Tokio Marine Holdings

Inspiring Confidence. Accelerating Progress.

2024 Integrated Annual Report

Integrated Annual Report 2024

"Inspiring confidence. Accelerating progress."

Tokio Marine Group Purpose Story 2024 (Summary of the Integrated Report)

At Tokio Marine Group, our purpose is to protect our customers and society in their times of need. Since the company's founding in 1879, we have used this purpose as a starting point to contribute to solving various societal issues that change with the times. By helping our customers and society take the "next step," we have been able to achieve sustained and long-term growth. As a result, our adjusted net income plan for fiscal 2024 stands at 1 trillion yen, representing a clearly different stage from before. We recognize that we are still on a journey toward achieving world-class EPS growth and ROE levels comparable to global peers. By addressing and innovatively solving the challenges faced by our customers and society through both our insurance and solutions pillars, we seek to empower their next step and continue our growth journey without pause.

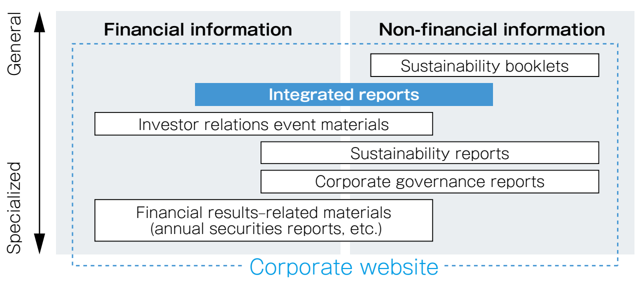
Tokio Marine Holdings Integrated Annual Report 2024 CONTENTS

References

During editing, we made our best efforts to incorporate substantial information by consulting the IFRS Foundation's "Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation 2.0," as well as by seeking the opinions of investors and other stakeholders.

Environment Social Governance
Guidance for Collaborative Value Creation

Positioning of This Integrated Report



The materials listed above can be found on our website. URL: https://www.tokiomarinehd.com/en/

This report is for disclosure (explanatory material regarding the status of operations and assets) and was prepared based on the Insurance Business Act (Article 271-25) and the Ordinance for Enforcement of the Insurance Business Act (Article 210-10-2).

Forward-Looking Statements

This report contains information on forecasts, targets, and other matters that are not based on historical fact. These forward-looking statements include a certain degree of risk and uncertainty, and, accordingly, actual results and performance could differ materially from the information provided in this report.

Abbreviations Used in This Material

TMNF	Tokio Marine & Nichido Fire Insurance Co., Ltd.	DFG	Delphi Financial Group
NF	Nisshin Fire & Marine Insurance Co., Ltd.	TMHCC	Tokio Marine HCC
TMNL	Tokio Marine & Nichido Life Insurance Co., Ltd.	TMK	Tokio Marine Kiln
PHLY	Philadelphia Insurance Companies	TMSR	Tokio Marine Seguradora

Create a world without accidents and losses, and reduce damages if they occur. Deliver solutions toward such a world, and continue to protect our customers and society in their times of need.

Satoru Komiya
President and Group CEO

What We Aspire to Achieve

June 2024, early summer in the historic town of Kyoto. As I listened to the aria performed on the platform of the Kiyomizu-dera Temple, I was pondering: “I really want to create a world where accidents do not happen, and losses, even if they cannot be avoided, are minimized.”

I was surrounded by 50 some global insurance company CEOs, who were enchanted by the atmosphere and absorbed in the lingering impressions from our earlier discussions.

The Geneva Association* held its General Assembly in Japan for the first time in 15 years, and this was my first participation. Exploring with the top management of global insurers how the industry can contribute to society was a valuable experience.

The conference, held over three days, included keynote speeches on Japan’s tradition and culture and a session in the Kiyomizu-dera Temple.

The conference provided many opportunities to experience the excellence of Japan, a sustainable society founded on well-being and continuing so over the course of its history. Having the participating CEOs express their resonance and appreciation was a great honor as a host country participant.

More importantly, given the significant changes in global risks and the increasing complexity of societal issues, it was valuable for the entire industry to bring together global CEOs to engage on how the insurance industry can contribute to society. In-depth discussions encompassed heightening risk-hedging mechanisms and supporting the transition to a decarbonized society through active engagement.

As the CEO of Tokio Marine, a company founded in Japan, a country prone to natural disasters, and through various discussions, I reaffirmed my commitment to addressing the “protection gap” against natural catastrophes among various imminent societal issues.

Today, natural catastrophes such as hurricanes and earthquakes cause economic losses of several hundreds of billions of dollars each year, and the losses are increasing. However, only about 30% of these losses are covered by insurance. The remaining 70% is the “protection gap” for which insurance companies have not been able to provide support.

We have faced natural catastrophe risks head-on with maximum efforts to further promote insurance through diversifying our business portfolio and arranging effective reinsurance for stable coverage. However, with finite capital and with just underwriting, there is a limit to what a private insurance company can achieve in addressing the massive protection gap of natural catastrophe risks.

That has made me think about how we can reduce the loss itself, by drastically enhancing our value proposition in the area of disaster prevention and mitigation. The discussions held at the General Assembly in Kyoto galvanized my vision to contribute to a safer and more secure world that is resilient to disasters.

We have been enhancing our values in the “pre- and post-incident” areas such as disaster prevention and mitigation, early recovery, and prevention of recurrence. In November 2011, we established CORE, a disaster prevention consortium. By collaborating with more than 100 organizations representing a wide array of industries, we are creating and implementing solutions to reduce natural catastrophe damages from various aspects.

For example, in response to the Noto Peninsula earthquake in January 2024, we disseminated real-time weather alerts and road collapse information for safe evacuation and recovery activities in the affected areas. For those affected by liquefaction following the earthquake, we offered consultation services to mitigate the damages.

Utilizing these solutions helps to avoid or reduce damages, or alleviate the extent of loss, and allow for faster recovery, thereby preventing recurrence. If this is achieved, our economic value will improve through lower loss frequency and lower loss cost per claim and in aggregate. For clients, this will reduce insurance premium, while securing our proper margins, leading to stable risk placement without excessive cost increase.

◯ Geneva Association 2024 Annual General Assembly (Kyoto)

*: The Geneva Association is an insurance industry think tank made up of the CEOs of approximately 70 insurance companies from around the world.

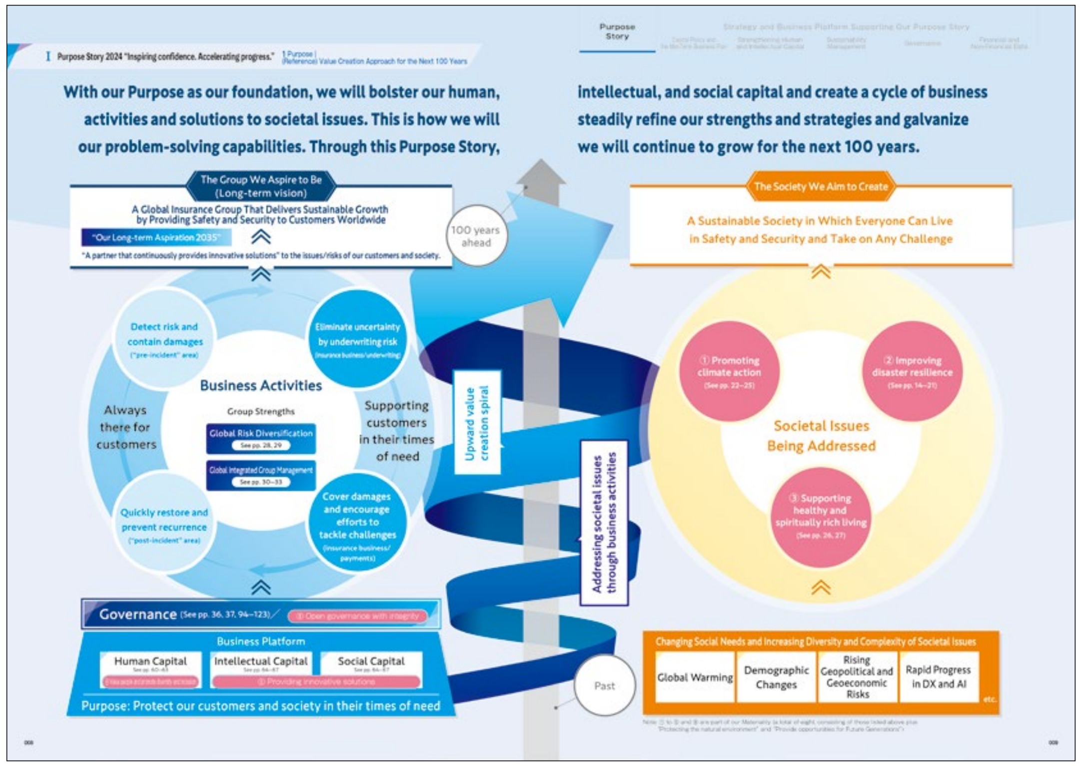
Purchasing Tokio Marine's policies and solutions prevents accidents and damages. If they occur, the impact can be mitigated, and the premiums will not be substantial. In other words, the more we focus on delivering our values, the more resilient our stakeholders will be against disasters, reducing the social costs and creating a safer and more secure world. In this virtuous cycle, the client base will increase, leading to growth of our corporate earnings. This upward spiral is the value creation cycle that we aspire to and the world we envision.

For the time being, our initiatives are making progress mainly in Japan. However, natural disasters are a global challenge, and these initiatives can be laterally deployed around the world. I believe there is significance in starting this from Japan.

Furthermore, the protection gap is not only an issue in natural disasters. It is also prevalent in various areas, including cybersecurity and healthcare. I see broader application where Tokio Marine can play an even more important role for our value creation.

By providing solutions to societal issues through our business activity, we create social value and grow our economic value at the same time. Persistence in meeting stakeholder expectations through our value creation approach will allow us to sustainably grow over the next 100 years. This is my sincere belief as I engage in day-to-day management.

◯ Value Creation Approach



Our current positioning and unique strengths

Let's turn to our latest business performance and standing.

We posted record adjusted net income in fiscal 2023, with strong underwriting mainly in North America offsetting the impact of various natural catastrophes in Japan and elsewhere.

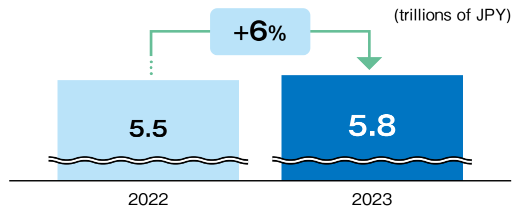
On a Group basis, we are becoming a formidable organization, with Group companies reporting solid performance supporting and complementing others experiencing temporary challenges.

Net premiums written increased 6% year-on-year to 5.8 trillion yen. Profit excluding one-time factors, such as the impact of natural catastrophes and COVID-19, increased 11% year-on-year to 685.5 billion yen. This past year has given us confidence that our underlying capabilities are stronger and will continue to improve.

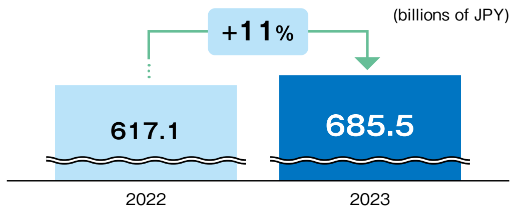
The profit plan for fiscal 2024 is 1 trillion yen. On top of the profit based on our stronger capabilities, the plan is inclusive of capital gains from our "zero business-related equities" policy, which accelerates the sell-down of our equity holdings.

◯ FY2023 Performance

Net Premium Written



Adjusted Net Income (normalized basis*)



The recent strong performance is supported by the "global risk diversification" and "global Integrated Group Management," which are our unique strengths. These are the core strategies that the Group has long nurtured, and we will refine them further

I will start with "global risk diversification." The insurance business is about underwriting "risks." Our commitment and promise to our stakeholders should not waver under any circumstances. Any type of incident, occurring anywhere in the world, will affect our business in one way or another. This is the assumption to which we must manage the risks to ensure our financial soundness. This way, we always keep our promise to our stakeholders.

"Global risk diversification" is required to raise the bar. Over the past 15 years, we have built a highly diversified portfolio by organically and inorganically expanding our business outside of Japan, where risk correlation with Japanese non-life business is low.

As a result, we were able to keep the impact to our profits from large-scale natural catastrophes and the COVID-19 pandemic losses to about 20% to 30%. However, we believe this percentage is still high, and we will engage in further risk diversification.

Next is "global Integrated Group Management." Expansion of our non-Japanese business through M&As resulted in a diversified risk portfolio and profit growth. Yet for Tokio Marine, our greatest achievement is welcoming talent with great expertise and industry knowledge.

As societal issues and risks amplify and become more complex around the world, we must accurately recognize these challenges, create solutions, and manage those risks as risk management professionals. Accordingly, we have improved the quality, accuracy, and speed of our management decision-making by assigning the best talent in corresponding areas to ensure that the right person addresses the challenges. This is how we call upon our global wisdom.

We are in our ninth year of Integrated Group Management, and by increasing the number of non-Japanese executive officers and reinforcing our global committees, we continue to evolve, developing our unique competitive values.

Such values will be passed on to the next generation of leaders. We are taking various approaches to ensure that the baton is passed on to those who will rise to lead the future of our Group.

For example, the Tokio Marine Group Leadership Institute (TLI) was launched in April 2023, and I am serving as the inaugural dean. TLI plays a central position in group management leadership development. With a commitment from our global management team and drawing on their collective wisdom, we aim to develop a talent pool with competitive strength in the global market, while handing down the true understanding of our business purposes.

Foundational to our unique strengths are "human capital" and "intellectual capital." We will continue to invigorate them to develop better talent and culture, and pass them on to the next generation. In addition, we will join forces with various external partners to create social values through which we continue to expand our purposeful business propositions. Details of those initiatives are outlined in the sections from the CHRO (from p. 60) and CDO (from p. 64).

"Our Long-Term Aspiration for 2035" and the 2026 Mid-Term Business Plan -Inspiring confidence. Accelerating progress.-

Our unique strengths support our business performance, but the pace of change in the business environment is accelerating. Recognizing this as a once-in-a-hundred-year tipping point, we have a strong sense of urgency that a mere extension of existing initiatives will not be enough to respond to further changes.

The world is uncertain and full of increasingly complex societal issues that we must face. Against this backdrop, our new Mid-Term Business Plan—"Inspiring confidence. Accelerating progress."—was launched in April 2024.

In preparing the plan, we imagined the future in about 10 years. We discussed the vision we wish to achieve, that is, "our long-term aspiration 2035," incorporating the opinions of younger employees who will support Tokio Marine in the future as well as those of external experts.

Through this exercise, we identified that while insurance is our core in protecting customers and society "in their times of need," we must take further steps to become the partner that "always" supports our stakeholders with solutions for "Prevention and Recovery" of loss and even beyond for "Well-being." This realization of the value creation cycle is what we aspire to.

*: Nat Cats loss normalized to an average annual level. 2022 excludes the capital gains/losses in North America, losses from COVID, war, and South African Floods, capital gains from sale of business-related equities (for sales exceeding 100 billion yen), and FX gains/losses between foreign currencies. 2023 excludes the capital gains/losses in North America, capital gains from sale of business-related equities (sales exceeding150 billion yen), and FX gains/losses between foreign currencies.

Toward this long-term aspiration and as one of the Mid-Term Business Plan's key strategies, we are mobilizing initiatives to develop and commercialize solutions beyond insurance.

For example, in the area of disaster prevention and mitigation, solutions, such as the aforementioned response to Noto Peninsula earthquake, are already being implemented. We are also developing new solutions using the latest digital technologies, such as a 3D modeling tool that visually demonstrates expected damages from disasters or satellite data that allows quick and accurate assessment of damages in the affected areas.

In November 2023, we established Tokio Marine Resilience, a new company dedicated to businesses in this area. We aim to provide a wide range of comprehensive services, from the visualization of disaster risks to the implementation of disaster prevention measures, and to post-loss early recovery and for recurrence prevention support. The estimated market size is significant at more than 1 trillion yen, and we will proactively seize these opportunities. We wish to nurture it into the third pillar of income, after the "Japan and non-Japanese" and "P&C and life insurance" businesses, that drives several tens of billions of yen in profit.

This nonetheless does not change our key strategy for the Mid-Term Business Plan to further develop our core insurance business corresponding to increased societal issues and risks.

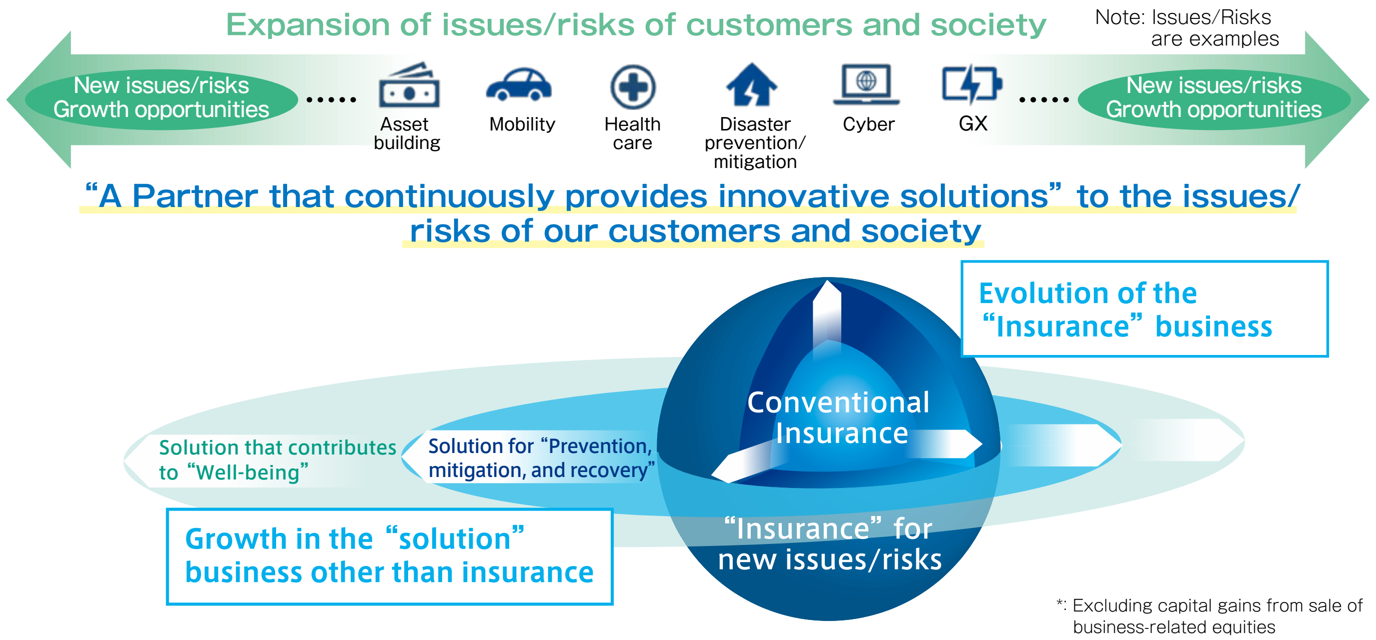
Our management of business is ambidextrous, enhancing insurance and exploring solutions. As for our insurance business, we will sustainably achieve top-tier profit growth by leveraging our strengths from the globally diversified, strong underwriting portfolio, and superior investment returns from our liabilities profile.

Our three-year KPI is to achieve world-class EPS growth at +8% or higher.* The insurance business can be said to be an "aggregation of local businesses" composed of vastly different markets among countries and regions. We first focus on organically achieving top-tier profit growth by leveraging the unique strength in each country and region, such as Japan and the United States. Based on this, we will create a better global business portfolio as a Group through global risk diversification and disciplined capital management. As a result, we will control volatility while achieving a solid growth trajectory. We pride ourselves as a "growth stock," prioritizing the delta in profit growth, which might be rare in the financial services sector. As such, we must aim at the top-tier delta that matches the global peers. The "+8%" target represents the management's commitment.

We will also continue to achieve the delta for dividends, which are the basis of our shareholder returns, and DPS growth consistent with the top-tier EPS growth. We will continue implementing management that aligns our purpose, strategies, and resulting profits, ensuring that they are consistent with our contributions to our stakeholders.

Our ROE in fiscal 2026 is projected at 14%* or higher. This still leaves a room to expand when compared to our global peers. However, we will fully divest business-related equities holdings, which is the main cause of this gap. We have been reducing business-related equities for more than 20 years. Recently, the "six-year" target was established as a deadline to complete the selling of business-related equities. While the cue to such a result is not what we expected, we are determined to see this through. Furthermore, we will increase our ROE level to match that of our peers by implementing our unwavering disciplined capital management, that is, rebalancing our portfolio with higher ROR business investments and risk taking.

◯ Our Long-term Aspiration 2035



*: Excluding capital gains from sale of business-related equities

Enhancing Governance as the Foundation of Everything

Implementing transparent governance is the prerequisite for realizing our aspirations and sustaining top-tier profit growth.

We take this opportunity to sincerely apologize again for any concerns caused to our stakeholders by the price-fixing misconduct at Tokio Marine & Nichido.

This was a significant incident that fundamentally undermined the trust of our customers—the very basis of the insurance business. Management takes this matter seriously.

Tokio Marine has conducted business based on a customer-oriented approach. However, some of our industry and company practices, such as business-related equity and cooperation in customer's business, have become incompatible with the social norms.

Tokio Marine & Nichido will eliminate such practices and comprehensively implement preventive measures. Furthermore, we will review and fully overhaul all business processes and models from a customer-oriented perspective and transform into a new company that customers truly trust and need. As Tokio Marine Holdings, we are determined to see this through.

In addition to the individual initiative by Tokio Marine & Nichido, we will strengthen internal control and governance on a Group basis. We believe it is particularly important to continually review whether the norms of the industry and the company have become incompatible with society and whether there are lessons to be learned from outside, with an impartial external perspective. Accordingly, we have been implementing various measures, such as deliberation by the Group Audit Committee, of which the majority of members, including the chairperson, are external members. Other measures include active recruitment of external experts and deployment of those experts across the Group companies.

Everything we do depends on each employee doing the right thing under all circumstances. Whether everyone truly believes that the work to be done is valuable and wholeheartedly resonates with the company's purpose is critical for implementing this. Similar incidents should not occur if we can establish this basis.

This belief was renewed when I visited Kanazawa and Nanao soon after the Noto Peninsula earthquake in January 2024.

