

Maximizing corporate value through a strategic capital policy centered on enterprise risk management

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As Group CFO, my role is to support the growth of each business by getting deeply involved in the business plans established by each business and executing strategic capital policy. For example, during CFO meetings, where I discuss responses to business environment changes, progress of various strategies and the need for reviews together with the heads of each business, I engage in dialogue to cover major issues of each business and KPI of the new mid-term business plan from the Group CFO's perspective.

Since we are an insurance company, we are increasing returns while taking risks of insurance underwriting and asset management. We have made enterprise risk management (ERM) a fundamental part of Group management. ERM takes into consideration our risk appetite, to what extent we undertake the risks, whether return on risk is sufficient, and whether risk is appropriately diversified. We have also established an ERM Committee for discussing ERM strategy. As chair of this committee, I meet with the Group's C-suite and heads of each business around six times per year to discuss individual risk strategies, the direction of risk appetite, enhancement of ERM, and to look back on initiatives. Based on these talks, I determine a capital allocation plan to ensure the optimal risk portfolio from a Group-wide perspective that will contribute to Tokio Marine's growth.

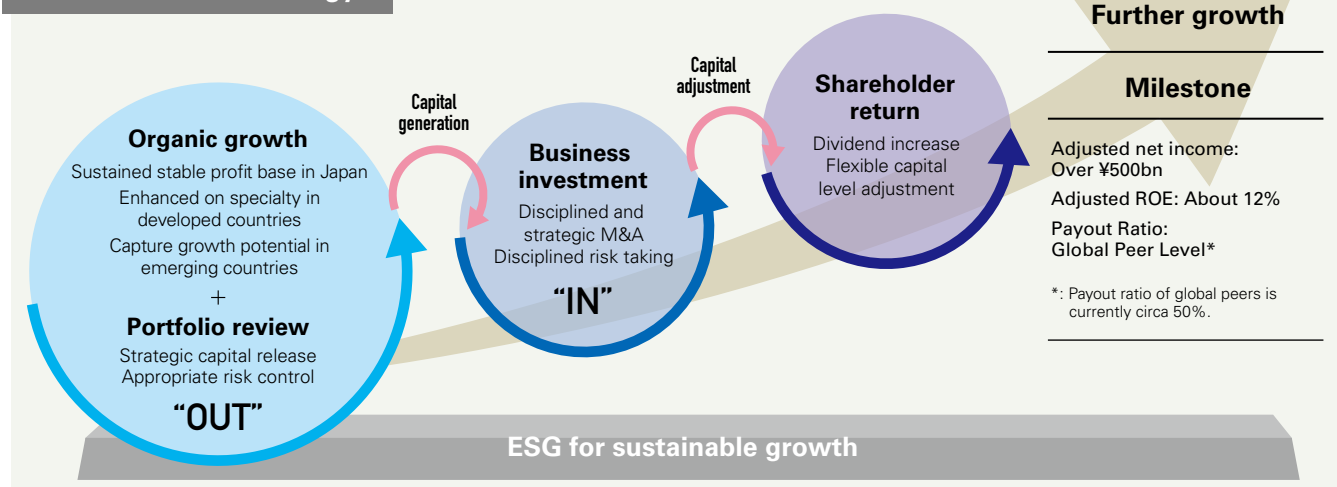
As the person responsible for Entry & Exit Office rules, I review whether various proposed entry (M&A, etc.) and exit (divestments, etc.) project plans are appropriate and have strategic significance, and then judge whether to go ahead or stop a deal from the perspective of strategic management resources input to ensure appropriate allocation of capital.

Of course, as CFO of a publicly traded company, one of my most important roles is engaging all of you in the capital markets. In addition to investor relations events, in fiscal 2020 I held online dialogue sessions with institutional investors from more than 100 organizations around the world despite the COVID-19 pandemic. I am now working to incorporate these voices into Tokio Marine's capital policy and management strategies to further enhance corporate value.

Based on these many initiatives, we generate capital through the organic growth of each business in Japan and overseas, as well as strategic portfolio assessments. Capital raised is allocated to investment in good companies, but in situations where there are no promising investments, we use it to provide shareholder return. In this manner, we have implemented the capital strategy cycle to enhance corporate value.

I am also responsible for the formulation of our mid-term business plan that seeks out further growth in the future. As such, I would like to take this opportunity to discuss our mid-term business plan from the Group CFO's perspective.

Milestones and Strategy



Previous Mid-Term Business Plan

Before discussing the new three-year mid-term business plan starting in fiscal 2021, first I would like to look back on the results of the previous mid-term business plan that serves as its foundation. During the previous mid-term business plan, we faced the various challenges of natural disasters, COVID-19, social inflation^{*1} in the United States, and low interest rates around the world. As CFO, through capital allocation and other means, I worked to support the growth strategy of each business, reshuffle our forward-looking portfolio, and assess capital structure.

For example, in terms of portfolio reshuffling, we made a number of business investments, including the acquisition of PURE Group and Safety Insurance PCL (Safety) in Thailand, integration of Safety with our existing subsidiaries, and establishments a joint venture company in Brazil. On the flip side, we sold off TMR. In this manner, we worked on a number of entry and exit projects while considering risk diversification, optimal capital allocation and future growth.

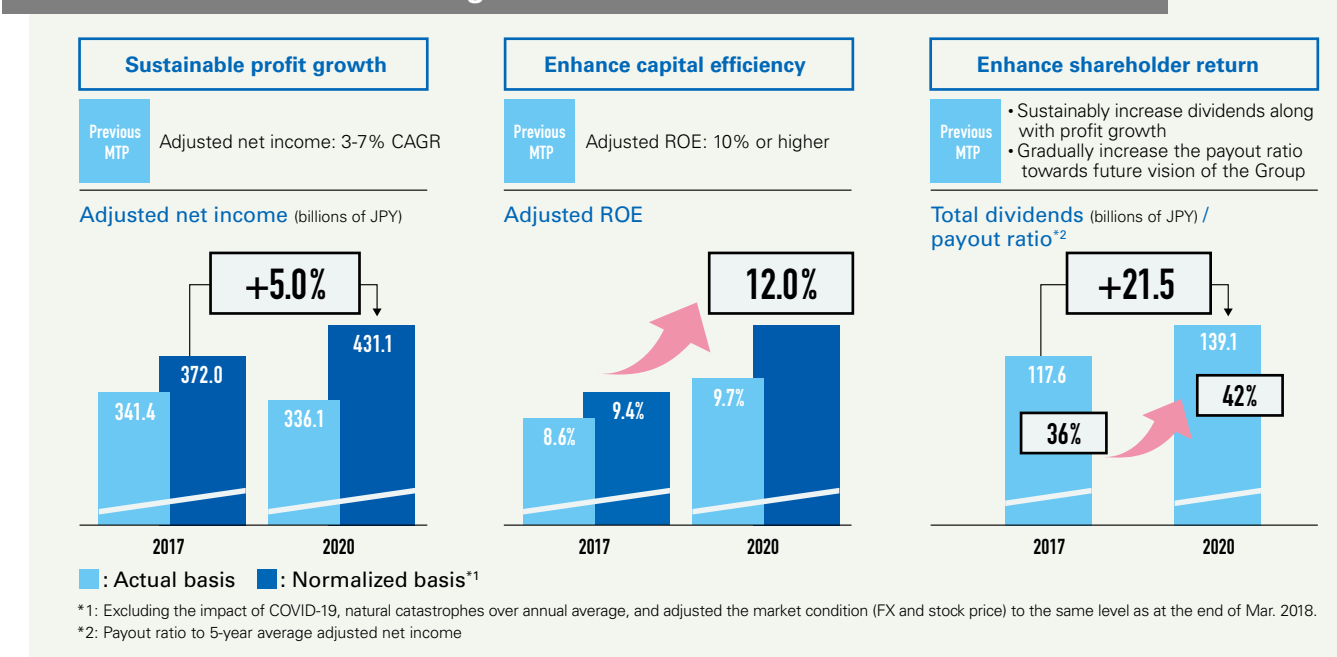
As part of my capital structure assessment, the decision was made to issue our first-ever hybrid bonds considering capital

cost^{*2} at the time of the PURE Group acquisition. While we did not use this before from the standpoint of effective utilization of capital, our capital efficiency has improved to some degree. Therefore, if a large investment opportunity presents itself in the future, or if multiple smaller investment opportunities arise around the same time, we will consider utilizing hybrid bonds as one of the options for achieving the optimal capital structure.

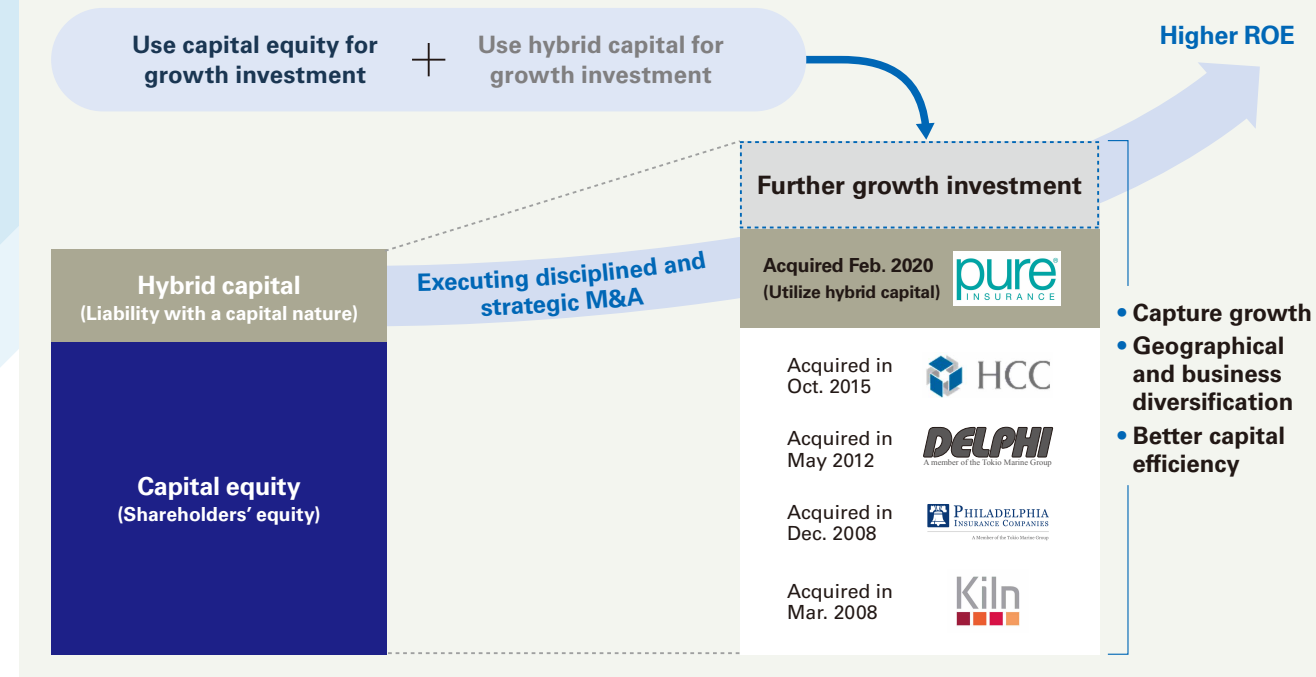
As a result of these initiatives, our capabilities during the previous mid-term business plan (excluding the transient effects of natural disasters and COVID-19) included adjusted net income of ¥431.1 billion (CAGR of 5.0%), adjusted ROE of 12.0%, total dividends of ¥139.1 billion (up ¥21.5 billion), and payout ratio of 42% (up 6pts). As a result, we achieved the targets of the previous mid-term business plan of sustainable profit growth (CAGR of between 3 and 7%), enhance capital efficiency (Adjusted ROE of 10% or higher), and enhancement of shareholder return (increase total dividends and payout ratio).

^{*1}: An event involving the soaring insurance claim amounts caused by the proactive activities of lawyers and increase in jury verdicts favoring the plaintiff side.
^{*2}: Cost required when a company procures capital

Achievement of the Three Targets of the Previous Mid-Term Business Plan



A Flexible Capital Strategy



New Mid-Term Business Plan

Under the new mid-term business plan, our KPI include growing adjusted net income at CAGR of between 3 and 7%, adjusted ROE of around 12% and payout ratio of 40% or more of adjusted net income on average. This will put us in a position to reach our mid- to long-term targets established in 2017 (adjusted net income of over ¥500 billion and adjusted ROE of around 12%).

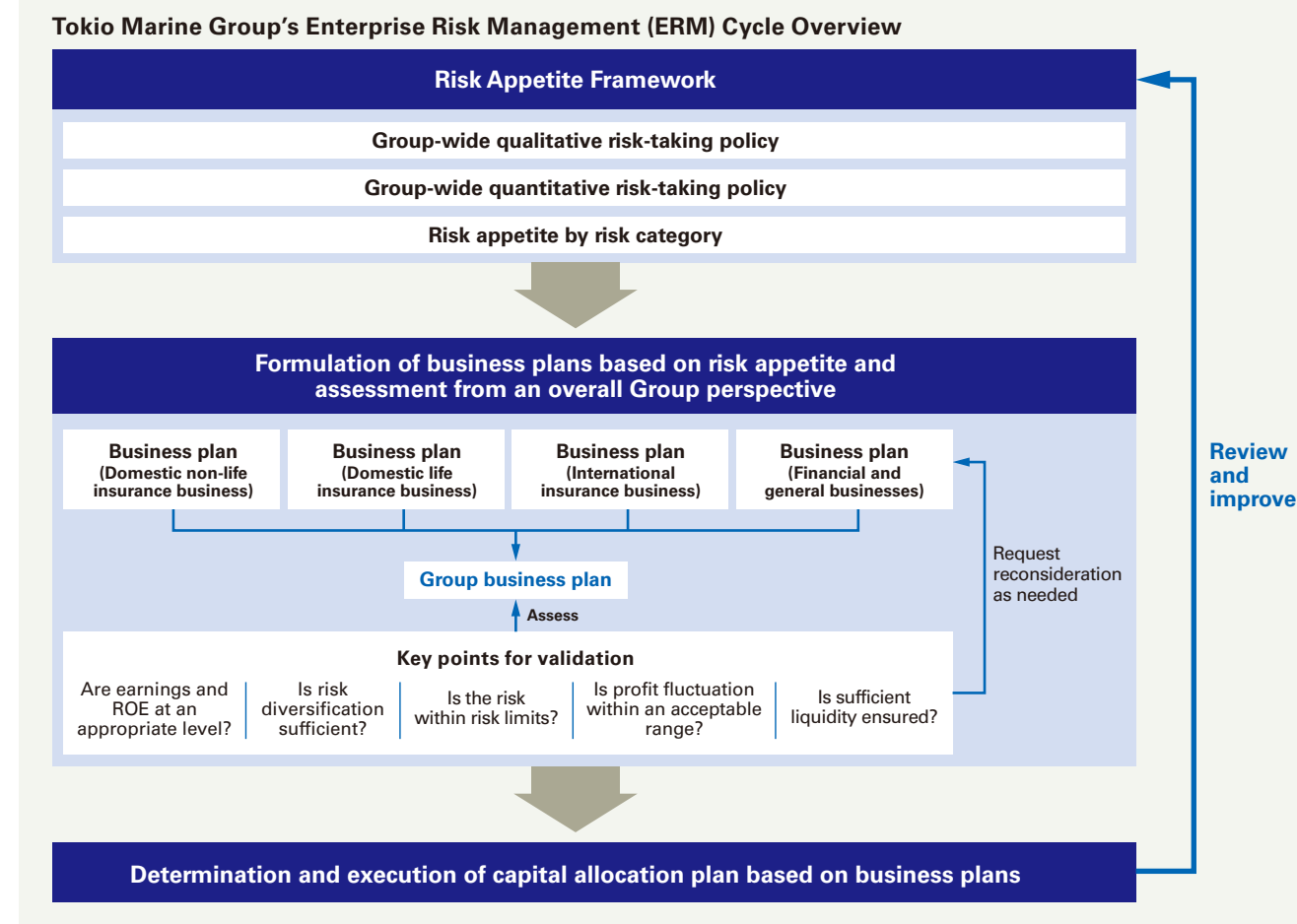
This KPI is based on organic growth and does not include M&A. Our M&A is to diversify risk only if a promising deal presents itself. Therefore, I don't feel it is appropriate to incorporate the execution of M&A into the plan. In addition to organic growth, if a large and promising M&A opportunity arises, this will make further growth possible and shorten the timeline to reaching our targets.

The new mid-term business plan was formulated based on discussions not only by the board of directors, but also by CFO meetings and the ERM Committee that I touched upon above. During this process, discussions and reviews first focused on future assessment, including Tokio Marine's future vision, concerning the diversification of customer needs, growing complexity of social issues, low interest rates around the world,

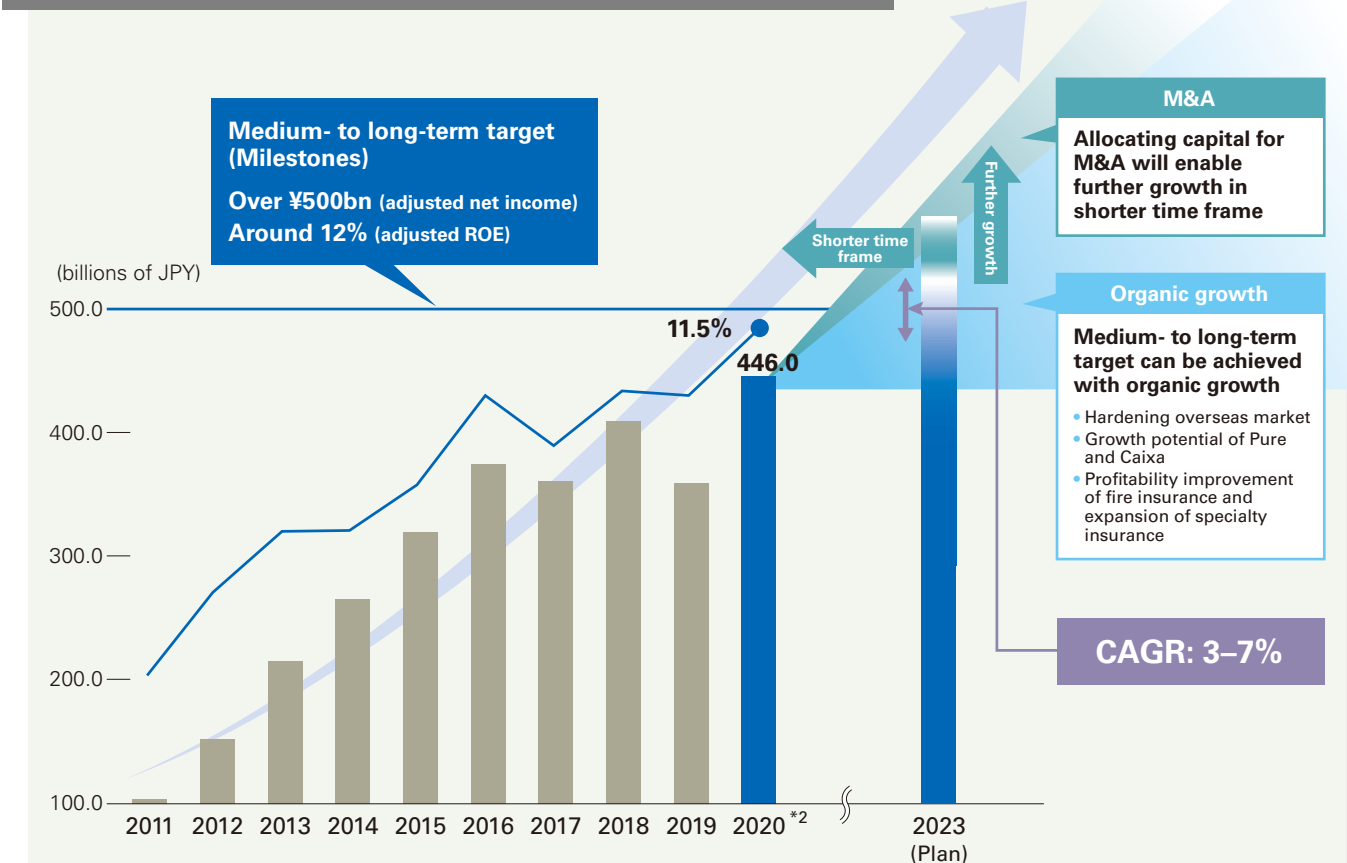
growing intensity of natural disasters, and developments in the insurance markets of each country. On top of this, the plan was developed by positioning enhancement of insurance business earnings and initiatives in new markets and growth areas as major growth drivers considering our mid- to long-term targets. Specifically, we will steadily implement our various growth measures, which include improving the profits of fire insurance and expanding specialty insurance in domestic non-life insurance as well as increasing rates and pursuing disciplined underwriting based on market hardening in the overseas insurance business and increasing the profits of the Pure Group acquired in 2020.

Since announcing our new mid-term business plan in May 2021, I have been engaging all of you in the capital markets and received positive responses in terms of the plan's details and probability of reaching its targets. At the same time, I feel some pressure (laughs) as many believe that adjusted net income of ¥500 billion should easily be achieved. As CFO, I will contribute to achieving the plan through steady capital strategy execution.

Enterprise Risk Management Cycle



Adjusted Net income/Adjusted ROE (normalized basis)*1



*1: Natural catastrophes are normalized to an average annual level, and the impact of reinstatement premiums is excluded for 2018 and 2019.
*2: FY2020 is based on the new definition adjusted basis excluding the impact of COVID-19 and FX as well as impacts of nat-cat underwriting reserves and provision for underwriting result in the first year.
Under the previous definition adjusted basis, adjusted net income is ¥423.0bn and adjusted ROE is 11.2%.

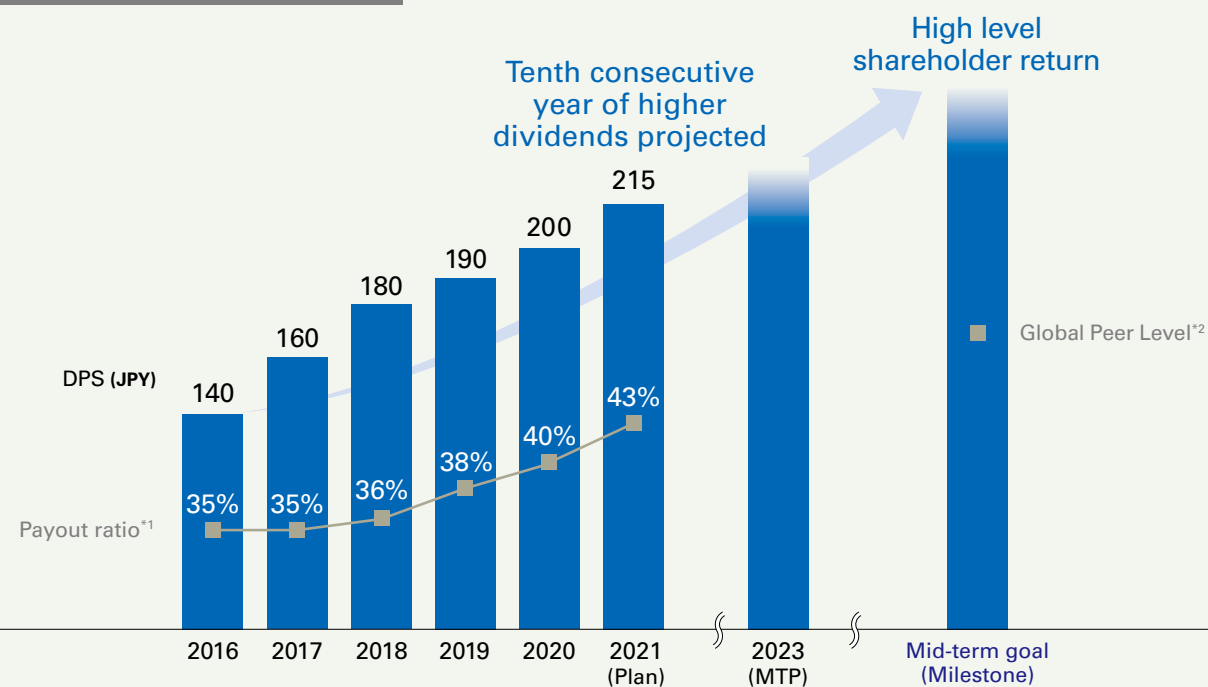
Shareholder Return

As for shareholder return, we will seek to sustainably increase the ordinary dividend, which will form the basis similar to the previous mid-term business plan, depending on profit growth. We will also increase the payout ratio in stages to the same level as global peers (around 50% at present).

Our approach to capital policy remains consistent with before. We will execute M&A for risk diversification if a solid opportunity presents itself and follow through with disciplined shareholder return if there are no M&A deals. Regarding methods to adjust capital level, starting in fiscal 2021 we have allocated at least ¥100 billion per year to both small and mid-sized growth investments and shareholder return from the perspective of further increasing transparency. Moreover, we will introduce a more agile approach to determining shareholder return, taking into account the M&A pipeline and share value, instead of the typical twice a year.



Trends in Shareholder Return



Total dividends (billions of JPY)	105.3	117.6	128.0	133.0	139.1	149.0*3
Capital level adjustment*4 (share buybacks, etc.) (billions of JPY)	50.0	150.0	125.0	50.0	50.0	100.0*5

*1: Payout ratio based on the original projection basis.
 *2: Payout ratio of global peers is currently circa 50%.
 *3: The figure for 2021 (plan) is before reflecting share buybacks.
 *4: Total amount approved by the announcement date of financial results of each fiscal year.
 The figure for 2018 includes one-time dividends of circa 50.0bn yen and those for 2019 and 2020 include of circa 25.0bn yen, respectively.
 *5: FY2021 (plan) is the total amount of small- to medium-sized business investment and capital level adjustment (guideline).

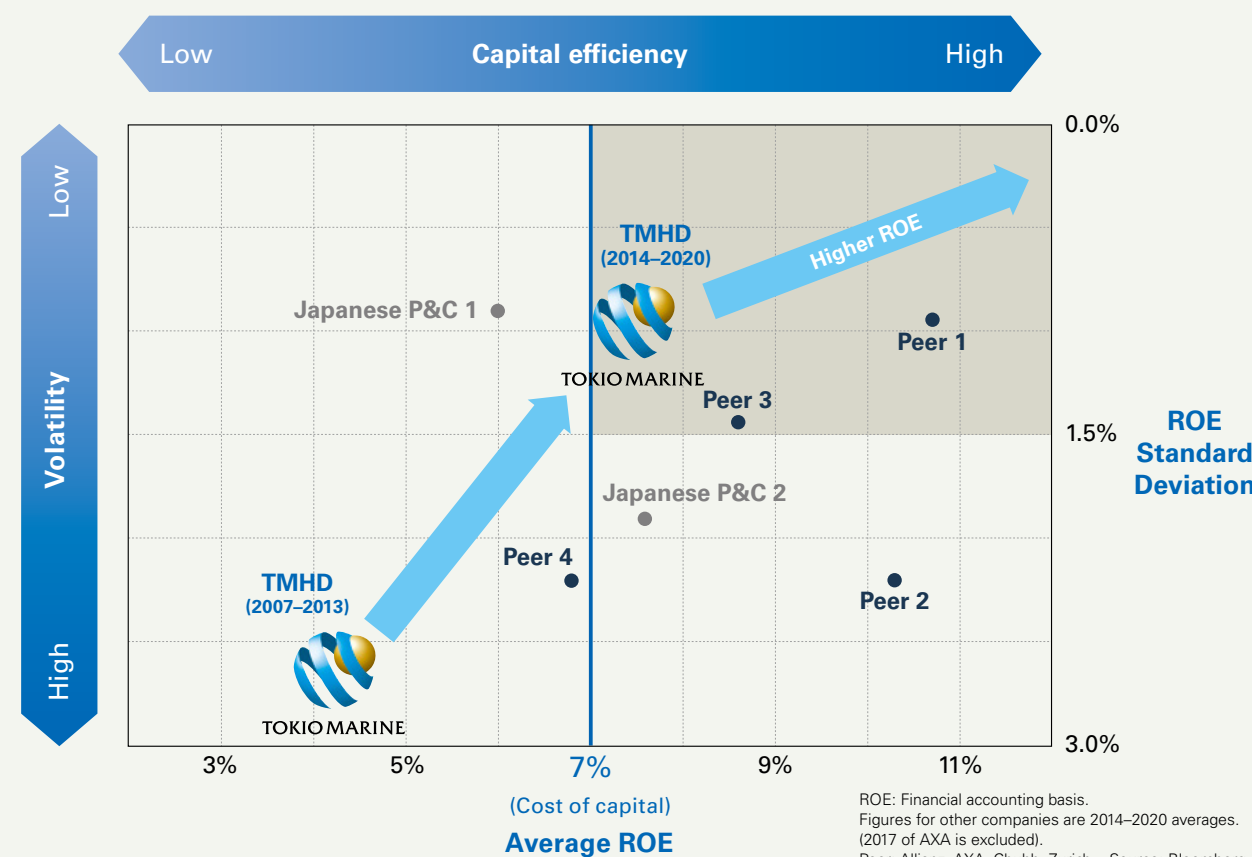
Trends in ROE

As a result of these initiatives, our adjusted ROE has been trending above a capital cost of 7%, which is calculated based on the capital asset pricing model (CAPM)*, since 2013. Our ROE level and its stability are approaching the level of our global peers.

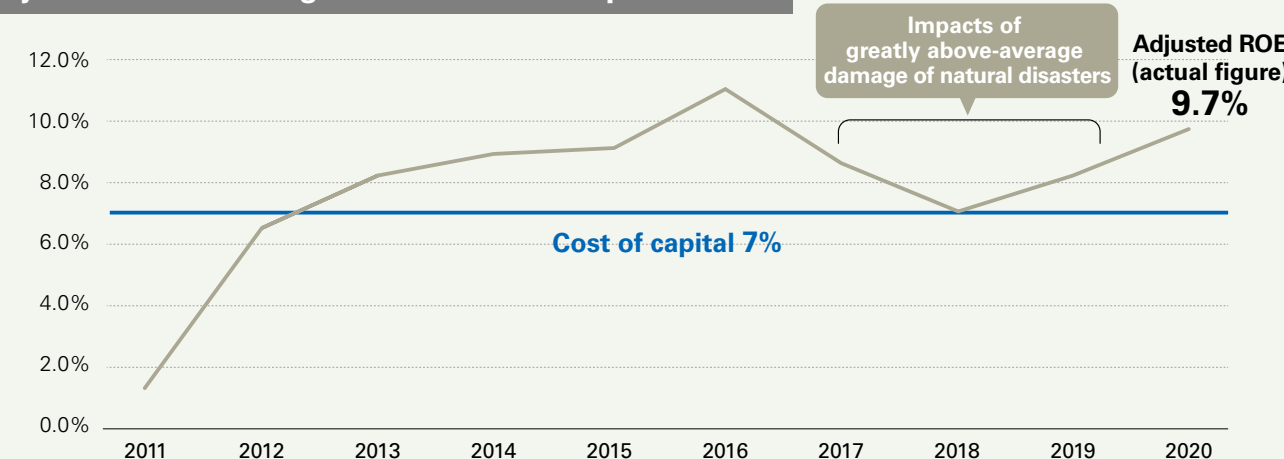
Going forward, we will enhance capital efficiency in a stable manner while maintaining capital integrity through a disciplined capital policy.

*: A method for calculating return that can be expected by investors. It is calculated as risk-free rate + beta (riskiness of an individual asset compared to the overall market) x market risk premium.

