

May 28, 2021
Tokio Marine Holdings, Inc.

Tokio Marine Group Mid-Term Business Plan 2023 **~Adapt, Lead, Innovate~**

Tokio Marine Holdings, Inc. (President and Group CEO: Satoru Komiya, hereinafter referred to as “we”) is pleased to announce that the New Mid-Term Business Plan (FY2021 to FY2023); “Adapt, Lead, Innovate” has been released.

1. Tokio Marine Group Purpose and Long-term Vision

As a group we have been able to deliver sustainable growth, by working to solve social issues while remaining focused on our purpose which is “protect our customers and society in their time of need”, which has remained unchanged since our foundation.

As the challenges that our society faces become more varied and complex, it is increasingly necessary for every company to consider just how much they can be part of the solution to these challenges and how much they can deliver value to society.

In this environment, we see working to solve these social issues through our business operations and trying to create a sustainable society as being a key mid- to long-term growth driver for the group and a step towards realizing our group vision to be a “Global Insurance Group that Creates Sustainable Growth by Delivering Safety and Security to Customers Around the World”.

Through this new mid-term plan, we will work to create a “Win-win Situation with Stakeholders” while leveraging “Glocal x Synergy” to deliver ‘Growth and Stable High Profit’.

2. Strategic Direction of New Mid Term Plan

In order to realize the long-term vision, built on a robust business platform we plan to implement our “2+1 Growth Strategy”.

Specifically, we will respond to the rapidly evolving needs of the customers by delivering new products and channel strategies which utilize digital technology and bring added convenience to the customer while delivering operational efficiency. We have termed this as “New Market x New Approach” to strengthen the profitability of our core insurance business while continuing to invest in our business to create the next growth stage.



The key KPIs in the New Mid-Term Business Plan are “Adjusted net income” and “Adjusted ROE” in which we aim to achieve “Adjusted Net Income: CAGR (Compound Annual Growth Rate) 3–7%, Adjusted ROE: around 12%” in FY2023.

3. Key Initiatives from the Tokio Marine Group Mid-term Plan 2023 – “Adapt, Lead, Innovate”

We, Tokio Marine Group, has been able to deliver sustainable growth, by working to solve social issues while remaining focused on our purpose which is to “protect our customers and society in their time of need”. We will work with this in mind through the mid-term business plan, focusing on how much we can be part of the solution to social issues through our business operation and how much we can deliver value to the society.

(1) Domestic Non-Life Business

Resolving Social Issues while Creating New Markets and Generating Stable Profit.

- We will enhance our competitiveness in the auto insurance market by increased coverage that meets the needs of our customers. In addition, we have set Green, Cyber, Healthcare, and SME etc. as priority markets, and we will grow by proactively providing products and services that work to resolve social issues.
- We will work to create a resilient society by providing comprehensive solutions to cope with natural disasters including strengthening disaster prevention, mitigation and early recovery efforts in addition to continuing to deliver prompt payment to claims.
- We will invest approximately JPY40 billion in advanced use of digital and AI to further upgrade our business processes and employee efficiency. In the additional time created by these efficiencies we will have our people to focus on delivering the additional value that only people can bring.
- We will use data and advanced analytics to create solutions that go beyond products and help to deal with the increasingly complex and diverse risks we see in the world.

(2) Domestic Life Business

Create New Products and Sales Channels in the Market to Generate a New Path to Growth

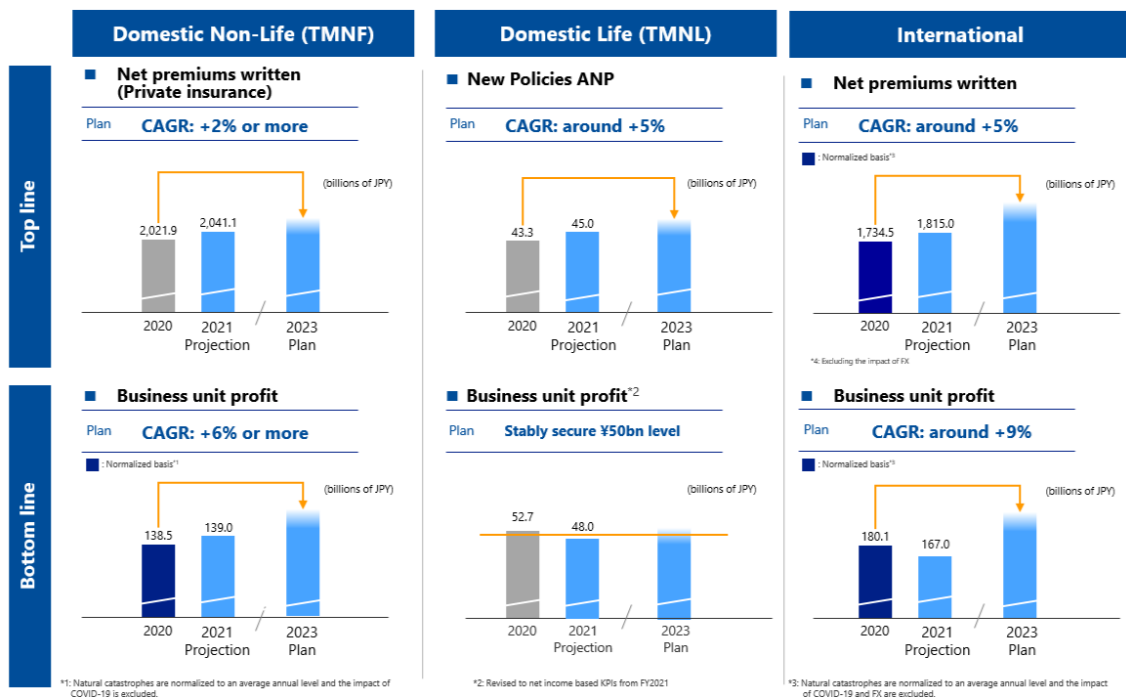
- In growth areas such as seniors, health care, wealth creation and SME market we will work to create strategic products that we will deliver through the optimum sales channel.
- While working to create ‘speedy and simple customer facing processes’ that balance efficiency with quality, we will accelerate the implementation of digitalization to improve customer satisfaction and increase competitiveness.
- In order to adapt to changes in the business environment and grow, we will promote diversity and inclusion among employees and provide the infrastructure and policy to support diverse working styles.

(3) International Business

Group Wide Risk Diversification to Deliver Sustainable Growth of Profit

- In both developed and emerging countries, through disciplined underwriting, we will expand our business portfolio and aim to deliver an annual profit growth of 9% CAGR across the international portfolio.
- In developed countries, we will further increase our underwriting profits, at the same time, in emerging countries, we will continue to strengthen the foundations for future growth.
- We will further diversify our risks across the portfolio, by avoiding duplication and focusing on diversified lines of business and geographical regions to deliver stable profit growth. Additionally, we will leverage the global network and expertise that is within to further realize group synergy.
- Maintaining our disciplined and proven approach to acquisitions, we will continue to look for strategic M&A and business investment opportunities

Please find the key KPIs for each main business line below.



For further detailed information on the Tokio Marine Group Mid-Term Business Plan 2023~
Adapt, Lead, Innovate~please refer to the additional attached documents.

Link to presentation materials, “Tokio Marine Group Business Strategy”, of FY 2021 investor
relations conference dated May 27, 2021.

[https://www.tokiomarinehd.com/en/ir/event/presentation/2021/k82ffv0000009zlr-
att/FY2021_IR_conference_e_Main.pdf](https://www.tokiomarinehd.com/en/ir/event/presentation/2021/k82ffv0000009zlr-att/FY2021_IR_conference_e_Main.pdf)

Tokio Marine Group Mid-Term Business Plan 2023 ~Adapt, Lead, Innovate~

May 28, 2021

Achieved carbon-neutral for seven consecutive years



Our Purpose (Why do we exist?)

- Since our founding, our purpose has been to “protect our customers and society in times of need,” and by contributing to resolution of various social issues that change with the eras, we have achieved sustainable long-term growth
- Our business is resolution of social issues

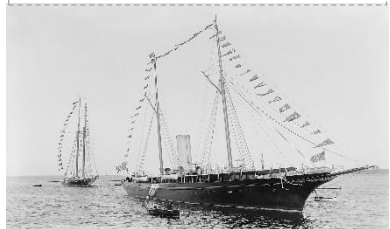
History of Social Issue Resolution and Growth

Direct Net Premiums Written*1 (bar graph) and Total Dividends (line graph)

■ Domestic Non-Life*2 ■ International*3 — Total Dividends*4

Founded as the first insurance company in Japan

Contributed to the development of Japan's economy and society by protecting trade cargo from maritime accidents through marine insurance