We set up a task force immediately after the New Year's Day earthquake, and more than 2,000 employees from all over Japan headed to the disaster-affected areas. We applied our collective strength to accelerate claims payment to enable affected customers to start rebuilding their lives as soon as possible.

What I observed were our employees fully devoted with a strong sense of mission to stand by our customers and local community in their times of need—to deliver our promise and expedite claims settlement for their earliest recovery.

The task force was filled with a sense of purpose and the firm conviction that our work and the company's business are valuable in serving society.

This is our culture and strength that have been handed down in the 150 years since our founding. My primary mission as the CEO and the Chief Culture Officer (CCO) is to further strengthen and deeply instill a culture, and nurture our people to pour their passion into fulfilling our purpose. I will continue to lead from the front.

◯ Visited the 2024 Noto Peninsula Earthquake Task Force Headquarters (Kanazawa)

In Closing

Lastly, I would like to repeat my heartfelt gratitude to all of our shareholders and investors for the support that makes it possible for the Tokio Marine Group to continue its business activities—thank you.

As I have stated above, we are at a once-in-a-hundred-year tipping point now, making everything uncertain. We are aware that we will be unable to grow merely by extending the status quo. This is why we will further diversify risks and accelerate growth. Capital unlocked by the sale of business-related equities will be invested to create future pillars of profit growth to realize our purpose. Our disciplined market-based capital management will remain unshaken.

Looking back on the previous MTP period, various challenges occurred throughout the world. With a strong resolve to make something out of crises, we dealt with and overcame challenges, bringing together the power of the entire Group each time we faced difficulties. In that process, I think we steadily improved our underlying capabilities.

We understand that the current business environment is not easy at all; however, we will manage our business on the back of our strong business foundation and our abilities to overcome and to respond to difficulties. With a strong desire to achieve the top-tier EPS growth and to raise ROE in the next three years and beyond, we are still on our journey to "growth."

I want to keep the Company actively working for you and meet everyone's expectations in the process.

I appreciate your continued support for the Tokio Marine Group.

With our Purpose as our foundation, we will bolster our human, intellectual, and social capital and create a cycle of business activities and solutions to societal issues. This is how we will steadily refine our strengths and strategies and galvanize our problem-solving capabilities. Through this Purpose Story, we will continue to grow for the next 100 years.

The Group We Aspire to Be (Long-term vision)

A Global Insurance Group That Delivers Sustainable Growth by Providing Safety and Security to Customers Worldwide

"Our Long-term Aspiration 2035"

"A partner that continuously provides innovative solutions" to the issues/risks of our customers and society.

100 years ahead

Business Activities

Detect risk and contain damages ("pre-incident" area)

Eliminate uncertainty by underwriting risk (insurance business/underwriting)

Always there for customers

Supporting customers in their times of need

Group Strengths

Global Risk Diversification See pp. 28, 29

Global Integrated Group Management See pp. 30–33

Quickly restore and prevent recurrence ("post-incident" area)

Cover damages and encourage efforts to tackle challenges (insurance business/payments)

Upward value creation spiral

Addressing societal issues through business activities

Governance (See pp. 36, 37, 94–123)

⑧ Open governance with integrity

Business Platform

Human Capital See pp. 60–63

④ Value people and promote diversity and inclusion

Intellectual Capital See pp. 64–67

Social Capital See pp. 64–67

⑤ Providing innovative solutions

Purpose: Protect our customers and society in their times of need

Past

The Society We Aim to Create

A Sustainable Society in Which Everyone Can Live in Safety and Security and Take on Any Challenge

Societal Issues Being Addressed

① Promoting climate action (See pp. 22–25)

② Improving disaster resilience (See pp. 14–21)

③ Supporting healthy and spiritually rich living (See pp. 26, 27)

Changing Social Needs and Increasing Diversity and Complexity of Societal Issues

Global Warming	Demographic Changes	Rising Geopolitical and Geoeconomic Risks	Rapid Progress in DX and AI	etc.

Note: ① to ⑤ and ⑧ are part of our Materiality (a total of eight, consisting of those listed above plus "Protecting the natural environment" and "Provide opportunities for Future Generations")

We have set milestones for 2026, 2035, and 2050, and are steadily moving forward toward the realization of the society and the company we envision.

The Group We Aspire to Be (Long-term vision)

100 years ahead

A Global Insurance Group That Delivers Sustainable Growth by Providing Safety and Security to Customers Worldwide

2035

"Our Long-term Aspiration 2035"

"A partner that continuously provides innovative solutions" to the issues/risks of our customers and society.

Achieve world-class EPS growth	Improve ROE to be on par with global peers	DPS growth consistent with EPS growth

2026 / 2023

Financial KPIs	Adjusted EPS[*1]	Adjusted net income[*1]	Adjusted ROE[*1]	Dividend payout ratio	Capital level adjustment (share buybacks)
Plan for FY2026	CAGR of +16% or more	CAGR of +15% or more	20% or more	Considering the impact of introducing IFRS/ICS, we plan to review various indicators and definitions in FY2026 (details on pp. 50, 51).	
(excl. capital gains from sale of business-related equities)	(+8% or more)	(+7% or more)	(14% or more)		
FY2024 Projections	514 yen	1 trillion yen	18.1%	50%	200.0 billion yen (announced May 2024)
(same as above)	(315 yen)	(610 billion yen)	(11.0%)		
FY2023 Results	347 yen	685.5 billion yen	15.0%	50%	120.0 billion yen
(same as above)	(302 yen)	(596.5 billion yen)	(13.0%)		

The Society We Aim to Create

100 years ahead

A Sustainable Society in Which Everyone Can Live in Safety and Security and Take on Any Challenge

Major non-financial KPIs	Reduction of greenhouse gas emissions (Promoting climate action)	Acceleration of development and provision of disaster prevention and mitigation solutions (Improving disaster resilience)	Expansion of healthcare-related products and services (Supporting healthy and spiritually rich living)
2050 / 2035	FY2050 Net zero (including insurance customers and investment and financing recipients) FY2030 -60%[*2] (compared with FY2015)	Offer pre- and post-incident peace of mind, rather than staying just as a payer of insurance claims	Development and provision of new healthcare services that contribute to well-being
Plan for FY2026	Dialogue with 200 customer companies with high emissions; in-depth proposals and discussions with 160[*3] Expansion of GX-related underwriting	Expansion of solution lineup towards the realization of comprehensive disaster prevention and mitigation solution business	Build an ecosystem that improves health starting with health check
Plan for FY2024		Pre-incident disaster prevention package (from May 2024) Liquefaction damage mitigation service (from May 2024) etc.	Promotion of PoC for commercialization
FY2023 Results	-43%[*2] (compared with FY2015)	Establishment of Tokio Marine Resilience (November 2023)	Establishment of preparatory company looking ahead to commercialization of prevention/pre-symptomatic areas (April 2023)

*1: Normalized base (see p. 47*2 for details)
*2: Based on our business activities (Scope 1 + 2 + 3 (Categories 1, 3, 4, and 6)). FY2023 is based on preliminary figures.
*3: Goals for Tokio Marine Nichido (2030)

The starting point of our purpose is to solve societal issues through insurance and solutions. Even in times of uncertainty and instability, we continue to provide protection in times of need, inspiring confidence and accelerating progress for our customers and society.

In recent years, it has been said that we’ve entered the VUCA age, characterized by volatility, uncertainty, complexity, and ambiguity, with numerous societal issues spreading and becoming more complicated. But it is precisely because of this that our business fields and opportunities continue to expand as our core business is taking on and managing risk.

Among those issues, improving disaster resilience, promoting climate action, and supporting healthy and spiritually rich living are among the most important for the world, and for our industry. Facing those societal issues and contributing to their solutions is how we fulfills its purpose, and with that in mind, those three challenges have been designated as critical societal issues. By facing them head on and providing protection in times of need for our customers and society, we will inspire confidence and accelerate progress.

Improving Disaster Resilience

See pp. 14–21

Facing the threat of natural disasters head-on and contributing to disaster resilience to provide protection in their times of need is exactly what our purpose is.

In addition to strengthening our traditional insurance business, we are increasingly contributing to the resilience of society by expanding our solutions business including before and after insurance areas such as disaster prevention, mitigation, swift recovery, and recurrence prevention.

Promoting Climate Action

See pp. 22–25

The intensification of natural disasters, as well as various other negative effects of climate change, jeopardize the safety and security of people’s lives and threaten to hinder society’s sustained development. Climate change is a societal issue of critical importance for the sustainability of the earth, and as an insurance provider, institutional investor, and global company, we will face this issue head-on and contribute to solutions.

Supporting Healthy and Spiritually Rich Living

See pp. 26, 27

In the era of 100-year life spans, issues such as extending healthy life expectancy and avoiding asset depletion have become urgent real-world concerns.

We will support the era of 100-year life spans through its integrated life and non-life insurance coverage, as well as by providing high-value-added products and services and company health management support.

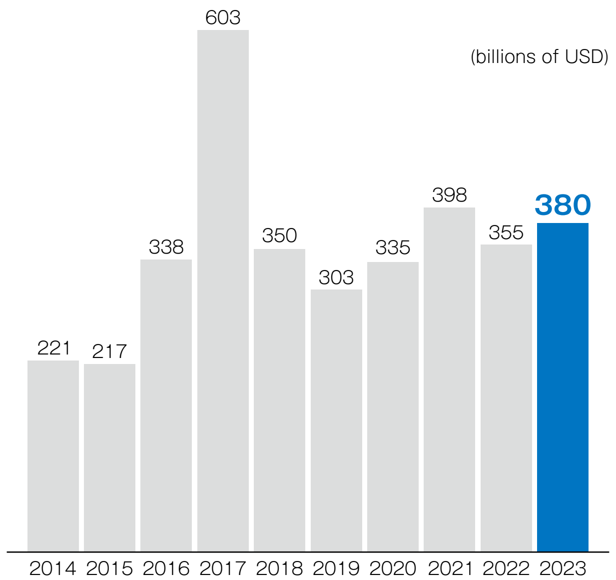
Improving Disaster Resilience

Facing the threat of natural disasters head-on and contributing to disaster resilience to provide protection in times of need is exactly what our purpose is. In addition to strengthening our insurance business, we are increasingly contributing to the resilience of society by expanding our solutions business including the prevention/recovery fields.

Environmental Awareness

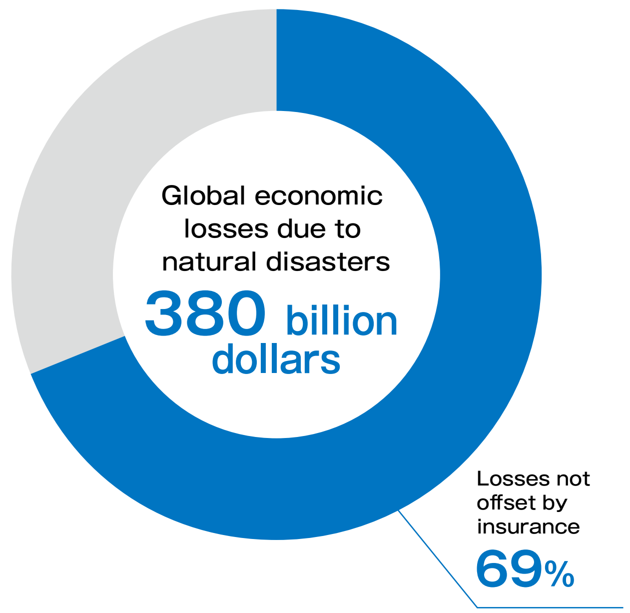
Economic losses due to natural disasters such as hurricanes, typhoons, torrential rains, and earthquakes remain high. Recently, a large earthquake occurred in Japan's Noto Peninsula. Seconday perils, such as wildfires—which have caused severe damage in Hawaii—heavy rains and hailstorms are occurring frequently all over the world and have become a serious threat for local populations. Secondary perils are occurring frequently all over the world and have become a serious threat to local populations. On the other hand, in fiscal 2023 losses not covered by insurance—the protection gap—rose to 69%. Narrowing this gap is critical to improving disaster resilience. Of course, it is best if disaster-related damage can be prevented from happening in the first place. And even if disasters do occur, the smaller the damage and the faster the recovery, the better. Preventing recurrence is also desirable. From this perspective, it is important to not only provide insurance but also expand solutions that grant peace of mind before and after damages occur, such as disaster prevention, mitigation, fast recovery, and recurrence prevention. Such initiatives should be promoted not only by insurance companies but also related businesses, government offices, and local communities.

◯ Global Economic Loss Trends



Source: 2024 Weather, Climate and Catastrophe Insight, Aon

◯ Protection Gap



Source: 2024 Weather, Climate and Catastrophe Insight, Aon

Improving Disaster Resilience

The Disaster-Resilient World We Want to Create

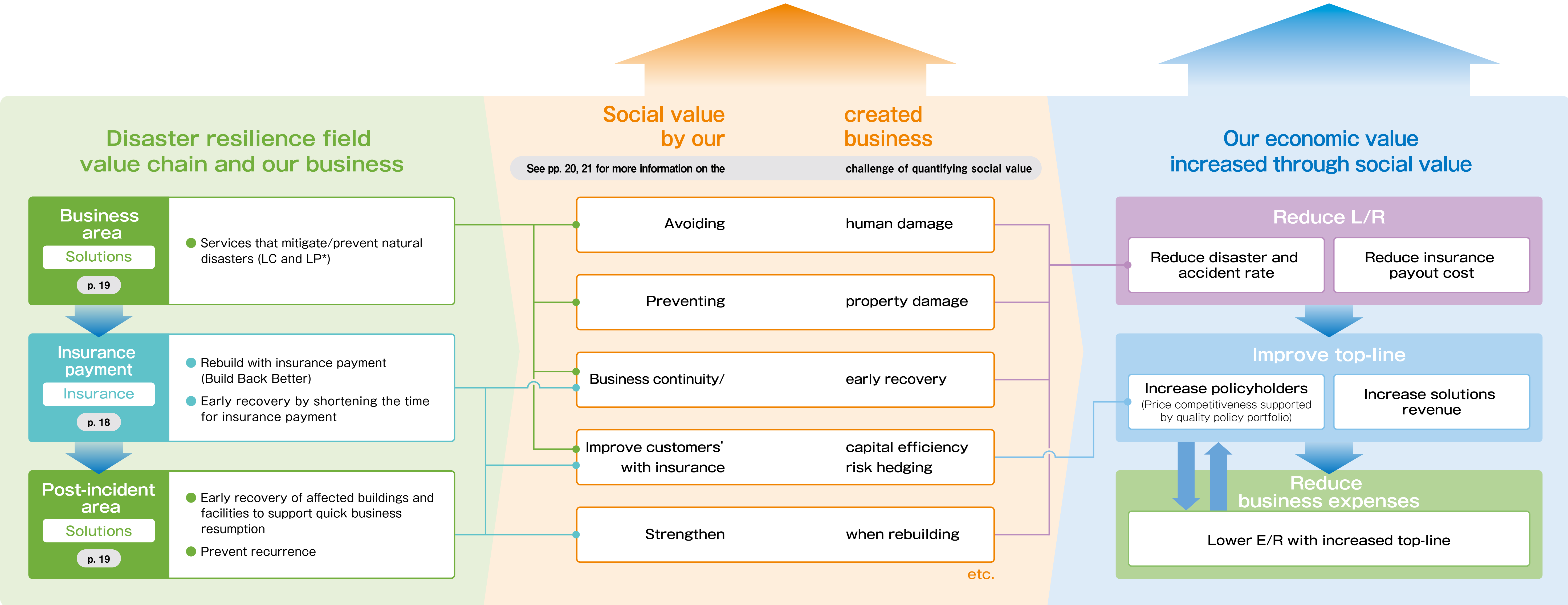
Before introducing the disaster resilience efforts that we are currently involved in, we would like to take a moment to explain the world we wish to create through this field.

First, we are expanding the value chain, increasing the functionality of our original core business of insurance as well as our solution business centered on support before and after incidents occur, such as decreasing and avoiding damage due to natural disasters as well as fast recovery and recurrence prevention. In this way, we create significant social value through our insurance and solution businesses by helping our customers avoid and mitigate damage, recover quickly, and continue operations.

We foresee possible increases in the number of customers as we create social value. For example, the reduction of incurred insurance payments and lowered loss ratio make it possible to reduce insurance premiums even while maintaining appropriate margins, leading to wider insurance adoption.

Thus, both directly and indirectly, our economic value will increase. We hope to build a world where these associated value creation processes can be realized.

On the following pages, in addition to examples of initiatives related to our strengthening its insurance business and expanding its solution business (shown in green), we will detail the social value (orange area) created by these initiatives.



*: LC/LP are abbreviations for Loss Control (accident mitigation) and Loss Prevention (accident prevention)

Improving Disaster Resilience

Specific Initiatives (insurance business)

Fire insurance is an important form of insurance for protecting our customers from natural disasters. The associated amount of risk is tremendous, but we will continue to stably provide appropriate coverage at realistic rates. To always be able to support our customers and society in their times of need, thorough initiatives for improved profitability are required. In Tokio Marine Nichido's (TMNF) market of Japan, a country prone to natural disasters, the relative volume of fire insurance is large, and in addition to improving its business efficiency (through measures such as cost reductions), the company is promoting flexible rates, product revisions, and optimization of reinsurance. The company achieved profitability in fiscal 2023, and by continually making more comprehensive and thorough efforts to improve profitability will achieve the current mid-term management plan goal of securing ROR above 7% and continue to stably provide appropriate coverage to protect customers from natural disasters.

(Reference) Specific Initiatives at TMNF

Increased business efficiency	We are working to improve business efficiency through means such as digital utilization to reduce clerical workloads and the use of generative AI as part of its continual efforts to provide stable insurance coverage.
Bottom-line focus initiatives	Strict profitability management is being thoroughly implemented through the Re-New initiative of stricter underwriting for low-profit contracts and improved underwriting conditions (see p. 130).
Optimization of reinsurance	Reinsurance premium rates remain high due to the intensification of natural disasters. Naturally, we are implementing agile cycle management, with the Global Reinsurance Team, primarily in Tokyo and London, working together to carry out negotiations. While displaying the bargaining power of the entire group, by transparently communicating the high profitability and superiority of primary insurance to reinsurers, we have been able to suppress an insurance premiums increase.
Rate and product revision (fire insurance)	Since fiscal 2019, we have been continuously revising our fire insurance premium rates and products, achieving profitability in fiscal 2023. But due to the significant amount of risk from large-scale natural disasters, we have not yet achieved ROR above 7%. In October 2024, therefore, we will carry out further rate and product revisions with the goal of profitability improvement.

Specific Initiatives (solution business)

To always be ready to support our customers and society in their times of need, not only insurance but also the development and provision of solutions connected to peace of mind before and after incidents, such as disaster prevention, mitigation, swift recovery, recurrence prevention, is essential. In November 2023, we established a new company, Tokio Marine Resilience. With the goal of being a comprehensive disaster prevention and mitigation business, we are promoting initiatives in the fields of pre-incident disaster prevention and post-incident recovery and mitigation. In addtion, we are refining our solution development capabilities and sequentially beginning to provide new services, not only by utilizing Tokio Marine Holdings' own in-company human and intellectual capital of the know-how, data, and technology accumulated through our insurance business, but also by utilizing social capital co-created with partners such as the disaster prevention consortium CORE.

(Reference) Specific Solutions and Initiatives

Pre-incident

Resilient Information Distribution Service (from July 2023)
- Distribution of a wide range of weather and disaster information (e.g., rain mudslides, earthquakes, snow, hail)
- Alerts issued when risk reaches high level at registered location points

Supply Chain Risk Visualization (from January 2024)
- Supply chain risk management system for visualizing risks, conducting emergency and peacetime simulations and formulating recovery plans for the development of resilient supply chains (collaboration with Fujitsu)

Countermeasure implementation package (from May 2024)
- A total of 35 services maintained in coordination with external partners. Provides multiperil solution packages, including services such as risk assessment and pre-incident countermeasures for incidents such as earthquake, flood, and landslide damage.

Post-incident

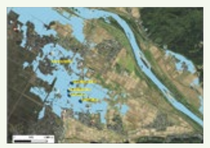
Liquefaction damage mitigation countermeasure service (from May 2024)
- Consulting service that advises businesses that have suffered liquefaction damages on optimal investigation and construction methods for swift recovery and recurrence prevention.

Earthquake resistance and seismic isolation design service (from May 2024)
- Consulting service that evaluates and diagnoses earthquake resilience of foundations and buildings, and in accordance with risk level, advises on foundation reinforcement and seismic isolation design.

Both pre- and post-incident

Risk information platform (from April 2023)
- Utilization of disaster-related data (e.g., weather, satellite images) and insurance claim payment data
- Entrusted with government (e.g., Ministry of Land, Infrastructure, Transport and Tourism, Cabinet Office) and private development projects

CORE



Improving Disaster Resilience

Quantification of Social Value and Taking Up the Challenge of Continuous Value Expansion

Regarding the social value that we provide to society and our customers through our business activities, such as preventing injury and loss of human life, preventing property damage, and business continuity and swift recovery services, if we can quantify those values and conduct business with those figures in mind, it will lead to further growth in the quality and quantity of our company's solutions to societal issues, increasing worker motivation and securing talented human resources. As a result, it will increase our economic value and, by extension, increase our corporate value. With that in mind, from fiscal 2024, we are making great efforts to quantitatively visualize the previously outlined societal value created by the provision of insurance and solutions connected to disaster resilience.