Stable ROE Improvement

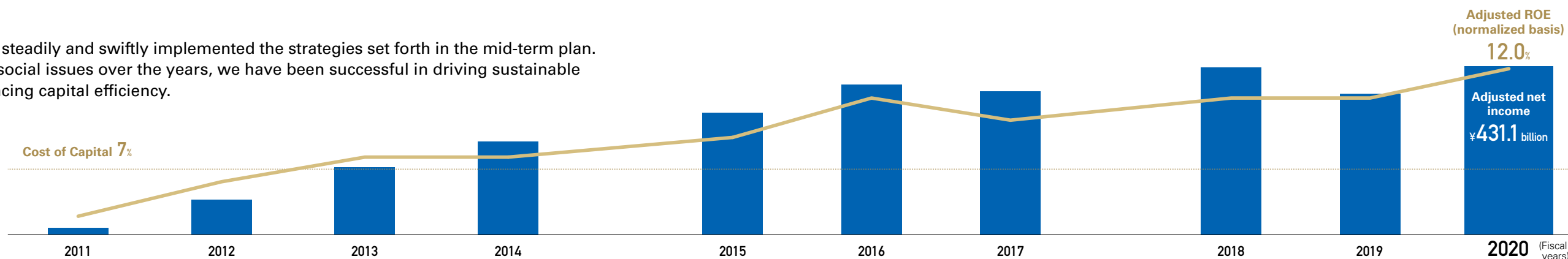


Adjusted ROE Trending Above a Cost of Capital of 7%



Review of the Mid-Term Business Plan to Date

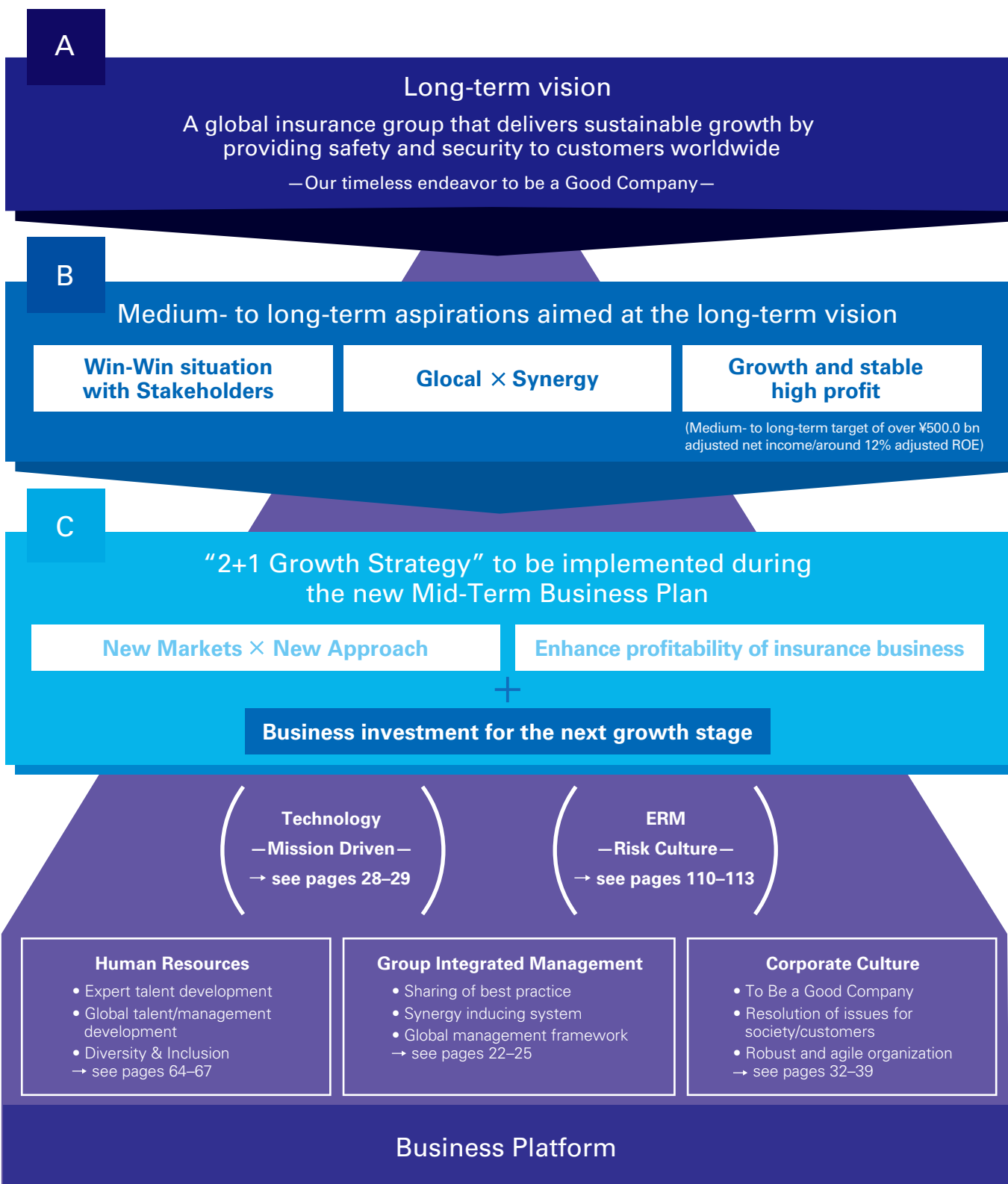
Tokio Marine Group has steadily and swiftly implemented the strategies set forth in the mid-term plan. As a result of resolving social issues over the years, we have been successful in driving sustainable profit growth and enhancing capital efficiency.



Mid-Term Business Plan 2023 —Adapt, Lead, Innovate—

In formulating our new Mid-Term Business Plan, we first (A) clarified our long-term vision, (B) formulated a “medium- to long-term aspirations” aimed at this vision, and (C) planned a “2+1 Growth Strategy” to be implemented during the new Mid-Term Business Plan (three years).

Here, we will explain about the “long-term vision,” “medium- to long-term aspirations” and “2+1 Growth Strategy” in the new Mid-Term Business Plan.



A Our “Long-term Vision”

Our “long-term vision” is to become “A global insurance group that delivers sustainable growth by providing safety and security to customers worldwide—Our timeless endeavor to be a Good Company—.” Since our founding we have grown in a sustained manner by contributing to solutions to various social issues changing with the times under our purpose of “protecting our customers and society in times of need.” Going forward, we will aim to achieve this “long-term vision” by continuing to increase social value and economic value (profit growth) while resolving social issues important to all stakeholders around the world including the next generation through our business activities, even though these social issues are becoming more complex and serious in nature.

B “Medium- to long-term aspirations” aimed at the “long-term vision”

Aimed at our “long-term vision,” our three aspirations are “win-win situation with stakeholders,” “glocal x synergy” and “growth and stable high profit” (medium- to long-term targets include adjusted net income of over ¥500 billion and adjusted ROE of around 12%). A detailed look at these three areas is presented below.

Win-Win Situation with Stakeholders

- Penetrate the purpose of “protecting our customers and society in times of need” throughout the Group and provide even greater value to stakeholders including the next generation
- Continuously seek out the optimal solutions to integrating the interests of all stakeholders over the medium to long term

Glocal × Synergy

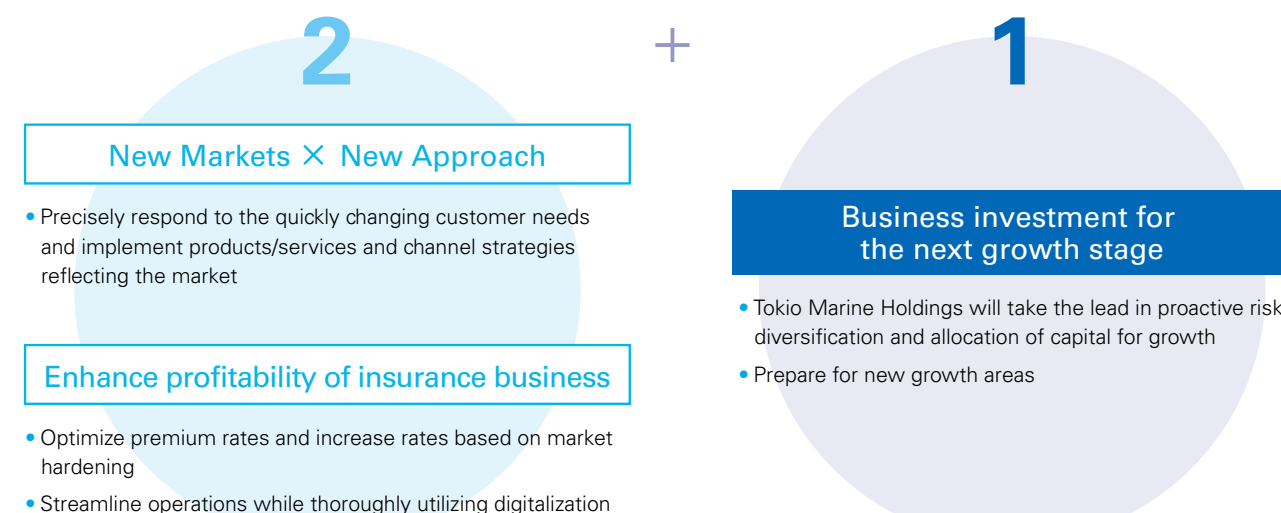
- Establish dominant competitive advantages in each region and market as a global insurance group
- Build a powerful business model that cannot be matched by other companies through utilization of talent and generation of synergies including rolling out best practices

Growth and Stable High Profit

- Continue to grow by correctly addressing changing social issues
- Build a lean management structure through risk diversification to become a “robust and agile organization” that achieves stable high profit no matter the business environment
- As a result, achieve adjusted net income of over ¥500 billion and adjusted ROE of around 12%

C Aimed at our “medium- to long-term vision” “2+1 Growth Strategy” to be implemented during the new Mid-Term Business Plan

Aimed at these “medium- to long-term aspirations,” we will work toward the “2+1 Growth Strategy” which features business investment for the next growth stage complementing the two growth strategies of “New Markets X New Approach” and “Enhance profitability of insurance business.”



KPI Targets in the New MTP

We aim to reach adjusted net income with CAGR of 3% to 7%, adjusted ROE of around 12% as KPI targets through the execution of our “2+1 Growth Strategy.” Reaching these levels is in range to achieve our medium- to long-term targets of adjusted net income of over ¥500 billion and adjusted ROE of around 12%. These KPI targets account for organic growth only. If we find good M&A opportunities, we could be able to achieve the targets ahead of schedule or achieve results well in excess of the targets. As for shareholder returns, we aim to achieve a payout ratio of 40% or higher in terms of ordinary dividend alone. We will also work to continuously increase the dividend depending on profit growth and flexibly make adjustments to capital levels.

	Medium- to long-term target	FY2023 Projection*1	FY2020
Adjusted net income	Over ¥500 bn	CAGR: 3–7% (circa ¥480–540bn) <small>→ See the next page for a breakdown.</small>	¥446.0 bn*2
Adjusted ROE	around 12%	around 12%	11.5%*2
Payout ratio*3	On par with Global Peers*4	40% or higher	40%
Capital level adjustment	Flexible execution	Flexible execution*5	¥50.0 bn

*1: Parentheses indicate estimates.
 *2: Based on new definition (natural catastrophes normalized to an average annual level, excluding impact of COVID-19 and FX as well as impacts of nat-cat underwriting reserves and provisions of underwriting result for the first year) 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%.
 *3: Payout ratio is on the five-year average adjusted net income. Based on original projections.
 *4: Payout ratio of global peers is currently circa 50%.
 *5: Set total amount (guideline) for small- to medium-sized business investment and capital level adjustment (FY2021 budget is ¥100.0bn)

(Ref.) Breakdown of Adjusted Net Income (Business Unit Profit KPI Targets)

		FY2023 Projection*1	FY2020
	Adjusted net income	CAGR: 3-7% (circa ¥480–540bn)	¥446.0bn*2
Breakdown by Business Unit			
Business Unit Profits	Domestic Non-Life Insurance (TMNF)	CAGR +6% or higher (Approx. ¥160 billion or higher)	¥138.5 billion*6
	Domestic Life Insurance	Secure at ¥50 billion consistently	¥52.7 billion
	International Insurance	CAGR approx. +9% (Approx. ¥230 billion)	¥180.1 billion*7

The difference between total business unit profit (fiscal 2023 plan: approx. ¥440 billion; fiscal 2020 results: ¥371.3 billion) for the above three business units and adjusted net income mainly consisted of gains on sales of business-related equities (fiscal 2020 results for Tokio Marine & Nichido was ¥83.0 billion).
 Sales of business-related equities are included in adjusted net income, which is a source of shareholder returns, but excluded from business unit profit.

(Ref.) Top Line KPI Targets by Business Unit

		FY2023 Projection*1	FY2020
Top line	TMNF (Net premiums written)	CAGR +2% or higher	¥2,021.9 billion
	Domestic Life Insurance (New Policies ANP)	CAGR approx. +5%	¥43.3 billion
	International Insurance (Net premiums written)	CAGR approx. +5%	¥1,734.5 billion*8

*6: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 is excluded.
 *7: Natural catastrophes are normalized to an average annual level and the impact of COVID-19 and FX are excluded.
 *8: Excluding the impact of FX.

Domestic Non-Life Insurance

Creation of Stable Profit in the Automobile Insurance Market

Although Japan is expected to see the number of automobiles on the road decline gradually in the future, we will introduce a number of high-value-added products and address new risks and needs from the changing environment to ensure we continue to generate stable profits.

Steadily Expanded Market Share and Supported Growth

Our core automobile insurance line has consistently grown our top line, regardless of rate revisions, while harnessing our strengths in appealing products and services and high-quality claims services. This line continued to grow in fiscal 2020 despite COVID-19, placing us atop the industry in terms of top line performance and year on year growth rate. Moreover, with a sound combined ratio, the line continues to generate stable earnings.

Limited Impacts from Environmental Changes Such as Autonomous Driving Technologies

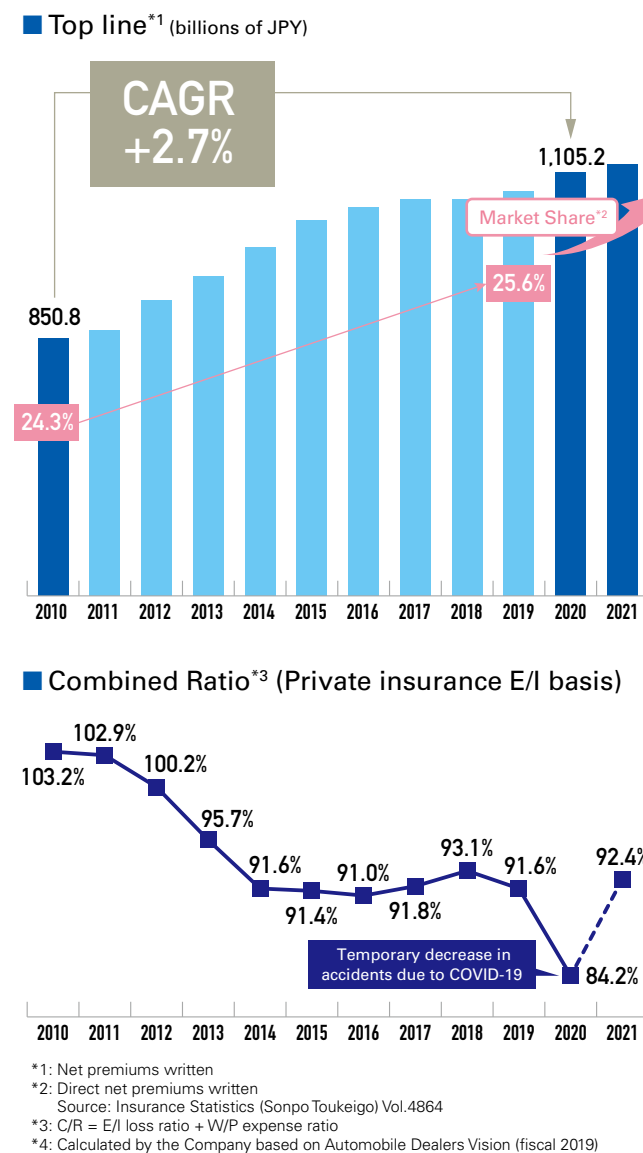
Going forward, the automobile insurance market is expected to see progress in autonomous driving technologies, a declining number of automobiles on the road in Japan following the country's changing demographics, and the spread of electric vehicles (EVs).

However, considerable time is still needed until the complete adoption of autonomous driving technologies, and since this will increase the insurance premium unit price, we believe the impacts on claim cost will be limited (for details, see page 53).

While the number of automobiles will decline, quantitatively speaking, the CAGR of vehicle ownership is expected to be around -0.4%^{*4} from fiscal 2019 to fiscal 2030, meaning any impacts should not be substantial. Furthermore, the spread of EVs will not necessarily lead to market contraction because of rising insurance premium unit prices and the possibility of unique risks associated with EVs.

Continuing to Generate Stable Profits by Introducing a Number of High-Value-Added Products

Tokio Marine became the first in the Japan's insurance industry to provide customers with a dual-camera driving recorder in April 2021 and we are currently seeing policy growth with this product. We will continue to roll out similar high-value-added products and provide them to customers, while thoroughly utilizing digital technologies, to sustainably expand market share. Additionally, we will continue to generate stable profits going forward by addressing new risks emerging from the progress of autonomous driving technologies and spread of EVs and responding to new needs associated with the growing complexity of liability.



Reference: Impacts on automobile insurance market due to advancements in autonomous driving technologies

Impacts from advancements in autonomous driving technologies are limited for the time being, but over the long term there are growing expectations in insurance companies as a form of social infrastructure underpinned by advancements in automobiles and growing complexity of liability.

Impacts from Advancements in Autonomous Driving Technologies

Autonomous driving technologies are making moderate progress, as symbolized by the release of the Honda Legend featuring the world's first Level 3 self-driving tech in March 2021 (the Government of Japan's targets appear at right). The insurance industry is expected to be impacted by declining accident frequency and growing complexity of accident liability as a result of such progress in technology.

Impacts from Declining Accident Frequency

Progress of autonomous driving technologies will indeed help reduce the frequency of accidents, but the impacts on the insurance industry are expected to be limited for the time being for the following reasons.

- Vehicles have various replacement cycles and it takes more than 15 years until all vehicles on the market are replaced with new ones^{*3}. Furthermore, even if a Level 4 automobile came to market, autonomous driving will only be limited to expressways (accounting for around 3% of accidents). This suggests that the decline in accident frequency will only be moderate.
- In terms of claim cost, although accident frequency will decline moderately, repair costs are expected to increase because of the high cost of EV parts. Therefore, any impacts will be limited for the time being.
- Moreover, responding to the new risks emerging from technological progress (cyber risk, etc.) can become an opportunity for the insurance industry.

Furthermore, a research working group of the Ministry of Land, Infrastructure, Transport and Tourism^{*4} concluded that it is appropriate for drivers to remain the primary party of liability up to Level 4 self-driving. As a result, today's automobile insurance will remain relevant.

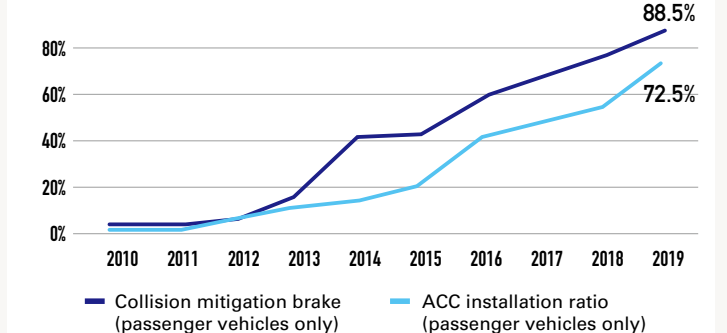
Impacts from Growing Complexity of Accident Liability

There is concern about the growing complexity of accident liability in the event of accidents caused by autonomous vehicles because in addition to the at-fault party and no-fault party, claims for damages could also be brought against manufacturers or software companies. We are launching products ahead of competitors that ensure victims are quickly compensated in contributing to the realization of a safe and secure automotive lifestyle even in the current environment.

Progress in Autonomous Driving Technology

Level of Autonomous Driving	Driver	Government Target (private vehicles)
LEVEL 0 (zero autonomous)	Human	
LEVEL 1 (driving support)		
LEVEL 2 (partially autonomous)		
LEVEL 3 (conditional autonomous)	System	by 2020, autonomous driving on expressways ^{*1}
LEVEL 4 (highly autonomous)		by 2025, autonomous driving on expressways ^{*1}
LEVEL 5 (fully autonomous)		TBD

ASV installation ratio for new cars^{*2}



No significant changes to claims cost for the time being

$$\text{Claims cost} = \text{Lower accident frequency} \times \text{Higher insurance unit price}$$

• Higher repair expense unit price due to expensive parts
• Possible increase in assessment cost

Support for saving victims (Japan's first)

April 2017: Launched coverage riders for expenses for saving victims
April 2021: Auto accidents during autonomous driving have no impact on the grade rating system for non-fleet auto insurance

- *1: Based on our data, insurance payment for expressway accidents comprise about 3% of all accidents
*2: Based on MLIT Survey on Penetration of ASV Technology, Dec. 2020
*3: Public-Private ITS Initiative / Roadmaps 2020.
*4: Mar. 2018, MLIT Research Group on Liability for Accident Compensation concerning Autonomous Driving

Domestic Non-Life Insurance

Creating New Markets by Expanding Specialty Insurance

Through contribution (new market creation) to solving the growing risks and continually arising social issues in these uncertain and unstable times, over the next three years we will increase revenue by more than ¥100 billion and strongly drive the growth of domestic non-life insurance.

Occurrence of New Social Issues

In these times of uncertainty, risks are rising and social issues are becoming more complex. In addition to the major worldwide social issues of the transition to renewable energy and growing cyber risk, Japan, too, faces the issues of an aging population and the decline of regional economies, which are becoming more serious. This has resulted in ever-higher expectations being placed on insurance companies as a form of social infrastructure.

Unlocking Robust Growth through Resolutions to Issues to Grow the Line into the Next Pillar after Automobile Insurance

As a company that has grown sustainably through its solutions to social issues, we perceive these environmental changes as an opportunity to seize. For example, the insurance enrollment rate of small- and medium-sized enterprises (SMEs) believed to account for over 99% of Japanese companies is low, making it a major untapped market. We hope to deliver high-value-added products that meet all needs of these SMEs to every corner of Japan through increased collaboration with commerce and industry associations and local governments along with the utilization of digitalization. Our goal is to increase our brand recognition to the point where SMEs recognize Tokio Marine's unique value proposition.

Furthermore, automobile insurance is expected to decline over the next 20 to 30 years, but specialty insurance will take its place with robust growth.

Creation of new markets

Priority Areas	Initiatives	Three-year Revenue Growth Plan	Reference
Health care	<ul style="list-style-type: none"> 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 	+¥20-30bn ^{*4}	PP. 82-83
SME	<ul style="list-style-type: none"> 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 	+¥15-25bn ^{*4}	—
Offshore wind	<ul style="list-style-type: none"> Global market size in 2030: ¥200bn Establish "GX" Office in June 2021 Increase revenue by enhance Group-based initiatives including utilization of the abundant expertise of GCube 	Around+¥5bn ^{*4}	PP. 78-79
Cyber insurance	<ul style="list-style-type: none"> 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) 	Around+¥5bn ^{*4}	PP. 80-81
Other New risks, etc.	<ul style="list-style-type: none"> 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 companyTokio Marine dR to be launched in July 2021 	+¥20-30bn ^{*4}	PP. 28-29

^{*1}: Direct net premiums written, including PA. ^{*2}: Temporary rise in C/R due to specific contract ^{*3}: Net premiums written, including PA. 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

Domestic Non-Life Insurance

Improving Fire Insurance Earnings

We will build a sustainable fire insurance system while contributing to a society that is resilient to disasters by implementing a number of countermeasures comprehensively. Over the next three years we will improve earnings by more than ¥26 billion and several years thereafter we will secure profitability commensurate with capital cost.

Building a Sustainable Fire Insurance System (Earnings Improvement)

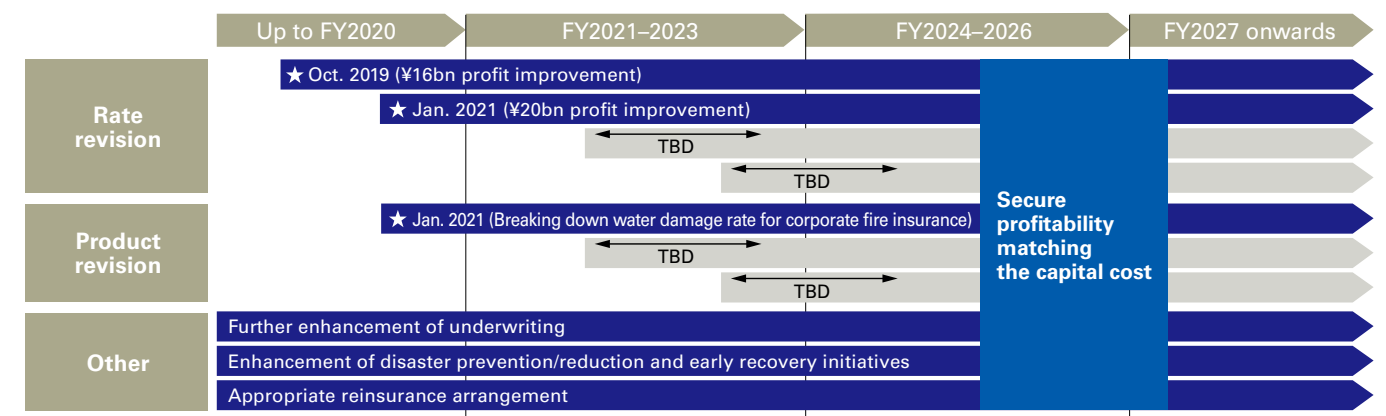
As a one of the most disaster-prone countries in the world, Japan's fire insurance system is extremely important, but it is hardly sustainable if the business experiences chronic losses.

In addition to our own efforts to reduce costs, we will accelerate comprehensive initiatives including rate revisions, product reviews, stricter underwriting, disaster prevention and mitigation,

and early restoration, which enable us to build a sustainable fire insurance system.

We will execute the road map below with conviction and over the next three years we will improve earnings by more than ¥26 billion (before tax) and several years thereafter we will secure profitability commensurate with capital cost.

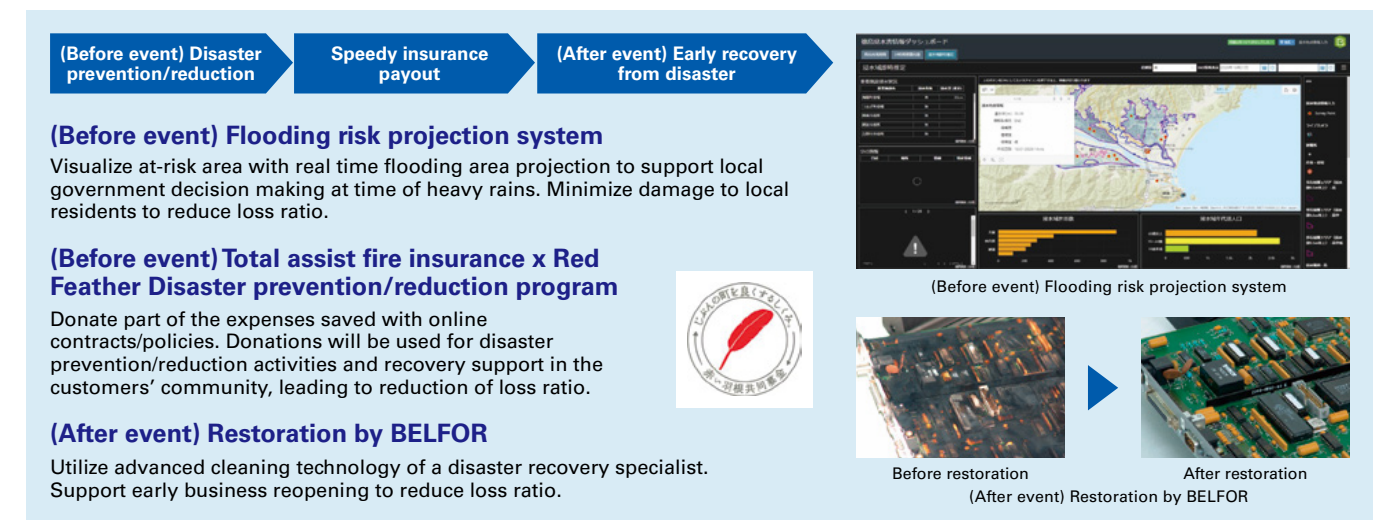
Road map for improving fire insurance earnings



Supporting Disaster Prevention and Mitigation and Early Restoration (From Payer to Partner) (please see pages 28-29)

The payment of claims is an insurance company's most important function, but we believe that this alone will not enable us to protect our customers. Tokio Marine believes that it is even more important to provide value that goes beyond the payment of claims to deliver peace of mind before and after an event. This includes preventing accidents, mitigating customers' burden in the event of an accident, helping early restoration and preventing recurrences.

Toward that end, we will utilize digitalization and data in a sophisticated manner. Specifically, we will hire a team of experts in digitalization at Tokio Marine dR Co., Ltd., our core data company established in July 2021. This will allow us to speed up initiatives and tackle new challenges so that we can support customers in their time of need and evolve into a company that always supports its customers.



Domestic Non-Life Insurance

Achieving Sustainable Growth by Improving Business Efficiency

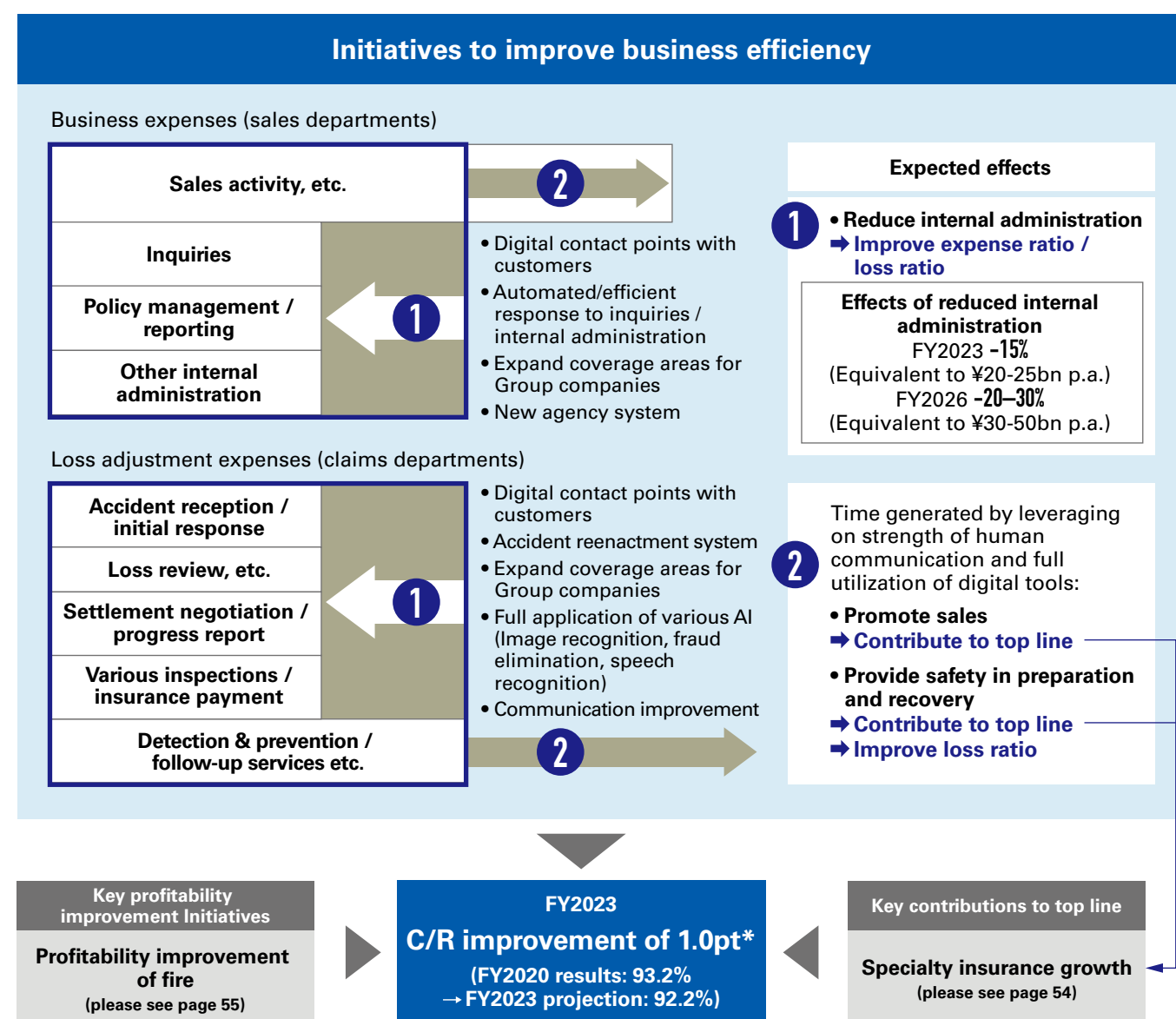
We will thoroughly reduce internal admin and increase productivity by utilizing digital technologies to a high degree. The time created will allow us to turn our attention to top-line expansion through resolving new social issues, which will lead to our sustainable growth.

Since launching its Business Process Reform Project 13 years ago, Tokio Marine has reduced internal admin by around 30%. This has allowed us to shift freed up personnel to sales, driving the sustained growth of our market share.

The initiatives indicated below represent a company-wide project launched in fiscal 2020 by TMNF. Over the next three years, we will commit ¥40 billion mainly to digitalization investments to thoroughly reduce internal admin (our goal is to reduce workload by 15% at the end of fiscal 2023 and by 20 to 30% at the end of fiscal 2026). The time created from these efforts does not mean we will reduce personnel; rather, we will turn our attention to top-line

growth through resolving new social issues, improving the loss rate, and supporting human resources development, which will lead to our sustainable growth without diminishing the equilibrium.