★1959 Japan
First product liability insurance in Japan

★1914 Japan
First auto insurance in Japan

★1996 Japan
Entered life insurance business

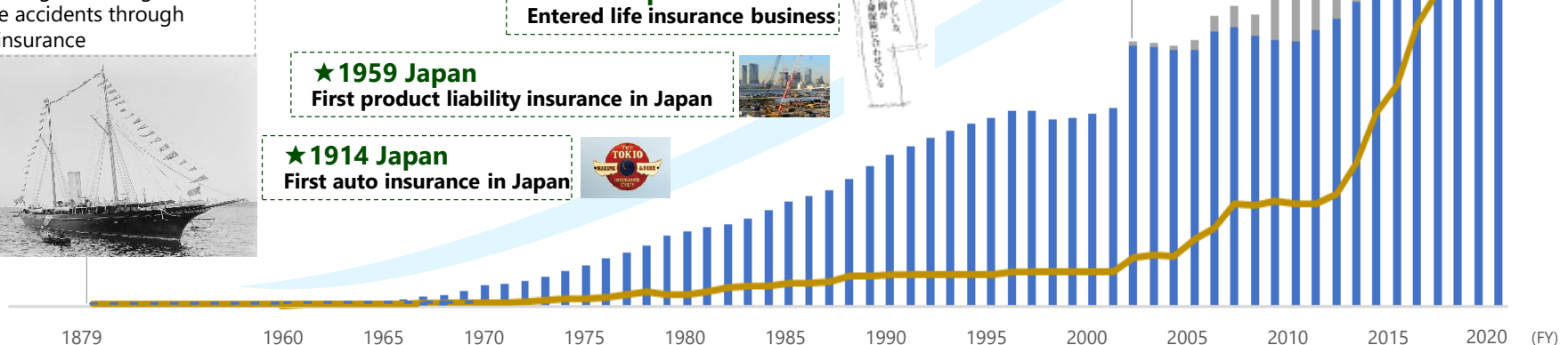
★1999 Europe (Kiln)
Cyber insurance

★2001 India
Microinsurance

★2002 Japan
First in Japan integrated life and non-life insurance product “Super Insurance”

★2017 Japan
Insurance cover for victims of accidents involving self-driving cars (first in Japan)

★2020 Japan/Europe
Support the spread of renewable energy (Developed packaged product for offshore wind power generation, acquired GCube)



Premium
¥4.10 tn

Dividends
¥139.1 bn

*1. Excludes deposit premiums from policyholders *2. Shows premiums from Tokio Marine from FY2001 and prior, and combined premiums from Tokio Marine & Nichido and Nisshin Fire, etc. from FY2002 onward *3. Shows premiums from FY2002 onward when Tokio Marine Holdings was established *4. Does not include one-time dividends provided as capital level adjustment

Strategic Direction of New MTP

To realize our long-term vision, enhance capabilities through business model reform and improving profitability of the insurance business

Long-term vision

A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide
 - Our timeless endeavor to be a Good Company -

Our aspirations for the long-term vision

Win-Win situation with Stakeholders

Glocal X Synergy

Growth and stable high profit
 (Medium- to long-term target of over ¥500.0bn adjusted net income/around 12% adjusted ROE)

2+1 Growth Strategy

New Markets X New Approach

- Precisely respond to the quickly changing customer needs and implement products/services and channel strategies reflecting the market

Enhance profitability of insurance business

- Acknowledge issues including intensified natural catastrophes and low interest rates while utilizing business opportunities presented by hardening of premiums and digitalization to enhance profitability of insurance business

+

Business investment for the next growth stage

Technology
 - Mission Driven -

Human Resources

- Expert talent development
- Global talent/management development
- Diversity & Inclusion

Business Platform

Group Integrated Management

- Sharing of best practice
- Synergy inducing system
- Global management framework

ERM

- Risk Culture -

Corporate Culture

- To Be a Good Company
- Resolution of issues for society/customers
- Robust and agile organization

New MTP (Target KPIs)

Steadily implement strategy to achieve medium- to long-term target

	Medium- to long-term target	FY2023 Projection	FY2020	Previous MTP Target
Adjusted net income	Over ¥500bn	CAGR: 3-7%	¥446bn*1	CAGR: 3-7% (circa ¥400-450bn)
Adjusted ROE	around 12%	around 12%	11.5%*1	10% or higher
Shareholder return				
Payout ratio*2	On par with Global Peers*3	40% or higher	40%	35% or higher
Capital level adjustment	Flexible execution	Flexible execution	¥50bn	Flexible execution

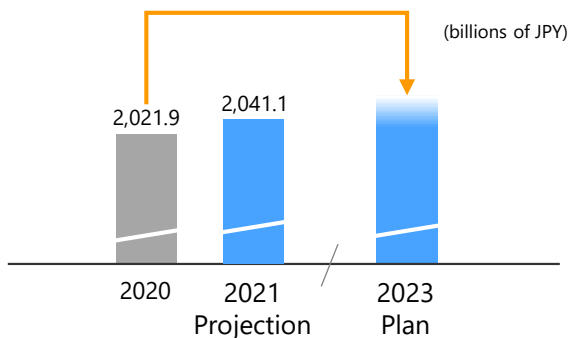
*1: Based on new definition (natural disasters normalized to an average annual level, excluding impact of COVID-19 and FX) to be applied to new MTP. Based on the previous definition applied to previous MTP, adjusted net income is ¥431.1bn (+5.0% CAGR) and adjusted ROE is 13.1%.
 *2: Payout ratio is on the five-year average adjusted net income. Based on original projections.
 *3: Payout ratio of global peers is currently circa 50%.
 *4: Set maximum amount (threshold) for small- to medium-sized business investment and capital level adjustment (FY2021 budget is ¥100.0bn)

New MTP (Each Business)

Domestic Non-Life (TMNF)

Net premiums written (Private insurance)

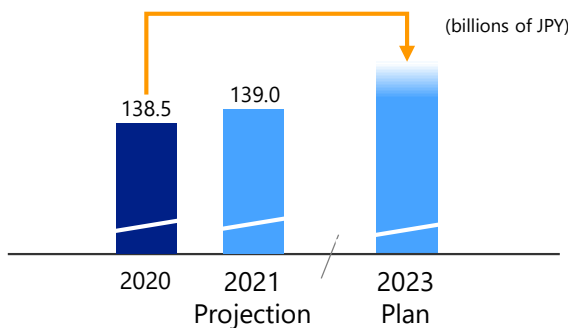
Plan **CAGR: +2% or more**



Business unit profit

Plan **CAGR: +6% or more**

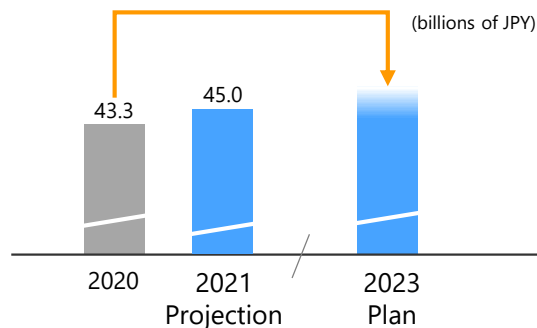
■ : Normalized basis^{*1}



Domestic Life (TMNL)

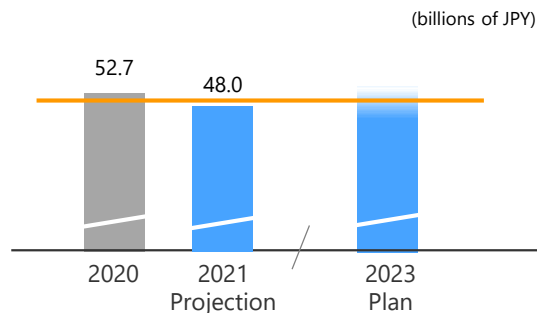
New Policies ANP

Plan **CAGR: around +5%**



Business unit profit^{*2}

Plan **Stably secure ¥50bn level**

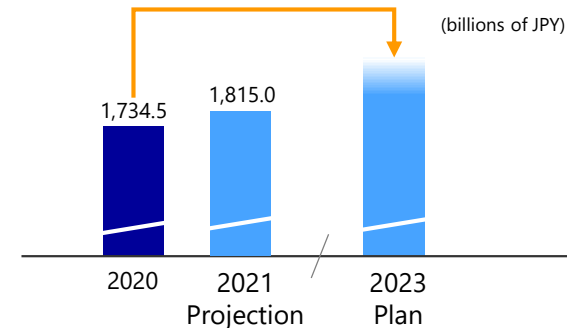


International

Net premiums written

Plan **CAGR: around +5%**

■ : Normalized basis^{*3}

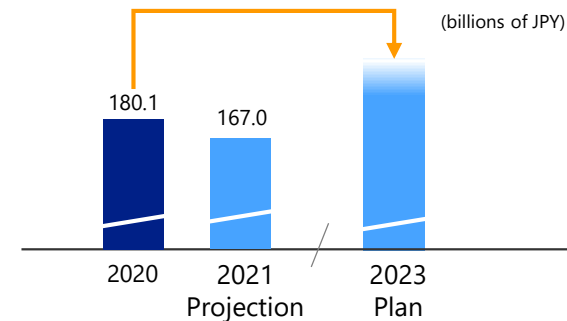


*4: Excluding the impact of FX

Business unit profit

Plan **CAGR: around +9%**

■ : Normalized basis^{*3}



*1: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

*2: Revised to net income based KPIs from FY2021

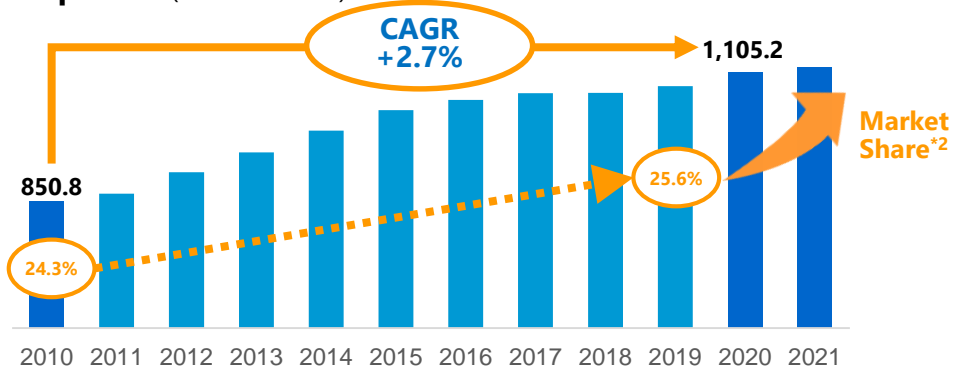
*3: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 and FX are excluded.

