

September 30, 2025

Tokio Marine Holdings

September 30th (Tue) 16:00-17:00 “IFRS/ICS Implementation Briefing”

Briefing Summary

CFO Okada’s presentation

- Hello everyone. I’m Okada. Thank you very much for taking the time to join us today. I would also like to express my gratitude for your continued support of our company.
- I would like to get straight into the topic. First please take a look at page 2 of the document.

[Key messages]

- Here I have summarized the three main points I would like to convey to you today.
- The first point is about “KPIs after the implementation of IFRS.”

We plan to transition to IFRS as our accounting standards at the end of FY2025.

The implementation of IFRS will result in our financial results being based on economic value, which we believe will “more appropriately reflect the actual state of our business” compared to JGAAP, and “such economic value-based financial results will also be consistent with the ERM approach, which is the core of our management.” Also, we believe that for stakeholders, the transition to IFRS will make our disclosures “simpler” and “easier to understand” than our previous

disclosure method of adjusting figures specific to JGAAP, and as a result, would increase “transparency” and “comparability with global peers.”

- In addition to the change in accounting standards, we will also change the definitions of our KPIs after the implementation of IFRS to “make it easier than ever to compare them with global peers.” Specifically, adjusted net income, a profit indicator, will be based on IFRS financial accounting figures and will exclude “capital gains and losses on asset management.” Simply put, this means defining the profit indicator as “Underwriting profit + Investment income,” which is the same as the KPI definition for profit adopted by global peers.

Also, our adjusted ROE will also be consistent with the definition of global peers. In other words, we will use the adjusted net income I just mentioned for the numerator, and the net assets in the denominator will be the IFRS financial accounting figures excluding “unrealized gains and losses on financial assets and insurance liabilities.”

- Reflecting these definition changes, our KPI levels after the implementation of IFRS are as follows: adjusted net income will be “c. JPY805bn in FY2024” and “forecast to be c. JPY840bn in FY2025”, and adjusted ROE will be “c. 13%” in both FY2024 and FY2025.
- The second point is about “DPS Growth.”

Dividends will remain the basis of our shareholder returns, and our policy of “sustainably increasing DPS in line with profit growth” will remain unchanged

even after the implementation of IFRS. While we have previously used the “five-year average adjusted net income” as a source of dividends, we will now shorten this to the “three-year average.” As explained earlier, this is because, after the implementation of IFRS, capital gains and losses will be excluded from adjusted net income, which is expected to reduce the volatility of single-year profits compared to the current definition.

- After the implementation of IFRS, due to changes in accounting standards, gains from the sales of business-related equities will no longer be included in financial accounting profits and adjusted net income. However, we will continue to grow dividend resources sustainably through profit growth in our core businesses, and continue to achieve “DPS growth consistent with top-tier EPS growth.”

- The third point is our “capital policy.”

First, regarding share buybacks, since last year we have announced that we would achieve “c. +2% of EPS Growth” through share buybacks. While this will continue to be our standard, there is no change to our intention to carry out share buybacks flexibly, taking into consideration the market environment and our business investment pipeline, including M&A.

- Also, ESR is one of the factors when considering capital policy. New economic value-based solvency regulations based on “the insurance capital standard ‘ICS’” will be implemented in Japan at the end of FY2025, the same timing as our IFRS implementation. Taking this opportunity, we will revise the definition of ESR to

emphasize “consistency with the relevant capital regulations” and “comparability with global peers.”

- Furthermore, going forward, we will position this ESR as an “indicator for measuring financial soundness,” and our target level will be “equivalent to the lower limit of the currently defined target range,” or in other words, “190% or above,” which is the level at which we can “maintain AA-rated capital.”

On the other hand, we will abolish the previously set “upper limit of the target range.” Currently, we are making significant progress in divesting business-related equities, thereby freeing up capital for growth investments, risk-taking, and shareholder returns. In this environment, in order to continue achieving top-tier EPS Growth and raise ROE to the level of global peers, we believe it is essential to implement capital policies while determining whether they are using capital in a way that contributes to future profit growth and an improvement in ROE, rather than deciding on capital policies simply because “ESR has exceeded its upper limit.” This is in line with our capital policy that we have explained so far, and there is no change to our stance of continuing to utilize capital in a disciplined manner.

- Now, I would like to explain each of these points in more detail. Please turn to page 3.

[Definition of new KPIs]

- The definition of KPIs after the implementation of IFRS is as explained above.

Here we will explain the “major differences from the current definition.”

- First, regarding adjusted net income, as accounting standards change from JGAAP to IFRS, “gains from the sales of business-related equities will no longer be included in profits.” Also, insurance liabilities will be “based on economic value that represents the profitability and capability of our business.”