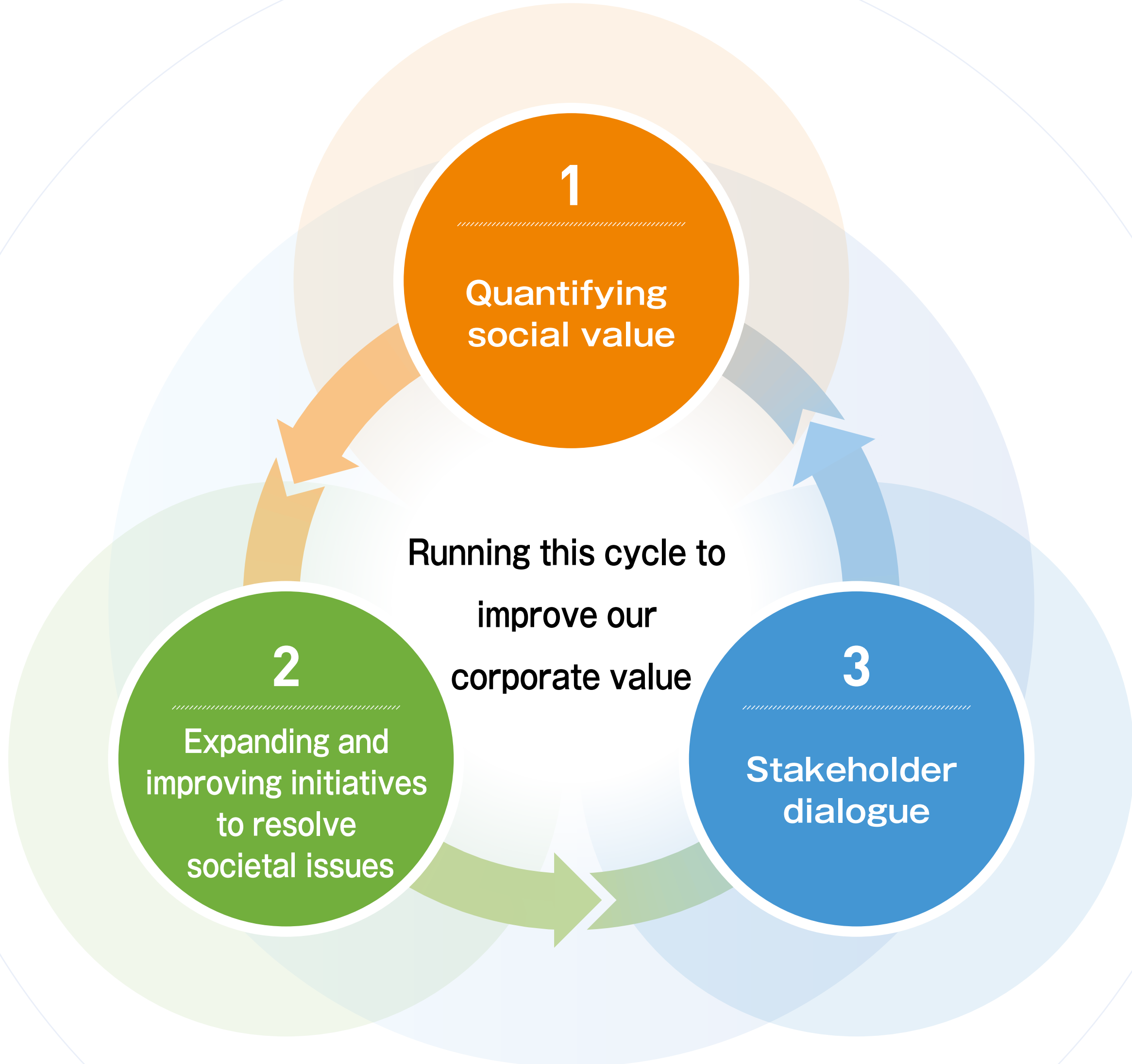
For example, TMNF and Tokio Marine dR (TdR) provide a loss prevention service. This is a service that contributes to disaster prevention and mitigation for client companies bearing diversified complex risks by providing expert advice and effective solutions for accident reduction and preventive measures based on scientific evidence in fields such as ergonomics and safety engineering. By providing this service, for example, when a large-scale natural disaster occurs, the creation of social value for our customers, such as reducing the period of business suspension thanks to pre-incident countermeasures and reducing the extent of damage through property protection leading to swift recovery, should be taking place, and we are currently progressing with quantifying these values with the use of third-party checks.

Of course, services provided in the disaster resilience field are not only pre-loss services. As shown on p. 19, there are also services such as our Supply Chain Risk Visualization, a countermeasure implementation package, a liquefaction damage mitigation countermeasure, and earthquake resistance and seismic isolation design services. Moreover, we offer other services too numerous to list in this integrated report, in addition to new services for which development is progressing. As another example of how we are contributing to improved disaster resilience, in the United States, PHLY is expanding PHLY Sense, its program of distributing and utilizing temperature/humidity sensors to prevent freezing and other accidents, and we are accelerating our disaster resilience contribution efforts elsewhere around the world.

In the future, in addition to these services, we hope to be able to comprehensively calculate the social value of all products and services that we provide, such as the value of business continuity and recovery made possible through insurance claim payments. However, in truth, there are many difficulties in this, such as the difficulty of selecting and sorting appropriate data, or a lack of sufficient data due to new services being introduced one after another. Although it will not be easy, through these quantification efforts, we will conduct business while being conscious of both the social value we offer to society and our customers, and of Tokio Marine Holdings' improved economic value resulting from serving them. We aim to work with various stakeholders toward this value expansion and growth.

What We Hope to Achieve through Quantification Efforts

Customers, society, and agents	• Convey the social value we provide (utility for customers and society) and earn further support for us. Have them become partners with whom we jointly promote the resolution of societal issues.
Company employees	• Instill an understanding of just how much social value the work we carry out has, and its connection to resulting increases in economic value by serving a purpose, leading to increased employee energy and enthusiasm. • Achieve improvements in all services through verification of social value through running a PDCA cycle.
Shareholders	• By showing the social value created by our business operations and its connection to economic value, enrich dialogue and improve corporate value while creating the world we aspire to.



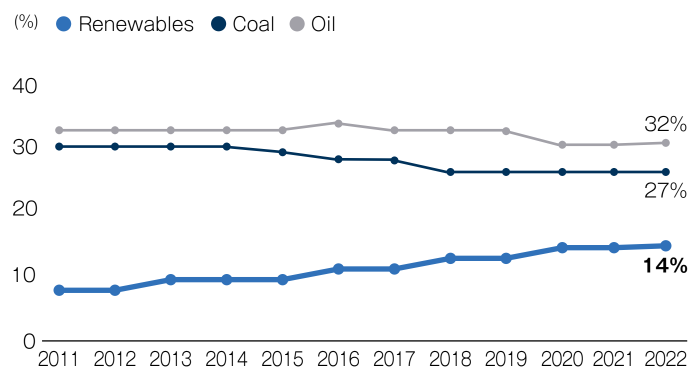
Promoting Climate Action

Climate change is an important societal issue in terms of global sustainability.
As a responsible insurance company, institutional investor, and global enterprise, we stand ready to face this challenge head-on.

Environmental Awareness

Climate change is a global and historic human challenge that poses a threat to the whole world. To address this threat, the Paris Agreement, which was adopted in 2015, calls for “efforts to reduce the increase in global average temperature to 1.5°C compared to pre-industrial levels” and “the achievement of carbon neutrality by 2050” as long-term goals for the world. The international community is united in its efforts to achieve these goals. The renewable energy market is expanding at a steady pace in many countries; in Japan, the composition ratio of renewable energy has more than doubled from 10.4% in fiscal 2011 to 21.7% in fiscal 2022. Furthermore, the government has set an expansion target of 36%–38% by fiscal 2030. Other countries are also steadily advancing their own initiatives.

◯ Expansion of the Global Renewable Energy Market



Source: 2023 Statistical Review of World Energy, Energy Institute

◯ Increase of Japan’s Renewable Energy Ratio

	FY2011 results	FY2022 results	Target value for FY2030 (New energy mix level)
Solar power	0.4%	9.2%	Approx. 14%–16%
Wind power	0.4%	0.9%	Approx. 5%
Hydropower	7.8%	7.6%	Approx. 11%
Geothermal power	0.2%	0.3%	Approx. 1%
Biomass	1.5%	3.7%	Approx. 5%
Total renewable energy	10.4%	21.7%	36%–38%

Source: Agency for Natural Resources and Energy

Promoting Climate Action

Specific Initiatives (as an Insurance company/institutional investor)

As an insurance company, we contribute to the development and spread of renewable energy by utilizing GCube's expertise and know-how to provide sophisticated insurance products, risk consulting, and non-life services globally. GCube has expanded its business since the 1990s, during the early days of the renewable energy market. Today, we are a leading company in the renewable energy sector, with eight of the world's top 10 renewable energy companies as clients, and insuring more than 2,000 projects in 38 countries, making our knowledge and data a true strength for us. We engage with more than 200 major clients that account for approximately 90% of the greenhouse gas emissions associated with our insurance underwriting and provide proposals and support to help them resolve issues related to decarbonization. In addition to these insurance-related initiatives, we established a preparatory company in February 2024 to develop and provide decarbonization-related solutions. We will continue to contribute to the realization of a decarbonized society by providing decarbonization management support services and other activities primarily to small and medium-sized businesses in Japan. As an institutional investor, we continuously engage in dialogue with the companies we invest in on environmental themes and implement ESG integration that takes non-financial information into consideration when making decisions on loans and investments. We are also promoting our sustainability-themed investments and impact investments, with total investments and loans of 138 billion yen and 29 billion yen, respectively, as of the end of March 2024.

Specific Initiatives (as a global company)

As a global company, we have reduced greenhouse gas (CO_2) emissions*1 associated with our business activities by 32% from fiscal 2015 levels (actual figures from FY2022; FY2030 target: 60%) using renewable energy for the electricity we use, conversion of company-owned vehicles to electric vehicles, and reduction of utility costs at our bases in each country. We are also steadily expanding the amount of GHG absorption and fixed carbon through mangrove reforestation, an effort we have been engaged in since 1999. As a result, we have achieved carbon neutrality for 11 consecutive years.

Through the initiatives outlined above and by supporting the transition of our business partners, we aim to achieve virtually zero CO_2 emissions*1 by FY2050, including for our insurance customers and investment and financing recipients. On the other hand, the global and historic human challenge of climate change cannot be completely resolved by the efforts of a single corporate group centered on our in-house activities. It requires a concerted effort by the international community. Since the company's founding, we have participated in various international climate-related initiatives, such as the TCFD, and have conducted surveys, research, and advocacy activities. By actively leading the debate on a decarbonized society, we will continue our efforts to achieve decarbonization on a global scale.

As an Insurance Company

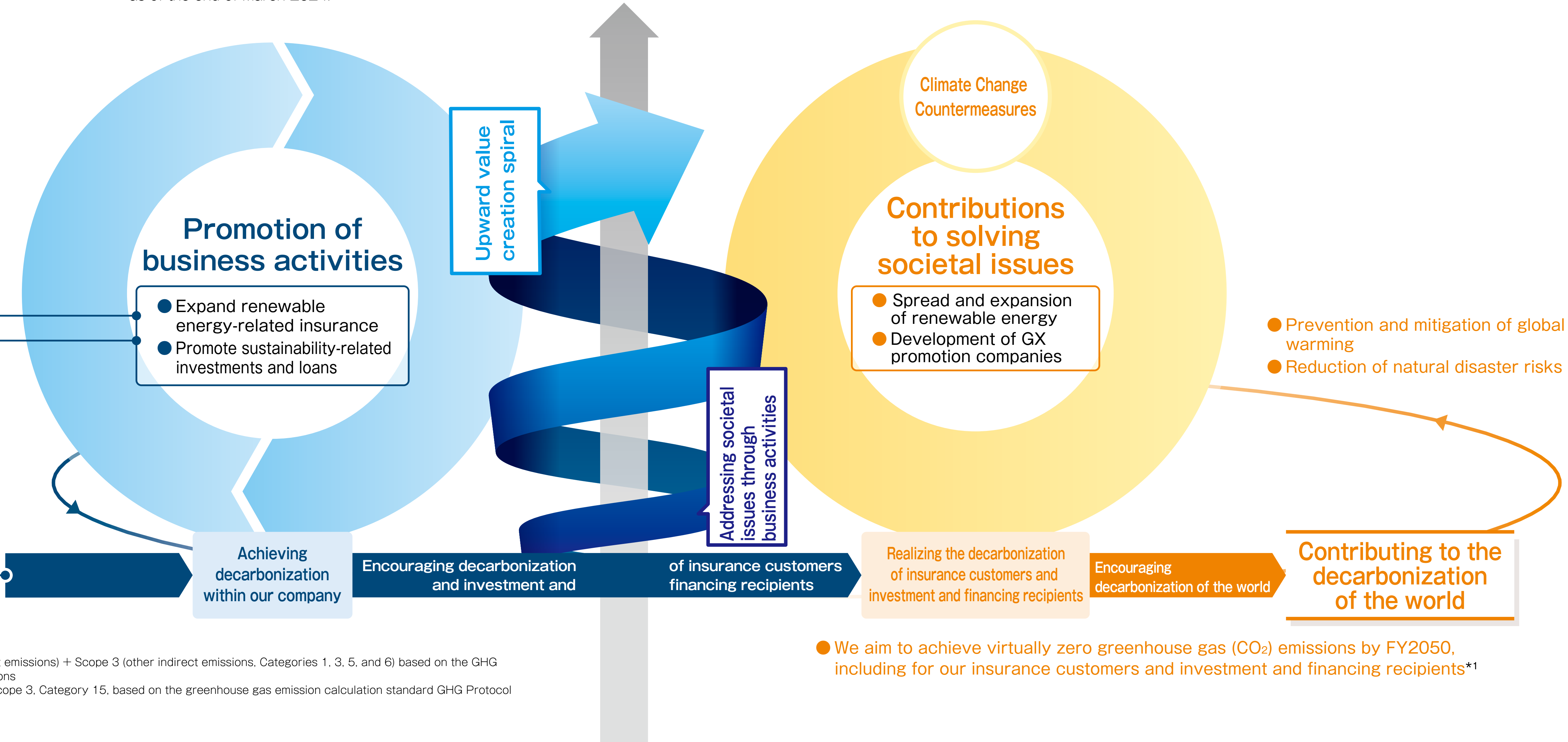
- Develop and provide insurance products and services related to renewable energy
- Make proposals and provide support for engagement and solutions to challenges to decarbonization
- Develop and provide solutions related to decarbonization
- Rapid disaster response using AI and digital technology

As an Institutional Investor

- Loans and investments related to sustainability
- Engage in environment-themed dialogues and ESG integration

As a Global Company

- Promote TCFD and TNFD initiatives
- Participate in various international initiatives and carry out surveys, research, and advocacy activities
- Reduce in-house emissions on a global basis



- We aim to achieve virtually zero greenhouse gas (CO_2) emissions by FY2050, including for our insurance customers and investment and financing recipients*1

*1 (Our company) Scope 1 (direct emissions) + Scope 2 (indirect emissions) + Scope 3 (other indirect emissions, Categories 1, 3, 5, and 6) based on the GHG Protocol, the standard for calculating greenhouse gas emissions
(Insurance customers/investment and financing recipients) Scope 3, Category 15, based on the greenhouse gas emission calculation standard GHG Protocol

Supporting Healthy and Spiritually Rich Living

In the age of a 100-year life expectancy, "extending healthy life expectancy" and "avoiding the depletion of assets" are pressing challenges. We will support the age of a 100-year life expectancy by providing high-value-added products and services through the integration of life and non-life insurance.

Environmental Awareness

In Japan, where the birth rate is declining and the population is aging at an unprecedented rate, and for which the population is entering a new era of a 100-year life expectancy, the risk of living with an illness or running out of financial assets before one's life span expires is also increasing. The number of people suffering from lifestyle-related diseases such as cancer, heart disease, and stroke is also on the rise, resulting in an increased burden of national healthcare costs. The gap between average life expectancy and healthy life expectancy can be as much as 10 years. Amid a growing need for asset building to achieve a comfortable retirement, "extending healthy life expectancy" and "avoiding the depletion of assets" have become important societal issues.

In addition, with Japan's declining birth rate coupled with a growing labor shortage, the importance of "health management," in which companies support their employees so that they can work in good mental and physical health, is also increasing.

Specific Initiatives

With respect to "extending healthy life expectancy" and "avoiding the depletion of assets," we support long and healthy lives through the provision of novel products and services that precisely meet customers' needs. In August 2023, we launched "Anshin Treatment Support Insurance," a product that provides comprehensive support for the promotion of customers' health by offering a wide range of coverage for eight lifestyle-related diseases, including coverage for outpatient treatment, support for early detection and early treatment with a special clause for early treatment support that pays benefits for a second medical checkup, and a service that simulates the risk of developing diabetes and other diseases.

In October 2024, we will launch "Health Assist Insurance," which promotes early detection and early treatment of diseases through the recommendation of secondary medical examinations to company employees. By offering these products in addition to existing products that cover post-onset of diseases such as group long-term disability insurance as well as medical insurance and cancer insurance, we will continue to strengthen our efforts to ensure that employees of our client companies are able to work vigorously and healthily. We are also committed to providing health management support that utilizes our own in-house know-how on health management. We support apporximatley 2000 companies each year in thier efforts to be certified as "excellent health management corporations" and promote health management of our client companies. We are able to do this by leveraging our knowledge and track record as a "health management brand."

We aim to provide not only insurance but also solutions, and in April 2023, we established a preparatory company that focuses on the healthcare sector with a view to developing business focused on pre-symptomatic diseases and prevention, based on our affinity with the insurance business and our company's purpose.

For example, we will continue to provide new value to society by contributing to the well-being management of companies and organizations through the creation of an ecosystem for improving health, starting with health checkups, and through the utilization of accumulated health data.

We are also working to provide value not only internally but also through co-creation with social capital (external partners) and through Whitehealthcare Inc. established in July 2020 as a joint venture with Mitsubishi Corporation. Through this JV, we provide consulting and various support services utilizing data analysis for corporate health insurance association, local governments, and regional medical institutions. We have been steadily expanding our efforts to achieve both health promotion and optimization of medical costs.

Through these initiatives, we aim to contribute to overcoming the challenges facing Japan such as a declining birth rate and an aging society. And by refining such solutions, we will accumulate know-how domestically and, in the future, expand our initiatives outside of Japan to support other countries that might be facing the same challenges we are.

Global Risk Diversification

As an insurance business that underwrites risks all over the world, global risk diversification is the cornerstone of our strategy to achieve business management that would remain unshaken whatever situations we face.

Underpinning this strategy are our abilities to execute M&As and PMI and to manage our portfolio.

Managing Executive Officer
Co-Head of
International Business
Brad Irick

I have previously served as the CFO of TMHCC and the CEO of TMK, and since April of this year, I have been leading the entire international business as the Co-Head of International Business at Tokio Marine Holdings. In this context, I would like to explain our cornerstone, the "global risk diversification strategy," while also sharing my personal experiences and thoughts.

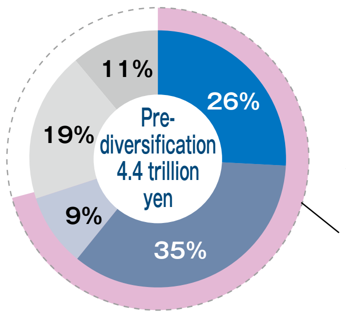
Developing our business globally is core to our aspiration to Inspire Confidence. Accelerate Progress. We exist to serve our customers, people, and society and bring solutions that address their needs for safety, security, and confidence in an increasingly volatile world. For me personally, successful companies will have a keen understanding of those needs through a diverse group of companies and employees able to address them today and as they evolve into the future. A favorite part of my role is communicating this aspiration to our people around the world regularly and visibly. I personally believe the combination of the connection of our people to the strong and unique cultures within our Group companies together with a clear sense of belonging to a global business with a sense of purpose and cultural direction is powerful. I intend to support and strengthen these complementary cultural identities in my role as Co-Head of International Business.

Risk Diversification Using M&A

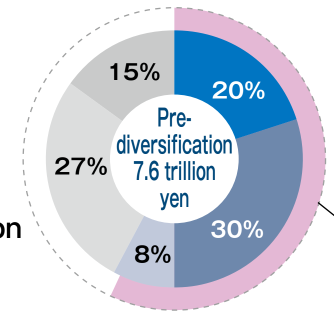
The purpose of insurance is to assume the risks of our customers so they can operate with confidence, and our responsibility is to manage those risks within our appetite and tolerances. "Risk diversification" is a key component of our risk management strategy and an area where M&A can be an effective tool. Over the past 20 years, through overseas M&A and other initiatives, we have expanded our international insurance business, which was designed to build new sources of long-term profitability that did not correlate with our Japanese business, notably natural disasters in Japan. We have achieved geographical, business, and product diversification. Through this "global risk diversification" strategy, we have controlled the amount of risk we retain, reduced volatility, and achieved sustainable profit growth.

As a result, even in years plagued by large-scale natural catastrophes or the COVID-19 pandemic, we were able to keep the impact of these events on our business results below 30%.

◯ Effect of Risk Diversification



FY2014 Diversification effect
29%
Post-diversification risk capital
3.1 trillion yen



FY2024 Diversification effect
43%
Post-diversification risk capital
4.3 trillion yen

■ Japan P&C (Underwriting)
■ Japan P&C (Investment)
■ Japan Life
■ International
■ Others

*The amount of risk excluding cross-shareholdings is 5.9 trillion yen before diversification and 3.1 trillion yen after diversification.

Stringent Acquisition Guidelines Emphasizing Cultural Fit

For our company, M&A is a "method" to achieve "global risk diversification" rather than a "goal" in itself. We adhere to "three principles" and execute them with discipline: (1) alignment/fit of culture and management values, (2) consistent, best-in-class profitability, and (3) a unique and robust business model to ensure sustainability. Among these, we consider cultural fit to be the most critical gating item.

We have a market intelligence (MI) function internally that we use to identify deals from various sources. We discuss and scrutinize identified acquisition candidates in the IEC (International Executive Committee), which is composed of group management members. These high-level discussions consider quantitative qualities and economics while using our collective experience and MI to assess cultural fit, business model, and likelihood of deal execution. Candidates passing these high-level checks and where management is open to a discussion go through in-depth, face-to-face discussions with us. During these discussions, both parties must be able to confirm the alignment of management direction and chemistry.

◯ Stringent Acquisition Guidelines

Target (three principles of M&A)
- Cultural fit
- High profitability
- Strong business model

Hurdle Rate
- Capital costs (7%)
- + Risk premiums
- + Country interest rate spread

Business Oversight Respecting the Autonomy and High Growth of Target Companies

The ROI of our large-scale M&As executed so far is a high 21.5%, and I believe it is fair to say that we have "accumulated successes." In addition to the "stringent acquisition guidelines emphasizing cultural fit" that I previously explained, another important factor has been our management approach that respects the autonomy of the acquired companies, our so-called Federated Model. By acquiring companies with strong business models and respecting their autonomy to fully leverage their inherent strengths, we have enabled further growth even after they join our group. This accumulation of successes and reputation has led to subsequent high-quality M&A and a recognition within the deal community that Tokio Marine and its Group companies are highly credible buyers with the skill and knowledge to execute deals professionally. I've experienced this directly in my days as CFO of TMHCC, CEO of TMK, and now in my new role as Co-Head of International Business. I am confident that we can continue this successful approach and further accelerate our profitable growth around the world well into the future.