Presence in Auto Insurance Market (Strengthening competitiveness in existing market)

Generate stable income by steadily increasing market share with increased coverage that meets the needs of our customers

Steady growth of market share

● **Top line**^{*1} (billions of JPY)



	TMNF	SJ	MS	AD
2010-2019 Growth Rate (%)	126.7	113.6	120.2	111.8

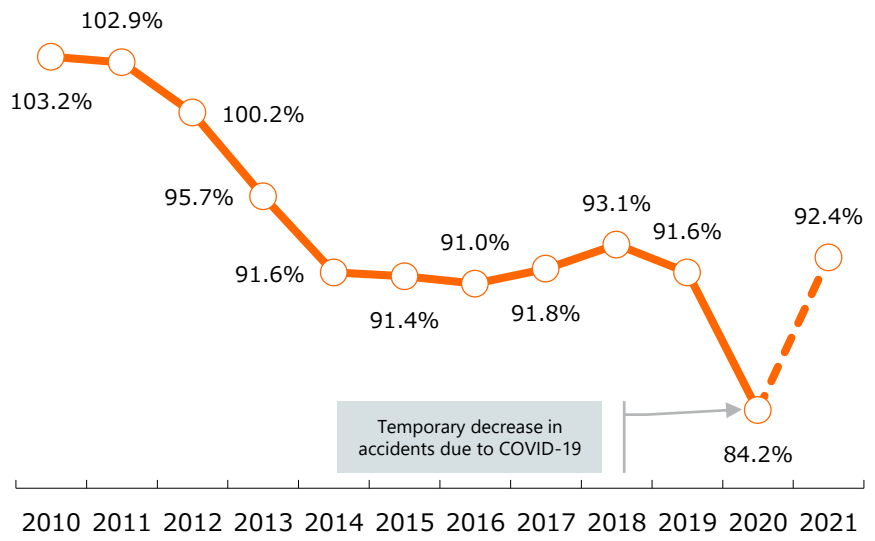
● **No.1 in premiums on managerial accounting basis for FY2020, achieving growth despite the pandemic**

	TMNF	SJ	MS	AD
Premiums (managerial accounting basis, billions of JPY)	1,115.4	1,098.5	690.5	704.6
YoY Change (%)	102.6	100.4	102.2	103.2

● **Continue to increase market competitiveness**
 Increase market competitiveness by increasing coverage (such as new DAP^{*3}), implementation of early contacting, and enhancement of digital customer contact points

Generate sustainable stable income

● **Combined Ratio**^{*4} (Private insurance E/I basis)



● **Continue to generate stable income**

Generate sustainable stable income by flexibly adjusting premium rates based on loss cost, etc.

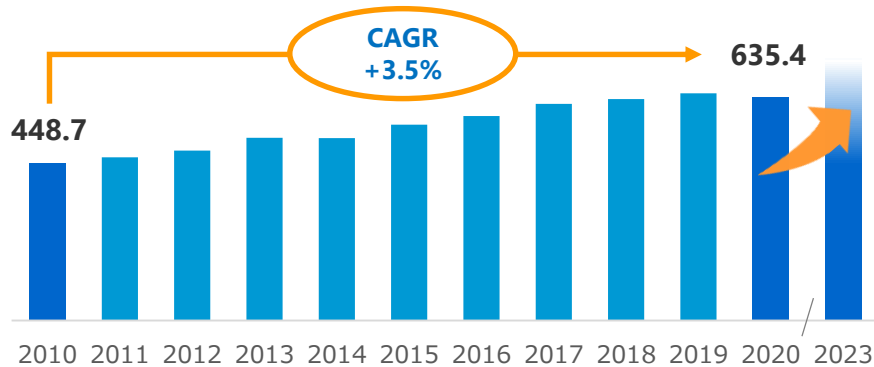
^{*1}: Net premiums written
^{*2}: Direct net premiums written Source: Insurance Statistics (Sonpo Toukeigo) Vol.4864
^{*3}: Drive Agent Personal (DAP). A product using original driving recorder with communications function that provides accident prevention and collision response services.
^{*4}: C/R = E/I loss ratio + W/P expense ratio

Specialty Insurance Growth (Creation of New Markets)

Realize over ¥100bn revenue increase in 3 years by resolving social issues and strongly drive the growth of domestic non-life

Specialty insurance growth potential

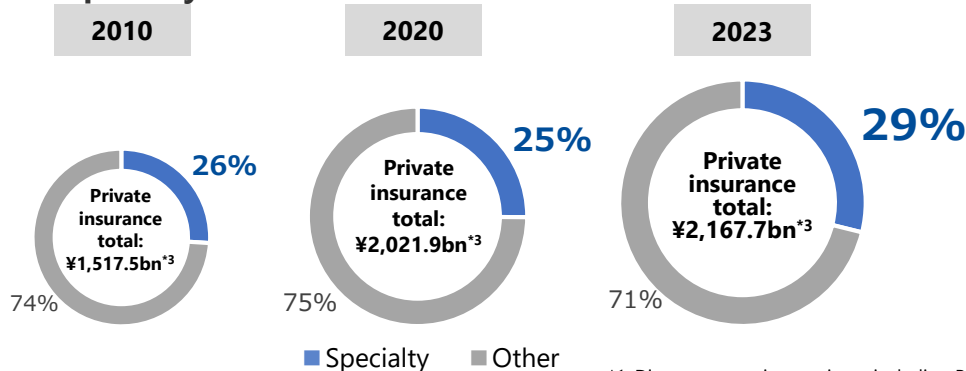
- **Top line**^{*1} (billions of JPY): **Growth driven by SME and health care**



C/R	97%	90%	91%	96%	91%	92%	90%	91%	89%	95% ^{*2}	91.4%
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(FY2010-2020 average: 92.2%, FY2016-2020 average: 91.4%)

- **Transform business line portfolio with growth of specialty insurance**



■ Specialty ■ Other

Creation of new markets

- **Realize high growth with speedy implementation of measures and PDCA**

Health care
+¥20-30bn^{*4}

- Respond to higher health awareness and the need for balancing treatment (nursing care) and work
- Increase revenue for wide area public sector/corporate workplace with new sales model and digital application procedures

SME
+¥15-25bn^{*4}

- Current market size of about ¥400bn^{*5}
- Premiums^{*6} increased more than fourfold in 10 years
- Increase revenue by strengthening alliance with commerce and industry associations and improving product appeal

Offshore Wind
Around +¥5bn^{*4}

- Global market size in 2030: ¥200bn
- Establish "GX^{*7} Office" in June 2021
- Increase revenue by enhance Group-based initiatives including utilization of the abundant expertise of GCube

Cyber insurance
Around +¥5bn^{*4}

- Current market size of about ¥180bn (according to research firm)
- Double digit increase in our premiums each fiscal year
- Increase revenue by capturing stronger risk awareness and revised Personal Information Protection Law (2022)

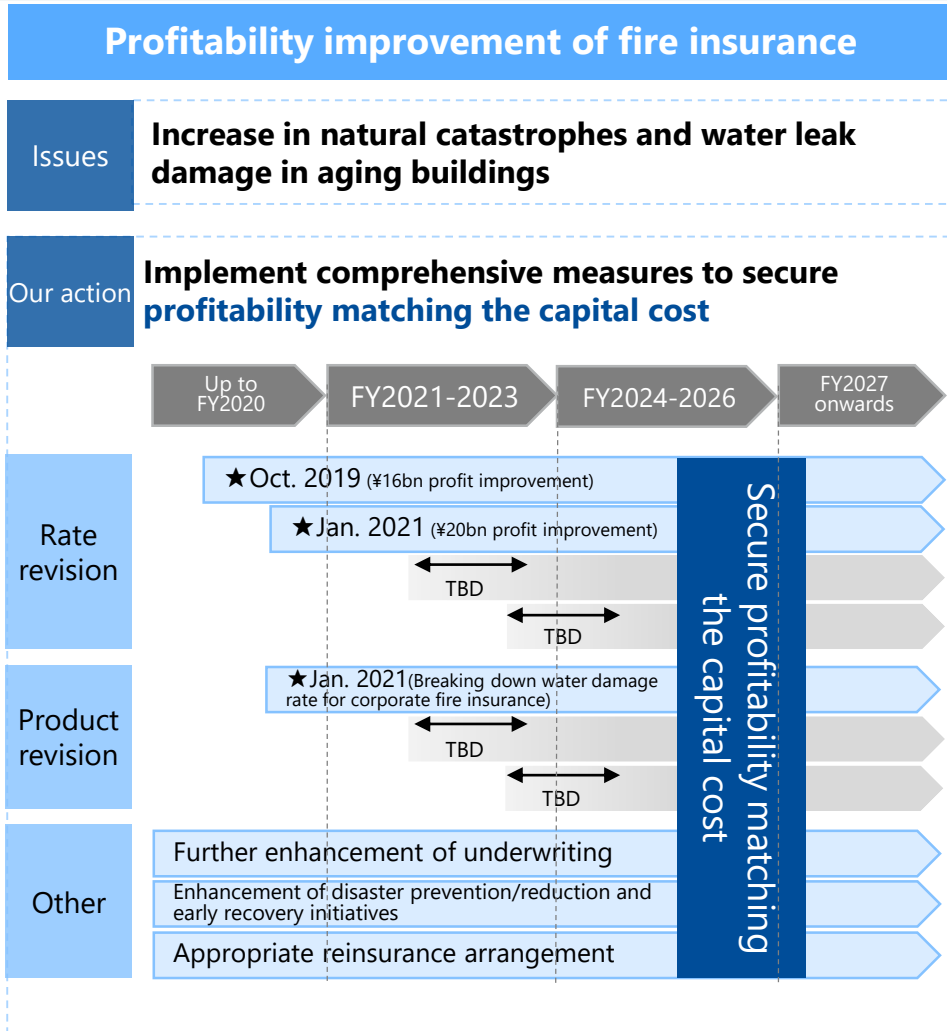
Other New risks, etc.
+¥20-30bn^{*4}

- Increase revenue with coverage for various new risks including M&A, local government related area, etc.
- Create new market by leveraging on the strength of core data company Tokio Marine dR to be launched in July 2021

