

March 22, 2024
Tokio Marine Holdings, Inc.

Sponsor of Kizuna Re III Series 2024-1 Class A Notes
~The First Japanese Insurer to Utilize SOFR-Based World Bank Sustainable Development
Bond in a Cat Bond~

Tokio Marine Holdings, Inc. (President and Group CEO: Satoru Komiya, hereinafter “TMHD”), through its subsidiary Tokio Marine & Nichido Fire Insurance Co., Ltd. (hereinafter “TMNF”), sponsored the issuance of a new catastrophe bond “Kizuna Re III Series 2024-1 Class A Principal At-Risk Notes” (hereinafter “Kizuna Re III cat bond”), which covers earthquake risks in Japan. This is the first time a Japanese insurer has utilized the proceeds of a catastrophe bond in a SOFR-based Sustainable Development Bond (hereinafter “SDB”) issued by the World Bank Group’s International Bank for Reconstruction and Development (hereinafter “IBRD”)*. TMNF, by electing to utilize a SDB as collateral for the Kizuna Re III cat bond is supporting the achievement of sustainable development goals and contributing to the realization of a sustainable society.

* A structure of transferring insurance risks arising from natural catastrophes such as earthquakes and typhoons, which are characterized by their infrequent occurrence but large-scale damage when they occur, to the capital markets.

*According to a survey by our company as of March 2024

1. **Background**

Tokio Marine Group positions its “Sustainability Strategy: to solve social issues through business activities and contribute to the realizations of a sustainable society” as a medium- to long-term growth engine and is accelerating its efforts to take climate action, improve disaster resilience, and protect the natural environment.

As a part of “improving disaster resilience” in one of the most disaster-prone countries in the world, TMNF has continuously utilized catastrophe bonds, in addition to purchasing traditional reinsurance capacity. As a part of these strategies, besides sponsoring the issuance of the Kizuna Re III cat bond, TMNF has elected to invest the proceeds from the sale of the Kizuna Re III cat bond in a SDB issued by IBRD (rather than money-market funds), which is the first example of a Japanese insurer doing so since IBRD notes transitioned from LIBOR to SOFR.

2. **Outline**

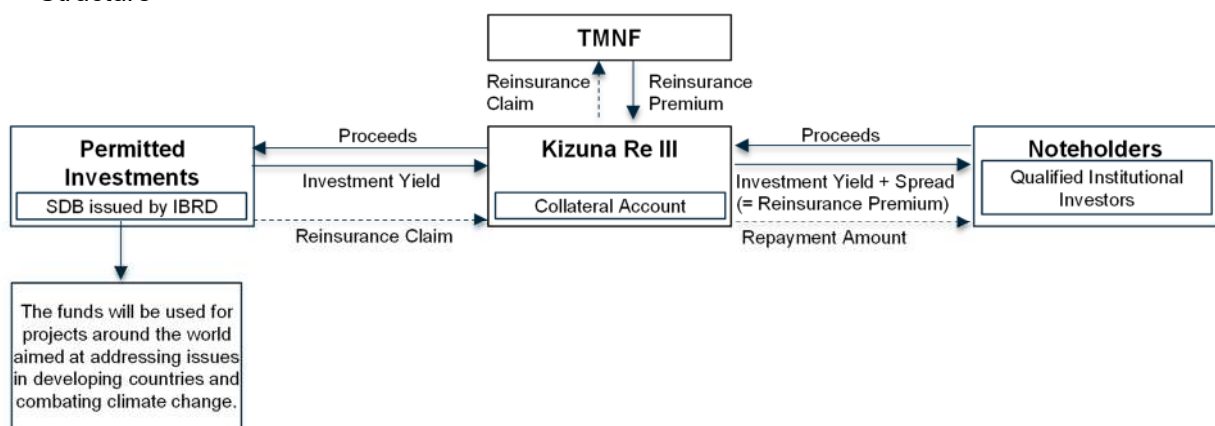
< Outline of Kizuna Re III >

Issuer	Kizuna Re III Pte. Ltd. (Singapore-domiciled)
Sponsor	TMNF
Covered Risk	Earthquake in Japan
Trigger	Three-Year Aggregate Ultimate Net Loss (Only earthquakes exceeding a certain size are eligible)
Issuance Amount	USD 100 million (Face Value)
Issuance Date	March 21, 2024
Maturity Date	April 6, 2029

This catastrophe bond was issued by the special purpose reinsurance vehicle “Kizuna Re III Pte. Ltd.” incorporated in Singapore and offered and sold to qualified institutional investors. If losses arising out of earthquake in Japan exceed a predetermined threshold, the amount exceeding such threshold will be used to make reinsurance claim payments to TMNF, and in turn reduce the principal amount (in whole or in part) that would otherwise be repaid to investors at maturity of the Kizuna Re III cat bond.

The principal amount of this catastrophe bond raised from qualified institutional investors will be invested in a SDB issued by IBRD under its Global Debt Issuance Facility. The net proceeds of the SDB will be used by IBRD to fund projects, programs, and activities in IBRD’s member countries designed to achieve positive social and environmental impacts and outcomes.

<Structure>



3. Prospects

Since its founding, TMHD has achieved sustainable, long-term growth by working to solve various social issues that change in each era, based on our purpose of “being there for our customers and societies in times of need.” TMHD will continue to work to solve social issues and contribute to the realization of a sustainable society and deliver on our purpose.

Link to more information on SDBs

<https://treasury.worldbank.org/en/about/unit/treasury/ibrd/ibrd-sustainable-development-bonds>