Forward-Looking Business Divestments

Our company not only "acquires" businesses but also proactively engages in "divesting," deploying the capital and funds generated from these divestments into our remaining businesses either through future acquisitions or investments in organic growth. This approach diversifies risk, manages the volatility of our results, and fosters business growth. It is also healthy to evaluate businesses over time for their fit within the overall portfolio as this can change due to market events or changes in appetite.

During my tenure as CFO at TMHCC and then CEO of TMK, I actively engaged in both numerous bolt-on M&As and dynamically executed portfolio rebalancing through divestments and run-offs. One example of this is the sale of Highland Insurance Solutions in 2022. Highland Insurance Solutions was an insurance agency in the United States that handled construction insurance, which was highly susceptible to natural disasters and subject to revenue and profit volatility. We decided there were other lines of business that more consistently met our return expectations and would fit better with our efforts to diversify the overall portfolio, which had a high concentration of U.S. CAT-exposed business. At the same time, Highland was a solid business, and we expected and ultimately found that other insurers found value and a better fit within their organizations—a win/win for TMK, Highland, and the acquiring company. This was a key part of the portfolio reform I led at TMK that ultimately resulted in higher overall profitability at TMK and less volatility to those results.

The outlook and environmental recognition for current M&A activities are commented on in the CFO's message (see p. 49 for details) regarding our company's policy.

Closing

Our M&A track record and reputation give us the confidence to know we will have a seat at the table for high-quality M&A opportunities when they emerge, which is a unique strength that other companies cannot easily replicate. By incorporating "good companies" that have minimal overlap in customer base and products and low risk correlation, we simultaneously achieve risk diversification and business growth. Conversely, we divest businesses that we determine will not contribute to diversification and/or growth going forward, reallocating the capital and funds to businesses that will further contribute to diversification and stable profit growth. By diligently managing our portfolio in this disciplined way, and evolving our approach in response to environmental changes, we steadily advance our "global risk diversification" strategy. This enables us to control the amount of risk while aiming for sustainable growth and improving the capital efficiency of the entire company.

Global Integrated Group Management

Bringing together global insights to decide and execute important management matters
We will further improve the quality, accuracy, and speed of management decisions through the expansion of overseas directors, enhancement of the Global Committee, and the training and development of the next generation of management personnel.

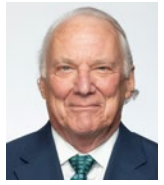
Success of Human Resources with the Right People in the Right Places on a Global Scale

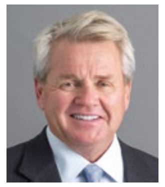
We have used M&A to realize risk diversification and profit growth, but more importantly we believe that our greatest achievement has been to bring in highly specialized and knowledgeable human resources to join our ranks. We acquire companies with cultures that match our own, but by carrying out PMI while respecting the unique culture and autonomy of the acquired companies, our employees become more engaged and motivated without leaving the company. This leads to continual high scores on the Culture & Value Survey (see p. 125 for details). Beyond adding the top management of acquired companies to the head office management team, we provide opportunities for motivated individuals to play a role in the management of the Group as a whole through participation in the Global Committee, as well as in their own roles at their own companies. We are now in the ninth year of such integrated group management, and it continues to evolve and become a unique strength of the company, with the addition of overseas directors and the enhancement of the Global Committee.

Optimized allocation of our talented workforce globally to strengthen integrated group management

By increasing the number of overseas officers and the appointment of chief officers, we will bring together global insight to decide upon and execute important management matters.

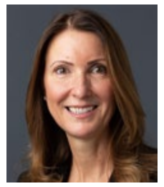
Appointment of Joint Group Leaders


Donald Sherman
Vice President Executive Officer
Co-CIO


Christopher Williams
Co-Head of International Business
(up to March 2024)

Steady Succession


Brad Irick
Managing Executive Officer
Co-Head of International Business


Susan Rivera
Managing Executive Officer
Co-CRSO

Continued support of international business as Chairman of International Business.

Executive Officers


TMSR
José Adalberto Ferrara


PHLY
John Glomb


Group CDIO
Caryn Angelson

Leverage Group Expertise

Deputy CxOs


Legal Affairs
Randy Rinicella


Digital
Gus Aivaliotis


IT
Robert Pick


Insurance Underwriting
Barry Cook


Internal Audit
Dawn Miller

Senior General Managers


Risk Management
Daniel Thomas


Cyber Insurance
Daljitt Barn

Steady Succession and Development of the Next Generation of Management Talent

Our integrated group management will not be discontinued in the so-called "first generation." Developing the next generation of management talent and passing the baton is important, and we are executing this with great care. Specifically, we established the Tokio Marine Group Leadership Institute (TLI) in April 2023, and the Group CEO was appointed as its first president (see p. 62 for details). TLI is positioned as a central hub for the development of group management leaders, and our domestic and international management teams are committed to collecting wisdom from around the world to develop human resources that are highly competitive in the global marketplace. TLI's mission is not limited to training but also serves as the cornerstone of the human resource development organization, linking recruitment, capacity development, evaluation, and placement throughout the entire Group, while aiming to produce a stable and continuous stream of human resources who will be responsible for the next generation of integrated group management.

The talent that contributes to global integrated group management at the TMHCC and at the Group level

The drive to improve and elevate management quality is an important theme for any company or group, regardless of time or place.

At Tokio Marine HCC (TMHCC), we have strengthened our management and enhanced its quality through the contributions of talent that has joined us over the years through acquisition, new greenfield operations, or other. These talents are now playing roles not only within TMHCC but also across the Tokio Marine Group. We genuinely feel that we are helping advance and progress the operating performance of the entire Group by playing an integral part in our "global integrated group management."

For example, former CEO of TMHCC, Chris Williams, has been leading the international business as the Co-Head of International Business. Brad Irick, who took over this position in April, transitioned from being the CFO of TMHCC to the CEO of Tokio Marine Kiln, contributing to the company's transformation and profit improvement. Randy Rinicella, as Deputy CLCO, Barry Cook, as Deputy CRSO, and Dawn Miller, as Deputy CAO, are also utilizing their accumulated expertise at the Group level.

I, myself, have been appointed as the Co-CRSO, and I am excited and challenged by the opportunity to make significant contributions not only within TMHCC but also globally at the Group level. It is truly rewarding.

The learning and know-how we have cultivated as a global leader in specialty insurance are being widely disseminated within the Group, creating synergies and advancing best practices. For example, TMHCC's expertise in bolt-on acquisitions has been standardized by Tokio Marine Holdings and applied as guidelines to other Group companies. This can indeed be called an "accumulation of global insights."

Moving forward, we aim to support and contribute to the evolution of our "global integrated group management," achieving further growth as both TMHCC and the Tokio Marine Group.


Managing Executive Officer
Co-CRSO
CEO of TMHCC Insurance Holdings, Inc.
Susan Rivera

Global Integrated Group Management

Creating Group Synergy by Utilizing the Capabilities of the Group

Each of the Group companies is further refining its strengths and accelerating growth by thoroughly utilizing the Group's capacities, such as product lineups, underwriting capacity, and sales network. The results of these efforts take the form of Group synergy in the four areas of revenue (premium growth), investment (investment income growth), capita (optimization of in-force ceded reinsurance), and cost (cost reduction), resulting in an annual profit contribution of approximately $620 million. If this profit were to be realized through acquisitions, assuming an average PER of 12x for North American P&C, the simple calculation would be to acquire a company worth in excess of 1 trillion yen. We have realized this significant value at "no additional cost," and this is one of our strengths that we intend to continue to develop in the future.

Examples of synergies include not only the expansion of cross-selling (revenue) by utilizing a diversified product lineup and global sales network but also the expansion of investment income (investment) by outsourcing asset management to DFG, which has advanced expertise in asset management; the optimization of in-force ceded reinsurance (capital) including the utilization of underwriting capacity; and the joint purchase of systems (cost). For example, revenue synergies have increased to approximately $900 million on an underwriting premium basis.

Our Group synergy, which is one of our unique strengths, has been steadily expanding as a result of our integrated group management, and we will further accelerate it in the future to raise the level of the entire Group.

Group synergies

Revenue
Leverage our global network

Investment
Leverage DFG's asset management capabilities

Group Synergies
Annual profit contribution:
USD 618 mn
(Dec. 31, 2023)

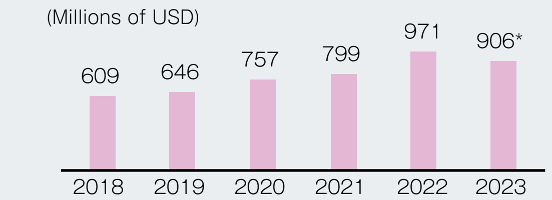
Capital
Optimize retention/reinsurance at the Group level

Cost
Leverage Group resources and economies of scale

Example of revenue synergies

Cross-Selling	Cross-sell to customers in other Group entities
Joint Approach	Joint approach for mega-events and large corporations
Regional Expansion	Lateral expansion of specialty products
Strategic Use of Group Assets	Leverage Group capital, intellectual/human capital, and network

Revenue synergy (DWP)



*: DWP rose year on year excluding the impact of the loss of synergy from specific projects due to the sale of Highland in 2022 (see p. 29).

"Corporate Culture" Supporting Integrated Group Management

Another important key to promoting integrated group management is the development of a corporate culture that supports the realization of the purpose. To ensure that the more than 40,000 Group employees around the world are able to solve problems with enthusiasm and a sense of unity, it is important to have a cross-functional culture that unites diverse human resources as a team. At our company, the Group CEO takes the lead as the Group Chief Culture Officer (CCO) in our efforts to spread the purpose. By asking, "what is our business for?," it provides an opportunity for each one of us to reaffirm the significance of our work, to think about our company's purpose, such as how our work contributes to and what we need to do to better solve the problems of our customers and society. In addition, we will regularly send out video messages detailing management's ideas and thoughts on the company's purpose and culture. We also hold "Majikirakai" meetings, where serious discussions transcending divisions and positions can be held in a relaxed and casual manner. By steadily continuing such initiatives that integrate the management and the workplace, we aim to become a company that is globally second to none in terms of enthusiasm and sense of unity, with the company's purpose well known throughout the world.

Tokio Marine Group Purpose
"To protect customers and society in their times of need."

"Majikirakai" meetings

We have set up opportunities for dialogue across hierarchical levels to discuss serious topics in an easygoing manner in various parts of the country and abroad. The Group CEO also participates to discuss the company's purpose.

Message from the Group CEO

In addition to streaming video messages from the Group CEO, we solicit feedback from employees and implement interactive communication.

Tokio Marine Group Awards

The Group CCO recognizes individual and organizational initiatives that embody the spirit of the Tokio Marine Group.

Dissemination of initiatives by domestic and overseas Group companies

We are working to spread the company's purpose across the Group by disseminating initiatives through internal newsletters and producing and releasing one-minute videos.

Enhancement of Human Capital, Intellectual Capital, and Social Capital

We will continue to refine our internal capital (human and intellectual) and broaden the areas in which we provide value through collaborative creation with social capital (our various external partners).

Enhancement and Utilization of Human Capital

The Group is further enhancing its strength in people through human capital management to expand the value we create.

We will maximize our human capital and link it to sustainable value creation through the implementation of various human resource policies in the areas of "human resources" and "corporate culture," which form the foundation of our business activities (see pp. 60–63).

Human capital as the basis of management (Input)

- Approximately 44,000 employees from 44 countries and regions
- Roles and opportunities that contribute to growth
- Employees with high engagement
- Competitive benefits

Human resource strategy to support integrated group management (measures to strengthen human capital)

"People" Supporting Integrated Group Management
- Strengthen Group management systems: Build a management structure that strongly promotes integrated group management
- Build a strategically consistent talent portfolio: Recruitment, training, and optimal assignment of human resources necessary for the execution of management strategies

"Corporate Culture" Supporting Integrated Group Management
- Foster a sense of Group unity: Realization of "One Team" that connects diverse human resources
- Enhance engagement: Realization of an organization where each employee is motivated and works energetically in a healthy manner

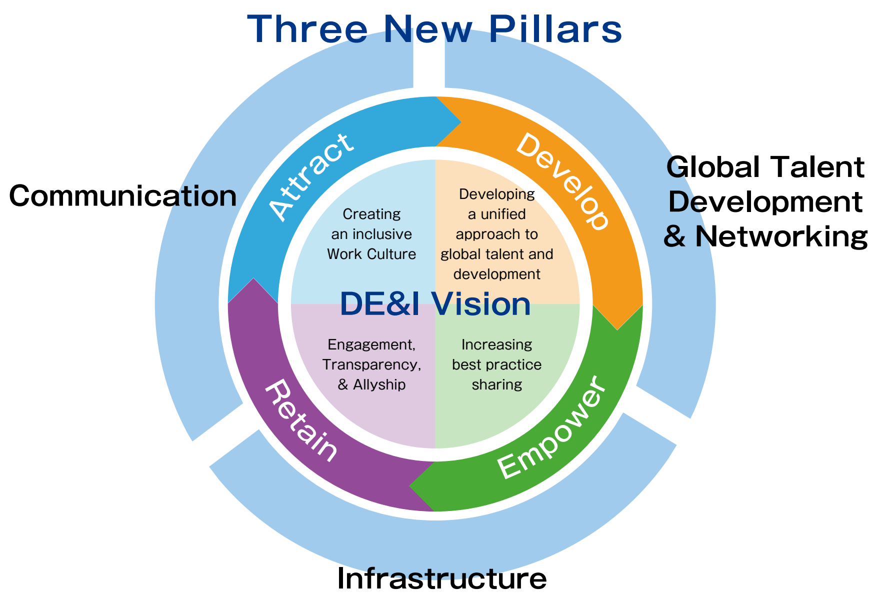
Value Created (Outcome)

- The Society We Aim to Create: A Sustainable Society in Which Everyone Can Live in Safety and Security and Take on Any Challenge
- The Group We Aspire to Be: A Global Insurance Group That Delivers Sustainable Growth by Providing Safety and Security to Customers Worldwide

◯ Promotion of DE&I

In an age of rapid and constant change and uncertainty, the Group promotes DE&I placing it at the center of its growth strategy.

We are promoting various initiatives to develop human resource systems, policies, and work environments that enable all employees to maximize their potential. The aim is to create synergies and innovation on a global and Group scale, diversify the decision-making structure, and improve the engagement of global human resources.



Enhancement and Utilization of Intellectual Capital

We will position the digital technology and the data held by the Tokio Marine Group as important intellectual property and intangible assets as a source of competitiveness, and aim to achieve synergies on a global basis to transform ourselves into a new insurance company and create value (see pp. 64–67).

Intellectual Capital as the Basis of Management (Input)

Proprietary risk data platform
- Disaster prevention and mitigation
- Healthcare
- Mobility
- Cyber

etc.

Creation of digital-enabled innovation (enhancement and utilization of intellectual capital)

Creation of solution businesses "Transformation of providing value"
- Comprehensive disaster prevention and mitigation solutions business / Mobility solutions business
- Creation and search for new solution businesses

Realization of new business model "Transformation of business structures"
- Enhancement of Group-wide AI/data utilization / Formulation and enhancement of AI data governance
- Digital marketing / Business process transformation

Strategic investments, DX human resource development/acquisition, global digital synergies

Enhancement through co-creation with social capital

Value Created (Outcome)

- Aim to realize an even better society by encouraging behavioral change among customers and local communities based on risk visualization and future projections, etc.
- Aim to evolve into a company thatcan always be there for support, beyond the payment of insurance claims

Enhancement and Utilization of Social Capital (co-creation)

In addition to the payment of insurance claims, we will provide products and services that lead to peace of mind and safety both before and after an accident or disaster, thereby promoting the realization of the Group's purpose of supporting our customers and society in their times of need.

To achieve this, we believe it is important to co-create and collaborate with external partners as well as with our own Group, and in the field of disaster prevention and mitigation, where we are particularly stepping up efforts in the areas of pre- and post-disaster management, more than 100 partners share their know-how with each other through the disaster prevention consortium CORE, and are focusing on creating new businesses. There are actual cases of commercialization resulting in solution businesses (see pp. 64–67).

Disaster prevention consortium CORE

Since its establishment in 2021, we have set up 10 working groups to discuss and aim for the realization of creating new services and market development that promote new approaches to disaster prevention and mitigation. (The photo shows a general meeting.)

Specific examples of solution creation

"Real-time hazard*," for which solution development was completed by one of the working groups, has been launched as a new service by Tokio Marine Resilience.

*: A service that can immediately detect flood damage using a flood sensor (made by OYO Corporation) and a cloud surveillance camera (made by Safie Inc.)

Hazard mapping sensor "KAN SWITCH" (flood sensor) + Cloud camera with LTE "Safie Go" + Email alerts

Enhancement of Governance

Further utilization of external perspectives on internal control and governance

Our Company has continually strived to improve our corporate value by maintaining a robust internal control system for Tokio Marine Group. Our internal control is based on the "Basic Policy for Internal Control", which covers areas such as business management, compliance, risk management, internal audit, and audit by the Audit & Supervisory Board. Furthermore, we have monitored the operating status and continuous implementation of the internal control system, and the Board of Directors have confirmed the status based on the report and recommendations from the Internal Control Committee, a committee of the Board of Directors.

However, in response to incidents at domestic group companies such as price-fixing of corporate insurance premiums and governance-related incidents at overseas group companies, we have determined that it is necessary to further strengthen our internal control system and our internal audit functions. The new "Group Audit Committee", which will be established on April 1st, 2024, will bring in external perspectives to strengthen the supervisory function of the Board of Directors.

In addition to our company's internal members, Haruka Matsuyama, an independent director of our Company, is appointed as the chairperson of the "Group Audit Committee". The committee will examine the business processes and culture of Tokio Marine Holdings, as well as that of our group companies, from an external perspective independent from company management. This will include identification of discrepancies from cultural norms in society.

The existing "Internal Control Committee" has focused on deliberations regarding the internal control system as a whole. The Group Audit Committee will expand the scope of deliberations to individual incidents. The committee will confirm the appropriateness of each group company's preventative measures and consider the need for preventive actions at other group companies and any necessary action at the group level.

At Group Audit Committee meetings held in May and July, lively discussions were held on the Tokio Marine Group's governance issues and appropriate measures from an external perspective. These discussions were based on specific themes, such as the "reexamination of common sense" to identify gaps with common sense in society in terms of business processes and cultures; learning from other companies' cases to "draw a lesson"; and the sharing of learning from cases at individual companies within the Group.

As for the "reexamination of common sense," based on the analysis of employees' comments on the corporate culture published in career change websites and the results of interviews with mid-career employees of TMNF, we examined the corporate culture and business model, including relationships with agencies, from an external perspective as well, and discussed issues in the Tokio Marine Group's business processes. In addition, we will analyze misconduct that has occurred at other companies and in other industries, which will "draw a lesson," and discuss the impact if the same thing was to happen in the Tokio Marine Group and the status of our response. This will lead to the further strengthening of the internal control system and governance on a Group basis. Individual themes include IT governance and risk management for high-risk legacy system replacement projects, and measures to strengthen communication between overseas subsidiaries and the headquarters.

In the future, we will continue to examine these issues from the perspective of group management more broadly and continuously through discussions and deliberations by the Group Audit Committee. We will further strengthen and enhance our internal control system and internal audit function to take proactive measures. With both governance and execution, we will strive to spread the company's purpose, build a system to understand risks, and foster a risk culture to achieve a good balance between growth and governance.

We will work together as one to restore the trust of our customers and all other members of society and to enhance our corporate value.

(Reference) pp. 98-101 Contribution of the Board of Directors to Governance Issues and the Essentials of Global Management
p. 118 Internal Control System

◯ Issue Analysis and Actions as TMHD

Issue Analysis of Incidents from a Group Management Perspective

TMHD Involvement in Group Company Operations	• The expansion and diversification of our global business has potentially led to a variance in the implementation of internal controls in each business. There is the potential need for HD to be further involved
Utilization of External Perspectives and Expertise	• While we have been developing and strengthening various frameworks there is the opportunity for us to more effectively utilize external perspectives and expertise

Specific Measures to Address Identified Issues to Strengthen and Enhance Internal Controls and Governance. Identified as a Key Group Strategy in the Next Mid-Term Plan

Each initiative entity has defined its challenges and moves, and is proceeding with the initiatives as announced at the IR presentation in November 2023.

TMHD (Enhanced Framework)

Challenges	State of progress (as of July 2024)
Further utilization of external perspectives and expertise on internal controls and governance	[Utilization of external perspectives] ■ Established "Group Audit Committee" in April 2024. External members including the Chair comprise majority of the Committee ■ Utilize "external perspectives" to review the appropriateness of our business process, culture etc.
Recruitment in addition to further internal development of industry leading experts to implement enhanced governance measures, including those listed below	[Utilization of industry leading experts] ■ Continue recruitment / development of experts for risk management, legal & compliance, internal audit etc., and promote further utilization across group companies

Domestic Group Companies

Challenges	State of progress (as of July 2024)
Better leverage "specialized resources and knowledge sharing" from TMHD functions (including governance-related) to enhance and strengthen those functions at the group company level	[Consolidate governance functions, enhance internal audit] ■ Consolidation of governance functions such as the second and third lines of group companies for further direct instruction / supervision by TMHD ■ Enhancement of direct audit by TMHD (conducted as necessary from FY2024)

International Group Companies

Challenges	State of progress (as of July 2024)
Enhance internal controls aligned with the maturity level of each group company and provide Group Company support (resource sharing, training and secondment etc.)	[Enhance internal control and further supports aligned with the maturity level of each group company] ■ Completed the formulation of action plans after evaluating the framework of each group company, and in the process of monitoring its progress. Promote enhancement of group companies' framework thorough the PDCA cycle

Inspiring Confidence. Accelerating Progress.

Protecting our customers and society in their times of need

Since the company’s founding in 1879, we have used this purpose as a starting point to contribute to solving various societal issues that change with the times. By helping our customers and society take the “next step,” we have been able to achieve sustained and long-term growth.

The business environment and societal issues surrounding our company are changing, expanding, and becoming more complex at an unprecedented pace, but by continuing to solve such challenges in an innovative manner through both “insurance” and “solutions,” we will always protect our customers and society in their times of need.