Specifically, sales departments will thoroughly reduce internal admin such as response to inquiries, policy management, and accounting and use the capacity freed up to focus on top-line growth mainly in specialty insurance. Claims departments, too, will digitalize all processes to thoroughly reduce admin and use this time instead to enhance our provision of peace of mind before and after events.



*: 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

Domestic Life Insurance

Risk Diversification and Long-Term Growth Drivers

We will break through ¥100 billion in profits over the long term and contribute to the company's long-term growth and risk diversification.

Profit Growth of Domestic Life Insurance

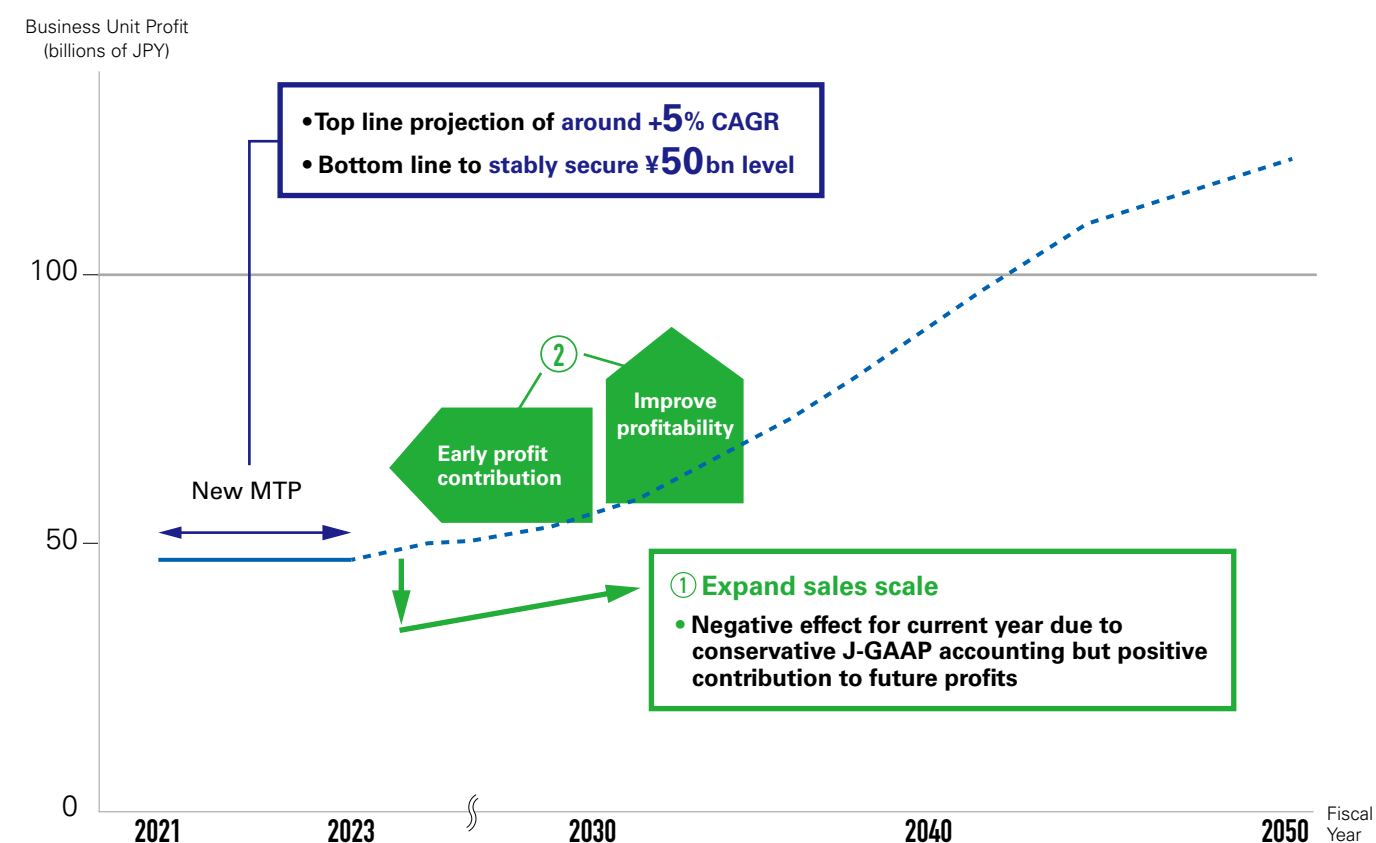
Under the new MTP for Domestic Life Insurance, we aim to grow the top line of new policies annualized premiums (new policies ANP) by around 5% CAGR driven mainly by sales growth of protection-type products and installment variable annuities.

We expect that the bottom line of business unit profit will trend stably around the ¥50 billion level. This is because the conservativeness of financial accounting*1 results in a structure where the accounting expense burden is high in the first fiscal year of policies and profits are depressed because of new policy underwriting. Meanwhile,

over the long term we will break through the ¥100 billion mark in profits. In this manner, the domestic life insurance business, which underwrites risk with a low correlation to non-life insurance, will contribute to Tokio Marine's risk diversification and act as a driver for long-term growth.

To achieve the new MTP along with long-term risk diversification and profit growth, Domestic Life Insurance will work to (1) expand sales scale and (2) improve profitability and accelerate profit contribution.

TMNL profit growth curve*2 (image)



*1: Financial accounting for domestic life insurers is being conducted under conservative rules, such as recognizing the full amount of expenses required for new policy underwriting (agency commissions and fees for medical examinations, etc.) as expenses for the first fiscal year of policies.

*2: Assuming top line growth of about +5% CAGR to 2024-2029. Flatten from FY2030.

Strategies during the New MTP

Under the new MTP, we will work to (1) expand sales scale and (2) improve profitability and accelerate profit contribution, and achieve Tokio Marine's long-term profit growth, while contributing to the resolution of social issues, such as extending healthy life expectancy and asset life expectancy. We will continue to deploy this win-win strategy.

(1) Expand sales scale

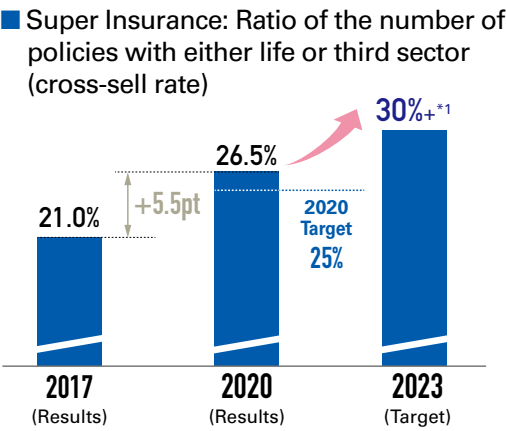
The categories of life and non-life are profit centers for insurance companies and represent the only types of insurance that protect customers in times of need. Consequently, we will safeguard customers from all forms of risk by providing seamless protection using the integrated business model for life and non-life exemplified by our integrated life and non-life insurance product, Super Insurance. Through this world first initiative, not only we have boosted the cross-selling rate, but we are also further increasing this rate by developing unique customer-oriented products.

In fiscal 2020, we launched Medical Kit Yell, a new medical insurance for seniors with relaxed underwriting criteria. We increased the cross-selling rate and reached around 50,000 policies in the first eight months following its launch, which also marked the highest sales scale in the insurance industry.

Under the new MTP, we will focus on the growth areas of seniors, healthcare, and asset formulation and bring peace of mind to a larger number of customers by speeding up cross-selling using the customer base of TMNF.

(2) Improve profitability and accelerate profit contribution

TMNL was established in 1996 as an antithesis to conventional life insurance where people change their lives to suit life insurance. TMNL was the first to focus on risks during life, such as treatment after hospitalization, inability to work, and nursing care, which are not covered by conventional life insurance, releasing a number of innovative protection-type products. This gives us the track record and pride that has continued to drive our success in the living protection field. Under the new MTP, we will further increase product appeal and mainly introduce products with high profitability that make early profit contribution to accelerate growth while directly contributing to the resolution of social issues.



International Insurance
(Developed Markets Strategy)

Achieving stable and high profitability centered on specialty insurance

Through the three major initiatives of increasing underwriting profit, driving growth for PURE, and continued bolt-on M&A, we will achieve profit growth with a CAGR of approximately +6%.

While maintaining the top class position we have established, we are aiming for further growth under the new MTP.

We have formed a well-diversified portfolio and have recorded stable and high profits mainly by providing a wide range of products to corporations in developed countries. This has allowed us to establish a top 10 position in commercial lines in the U.S. market, as well as a top class position in the specialty insurance field and at U.K.-based Lloyd's. To further increase profit growth, we are engaging in the following three initiatives.

(1) Increasing underwriting profit

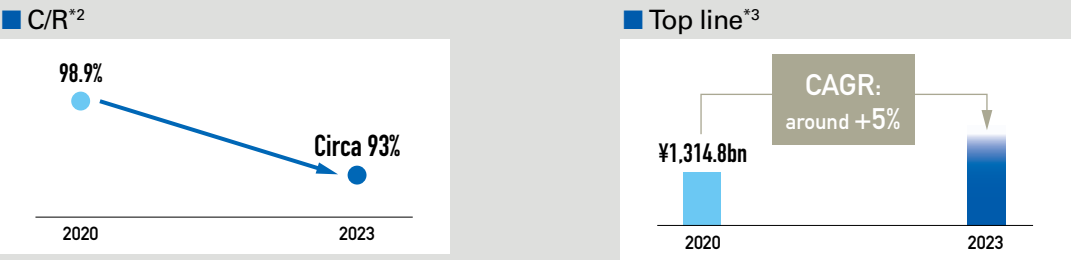
The market is continuing to harden, with a rise in premium rates due to the increasing frequency of natural catastrophes, the low interest rate environment, the impact of COVID-19, and an increase in loss cost caused by factors such as social inflation. Although it would not be too difficult to simply grow our top line in this environment, we are not pursuing short-term top-line growth. Focusing on the bottom line, we are harnessing our strength in underwriting and risk underwriting to reduce future reserve risk while accurately ascertaining the increase in loss cost and the profitability of each business line via a forward-looking approach. In addition, through working to further increase operational efficiency, we aim to drive sustainable profit growth while continuing to maintain high profitability in a stable manner.

Quantitatively, during the new mid-term business plan (MTP) period we aim to boost underwriting profit by generating robust growth in the top line with a CAGR of approximately +5% while maintaining a combined ratio (C/R) that compares well to our global peers of approximately 93% (fiscal 2020: 93.3%, barring unforeseen circumstances).

Main measures

<p>Maintain strict underwriting discipline</p> <ul style="list-style-type: none"> Improved the quality of portfolio during the previous MTP period through rigorous efforts to reduce unprofitable business lines Continue to build a strong underwriting portfolio while paying close attention to trends in profitability in light of issues such as rising social inflation 	<p>Premium rates increases</p> <ul style="list-style-type: none"> Leverage strengths of each group company and achieve rate increase exceeding loss cost <p>FY2020 results</p> <p>PHLY: +circa 11%, TMHCC^{*1}: +circa 15%, TMK: +circa 10%</p> <p><small>*1: Excluding A&H, Surety and Credit</small></p>
<p>New risk-taking</p> <ul style="list-style-type: none"> While ascertaining profitability, engage in new risk-taking in lines where high returns are expected thanks to the hardening market 	<p>Improve operational efficiency</p> <ul style="list-style-type: none"> Improve administrative processes and work to reduce the expense ratio at each Group company

Our Aspiration (Maintain a C/R of approx. 93% and achieve a CAGR of approx. +5%)

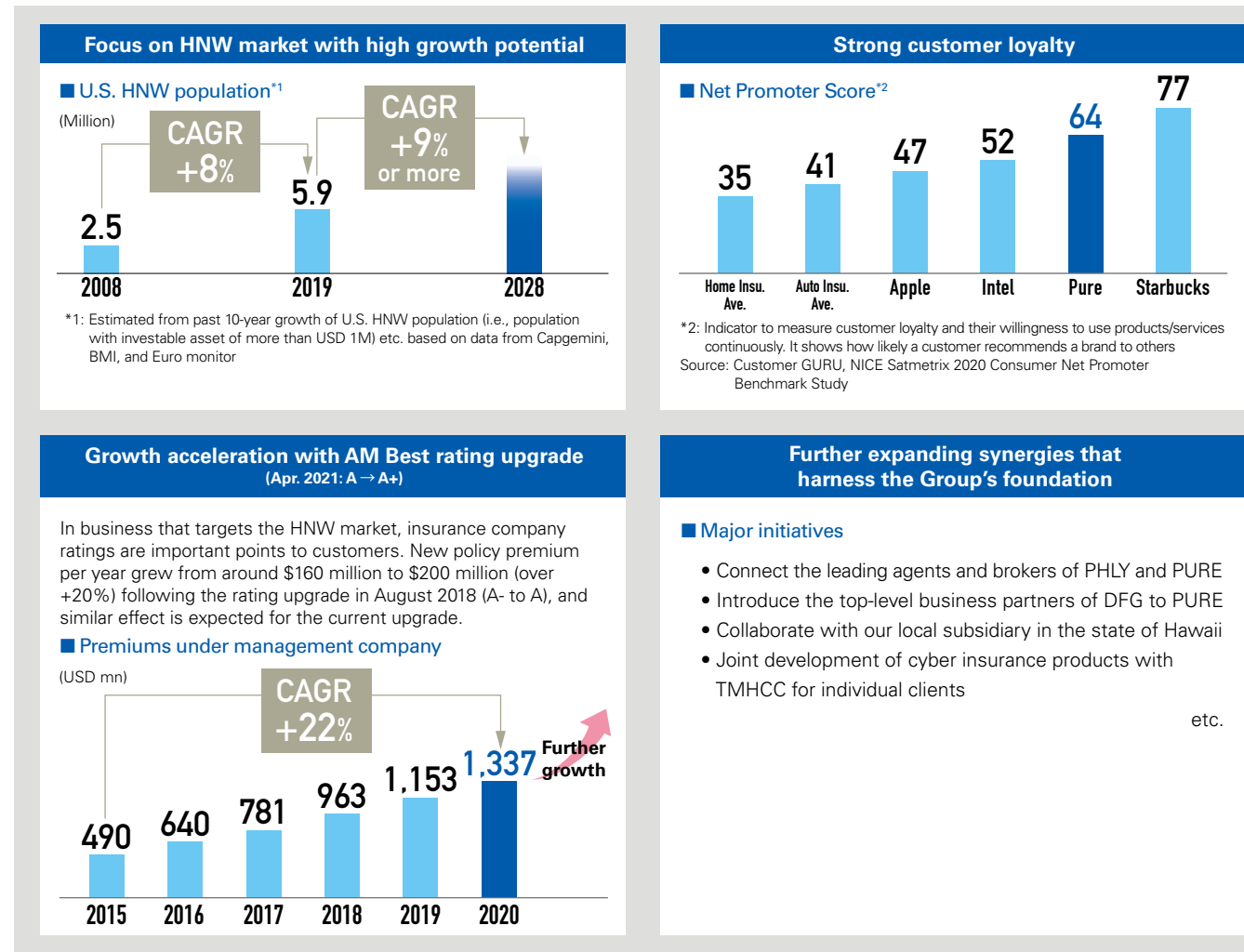


^{*1}: 35% or higher for TNP / TQ agents
^{*2}: IRR indicates profitability as expected returns on expenses for the entire insurance period on financial accounting basis (FY2016 for long-term savings-type products, FY2020 for others)
^{*3}: Time required for cumulative profits on financial accounting 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

(2) Driving growth for PURE

PURE joined the Group in fiscal 2019 and is a specialty insurance group that targets the high-net-worth (HNW) market in the United States. Within this expanding market, the company has taken advantage of its customer loyalty rate that is well above the industry average and has achieved major growth. Through creating synergies that leverage the different benefits it has brought to the Group and their North American-based sales platform, we will further accelerate growth and achieve profit growth with a CAGR of over 20%.

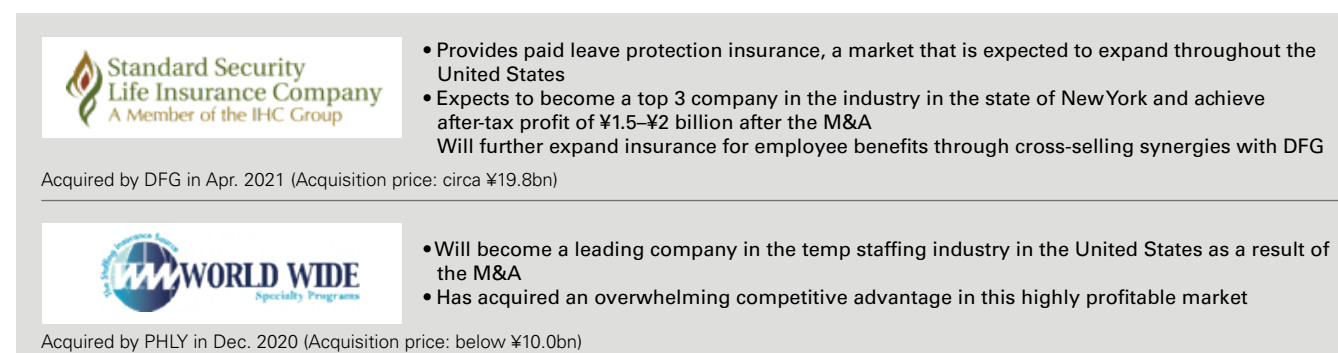
PURE's strengths and main initiatives



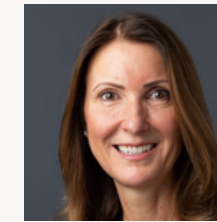
(3) Continued bolt-on M&A (please see page 61)

Under the proactive governance of Tokio Marine Holdings, we will further enhance the quality of our bolt-on M&A deals and accelerate growth by utilizing, within each Group company, TMHCC's know-how that they have developed through over sixty successful bolt-on M&A deals in the past.

Latest M&A deals



Bolt-on M&A of TMHCC



Susan Rivera

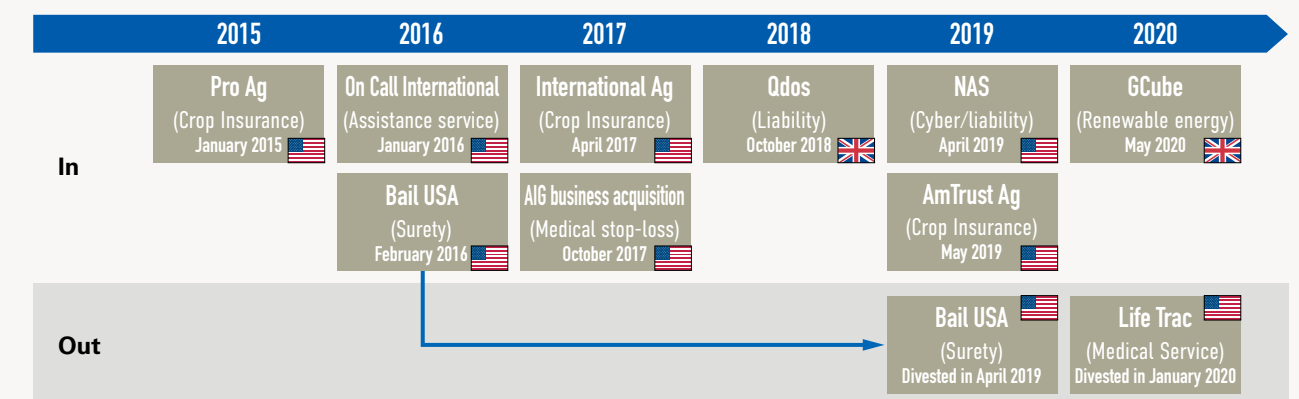
Chief Executive Officer of
HCC Insurance Holdings, Inc.

(Serves concurrently as Executive
Officer of Tokio Marine Holdings)

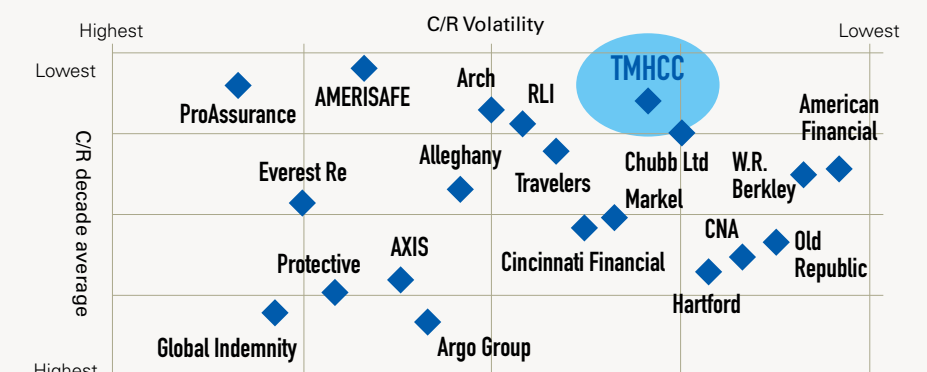
We have executed more than 60 forward-looking bolt-on M&A deals and tactical business divestments since 1994, aiming for profitable growth through strengthening existing businesses and diversifying risk.

Bolt-on M&A deals have predominantly targeted companies and businesses with which we have had a long-standing business relationship. That is why we have in-depth knowledge of their business and relationships of trust with the management of target companies. In addition, we have made steady progress with post-merger integration (PMI) based on our wealth of experience and robust framework. That leads to a high rate of success in our M&A deals. As a result, we now underwrite more than 100 classes of specialty insurance with low risk correlation, and our diversified portfolio has helped to keep our combined ratio consistent at around 90% while expanding our businesses.

Track record of continued bolt-on M&A and our flexible portfolio reshuffling (since 2015)



Achievement of a stable and low C/R compared to peers



Source: Created by Tokio Marine from Company Reports, Dowling & Partners Analysis
(based on data through Dec. 31, 2020)

Moreover, these bolt-on M&A deals have not only led to TMHCC's own profit growth, but also increased synergies within Tokio Marine Group mainly in the following two areas.

First is the acquisition of talent. TMHCC has utilized key persons of acquired companies, resulting in many people playing broader more motivating role in important posts in specialty areas and reinsurance, among others not only within TMHCC but also now across the entire Tokio Marine Group (please see pages 24-25).

Second is the rollout of knowledge across the Group. Our knowledge of bolt-on M&A is widely shared with other Group companies through global meetings and other means. This process is now standardized by Tokio Marine Holdings and applied at other Group companies as a guideline. I believe this contributes to the improved quality of bolt-on M&A deals across the entire Group, along with risk diversification and profit growth.

Going forward, we hope to use bolt-on M&A to contribute to the further growth of the entire Group as one of our strengths.

International Insurance (Emerging Countries Strategy)

Capturing the market's high growth to contribute to greater profit

By implementing a growth strategy with the goal of diversifying geographical risk and capturing high growth in the market, we aim to achieve profit growth with a CAGR of at least +10% and build pillars of future growth.

Aiming to further diversify risk and contribute to greater profit

We have been implementing an emerging countries strategy that focuses on geographical risk diversification and capturing high growth. Although there are various countries comprising these emerging countries and it is essential to strategically develop our business in light of each of their situations, as a result of our efforts, we have achieved top-line growth that outperforms the market. Also, we have expanded the scale of our bottom line in

countries such as Brazil and Thailand from a few billion yen to ¥10 billion. Under the new mid-term business plan (MTP), we aim to contribute to greater profit and implement various growth strategies in order to build more pillars of future growth.

The information below highlights Brazil and India, which are profit drivers for the new MTP.



Brazil: Establish JV with Caixa Bank and accelerate growth

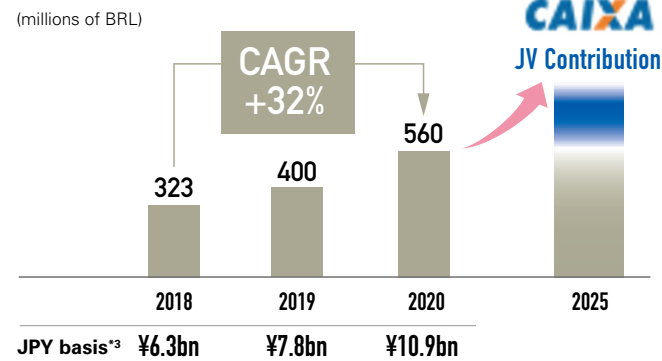
Under their CEO who has a background in IT, Brazil-based TMSR has improved profitability for their key product line of automobile insurance through efficient operations that utilize digital technology, developing a system with high usability for brokers, and improving their ability to respond to customers. As a result, they have achieved profit growth with a CAGR of over +30% since fiscal 2018, and have already generated profit of ¥10 billion level. In addition to this strong existing business, with the aim of diversifying our portfolio and achieving further growth, we established a joint venture (JV) with Caixa Bank, which is Brazil's

largest banking group and has a roughly 70% share in mortgage market. The JV commenced operations in February 2021 and primarily provides mortgage insurance^{*1} and homeowners' insurance. Thanks to the strong mortgage market in Brazil, the JV made a strong start; its operations began without delay and plans were upwardly revised. Going forward, we aim to increase our after-tax profit by approximately ¥6.5 billion^{*2} by fiscal 2025 through expanding sales for home insurance, which is expected to generate high profitability.

^{*1}: An insurance product that combines credit life insurance and home insurance for the purpose of compensating a lender in the event that the borrower cannot repay their home loan.

^{*2}: Exchange rate at time of publication

TMSR after-tax profit

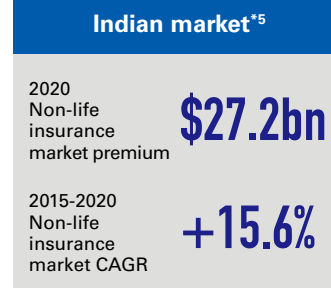


^{*3}: Exchange rate as of end of Mar. 2021



India: Further utilize IFFCO's network and Group know-how

In India, we are providing automobile insurance, medical insurance, and agriculture insurance, by utilizing a network of 36,000 branches operated across India by our partner IFFCO. Going forward, we will further expand sales for rural areas where growth among the middle class is expected, and while maintaining an industry-leading expense ratio and level of productivity, we will harness our know-how in underwriting and digital technology with the aim of making approximately ¥4.5 billion in after-tax profit in fiscal 2023, doubling the amount reached in fiscal 2020.



^{*5}: Source: General Insurance Council, IRDAI

Asset Management

Increasing income by leveraging our strength in credit management even within the low interest rate environment

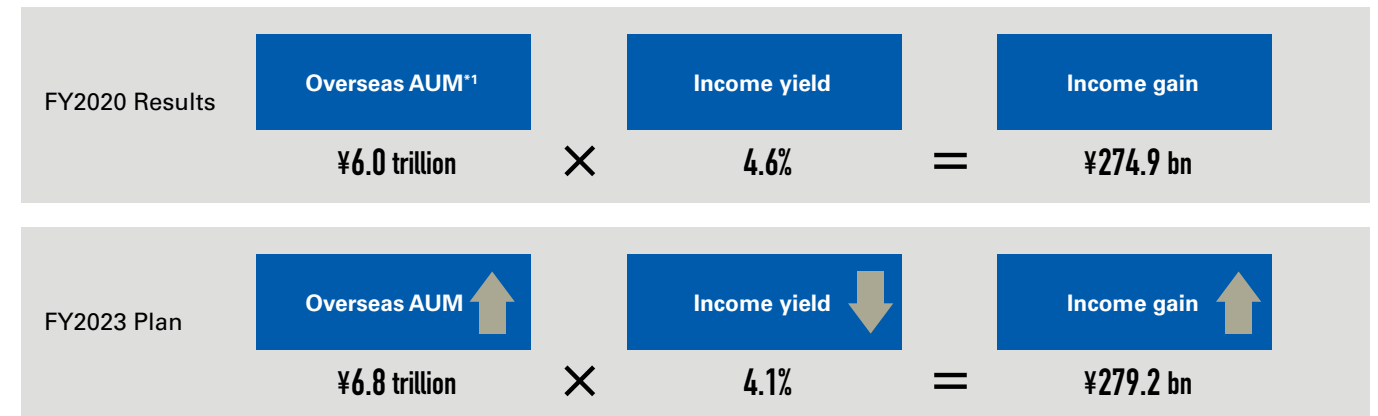
Given the anticipated lengthening of the low interest rate environment, we will increase investment income utilizing the ability to spot good investment targets in the credit market

Expanding Disciplined Credit Management in the United States

Tokio Marine's asset management policy focuses on increasing long-term and stable investment income based on the characteristics of insurance liabilities. In particular, we will utilize Delphi's asset management prowess to invest funds from Group companies inside and outside of Japan mainly into credit assets in the United States, and we achieve high returns while conducting appropriate monitoring and risk control. This integrated asset management style combining Japan and the United States marks Tokio Marine's strength. Under the new MTP, credit management in

the United States forms a key point of our investment income.

Low interest rates continue to prevail around the world. For this reason, we believe that the decline in income yield is inevitable to some degree. Nevertheless, we aim to increase assets under management (AUM) following the growth in insurance underwriting and enhance investment income while controlling credit risk appropriately within our Group-wide ERM framework and utilizing the ability to spot good investment opportunities of DFG, which excels at credit management.



^{*1}: Assets of U.S. 5 major GCs (DFG, PHLY, FICOH, TMAIC, TMHCC) + Assets entrusted by domestic 3 GCs.

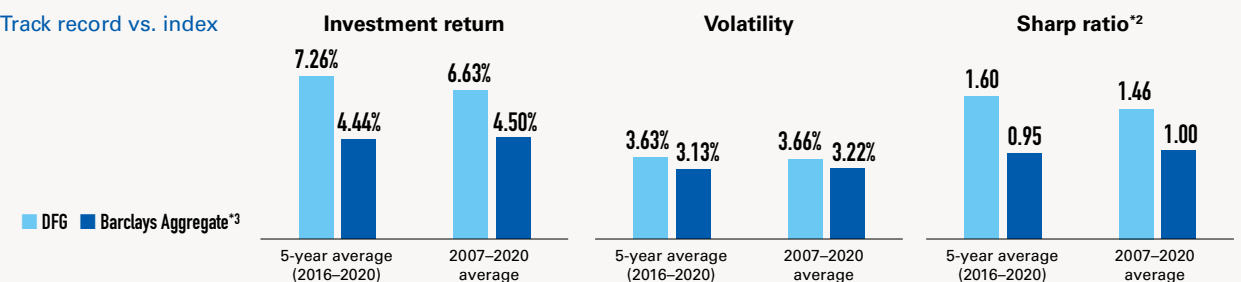
Reference: Strengths of DFG's Investment Team

DFG is firmly taking earnings opportunities by shifting the portfolio nimbly based on economic phases, utilizing its advanced expertise, in-depth experience, and information collection and analysis capabilities using our broad network. In addition, the insurance liabilities that underpin investment are backed by a stable, long-term cash flow derived from products such as insurance for employee benefits and excess workers'

compensation. Therefore, DFG can hold investment assets to redemption without worrying about short-term market turbulence. As a result of this investment style, it continues to generate high returns versus indexes.

Moreover, despite the COVID-19 pandemic, DFG will identify information on promising opportunities and execute investments at attractive prices with a sense of speed.

Track record vs. index



^{*2}: Measures excess return per unit of risk. Calculated as "(Investment return - risk-free rate) / Volatility". Risk free rate: LIBOR3M

^{*3}: Bloomberg Barclays US Aggregate Bond Index

To protect our customers in their times of need as a “Good Company” for the next century, we will develop the Group’s management talent and support our employees’ diverse working styles and enhance engagement.

Kenichi Kitazawa

Managing Executive Officer
Group Chief Human Resources Officer



Taking the baton and passing it on to the next generations

Insurance is a people’s business and people are truly the source of the Tokio Marine Group’s competitiveness. To flexibly address and resolve the increasingly complex social issues of today, it is crucial to develop a workplace environment that fully harnesses the strengths of the Group’s workforce of more than 40,000 employees. As CHRO of a “Good Company” that protects customers in their times of need, I am particularly focused on hiring diverse personnel, training them in a systematic manner, and creating mechanisms to support this process, both inside and outside of Japan.

As one example, we hold discussions about our diverse worldwide workforce and we are expanding cross-border training programs to develop our global management talent. For instance, on the Global Executive Program, senior leaders from around the world eat and sleep together under extreme conditions, which built a strong relationship of trust among the participants, and led to further synergies across the Group.

Sustainable growth requires supporting the diverse values and flexible working styles of employees and encouraging them to tackle new challenges, so it is essential to rethink our HR systems and operations and further develop our remote work infrastructure. During the COVID-19 pandemic, up to 70 percent of companies in Japan and nearly 100 percent of companies in North America and South America had their employees work from home at some point. Experiencing remote work, employees around the world have had the chance to think about their style and increase their productivity. Tokio Marine is now developing systems to enable their productive and diverse working styles.

For example, at TMNF we introduced the “Super My Select” System, where employees have flexible working hours to accommodate diverse working styles and increase motivation, and the Project Request System, where employees nationwide can apply to take part in projects for corporate departments at the headquarters in parallel with their regular positions. In order to realize sustainable growth of both employees and the company, Tokio Marine is eliciting employees’ ideas and enabling them to play a greater role even if they have childcare or nursing care obligations, while eliminating the constraints of place and time wherever possible.