*1: Direct net premiums written, including P.A. *2: Temporary rise in C/R due to specific contract *3: Net premiums written, including P.A. for specialty
*4: Net premiums written during 3 year new MTP period *5: Estimated from public data and actual sales of our packaged products for SMEs
*6: Our packaged product for SMEs *7: Green Transformation

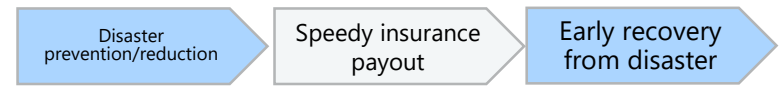
Profitability Improvement of Fire Insurance (Enhance Profitability of Insurance Business)

In addition to fire insurance rate revision, contribute to building a society resilient to catastrophes through product review; enhancement of underwriting; and initiatives on disaster prevention and reduction, and secure profitability matching the capital cost (3-year profitability improvement of over ¥26.0bn)

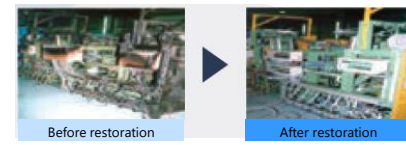


- ### Reinsurance arrangement
- Preparation for once-in-centuries capital events
 - However, perpetually cedants will lose the amount of reinsurer's margin; mainly focus on risk diversification, with earnings coverage determined based on economic rationale

From Payer to Partner



- **[Disaster prevention/reduction] Flooding risk projection system**
Visualize at-risk area with real time flooding area projection to support local government decision making at time of heavy rains. Minimize damage to local residents to reduce loss ratio
- **[Disaster prevention/reduction] Total assist fire insurance x Red Feather Disaster prevention/reduction program**
Donate part of the expenses saved with online contracts/policies. Donations will be used for disaster prevention/reduction activities and recovery support in the customers' community, leading to reduction of loss ratio
- **[Early restoration] Restoration by BELFOR**
Utilize advanced cleaning technology of a disaster recovery specialist. Support early business reopening to reduce loss ratio

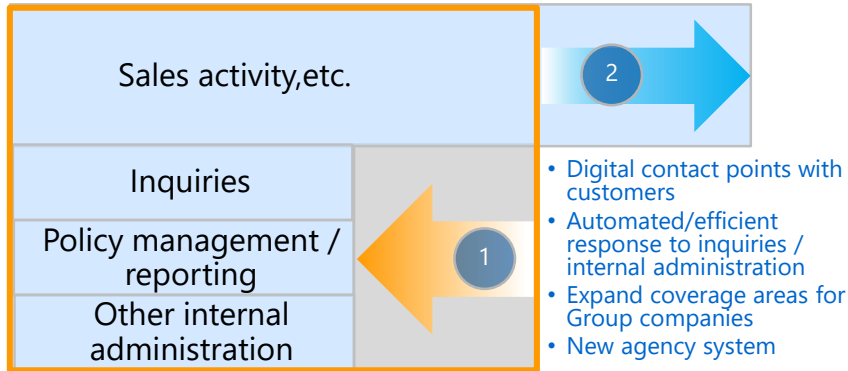


Initiatives to Improve Combined Ratio (Enhance Profitability of Insurance Business)

- Invest about ¥40bn during the next 3 years mainly in new agency systems and advanced AI application to reduce internal administration
- Use the time generated for improving productivity including top line growth to improve C/R by 1.0pt

Initiatives to improve business efficiency

● Business expenses



Expected effects

1

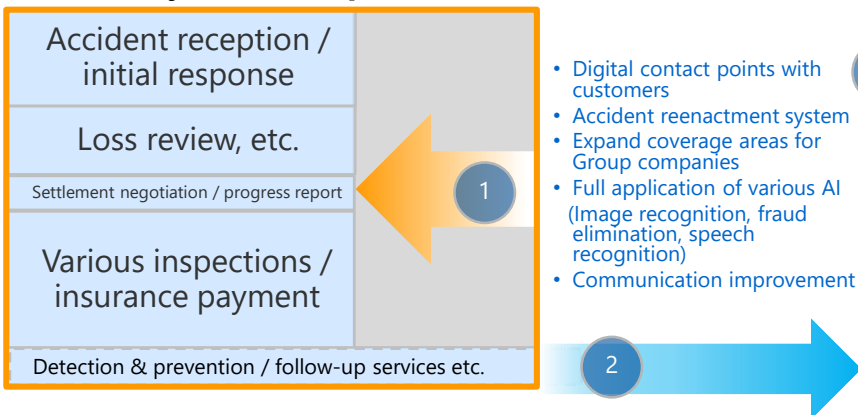
- Reduce internal administration
➔ **Improve expense ratio / loss ratio**

[Effects of reduced internal administration]

FY2023 -15%
(Equivalent to ¥20-25bn p.a.)

FY2026 -20-30%
(Equivalent to ¥30-50bn p.a.)

● Loss adjustment expenses



2

Time generated by leveraging on strength of human communication and full utilization of digital tools:

- Promote sales
➔ **Contribute to top line**
- Provide safety in preparation and recovery
➔ **Contribute to top line**
➔ **Improve loss ratio**

Key Profitability improvement Initiatives

Profitability improvement of fire

FY2023

C/R improvement of 1.0pt*

(FY2020 results: 93.2% → FY2023 projection: 92.2%)

Key contributions to top line

Specialty insurance growth

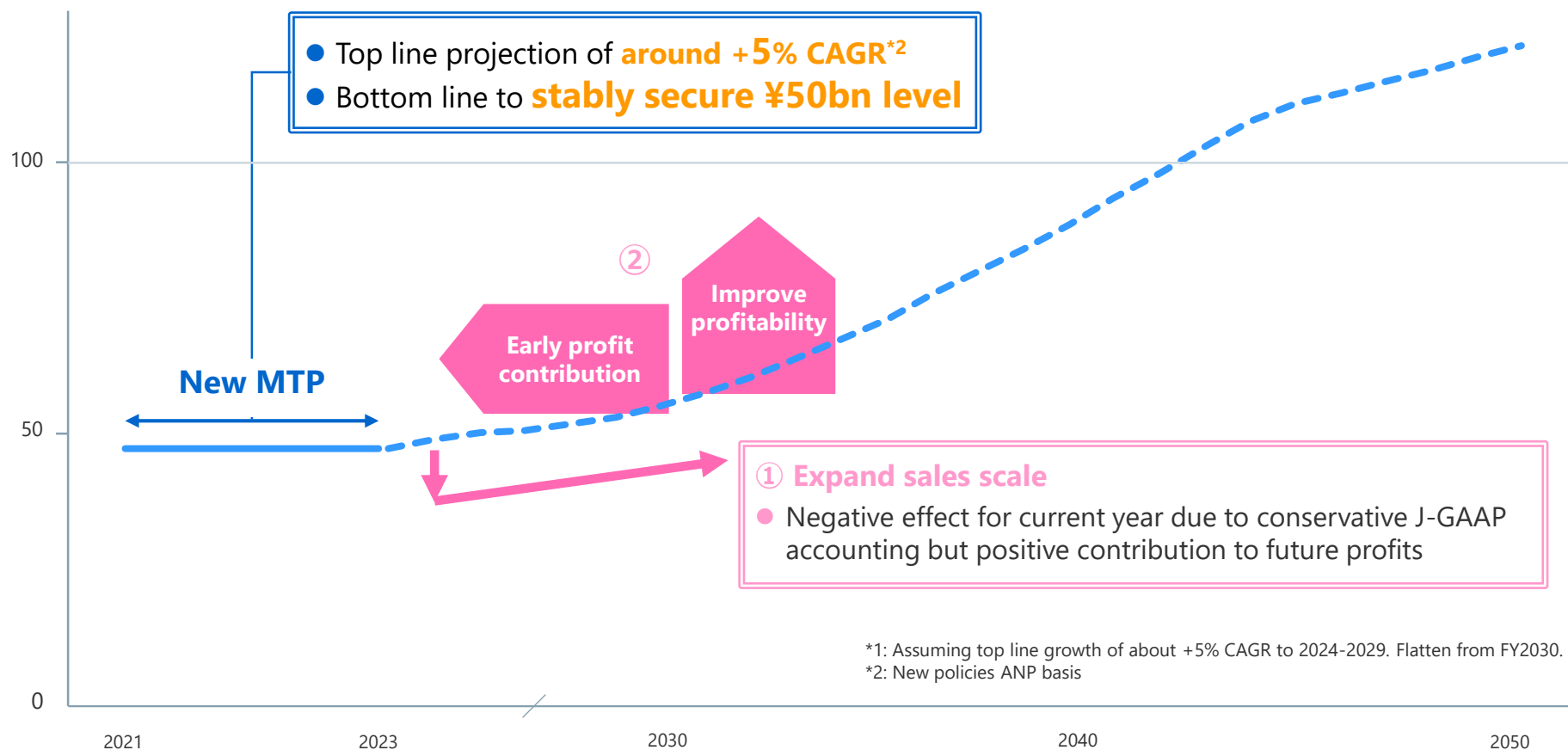
*: Private insurance. For FY2020, impact of natural disasters normalized to average annual level, and the impact of temporary deterioration in losses from COVID-19 and overseas contracts are excluded