We are contributing to creating a better tomorrow and we are here to help all people and companies who are ready to take the “next step.” This effort is ongoing and perpetual. We are still midway through “our journey of growth” and will continue to serve our customers and society while overcoming adverse changes in our business environment.

Our Progress in Solving Societal Issues and Achieving Sustainable Growth

Since the company's founding in 1879, we have achieved sustainable, long-term growth by contributing to solving societal issues through our business activities, based on our purpose of "protecting our customers and society in their times of need."

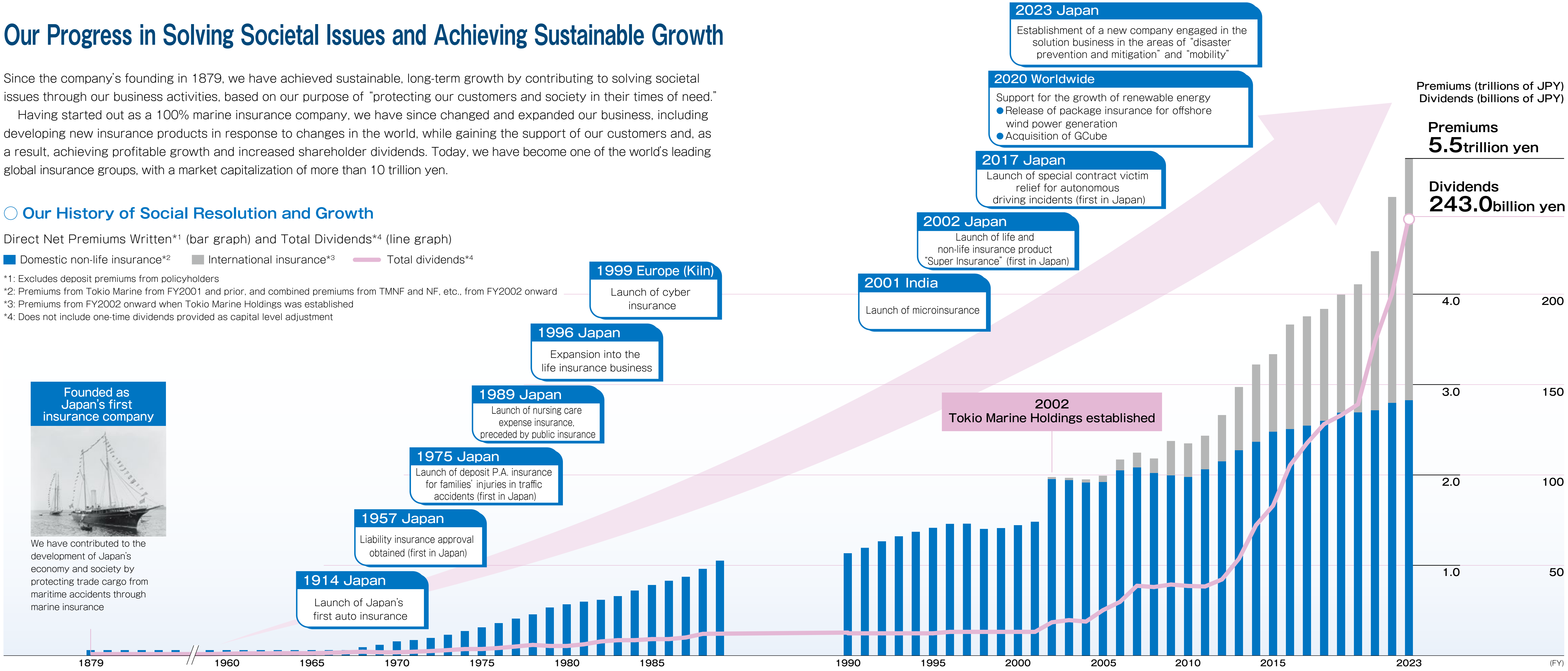
Having started out as a 100% marine insurance company, we have since changed and expanded our business, including developing new insurance products in response to changes in the world, while gaining the support of our customers and, as a result, achieving profitable growth and increased shareholder dividends. Today, we have become one of the world's leading global insurance groups, with a market capitalization of more than 10 trillion yen.

Our History of Social Resolution and Growth

Direct Net Premiums Written*1 (bar graph) and Total Dividends*4 (line graph)

Domestic non-life insurance*2 | International insurance*3 | Total dividends*4

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

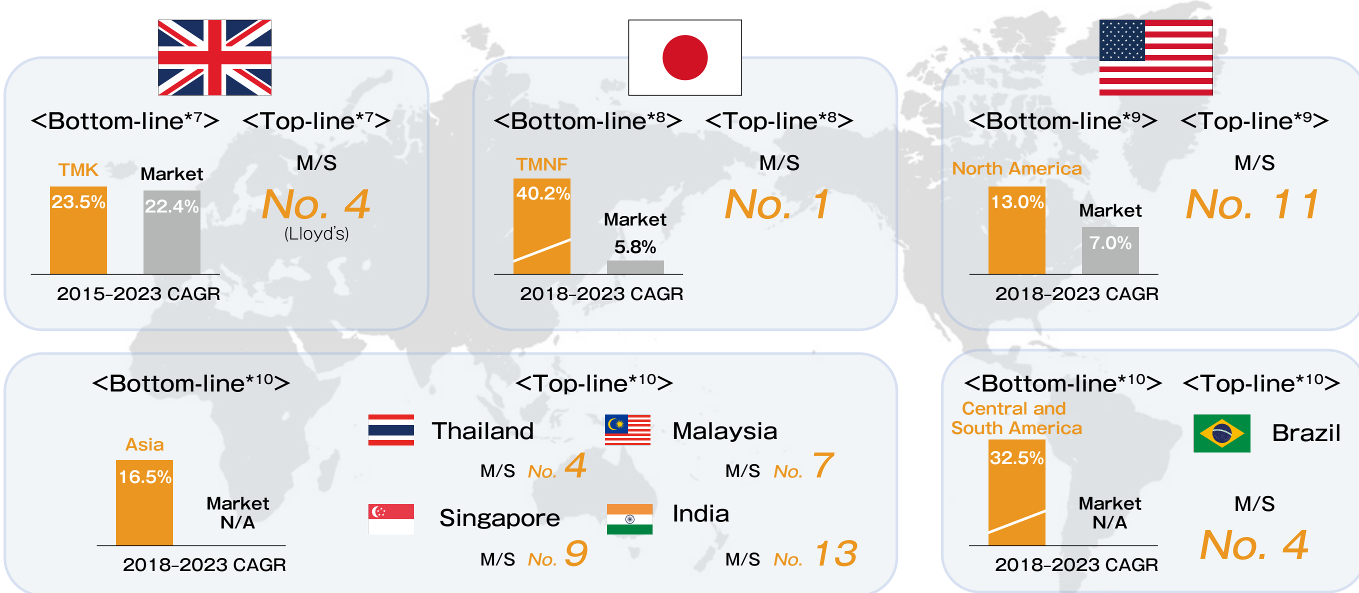


Leading Global Insurance Company

Non-Life Insurance Profit Ranking (billions of JPY)		
Ranking	Company name	Profit*5,6
1	Allianz	1,251.4
2	Chubb	1,036.2
3	AXA	992.7
4	Zurich	691.6
5	China Pacific Insurance	636.6
6	Progressive Corporation	589.4
7	People's Insurance Company Group of China	520.7
8	Tokio Marine Holdings, Inc.	510.9
9	Travelers	486.2
10	Allstate	432.8

Non-Life Insurance Market Capitalization Ranking (billions of JPY)		
Ranking	Company name	Market capitalization*6
1	Progressive Corporation	19,568.3
2	Allianz	17,501.3
3	Chubb	16,660.5
4	Zurich	12,552.8
5	AXA	11,968.1
6	Tokio Marine Holdings, Inc.	11,877.9
7	AIG	7,925.2
8	Travelers	7,489.7
9	Allstate	6,777.7
10	Arch Capital Group	6,093.6

Source: Profit Ranking: Factset; Market Capitalization Ranking: Bloomberg



*5: Adjusted net income is shown for Tokio Marine Holdings, and average net income on a financial accounting basis (IFRS, USGAAP, etc.) from FY2019 to FY2023 is shown for others.
*6: As of June 30, 2024
*7: Bottom line: Tokio Marine's local financial accounting profits and the market's net income on a financial accounting basis for all Lloyd's companies.
Source: Lloyd's Annual Report
Top line: FY2023 GWP base Source: S&P Capital IQ

*8: Bottom line: Tokio Marine Holdings' business unit profits and the market's net income on a financial accounting basis for members of The General Insurance Association of Japan.
Source: The General Insurance Association of Japan HP
Top line: FY2023 NWP base Source: Public documents from various companies

*9: Bottom line: Tokio Marine's local financial accounting profits and the market's net income on a financial accounting basis for North American damage insurance.
Source: S&P Capital IQ
Top line: FY2023 DWP base, North American damage insurance commercial event.
Source: S&P Capital IQ

*10: Bottom line: Tokio Marine's business unit profits. The market is not listed as there is no data.
Top line: FY2023 GWP base
Sources: AXCO, IRDAI, IPRB, SUSEP, Swiss Re, and FSCA (Financial Sector Conduct Authority)

Continuing to Address Societal Issues: The Tokio Marine Group Today

As a result of continuously addressing societal issues, Tokio Marine has grown into a world-class insurance company. We aim to realize a sustainable society in which everyone can live in safety and security and take on any challenge. Our efforts to solve societal issues through business activities are accelerating globally across all Tokio Marine Group companies.

Promoting climate action

GCube

Promoting the Adoption of Renewable Energy

As a result of the global shift toward decarbonization and improving the efficiency of power supply through renewable energy, underwriting insurance for renewable energy generation facilities requires high levels of underwriting and claims services capabilities. GCube leverages 30 years of accumulated loss data since its founding to conduct accurate risk assessments and calculate appropriate insurance premiums.

Utilizing GCube's expertise, we provide insurance support to eight of the world's top 10 companies in the renewable energy industry, covering more than 2,000 projects across 38 countries.

Improving disaster resilience

Tokio Marine Resilience

Establishment of Tokio Marine Resilience Co., Ltd.

To advance our comprehensive disaster prevention and mitigation solutions, we established this new company in November 2023.

The company will provide extensive solutions including disaster risk visualization, disaster prevention measures, evacuation, early recovery, and recurrence prevention.

Estimated target market: JPY 1.5 tn (from 2030 onward)

Pure

Situation Room (Crisis Management Center)

The PURE Group has established a Situation Room (Crisis Management Center) to continuously monitor highly precise weather information and online sources such as news and social media to accurately identify natural phenomena with the potential of causing damage to customers.

Since 2020, the Situation Room has meticulously scrutinized 2,400 wildfire warnings issued by local governments and dispatched partner fire brigades to approximately 100 wildfire locations across 12 states, ensuring a swift response to disasters.

TMNF

Rapid Response System for Nat Cats

TMNF swiftly establishes backup offices (insurance claim centers) and local disaster response and satellite offices (temporary offices set up in affected areas to assess damage) in the event of a large-scale disaster, ensuring preparedness for the initial response. In addition, TMNF's IT system network enables real-time information sharing and coordination across all nationwide offices, creating a system that allows seamless support even from remote locations.

In addition to on-site support from dispatched employees, surveyors, and adjusters, TMNF leverages digital technology and AI to facilitate early insurance claims payments, mobilizing the entire company for a swift response.

Number of Support Staff Dispatched (Total)

2022 typhoons (No. 14 (Nanmadol) & No. 15 (Talas)):	Approx. 550 people
2023 hail damage (July, Northern Kanto):	Approx. 300 people
Noto Peninsula earthquake:	Approx. 2,300 people

Supporting healthy and spiritually rich living

TMNF and TMNL

Support for Well-Being Management in SMEs

Focusing on the common issue of labor shortages faced by many businesses, TMNF and TMNL have developed support measures to enhance employee well-being and productivity, which are crucial for securing and retaining talent. Specifically, this involves conducting surveys for employees at companies to visualize each company's challenges and providing support for solutions, such as proposing Group Long-Term Disability (GLTD) options and organizing free seminars.

Since its release in October 2023, approximately 1,800 companies have applied for the service. In response to feedback from users, enhancements have been made, including the addition of a benchmarking comparison feature with other companies.

Reliance Standard Life

Support Employees on Leave and Their Company

Reliance Standard Life Insurance Company (RSL) offers long-term and short-term disability insurance to support companies and employees on leave, with premium income for fiscal 2023 expanding 11% year on year.

In the United States, where leave policies vary by state, are complex, and are subject to regular changes, RSL's group company, Matrix, utilizes digital technology to ensure employees understand their company's leave policies accurately and can take leave without concern. Matrix also supports companies in establishing internal systems that facilitate smooth operations.

By differentiating with unique services not offered by other companies, RSL supports employees in maintaining healthy and effective work practices.

TMHCC

Contribution to SMEs

In the United States, guarantee insurance is required for all types of businesses. However, due to the cautious stance of many private insurers toward underwriting guarantee insurance for SMEs, the government leads the operation of guarantee insurance programs.

TMHCC has participated in guarantee insurance programs managed by the Small Business Administration (SBA) for more than 20 years and has received the top rating for underwriting performance since fiscal 2022, contributing to the sustainable operations of SMEs.

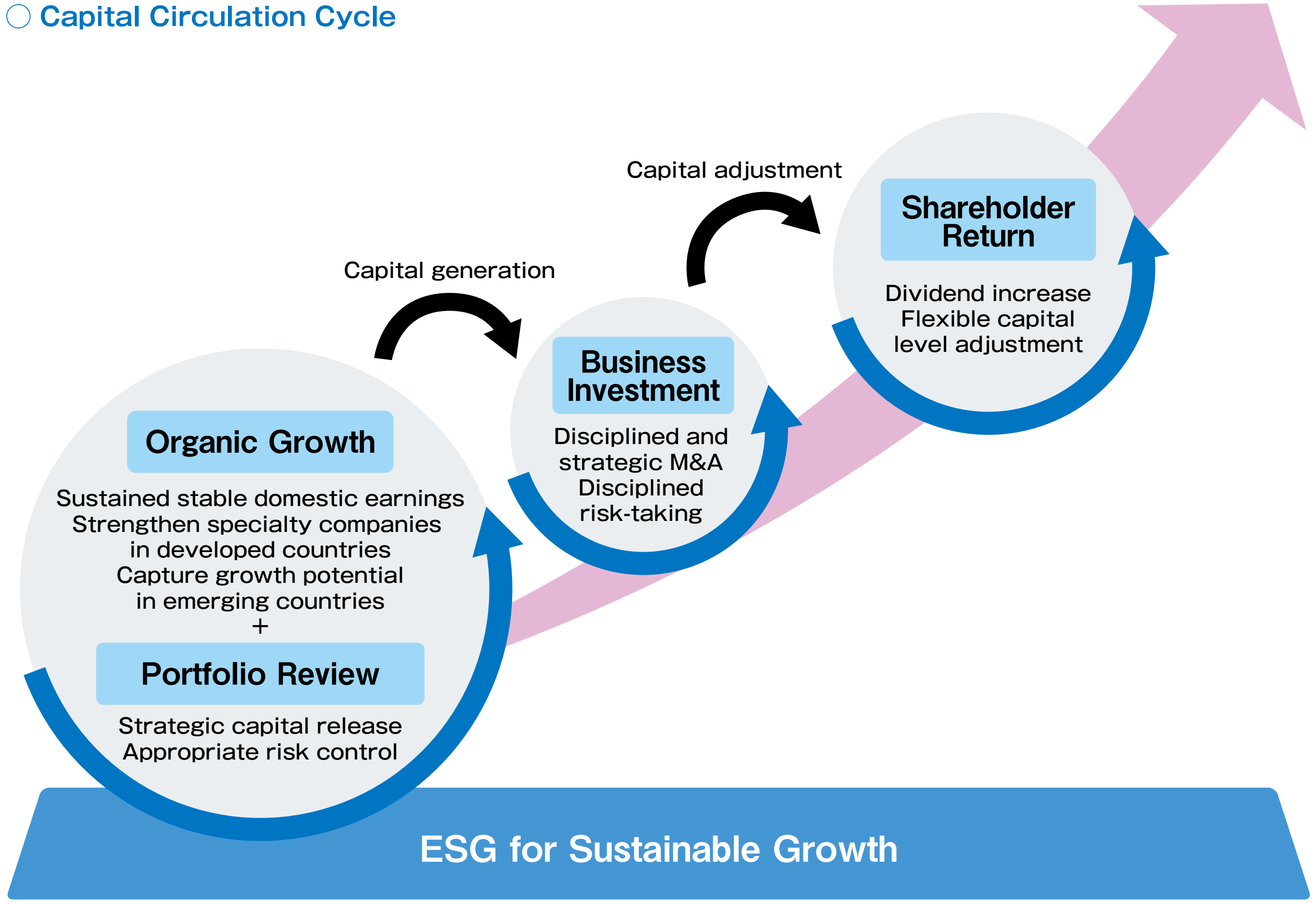
Continue to achieve top-tier EPS growth and aim to raise ROE further to a level of global peers through implementing a disciplined capital policy.

Kenji Okada
Senior Managing Director
Chief Financial Officer (CFO)

Our long-term aspiration is to continue achieving "top-tier EPS growth" through sustained strong profit expansion in both insurance underwriting and asset management. In addition, we aim to raise our ROE to a level of global peers by implementing a disciplined capital policy (capital circulation cycle).

Specifically, we will implement a three-pronged approach. First, we will strategically review our portfolio based on organic growth to generate capital and funds. Second, we will allocate these resources to strong business investments. Third, if no favorable investment opportunities arise, we will prioritize returning capital to shareholders, aiming to enhance ROE while maintaining a balanced capital circulation cycle. This approach will be continued in our new Mid-Term Business Plan starting in fiscal 2024. In the following sections, I will provide a comprehensive explanation of our capital policy, with a focus on the new Mid-Term Business Plan.

○ Capital Circulation Cycle



Mid-Term Business Plan 2026 -Inspiring confidence. Accelerating progress.-

I will begin by outlining the qualitative aspects of our strategy for the Mid-Term Business Plan 2026—"Inspiring confidence. Accelerating progress."—which commenced in fiscal 2024.

In the past, we have based the development of our mid-term business plans on a review of the current plan and recognition of its challenges, then formulated key strategies and measures for the next plan. However, the business environment surrounding us is undergoing rapid changes, and our operations could be more significantly impacted than ever before. In this context, particularly from the perspective of "growth," there was a concern that continuing with existing strategies and initiatives might not adequately address future environmental changes. Therefore, in developing the new Mid-Term Business Plan, we adopted a backcasting approach.

In concrete terms, we analyzed medium- to long-term changes in the business environment and, based on that analysis, envisioned "Our Long-term Aspiration 2035" for the Tokio Marine Group. We then examined what actions are necessary over the next three years to achieve that vision and developed our plan accordingly. In addition, we considered which issues need to be prioritized in the current context and identified further strengthening of discipline as one of the key strategies for the new Mid-Term Business Plan. First, I will explain the "3 Pillars" of "Growth" and the "2 Pillars" of "Discipline" that are central to the "Group Major Strategies."

"Our Long-term Aspiration 2035" in response to changes in the business environment

"A partner that continuously provides innovative solutions" to the issues/risks of our customers and society

"Group Core Strategies" we continue to promote	"Group Major Strategies" in the new MTP (2024-2026)
Global Risk Diversification (pp. 28, 29)	"3 Pillars" of "Growth" ❶ Drastic expansion of domains where we can deliver our value ❷ Diversification of distribution model ❸ Extensive improvement of productivity
Global Integrated Group Management (pp. 30-33)	"2 Pillars" of "Discipline" ❶ Strengthening and improvement of internal controls/governance ❷ Enhancement of business portfolio and capital management

Group Major Strategies in the New MTP

As the business environment evolves more rapidly than ever—due to factors such as technological advancements and the increasing severity of natural disasters—existing auto and fire insurance profitability could be impacted. Moreover, there are growing opportunities and needs for new solutions and coverage for emerging societal issues and risks. To continue fulfilling our purpose in this changing landscape, we must diversify our revenue sources further to achieve growth beyond our previous trajectory while also strengthening governance at the Group level. Recognizing the need to balance growth and governance at a high level, we have established "growth" and "discipline" as the central pillars of our major strategies in the new MTP.

"3 Pillars" of "Growth"

Given the rapidly changing business environment, we aim to achieve sustainable profit growth by (1) dramatically expanding the domains where we deliver our value, (2) providing this value through a highly specialized and diverse distribution model to ensure we are chosen by customers, and (3) extensively improving productivity.

(1) Drastic expansion of domains where we can deliver our value

- Accurately analyze customer risks and needs and develop and provide optimal insurance products while also creating and offering new solutions beyond insurance (pp. 18, 19)

(2) Diversification of distribution model

- Expand and develop a highly specialized sales system
- Build new direct models and expand initiatives such as embedded insurance that meet customer needs

(3) Extensive improvement of productivity

- Develop a highly productive sales model utilizing digital tools and AI
- Reduce costs and optimize operations

"2 Pillars" of "Discipline"

Based on the series of incidents that occurred during the previous MTP, we will strengthen our internal controls and governance at the Group level while continuing to enhance disciplined management of our business portfolio and capital.

(1) Strengthening and improvement of internal controls/governance

- Further utilize external perspectives on internal controls and governance
- Recruit and bolster experts for implementing governance improvements
- Promote the consolidation of headquarters functions across domestic Group companies
- Strengthen internal control functions at overseas Group companies based on their maturity level, and advance Group-wide support through consolidation of common functions and personnel deployment, etc.

(2) Enhancement of business portfolio and capital management

- Strengthen disciplined underwriting, including rate and product revisions, and enhance reinsurance policies
- Continuously review existing businesses and execute disciplined "In/Out" strategies (p. 57)

KPI Targets under the New MTP*1

Next, I will outline the quantitative goals and KPI targets for the new MTP. We have consistently achieved top-tier EPS growth while managing volatility, and we will continue this through the implementation of our "Group Core Strategies" and "Group Major Strategies" under the plan. Specifically, the EPS growth target of the plan is a CAGR of +8% or more, excluding gains from the sale of business-related equities, which we continue to recognize as world top tier. 8% EPS growth will be driven by a CAGR of +7% or more profit growth with an additional +1–2% from share buybacks. Furthermore, the target for adjusted ROE in fiscal 2026is set at 14% or more, excluding gains from the sale of business-related equities.