AtTokio Marine our core identity —“To Be a Good Company”— unites our highly diverse people. During the COVID-19 pandemic, we have continued to strengthen this core identity. Meetings called “Majikirakai” (where employees can talk about serious matters in a casual setting) are held remotely to foster open and free discussions among our employees around the world on how to be a Good Company.

Of course, our workplaces must be environments where employees can work and remain physically and mentally healthy. In my other position as CWO of the Group, I am working on health and productivity management, while CDIO Mika Nabeshima, who was appointed in April, is taking the lead in promoting diversity and inclusion.

These are but a fraction of our people-related initiatives. We will continue to elevate our talent and increase the Group’s collective strengths to protect our customers in their times of need over the next century as a Good Company.



Experiential Learning at sea on the Global Executive Program



Visiting a disaster area at MGL



CEO Komiya's remote “world tour” (CEO meetings)
CEO personally working to reinforce our core identity

Pursuing the Optimal Human Resources Portfolio

New HR System at Tokio Marine Holdings

From fiscal 2019, Tokio Marine Holdings implemented an HR system aimed at acquiring top talent and fostering global management personnel. Specifically, we develop human resources faster by entrusting talented managers with important roles at an early stage irrespective of age or tenure with the company. Also, we established an evaluation system that better reflects the skills and performance of each individual based on expertise and created mechanisms that allow employees to develop their careers over the medium to long term with market-competitive compensation levels.

Talent Development and Skills Building

Training Programs for Developing Global Management Talent (please see page 102)

- Global Executive Program
- Middle Global Leadership Development Program (MGL)
- Management Academy
- Management School

Data Science Hill Climb

This is an original program to foster data scientists with real capabilities to drive the Tokio Marine Group’s digital transformation. Under the supervision of Professor Yutaka Matsuo of The University of Tokyo’s Graduate School of Engineering, participants receive extended training totaling more than 200 hours, systematically learning skills for utilizing data in business.

TMNF’s Employee Training (Fiscal 2020)

- Total training time: around 226,000 hours
- Total cost of training: around ¥700 million

Increasing Employee Engagement

Instilling Our Core Identity

We continued to instill our core identity even during the COVID-19 pandemic by holding remote “Majikirakai” meetings where employees can talk about serious matters in a casual setting. “Majikirakai” cover such themes as the “Good Company,” work issues, and careers and may be attended by the CEO and corporate officers or held in individual work units.

Culture and Values Survey

Despite the COVID-19 pandemic, scores on the Culture and Values Survey conducted at Group companies inside and outside of Japan for fiscal 2020 reveal positive strides and improvements are being made. We are now working on further improvements at the Group level with the involvement of Tokio Marine Holdings.

4.3 out of 5 (Group Attachment)

Promoting Highly Productive and Diverse Working Styles

‘Super My Select’ System

This system enables employees of TMNF to set their own seven-hour work time between the hours of 5:00 am and 10:00 pm. Implementing such diverse and flexible work styles will improve employee motivation.

Project Request System

This system allows employees of TMNF throughout Japan to participate in projects with the headquarters corporate departments based on their own will in parallel with their main assignments.

Promoting Diversity and Inclusion

Please see pages 66–67.

Promoting Health and Productivity Management

Please see pages 82–83.

Diversity and Inclusion/Response to Human Rights Issues: Message from the Group CDIO

We will create workplaces where all forms of diversity are embraced, cultivated and respected, so that all employees can provide maximum value to customers, business partners, shareholders and society. We are committed to implementing our diversity and inclusion strategy to ensure Tokio Marine Group's continued growth.

Mika Nabeshima

Executive Officer
Group Chief Diversity & Inclusion Officer



Diversity and Inclusion as a core management strategy and a key to our competitiveness

Over the past two decades Tokio Marine has made great strides in diversifying its human resources, regional and business portfolios through proactive global expansion. We have grown by building inclusive workplaces where employees respect one another and incorporate the ideas and perspectives of newly acquired employees and businesses. On the other hand, social issues are becoming more complex, uncertainty is rising, and the world is facing an increasing number of risks. Tokio Marine recognizes that further promoting diversity and inclusion is essential to addressing the growing breadth of social issues and the needs of customers, both of which will diversify in the future. We view diversity and inclusion as a core management strategy, and we established the Diversity Council and the position of Group Diversity & Inclusion Officer (CDIO) in April 2021. As CDIO I am dedicated to promoting and instilling diversity and inclusion from various angles, including closing the gender gap and leveraging our global talent pool.

First, in terms of closing the gender gap, women are already playing an active role in various positions at Tokio Marine. Over 30 percent of leadership positions globally across the Group are held by women and we are working on further initiatives tailored to the unique challenges of each Group company. TMNF, our core company in Japan, has focused on closing the gender gap as part of its growth strategy. We are focusing our efforts on fostering female leaders and expanding their opportunities in order to have women participate in all decision making processes. We created an action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace with a target of having women in 50 percent of leadership pipeline positions by fiscal 2023 and reached it ahead of schedule. We are now redoubling our efforts toward a new target of having women in 30 percent of leadership positions by

fiscal 2030. Additionally, in April 2019, we established the Tokio Marine Group Women's Career College to help women develop their own career vision and leadership skills so they are confident to take on even more active roles and greater responsibility at the company. The college added an advanced program in 2021.

Furthermore, each workplace is seriously working on a daily basis to develop and engage female leaders, in order to further drive the Group's growth.

Next, on leveraging our global talent, we believe that matching our Group's diverse talent with the right assignments will help to resolve emerging issues and produce growth. For instance, Caryn Angelson, CHRO and CLO at TMNAS, a Group company in the United States, also has a role in HR at Tokio Marine Holdings. She works closely with me on our global strategy for talent management, diversity & inclusion, and learning & development, while playing a key role in the global HR community. She also serves as an instructor for our diversity and inclusion leadership training program for the Group. In addition to Caryn, global talent with functional expertise participate in our global committees, such as the ERM Committee, International Executive Committee, and Global Retention Strategy Committee. Their wisdom is helping resolve global management issues for the Group.

The examples here are only a few of our initiatives. We are dedicated to promoting the Group's diversity and inclusion strategy to fully engage the skills of our diverse talent around the world. This will enable us to provide greater safety and security to our customers globally, contribute to sustainable growth for the Group, and continue to provide value to all of our stakeholders.



Middle Global Leadership Development Program

Tokio Marine Group Women's Career College

Diversity Policy

Tokio Marine Group believes the power of its people is the driving force for realizing its vision of be a "Good Company."

For the insurance business, which is said to be a "people's business," the people involved and the trust they create are the source of our competitive advantage. We will promote diversity on a global basis to maximize the potential and facilitate the active participation of some 40,000 employees worldwide regardless of gender, age, nationality or disability, and to strengthen our competitive advantage.

Nationality

- The ratio of international employees to the Group's 43,260 employees is more than 40 percent (as of March 2021)
- Human resources acquired through overseas M&A are matched globally to the right assignment or their talents



TMK CEO
Brad Irick
(Transferred from TMHCC)



Specialty Lines
Philippe Vezio
TM Asia Deputy CEO & Chief U/W Officer
(Transferred from TMHCC to TM Asia)



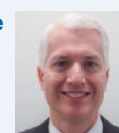
Reinsurance
Barry Cook
CEO of International Group at TMHCC
(TMHD Global Reinsurance Advisor)



HR and Legal
Caryn Angelson
TMNAS CHRO & CLO
(Concurrent post with TMHD)



Cyber Insurance
Daljitt Barn
Global Head of Cyber Risk



Insurance reserving
Daniel Thomas
International P&C Reserving Actuary Committee Chairperson

Gender

- In 2019, we established the Tokio Marine Group Women's Career College in order to help female employees to develop their own career vision and leadership skills so they are confident to take on more active roles. (Lectures led by outside instructors are held about six times per year on the theme of women and leadership; attended by about 100 female employees from various Group companies in Japan)
- Women hold 30 percent of leadership positions within the Group globally; Over 10 percent of corporate officers are women (as of March 2021)
- Women hold 54.9 percent of leadership pipeline positions at TMNF (April 2021)

Generational

- TMNF's internal venture program, Tokio Marine Innovation Program, encourages young and older employees to propose transformative ideas, and new rules allow sideline work.
- The turnover rate at TMNF is 2.0 percent (fiscal 2020, based on voluntary resignations, excluding mandatory retirement)

Employment of Persons with Disabilities

- The Tokio Marine Group encourages the hiring of persons with disabilities and works to promote normalization; in particular, Tokio Marine Business Support Co., Ltd., a special-purpose subsidiary under the Act for Promotion of Employment of Persons with Disabilities, provide the Group administrative support such as: printing, logistics, mail room operations and novelty sales operations.
- TMNF works with Mirairo Inc. on consulting services using gazing point measurement data (first in Japan) to provide assistive services for seniors and persons with disabilities.
https://www.tokiomarine-nichido.co.jp/company/release/pdf/210409_02.pdf (Japanese text)

Response to Human Rights Issues

- Tokio Marine supports and respects the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, the international labor standards of the ILO, the UN Guiding Principles on Business and Human Rights and ISO 26000, and is a signatory to the United Nations Global Compact
- We conduct human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights and take corrective action where necessary.

We are providing greater value to all stakeholders even during the COVID-19 pandemic. Having taken action to address changes and issues presented by this communicable disease, we are fully prepared for our next stage of growth.



Tokio Marine's response to COVID-19 —Providing even greater value than before—

The profound worldwide impacts of the COVID-19 have affected Tokio Marine, too.

We established the COVID-19 management task force on February 4, 2020, following the WHO's declaration of a pandemic and the virus spreading to other countries and regions outside of China at the end of January 2020. Despite the pandemic, we maintained our insurance business functions as a part of social infrastructure by responding to customers while adopting remote work and striving to ensure the safety of employees and stop the spread of infections.

Also, from well before the start of typhoon season, we ran simulations to ensure we could sustain our operations even if multiple

large-scale natural disasters struck during the pandemic, based on the recognition that an earthquake could strike Japan anywhere and at anytime. Later, Japan was actually hit by major natural disasters in the form of torrential rains in July 2020 and the earthquake off the coast of Fukushima Prefecture. Our careful preparations paid off as we were able to payout insurance claims smoothly and provide the same value to customers as before the pandemic.

As a result of these initiatives, we expect to increase our dividend to shareholders for the 10th consecutive year. In addition, we also made a number of donations as part of our social contribution efforts, providing even greater value to our stakeholders than before.

Customers



Contactless customer service

- Remote customer service by expanding smartphone apps and web conferencing system, etc.
- Free online health consultations

COVID-19 insurance claims over ¥100 billion*

- Payouts mainly entailed event cancellations and business interruption insurance overseas

*: Estimate of insurance claims related to COVID-19

Society



Social Contribution Activities

- Provided or donated masks and protective clothing to medical institutions and other facilities
- Group companies worldwide made donations reflecting the conditions and needs for support in each region
- Donations by the entire Group to various organizations reached over ¥1.1bn

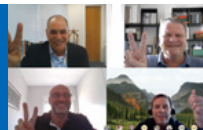
Shareholders



10 consecutive years of higher dividends (projected) amid increasing capabilities

- Adjusted net income in fiscal 2020 accounting for the impacts of the COVID-19 totaled ¥431.1 billion and adjusted ROE was 12.0%, achieving the targets set out in the previous MTP on a real basis
- The payout ratio for fiscal 2020 was 42% (35% or higher in previous MTP)

Employees



Ensuring the safety of employees and their families

- Up to 70% of employees in Japan and 100% overseas worked from home
- Handed out masks in Japan and adopted flexible working hours

Ran business continuity simulations in case of a large-scale natural disaster

Post-COVID-19 Strategy —Further Accelerating/Upgrading Initiatives—

The COVID-19 pandemic brought about a number of profound changes in customer needs and the working styles of employees. Tokio Marine launched the Post-COVID-19 Task Force including outside experts in July 2020 in order to once again review and examine the Group's medium- to long-term strategies in a post-COVID-19 world. The review process involved top management from our overseas subsidiaries, leading to discussions involving representatives across the Group.

The figure below presents the results of these discussions. The challenges before and after the pandemic have not necessarily changed all that much. However, we believe that we will need to further accelerate or upgrade our previous initiatives.

The key is taking core actions and execution. For example, in

calculating probable maximum loss (PML) for pandemic risks, although we previously estimated the risk amount mainly related to life insurance, in fiscal 2020 we updated risk measurement methods regarding non-life-insurance lines in fiscal 2020 taking into account the COVID-19 pandemic.

In this way, we are working to further accelerate or upgrade our previous initiatives from various angles and we have already embedded this into the strategies of each company.

In addition, through Group-wide cross-functional discussions, we found there to be room for generating further synergies, which served as an opportunity to foster greater collaboration between related parties. We are fully prepared for the next stage of our growth in the post-COVID-19 world.

Changes and challenges post COVID-19

1. Continuation of operations during an emergency
2. Priority placed on the safety of the lives and health of individuals
3. Agents mainly offering insurance products face to face will find it harder to capture clients
4. Accelerated use of data / digitalization to offer high-quality, non-face-to-face customer experience
5. Increasing needs to improve cost efficiency in response to growing cost awareness from clients

6. Accumulation control of pandemic risk

Our understanding

Existing initiatives will be further accelerated

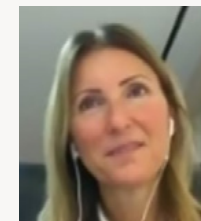
Further advancement post COVID-19

Measures

1. Teleworking of all employees during an emergency
2. Offer high value-added products / services for prevention and other healthcare needs
3. Support for digitalization of agents
4. Measures to address skills gap (e.g., recruiting digitalization personnel)
5. Further improve operation efficiency through high-level use of AI

6. Further upgrade risk management of pandemic (e.g., risk measurement method)

Voice of Member of the Post-COVID-19 Task Force



Tokio Marine HCC
Susan Rivera
Chief Executive Officer of
HCC Insurance Holdings, Inc.

Discussions during the project workshops were very meaningful. All the participants focused on further improving and strengthening our businesses, and I felt an even greater sense of solidarity to utilize the Group's strengths.



Hollard Group
Saks Ntombela,
CEO
Hollard Group

South Africa's insurance industry, too, has been affected by COVID-19. Hollard Group will focus on delivering safety and security to customers, digitalizing and simplifying processes, streamlining operations, and building a resilient business foundation.

Aiming to achieve continuous growth with solutions for societal issues positioned as medium- to long-term growth engines

Approach to Sustainability Strategies

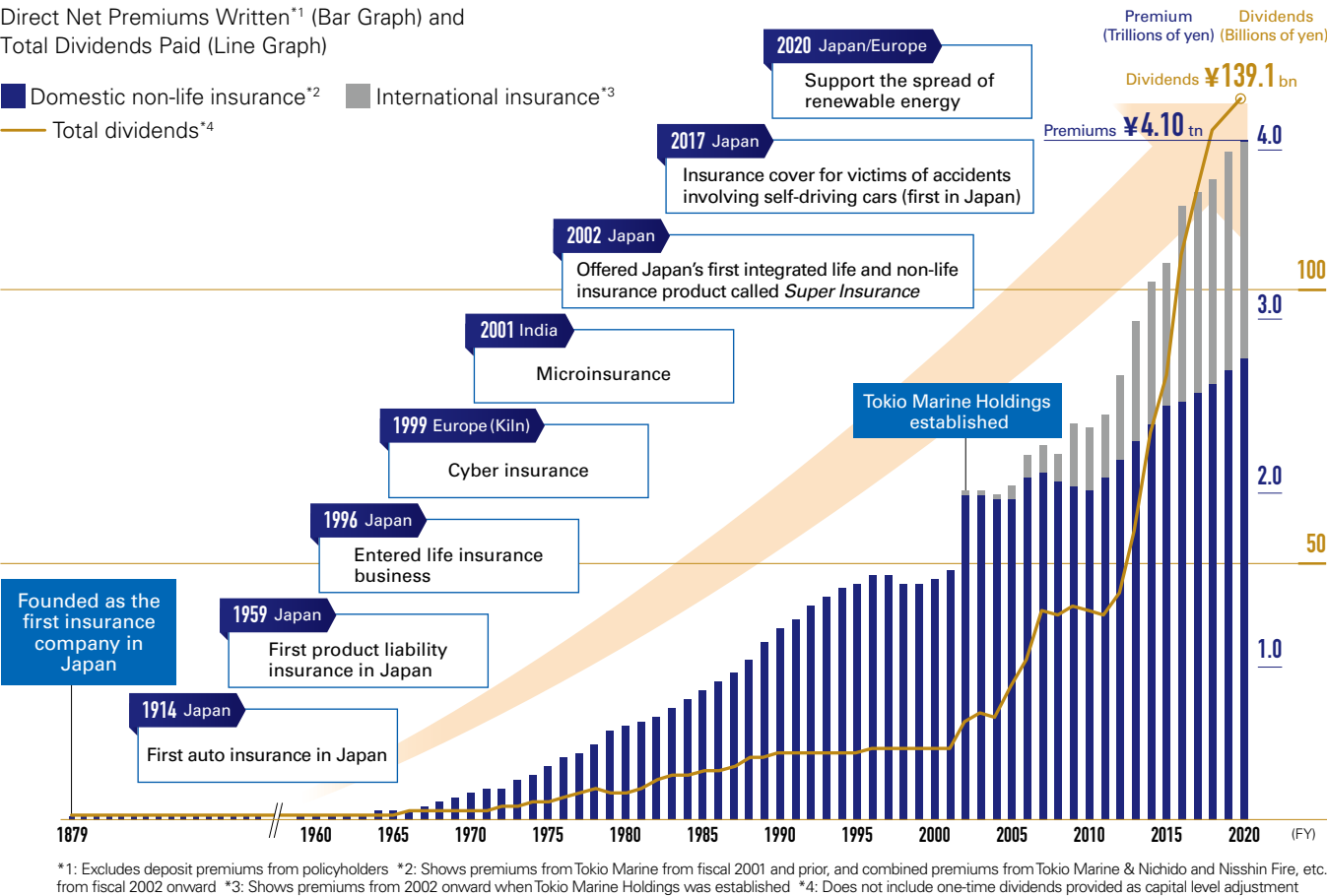
Tokio Marine Group's purpose is to protect customers and society in their times of need.

Originally founded in 1879, the Group has supported Japan's modernization since it originally began providing insurance to maritime shipping firms to cover lost or damaged cargo caused by accidents at sea. Later, the Group helped the country shift to automobile travel in the post-war period by providing auto insurance. More recently, with the acquisition of GCube, a leading insurance underwriter in the renewable energy sector, the Group has been supporting the shift to renewable energy with insurance. Through its mainstay insurance business, the Group has grown sustainably by promptly providing beneficial solutions for the changing challenges of every era.

In these ways, the Tokio Marine Group has been addressing societal issues throughout its long history. Such issues have changed over the generations, but the Group's commitment has never changed. For the Tokio Marine Group, sustainability strategies are about promoting solutions for these issues through business activities while contributing to the sustainability of society. This approach has been at the core of its corporate culture since it was founded.

Across its global operations, the Group will continue working to benefit society, bring happiness to people, and protect the environment in order to help build a sustainable planet and, consequently, provide even more social value and economic value (in the form of profit growth). Through these efforts, the Group will aim to be a "Good Company" over the next century by delivering value to all of its stakeholders.

History of the Group's Growth and Solutions for Societal Issues



Organizational Structure for Promoting Sustainability

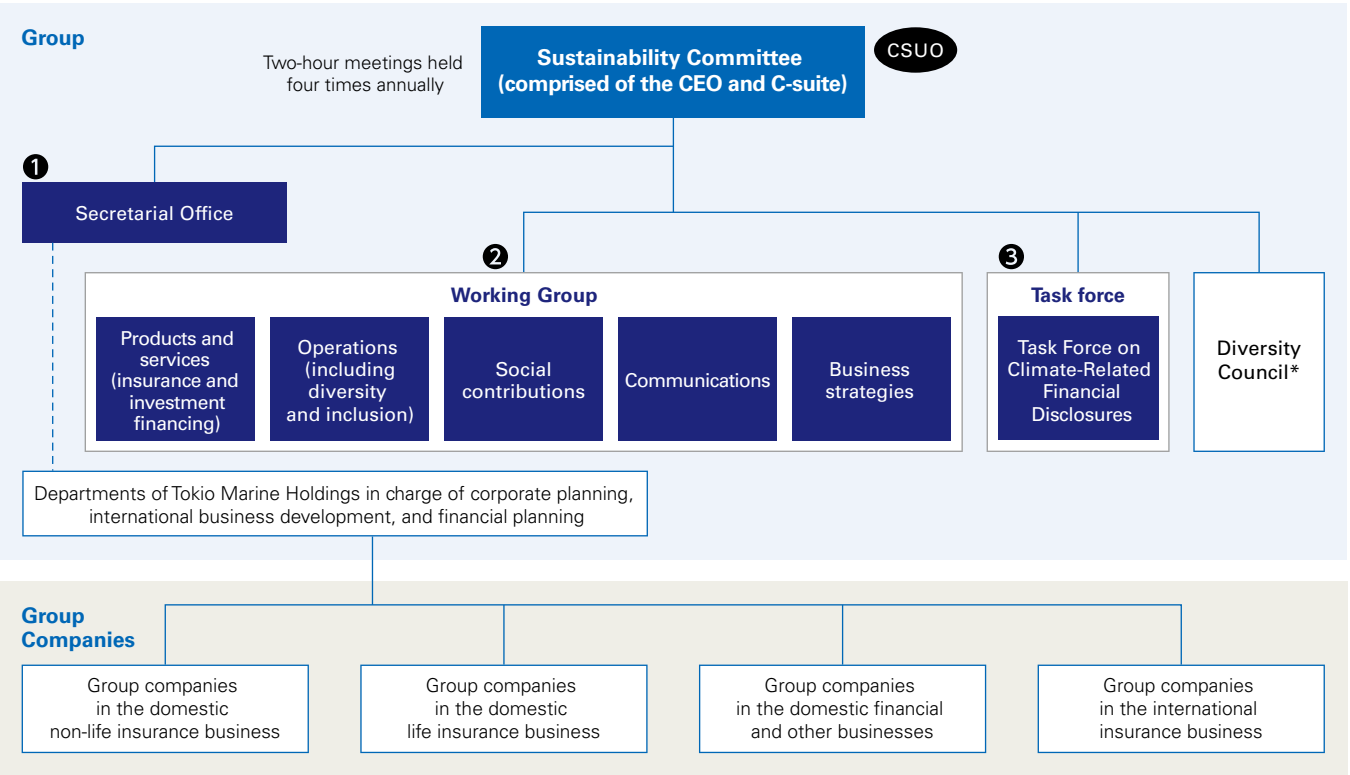
Amid major changes in the operating environment, predicting trends just two or three years into the future has become practically impossible. Indeed, the Company recognizes that an age of discontinuity has begun, in which common sense and past successes do not necessarily apply anymore. Because this brings major challenges, the Company has returned to its original purpose and stepped up its efforts to solve issues confronting society today.

For these reasons, in April 2021, the Company appointed a group chief sustainability officer (CSUO) and established its

Sustainability Committee, which is made up of the chief executive officer and other C-suite. The committee has been reviewing the latest important areas of concern, concrete initiatives, goals, and other related matters (please see pages 72–77), and C-suite have accelerated group-wide initiatives in the areas for which they are each responsible.

Based on discussions with the committee and in management meetings, the Board of Directors will decide on and evaluate sustainability strategies going forward.

Organizational Structure for Promoting Sustainability



* Makes proposals related to grooming female executive candidates, making companies more inclusive, and improving diversity- and inclusion-related indices (please see pages 66–67)

(1) Role of the Sustainability Committee

- Deliberates on the Tokio Marine Group's sustainability strategies
- Oversees the overall management and execution of sustainability strategies
- Reports to and submits matters for discussions to the Board of Directors and in relevant management meetings

Matters discussed by the Sustainability Committee

May 6, 2021: Formulation of sustainability strategies, systems for executing the strategies, and key issues in important areas

July 6, 2021: Implications of external trends for the Group, and annual plans for organizations that will carry out initiatives and top priority policies

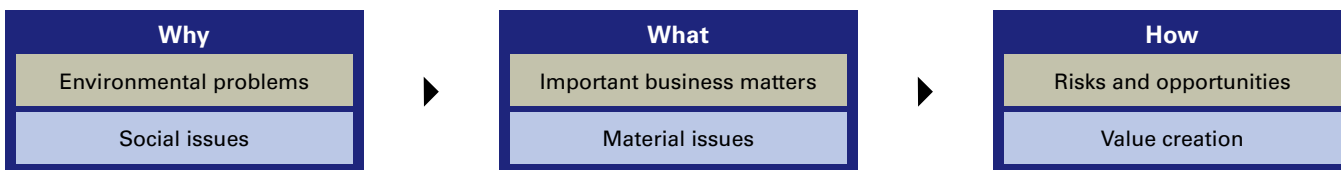
(2) Roles of other organizations

- 1 Secretarial Office: Handles administration for the committee (as well as the subcommittees and task force) and promotes the sustainability strategies
- 2 Working Groups: Formulates and executes annual plans for each type of issue, with input from relevant departments of Tokio Marine Holdings and members of group companies
- 3 Task force: Organizes members of projects tasked with strengthening short-term initiatives

Eight material issues and four priority issues specified

The Tokio Marine Group specified a set of material social issues in fiscal 2018. However, its material issues and related matters have been revised in a meeting of Tokio Marine Holdings' Board of Directors based on deliberations by its Sustainability Committee, which was established in April 2021. Accordingly, relevant measures have been specified based on the potential impact of risks and opportunities on the Group's businesses. Besides mitigating risks and capitalizing on opportunities, the Group will strive to turn risks into opportunities and provide solutions to social issues as a means to bring value to society as well as economic value in the form of profit growth.

Approach



Details of the Eight Material Issues, Including the Four Priority Issues (Why, What)

Future generations included as stakeholders in April 2021

The Group added future generations to the four categories of stakeholders it had previously specified as those it must provide value to.

Stakeholders	Value provided
For customers	<ul style="list-style-type: none">Contribute to making customers' lives healthy and enriching through products that provide security and assistance with future-oriented challenges
For society	<ul style="list-style-type: none">Contribute to building a sustainable society that can overcome any challenge and ensure the safety and security of all its members
For future generations	<ul style="list-style-type: none">Hand down a sustainable environment to future generations
For employees	<ul style="list-style-type: none">Help employees reach their highest potential through engagement and opportunities for them to thrive
For shareholders and investors	<ul style="list-style-type: none">Continually increase shareholder returnsEnhance the Group's value and earn the trust of shareholders and investors through timely and proper disclosure along with constructive dialogue

Social issues increased from five to seven to connect with future generations (please see pages 30-31)

In addition to increasing its stakeholder categories, the Group increased the social issues it must address from five to seven after considering recent changes in the environment and growing interest in such issues. The two new issues are ensuring equal opportunities through education and protecting natural resources and biodiversity.

Eight material issues and four priority issues designated to address seven social issues

Based on its purpose, the Tokio Marine Group has specified eight material issues to pursue in order to address the seven social issues it has selected. Of these material issues, four have been designated as priority issues based on their importance for the Group and their relevance to its stakeholders with respect to their interest and expectations.

Eight material issues including four priority issues

- | | |
|--|--|
| <ul style="list-style-type: none">Combat climate change (priority)Improve disaster resilience (priority)Support people's healthy and enriching lives (priority)Promote and support diversity and inclusion (priority) | <ul style="list-style-type: none">Facilitate and foster innovation through digitalizationProtect the natural environmentProvide education to childrenDisclose highly transparent and timely information |
|--|--|

What

Material issues
(Four designated as priority issues)

Reasons for selection

(1) Combat climate change (priority)

The adverse effects of climate change, including increasingly serious natural disasters, threaten people's safety and security, and interfere with the sustainable development of society. The Tokio Marine Group recognizes the importance of addressing climate change and natural disasters because it underwrites risks in Japan, a country especially prone to natural disasters. Therefore, in its roles as an insurance provider, institutional investor, and global enterprise, the Group intends to deal with these issues head on and contribute to solutions.

(2) Improve disaster resilience (priority)

(3) Support people's healthy and enriching lives (priority)

In an age in which many people live past 100, everyone hopes to lead a long and healthy life. With the aging of the population and widespread advancements in medicine, however, the financial burden on individuals, families, and society is growing each year. The Tokio Marine Group intends to address this issue by fully utilizing its extensive expertise to offer high-value-added products and services while covering disease and illness through its many life and non-life insurance products.

(4) Promote and support diversity and inclusion (priority)

Amid major changes in the economic environment, social issues are becoming increasingly complex and diverse. For the Tokio Marine Group to grow sustainably by offering solutions to such issues, it will be important for its more than 40,000 employees to maximize their potential and combine their individual skills into collective capabilities. Accordingly, promoting and supporting diversity and inclusion is an important management strategy for the Group, and it intends to step up the initiatives it has been carrying out for this purpose.

(5) Facilitate and foster innovation through digitalization

Rapid progress in technological innovations are driving major societal and economic changes. To realize sustainable economic growth under those circumstances, all corporations will need to create a basis for technological innovation. The Tokio Marine Group is already providing insurance coverage for new types of risks that have arisen from these changes, including cyber risk. Furthermore, in addition to insurance payouts, the Group will apply digital technologies and data to provide security to clients before and after any events that may require insurance claims. In these ways, the Group will work to support corporate growth and economic development.

(6) Protect the natural environment

The Tokio Marine Group understands that a sustainable society, in which everyone can live safely and securely and pursue any aspiration, depends on the natural environment, the basis for all life and people's livelihoods. Moreover, the Group recognizes its obligation to help ensure that future generations inherit a sustainable natural environment, as it is irreplaceable. Based on these principles, the Group intends to bolster the initiatives it has taken to combat climate change and protect biodiversity and wetlands through environmental conservation activities, including its Green Gift project and mangrove planting activities.





(7) Provide education to children

Education can create a foundation for the future, as each generation faces the changing challenges of the times. Having specified future generations of people as stakeholders, the Tokio Marine Group has a duty to help equip children with the skills they will need in life. Therefore, the Group plans to strengthen its educational programs, including its Disaster Risk Prevention Lessons for children, which were initiated following the Great East Japan Earthquake in 2011.

(8) Disclose highly transparent and timely information






As an original participant in the Task Force on Climate-Related Financial Disclosures (TCFD), the Tokio Marine Group is working to properly disclose information and facilitate widespread climate-related disclosure. As part of these efforts, the Group will continue placing importance on disclosing highly transparent and timely information to earn even more trust from shareholders and investors going forward.