Risk Diversification and Long-Term Growth Drivers

- Continue to grow by “facing the social issues in the 100-year life era and protecting the customers’ lives”
- Long-term profit level exceeds ¥100bn to contribute to our long-term growth and risk diversification

TMNL profit growth curve*1 (image)

Business Unit Profit
(billions of JPY)



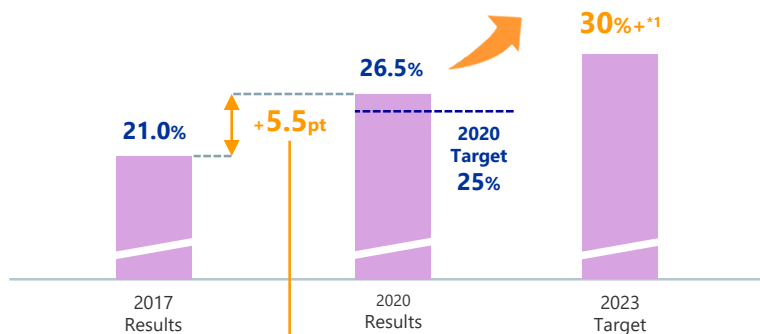
Strategies to be Incorporated in the New MTP Period

By offering innovative products with integrated business model for life and non-life, contribute to resolution of social issues such as extension of healthy life expectancy and asset life, and accelerate our profit growth

① Expand sales scale

- Focus on growth areas of **seniors, healthcare, and asset formulation**
- Further promote **cross-sell with integrated business model for life and non-life** using Super Insurance to **TMNF customer base** to improve **ratio of the number of policies with either life or third sector to 30% or higher**

<Super Insurance: Ratio of the number of policies with either life or third sector>



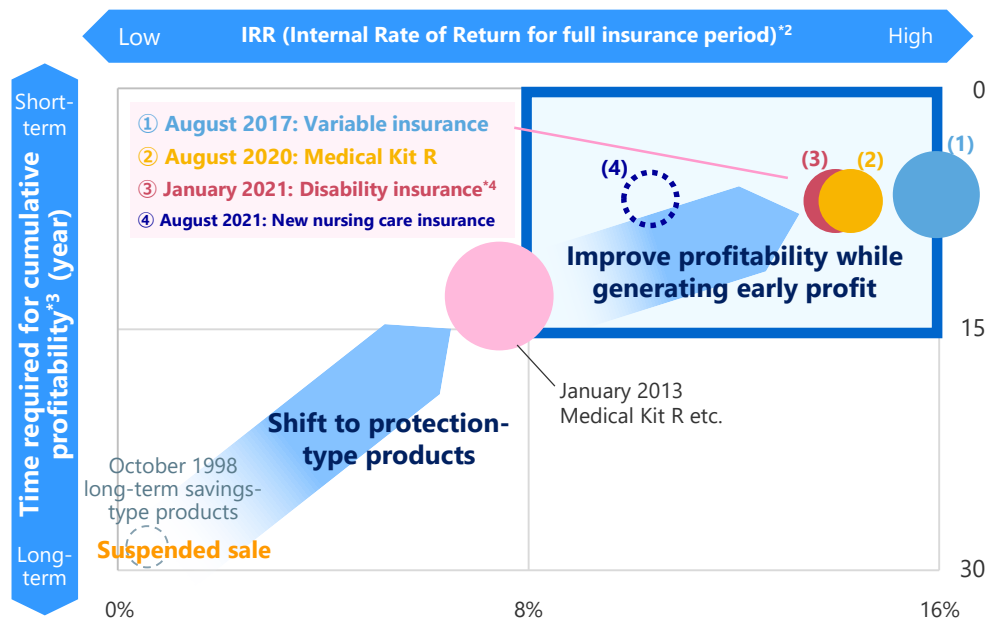
[Sample of improving ratio of the number of policies with either life or third sector]

Medical Kit Yell (Medical insurance with relaxed underwriting criteria, August 2020)

- Deep cultivation of **TMNF senior customers** with significant room for development
- Big data analysis achieved **improved product appeal and ease of sales**
 - Relaxed underwriting standard for seniors with preexisting conditions or concerns over health and simplify sales administration
 - Industry top level price competitiveness for seniors and strong coverage / services
- In the 8 months from launch, secured **industry leading sales scale** at about **50,000 policies** (second only to the mega hit product "Medical Kit R")

② Improve profitability and accelerate profit contribution

- Mainly introduce products with **high profitability that makes early profit contribution**
- Unique and competitive **new product in nursing care area to be launched in August 2021**



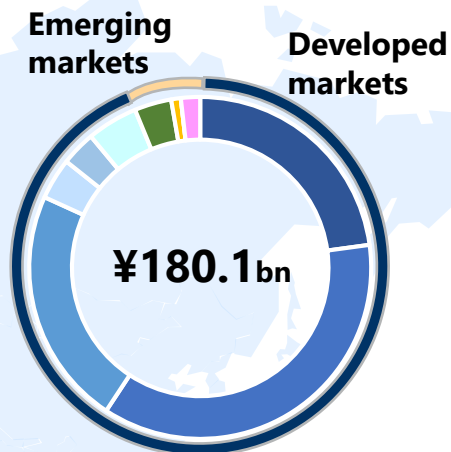
*1: 35% or higher for TNP / TQ agents
 *2: IRR indicates profitability as expected returns on expenses for the entire insurance period on financial accounting basis (FY2016 for long-term savings-type products, FY2020 for others)
 *3: Time required for cumulative profits on financial accounting basis to turn positive
 Size of the bubble indicates new policies ANP for the product (FY2020, FY2021 projection for (4))
 *4: Includes household income protection with death benefit

International Insurance Strategy

Achieve +9% CAGR through growth strategies in developed and emerging markets

Business Unit Profits*1

- Philadelphia
- Delphi
- TMHCC
- Pure
- Europe
- Central & South America
- Asia
- Reinsurance
- Life



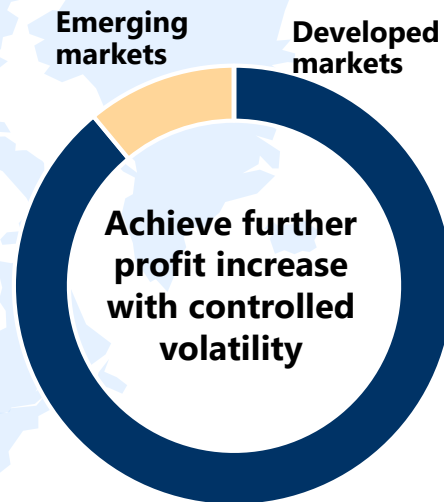
CAGR circa 9%

Developed markets

- New risk taking
- Maintain underwriting discipline
- Rates increase
- Efficient operation
- Growth of Pure
- Continue bolt-on M&A

Emerging markets

- Capture market growth
- Growth of Caixa, etc.



Strengths

- Well-balanced business portfolio / strong specialty franchise
- Well-disciplined underwriting / adequate risk control
- Strong governance / integrated Group management / Group synergy

*1: 2020 and 2023 profits are calculated using FX rate as of Mar 31, 2021.

For 2010, profit is calculated before adjustment relating to natural catastrophes in 1Q 2011.

For 2020, natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.

Developed Markets Strategy (Further Increase Underwriting Profits)

Implement three strategies to achieve profit growth of around 6% CAGR

(1) Increase Underwriting Profits

 Contribution
image


Maintain strict underwriting discipline

- Improved the quality of portfolio during the previous MTP period through rigorous efforts to reduce unprofitable business lines
- Constant effort to maintain a healthy underwriting portfolio by closely monitoring profitability and other market trends including social inflation

Premium rates increases

- Leverage strengths of each group company and achieve rate increase exceeding loss cost

<FY2020 results>

PHLY*1: +circa 11%, TMHCC *1,2: +circa 15%, TMK: +circa 10%

*1: See page 61 for rate increases of main lines

*2: Excluding A&H, Surety and Credit

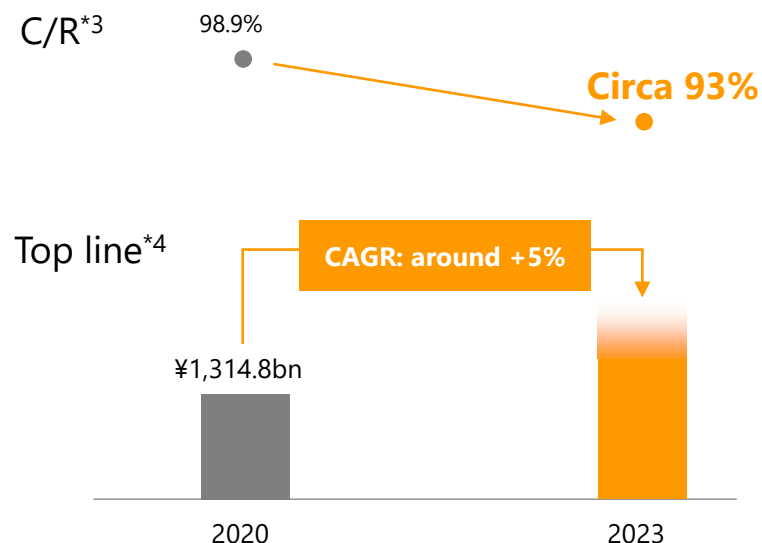
New risk-taking

- Opportunistic new risk taking (e.g., lines with the improved profitability due to market hardening)

Improve operational efficiency

- Promote administrative process improvement in each group company

- Increase underwriting profits by improving combined ratio and top-line growth



*3: North America + Europe segments. Include policies with high C/R such as DFG's excess workers' compensation and life insurance.

