presentation in September 2025, we transitioned to IFRS as our accounting standards at the end of FY2025 and revised KPI definitions, including Adjusted Net Income. During the transition period, figures up to and including the FY2025 results will be presented on a JGAAP basis under the previous definitions, and figures from FY2026 projections will be presented on an IFRS basis under the new definitions. We have also revised the presentation material. The purpose was to make our disclosures "simpler" and "easier to understand," and we referenced the presentation by our European peers, who introduced IFRS ahead of us, as we believe you are used to their style. For detailed data, please refer to our website under "Supplemental data of Group (IFRS)," which is presented in Excel format.
- The introduction was a bit long, but please turn to page 1 of the material.

[Core KPI]

- Here are our Core KPIs, "EPS," and "ROE."
- JGAAP figures are presented alongside IFRS figures to confirm progress towards the current MTP.

Under both methods, steady profit growth, combined with the impact of share buybacks on the denominator, has led to strong EPS growth.

On the other hand, the ROE has remained flat at 13%. This is due to our definition of ROE, and the underlying ROE is trending higher.

More specifically, we are in the process of selling business-related equities, which have a lower ROR than the core insurance business, and reinvesting the proceeds

in businesses with higher ROR. However, because our definition of ROE “excludes unrealized profits from the denominator,” selling the business-related equities to realize gains and convert them into cash increases the denominator, creating downward pressure on ROE.

Profits, the numerator of the ROE, are steadily growing. However, the ROE remained flat due to an increased denominator from the sale of business-related equities. This is purely due to our definition of ROE, and actual performance is improving.

Additionally, this structure will continue until we achieve “zero” business-related equities in FY2029. We appreciate your understanding that we are in the process of achieving further profit growth by deploying the risk release from the sale of business-related equities and improving ROE.

[2025 Results]

- I will now explain the FY2025 results. Please turn to page 2.
- Our top-line growth, shown in the graph on the left, was “+1% YoY” for the Group. This was due to a decline in life insurance premiums resulting from the impact of the additional block reinsurance executed by TMNL in March 2026. The P&C top-line steadily increased by +6% YoY for International and +3% YoY for Japan P&C.
- Next is our Adjusted Net Income. Our business prioritizes “core insurance profit,” defined as “Adjusted Net Income excluding capital gains from the sale of business-related equities.” On an actual basis, as shown in the middle graph, profit reached JPY711.6bn, up 17% YoY, driven by decreases in Nat Cats and capital losses on North American credit, among other factors. The right graph displays normalized figures excluding one-off effects, at JPY635.6bn, down 6% YoY and below the full-year projections announced in February.
- This is because we have made progress on the Greensill litigation and have included the impact of that progress in our FY2025 financial results
- For context, the Greensill bankruptcy occurred in 2021. From October 2021 to June 2023, 10 cases were filed in the Federal Court of Australia. In April 2022, we announced that Tokio Marine had found fraudulent misrepresentations and fraudulent breaches of an insured’s duty of disclosure and advised

counterparties that policies purportedly issued to Greensill and related obligations were void from inception. We said that we would vigorously defend any claims relating to any policies purportedly issued to Greensill. Since then, we have done exactly that.

- In March 2026, we participated with the other parties in the Greensill proceedings in an initial court-sponsored mediation for the omnibus litigation pending in the Federal Court of Australia. We are currently negotiating the settlement of litigation with the insolvency administrator for Greensill Bank AG and related parties.
- We recorded an appropriate provision in our financial results that reflect the current situation.
- Excluding this, the bottom line for each business remained solid, mostly in line with the full-year projections.

[2026 Forecasts]

- Let's move to the FY2026 projections. Please turn to page 3.
- The "Total Business Volume" indicator is shown on the left.  
This comprises gross premiums written for the Insurance business and sales for the Solutions business. It can be interpreted as the total value we provide to customers.  
The FY2026 figure is +8% YoY for the Group, with plans to increase the value provided by each business.
- Adjusted Net Income, as shown in the right-hand graph, starts from the IFRS-based FY2025 results of JPY881.5bn, and we expect to achieve +8% growth to JPY950.0bn.
- Now, we will look at the breakdown by business:  
International includes factors that reduce income, such as the reversal from the decrease in Nat Cats in FY2025, as well as factors that increase income, such as the reversal from additional reserves related to the Greensill litigation in FY2025 that I explained.  
On a normalized basis, excluding these one-off factors, we will achieve growth through disciplined underwriting and newly consolidated subsidiaries acquired through bolt-on M&A executed in 2025, and will also benefit from the effect of JPY depreciation.  
As a result, we will aim for +10% growth for the entire International business.

- In Japan, the Head of Japan Business Development will oversee both P&C and Life segments from FY2026, integrating them.

As with International business, factors that reduce income, such as the reversal from the decrease in Nat Cats in FY2025 and the decrease in dividend income from the accelerated sale of business-related equities, will be offset by increased P&C underwriting and rate increases for auto. Consequently, we expect figures to remain flat YoY.

#### [Capital Strategy]

- Finally, I will explain our Capital Strategy. Please turn to page 4.
- There is no change in our view that the expansion of shareholder returns should be consistent with our business's profit growth.
- I will explain "dividends," which are the basis of our shareholder returns.
- First, the FY2025 DPS is calculated using the previous standard, applying a 50% payout ratio to the 5-year average of JGAAP-based Adjusted Net Income as the source of dividends. Since FY2025 results surpassed the November projections, we will raise the DPS by JPY7 from the November projections to JPY218.
- For FY2026 DPS, following the transition to IFRS, we will use the 3-year average of IFRS Adjusted Net Income, as outlined in the IFRS Implementation Overview in September 2025. We previously stated that the payout ratio will be set based on IFRS implementation. Our decision is to maintain a 50% payout ratio as the standard approach.
- For FY2026, during the transition period for the new accounting standards and changes in definitions, we determined that maintaining continuity with previous practices is important. Consequently, the DPS will be raised by +JPY27 to JPY245, representing a 12% growth.
- Next, regarding share buybacks. We view this as a flexible means to adjust shareholder returns and implement it by comprehensively considering factors such as capital levels, opportunities to increase business investment and risk-taking, and the market environment. More recently, we also used it to increase EPS growth by 2%.
- As we announced the strategic partnership with Berkshire Hathaway in March 2026, we also stated that we would review our approach to share buybacks to improve the flexibility of our capital policy.
- For FY2026, we decided on JPY400.0bn throughout the year. This decision was

made after a comprehensive review of our current ESR, the impact on EPS growth, the current M&A pipeline, and the improved flexibility of capital policy in conjunction with the Berkshire partnership.

- Furthermore, to offset the dilution from the third-party allocation to Berkshire, we have announced a JPY287.4bn share buyback. As the share price has risen, an additional buyback may be necessary to meet this target. Since the buyback is already underway, any additional repurchases will be decided as part of the 2H shareholder returns, once the number of shares bought is confirmed.  
Please note, this will be outside the JPY400.0bn figure mentioned.

[Conclusion by CFO Endo]

- That is all for me.
- We will continue to strive to increase both EPS and ROE through the steady implementation of our management strategies, thereby meeting the expectations of capital market participants.
- We very much appreciate your continued support.

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