How

Material issues (four designated as priority issues) ● Risks ● Opportunities	How the Group can contribute	Value creation Value created in fiscal 2020	Value creation Goals for fiscal 2021 and beyond
(1) Combat climate change (priority) <ul style="list-style-type: none"> ● Revisions to energy policies in various countries based on the shift to a low-carbon society ● Various negative impacts of global environmental destruction on society 	a. Develop and offer products and services that contribute to renewable energy development, and facilitate green investing b. Realize carbon neutrality through engagement with investors and insurance underwriters c. Reduce CO ₂ emissions from the Group's operations, and meet RE100 criteria d. Carry out mangrove planting to combat global warming (through carbon fixation) and mitigate damage from environmental disasters e. Provide education on forest conservation and the environment (including Green Lessons)	  <p>More information is available in the news release, "Tokio Marine: Our Climate Strategy," published on the Company's website on September 28, 2020: https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf</p> a. (1) Offered Japan's first insurance packages for offshore wind power plants; (2) Acquired GCube, a leading insurance underwriter in the renewable energy industry; (3) Strengthened commitment and involvement in renewable energy funds (51 billion yen committed and 45 development projects as of March 31, 2021) b. Sold off business-related equities of companies (including those involved in fossil fuels) totaling 106 billion yen in accordance with prior plans (TMNF) c. Tokio Marine & Nichido Fire, Philadelphia Insurance Companies, and Tokio Marine Kiln Group adopted renewable energy at workplaces in Japan, the US, and UK, respectively d. Achieved carbon neutrality ^{*2} for the eighth consecutive year since fiscal 2013 e. Refer to (7) Provide education to children (see p. 77)	a. (1) Increase revenue ¹ from Tokio Marine & Nichido Fire's insurance for offshore wind power plants by 5 billion yen by fiscal 2023 (see p. 54); (2) continue facilitating green investing b. Sell off at least 100 billion yen in business-related equities of companies (including those involved in fossil fuels) annually between fiscal 2021 and 2023 c. By fiscal 2030, (1) reduce the Group's greenhouse gas emissions by 60% ^{*2} compared with fiscal 2015; (2) have renewable energy account for 100% of electricity consumption at main workplaces; (3) switch all vehicles owned by Tokio Marine & Nichido Fire and Tokio Marine & Nichido Life to electric vehicles ^{*3} d. (1) Achieve carbon neutrality ^{*2} for the ninth consecutive year in fiscal 2021; (2) aim to surpass 300 billion yen in cumulative economic value from mangrove planting by fiscal 2038 e. Refer to (7) Provide education to children (see p. 77)
(2) Improve disaster resilience (priority) <ul style="list-style-type: none"> ● Rising insurance payouts resulting from increasingly serious natural disasters and abnormal weather ● Growing public awareness and needs related to risks of natural disasters 	a. Develop and provide products and services that are useful for preventing disasters, mitigating their damage, and facilitating rapid recovery b. Assist with business continuity planning (BCP) in partnership with government bodies and businesses c. Establish sustainable fire insurance systems d. Carry out disaster awareness initiatives, including Disaster Risk Prevention Lessons	 <p>More information is available in the news release, "Tokio Marine: Our Climate Strategy," published on the Company's website on September 28, 2020: https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf</p> a. (1) Net insurance payouts for natural disaster-related claims totaled ^{*4} 136.2 billion yen; (2) Tokio Marine & Nichido Fire increased revenue from fire insurance ^{*1} by 9.7%; (3) offered Japan's first earthquake index insurance; (4) offered first nationwide hurricane index insurance in the United States b. Concluded a cumulative total of BCP assistance agreements with governments of 38 prefectures, 10 major cities, and 52 municipalities c. Revised rates in January 2021 expected to improve pre-tax earnings by 20 billion yen in the future d. Refer to (7) Provide education to children (see p. 77)	a. Have Tokio Marine & Nichido Fire support disaster preparedness, mitigation, and restoration activities in customers' communities through an initiative in July 2021 to provide Total assist fire insurance x Red Feather Disaster prevention/reduction program (see p. 55) b. Continue providing support for BCP c. Increase Tokio Marine & Nichido Fire's pre-tax earnings from fire insurance by more than 26 billion yen by fiscal 2023 (see p. 55) d. Refer to (7) Provide education to children (see p. 77)
(3) Support people's healthy and enriching lives (priority) <ul style="list-style-type: none"> ● Increasing opportunities to facilitate health management at corporations ● Rising public awareness of health and growing needs related to longevity risks and asset management in old age ● Creation and expansion of new markets due to advancements in medical technologies ● Increasing cases of adverse selection in underwriting due to advancements in medical technologies 	a. Widely promote services to corporations for facilitating their Health and Productivity Management b. Develop and provide products and services that address needs to manage assets and savings in response to longevity risks c. Develop and provide new healthcare services	 <p>a. (1) Included in the Health & Productivity Stock Selection for the sixth consecutive year; (2) Tokio Marine & Nichido Fire provided health management support to about 2,000 companies b. c. (1) Tokio Marine & Nichido Fire offered Japan's first insurance for supporting both medical treatment (nursing care) and job duties in the workplace; (2) Tokio Marine & Nichido Life increased revenue from new policies annualized premiums by 6.9% due to strong contributions from sales of healthcare insurance with relaxed underwriting standards and installment variable annuities designed for asset accumulation needs</p>	a. (1) Be included in the Health & Productivity Stock Selection for the seventh consecutive year; (2) continue having Tokio Marine & Nichido Fire provide health management support (see p. 82) b. c. (1) Aim to increase Tokio Marine & Nichido Fire's revenue ^{*1} in the healthcare market to between 20 and 30 billion yen by fiscal 2023 (see p. 54); (2) aim to increase Tokio Marine & Nichido Life's revenue from new policies annualized premiums by a CAGR of 5% by fiscal 2023 (see p. 57)

*1: Net premiums written *2: Emissions from in-house operations falling under Scope 1, 2, and 3 (categories 1, 3, 5, and 6) emissions
 *3: Electric vehicles, hybrid vehicles, and plug-in hybrid vehicles *4: Based on pre-tax business unit profit

How

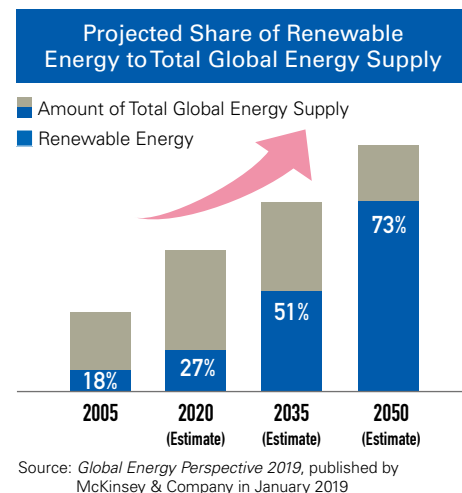
Material issues (four designated as priority issues) ● Risks ● Opportunities	How the Group can contribute		Value creation Value created in fiscal 2020	Value creation Goals for fiscal 2021 and beyond
(4) Promote and support diversity and inclusion (priority) ● Extent to which the capabilities of the Group's diverse members are utilized	a. Promote diversity and foster an inclusive corporate culture b. Share best practices group-wide c. Carry out human rights due diligence and improvement initiatives based on the UN Guiding Principles on Business and Human Rights		a. b. (1) Created the Diversity Council and a group diversity and inclusion officer position; (2) scored 4.3 out of 5 in a culture and value survey ^{*1} (84% response rate) (3) percent of female managers exceeded 30% overall at group companies worldwide; (4) percent of female corporate officers exceeded 10% (Groupwide); (5) percent of female sub-leaders reached 54.9% at TMNF; (6) non-Japanese employees comprised 40.9% of the Group's total workforce c. Analyzed and assessed possible risks and their potential impact	a. b. (1) Promote diversity and inclusion through the Diversity Council and other organizations; (2) conduct the culture and value survey; (3) raise the percent of female managers at TMNF to 30% c. Carry out human rights due diligence and improvement initiatives based on the UN Guiding Principles on Business and Human Rights
(5) Facilitate and foster innovation through digitalization ● Loss of competitive edge following the entry of major competitors in the insurance market ● Impact of the spread of innovative technologies on business optimization and the creation and growth of new markets ● Increasing cyber risks accompanying advancements in digitalization	a. Apply advancements in digitalization and data to increase security for customers in ways besides insurance payouts b. Address growing cyber risks amid the spread of digitalization c. Make use of digitalization to support small and medium-size enterprises (SMEs) d. Apply digitalization to raise the efficiency of operations e. Provide education on how insurance works (including Group Work on Managing Risks and Opportunities)		a. Tokio Marine & Nichido Fire developed and provided camera-equipped drive recorders (see p. 17) b. Tokio Marine & Nichido Fire has achieved a double-digit growth rate of revenue ^{*2} from cyber risk insurance every year c. Tokio Marine & Nichido Fire increased insurance premiums for cyber risk insurance packages targeting SMEs by four times over the past 10 fiscal years d. Tokio Marine & Nichido Fire achieved a combined ratio for the insurance packages, above, of 92.5% e. Refer to (7) Provide education to children	a. Accelerate data strategies through initiatives started by Tokio Marine dR Co., Ltd., in July 2021 (including initiatives to increase security before and after events; see pp. 28–29) b. Increase Tokio Marine & Nichido Fire's revenue ^{*2} from cyber risk insurance by 5 billion yen by fiscal 2023 (see p. 54) c. Increase Tokio Marine & Nichido Fire's revenue ^{*2} from insurance that supports SMEs by 15 billion to 25 billion yen by fiscal 2023 (see p. 54) d. Raise the efficiency of operations to reduce Tokio Marine & Nichido Fire's combined ratio by 1.0 percentage points by fiscal 2023 (see p. 56) e. Refer to (7) Provide education to children
(6) Protect the natural environment ● Growing opportunities from progress in environmental conservation ● Various negative impacts of environmental destruction on society	a. Carry out mangrove planting to preserve biodiversity and wetlands b. Implement the Green Gift project and Planet Genki program		a. Achieved carbon neutrality ^{*3} for the eighth consecutive year since fiscal 2013 b. 100% of employees participated in social contribution activities	a. (1) Achieve carbon neutrality ^{*3} for the ninth consecutive year in fiscal 2021; (2) aim to surpass 300 billion yen in cumulative economic value from mangrove planting by fiscal 2038 b. Have 100% of employees participate in social contribution activities in fiscal 2021
(7) Provide education to children ● Growing need for educating children in society ● Various negative impacts of environmental destruction and low awareness of risks on society	a. Provide Green Lessons b. Implement Disaster Risk Prevention Lessons c. Offer Group Work on Managing Risks and Opportunities d. Implement StreetWise Finance, a financial literacy education program in South Africa		Groupwide: 100% of employees participated in social contribution activities a. Green Lessons were held 870 times for approximately 57,000 people on a cumulative basis by fiscal 2020 b. (1) Disaster Risk Prevention Lessons were held 810 times for approximately 55,000 people on a cumulative basis by fiscal 2020 (see p. 89); (2) in China, Disaster Risk Prevention Lessons were held 21 times for approximately 1,600 people on a cumulative basis by fiscal 2020 c. Group Work on Managing Risks and Opportunities were held 54 times for approximately 1,800 people on a cumulative basis by fiscal 2020 d. Approximately 27,000 people participated in the StreetWise Finance financial literacy education program in South Africa on a cumulative basis by fiscal 2020	Groupwide: Have 100% of employees participate in social contribution activities a. Continue providing Green Lessons b. Continue providing Disaster Risk Prevention Lessons c. Continue offering Group Work on Managing Risks and Opportunities d. Continue implementing the StreetWise Finance financial literacy education program in South Africa
(8) Disclose highly transparent and timely information ● Earned or lost trust in capital markets	Properly disclose information by strengthening compliance with the Task Force on Climate-Related Financial Disclosures (TCFD) and other guidelines		<ul style="list-style-type: none"> More information is available in the news release, "Tokio Marine: Our Climate Strategy," published on the Company's website on September 28, 2020: https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf The presentations, "Digital Strategy" (June 2020) and "Our Climate Strategy & TCFD" (January 2021) are available on the Presentation page of the Company's website: https://www.tokiomarinehd.com/en/ir/event/presentation/2020/ Information based on TCFD-related proposals are available in the Company's integrated reports, sustainability reports and other publications 	<ul style="list-style-type: none"> The presentation, "Tokio Marine Group's Contribution to and Growth Strategies for the Renewables Market" (June 2021) is available on the Presentation page of the Company's website: https://www.tokiomarinehd.com/en/ir/event/presentation/2021/ Information based on TCFD-related proposals are available in the Company's integrated reports, sustainability reports and other publications

*1: Totals for Tokio Marine Holdings and its group companies worldwide *2: Net premiums written
 *3: Emissions from in-house operations falling under Scope 1, 2, and 3 (categories 1, 3, 5, and 6) emissions

The Tokyo Marine Group is realizing its own growth while contributing to decarbonization by providing essential insurance for renewable energy power development projects.

Renewable Energy Supply Projected to Grow Globally

Global electricity supply is projected to almost double over the next 30 years amid the increasing use of electric vehicles and building management systems. In major countries of the world, including the US, China, India, and European countries, the cost of generating electricity from renewable energy sources is expected to become cheaper than from fossil fuels (LNG and coal) before 2030 as a result of advances in power generation technologies. Against this backdrop, a decarbonization movement has been spreading globally and major countries are shifting to efficiently generated renewable energy. Based on these factors, renewable energy is projected to account for over 50% of the world's total energy supply by 2035 and 73% by 2050. Accordingly, the supply of renewable energy is projected to grow by around over 6% annually on average between 2020 and 2050.

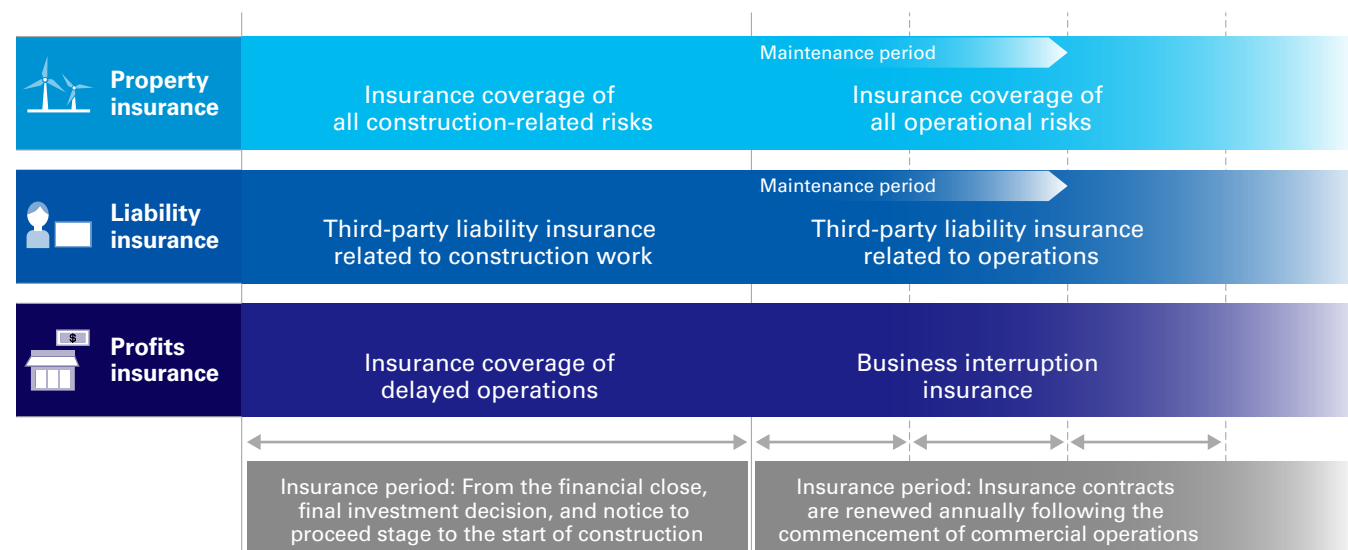


Providing Insurance to Support the Spread of Renewable Energy

With the growth of the renewable energy market, insurance is essential for facilitating development projects. The required insurance and underwriting methods can vary widely, however, according to the many types of renewable energy development projects, including wind, solar, hydro, biomass, geothermal, and tidal power generation facilities as well as power storage equipment.

For example, the insurance for an offshore wind power plant would need to include property insurance, liability insurance, and profits insurance to cover losses from property damage. Various companies would be involved during the period from the time construction begins to the start of commercial operations, including the construction company that builds the foundation and

structure, as well as the manufacturers of cables and wind turbines. The plant operator, however, would need to organize the insurance coverage for all of these activities, and then secure various types of insurance coverage from the commencement of commercial operations. Since offshore construction is complex and steps must be taken to reduce construction mistakes and prepare for typhoons, this kind of development project requires highly sophisticated underwriting and damage insurance planning. Furthermore, these projects cannot secure financing unless insurance coverage has been arranged. Given these factors, insurance is essential for offshore wind power to make progress going forward.



Tokio Marine Group's Advanced Capabilities

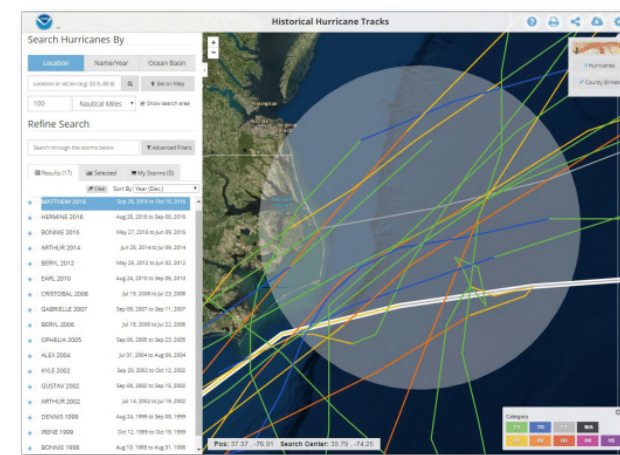
Tokio Marine Group leverages its advanced underwriting expertise and leading damage insurance services to provide essential renewable energy-related insurance.

(1) Advanced underwriting expertise

Risks related to renewable energy development projects differ from risks associated with conventional power plant and energy projects. Furthermore, potential accidents also differ according to the type of project, so very sophisticated underwriting techniques are necessary to handle the insurance for renewable energy development projects.

Tokio Marine Group has the capabilities needed to calculate suitable insurance premiums and effectively select risks based on vast amounts of loss data collected over the past three decades. As an example of these capabilities, group company, GCube, is able to provide \$300 million of underwriting capacity—the industry's largest amount—for a single project.

Moreover, Tokio Marine & Nichido began offering insurance for offshore wind power projects in 2013, when a demonstration offshore wind plant was built in Japan, and has provided insurance underwriting for such projects in Europe. Drawing from this track record and experience, it has been working to tap demand in Japan's offshore wind power insurance market, which has been growing as the Japanese government aims to increase the number of offshore wind power plants. At present, Tokio Marine & Nichido has acquired substantial know-how by underwriting about 50 offshore wind power projects in 10 countries.



(2) Leading damage insurance services

Over the past decade, GCube has paid out over \$700 million for about 4,000 insurance claims connected with renewable energy. The company's own team of renewable energy loss adjusters have been providing clients with expert advice on loss prevention. GCube has established an excellent reputation among its major clients by proactively sharing data with them and offering various policies for reducing risks.



Future outlook

As the decarbonization movement gains momentum in various countries around the world, Tokio Marine Group is channeling its expertise to help solve environmental issues by supporting the growing adoption of renewable energy with insurance and risk

consulting services. Through this process, the Group will expand its own operations. Specifically, it is aiming to increase insurance premium revenues by tens of billions of yen by 2030 compared with the amount in 2020.

Special Feature 3-2 Responding to Social Issues in the Field of Cyber Risk

We will protect and raise awareness of cyber risk for our customers, while carrying out our appropriate risk management using the Group's knowledge.



Daljitt Barn
Global Head of Cyber Risk

Main career
Previously worked as a cyber risk expert for over 20 years before moving to a global reinsurance company where he developed the group Cyber insurance strategy.

Providing Cyber Insurance Products based on Appropriate Risk Management

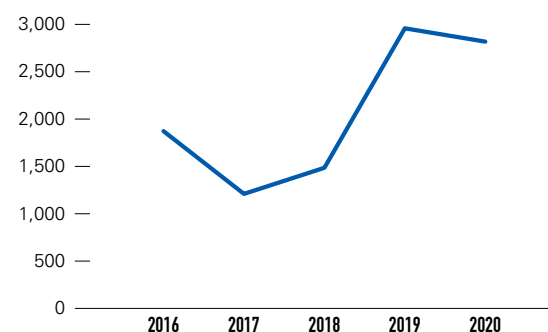
In recent years, cyberattacks continue to grow and change. This has caused cyber risk to become a business risk, where materiality issues in terms of business continuity, sharply increased the need for insurance among companies. UK-based TMK began providing cyber insurance from more than 20 years ago. We were also the first major non-life insurance company in Japan to begin offering cyber insurance in 2015. In this regard, we have established a track record and experience in protecting customers around the world from cyber risk. Looking ahead, cyber insurance is one field we should focus on to balance solutions to social issues with our own growth.

Cyber risk is unique in that it is an evolving peril with insufficient data on past incidents. For example, a single cyber or cloud security incident can cause a chain reaction broadly involving multiple companies and countries, which could result in a mass outage incident. Therefore, risk management requires extremely advanced knowledge of how these technologies are interconnected and their vulnerabilities.

Our Cyber Centre of Excellence (CCoE), which I head up, is located in London. CCoE is responsible for accumulation management and underwriting guidance on cyber risk for the entire Group, gathering and managing performance data, and making appropriate arrangements for reinsurance. CCoE also shares various know-how horizontally within the Group, as it seeks to enhance our risk management and pricing while utilizing outside knowledge and data.

Recently, we have demonstrated our leading initiatives by publishing our quantification framework on "silent cyber risk*," symbolized by incidents whose liability is not explicitly covered by traditional non-life insurance.

■ Trends in known case numbers of unauthorized computer access occurring within Japan*



*: Based on "Status of the Occurrence of Acts of Unauthorized Computer Access," a document published by the National Police Agency, MIC, and METI, in March 2021.



*: https://www.tokiomarinehd.com/en/Tokio_Marine_Group_Non-Affirmative_Cyber_Risk_Assessment-INDUSTRY_RELEASE.pdf

Peripheral Services Beyond the Payment of Claims

In the event of an incident, it is important to not only pay out claims in a timely manner, but also provide services that help customers to avoid incidents in the first place. As recent examples of newly launched services, TMNF launched Tokio Cyber Port, an informative website on the latest cybersecurity technologies, and we also provide a benchmark reporting service through a tie-up with Guidewire Software, Inc. Providing added value through these peripheral services is one of our strengths and they help to reduce the loss rate by preventing incidents.

Ultimately, we have expanded our support of customers through our efforts toward steady growth in the field while utilizing our wealth of track records and experience, fully mindful of risk management and pricing. Going forward, we are committed to contributing to customers and society through cyber insurance.

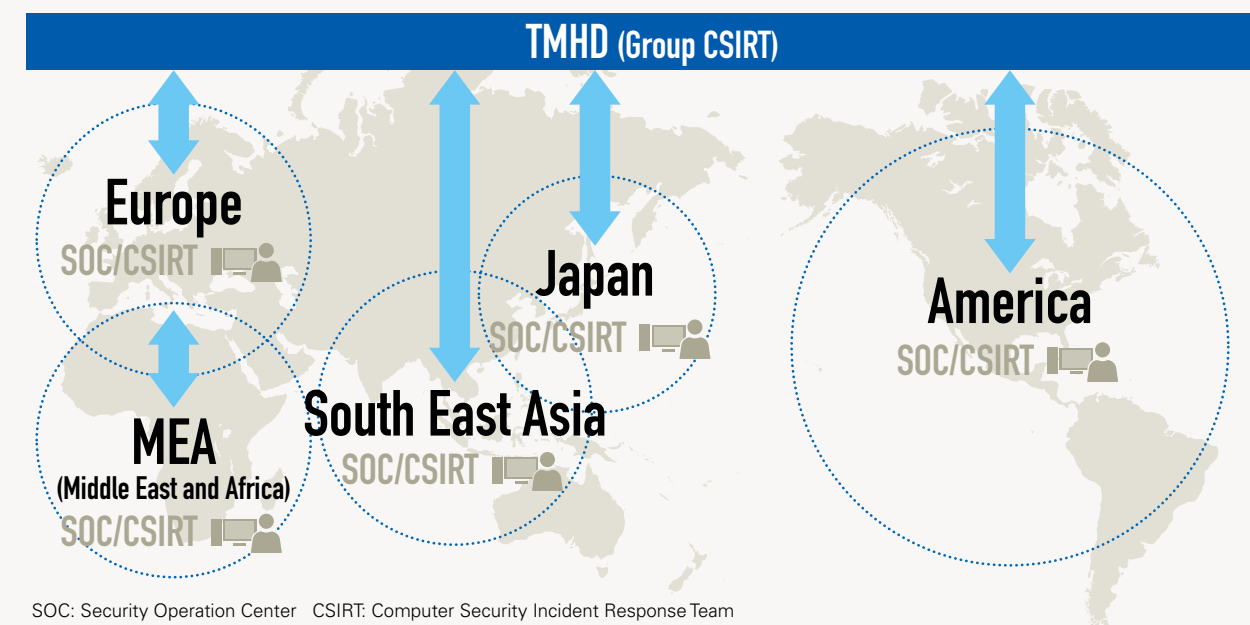
Tokio Cyber Port powered by 東京海上日動

<https://tokiocyberport.tokiomarine-nichido.co.jp/cybersecurity/s/>
*Japanese only

Reference:Tokio Marine's Security Framework

Cybersecurity against cyberattacks is also an extremely important issue for us. We have identified cyber risk as a "material risk" and we have established the Computer Security Incident Response Team (CSIRT) under the Group Chief Information Security Officer (CISO), putting into place a structure for collaboration between Tokio Marine Holdings and regional headquarters.

As a result of building and upgrading this global security structure, there have not been any major incidents. Yet, with an eye toward response to new threats that are becoming more sophisticated and stealthier by the day, we are working to build and strengthen our effective security structure cross-functionally across the Group from the standpoint of efficiency and effectiveness. This includes further strengthening security; not only for ourselves but at agencies and outsourcing partners, and conducting various drills and exercises involving all employees including management and sophisticated intrusion tests covering our remote work environment as well.



Special Feature 3-3 Providing Solutions for the Healthcare Sector

Realizing both Tokio Marine Group's growth and the healthy and enriching lives of customers through the support for corporate health management and the response to longevity risks.



Supporting Corporate Health Management

Amid labor shortages in Japan, health management has become increasingly important for enabling companies to ensure that their employees can work in good mental and physical health. Tokio Marine Group has realized its sustainable growth by drawing from its extensive know-how to assist its clients with health management.

Promoting Health Management-Oriented Business Models

Companies in various regions of Japan face serious difficulties in recruiting staff and raising productivity. In response to this issue, Tokio Marine Group has assigned over 200 employees to assist clients nationwide with their health management programs, drawing from the Group's expertise in this field. This expertise has been recognized by the inclusion of Tokio Marine Holdings in the Health & Productivity Stock Selection, a joint initiative by the Tokyo Stock Exchange and Japanese government to recognize listed companies that have outstanding health and productivity management programs for six consecutive years.

It has become increasingly important for companies in Japan to acquire health management certification. Tokio Marine & Nichido has been helping its clients acquire certification by providing insurance products that allow them to balance work requirements with health and nursing care, along with mental health-related e-learning tools and work-related stress assessment services. Among newly certified companies in 2020, almost 20%, or about 2,000 firms, received these products and services. Having earned a strong reputation among clients, TMNF increased revenue from health management-focused insurance products by a CAGR of 6.9%.

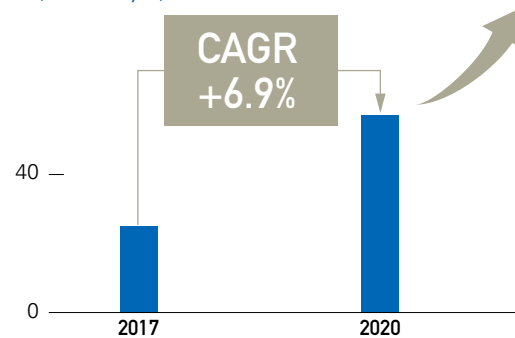
Internal Initiatives^{*2}

For Tokio Marine Group, employees are the drivers of its business. Therefore, helping them stay healthy is an important responsibility for management. Employees can work more effectively and maximize their potential when they are in good health, both mentally and physically. That, in turn, makes work more rewarding and life more fulfilling, and fosters both personal development and the growth of the Group. From this perspective, Tokio Marine Holdings has positioned health management at the core of the Group's management, and is promoting it groupwide under the leadership of its Chief Wellness Officer (CWO). More recently, the Group has taken steps to ensure the health and safety of employees while implementing more productive work practices during the COVID-19 pandemic. For example, it has facilitated telecommuting and installed necessary equipment for this purpose (please see page 68), and is providing vaccines onsite to employees and their family members, as well as to employees of its agents and business partners.

Reflecting the Group's excellent reputation for health management, Tokio Marine Holdings has been included in the Health & Productivity Stock Selection for six consecutive years, and is the only company in Japan's insurance industry to be included in this prestigious program.

^{*2}: More information about the Group's internal initiatives is presented in Tokio Marine Holdings' Sustainability Reports, available on the Company's website.

Growth in Revenue from Health Management-Oriented Insurance Policies* (Billions of yen)



^{*1}: Revenue from insurance premiums covering risks associated with workplace accidents involving employees, the consequent inability to work, and health and nursing care, provided by Tokio Marine & Nichido to companies and organizations



The charter has been established as a health-oriented code of conduct for employees to promote Tokio Marine Group's goals for and approach to health management on a group-wide basis.



Included in the Health & Productivity Stock Selection for six consecutive years

Managing Longevity Risks

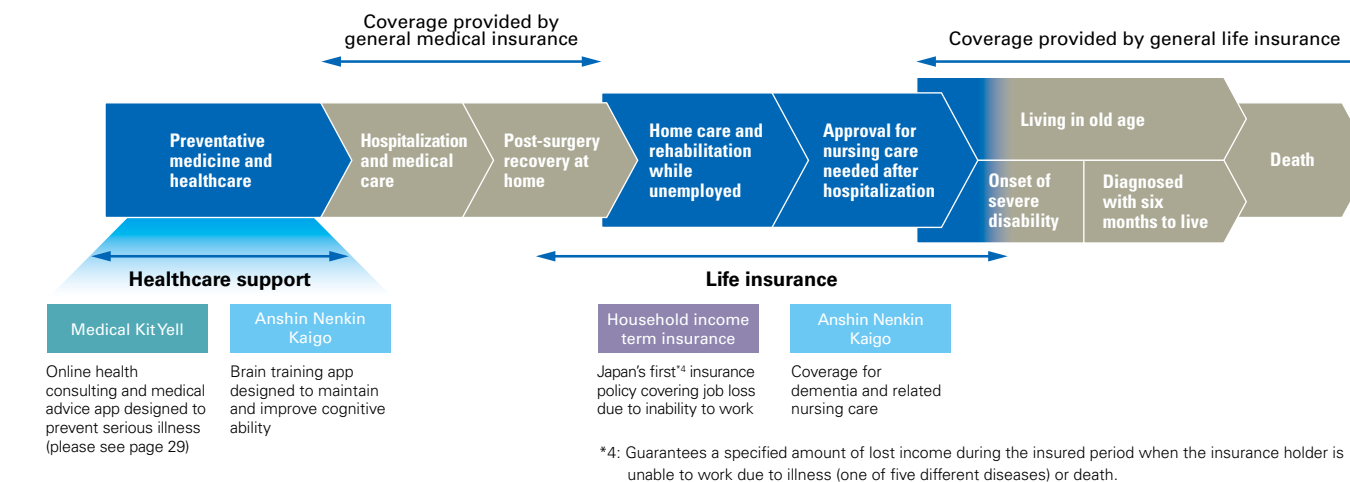
As more and more people live past 100, the risks of living with an illness and using up one's financial assets before death are increasing. Managing those risks with life insurance is an area in which Tokio Marine & Nichido Life can demonstrate its strengths. By helping people lead a healthy life and extend the lifespan of their assets, the company has been growing at an industry-leading pace. The company has concluded 6.08 million in-force policies, for a CAGR of 19.4%, since it was established in 1996.

Helping Extend Healthy Lives

A pioneer in Japan's life protection insurance market, Tokio Marine & Nichido Life not only manages life-related risks but also offers valuable healthcare support to help clients proactively prevent illness and avoid emergency situations. In Japan, while 89% of people have health insurance, the percentages of people with insurance policies covering the inability to work and long-term nursing care are only 12% and 14%, respectively^{*3}, so these markets still have room to grow. In that context, Tokio Marine & Nichido Life began offering a new insurance policy (named Anshin Nenkin Kaigo) in August 2021 to cover continuous nursing care and other related expenses following the onset of dementia. It also began offering services such as brain health checkups and an app designed to maintain and improve cognitive ability. By helping people extend their lives, the company will continue to grow in the future.

^{*3}: Figures are from a national market survey of insurance coverage conducted by the Japan Institute of Life Insurance.

Benefits Offered by Tokio Marine & Nichido Life's Insurance Policies

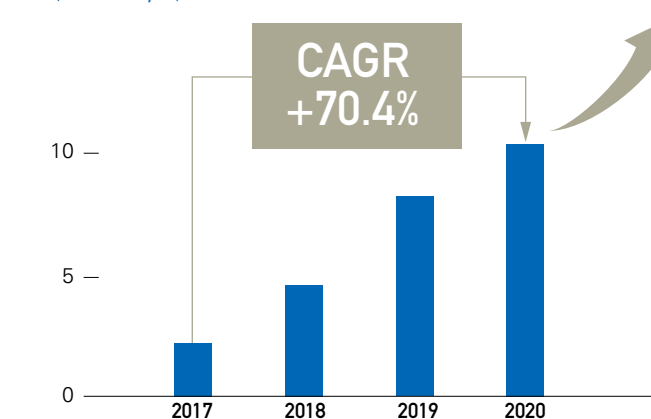


Helping Extend Asset Life

Recognizing the growing importance of asset accumulation planning for abundant lives in old age, Tokio Marine & Nichido Life has been offering installment variable annuities under the product name, Market Link, since August 2017.

This product diversifies investment over many years to reduce investment risks and build wealth over the long-term. While sales are carried out exclusively by trained agents, these agents have been increasing in number every year, reflecting the attractiveness of the product. Consequently, the number of new agreements has been growing on the back of customer demand.

New Policies Annualized Net Premiums of Market Link (Billions of yen)



As a founding member of the Task Force on Climate-related Financial Disclosure (TCFD), we will disclose information that facilitates investment decisions and contributes to the spread and promotion of climate-related information

Masaaki Nagamura

Fellow (International Initiatives), Tokio Marine Holdings TCFD Membership

The only Japanese national to be recognized as the “Most Influential on Climate Change in the Insurance Industry” by Insurance ERM*



* A magazine based in the U.K. focused on insurance ERM

Climate change is a global issue of human-historical proportions that threatens the safety and security of our customers and society. The growing severity of natural disasters directly impacts the insurance industry. Therefore, the Group recognizes that climate change is an extremely important issue to address head on not only in terms of our core insurance business, but also as a global company and institutional investor.