2020 is actual figure. Adjusted base normalizing natural catastrophes and excluding the impact of COVID-19 is 93.3%.

*4: Total NPW of North America and Europe segments. FX rate is as of Mar. 31, 2021.

Developed Markets Strategy (Growth Area Investment)

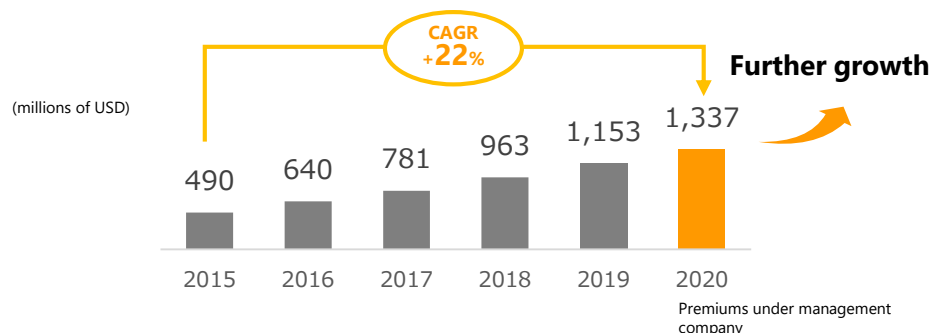
(2) Pure's growth

Contribution
image
✓ ✓ ✓

- Achieve over 20% profit growth through rating upgrade and further expansion of synergies in addition to the existing strong growth capability

Growth acceleration with AM Best rating upgrade

(Apr. 2021: A→A+)



New premium per year grew from around \$160mn to \$200mn following the rating upgrade in August 2018 (A-→A), and similar effect is expected for the current upgrade

Further expansion of synergies

- New business relation with PHL's leading agents
- Introduce RSL's blue-chip company clients to PURE
- Joint marketing to agents in Hawaii by Pure and FICOH in Hawaii
- Joint development of cyber insurance products with TMHCC for individual clients

(3) Bolt-on M&A

Contribution
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✓ + α
(Case-by-case)

- More than 60 successful bolt-on M&As, and will continue our successful track record
- Improve the quality of bolt-on M&A through TMHD's proactive governance



Acquired by DFG in Apr. 2021
(Acquisition price: circa ¥19.8bn)

- Paid Family Leave insurance market is expected to **grow nationwide in US in the future**
- **Top 3 in NY market** (our estimate), and **after-tax profit is expected to be ¥1.5 to ¥2bn**. Cross-selling synergy with DFG is expected

- Become a **leading company** in the U.S. staffing insurance business
- **Establish overwhelming competitiveness in highly profitable markets**



Acquired by PHL in Dec. 2020
(Acquisition price: below ¥10.0bn)

Emerging Markets Strategy

Implement growth strategies to capture strong growth potentials and to further diversify risks, thereby aiming to achieve a CAGR of 10% or more and developing pillars for future growth

Establish JV with Caixa Bank and accelerate growth

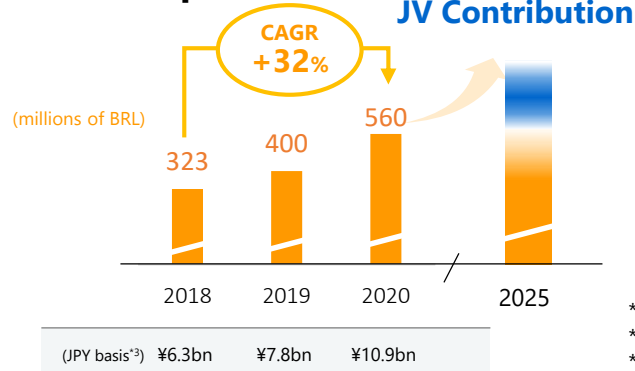
Contribution image



- TMSR has increased profitability for the mainstay auto insurance, **achieving profit growth of over 30% CAGR**
- Started operation of insurance JV with Caixa Bank for portfolio diversification and further growth in Feb. 2021
- Aim **circa ¥6.5bn in after-tax profit*2 in FY2025 (based on our 25% stake)**

TMSR after-tax profit

CAIXA JV Contribution



Brazil Home Insurance Market*1

2020 Home insurance market premium	\$1.5bn
2015-2020 Home insurance market CAGR	+7.5%

(Reference) Further expansion of mortgage market in Brazil

Circa 25 million of housing demand is expected based on new housing demand of 16.9 million by 2040 as well as current housing gap

*1: Source: Brazilian insurance regulator SUSEP
 *2: Exchange rate at time of publication
 *3: Exchange rate as of end of Mar. 2021

Further utilize IFFCO's network and Group know-how

Contribution image



- Utilize IFFCO's **nationwide 36,000** branch network for sales of auto, medical, and agricultural insurance
- Utilize **IFFCO's branch network to expand sales in rural areas where the number of middle-income earners is expected to grow**, and promote utilizing Tokio Marine Group's know-how (U/W and digital)
- In FY2023, aim to double the profit after tax compared to FY2020 to about ¥4.5bn (based on our 49% stake)**

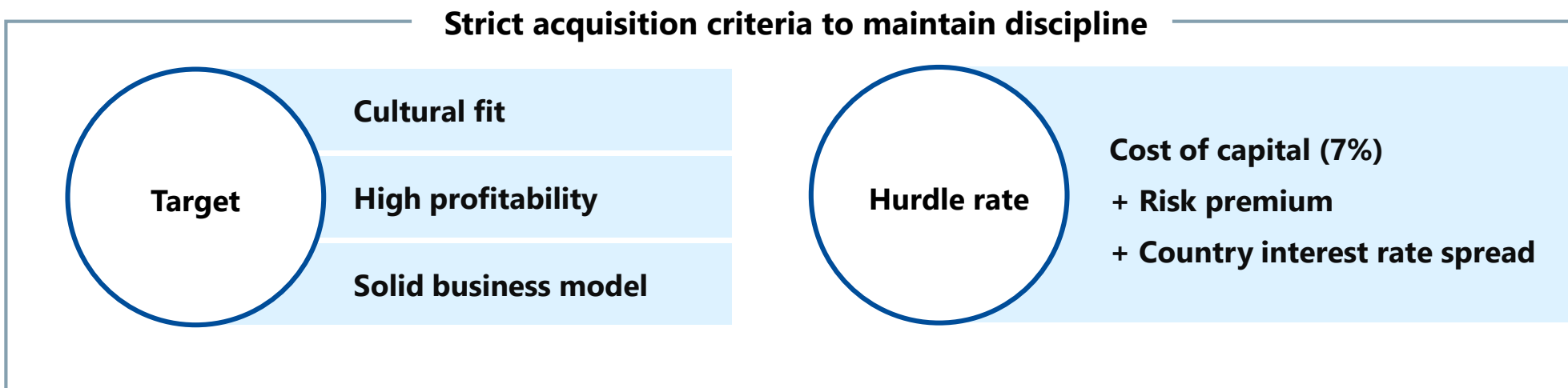
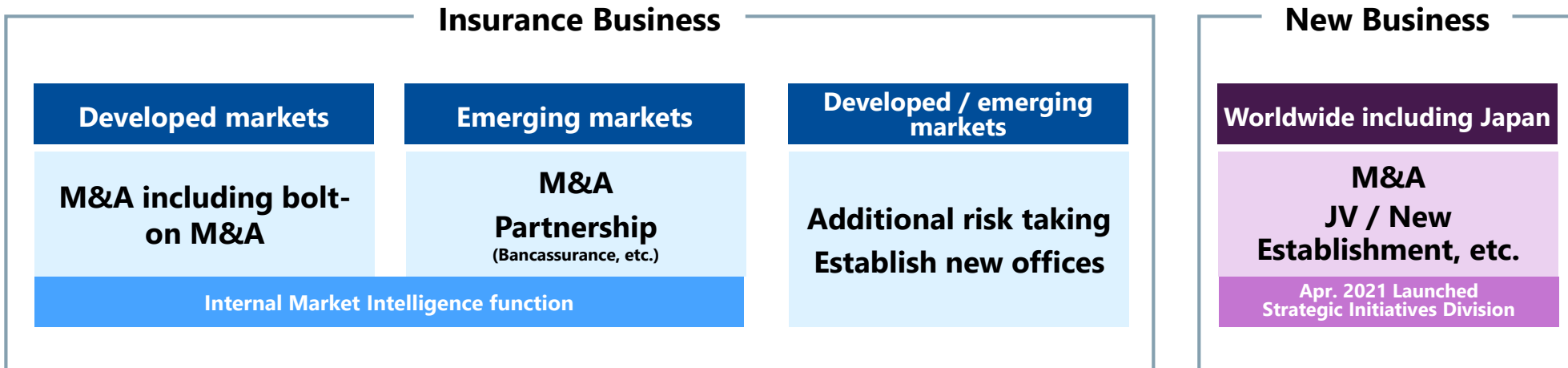
Indian market*4