The drivers of our growth remain unchanged: a globally diversified and robust underwriting portfolio and strong investment returns leveraging its predictable insurance cashflows (AUM) which together constitute a solid basis for organic growth. Specifically, for the Japan P&C business, we plan for a CAGR of +5% or more through improvements in auto and fire insurance profitability, expansion of specialty insurance products, and further operational efficiency. For the international business, we aim for a CAGR of +5% or more through balanced growth in underwriting and investment focusing on developed markets. It is important to note that the performance of the international business in fiscal 2023, the launch year of the new MTP, includes significant gains from the takedown of prior-year loss reserves, which are not factored into the plan. Excluding these reserves, the international business is expected to achieve a CAGR of +7% or more. Our plan aims for balanced growth across our top-tier regional insurance businesses, leveraging strengths in each area to achieve organic growth comparable to our peers (see pp. 129–143 for details).

In addition, the strong base profit from organic growth will be significantly enhanced by accelerating the sale of business-related equities. As a result, the projected overall EPS growth will be CAGR of +16% or more, while the adjusted ROE is expected to be 20% or more. Given the high level of interest in business-related equity sales, I will provide a detailed explanation in the following section.

KPI	Target
Adjusted EPS	CAGR*2 +8% or more (Incl. capital gains from sale of business-related equities +16% or more)
=	
Adjusted net income	CAGR*2 +7% or more (Incl. capital gains from sale of business-related equities +15% or more)
+	
Share buybacks*3	+1%–2%
Adjusted ROE	14% or more (Incl. capital gains from sale of business-related equities 20% or more)

*1: The KPIs are based on the current definitions.
*2: CAGR compared to fiscal 2023, the starting point for the new MTP. For adjusted EPS, adjusted net income, and business unit profits for fiscal 2023, the figures are on a normalized basis (adjusted for Nat Cats to an average annual level and excluding capital gains from the sale of business-related equities and capital gains/losses in North American, etc.).
*3: Effect of share buybacks on EPS growth

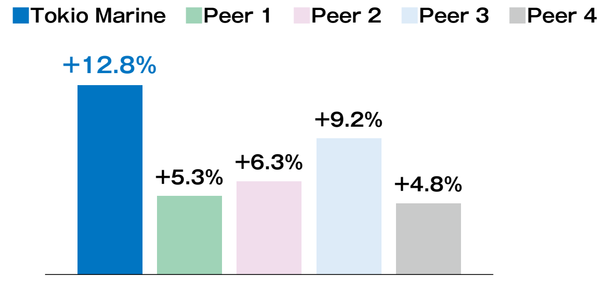
◯ KPI Targets by Business Unit Profits*1

Adjusted net income		CAGR*2 +7% or more (Incl. capital gains from sale of business-related equities +15% or more)
Business Unit Profits	Japan P&C*3	CAGR*2 +5% or more (pp. 130–135)
	Japan Life*4	CAGR*2 +3% or more (p. 136)
	International*5	CAGR*2 +5% or more (Excl. prior-year reserves: +7% or more) (pp. 137–143)
	The impact of absence of negative FX effect*6 for Japan P&C included in the base figure for MTP in fiscal 2023: c. +JPY46.0bn.	

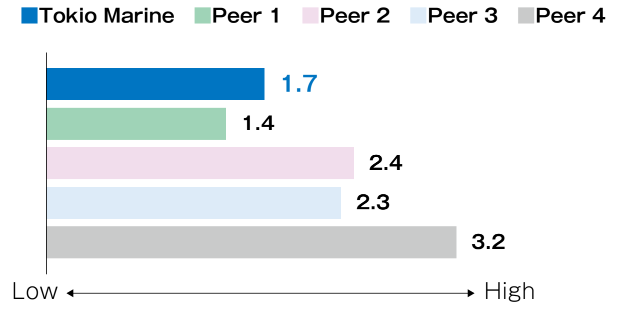
*1: The KPIs are based on the current definitions.
*2: CAGR compared to fiscal 2023, the starting point for the new MTP. For adjusted EPS, adjusted net income, and business unit profits for fiscal 2023, the figures are on a normalized basis (adjusted for Nat Cats to an average annual level and excluding capital gains from the sale of business-related equities and capital gains/losses in North American, etc.).
*3: Japan P&C = TMNF, excluding FX effects
*4: Japan Life = TMNL
*5: Excluding FX effects
*6: Increase in provision for foreign currency denominated loss reserves and losses on foreign exchange derivatives at TMNF due to depreciation of the yen in fiscal 2023

◯ (Reference) Track Record of Stable EPS Growth

EPS Growth (2013–2023 CAGR)



EPS Growth Volatility (2013–2023)



EPS: Profit in the numerator is adjusted net income for Tokio Marine Holdings and KPI-based profit for peers
Volatility: Coefficient of variation
Peers: Allianz, AXA, Chubb, Zurich
Source: Company disclosures, Bloomberg

Elimination of Business-Related Equities*1

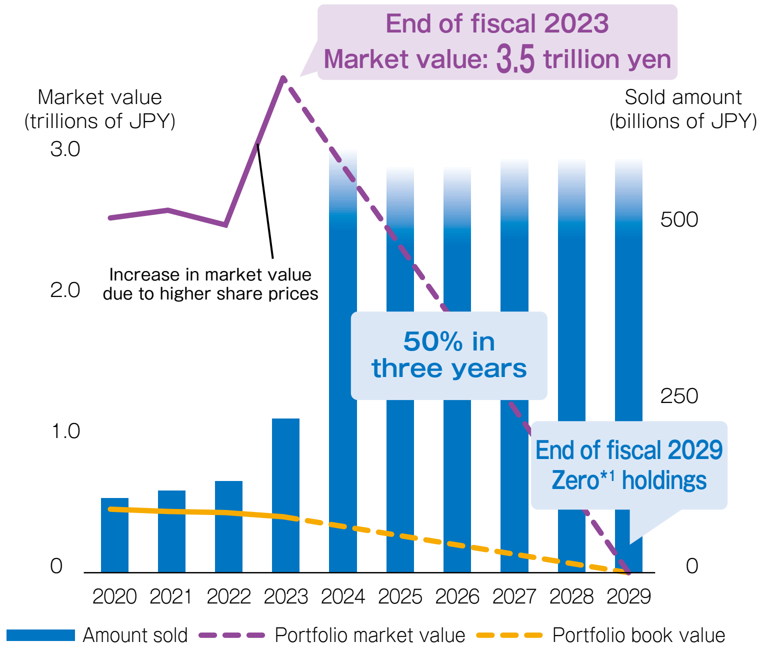
For more than 20 years, we have been selling business-related equities and reallocating the released capital into high-quality investments to boost ROE as well as M&A and risk-taking activities, which has contributed to profit growth and improved capital efficiency. We are now committed to bring down business-related equities to "zero*1" in six years, with an intermediate goal of halving them within the next three years as part of our new MTP.

As a result, we anticipate higher profits from these sales in the coming six years. However, as the unrealized gains from these equities are already included in our capital, the sales themselves will not generate new capital. The true impact on corporate value will depend on how effectively we use the released risk amounts (approximately 1.2 trillion yen out of the total 4.3 trillion yen in post-diversified risk) for high-quality investments and risk-taking.

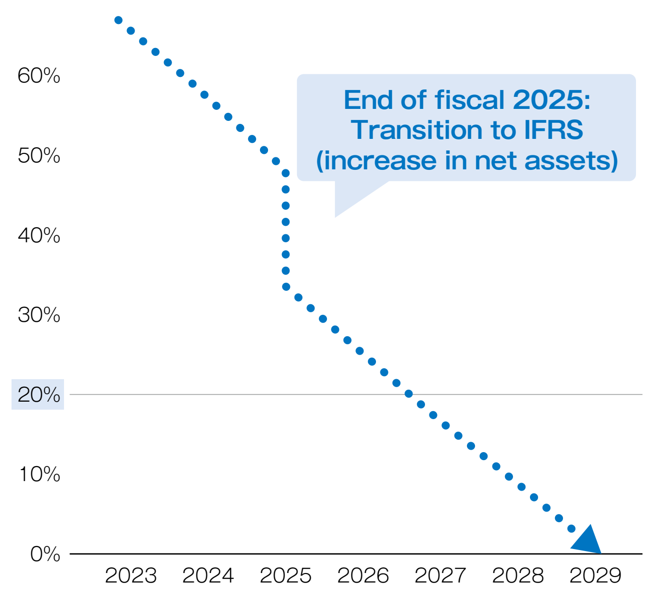
To achieve the organic growth target (CAGR of +7% or more) in the new MTP, we will engage in substantial risk-taking within our existing operations. We will also explore inorganic (M&A) opportunities. However, M&A is a means to achieve risk diversification and profit growth, not an end in itself. Therefore, the released capital from accelerating the sale of business-related equities will be used with ongoing discipline. Given that current valuations for large-scale M&A are still high, we will continue to conduct market intelligence, maintaining a long and short list of potential acquisition targets, and carefully select companies that offer a high Return on Investment (ROI). At the same time, we will actively pursue small to mid-sized bolt-on M&A opportunities, leveraging the Group's experience and expertise.

◯ Accelerating the Sales of Business-Related Equities

Business-Related Equity Sales and Timeline



Ratio of Holdings to Net Assets*2



*1: Excluding non-listed stocks (circa 22.5 billion yen in market/book value as of March 31, 2024) and investments related to capital and business alliances
*2: Based on share prices as of March 31, 2024. Net assets at the end of fiscal 2024 onward are estimates.

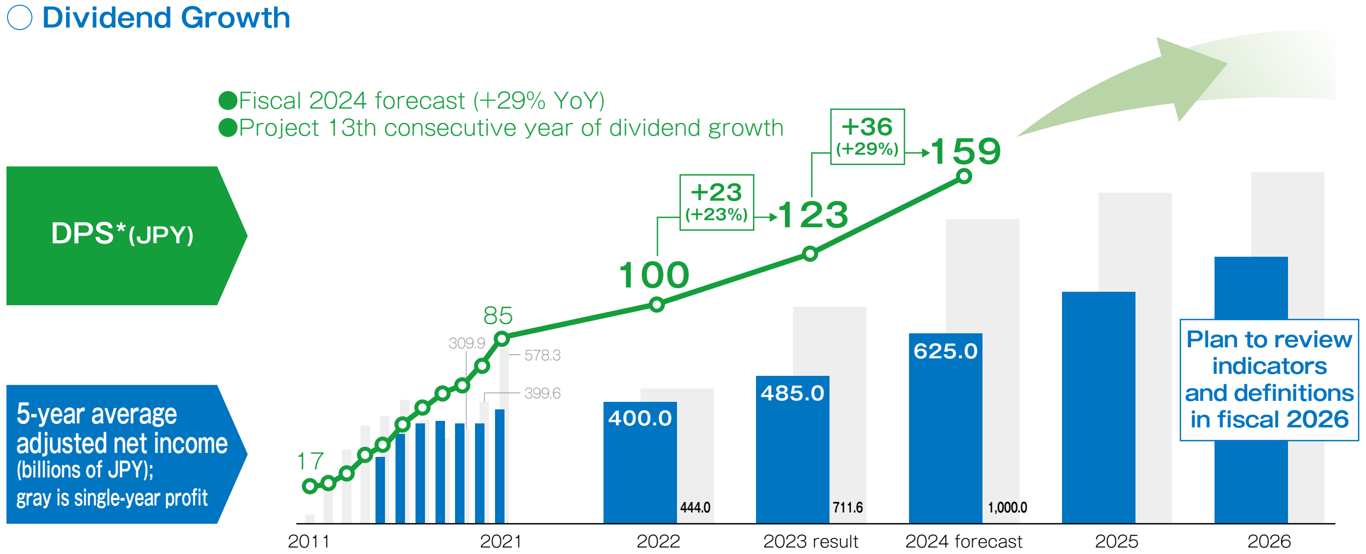
Shareholder Return

Our shareholder returns will continue to prioritize ordinary dividends under the new MTP, aiming to sustainably increase DPS in line with profit growth. Specifically, the dividend base will be set as the five-year average of adjusted net income to minimize volatility, with ordinary dividends calculated by applying a 50% payout ratio, which aligns with global peer standards. For fiscal 2024, due to significant gains from the sale of business-related equities, the profit plan is set at 1 trillion yen, substantially increasing the five-year average of adjusted net income. Consequently, the DPS for fiscal 2024 is projected to be 159 yen, reflecting a +29% increase from the previous year and marking the 13th consecutive year of dividend growth.

Looking ahead, we plan to adopt the International Financial Reporting Standards (IFRS) by the end of fiscal 2025, alongside the introduction of the new International Capital Standard (ICS). With these changes, we expect to review various indicators and definitions, including for profit, starting from fiscal 2026. Despite the new standards, we remain committed to achieving top-tier EPS growth and aligning DPS growth accordingly. We will carefully assess the dividend payout ratio and other related factors, engaging in discussions with stakeholders in the capital market. We aim to provide a comprehensive update on these changes and our strategy in the fall of 2025.

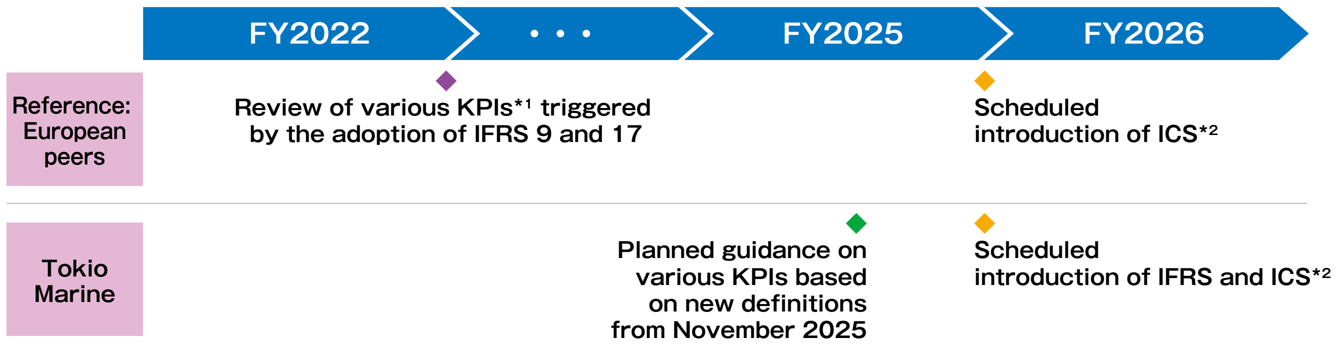
Our approach to share buybacks remains unchanged as a means of adjusting our capital levels. We make decisions based on a comprehensive assessment of factors such as ESR, market conditions, opportunities for M&A and additional risk-taking, and the common practice among global peers of executing share buybacks amounting to approximately 2% of market capitalization annually. Given that our ESR was 140% as of March 31, 2024, we plan to conduct share buybacks totaling 200 billion yen throughout fiscal 2024, with an initial resolution of 100 billion yen in May.

Dividend Growth



* DPS = Five-year adjusted net income × Payout ratio / Number of shares

Review of Indicators for the Introduction of IFRS and ICS

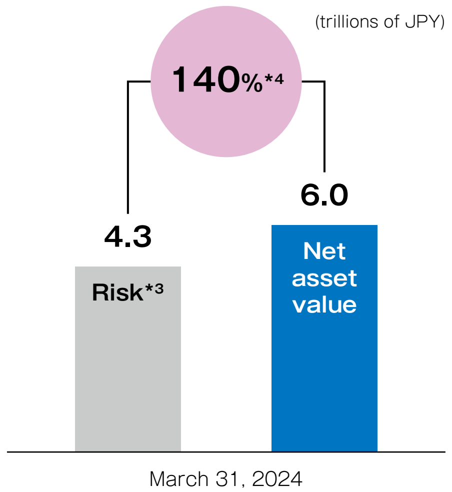


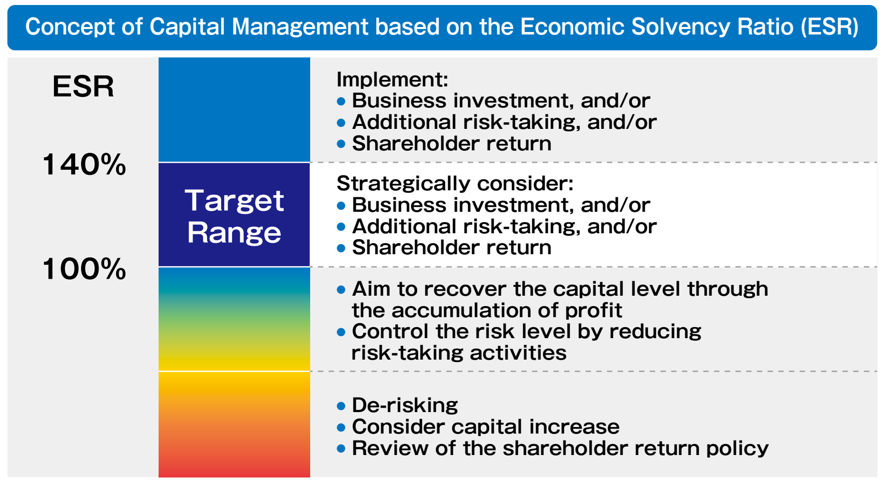
<Current KPIs and Definitions> | <FY2026->

Profit Indicators	Adjusted net income, business unit profit	New definition
ROE	Adjusted ROE	
Dividend Policy	Adjusted net income (5-year average) × dividend payout ratio (currently 50%)	
ESR	Current ESR (Confidence level: 99.95% VaR)	
Target	100%–140%	

*1: Profit indicators, etc.: European peers: Allianz, AXA, Zurich Source: Company disclosures
*2: International Capital Standard (ICS). The International Association of Insurance Supervisors (IAIS) plans to introduce a prescribed capital requirement for Internationally Active Insurance Groups by the end of fiscal 2025. In Japan, it is expected to be introduced as the "Economic Value-Based Solvency Framework"

Status of the Economic Solvency Ratio (ESR)



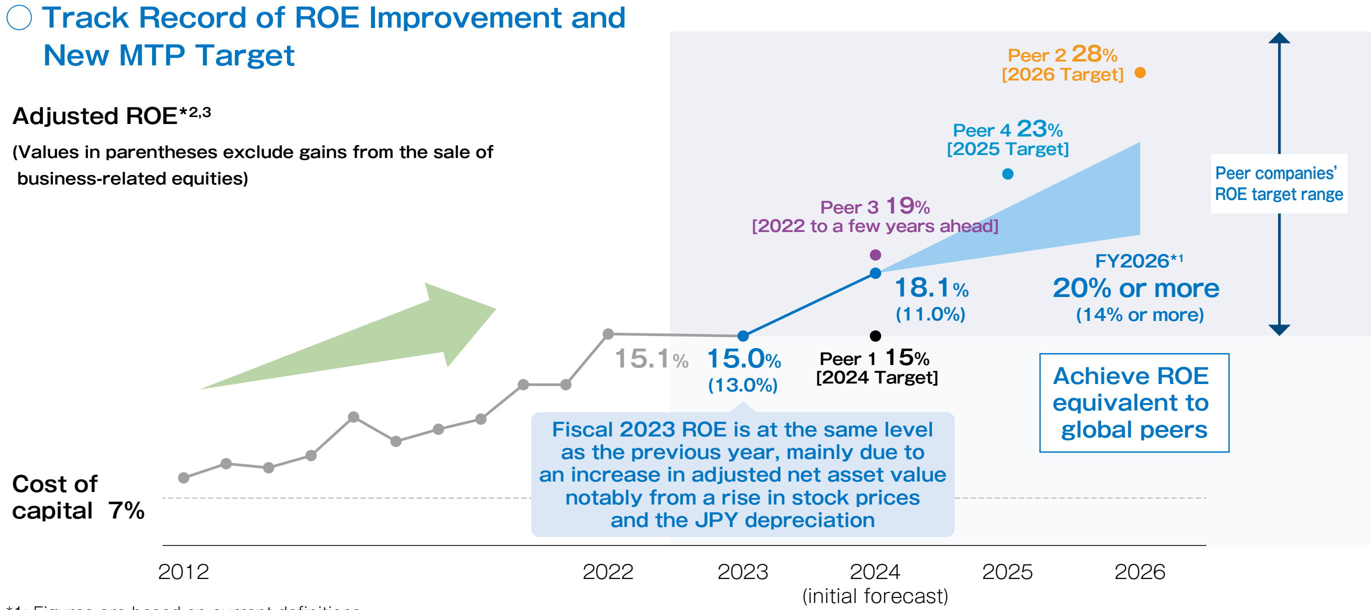


*3: Amount of risk calculated by 99.95% VaR (AA-rated basis)
*4: The ESR after implementing the 200 billion yen share buyback is 135%.