This special feature section will convey the Group’s initiatives using the categories of governance, strategy, risk management and metrics and targets based on the TCFD recommendations.

Category	See pages
Governance	85
Strategies	85-89
Risk Management	90
Indicators and Targets	91



Governance

(1) Division dedicated to promoting sustainability

Tokio Marine has a division dedicated to the promotion of the Group’s sustainability including climate change countermeasures (Sustainability Division, Corporate Planning Department), which identifies major challenges related to sustainability as well as formulates and implements related group-wide strategies, and conducts monitoring.

(2) Group Chief Sustainability Officer (CSUO)

We established the new position of CSUO in April 2021 in order to accelerate the promotion of sustainability strategy across the entire Group including climate change countermeasures. As the person responsible for our sustainability strategy, the CSUO is responsible for addressing sustainability issues facing the entire Group and reporting to the Group CEO.

(3) Sustainability Committee

We established the Sustainability Committee, chaired by the CSUO and comprised of members including the CEO and other C-suite, in April 2021 in order to accelerate sustainability strategy across the entire Group including climate change countermeasures. The Sustainability Committee establishes sustainability strategy and targets for the entire Group, focused on major Group companies inside and outside of Japan, and deliberated on the coordination and promotion of glocal sustainability initiatives (please see page 71 for the promotion system centered around the Sustainability Committee).

(4) Board of Directors

The Board of Directors discusses the Group’s sustainability policies including climate change countermeasures as well as evaluates and determines mid-term plans and single-year plans. Additionally, the Board of Directors holds “discussions on corporate strategy” on the themes of management environment and management issues, including climate change countermeasures, to fully utilize the knowledge of outside directors and outside Audit & Supervisory Board members (please see page 101 for details about strategy discussions).

Strategies

(1) Physical Risks

Climate change increases the frequency and scale of natural disasters, which could impact the calculation of insurance rates and claim payments.

Insurance is a business that underwrites risk and supports our customers and society in times of need. For this reason, risk management is a core component of management. Based on this awareness, we carry out risk management based on enterprise risk management (ERM). As part of this, we conduct various forms of analysis, such as risk measurement* and scenario analysis, and

have made efforts to upgrade our capabilities. This is truly a domain where we excel.

For the disclosure of risks we have examined ways to provide useful information to stakeholders, while taking into consideration impacts on business, and we plan to provide more detailed disclosures in our sustainability report scheduled to be published in September 2021.

* We evaluate and calculate impacts on insurance losses due to changes in typhoon risk (IPPC RCP4.5 and RCP8.5 scenarios) and changes in flood risk associated with rising rainfall amounts (RCP8.5 scenario) under future climate conditions.

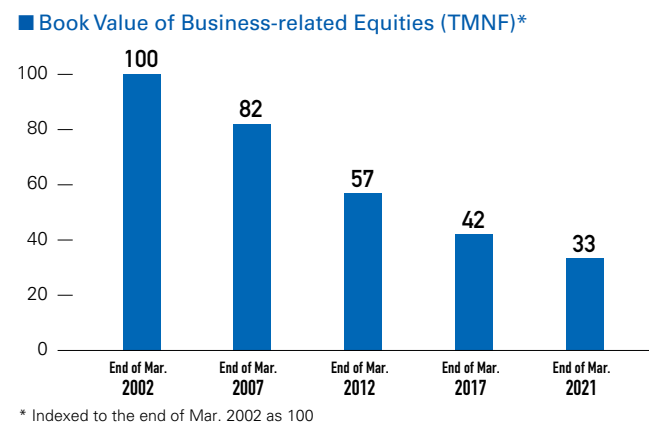
(2) Transition Risks

Transition risks mainly involve risks caused by fluctuations in prices of financial assets with large greenhouse gas emissions associated with the transition to a decarbonized society. We have developed a system for better understanding the situation of the Group's investments and comprehending the balance of assets under management.

Because transition risks are considerably affected by transition scenarios such as the future response to energy policies, we have examined ways to provide clear and useful information to stakeholders and we plan to provide more detailed disclosures in our sustainability report scheduled to be published in September 2021.

Furthermore, from the perspective of ownership restrictions in response to the risk of asset price fluctuations, the Group has worked to reduce its total business-related equities regardless of sector from some time prior to the release of Japan's Corporate Governance

Code. Under the new mid-term business plan, the Company plans to sell more than ¥100 billion per year (please see page105).



(3) Opportunities

1. Dramatic increase in insurance needs for renewable energy projects

Driven by global warming and climate change, countries around the world are speeding up their move toward decarbonization. In the process of promoting reduction and cessation of greenhouse gas emissions, there is expected to be a dramatic increase in insurance needs for renewable energy projects, such as solar, geothermal, and onshore/offshore wind power generation. With the importance of response to global warming and climate change growing, we can achieve growth through support for the adoption of renewable energy by drawing upon the Group's accumulated wisdom.

2. Growing public awareness toward the risk posed by natural disasters and improving earnings of fire insurance

As the frequency and scale of natural disasters increases, there is growing needs for expanded coverage and extensive services in the case of a disaster, but fire insurance continues to be plagued by chronic losses. By revising rates, reviewing products, strengthening underwriting, and implementing comprehensive countermeasures including disaster preparedness and mitigation, and early restoration, we can significantly improve fire insurance earnings.

(4) Implementation of Climate Change Strategy

1. Insurance underwriting, etc.

A. Basic stance ("Tokio Marine: Our Climate Strategy" announced on September 28, 2020)

The Group fully recognizes the importance of understanding the impacts that our business has on the environment and society. We are engaging in insurance underwriting that can contribute to the transition to a decarbonized society aimed at achievement of the Paris Agreement targets.

As part of this strategy, in principle, we will not underwrite new insurance policies for coal-fired thermal power plants. However, there may be instances where we do underwrite these policies based on a comprehensive judgment referencing international guidelines such as the OECD's Arrangement on Officially Supported Export Credits, and considering such factors as the country's energy policy, energy situation and business continuity. This proviso provides exceptions. These include cases where renewable energy must be adopted or promoted while still operating existing facilities associated with technologies that further lower CO₂ emissions based on the country's plan for decarbonization and cases where widespread power outages occur due to Great East Japan Earthquake-level events. As of June 30,

2021, we have not underwritten any new insurance policies since announcing "Tokio Marine: Our Climate Strategy" on September 28, 2020.

In addition, we are supporting initiatives to lower CO₂ emissions by engaging power plants already with insurance policies to consider the environment through adoption of innovative high efficiency power generation technologies and carbon capture, utilization and storage (CCUS/carbon recycling) technologies that reduce or stop greenhouse gas emissions. We are also engaging all customers involved in coal-fired thermal power generation to support their transition through product provision and/or consulting. Furthermore, after announcing "Tokio Marine: Our Climate Strategy," we have created and began using an engagement sheet to confirm and record plans aimed at realization of a decarbonized society. If through dialogue it is determined that a customer is not considering its response to decarbonization, we may not permit the renewal of the customer's insurance policy.

B. Provide insurance for the development of renewable energy projects

Initiatives as an Insurance Company

The Group provides insurance products and offers risk consulting to back the development of renewable energy projects. Specifically, in addition to the Mega-Solar Package Program for solar power generation companies and the Geothermal Package Plan for geothermal power generation businesses, in March 2020 we developed a dedicated insurance package offering comprehensive coverage of risks associated with offshore wind power generation projects (providing seamless coverage to customers not only during construction, but also a predefined period after the start of commercial operations). In addition, in May 2020, we acquired GCube, an insurance agent providing insurance underwriting for renewable energy projects around the world mainly in the United

States and Europe but also in Australia, South Africa and Asia. We are now utilizing this company's know-how at the Group level. Furthermore, Tokio Marine dR Co., Ltd. is also providing consulting services in various domains such as offshore wind power generation by utilizing its proprietary natural disaster risk assessment model and specialized human resources in renewable energy.

With the importance of response to global warming and climate change growing, we can achieve growth through support for the adoption of renewable energy as a leader in the field, further accelerating initiatives as "One Tokio Marine Group" by drawing upon the Group's accumulated wisdom (please see pages 78–79).

C. Growing public awareness toward the risk posed by natural disasters and creation of a sustainable fire insurance system

Initiatives as an Insurance Company

In fiscal 2020, Japan was once again faced with large-scale natural disasters in the July 2020 torrential rains and Typhoon No. 10 (Haishen). Industry-wide insurance claims related to natural disasters exceeded ¥300 billion, which included around ¥100 billion in claims to Tokio Marine Group.

Amid growing needs for greater coverage and extensive services during a disaster driven by the increasing frequency and scale of natural disasters in recent years, we are implementing a nationwide campaign to check the details of customers' policies in an effort to steadily grow the top line.

As a one of the most disaster-prone countries in the world, Japan's fire insurance system is extremely important, but it is hardly sustainable if the business experiences chronic losses. While our own efforts to reduce costs are critical, by revising rates, reviewing products, strengthening underwriting, and accelerating comprehensive countermeasures including disaster preparedness and mitigation, and early restoration, we aim to improve earnings by more than ¥26 billion (before tax) over three years and secure profitability in line with capital cost within several years after that (please see page 55).

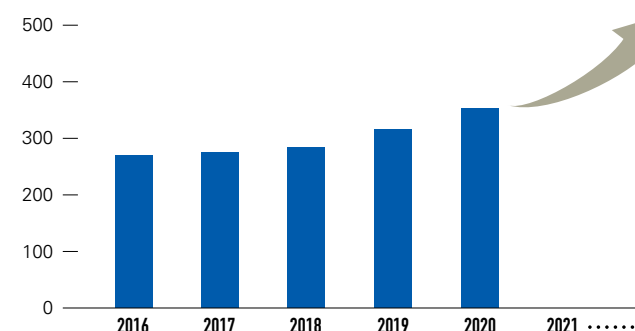


July 2020 torrential rains
Source: Original photo taken from the website of the Ministry of Land, Infrastructure, Transport and Tourism and modified

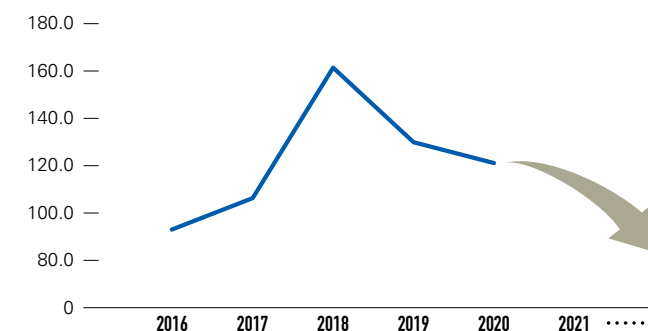


Typhoon No. 10 (Haishen)
Source: Original photo taken from Jiji Press and modified

■ Net premiums written for fire insurance (TMNF) (billions of yen)



■ Combined ratio of fire insurance (TMNF) (%)



D. Acceleration of claim payments

Initiatives as an Insurance Company

As an insurance company, the most important matter for Tokio Marine is providing peace of mind to people affected by natural disasters as quickly as possible in the form of claim payments. Insurance payouts give people fortitude to face the future. Believing this, we have worked to speed up claim payments using digitalization.

Specifically, we have largely streamlined this process by allowing customers to apply for insurance claims using their smartphone and utilizing digital technology such as satellites, AI and RPA for confirming damages and administrative work. Fiscal 2020 was particularly challenging because of the response to natural

disasters during the COVID-19 pandemic, but we used these mechanisms to facilitate operations.

As part of our customer response, it is also important to be mindful of the feelings of people affected by disasters. We are dedicating the time created from the use of digitalization toward attending to customers and expanding the domains where we provide value, which will allow us to elevate our level of customer service.

Customers have praised us highly for our enhanced support of disaster-affected persons through the fusion of people's ability with digitalization, which has led to a further increase in the support for us.

■ Results of insurance payout survey for fiscal 2020 (TMNF)

Customers who were satisfied: **94.5%**

■ Highly satisfied/Satisfied/Somewhat satisfied ■ Neither satisfied nor dissatisfied ■ Somewhat dissatisfied ■ Dissatisfied ■ Very dissatisfied

E. Delivering peace of mind before and after events
(contribution to a disaster-resistant society)

Initiatives as an Insurance Company

The payment of claims is an insurance company's most important function, but we believe that this alone will not enable us to protect our customers. It would be preferable if disasters don't occur. If disasters do occur, damages should be minimized and the recovery quick. It would be preferable if disasters don't reoccur. Based on

these beliefs, the Group strives to provide peace of mind before and after events through disaster preparedness and mitigation, quick restoration and recurrence prevention. These efforts also lower the loss rate and result in greater support from customers.

Specific examples

- We provide support that includes corporate risk evaluations, and help formulating a business continuity plans (BCP) in collaboration with local governments and financial institutions, making use of advanced expertise held within Group companies.
- Using the lessons learned from the Great East Japan Earthquake, we host the Disaster Risk Prevention Lesson, an outreach class for elementary school students, based on our commitment to teach children knowledge about disaster preparedness for the next disaster that may strike.
- Under the "Total assist fire insurance x Red Feather Disaster prevention/reduction program" launched in July 2021, part of the costs defrayed from online insurance contracts and policies will be donated to Red Feather Community Chest for use in disaster preparedness and mitigation activities in customers' own communities (please see page 55).
- The AI-powered Flooding risk projection system developed with the National Research Institute for Earth Science and Disaster Resilience visualizes areas at high risk of flooding to support local governments' decision-making during torrential rains, which helps to minimize damages to residents (please see pages 29, 55).
- Through a business partnership with BELFOR Japan, a specialist in disaster recovery, we are providing services that support customers' recovery from disasters (both before and after) (please see page 55).

The Group will utilize digitalization and data in a sophisticated manner to further enhance these services for "peace of mind before and after." Specifically, we will hire a team of experts in digitalization at Tokio Marine dR Co., Ltd., our core data company established in July 2021. This will allow us to speed up initiatives and tackle new challenges so that we can support customers in their time of need and evolve into a company that always supports its customers (please see pages 28-29).

Number of collaboration agreements with local governments*1

- Prefectures: 38
- Ordinance-designated cities: 10
- Other cities: 52

*1: Agreements on regional revitalization, such as help formulating BCPs, etc.



In Kochi, we are working with Kochi Prefecture, Kochi City, and the Kochi Chamber of Commerce & Industry to help around 700 companies formulate BCPs over a 10-year period

Disaster Risk Prevention Lesson

- Held around 810 times
 - Around 55,000 participants
- (Cumulative as of March 31, 2021)



Disaster Risk Prevention Lesson
(President Hirose, Tokio Marine & Nichido Fire)

2. Financing ("Tokio Marine: Our Climate Strategy" announced on September 28, 2020)

Initiatives as an Institutional Investor

In principle, we will not extend new financing to coal-fired thermal power plants in order to contribute to the transition to a decarbonized society. However, similar to other insurance underwriting, we may extend financing to these projects after comprehensively judging the situation based on the country's energy policy or international guidelines. This proviso provides exceptions similar to other insurance underwriting. In actuality, we have not extended new financing to coal-fired thermal power plants as of June 30, 2021.

As a signatory to the UN Principles for Responsible Investment (PRI) through Group companies Tokio Marine & Nichido and Tokio Marine Asset Management, we have established an ESG investment policy considering not only financial information but also elements such as environmental, social and governance. By incorporating climate-related elements into the investment decision-making process, we are supporting the transition to a decarbonized society.

Specifically, we are undertaking ESG engagement supporting increased corporate value and sustainable growth of target

companies through constructive and purposeful dialogue considering non-financial factors including ESG elements in addition to financial data and ESG integration where both financial and non-financial data is used in the investment decision-making process.

Tokio Marine Asset Management has managed a renewable energy fund targeting investments in solar power plants since 2012, effectively backing initiatives aimed at the transition to a decarbonized society.

■ Performance of Renewable Energy Funds*2
(Cumulative as of March 31, 2021)

Amount committed Approx. ¥51 billion
Units installed 45

*2: TM Nippon Solar Energy Fund 2012, 2013 and 2014
TM Nippon Renewable Energy Fund 2017
TM Nippon Long-Term Natural Energy Fund 2020

3. Lead Discussions at International Climate Change Conferences

Initiatives as a Global Enterprise

Since climate change is an important social issue that needs to be addressed by the entire world, the Group actively engages in dialogue with international organizations, governments, industries, academics, NPOs and NGOs. We have also led discussions at international conferences, which includes a co-chairing climate change-related working group for The Geneva Association, since 2008.

The Group has contributed to the formulation of Task Force on Climate-related Financial Disclosure (TCFD) recommendations as a member, and we also promote the dissemination of climate-related disclosure in Japan in part through involvement in the launch of the TCFD Consortium.

In addition, we have taken a leading role for the entire industry as a founding member of the UNEP FI's TCFD pilot insurance group, and as a global enterprise will continue to actively take measures against climate change.

The Sustainable Markets Initiative, an insurance industry task force whose concept was created by Prince Charles of the U.K. was established in June 2021 with 17 member companies. We are the only insurance company from Asia to be a member.



Risk Management

(1) Manage Climate-Related Risk Based on ERM

Tokio Marine Group takes a wide-ranging view of risk management regarding climate-related risks and has put a lot of effort into advancement. To give an example, we evaluate and calculate the impact on insurance loss from changes in typhoon risk and flood risk due to torrential rain based on assumed climatic conditions in

1. Qualitative Risk Management

We identify all forms of risk exhaustively, including natural disasters such as major storms and newly emerging risks due to environmental changes. We define risks that will have an extremely large impact on our financial soundness and business continuity as

2. Quantitative Risk Management

For material risks, we measure risk amounts and upgrade stress tests as part of our quantitative risk management.
We calculate risk amounts posed by natural disasters using a risk model (for Japan, a risk model we developed in-house based on engineering theory and the latest knowledge of natural disasters, and for overseas, models provided by outside vendors). We gather the latest information as well as verify and evaluate models and upgrade them to ensure the situation of recent natural disasters is reflected in models appropriately.

the future. Enterprise Risk Management (ERM) is being implemented throughout the Group in consideration of the impact of natural disasters on underwriting that may be exacerbated by climate change, referring to the findings of these scenario analyses (please see pages 110-113).

“material risks” (natural disaster risk including climate related risk is one such risk). We also formulate control measures prior to risk emergence and response measures for after risks occur.

We also conduct stress tests based on severe scenarios involving low likelihood disasters that will result in significant damages if they were to occur. For example, these scenarios include typhoons and flooding on a much larger scale than the major typhoons that hit the Greater Tokyo Area in 2018 and 2019 causing extensive damages. We update scenarios continuously while considering stress tests released by regulatory authorities in each country, the latest knowledge including climate change, and recent case studies.

(2) Acquisition of knowledge (industry-academia collaboration, etc.)

The Group is deepening collaboration with both inside and outside experts in order to acquire knowledge about risks.
The Tokio Marine Research Institute, a Group company, carries out impact analysis based on the possibility for increased insurance losses associated with natural disasters that are becoming more severe in nature. We have an R&D team located in Atlanta in the United States with expertise in natural disasters. This team is leading efforts to upgrade risk management of natural disasters across the entire Group, including various evaluations of natural disaster risk models, management of natural disaster exposure at our overseas business locations, and instantaneous impact prediction for such disasters as hurricanes hitting North America.

In terms of external collaboration, the Group is working with the University of Tokyo, Nagoya University and Kyoto University, among others, to research^{*1} the impacts of climate change on the insurance industry over the short, medium and long term as well as identify and evaluate climate related risks. We also invite experts in the name of sustainability dialogue to regularly share the latest knowledge on sustainability with senior management and discuss the Group's initiatives.
^{*1}: Forecasting of future changes in typhoon risk using climate models, analysis of changes in rainfall trends associated with global warming, and flood risk evaluation under future climate conditions, etc.

(3) Appropriately control risk through risk diversification and reinsurance, etc.

Natural disasters are inevitable in Japan, our home market. For that reason, we have sought to control risk capital by geographic, business, and product risk diversification through M&A overseas (please see pages 18-21). Through these efforts, we managed to keep net incurred losses from natural disasters exceeding our average budget to only around 5%^{*2} of the entire Group's profits for fiscal 2020. In addition, reinsurance, as a hedge against risk, is also

an effective way to protect our capital and stabilize profits. The Group utilizes reinsurance to prepare for natural disasters (capital events) that occur once every few centuries, and we determine earnings coverage from the standpoint of economic rationality and take necessary measures.
^{*2}: Proportion of claim payments related to natural disasters that exceeded the initial forecast

Indicators and Targets

(1)Targets for fiscal 2030

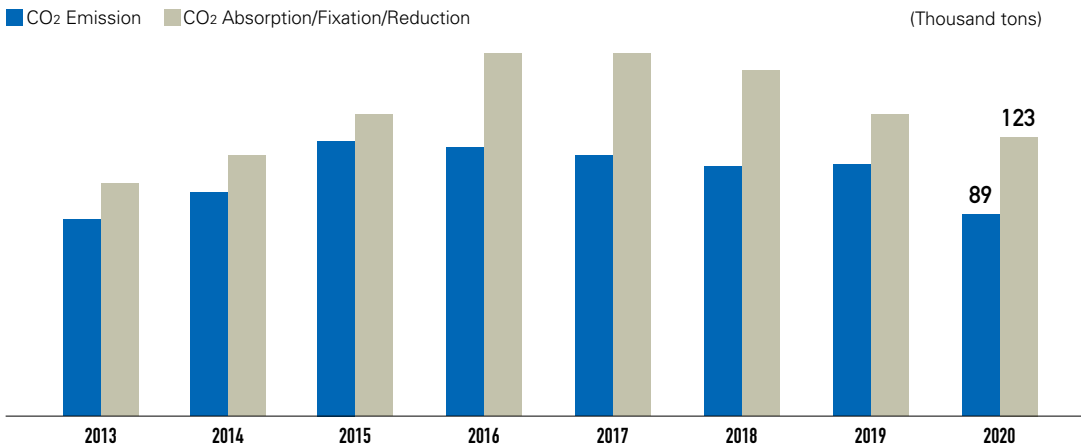
- **Reduction targets for greenhouse gases associated with our own business activities**
Reduce greenhouse gases emitted by the Tokio Marine Group by 60% compared to fiscal 2015 levels^{*1}
- **Target for introduction rate of renewable energy to total electricity consumption**
Source 100% of the electricity used at the Tokio Marine Group's main business locations from renewable energy
- **Electrification of company-owned vehicles (TMNF,TMNL)**
Switch all company-owned vehicles of TMNF and TMNL to EVs, PHVs or HVs, etc.

(2)Targets for fiscal 2023

- **Increase net premiums written for insurance of offshore wind power generation projects by around ¥5 billion (TMNF)**
- **Improve fire insurance earnings by more than ¥26 billion (before tax) (TMNF)**

(3) Others

- **Continue to achieve carbon neutrality on a Groupwide basis^{*1}**
Tokio Marine & Nichido Fire has been implementing a mangrove planting project in the Asia Pacific region together with NGOs since 1999. These planting activities have enabled the Group to achieve carbon neutrality^{*1} in its business activities for eight years running since fiscal 2013. We plan to continue this initiative going forward to sustain our carbon neutrality. The value of ecosystem services produced over the past 20 years (April 1999 to March 31, 2019) through this mangrove planting project cumulatively totals ¥118.5 billion. Estimates also indicate this value will increase to ¥391.2 billion cumulatively by the end of fiscal 2038^{*2}.



^{*1}: Associated with our own business activities (Scope 1 [direct emissions] + Scope 2 [indirect emissions] + Scope 3 [other indirect emissions; categories 1, 3, 5 and 6,] based on the GHG Protocol standards)
^{*2}: Survey contracted out to Mitsubishi Research Institute, Inc. and evaluated following internationally recognized methodologies



Tokio Marine Holdings, Inc. | Integrated Annual Report 2021

Directors

- 01 Tsuyoshi Nagano

Chairman of the Board
- 02 Satoru Komiya

Representative Director and President & Group CEO
- 03 Takayuki Yuasa

Representative Director and Executive Vice President
- 04 Akira Harashima

Representative Director and Senior Managing Director
- 05 Kenji Okada

Managing Director
- 06 Yoshinari Endo

Managing Director
- 07 Yoichi Moriwaki

Managing Director
- 08 Shinichi Hirose

Director
- 09 Akio Mimura

Outside Director
- 10 Masako Egawa

Outside Director
- 11 Takashi Mitachi

Outside Director
- 12 Nobuhiro Endo

Outside Director
- 13 Shinya Katanozaka

Outside Director
- 14 Emi Osono

Outside Director

Audit & Supervisory Board Members

- 15 Shozo Mori

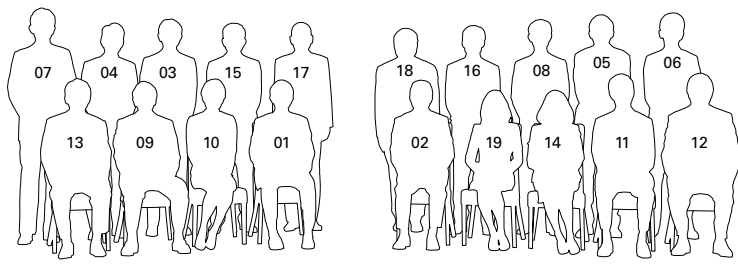
Audit & Supervisory Board Member (Full-Time)
- 16 Hirokazu Fujita

Audit & Supervisory Board Member (Full-Time)
- 17 Akinari Horii

Outside Audit & Supervisory Board Member
- 18 Akihiro Wani

Outside Audit & Supervisory Board Member
- 19 Nana Otsuki

Outside Audit & Supervisory Board Member





Through bouncing ideas of one another from diverse perspectives Pursue continuous enhancement of corporate value

We appoint outside officers with high-level expertise and a wealth of experience in a variety of fields to supervise our business execution and participate in discussions for decision-making in order to ensure sound and transparent corporate governance and form a Board of Directors that seeks out continuous enhancement of corporate value. On this occasion, we interviewed two outside officers on topics such as the Board's effectiveness, business portfolio strategy evaluation, and issues for enhancing corporate value over the medium to long term.

Effectiveness of the Board of Directors

Link between the Board of Directors and lively discussions outside the board

How do you evaluate the effectiveness of the Board of Directors?

Mitachi: One of the biggest features of Tokio Marine's corporate governance is that not only there are lively and active discussions during board meetings, but the discussions happening outside of these meetings are also well linked. For example, when we hold "discussions on corporate strategy" several times a year, everyone, including outside officers, participates in discussions on

management issues that have a large impact on medium-to long-term corporate value, such as future direction of global strategy and digital strategy. Such active participation plays a very important role to improve the quality of discussions and decision-making during Board meetings, and enhances awareness and understanding of management issues.

Otsuki: There are some companies that set aside a separate meeting to formulate major business strategies including the medium-term management plan. I find it very unique that Tokio Marine conducts frequent discussions on various themes that also include the outside officers.

Mitachi: Also, there are many instances where we receive presentations directly from staff outside of the board, including persons in charge of individual business departments according to the theme, and exchange opinions with them.

Otsuki: Absolutely. Tokio Marine's major feature is that it actively creates opportunities that involve not only the management who are regulars at board meetings, but a variety of members including mid-level employees in our discussions. For outside directors and auditors, it is very helpful to hear directly from employees who are at the frontline of each business. Also, for employees, it provides a great opportunity to consider business from a different perspective than what they are used to through exchanging ideas with those outside of the company. In this manner, by sharing ideas between people who come from different job positions and standpoints, we get to consider topics from multiple angles, which gives rise to very solid and wide-spanning discussions, which, I believe, by extension, improves board effectiveness.

There are views in the stock market that outside officers should focus on the monitoring aspect and it could be problematic if they get too involved with inside officers. How do you two feel about the role of outside officers?

Mitachi: As a company with an Audit & Supervisory Board, we have created a disciplined governance structure including a voluntary Nomination Committee and a Compensation Committee with outside directors leading the meeting discussions. However, this structure barely meets the minimum requirement, and in order to prevent damage to corporate value and instead enhance such value, it is critical to look at how to run these committees.

Otsuki: To that end, as I mentioned earlier, it is important for directors and auditors both inside and outside the company to conduct discussions in a horizontal manner, regardless of their rank or standpoint. In particular, I think it is necessary for outside officers to speak and act while feeling the weight of the trust bestowed by shareholders. For this reason, it is unacceptable to fulfill our roles only ceremonially. When a meeting is formalized, it tends to be filled with statements such as "I would like to give my opinion from the perspective of governance for the time being."

Mitachi: For example, we cannot have constructive discussions in a formalized meeting, such that we could discuss the compelling reasons for implementing a project, what risks are involved in the execution, how to control these risks, and how to expand such projects in the future. In this sense, I feel like we are running meetings in the company effectively without them being only ceremonies.

Otsuki: "What is the point of having people outside of the company who are not familiar with our business serving as directors or auditors?" It is also true that some people have doubts such as this. However, as far as the outside officers of Tokio Marine are concerned, they have a certain level of knowledge about the business through on-site inspections and talks with employees, as well as through meeting materials clearly outlining issues and sufficient prior briefings. On top of this, since they are specialized in areas other than insurance, they can often provide suggestions on our business challenges from perspectives that we don't normally notice from inside the company.

Mitachi: Since outside officers come from various backgrounds, there are many diverse opinions and it is not unusual to hear opposite standpoints.

Otsuki: Just the other day, there was a heated debate on a certain strategy with divided opinions among the outside officers. I think this is a very good thing for the company's governance. For people who are mutually external to one company to be able to take on a debate that seriously, I feel it is not only driven by each speaker's personal character, but there is an ingrained corporate culture that enables everyone to speak freely.

Mitachi: I have served as an outside director of Tokio Marine for four years. I feel it is the company's strength that outside officers are playing a substantial role this way, with this being yielded through the process of our business operations, which has a slight advantage.

Business Portfolio Strategy

Strengthen monitoring of M&A

How do you evaluate the portfolio reshuffling of recent years?

Mitachi: Tokio Marine has recently made decisions to sell multiple businesses, which I think stands as proof that our portfolio strategy is functioning well. Tokio Marine has optimized its business portfolio through acquiring companies with unique businesses and outstanding management. However, as the market environment changes rapidly, we need to welcome new businesses into our portfolio while carving out and divesting businesses that no longer fit in with the purpose of our strategy in order to optimize our portfolio.

Particularly for Japanese businesses, there are many instances where their overseas subsidiaries are sold off due to a downturn in business performance that cannot be salvaged.

Otsuki: In that respect, we have started considering divesting businesses from an early stage that are no longer in line with the purpose of the Group Strategy or for which profit growth cannot be expected from a future perspective. I believe this is driven by the strong conviction among our board members to fulfill shareholders' expectations as they have invested capital in us.

Mitachi: Of course, since we are not an investment company, we do not have to constantly replace our business portfolio, but we must be cautious to some extent. Looking at recent examples such as the sale of TMR, which was a stepping stone for our overseas expansion, we find that the sale was made at a very appropriate timing, which was a positive move for our corporate value.

Otsuki: In addition to large merger deals, we also have a track record of over 60 successful deals in bolt-on acquisitions that complement our existing business model. The new Mid-Term Business Plan aims to further enhance the quality of M&A, which also includes such



Takashi Mitachi

He has worked for Japan Airlines Co., Ltd. and the Boston Consulting Group, where he is currently a senior advisor. He also serves as an outside director of Rakuten Group, Inc. and DMG Mori Co., Ltd. He became a director of Tokio Marine in June 2017.

bolt-on acquisitions, under the proactive governance of Tokio Marine Holdings. I would also like to carefully monitor the progress of this measure.

Mitachi: One other thing is Tokio Marine's positive attitude toward risk taking as a distinctive feature in its M&A strategy. Perhaps because its core business is insurance that takes on various risks, I feel the philosophy is built in to the company's management such that we should not take too much risk, and at the same time, we should take enough risks.

Otsuki: For sure that the company is very conscious of return on risk. Generally speaking, risks are considered to be negative and conversations tend to be dominated by how to reduce risks. However, in Tokio Marine's situation, we have quite a few discussions on whether we can take on more risks.

What are some future challenges?

Mitachi: I think it will be a big challenge for the next generation of board members to consider how to incorporate new frontier areas into the foundation of our global business portfolio that we have developed to date.

Otsuki: Large Japanese corporations usually say no to taking risks, but Tokio Marine is conscious of "return on risk," "unafraid of challenges," and "learning from mistakes." If we take on frontier areas in our business, having the corporate culture we do will serve as a great advantage.

Mitachi: Absolutely. In our business operations, for example, promotion of DX, there are many things that we don't know or cannot foresee until we actually give it a try. As well, I believe we have success today in our overseas expansion as we were able to critically analyze and draw on our experience of failure 40 years ago while having the spirit of trying again. Again, in the future, I believe we must stand firmly with both feet without fear of failure and we should embrace trial and error.