2020 Non-life insurance market premium	\$27.2bn
2015-2020 Non-life insurance market CAGR	+15.6%

*4: Source: General Insurance Council, IRDAI

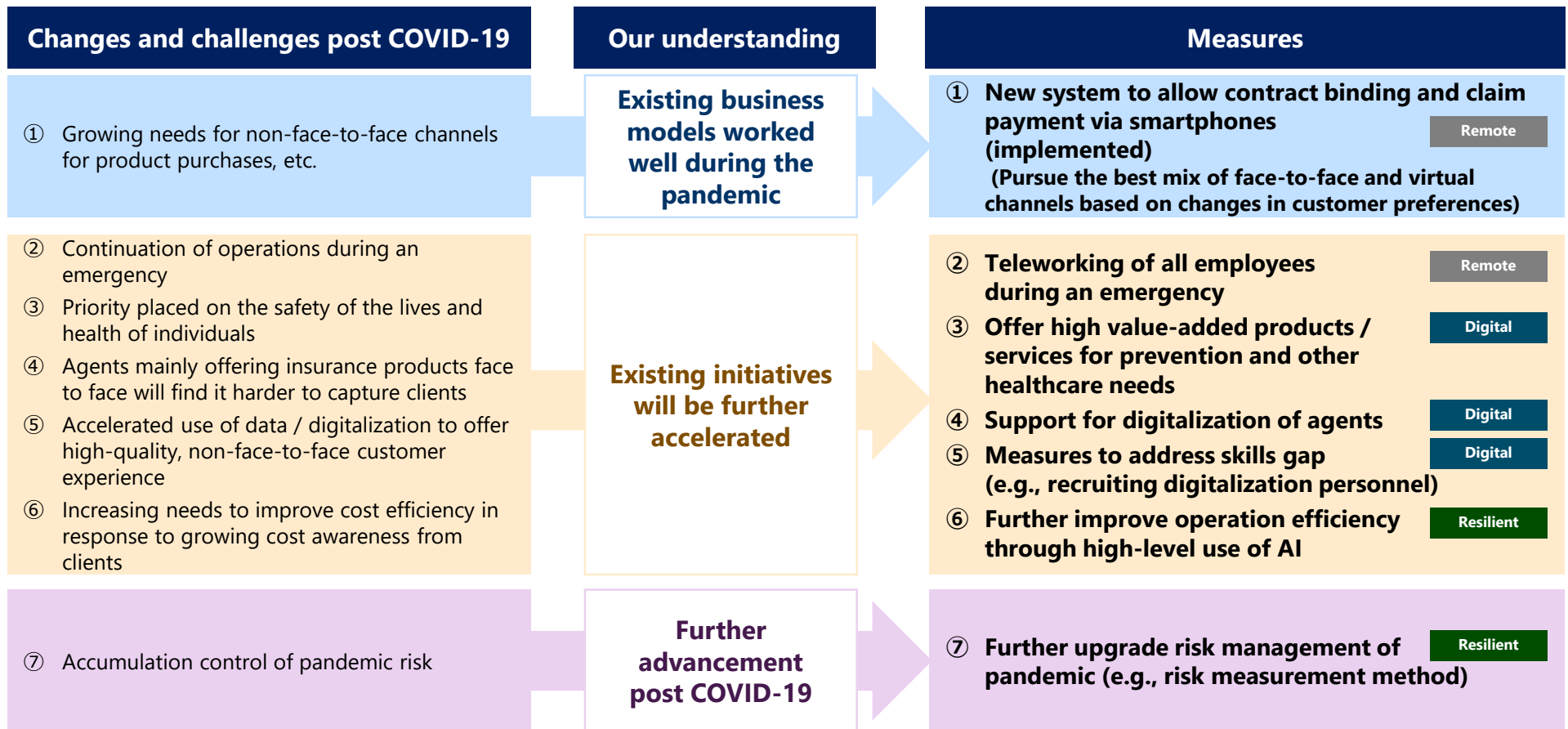
Pursue Optimal Portfolio

- Capture further growth and pursue business diversification through various strategic options including entry to new businesses
- Make portfolio review and decision in a disciplined manner



Post COVID-19 Strategy

- A task force including overseas top executives has identified changes and challenges post COVID-19, and reviewed strategies
- The review results are incorporated into respective Group companies' strategies to capture next growth opportunities

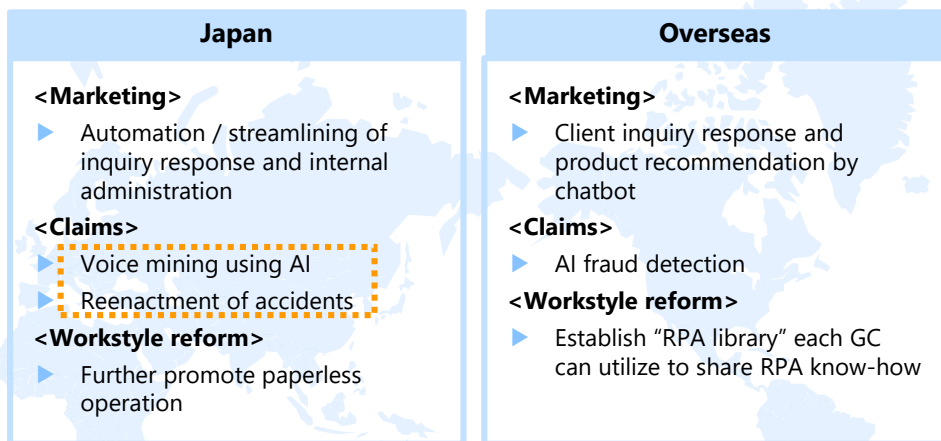


Digitalization Strategy (Productivity Improvement)

Use technology and data to radically improve productivity

Step toward productivity improvement

- ① **Radically reduce internal administration** through effective use of technology, data, operation process reforms and workstyles



TMNF: **Reduce internal administration by 20-30%** by the end of FY2026
(equivalent to ¥30-50bn cost reduction a year)

Asia: Aim to **reduce internal administration by 8-10%** over the medium- to long-term
(equivalent to ¥2bn cost reduction a year)

- ② Use the hours saved to promote sales and to offer peace of mind pre and post incident, allowing **top line growth and loss ratio improvement**
- ③ **Achieve productivity improvement (improve C/R)** as a result

Case Study

Internalization of core insurance function **led to the internal accumulation of core technology know-how** and **reduction of internal administration**

■ Internal development of AI to analyze and propose telephone conversation tips

- In April 2021, **we developed proprietary AI** that analyze telephone conversation contents using voice mining technology for our claims service. **Currently applying for a patent.**
- A trial run began in March 2021 for auto accidents. A rollout to all branches is scheduled by the end of FY2021.
- It significantly reduces the time spent on inputting the contents of telephone conversations** that has been done after each call.



■ Rollout of accident reenactment system

- Currently rolling out a system for AI to reenact auto accidents using videos obtained from drive recorders, etc. and automatically calculate liabilities between parties based on the circumstance of accidents and damage to vehicles
- Quicker settlement improves client satisfaction and reduces our workload**
- Won the Nikkei Superior Products and Services Award** by Nikkei Inc. in January 2021

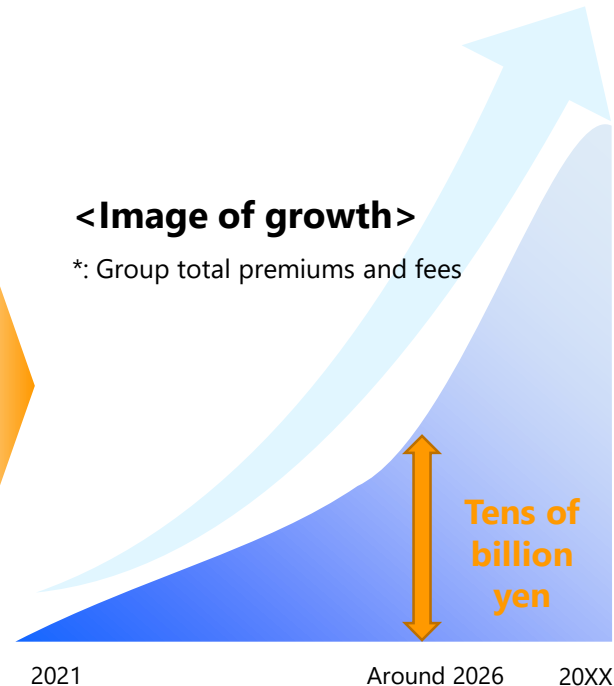
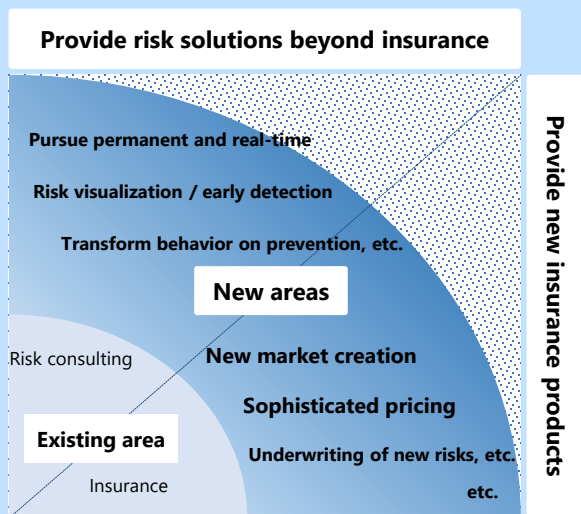


Digital Strategy (Creation of New Value)

By utilizing data to enable various risk-taking and risk solutions, promote realization of growth in the new stage for each Group company. At the same time, pursue business investment opportunities

Growth in new areas

- Apply sophisticated data analysis, etc. to increasingly diverse and complex set of risks **to develop and implement products and risk solutions that undertake new risks and create new markets**
- E.g., **enhance initiatives in areas of safety in preparation and recovery in the areas of health care, cyber risks, and disaster prevention / reduction**
- Realize growth in the new stage by **evolving to a ready partner that always supports the customers in times of need**



Tokio dR

Launch of core data company Tokio Marine dR

Data strategy is positioned as the pillar of new growth strategy, and the Group's **core data company Tokio Marine dR** is to launch in July 2021. By strengthening Group data analysis and solution development capacities, accelerate **new data driven product and risk solution development** by each Group company

Our Purpose (What are we aiming for?)