Raising ROE to Global Peer Levels

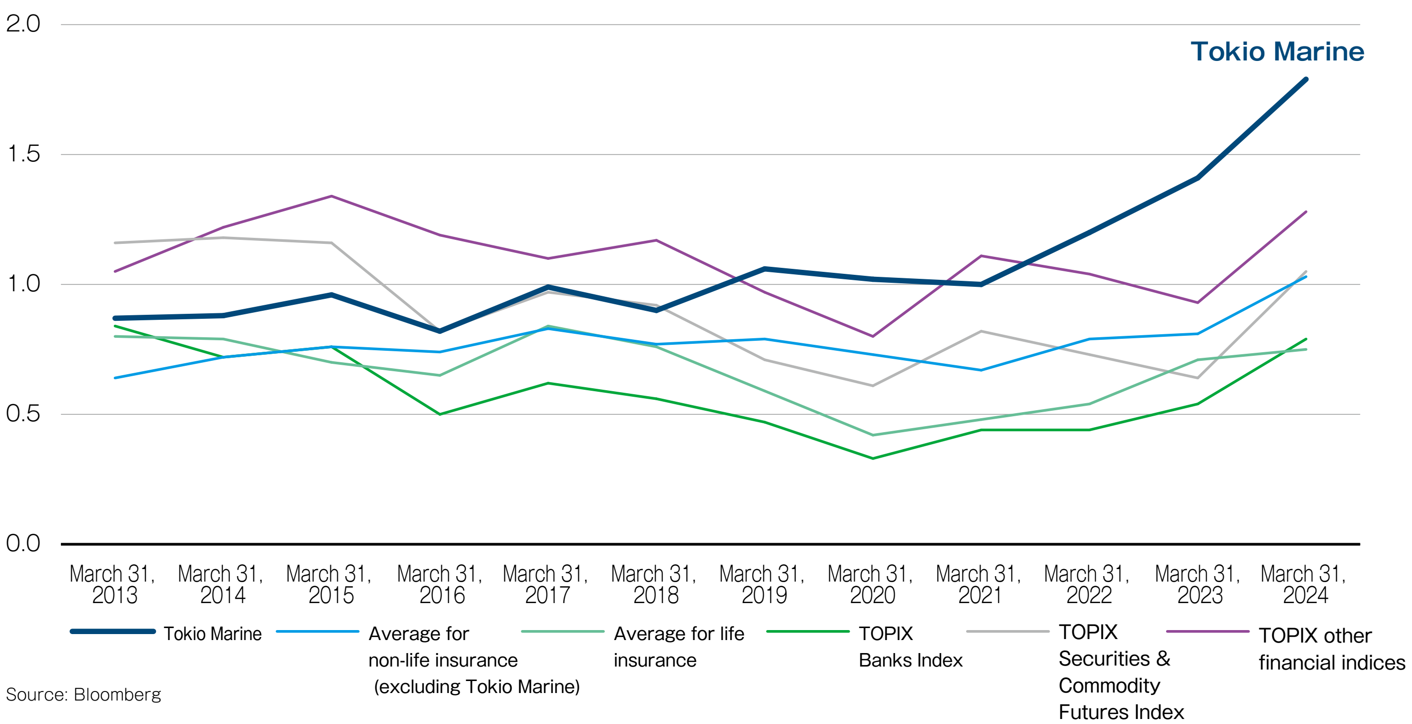
As a result of these efforts, the current adjusted ROE has improved to 15.0% for fiscal 2023. However, this improvement includes some impact on net assets from external factors such as rising interest rates, alongside profit growth. The target for adjusted ROE in the new MTP is set at 20% or more*1 for fiscal 2026 (excluding gains from business-related equities, 14% or more*1). We aim to fundamentally enhance ROE through both profit growth and effective utilization of capital, thereby raising it to levels comparable with global peers.

◯ Track Record of ROE Improvement and New MTP Target



*1: Figures are based on current definitions.
*2: Adjust Nat Cats to an average annual level and exclude the impact of COVID-19 for 2020 and after, and capital gains/losses in North America, etc., and capital gains from sale of business-related equities (for part of sale exceeding the original projection of each fiscal year) for 2021 and after. Also exclude the impact of war and South African floods for 2022.
*3: Peers: Allianz, AXA, Chubb, Zurich
For peers, disclosed ROE as their KPI is adjusted to the tangible basis to align it with our adjusted ROE.
Source: Calculations based on company disclosures.

◯ (Reference) Current Price-to-Book (P/R) Ratio Top Tier among Domestic Financial Institutions



Source: Bloomberg

Enterprise Risk Management (ERM)

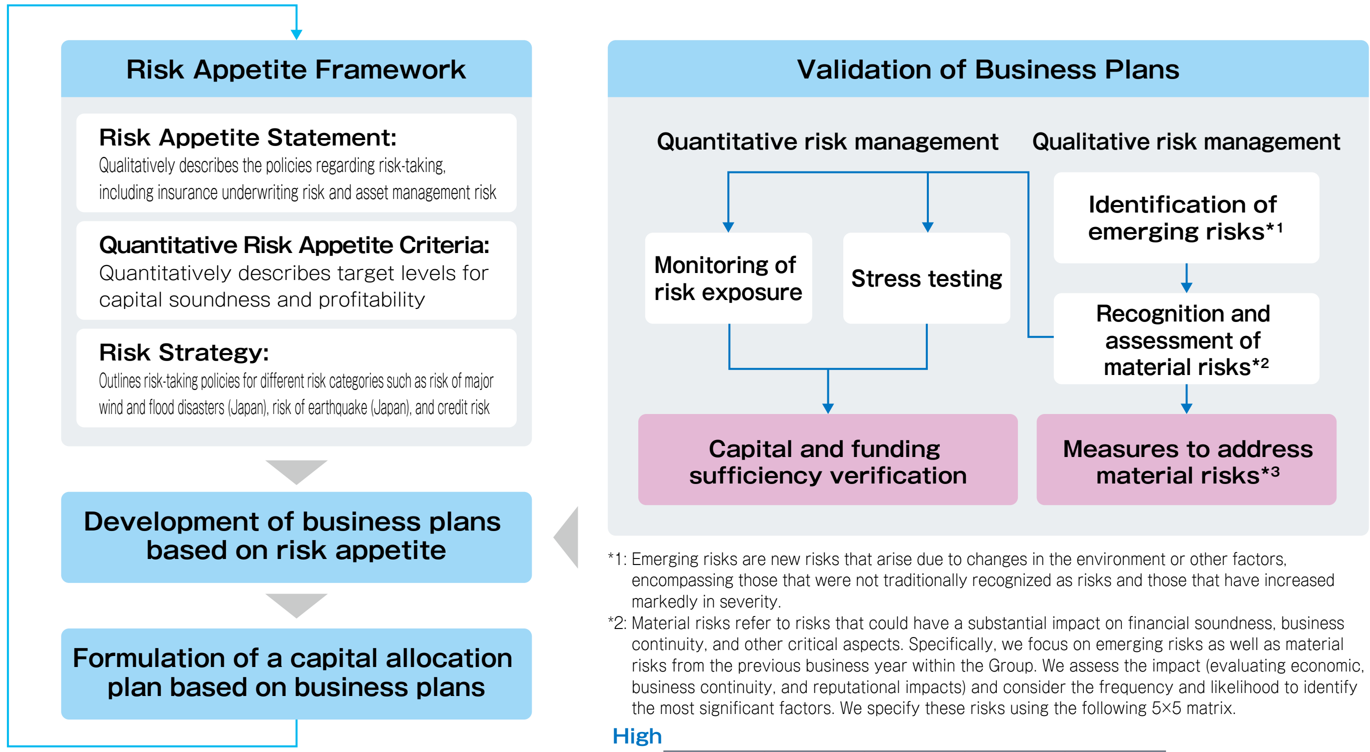
As an insurance company, we increase returns by taking risks in insurance underwriting and asset management as a key to our business. We have positioned Enterprise Risk Management (ERM) as the cornerstone of Group management. ERM takes into consideration our risk appetite, to what extent we undertake risks (risk boundaries), whether return on risk is sufficient, and whether risks are appropriately diversified. We have also established the ERM Committee to discuss ERM strategy. The committee assesses the growth potential and profitability of all businesses and the risks associated with each strategy in a forward-looking manner and formulates a capital allocation plan to optimize the risk portfolio from a Group-wide perspective. By doing so, we aim to achieve capital adequacy and high profitability relative to risk. This approach is intended to sustainably enhance our corporate value.

Tokio Marine Group's ERM Structure and Initiatives to Strengthen it

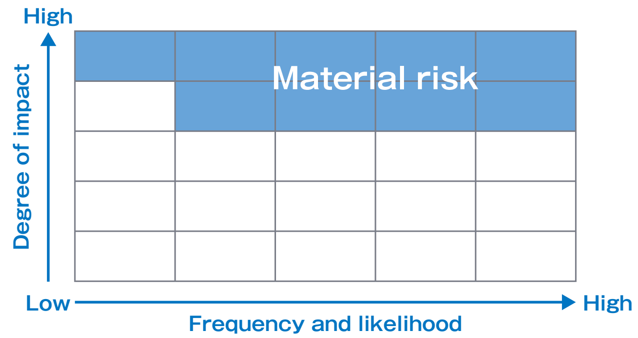
The risks surrounding the Tokio Marine Group are becoming more diversified and complex due to our global expansion and changes in the business environment. In addition, in today's uncertain and rapidly changing political, economic, and social climate, we must proactively anticipate the emergence of new risks and their warning signs and take appropriate action. From this point of view, we are not limited to conventional risk management for the purpose of risk mitigation and avoidance but are comprehensively assessing risk in qualitative and quantitative ways.

In addition, we are continuing our efforts to further strengthen the ERM structure. For instance, we are enhancing risk assessments to include risks that are difficult to quantify, such as cyber risks, and improving natural disaster risk management, including a review of our reinsurance schemes.

◯ ERM Cycle



*1: Emerging risks are new risks that arise due to changes in the environment or other factors, encompassing those that were not traditionally recognized as risks and those that have increased markedly in severity.
*2: Material risks refer to risks that could have a substantial impact on financial soundness, business continuity, and other critical aspects. Specifically, we focus on emerging risks as well as material risks from the previous business year within the Group. We assess the impact (evaluating economic, business continuity, and reputational impacts) and consider the frequency and likelihood to identify the most significant factors. We specify these risks using the following 5×5 matrix.



*3: For material risks, we formulate response measures (Plan), implement these measures (Do), assess the outcomes (Check), and make improvements (Act).

Qualitative Risk Management

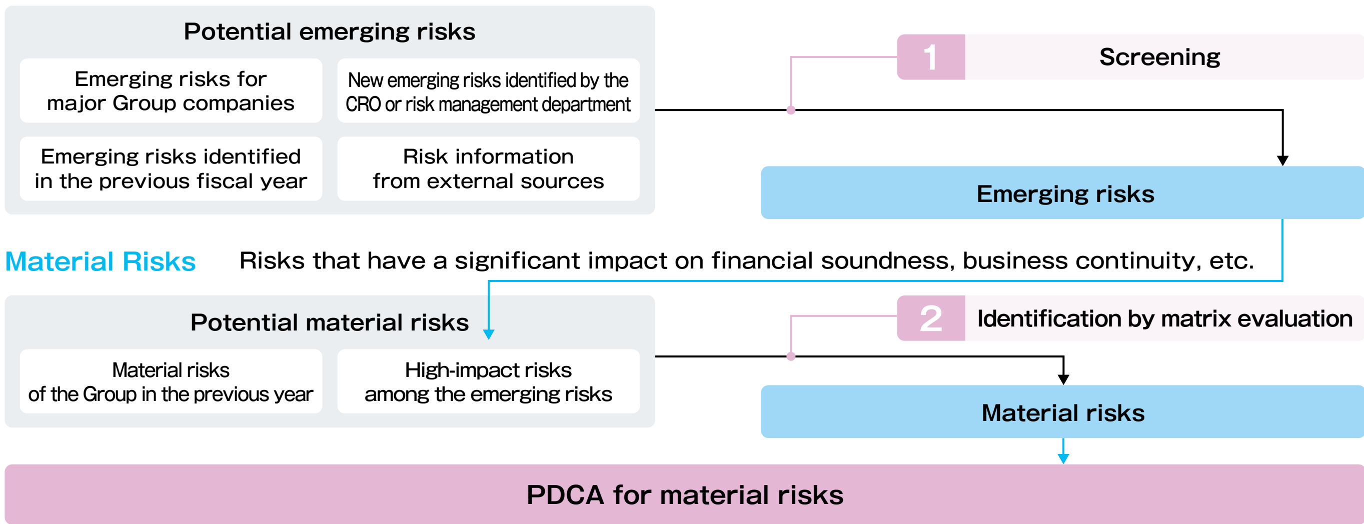
In qualitative risk management, all risks, including risks that emerge due to changes in the environment, are identified and reported to management, while risks to the Group are discussed at the management level as needed. Risks identified in this manner are evaluated not only in terms of the economic loss or frequency of occurrence but also in terms of business continuity and reputation. Risks that have a large impact on the financial soundness and business continuity of the Group or of individual Group companies are identified as "material risks." For identified material risks, we assess the sufficiency of capital through the quantitative risk management process described in the subsequent pages, draw up control measures before the risks emerge and countermeasures* to be taken if the risks do emerge, and conduct PDCA management. In addition, while we have been implementing such risk management practices, in light of the series of irregularities that occurred at TMNF, we have added scenarios related to competition law to the categories of "material risks" concerning "violation of laws and regulations" and "conduct risk," and have developed corresponding countermeasures.

*: Pre-emergence risk control measures include monitoring and risk management based on the market environment and regulatory trends, while post-emergence risk response measures include manuals (including business continuity plans) and mock drills.

◯ Detection of Emerging Risks and the Process of Identifying Material Risks

Emerging Risks New risks that emerge due to changes in the environment or other factors, and that have not been previously recognized as risks, or risks that have increased markedly in severity

Material Risks Risks that have a significant impact on financial soundness, business continuity, etc.



◯ Examples of Emerging Risks

Emerging risks/Scenarios	Examples of responses
(1) Inadequate response to decarbonization and a nature-compatible society (climate change and nature-related transition risk) ◯ Risk of a decline in value of invested companies that lag behind in transitioning to decarbonization and a nature-compatible society, which could impact the value of the Group's assets ◯ Risk that the Group's efforts toward decarbonization and a nature-compatible society are perceived as inadequate by society, potentially damaging our reputation	● Announced the Tokio Marine Group Policy to Address Environmental and Social Risks and identified businesses that are prohibited from underwriting or require special attention ● Accelerating the development of insurance products and risk consulting services related to new decarbonization technologies ● Implementing ESG integration, where non-financial data, in addition to traditional information, is used in the investment decision-making process
(2) Global warming, loss of natural capital and biodiversity (climate change and nature-related physical risks) ◯ Risk that the progression of global warming and the loss of natural capital and biodiversity will lead to more severe natural disasters, resulting in increased insurance payouts both in the short term and long term	● Working on refining risk measurement models for natural disasters and developing methods to evaluate the impacts of climate change in efforts to enhance natural disaster risk assessment ● Engaging in research and analysis regarding the dependency on and impact of our business on the natural environment
(3) Business partner risk ◯ As responsibility and expectations for the entire value chain of corporate activities increase, incidents or accidents occurring with business partners, contractors, or collaborators could have a significant impact on our business continuity and reputation	● Established the Guidelines for Responsible Procurement and communicated these basic principles within the Group, encouraging business partners to cooperate with our initiatives ● Organizing perspectives related to economic security in the selection of external contractors and business partners, and promoting efforts across companies
(4) Delay in adhering to global human rights standards ◯ Risk that the Tokio Marine Group's efforts regarding respect for human rights are perceived as inadequate by society, damaging our reputation	● Established the Tokio Marine Group Basic Policy on Human Rights to demonstrate our commitment to respecting human rights across all business activities, including the value chain, and are encouraging our business partners to adhere to this policy ● Defined and publicly disclosed our Policy to Address Environmental and Social Risks, which evaluates the prevention and mitigation of human rights risks in specific sectors, as part of our efforts to promote respect for human rights in insurance underwriting and investment ● Set up a hotline for external stakeholders in addition to our internal hotline for employees

◯ Material Risks for Fiscal 2024

Emerging risks/Scenarios	Examples of responses
(1) Economic and financial crisis ◯ The value of the Group's assets could fall substantially due to a global economic crisis on the magnitude of the 2008 global financial crisis, or turmoil in financial and capital markets caused by geopolitical risk or a large-scale disaster. ◯ The value of the Group's assets could fall substantially as Japanese government bonds plummet in value due to a decline in the government's creditworthiness or the emergence of hyperinflation.	Response to economic impact ● Investigate the impact on the market due to geopolitical risks ● Control exposure through credit risk aggregation and management ● Conduct stress tests to confirm capital adequacy and funding liquidity ● Establish action plans for financial crises
(2) Major earthquakes ◯ A major earthquake beneath Tokyo or along the Nankai Trough might lead to significant human and material losses, causing widespread disruptions to social and economic activities, including those of the Group, resulting in large insurance payouts.	Response to economic impact ● Appropriately assess risks, including risk aggregation, and develop products that meet customer needs, while generating stable profits through risk-appropriate underwriting, risk diversification, and arranging reinsurance ● With respect to (2), (3), and (5) shown at left, conduct stress tests to confirm capital adequacy and funding liquidity Response to the impact on business continuity and reputation ● Establish crisis management systems and business continuity plans, and verify their effectiveness through emergency drills ● With respect to (6) shown at left, develop cybersecurity measures, and verify their effectiveness through emergency drills
(3) Major wind and flooding disasters (including physical risks of climate change) ◯ Major typhoons or torrential rains could cause extensive physical damage, leading to significant disruptions in social and economic activities, including those of the Group, resulting in large insurance payouts.	
(4) Volcanic eruptions ◯ The eruption of Mount Fuji or similar volcanic activities could result in widespread physical damage due to volcanic ash and other effects, leading to significant disruptions in social and economic activities, including those of the Group, resulting in large insurance payouts.	
(5) Pandemics ◯ The widespread outbreak of a new infectious disease could result in significant insurance payouts.	
(6) Cyber risk ◯ A cyberattack targeting many Group customers or supply chains could lead to significant insurance payouts. ◯ A cyberattack targeting the Group's systems might result in the leakage of sensitive information and disruptions to business operations.	
(7) Geopolitical risk ◯ Escalation of tensions between nations into military conflicts could lead to extensive human and material damages, leading to significant disruptions in social and economic activities, including those of the Group.	Response to the impact on business continuity and reputation ● Establish crisis management systems and business continuity plans, and verify their effectiveness through emergency drills (Response to economic impact is detailed in (1) shown at left)
(8) Inflation ◯ Due to soaring raw material costs and rapid increases in global prices, insurance payout costs rise, resulting in diminished underwriting profits from the inability to revise products in line with risks or secure reinsurance.	Response to economic impact ● Analyze the impact of inflation on insurance products and undertake product revisions and underwriting commensurate with risk
(9) Violation of laws and regulations and conduct risk ◯ Non-compliance with regulations related to competition law, personal data protection, anti-money laundering, and the reinforcement of economic sanctions related to the U.S.-China tensions and the Ukraine conflict might result in the imposition of fines and penalties and harm the Group's reputation. ◯ Deviation between industry and corporate practices and societal norms, along with the lack of fostering an appropriate corporate culture, could lead to the perception that the initiatives of the Tokio Marine Group are inadequate by society, damaging our reputation.	Response to the impact on business continuity and reputation ● Advance the consideration of implementing global measures in response to actions at TMNF that might have violated antitrust laws ● Monitor domestic and international social environments, trends in government agencies, and changes in regulatory requirements, and take necessary measures accordingly ● Conduct surveys on employee awareness and behavior, and enhance the efforts of the Group by compiling and sharing best practices
(10) Disruptive innovation ◯ Innovations that drastically reshape industry structures through digital transformation and innovative new entrants might erode the Group's competitive advantage and lead to significant reductions in premium income and profits.	Response to economic impact ● Ensure the competitive advantage of our insurance business by implementing basic strategies and executing projects for digital transformation ● Expand into new businesses, primarily in areas closely aligned with our insurance operations
(11) AI/data governance deficiency ◯ The inability to properly manage issues such as vulnerabilities, the output of misinformation, or ethical concerns while advancing the use of AI and data might lead to litigation, reputational damage, or hinder productive business activities.	Response to the impact on business continuity and reputation ● Establish common Group-wide rules for the use of AI and data to strengthen the frameworks of Tokio Marine and its Group companies

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.

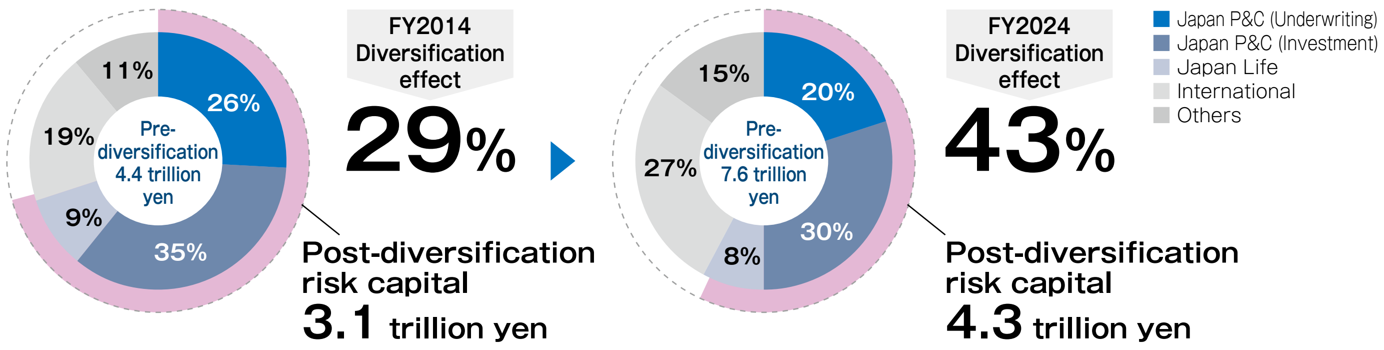
Specifically, the Company quantifies potential risks using a statistical metric called "Value at Risk (VaR)" on a 99.95% confidence level, which corresponds to an AA credit rating, and verifies its capital adequacy based on the Economic Solvency Ratio (ESR) arrived at by dividing net asset value*[1] by risk capital. Our capital policy is determined by comprehensively considering business investment opportunities and future market outlooks. A 99.95% VaR is equivalent to the damage caused by an occurrence of a risk that happens once in 2,000 years. Although many insurance companies around the world use 99.5% VaR (once in 200 years), the Tokio Marine Group uses a much more stringent standard to evaluate risk capital.

The target range of the Group's ESR is 100%–140%, and as of March 31, 2024, the Group's ESR was 140%*[2], confirming that the Group is adequately capitalized. (p. 51)

We also conduct stress tests based on scenarios involving significant economic losses from material risks such as domestic and international economic crises, disruptions in financial and capital markets, loss of confidence in Japanese government bonds, major earthquakes, major wind and water-related disasters, and widespread outbreaks of new viruses. We also assess scenarios where multiple critical risks materialize simultaneously. In addition, we conduct reverse stress tests, which assume scenarios that could severely impact the financial soundness of the Group, allowing us to comprehensively verify that there are no issues with capital adequacy and liquidity.