Otsuki: Another issue is that it is necessary to continue to have a sense of urgency in a good sense. While Tokio Marine is currently the world's top class insurance company, I think it is important to continue having a healthy sense of urgency in order to achieve further growth from here on. I had a conversation with a mid-level employee the other day. The person was working on addressing concerns they have had including the fact that other companies are enhancing their competitiveness and that Tokio Marine cannot do business the same way 10 years from now. It is

important to have such solid sense of urgency for everyone from management to young employees. I hope they will continue to grow and evolve with the awareness that the right answer today will not necessarily be the right answer tomorrow.

Mitachi: As many officers, including Ms. Otsuki, have pointed out this issue, while I also feel we are properly sharing our sense of urgency for now, I hope the outside officers will continue to monitor this area going forward.

Toward enhancement of corporate value over the medium to long term

The role of non-financial information in corporate value

Lastly, what are your thoughts or advice on how to enhance corporate value over the medium to long term?

Otsuki: Until now, financial information such as sales and profits has been a major factor in determining corporate value. However, recently, the importance of non-financial information has been rapidly rising as ESG investment expands around the world.

Mitachi: The non-financial information Ms. Otsuki has pointed out is called non-competitive factors in my specialized area of consulting, which is indeed gaining traction. Conventionally, competitive factors such as the efficiency of operations and quality of marketing often had a direct impact on corporate value. However, nowadays, we have entered an era in which corporate value is also greatly influenced by factors outside the framework of simple microeconomic competition, including the ability to deal with issues such as climate



Nana Otsuki

She has worked as an analyst at various financial institutions, including Standard & Poor's Ratings Japan K.K. and Merrill Lynch Japan Securities Co., Ltd. Currently, she serves as chief analyst at Monex, Inc. She also serves as an outside director of Credit Saison Co., Ltd. and a professor at the Graduate School of Management, Nagoya University of Commerce and Business. She became an outside Audit & Supervisory Board member of Tokio Marine in June 2018.

change and human rights, and the ability to reorganize the business portfolio while recognizing geopolitical risks.

Otsuki: People inside the company bear the burden of business performance in numbers, and can't help but orient themselves in that direction. For that reason, it is more important than ever for outside officers to provide opinions and suggestions on initiatives for non-financial information and non-competitive factors.

Mitachi: That is true. I think we will continuously enhance corporate value by sharing opinions on how to use these non-competitive factors to benefit shareholders from multiple viewpoints.

Otsuki: In the new Mid-Term Business Plan, we have announced that we will newly include "future generation" in our stakeholders. In that sense, I believe we are further expected to take responsible actions while thinking about the future. Going forward, I hope all outside officers will continue to fulfill our monitoring role while thinking together with everyone.

Thank you for your time today.

Corporate Governance

Fundamental Policy

Tokio Marine Holdings (the “Company”) is committed to the continuous enhancement of corporate value by fulfilling its responsibilities to customers, society, future generation, employees, shareholders, and other stakeholders as set forth in the “Tokio Marine Group Corporate Philosophy.”

For this purpose, the Company hereby establishes a sound and transparent corporate governance system and, as a holding company, recognizes the importance of appropriate control over its Group companies and has formulated the “Tokio Marine Holdings Fundamental Corporate Governance Policy.”

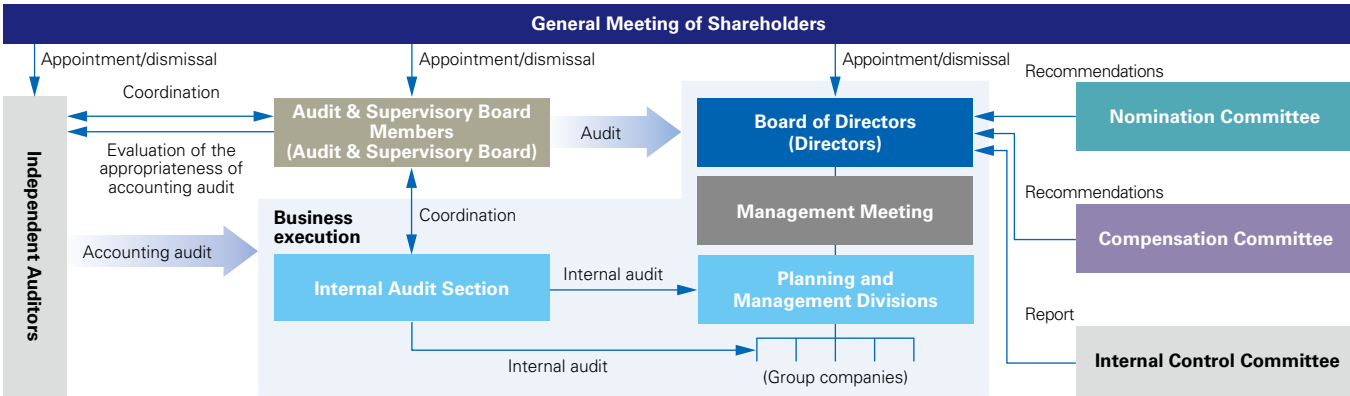
In this policy, the Company defines the rights of shareholders and securing fairness, and the responsibilities of the Board of Directors, etc.

Corporate Governance System

The corporate governance system of the Company is designed as a hybrid structure whereby the Nomination Committee and Compensation Committee are discretionarily established in addition to the fundamental structure of a company with an Audit & Supervisory Board. As an insurance holding company, the Company determines significant business execution by resolution of the Board of Directors, and emphasizes making high-quality decisions that reflect the insight of Outside Directors and Outside Audit & Supervisory Board Members.

For the nomination and compensation of directors, topics important for monitoring, deliberations are handled by the respective committees, which are each chaired by an Outside Director and with Outside Directors comprising a majority of their membership. Here, decisions are made while ensuring transparency. In this way, we have determined that the current system, which emphasizes management functions while also ensuring monitoring functions, is optimal at this point in time. However, we also believe that we must be in constant pursuit of the most optimal solutions, and we will continue to work toward building better corporate governance systems.

Corporate Governance System

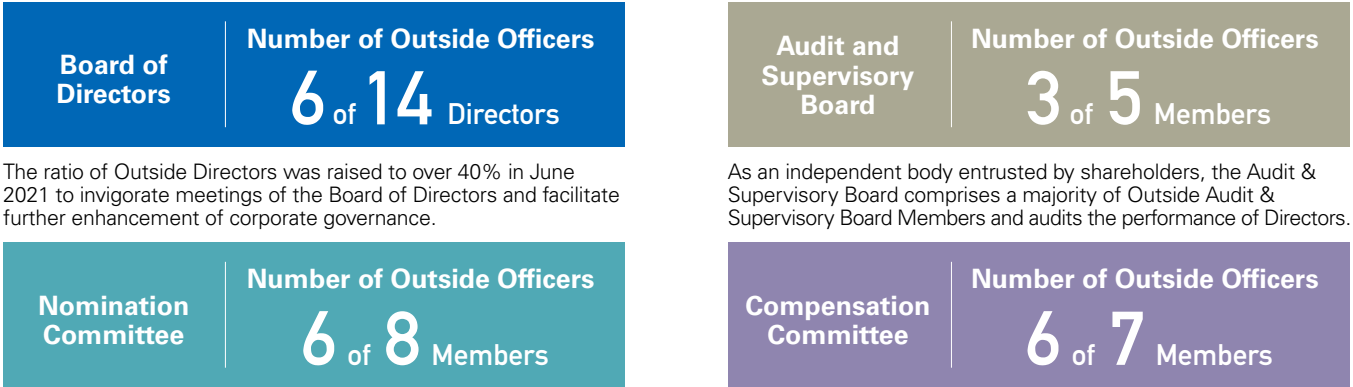


Record of Measures to Strengthen Corporate Governance

	FY2002	FY2004	FY2005	FY2011	FY2013	FY2015	FY2016	FY2017	FY2018	FY2019	FY2021
Structure	April Millea Holdings (currently Tokio Marine Holdings) established as a company with an Audit & Supervisory Board		July Nomination Committee and Compensation Committee discretionally established	November Evaluations of effectiveness of Board of Directors (surveys administered to all Directors and Audit & Supervisory Board Members) commenced							
Membership	Outside Directors	3					June 4			June Ratio of Outside Directors raised to one-third	
	Outside Audit & Supervisory Board Members	2	3 (decreased in fiscal 2005)								
	Non-Japanese Executive Officers				June First non-Japanese Executive Officer appointed		August 4	June 6	April 5	April June 5 6	
Policies	April Millea Group Corporate Philosophy established		May Corporate Governance Policy formulated			May Corporate Governance Policy renamed Tokio Marine Holdings Fundamental Corporate Governance Policy			November Tokio Marine Holdings Fundamental Corporate Governance Policy revised (Major areas of revision: Appointment conditions and dismissal policies for the President)		
Compensation			July Stock options introduced			July Ratios of performance-linked bonuses increased for certain officers			July Same as previous update	July Stock ownership plan introduced	

Well-balanced Member Composition

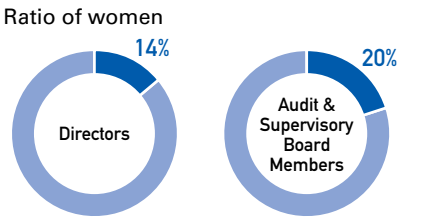
All of the Company’s corporate governance committees feature memberships with a balanced composition representing viewpoints and specializations from diverse fields.



The Nomination Committee and the Compensation Committee comprise a majority of outside officers and both are chaired by an outside officer.

Skills of Directors and Audit & Supervisory Board Members

We have achieved highly effective governance by incorporating a well-balanced mix of diverse skills, including globalization, an area of utmost importance to our management as a global insurance company.



Skills of Directors and Audit & Supervisory Board Members

Name	Position and major responsibilities		Skills and experiences								
			Corporate Management	Finance & Economy	Accounting	Legal & Compliance	Human Resource	Governance & Risk Management	Technology	Inter-nationality	Insurance Business
Tsuyoshi Nagano	Chairman of the Board		○	○						○	○
Satoru Komiya	President & Chief Executive Officer	Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)	○	○			○			○	○
Takayuki Yuasa	Executive Vice President	Group CFO (Group Chief Financial Officer)	○	○	○	○		○			○
Akira Harashima	Senior Managing Director	Head of International Business Co-Head of International Business	○							○	○
Kenji Okada	Managing Director	Group CLCO (Group Chief Legal and Compliance Officer) Group CRO (Group Chief Risk Officer)		○	○			○		○	○
Yoshinari Endo	Managing Director	Group CIO (Group Chief Investment Officer)		○	○					○	○
Yoichi Moriwaki	Managing Director	Group CSSO (Group Chief Strategy and Synergy Officer) Group CSUO (Group Chief Sustainability Officer)		○	○		○		○		○
Shinichi Hirose	Director		○	○			○				○
Akio Mimura	Outside Director		○	○				○		○	
Masako Egawa	Outside Director		○	○	○			○		○	
Takashi Mitachi	Outside Director		○	○	○			○	○	○	
Nobuhiro Endo	Outside Director		○	○					○	○	
Shinya Katanozaka	Outside Director		○	○			○	○		○	
Emi Osono	Outside Director		○	○	○			○		○	
Shozo Mori	Audit & Supervisory Board Member (fulltime)							○			○
Hirokazu Fujita	Audit & Supervisory Board Member (fulltime)			○	○			○		○	○
Akinari Horii	Outside Audit & Supervisory Board Member			○	○			○		○	
Akihiro Wani	Outside Audit & Supervisory Board Member			○	○	○		○		○	
Nana Otsuki	Outside Audit & Supervisory Board Member			○	○			○		○	

Principal Activities

In order to build the Board of Directors for sustainable improvement of corporate value, we appoint Outside Directors in consideration of the overall skills composition of the Board of Directors and the balance of their terms in office, so that these Outside Directors can provide highly effective supervision and advice.

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Akio Mimura (outside director)	10 years and 9 months	Attended 10 of the 11 board of directors' meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as the chair of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Masako Egawa (outside director)	5 years and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2020.	She has fulfilled her supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on her insight into corporate management acquired through many years of experience in financial institutions, involvement in academic activities related to corporate governance and experience at The University of Tokyo as an Executive Vice President. In addition, as a member of the Nomination Committee and the Compensation Committee, she has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Takashi Mitachi (outside director)	3 years and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a consulting firm and a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Nobuhiro Endo (outside director)	1 year and 9 months	Attended all 11 board of directors' meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Shinya Katanozaka (outside director)	9 months	After his appointment as a director, he attended 8 of the 9 board of directors meetings held during fiscal year 2020.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the board of directors' meetings, based on his insight as a specialist in business management acquired through many years of experience in a management role. In addition, as a member of the Nomination Committee and the Compensation Committee, he has also contributed to the fulfillment of supervisory functions through nominations, performance evaluations and establishment of appropriate compensation system of directors etc.
Akinari Horii (outside audit & supervisory board member)	9 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2020.	He has fulfilled his audit functions by presenting inquiries and remarks, based on his insight acquired through many years of experience in his role as an executive or a regular employee of the Bank of Japan.
Akihiro Wani (outside audit & supervisory board member)	6 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2020.	He has fulfilled his audit functions by presenting inquiries and remarks, based on his insight acquired through many years of experience in his role as an attorney at law.
Nana Otsuki (outside audit & supervisory board member)	2 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during fiscal year 2020.	She has fulfilled her audit functions by presenting inquiries and remarks, based on her insight as a specialist in business management acquired through many years of experience as an analyst in financial institutions.

Notes:
1. Current term in office is the length of the term held as of March 31, 2021.
2. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." includes attendance of audit & supervisory board meetings and major activities including the remarks made at audit & supervisory board meetings of outside audit & supervisory board members.
3. All 11board of directors' meetings held during fiscal year 2020 were ordinary meetings. All 11 audit & supervisory board meetings held during fiscal year 2020 were ordinary meetings.

Evaluation of the Effectiveness of the Board of Directors

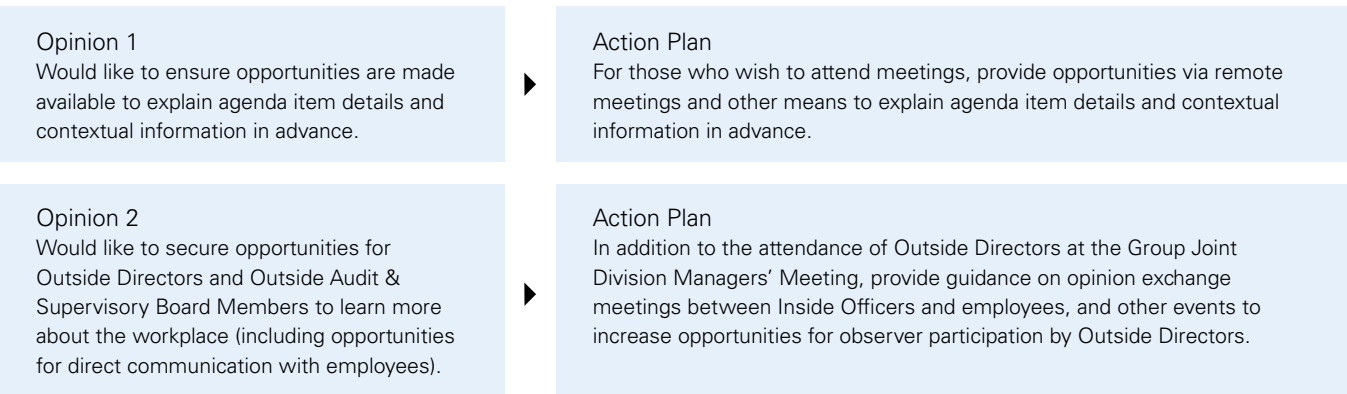
Method of Effectiveness Evaluations

The Company evaluates the effectiveness of the Board of Directors once a year in order to further enhance the functionality of the Board of Directors. The Company conducts annual surveys on the operation of the Board of Directors and the performance of its functions to all Directors and Audit & Supervisory Board Members. These surveys cover all Directors and Audit & Supervisory Board Members, with results reported to the Board of Directors.

Effectiveness Evaluation Results

The Company has determined through these evaluations that the Directors and Audit & Supervisory Board Members speak actively and engage in open and constructive discussion at the Board of Directors' meetings, and that the Board of Directors' performance of its functions is adequate. On the other hand, it is also recognized that there are opinions on areas for further improvement, and the Company considers corresponding measures to address each of these. The main opinions and measures are as follows.

Main Opinions and Action Plans



Succession Planning

Development of Candidates for the Next President & CEO

The majority of the Nomination Committee is comprised by outside officers, and the Chairman is also elected from outside officers. The committee shall deliberate on the plans for selecting the successors of President & CEO, and shall appropriately supervise their implementation in order to ensure systematic development of the successor candidates.

Nomination Committee Members

Chairman	Akio Mimura	Outside Director
Members	Masako Egawa	Outside Director
	Takashi Mitachi	Outside Director
	Nobuhiro Endo	Outside Director
	Shinya Katanozaka	Outside Director
	Emi Osono	Outside Director
	Tsuyoshi Nagano	Chairman of the Board
	Satoru Komiya	President and CEO

Tokio Marine Holdings Fundamental Corporate Governance Policy (excerpts)

(Responsibilities of the Nomination Committee)
Article 16

- The Company shall establish a Nomination Committee to serve as an advisory body to the Board of Directors.
- 2 The Nomination Committee shall deliberate on the following matters and report to the Board of Directors:
- (1) The appointment and dismissal of the President & Chief Executive Officer, Directors, Audit & Supervisory Board Members, and Executive Officers of the Company, as well as Presidents of the Company's principal business subsidiaries; and
 - (2) The criteria for the appointment and policy for the dismissal of the President & Chief Executive Officer of the Company, as well as Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its principal business subsidiaries.
 - (3) The Nomination Committee is responsible for deliberating a successor plan for the President & Chief Executive Officer of the Company and for appropriately supervising the implementation of the plan in order to develop successor candidates systematically.

(Composition of the Nomination Committee)
Article 17

- The Nomination Committee shall generally consist of approximately five members.
- 2 As a general rule, a majority of the members shall be selected from outside of the Company, and the chairman shall be one of the outside members.

Development of Next-Generation Talent

In order for the Company to continue to grow in a hugely changing environment, the Company must utilize all of the knowledge, know-how, and experience of the entire Group obtained by M&A and other means to confront each of the environment issues and ensuing various issues it faces, and to solve them. In order to do so, it is imperative to take the initiative to make the integrated group management a sustainable one by developing a large number of talent that will lead the management of the next era, and the era after that.

In this context, the Company is executing a "Global Executive Program" for its senior employees as a form of succession management. By eating and sleeping together under extreme conditions, a strong relationship of trust among the participants will

be built, while at the same time fostering mindsets from a Group perspective and further expanding synergies across the Group.

In addition to the aforementioned program, the Company is enhancing the Group management sustainability by executing training programs for every employee layer on a select basis, such as the "Middle Global Leadership Development Program" for mainly overseas middle layer employees, which is aimed at experiencing the meaning of "Good Company" and the necessity of insurance by visiting disaster areas in Tohoku, the "Management Academy" for young to middle leader class in Japan to experience the process of new business development, and the "Management School" which is a nine-month intensive program for young leader class in Japan to learn global leadership.



Rigorous shipboard training in the Global Executive Program



Visiting areas affected by the Great East Japan Earthquake



Discussion on leadership

Compensation for Officers

Determining Compensation for Officers

Policy

The policy for determining compensation for officers is as follows:

- Ensure "transparency," "fairness," and "objectivity" regarding compensation for officers;
- The Board of Directors shall set the level of compensation for Directors and Executive Officers according to the responsibilities of each, after setting the standard amount for each position, taking into consideration factors such as the business performance of the Company, and the level of compensation in other companies.
- Of the different types of compensation for Directors and Executive Officers, fixed compensation and performance-linked bonuses shall be paid monthly, while share compensation shall be delivered upon resignation.
- The Board of Directors shall determine the content of compensation for individual Directors and Executive Officers and other important matters concerning compensation for Directors, Audit & Supervisory Board Members, and Executive Officers. Decisions on any matter requiring consultations with the Compensation Committee shall be made after obtaining the opinions of the said Committee.

Process

The Compensation Committee is an advisory body to the Board of Directors and, in fiscal 2020, consisted of six members (chaired by an Outside Director), including five Outside Directors. The Compensation Committee deliberates and reports to the Board of Directors on the following matters:

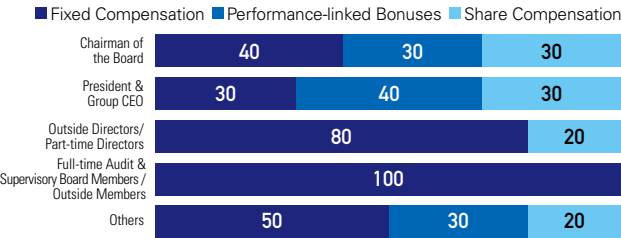
- Evaluation of the performance of Directors and Executive Officers of the Company, as well as the president of its principal business subsidiaries.
- The compensation system for Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its principal business subsidiaries and the level of compensation for Directors (full-time) and Executive Officers of the Company and its principal business subsidiaries.
- Policy for determination of compensation for Directors, Audit & Supervisory Board Members and Executive Officers.

For fiscal 2020, all committee members attended all Compensation Committee meetings held during their term of office.

Compensation System for Directors and Auditors

The compensation structure for Directors and Audit & Supervisory Board Members consists of fixed compensation, performance-linked bonuses and share compensation, and the proportions for each director's responsibilities are as follows:

Ratios of Compensation by Responsibility



Performance-linked bonuses have been introduced to provide greater incentives to improve corporate value. Bonuses are linked to achievement levels for each of the Company's and the individual's targets. Evaluation is determined based on the previous fiscal year's performance, and monetary consideration is paid in reflection of this evaluation (bonuses are adjusted within a range of 0% to 200% based on the evaluation).

- a. Individual targets are set based on the responsibilities of each Director (including ESG and medium- to long-term strategic goals).
- b. In principle, Company targets are set using the following performance indicators.

Fiscal 2020 Targets and Results for Company Target-linked Performance Evaluation Indicators*

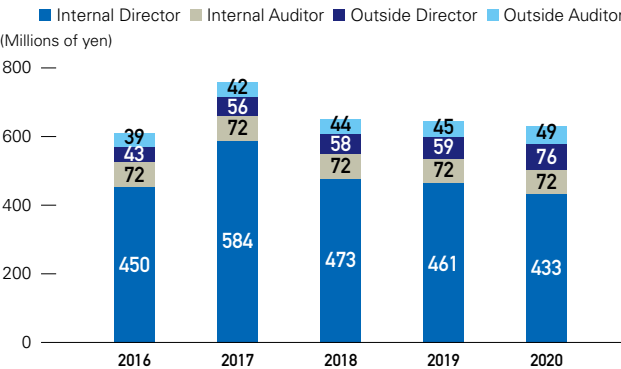
Performance Indicator	Targets	Results
Adjusted ROE	9.4%	8.6%
Adjusted Net Income	¥310 billion	¥299.1 billion

*: The results for adjusted ROE and adjusted net income have been revised downward in consideration of impact from COVID-19 and other factors.

Share compensation has been introduced with the aim of sharing the returns from stock price movements with shareholders, and constitutes more than 20% of Director compensation.

Compensation of Directors and Auditors

The Compensation of Directors and Auditors is as follows:



Strengthening Governance Through Integrated Group Management

The Cornerstone of Governance

The cornerstone of the Company's governance lies in "promotion of diversity" and "spreading our core identity".

Promotion of Diversity

The Company takes its excellent, diverse talent acquired through overseas M&A and appoints them in Co-Heads, and leaders of global committees and specialized areas.

This is intended to make the integrated group management stronger and more flexible in responding to changes by deploying global knowledge laterally and incorporating it into the Group's overall strategy.



14th CEO Conference January 22, 2021

Spreading Our Core Identity

As diversity increases, it becomes more important to have a core identity that unites diverse people as a team. We acquired companies whose cultures matched our own with our desire to make the world a better place through our business, but to further spread the Group's common culture of "To Be a Good Company," we have been implementing a variety of initiatives around the world, such as the "Majikirakai," a group that talks about serious matters very casually.



A town hall meeting in Philadelphia led by CEO Komiya



A town hall meeting (President Hirose, Tokio Marine & Nichido Fire)

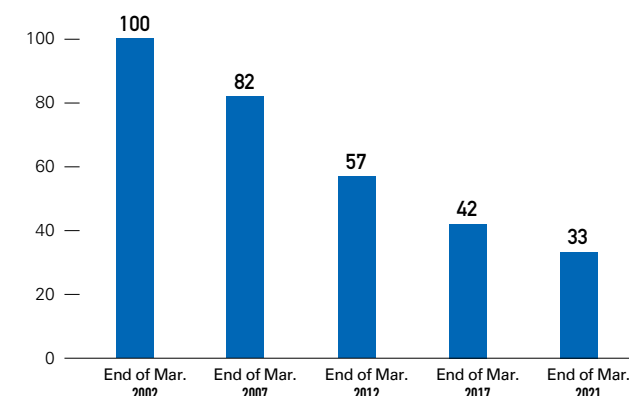
Reduction of Business-Related Equities

Initiatives to Reduce the Total Value

Business-related equities are held primarily to strengthen business relationships and enhance the Group's corporate value, but the Company will continue to reduce the total value of shares held with a view to improving capital efficiency. In fact, the Company began its efforts well before the release of the Corporate Governance Code, and since fiscal 2002, the Company sold a total of 2.3 trillion yen (based on market value at the time of sale), and the book value has decreased to 33% of the March 31, 2002 level. Under the new mid-term business plan, the Company plans to sell more than ¥100 billion per year.

For listed domestic business-related equities, the Board of Directors examines the risk/return of holding these stocks, both in the overall portfolio and on an individual basis, to validate the economic rationale for holding them.

Book Value of Business-related Equities*



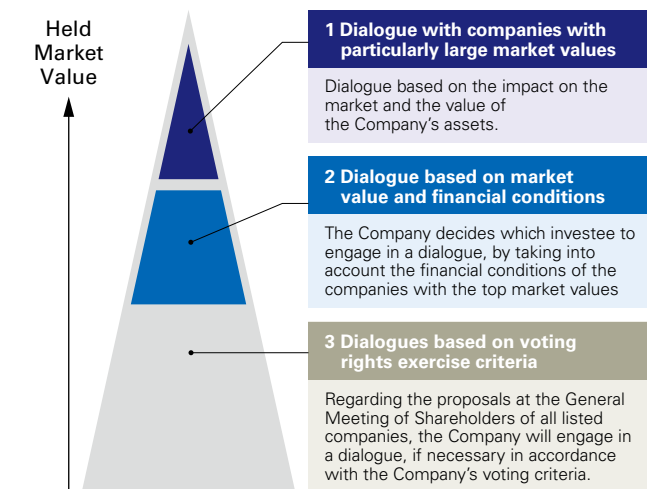
*Indexed to the end of Mar. 2002 as 100

For details on our policies regarding business-related equities, please refer to the Corporate Governance Report.
https://www.tokiomarinehd.com/en/company/governance/corporate_governance/pdf/210628_Corporate_Governance_Report.pdf

Dialogue Based on the Stewardship Code

Throughout the year, the Company holds "dialogues with companies with particularly large market values" and "dialogues based on market value and financial conditions," as well as "dialogues based on voting rights exercise criteria" in the process of scrutinizing proposals for general meetings of shareholders of the companies in which the Company invests, and exercises voting rights based on these dialogues.

Policy for Dialogue



Examples of Dialogues with Investees

Content of the Dialogue

For companies that have released their integrated reports since this fiscal year, we have deepened our dialogue on medium- and long-term reduction targets, with discussions centered on their corporate efforts to reduce CO₂ emissions to fight global warming.

Response of Investees

We confirmed their intention to move forward with initiatives with a high awareness of environmental issues, especially toward reduction of CO₂ emissions. In the mid-term business plan that was subsequently released, it was announced that addressing climate change would be a key environmental issue and that targets for total greenhouse gas emissions reduction would be a key evaluation indicator.

For more other dialogue examples and the results of exercises of voting rights, please refer to the overview of our stewardship activities available on Tokio Marine & Nichido's website.
 (Japanese only):
<https://www.tokiomarine-nichido.co.jp/company/about/policy/stewardship.html>

Dialogue with Stakeholders

Fundamental Policy

The Company will strive to enhance trust by providing information to capital markets in a timely, fair and continuous manner while ensuring transparency and accountability in its disclosures, and to promote understanding of its efforts to increase corporate value and accurate assessment of the Company. Furthermore, through constructive dialogue between management and shareholders and investors, the Company will gain an appropriate understanding of how it is viewed and the state of the capital markets, and provide that understanding and feedback to management and within the Company to lead to improvement of management itself and further enhance corporate value.



Dialogue with Investors

Dialogue with Institutional Investors

In order to engage in dialogue with a wide range of shareholders and investors, the Company not only holds financial results conference calls, but also holds IR conferences and theme-focused strategy conferences both onsite and on the internet, broadcast live across the globe.

In particular, in November 2020, we held the industry's first full-fledged Investor Day. In this half-day event, we provided well fleshed-out communication of our vision for the new medium-term plan, growth drivers, and our approach to capital policy. In addition, in June 2020 and January 2021, we held briefings focused on digital strategies and climate change strategies, topics of great interest for capital markets.

In fiscal 2020, we elected to forgo face-to-face overseas IR activities in light of the COVID-19 pandemic. In their place, we held dialogue with a total of 921 companies via telephone and online channels (198 more companies than the previous fiscal year) in order to further enhance our communication.



Investor Day

Dialogue with Individual Investors

In fiscal 2020, we took all possible measures to prevent the spread of infection and held a conference featuring the Group CEO. The Company also provided easy-to-understand explanations of the “Group’s management strategy” and “shareholder return,” which are of great interest to individual investors. These explanations received a 97% participant satisfaction rate, the highest value in the last five years.

Conference video

https://www.irmovie.jp/nir2/?conts=tokiomarinehd_202009_pRm2
(in Japanese only)



Individual Investor Information Session by Group CEO Komiya

Feedback

The Company is also making efforts to report the opinions obtained through dialogue with shareholders and investors widely to management and other members of the Company, and to reflect them in improvement of management. While our employees have little interest in or familiarity with IR, but through IR activity reporting sessions, they understand the voice of capital markets, how the Company is evaluated, and how their own work is connected to the capital market. This results in a virtuous cycle with positive impact on their own motivation and growth.

In fiscal 2020, we also used the internet to share and interact with 2,277 Group employees.



Role playing a meeting with investors by IR Group members

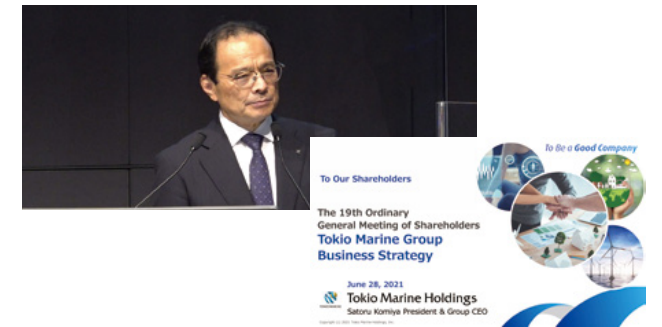
General Meeting of Shareholders

Presentation by the Group CEO

In order to promote a deeper understanding of the Company’s management and business, the Group CEO routinely conducts presentations. At the 19th Ordinary General Meeting of Shareholders (held June 28, 2021), under the theme of “Business Strategy of Tokio Marine Group,” the Group CEO gave an easy-to-understand presentation on topics of business performance, the Company’s value creation story rooted in its business purpose, and its new medium-term plan.

Presentation video

https://www.tokiomarinehd.com/en/ir/event/movie/2021_meeting.mp4



Results of Exercise of Voting Rights

The results of the exercise of voting rights at the 19th Ordinary General Meeting of Shareholders are as follows:

Details of the Resolutions

Item 1: Appropriation of Surplus

Matters regarding distribution of dividends and its aggregate amount
Amount of cash dividend per common share of the Company: 100 yen
Aggregate amount of cash dividends: 69,327,302,500 yen

Item 2: Election of Fourteen (14) Directors

Election of the following fourteen individuals as directors: Tsuyoshi Nagano, Satoru Komiya, Takayuki Yuasa, Akira Harashima, Kenji Okada, Yoshinari Endo, Shinichi Hirose, Akio Mimura, Masako Egawa, Takashi Mitachi, Nobuhiro Endo, Shinya Katanozaka, Emi Osono and Yoichi Moriwaki.

Item 3: Change to Director Compensation

The amount of compensation for Company Directors shall continue to be limited to 75 million yen per month, of which the amount for Outside Directors shall be limited to 10 million yen per month in total, and a new stock ownership plan for compensation shall be introduced to replace the current stock option program.