- **Contribute to the realization of sustainable society and simultaneously enhance our social value and economic value (profit growth) by circulating business-oriented social issue resolution initiatives**
- **Established Group Sustainability Officer and Sustainability Committee (consisting of CEO and C-suite) in April 2021 to accelerate our initiatives**

Values provided to the stakeholders and Materiality

Our Vision

Materiality

For Customers

- Contributing to the realization of healthy and enriched lives of our customers by delivering safety and security and by supporting them in challenges that lead to the future

- Promote climate actions
- Support people's healthy lives
- Enhance disaster resilience
- Support and create digital-oriented innovations, etc.

For Society

- Contributing to creating a sustainable society where can live in safety and security, and take on any challenges

For Shareholders / Investors

- Sustainable growth of shareholder returns
- Working to gain the trust of shareholders / investors and improve corporate value through appropriate disclosure and constructive dialogue

- Disclosures in a timely, appropriate and transparent manner

For Employees

- Contributing to employees' high performance by providing opportunities to work brightly and vibrantly and through engagement

- Promote and penetrate D&I

For Future Generations

- Passing on a sustainable environment to the future generations

- Promote climate actions
- Educate and raise awareness of children, etc.



Our Purpose (How will we do it?)

- Derivation of 4 medium- to long-term core themes from materiality
- Create value through steady implementation




Economic value

Social value

: Main elements improved with the initiatives

Stakeholders	 For Customers		For Society 	
Materiality (★ Core themes)	Promote climate actions(★)	Support people’s healthy lives(★)	Enhance disaster resilience(★)	Support and create digital-oriented innovations
Core Initiatives	<ul style="list-style-type: none"> • Provide and develop insurance & service that promotes use of renewable energy (Established Group-wide “Green Transformation Task Force” to accelerate the initiative) 	<ul style="list-style-type: none"> • Disseminate / promote health management supporting service further • Develop / provide new healthcare service and support asset formation / saving needs to cope with longevity risk (products / services) 	<ul style="list-style-type: none"> • Products and services that support disaster prevention / reduction and early recovery • Invest in business that works on establishing resilient environment • Support formulation of Business Continuity Plan (BCP) in collaboration with local governments and companies • Build a sustainable fire insurance system 	<ul style="list-style-type: none"> • New products and services using digital technology, etc. • Protection for increasing cyber risks (products / services) • Products and services for development of corporations such as SME support
Values Created	<div data-bbox="292 1068 484 1108">Economic value</div> <div data-bbox="495 1068 687 1108">Social value</div> <ul style="list-style-type: none"> • Initiatives related to renewable energy, etc. 	<div data-bbox="716 1068 909 1108">Economic value</div> <div data-bbox="919 1068 1112 1108">Social value</div> <ul style="list-style-type: none"> • Response to demands for health care services, asset formulation and savings, etc. 	<div data-bbox="1168 1068 1361 1108">Economic value</div> <div data-bbox="1371 1068 1564 1108">Social value</div> <ul style="list-style-type: none"> • Contribution to disaster prevention / reduction and early recovery, and building sustainable fire insurance system, etc. 	<div data-bbox="1614 1068 1806 1108">Economic value</div> <div data-bbox="1817 1068 2009 1108">Social value</div> <ul style="list-style-type: none"> • Products and services using digital technology, protection against cyber risks, and initiatives to support SMEs, etc.

Our Purpose (How will we do it?)

		Economic value	Social value	: Main elements improved with the initiatives		
Stakeholders	For Shareholders / Investors 	For Employees 		For Future Generations 		
Materiality (★ Core themes)	Disclosures in a timely, appropriate and transparent manner	Promote and penetrate D&I(★)		Promote climate actions(★)	Educate and raise awareness of children	
Core Initiatives	<ul style="list-style-type: none"> Promote appropriate disclosure practices by enhancing intelligence including TCFD-related matters 	<ul style="list-style-type: none"> Promote diversity / disseminate D&I culture Share best practice across the Group Make efforts to improve operations though human rights due diligence, etc. 		<ul style="list-style-type: none"> Realize carbon neutral through engagement with investees / customers, etc. Reduce CO2 emission in Group operation (RE100 certification, etc.) Mangrove planting / forest preservation activities 	<ul style="list-style-type: none"> Green lessons Disaster prevention lessons Lessons on managing risks and the future 	
Values Created	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #004a99; color: white; padding: 2px;">Economic value</div> <div style="background-color: #006633; color: white; padding: 2px;">Social value</div> </div> <ul style="list-style-type: none"> Enhance disclosures aligned with the TCFD recommendation and implement appropriate measures based on NGFS Sustainable growth of shareholder returns [Medium- to long-term target] <ul style="list-style-type: none"> ➢ Adjusted Net Income: Over ¥500bn ➢ Adjusted ROE: About 12% ➢ Primary means of shareholder return is dividends, which will be sustainably increased along with profit growth 	<div style="background-color: #006633; color: white; padding: 2px; text-align: center;">Social value</div> <ul style="list-style-type: none"> Annual culture & value survey Female managers: FY2030 30% of managers in TMNF are female D&I promotion: see page 21 		<div style="background-color: #006633; color: white; padding: 2px; text-align: center;">Social value</div> <ul style="list-style-type: none"> Reduction of our greenhouse gas (CO2/GHG) emissions: FY2030 -60% reduction (Compared to FY2015) Ratio of renewable energy usage to total electricity consumption: FY2030 100% to renewable energy at major buildings/facilities Continue to achieve carbon-neutral* (achieved for seven consecutive years) Cumulative economic value of mangrove planting by FY2038 is expected to exceed ¥300bn <p><small>*: Related to our business activities (Scope 1+2+3 (Category 1,3,5,6))</small></p>		<div style="background-color: #006633; color: white; padding: 2px; text-align: center;">Social value</div> <ul style="list-style-type: none"> 100% total participation ratio for social contribution activities <div style="border: 1px dashed gray; padding: 5px; margin-top: 10px;"> <p>Green lessons:</p> <ul style="list-style-type: none"> About 870 lessons About 57,000 participants (Total as of end of Mar. 2021) <p>Disaster prevention lessons:</p> <ul style="list-style-type: none"> About 810 lessons About 55,000 participants (Total as of end of Mar. 2021) </div>

People and Culture as the Foundation

- In an era of uncertainty, promotion of diversity is critical to resolve increasingly complex social issues
- Unite diverse talents with shared corporate culture

Promotion of Diversity & Inclusion

Established Group Diversity & Inclusion Officer (CDIO) and **Diversity Council** chaired by the CEO in April 2021



CDIO Nabeshima

Nationality

- Excellent talent who join the Group through overseas M&A, are appointed to positions such as Group Co-Heads and global committee leaders

Gender

- Tokio Marine Group Women's Career College was established in to assist female Group employees in voluntary career planning, and to ensure that women are active in their workplaces
- Female sub-leader ratio: 54.9% (TMNF, as of April 1, 2021)
- Female corporate officer ratio: 11.5% (TMNF, as of April 1, 2021)



Generation

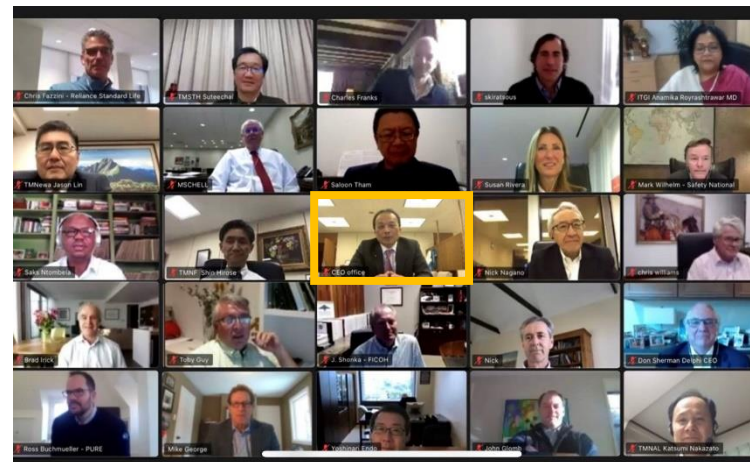
- An in-house venture program to support employees including young talent who are eager to innovate, relaxation of side job rules
- Turnover ratio*1: 2.0% (TMNF, FY2020)

*1: Calculated based on voluntary resignation, excluding resignation for mandatory age, etc.

*2: FY2020 survey result (total for domestic and overseas Group companies and HD)

Spreading the core identity

- CEO held a remote world tour during the pandemic
- By penetrating the corporate culture, engrave our corporate purpose in all acts from individual action to management decision making (essence of governance)



Remote world tour by CEO Komiya (CEO Meeting)

Creation of Exciting and Rewarding Work Environment

Culture & value survey*2 (84% response ratio)

4.3 points out of 5
(Group Attachment)