In addition, after the implementation of IFRS, we will newly deduct “capital gains and losses from asset management, etc.” This is because our asset management is based on “long-term, stable income management that takes into account the characteristics of insurance liabilities,” and we believe that excluding capital gains and losses due to temporary market fluctuations is in line with our strategy and “more appropriately demonstrates the capability of our business.”

This definition is also consistent with the profit indicators of global peers.

- We will also change our adjusted ROE to match the definition used by global peers. Specifically, the denominator of ROE will now “exclude unrealized gains and losses on financial assets and insurance liabilities” and “include ‘goodwill’ and ‘intangible assets’, which are excluded under the current definition.”
- As shown on pages 4 and 5 of the documents, the final KPIs reflecting these changes are adjusted net income “for FY2024 of c. JPY805bn” and “forecast for FY2025 of c. JPY840bn”, and adjusted ROE for both FY2024 and FY2025 of “c.

13%."

- Please proceed to page 6.

[Shareholder returns]

- As I explained earlier, "Dividends will continue to be the basis of our shareholder returns," "Our policy of 'sustainably increasing DPS in line with profit growth' remains unchanged," and "The averaging period for adjusted net income, which is the source of dividends, will be shortened from the current '5 years' to '3 years.'"
- Accordingly, DPS for FY2026, the first year of IFRS adoption, will be determined using the three-year average of adjusted net income based on IFRS from FY2024 to FY2026. Even after the implementation of IFRS, we will continue to achieve top-tier EPS growth, and we believe we will also be able to continue to achieve consistent DPS growth. In fact, as shown in the bottom of the slide, the three-year IFRS-based adjusted net income that will be the source of dividends for FY2026 is "JPY805bn in FY2024" and "JPY840bn in FY2025 forecast," which already exceeds the "JPY805bn" dividend source for FY2025 shown in the graph. Given that our current business is performing strongly, we believe that dividend resources in FY2026 will naturally be larger than those in FY2025.
- The amount of DPS for FY2026 will be calculated based on the results for FY2025 and the profit plan for FY2026 on an IFRS basis, and is scheduled to be announced

in May next year. However, in order to achieve DPS growth that is consistent with the newly defined EPS growth rate explained today, we will comprehensively consider the amount, including the dividend payout ratio level.

- Finally, I would like to explain ESR, so please turn to pages 7 and 8.

[ESR]

- Our company has always “maintained a capital level equivalent to an AA rating”, and this stance remains unchanged even after the implementation of the new economic value-based solvency regulations.

In order to directly reflect this idea, our current definition of ESR uses “‘99.95% VaR’ as the confidence level for risk calculations”. However, in order to be consistent with the new regulations and to emphasize comparability with global peers, we will change to using “99.5% VaR” going forward.

- Also, based on the idea that “this represents capital that can be used for new business investments and shareholder returns that are not incorporated into the business plan,” we have previously calculated ESR by “deducting restricted capital from net asset value,” and have reflected “expanded risk-taking in existing businesses planned for the next year in the business plan” in calculating risk amount. In order to ensure consistency with the new economic value-based solvency regulations and to facilitate comparability with global peers, we will change these measures so that “restricted capital will not be deducted from net assets” and “risk amounts will not reflect risk-taking in existing businesses that is

incorporated into business plans.”

- The new ESR level reflecting this change in definition will be 285% as of the end of March 2025, as shown in the graph in the middle of page 7.
- As our stance of “maintaining the capital level of an AA rating” remains unchanged, the ESR target based on the new definition will be “190% or above,” which is the lower limit of the current target range of 100% translated into the new definition.
- As such, while the ESR level will change in line with the change in definition, our approach and discipline regarding capital policy will not change. We will continue to use capital generated through organic growth and portfolio reviews primarily for M&A and risk-taking that will contribute to further profit growth and ROE improvement. If such opportunities do not arise, we will consider increasing shareholder returns, as we have no intention of unnecessarily accumulating capital.
- There is also no change in our approach regarding share buybacks. As previously announced, we will flexibly implement them with the goal of “boosting EPS Growth by c. 2%”, taking into consideration a comprehensive range of factors, including our “current pipeline of bolt-on M&A deals” and “risk-taking opportunities”.

- That concludes my explanation.

By changing our accounting standards and the definitions of various KPIs, we believe that our disclosures will more simply and clearly represent our capabilities.

This will also make them easier for stakeholders to understand.

- On the other hand, while these changes will affect the apparent figures, they will not change our management strategy or business operations.

We will continue to steadily implement our management strategy and strive to achieve "top-tier EPS Growth" with a high degree of certainty. Furthermore, we would like to further increase ROE through this "EPS Growth" and "disciplined capital policy." This is the strong desire that we will continue to have as we manage our business.

- We appreciate your continued support.