Results of the Resolutions

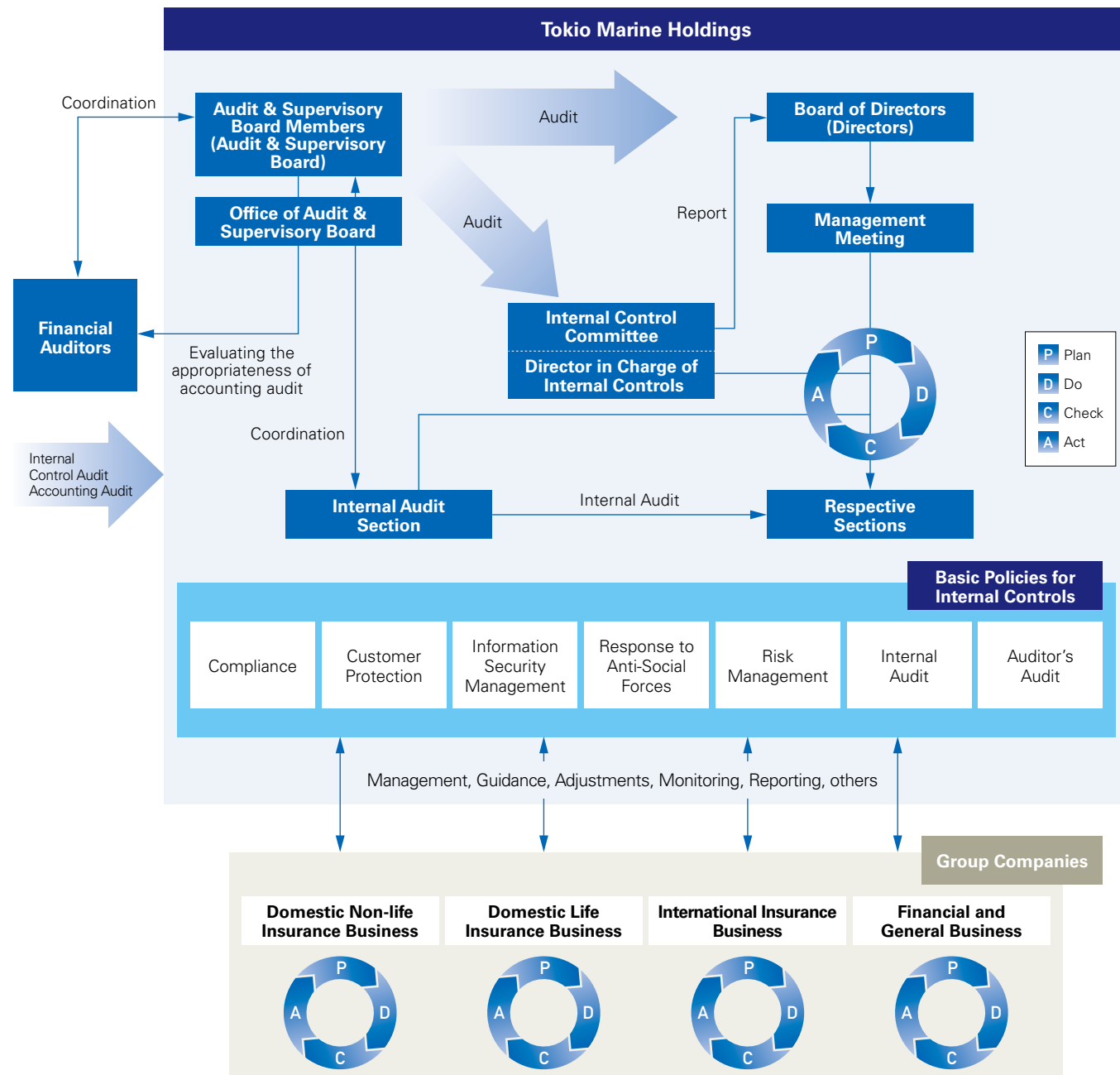
Item	Number of Affirmative Votes	Number of Negative Votes	Number of Abstentions	Approval Ratio (%)	Result of the Resolution
Item 1	5,769,426	8,777	96	99.79	Approved
Item 2					
Tsuyoshi Nagano	5,506,370	188,475	83,447	95.24	Approved
Satoru Komiya	5,577,215	117,625	83,447	96.47	Approved
Takayuki Yuasa	5,589,506	112,720	76,066	96.68	Approved
Akira Harashima	5,595,076	107,151	76,066	96.78	Approved
Kenji Okada	5,599,891	102,336	76,066	96.86	Approved
Yoshinari Endo	5,599,911	102,316	76,066	96.86	Approved
Shinichi Hirose	5,599,807	102,420	76,066	96.86	Approved
Akio Mimura	5,260,763	454,578	62,948	90.99	Approved
Masako Egawa	5,756,953	21,248	96	99.58	Approved
Takashi Mitachi	5,746,773	31,428	96	99.40	Approved
Nobuhiro Endo	5,694,309	83,891	96	98.49	Approved
Shinya Katanozaka	5,288,996	426,345	62,948	91.48	Approved
Emi Osono	5,773,389	4,813	96	99.86	Approved
Yoichi Moriwaki	5,598,236	103,991	76,066	96.83	Approved
Item 3	4,999,939	778,309	55	86.48	Approved

Internal Control System

Fundamental Policy

The Company has formulated “Basic Policies for Internal Controls.” In accordance with these policies, the Company has established an internal control system for the entire Tokio Marine Group that encompasses structures for management control, compliance, risk management, and internal auditing of Group companies. In addition, the Company monitors the status and practical application of its internal control system. The Internal Control Committee deliberates on the results of this monitoring, and the Board of Directors confirms the details of these deliberations. Moreover, the Company continually strengthens and improves its internal control system in light of the results of this monitoring. The Internal Audit Section maintains close coordination with Audit & Supervisory Board Members to ensure the effectiveness of their audits.

Internal Control System

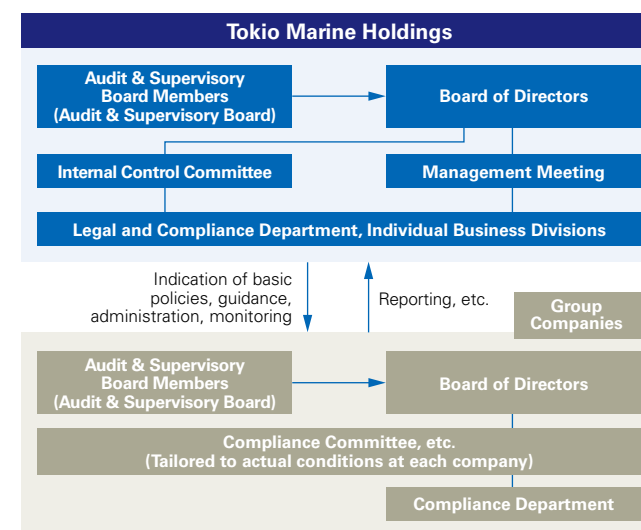


Compliance

The Company has formulated the “Tokio Marine Group Basic Policies for Compliance” and the “Tokio Marine Group Code of Conduct,” and a compliance system is in place Groupwide based on this framework. Also, the Company has built a structure to ensure Groupwide compliance by periodically monitoring the status of compliance within the Group; receiving reports from Group companies on important matters; discussing these matters among the Board of Directors, the Management Meeting, and the Internal Control Committee; and providing guidance and advice about the activities of Group companies when necessary.

In order to prepare for cases in which it is not appropriate to report compliance issues through the organization’s usual reporting channels, we have established various internal and external hotlines (whistleblowing hotlines) to accept reports and consultations from executives and employees of Group companies. The number of reports and consultations received by the Group had been on an upward trend, partly due to increased interest in the hotline and efforts to raise awareness of the system. However, due to significant changes in business conditions driven by COVID-19, the number of reports and consultations received by the Group decreased to 255 in fiscal 2020, down 21% from the previous fiscal year. We ensure that these reports and consultations are appropriately investigated and responded to, leading to the early detection of problems and the implementation of corrective and recurrence prevention measures.

Compliance System



Information Security Management

Tokio Marine recognizes the importance of personal information and confidential information (“information assets”). To ensure the appropriateness and trustworthiness of Tokio Marine Group’s operations, we have formulated the “Tokio Marine Group Policies for Information Security Management” and use appropriate methods to conduct information security management at each company in accordance with their line of business, scale, location, and other factors.

With regard to the EU General Data Protection Regulation (GDPR), which came into effect on May 25, 2018, the Group is

also taking necessary measures based on the results of the Group’s field survey on personal data in the EU.

Based on the “Tokio Marine Group Policies for Information Security Management,” each company establishes departments to oversee information security management and formulate policies and regulations. To protect information assets from various information leakage risks, including leak, loss, and unauthorized use, we ensure the confidentiality of information assets and manage them so that they can be used when necessary. Furthermore, the Company regularly monitors the information security management of group companies, setting up structures and providing information when necessary.

► For our approach to cyber risk, please see pages 80–81.

Crisis Management System

Tokio Marine Group has established a crisis management system to minimize economic losses and other impacts incurred in an emergency and immediately restore ordinary business operations.

The Company has formulated the “Tokio Marine Group Basic Policy for Crisis Management” and the “Tokio Marine Group Crisis Management Manual” based on the policy, and has set forth the crisis management systems necessary for Group companies to carry out their own roles.

Group companies formulate crisis management policies in line with policies of the Group to develop crisis management systems that include establishing a department in charge of crisis management, decision-making procedures for emergency situations, and securing the chain of command. In addition to developing the crisis management system during normal conditions, the department in charge of crisis management plays the role of secretariat for response during emergency situations, including reporting to the Company.

When conditions that may develop into an emergency situation arise, in addition to each Group company determining whether or not these conditions correspond to an emergency situation, the Company determines, if necessary, whether or not these conditions correspond to an emergency situation for the Group. This system enables the Company to properly instruct Group companies and make sure necessary actions as a Group can be made. In fiscal 2020, in response to the COVID-19 virus that caused an emergency situation for the Group, we developed and promoted a system that allows our employees to support customers remotely, and reviewed our business continuity plan based on the results of its implementation.

Internal/External Audits, etc.

Regarding internal audits, there is a statutory audit conducted by Audit & Supervisory Board Members in accordance with the Companies Act and an internal audit performed by the Internal Audit Section. The internal audit is performed based on the “Internal Auditing Rules” that have been approved by the Board of Directors.

Regarding external audits, there is an accounting audit based on the Companies Act and the Financial Instruments and Exchange Act and an internal control audit based on the Financial Instruments and Exchange Act conducted by PricewaterhouseCoopers Aarata.

Tokio Marine Holdings is also subject to inspections by the Financial Services Agency of Japan pursuant to the Insurance Business Law.

Enterprise Risk Management (ERM)

The Framework of Enterprise Risk Management

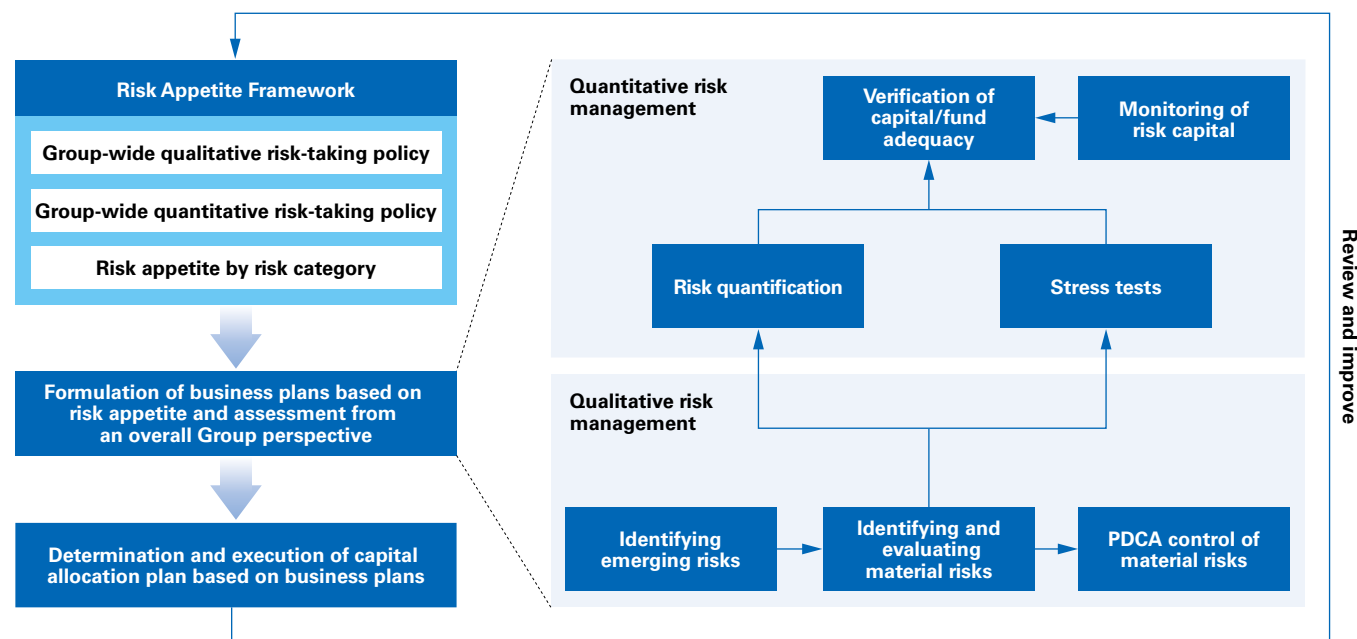
The Group is committed to Enterprise Risk Management (ERM) as the management platform for advancing its Mid-Term Business Plan. Specifically, we will be constantly aware of the relationship between “risk,” “capital” and “profit,” and by realizing “capital adequacy” and “high profitability” in relation to risk, we will strive to achieve sustainable growth of corporate value.

The ERM Framework of Tokio Marine Group

The risks that the Group faces are getting more diverse and complex due to the expansion of global business and changes in the management environment. In addition, in the recent political, economic and social conditions which have much uncertainty and change, the Company must keep a close watch for new emerging risks and cope with them appropriately.

From this perspective, the Company is not limited to traditional risk management aimed at risk mitigation and avoidance, but also comprehensively grasps risk by both qualitative and quantitative approaches.

Enterprise Risk Management Cycle



Qualitative Risk Management

With regard to qualitative risk management, the Company has a system in place to comprehensively identify and report all risks to management, including “emerging risks” that may occur as a result of changes in the environment and other factors. The risks faced by the Group are discussed at the management level when necessary.

Through this process the Company makes comprehensive assessments of risks not limited to factors such as financial

damages or frequency, but it also adds factors such as business continuity and reputation. Those risks that seriously impact the financial soundness, business continuity of the entire Group or its Group companies are defined as “material risks.”

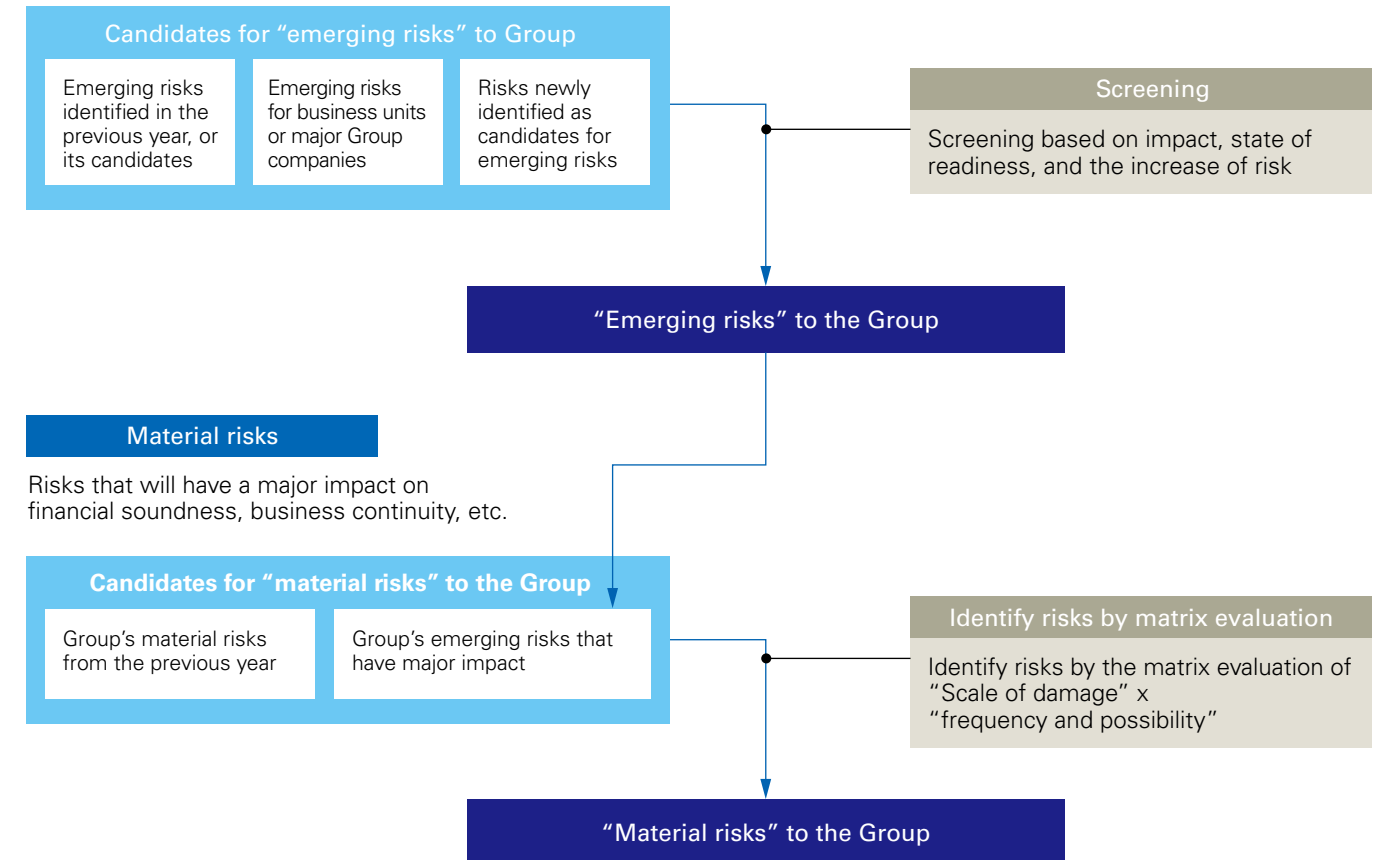
We evaluate capital adequacy in relation to material risks through quantitative risk management process mentioned below. Preventive control measures before the risk takes place as well as the countermeasures after the risk takes place*1 are formulated and controlled by the PDCA cycle.

*1: Preventive control measures before the risk manifests include monitoring and risk aggregation management taking market environment and regulation trends into consideration. Countermeasures after the risk takes place include manuals (including business continuity plan, etc.) and conducting drills.

Identifying Emerging Risks and the Process of Determining Material Risks

Emerging risks

New risks that appear as a result of factors such as changes in the environment, risks that have previously not been acknowledged as risks, or risks whose severity has significantly increased



Material Risks for Fiscal 2021 and Main Anticipated Scenarios

Material risks (fiscal 2021)	Main anticipated scenarios
Domestic or overseas economic crisis, chaos in financial and capital markets	<ul style="list-style-type: none">• A global economic crisis with the magnitude of the 2008 global financial crisis occurs, and the value of the Group's assets falls substantially.• Chaos in financial and capital markets due to emergence of geopolitical risks occurs, and the value of the Group's assets falls substantially.
Loss of confidence in JGBs	<ul style="list-style-type: none">• Japanese government bonds plummet in value due to a decline in the government's creditworthiness, and the value of the Group's assets falls substantially.
Major earthquakes	<ul style="list-style-type: none">• An inland earthquake occurs below Tokyo, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.• A mega earthquake in an ocean trough, such as the Nankai Trough, occurs, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.
Major wind and flooding disasters	<ul style="list-style-type: none">• Major wind and flooding disasters caused by huge typhoons and torrential rains occur in Japan, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity.• Multiple major hurricanes hit the American East Coast in the same year, resulting in large insurance payouts.
Volcano eruptions	<ul style="list-style-type: none">• Massive volcanic ash fallout is caused by a major eruption of Mt. Fuji, causing issues such as widespread transportation network disruptions, power outages, and communication interference, paralyzing Tokyo's capital city functions. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.
Pandemics	<ul style="list-style-type: none">• The spread of a new infectious disease leads to many deaths, resulting in large insurance payouts. This also results in significant impact on the Group's business continuity, as well as a substantial fall in the value of the Group's assets.• The current situation for COVID-19 infections continues for several years, and the world economy stagnates. The value of the Group's assets falls substantially.
Transformation of industrial structure due to new innovative technologies	<ul style="list-style-type: none">• Earnings decline, especially in automobile insurance, due to the spread of connected cars, autonomous driving, car sharing, and electric vehicles.• Earnings decline as companies from other industries enter the insurance industry and erode the Group's business foundation, particularly in the individual insurance market.• The Group loses its competitive advantage due to delays in addressing changes in the business environment from digital transformation and in the post-COVID-19 era, resulting in declined earnings.
Cyber risk	<ul style="list-style-type: none">• A cyberattack causes a failure in the Group's systems or those in its distribution channels, causing serious impact on the Group's business continuity. In addition, the emergence of reputational risk harms corporate value.• Damage from cyberattacks grows immensely at client companies, resulting in large insurance payouts.
Terrorism and riots	<ul style="list-style-type: none">• Major acts of terrorism and/or riots occur near main Group company locations, resulting in serious impact on the Group's business continuity.
Conduct risk	<ul style="list-style-type: none">• The practices of the Group and the insurance industry deviate from societal norms and are regarded as inappropriate corporate behavior, and corporate value is damaged by the emergence of reputational risk.
Violation of laws and regulations	<ul style="list-style-type: none">• The Group's transactions violate domestic or overseas laws or regulations, forcing payment of significant fines or settlement fees to regulatory authorities. In addition, the emergence of reputational risk harms corporate value.

Quantitative Risk Management

In quantitative risk management, the Company measures risk amounts and conducts stress tests using risk models based on the latest knowledge available, verifying from multiple perspectives that its capital is sufficient relative to the risks it holds, with the aim of maintaining its credit ratings and preventing bankruptcy.

Specifically, the Company quantifies potential risks using a statistical metric called “Value at Risk (VaR)” on a 99.95% confidence level, which corresponds to an AA credit rating, and verifies its capital adequacy based on the Economic Solvency Ratio (ESR) arrived at by dividing net asset value*2 by risk capital. A risk capital of 99.95% VaR is equivalent to the damage caused

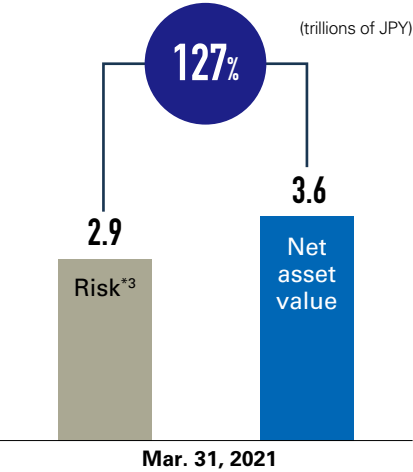
by an occurrence of a risk that happens once in 2000 years. While many insurance companies around the world use 99.5% VaR (once in 200 years), Tokio Marine Group uses much more stringent standards to evaluate risk capital.

Tokio Marine Group has set its ESR target range at 100 to 140%. As of March 31, 2021, the ESR is 127%, indicating that the Group's level of capital is adequate.

Furthermore, of the “material risks” identified in the qualitative risk management, stress tests are conducted based on scenarios in which major economic loss are expected, and on scenarios where multiple material risks occur at the same time, in order to validate business continuity and to ensure that there are no issues with capital adequacy or liquidity of funds.

*2: Net asset value: Calculated by adding the value of catastrophe loss reserves, deducting for goodwill, and making other adjustments to consolidated net assets on a financial accounting basis.

Status of Economic Solvency Ratio (ESR)



*3: Risk is quantified using a model based on 99.95% VaR (corresponds to an AA credit rating)

Concept of capital management based on Economic Solvency Ratio (ESR)

ESR		Implementation of; <ul style="list-style-type: none">• Business investment, and/or• Additional risk-taking, and/or• Shareholder return
140%	Target Range	Strategic consideration of; <ul style="list-style-type: none">• Business investment, and/or• Additional risk-taking, and/or• Shareholder return
100%		
		<ul style="list-style-type: none">• Aim to recover capital level through accumulation of profits• Control risk level by reducing risk-taking activities
		<ul style="list-style-type: none">• De-risking• Consideration of capital increase• Review of shareholder return policy

Initiatives to Strengthen ERM Framework

Tokio Marine Group continues to take steps to further strengthen its ERM framework to address increasingly diverse and complex risks. For example, the Group has established ERM Committee as one of its global committees, which includes the Group CEO, CFO, CRO and other C-suite as well as management personnel from overseas Group companies to discuss Group ERM strategies and policies.

In the new medium-term plan, we will continue to make efforts toward strengthening both operational and financial resilience across the Group as a whole and at each individual Group company, both in Japan and overseas. We will make these efforts to ensure business continuity and/or rapid recovery during a major risk event. Furthermore, we will place special emphasis on developing processes for evaluating Group company capital efficiency and using this process as a basis for improving our business portfolio. We will also further evolve our risk assessments, including on cyber risk and other risks that are difficult to quantify.

ESG Initiatives and Contributions to the United Nations Sustainable Development Goals

The material social issues to be addressed by Tokio Marine Group are indicated in pages 72–77. In addition to these issues, the Group is advancing various initiatives pertaining to environmental, social, and governance (ESG) issues. We will work to contribute greatly to the achievement of the SDGs through such initiatives.

ESG Category Initiative Theme Major Initiative			Relevant Sustainable Development Goals																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Environmental	Promoting environmental management	Reduction of environmental impacts of business activities and achievement of a carbon neutral state													●	●			
		Promotion of web-based insurance contracts and omission of issuing issuance policies													●	●			
	Preserving biodiversity through products and services	Mangrove planting project, "Green Gift" and the Planet GENKI Program				●		●					●	●	●	●	●		
		Promotion of the use of recycled parts when repairing damage to vehicles involved in accidents												●	●				
	Preventing global warming by promoting the development of clean energy	Provision of exclusive products and services for solar, geothermal, and offshore wind power generators							●			●			●				
		Provision of products and services for environment-related operators						●				●			●	●	●		
		Promotion of the use of environmentally friendly drones through the provision of drone insurance									●				●				
		Provision of renewable energy funds, and investment in green bonds							●		●				●		●		
		Promotion of green transformation (GX)							●		●				●				
	Providing environmental awareness	Implementation of "Green Lessons" and "Children's Environmental Award program"				●		●					●		●	●	●		
Social	Making society resilient to natural disasters	Execution of natural disaster risk research and "Disaster Risk Prevention Lessons" through industry-academia collaboration	●			●					●	●	●		●				●
		Participation in The Geneva Association and other initiatives and events related to natural disaster	●								●	●	●		●				●
		Provision of business continuity plan (BCP) formulation support programs, and disaster education and training services									●		●		●				
		Improvement of products and services that respond to the increasingly serious natural disasters									●		●		●				
		Development of claim services that utilize satellites and drones	●								●	●	●		●				
	Creating a society based on health and longevity	Provision of highly unique medical, cancer, and other insurance ("Life Insurance Revolution to Protect One's Living")			●						●								
		Provision of new products and services for the rising number of diabetes patients in India			●						●								
		Provision of specialized products for addressing dementia, and execution of courses to foster people providing support to dementia patients			●						●								
		Responding to the need for coverage for COVID-19 as well as for preventing infection			●						●		●						
		Provision of auto insurance compatible with autonomous driving and sharing economies			●						●		●	●					
Governance	Responding to technological progress and changes in the automotive lifestyle	Provision of products and services that utilize an original driving recorder			●						●		●	●					
		Provision of one-day auto insurance (Choinori Insurance)			●						●		●						
		Provision of cyber risk insurance for corporate customers									●		●						
		Provision of claim services that utilize big data and AI technologies			●						●		●						
		Execution of "Group Work on Managing Risks and Opportunities," a career education program				●					●		●						
	Addressing the increase in foreign visitors to Japan	Development of inbound business support services for Japanese business operators										●		●					
	Eliminating poverty in society	Provision of weather insurance and microinsurance for farmers in India	●	●							●		●						
		Provision of microfinance funds	●	●							●		●						
	Realizing an inclusive society	Provision of products and services catering to the LGBT community					●				●		●						
		Partnership with Special Olympics Nippon Foundation and Japan Deafblind Association, etc.				●					●		●					●	●
		Collaboration with the Japanese Para-Sports Association and Japan Inclusive Football Federation				●					●		●					●	●
		Monetary donations made with the objective of providing logistic support for COVID-19 and large-scale natural disasters, etc.			●						●		●					●	●
Governance	Developing industrial foundations	Support for corporate health and productivity management efforts			●						●	●	●						●
		Partnership between local governments and businesses operators to advance regional revitalization initiatives	●								●	●	●						●
		Contribution to the development of society through sports									●	●	●						●
	Increasing employee motivation	Promotion of diversity and inclusion				●					●		●						
		Promotion of working style reforms, and health and productivity management			●						●	●	●						
		Human resources development that leverages Group's collective strengths				●					●								
	Enhancing corporate governance	Appointment of outside directors with diverse expertise, and adoption of hybrid corporate governance structure																●	
		Enhancement of governance through the execution of PDCA cycle that is based on the evaluation of effectiveness																●	
		Strengthening integrated group management						●			●							●	
	Implementing internal controls	Formulation of various basic policies and conducting of regular monitoring																●	
		Execution of compliance training and introduction of a hotline system											●					●	
Governance	Practicing risk management	Enhancement of enterprise risk management and convening of ERM Committee								●								●	
		Formulation of Tokio Marine Group's Basic Policies for Risk Management and Tokio Marine Group Basic Policy for Crisis Management, and conducting of regular monitoring											●					●	

Participation in International Initiatives

Tokio Marine Group participates in various international initiatives, taking part in surveys, research and making recommendations to contribute to the realization of a sustainable society.

Human Rights, Labor, the Environment, and Anti-Corruption



United Nations Global Compact

- Joining of United Nations Global Compact and declaration of support in 2005
- In fiscal 2020, participated in "Disaster Prevention and Mitigation Working Group," "Reporting Study Working Group," etc.

Sustainable Finance and Insurance Frameworks



United Nations Environment Programme and Finance Initiative

- Participated in the Insurance Committee as a representative director of the Asia region
- Attended Tokyo Dialogue (June 2019) on sustainable finance preceding 2019 G20 Osaka Summit



Principles for Sustainable Insurance

- Signing as founding signatory in 2012 and participation in PSI TCFD Insurer Pilot Working Group in 2018 to promote the development of climate-related disclosure frameworks based on TCFD recommendations

Principles for Financial Action
for the 21st Century



Insurance Development Forum
(Insurance industry-spearheaded
international public-private
partnership)



Sustainable Investment



United Nations Principles for Responsible investment

- In Tokio Marine Group, Tokio Marine & Nichido and Tokio Marine Asset Management became signatories to promote responsible and sustainable investment

Japan Sustainable
Investment Forum



Climate-related Information Disclosure

United Nations International Strategy
for Disaster Risk Reduction /
Private Sector Alliance for Disaster
Resilient Societies



The Geneva Association



ClimateWise



Asia-Pacific Financial Forum



CDP



Task Force on Climate-related
Financial Disclosures



Eco-First Promotion Council



COOL CHOICE



ESG Evaluations and External Awards

Tokio Marine Group has been highly evaluated and received numerous awards from domestic and overseas institutions for the environmental, social, and governance (ESG) initiatives that it promotes as a part of its business and corporate social responsibility activities.

Socially Responsible Investment (SRI) and ESG Indices that Include Tokio Marine Holdings

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

- Globally recognized ESG index series jointly developed by S&P Dow Jones Indices LLC and RobecoSAM AG in 1999
- Tokio Marine Holdings included for 12 consecutive years beginning in 2009



**2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

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Awards for ESG Initiatives



- Tokio Marine Group included in 2021 "Health & Productivity Stock Selection program" (sixth consecutive year)
- Tokio Marine Group selected as an Excellent Enterprise of Health & Productivity Management / Large Enterprise Category together with eleven Group companies, of which six were recognized as White 500 enterprises



- Received the SDGs Strategy/Economic Value Award at the 2nd Nikkei SDGs Management Grand Prix



- Selected as 2019 Climate Change A List company by the international non-profit environmental organization CDP
- Received a score of A - in 2020



- Included as a Nadeshiko Brand in fiscal years 2018 following 2013, 2015, 2017
- Selected as a Semi-Nadeshiko Brand in fiscal 2019 and 2020



- Received ministerial commendation as a model example of initiatives being promoted by financial institutions to revitalize regional economies (fifth consecutive year)



- Overseas Group companies named among the "Best Places to Work in Insurance" in the United States and among the "Best Workplaces for Women" in Brazil (eighth consecutive year)