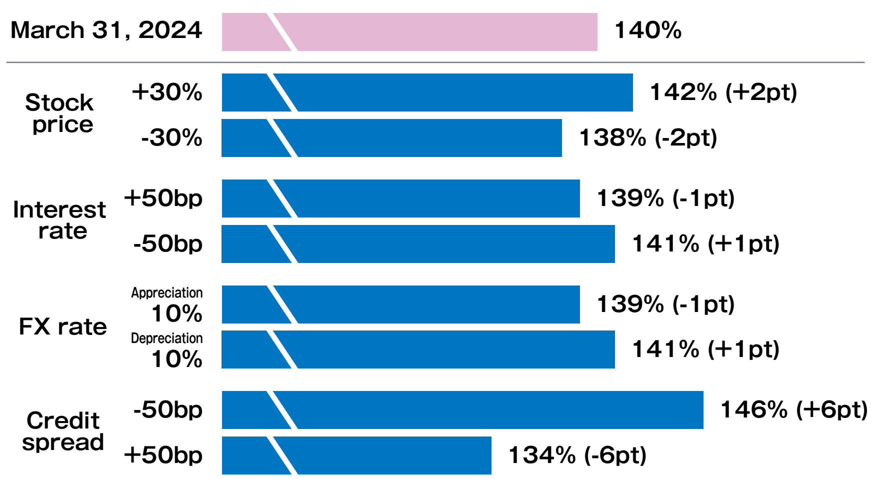
*1: Calculated by adding the value of catastrophe loss reserves, deducting for goodwill, and making other adjustments to consolidated net assets on a financial accounting basis.
*2: ESR after the acquisition of 200 billion yen in treasury stock is 135%.

Risk Composition and Diversification Effects



Note: Risk excluding business-related equities is 5.9 trillion yen before diversification and 3.1 trillion yen after diversification.

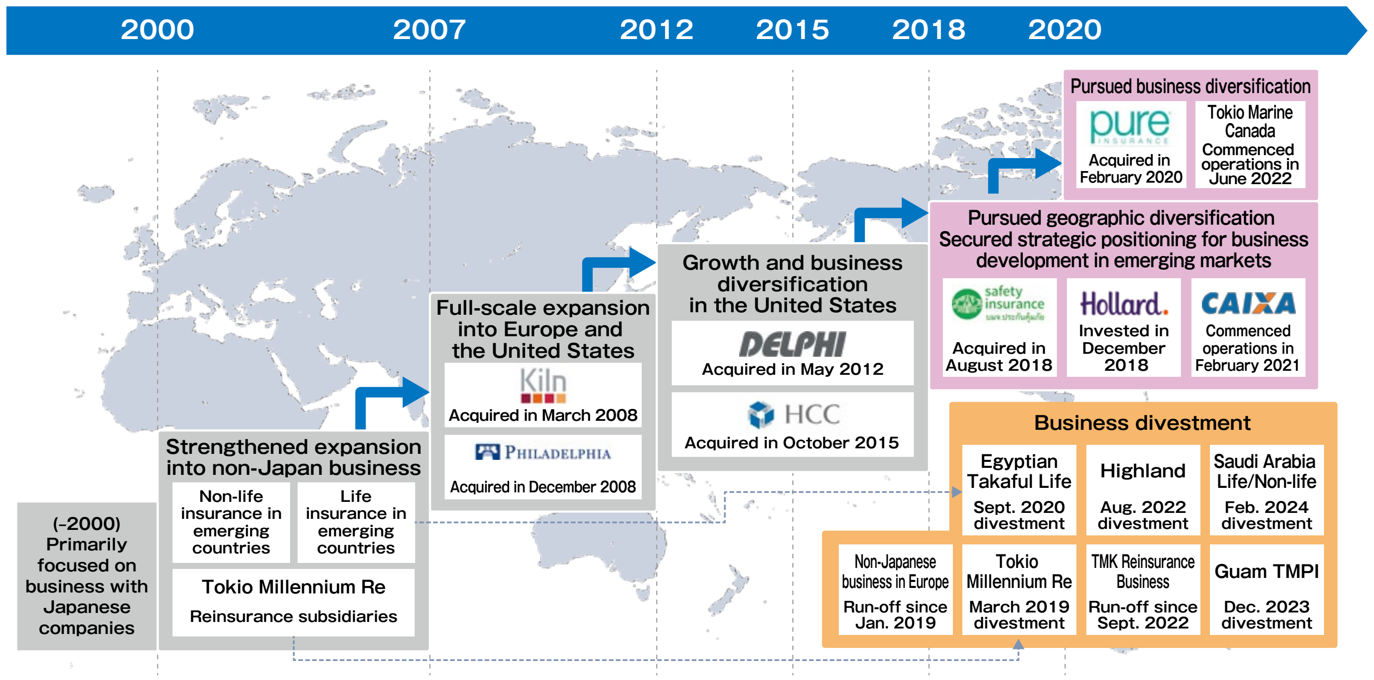
ESR Sensitivity



Disciplined Portfolio Review and Business Investment (In/Out strategy)

Based on this risk-based management approach, we are committed to disciplined portfolio reviews and business investments while considering risk diversification and future growth potential. For example, we recently acquired the PURE Group, established a local subsidiary in Canada, and engaged in bolt-on M&A with Gulf Guaranty Employee Benefit Services (GGEBS) through TMHCC, while also divesting subsidiaries in Guam and Saudi Arabia as part of our In/Out strategy. We will continue to carefully manage our risk portfolio, controlling risks and expanding corporate value through appropriate capital allocation.

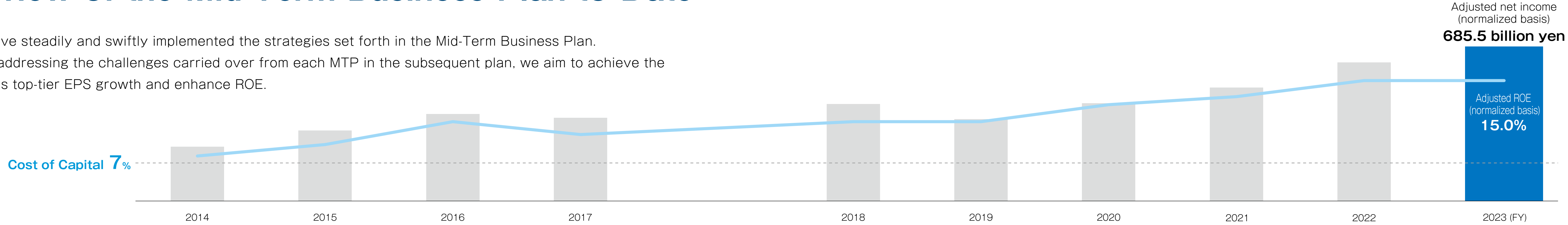
Trajectory of the In/Out Strategy



Review of the Mid-Term Business Plan to Date

We have steadily and swiftly implemented the strategies set forth in the Mid-Term Business Plan.

By addressing the challenges carried over from each MTP in the subsequent plan, we aim to achieve the world's top-tier EPS growth and enhance ROE.



		「To Be a Good Company 2017」	「To Be a Good Company 2020」	「Adapt, Lead, Innovate」
Mid-Term Business Plan	Vision	A global insurance group that delivers "sustainable growth by providing safety and security to customers worldwide" —Our timeless endeavor to be a Good Company—		
	Priority Strategies	• Unlock our potential • Capitalize on changes • Pursue growth opportunities • Advance our business platform	• Further diversification of the portfolio • Enhancement of the business structure • Strengthening of integrated group management	• New Markets × New Approach • Enhance the profitability of the insurance business • Business investment for the next growth stage • Business portfolio optimization for sustainable growth
	Main KPIs	• Adjusted ROE of approximately 9% • Adjusted net income of 350—400 billion yen • Steady growth of dividends in line with profit growth	• Adjusted ROE of 10% or more • Adjusted net income of 400—450 billion yen • Payout ratio of 35% or higher	• Adjusted ROE of approximately 12% • Adjusted net income: CAGR of 3%—7% • Payout ratio of 40% or higher (revised to 50% in November 2021) • Flexible capital level adjustment
Review of the Mid-Term Business Plan	Review of the Priority Strategies	**Realized sustainable profit growth and higher ROE primarily through the following measures** • Enhanced the business model mainly by strengthening life and non-life cross-selling initiatives, providing products and creating a service system that is resilient to wide-area disasters • Reinforced R&D functions by providing products and services in anticipation of changes (such as insurance designed to promote health improvement and auto insurance using drive recorders) and establishing the Digital Strategy Division • Advanced business through both organic growth and M&A, including the expansion of specialty insurance in Japan and the acquisition of HCC • Enhanced the business platform by strengthening integrated group management, especially by establishing a Group Chief Officer system and launching and bolstering our global committees	**Steadily strengthen the earnings base primarily through the following measures** • Make strategic changes to the portfolio that include the acquisition of Pure, continued bolt-on M&A, and the sale of Tokio Millennium Re Ag (TMR) • Enhance the business structure with the creation of claim services using satellite images and AI, the launch of digital labs in five locations worldwide, and a system to promote the use of technology • Strengthen integrated group management by promoting the use of talent and spreading the Group culture on a global basis. As a result, we have expanded more Group synergies	**Boost profit growth and ROE beyond targets primarily through the following measures** • Creation of new markets in Japan, focusing on the four key societal issues, to strengthen the foundation for sustainable growth • Improvement of profitability in domestic fire insurance and steady rate increases in North America, achieving growth exceeding the profit levels set in the plan • Launch of new services through a new company in the solution business such as disaster prevention and mitigation, and mobility • Execution of the In/Out strategy with discipline through continuous bolt-on M&A and divestitures of existing businesses • Acceleration of the sale of business-related equities

Achievement of Main KPIs

	2017 results	Mid-Term Business Plan (2017)	Achieved
Adjusted ROE	10.0%*1	Approximately 9%	✓
Adjusted net income	397 billion yen*1	350—400 billion yen	✓
Annual dividend per share	160 yen	Steady growth (95 yen in fiscal 2014)	✓

	2020 results	Mid-Term Business Plan (2020)	Achieved
Adjusted ROE	12.0%*2	10% or higher*3	✓
Adjusted net income	431.1 billion yen*2	400—450 billion yen*3	✓
Payout ratio*4	42%	35% or higher	✓

	2023 results	Mid-Term Business Plan (2023)	Achieved
Adjusted ROE	15.0%*5	Approximately 12%	✓
Adjusted net income	CAGR +15%*5	CAGR +3%—7%	✓
Annual dividend per share*4	50%	50%	✓
Share buybacks	120 billion yen	Flexible approach	✓

[Remaining issue]
Build a foundation that enables sustainable profit growth and higher ROE

[Remaining issue]
Profit growth by establishing an earnings base

[Remaining issue]
Advancement of greater risk diversification as well as further improvement of profitability in the insurance business, and the ability to respond to an increasingly diverse range of issues

[Remaining issue]
Expansion of revenue sources and further strengthening of governance at the Group level

*1: Figures based on the market environment as of March 31, 2015, excluding FX effects and the one-time impact of U.S. tax reform after the impact of Nat Cats normalized to an average annual level.
*2: Figures based on the market environment as of March 31, 2018, after adjusting for Nat Cats to an average annual level and excluding the impact of the COVID-19 pandemic
*3: Figures based on the market environment as of March 31, 2018, after adjusting for Nat Cats to an average annual level
*4: The payout ratio is based on five-year average adjusted net income. Based on original projections
*5: Adjust Nat Cats to an average annual level and exclude gains on the sale of business-related equities (amount exceeding the initial plan) and capital gains / losses in North America, etc.

II Strategy and Business Platform Supporting Our Purpose Story

Strengthening, Human, Intellectual, and Social Capital | Human Capital Management (Human Resources Strategy): CHRO Message

The Tokio Marine Group views people as the driving force of growth and our most valuable asset. We are dedicated to actively embracing human capital management and increasing the probability of realizing the goals of our business strategy through our human resources strategy.

Satoshi Moriyama
Managing Executive Officer
Group Chief Human Resources Officer (CHRO)
Group Chief Wellness Officer (CWO)

Human Resources Empowering Our Competitive Edge

"Human resources" have been the Tokio Marine Group's most important asset since our founding. The strength of our people, who continue to take on the challenges of the "Purpose," is the driving force behind our corporate growth and the source of our competitive advantage. The roles of the Group CHRO are to respect each and every one of our more than 40,000 employees around the world, to thoroughly create an environment in which we can maximize our unlimited potential, and to strengthen our corporate capabilities through the implementation of our human resources strategies while increasing the likelihood that business strategies will be realized.

Since our founding in 1879, we have positioned human capital as a driving force for growth and have continued to devote all of our efforts to "human capital management." Last year, we released the "Human Capital Report" for the first time as a tool to explain our thoughts and specific initiatives to our stakeholders. This year, in June, we released the second version of this report. Here, we will explain the outline of this report.

Human Resources Strategy Aimed at Facilitating Business Strategy

Our human resources strategy is designed to enhance the probability of realizing the goals of our business strategy and propel Group growth. Of particular importance are two things: the building of a talent portfolio aligned with business concepts and the establishment of an organizational environment where the potential of such talent can be fully realized. As a result, our human resources strategy is built upon "People" and "Corporate culture," working in harmony aiming to create synergies that uphold and further enhance our distinctive capability of "Integrated Group Management."

We intend to build a strategically aligned human resource portfolio and achieve growth in each business through the active engagement of individual human resources. Moreover, we will enhance management decision-making in terms of both quality and speed by strengthening the Group management system. The underlying organizational culture and the creation of a sense of unity within the Group will further drive the growth of each business and the sophistication of decision-making. This virtuous cycle is what we are aiming for in Tokio Marine human capital management, and it is also the driving force that leads to the improvement of Tokio Marine's ROE, which is aimed at the global peer level.

"People" Supporting Integrated Group Management

As society as a whole becomes more complex, the challenges that we must solve are becoming more difficult. To solve these issues, it is important for employees with a variety of knowledge and experience to be active. Accordingly, the Tokio Marine Group will actively recruit and develop human resources with a high level of expertise and knowledge on a global basis to build a strategically aligned human resources portfolio. By placing the right people in the right positions, we will improve our ability to identify and resolve issues from diverse perspectives, which in turn will improve the problem-solving capabilities of the Group as a whole.

In this uncertain business environment, we believe that the most important management issue that holds the key to the future growth of the Tokio Marine Group is the stable and continuous development of future business leaders who can come up with solutions. Based on this belief, we established TLI (Tokio Marine Group Leadership Institute) in April 2023 as an organization headed by the Group CEO himself. With TLI at the core, we will create the foundation for the Tokio Marine Group to be a company that continues to grow 100 years from now by implementing recruitment, development and evaluation, and appointment and assignment in an integrated manner while interlinking them. Under the deep commitment of our executives, we will pass on the spirit of the Group since its foundation across generations.

At the same time, from the perspective of human resource development, based on our deep reflection on the insurance premium adjustment incident that occurred in TMNF, which is the core company of the Group, we will make thorough efforts to train each and every employee to create a "truly trusted customer-oriented company." The insurance business is a people business, and trust created by people is the source of everything. Therefore, it is essential for all employees to conduct their work in accordance with rules and based on a high sense of ethics. We will work to regain the trust of our stakeholders by again instilling the importance of integrity throughout the Group and developing human resources with a high sense of integrity.

The Human Capital Report 2024 Released in June 2024

https://www.tokiomarinehd.com/ir/download/uh7ekg0000001y9b-att/Human_Capital_Report_2024_j.pdf

CDIO Message

"Inspiring confidence. Accelerating progress." by promoting DE&I

Caryn Angelson
Executive Officer
Group CDIO (Group Chief Diversity, Equity & Inclusion Officer)

The business environment is incredibly uncertain and complex. In these times of uncertainty, it is more critical than ever that we foster an environment where each and every individual worldwide can feel psychologically safe and can flourish. This involves providing fair opportunities for growth, which in turn motivates employees to continue thriving.

To accelerate our efforts as they pertain to Diversity, Equity, and Inclusion (DE&I), we are committed to (1) fostering inclusive behaviors, (2) cultivating a culture of ally-ship, (3) eliminating barriers, and (4) working, collectively, for the benefit of the Group. Our aim is to drive the growth of the Group.

"Corporate Culture" Supporting Integrated Group Management

Central to all human capital management endeavors is each employee's alignment with the Group's Purpose. Our Purpose acts as a guiding light for the entire Group, providing a sense of direction. To unite our diverse workforce of more than 40,000 individuals worldwide and unleash their full potential, the CEO spearheads initiatives as Chief Culture Officer (CCO), driven by a strong belief in embedding these principles. Moreover, a "culture of growth" has taken root wherein each individual actively pursues self-improvement and positively influences others. This culture has thrived due to our history and continued efforts in addressing societal issues since our inception. It stands as our unique advantage, fostered by the ongoing sharing of these values among our employees. Through initiatives that embed our Purpose, we share the role we have played in addressing societal issues and the genuine aspirations of our employees, making the Purpose a personal commitment. Employees who internalize the Purpose then experience a sense of societal trust through their work and derive the motivation to contribute to future problem-solving. This cycle also contributes to enhancing overall organizational engagement. The results of the Culture & Values Survey conducted across the Group also reflect a high level of positive feedback. We regularly conduct employee perception surveys to gauge employee and organizational status, following a PDCA cycle to identify challenges and enact solutions. We prioritize employee satisfaction, motivation, and organizational culture. These factors are set as Key Performance Indicators (KPIs) in the executive compensation evaluations. Management leads efforts to boost employee engagement and nurture an organizational culture, actively driving these initiatives forward.

We believe it is essential to consistently value our employees and enhance unity while simultaneously creating an environment where diverse talents can thrive. In today's rapidly changing business landscape with increasingly complex societal issues, it is vital to leverage the knowledge and experiences of our diverse employees in management and governance. Given this perspective, we are placing DE&I at the core of our growth strategy and are advancing initiatives to improve both job satisfaction and ease of working.

The development of a company cannot be achieved without the growth of its people. We strive to bring together individuals under a shared purpose, fostering alignment with our valued corporate culture. Through this resonance, we aim to support personal growth and enhance the value we deliver to all stakeholders.

Achieving Sustainable Growth through the Synergy of "People" and "Corporate Culture"

The concepts of "People" and "Corporate culture" that I have discussed are closely intertwined. Our corporate culture, built on Group unity and increased engagement, helps attract and retain valuable talent. Meanwhile, appropriate human resource recruitment, development, and placement generates both personal and corporate growth, further enriching Group unity and employee engagement. Through ongoing efforts, we will sustain this synergy and virtuous cycle to foster lasting growth. Irrespective of how much global conditions and the business environment change, the fact remains that people are the cornerstone of our competitiveness.

As I step into the role of CHRO this fiscal year, I am committed to living by the principle of "In essentials unity, in action freedom" in our organizational management. I believe our true strength—and that of the entire Group—comes from employees who exhibit high professionalism and a strong sense of responsibility while supporting each other warmly as a unified team. I will wholeheartedly dedicate myself to these goals by harnessing and trusting our people's potential, offering diverse opportunities for growth, and maintaining a psychologically safe work environment where everyone can challenge themselves and excel.

Overview and Examples of Initiatives of Human Capital Management (Human Resources Strategy)

Human Resource Strategy Aligned with the Midterm Business Plan

Our human resource strategy focuses on enhancing the success of the Mid-Term Business Plan by prioritizing the "stable and continuous development of human resources to support integrated group management" and "further penetration of corporate culture to support integrated group management."

Specifically, we are advancing human resource measures tied to the following nine themes, each with a focus on talent and organizational culture.

People Supporting Integrated Group Management

1 TLI	A focal point for developing next-generation management leaders within the Group
2 Management systems	Establish global-based management systems to enhance the quality of management decisions and maximize synergy
3 Succession planning	Establish a development cycle to consistently and sustainably cultivate talent for Group management
4 Recruitment	Recruit individuals with the expertise necessary to execute the management strategy
5 Human resource development and assignment	Develop and appropriately assign human resources to build a strategically consistent talent portfolio

Corporate Culture Supporting Integrated Group Management

6 Embedding our Purpose	Foster understanding, agreement, and empathy until each employee fully embraces our Purpose as their own
7 Promotion of DE&I	Establish an environment where each individual can leverage diverse perspectives and knowledge based on their unique qualities
8 Job satisfaction	Maintain and enhance each employee's engagement
9 Flexible work environment	Practice health management to maintain and promote the health that forms the foundation for employee performance

People Supporting Integrated Group Management

Examples of Initiatives

Next-Generation Talent Development Centered on the Tokio Marine Group Leadership Institute (1 TLI)

Objective

Growth into management leaders who can contribute to social and public development

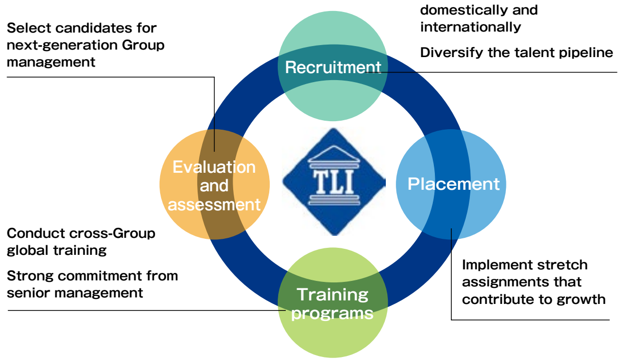
Key Drivers

Passing on the spirit of the Tokio Marine Group
Senior management directly communicate their expectations and vision to the next generation of leaders, passing on the Group spirit that has been inherited over more than 140 years

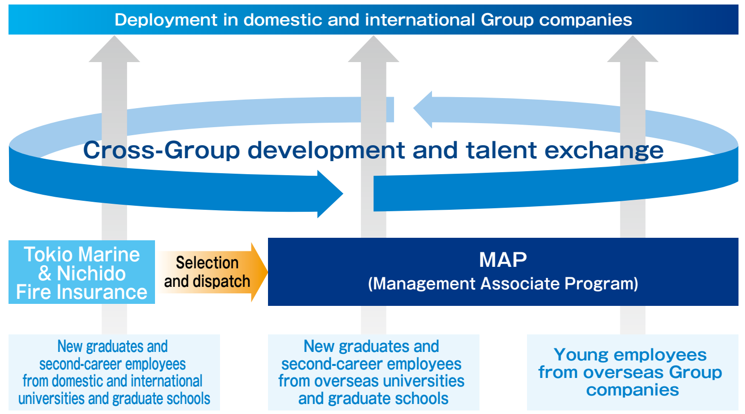
Practical experience in business operations
Take on comprehensive management responsibilities, not just fragmented functions, and overcome challenges firsthand

Gain a broad perspective that transcends organizational boundaries
Develop deep insights into global insurance markets and new business domains beyond traditional boundaries, and shape cross-Group strategies and vision

Specific Initiatives



Recruitment and Development of Talent with Advanced Expertise | Group-Based Training Program for Young Employees (4 Recruitment)



Program overview	
Objectives	To cultivate global talent with a deep understanding of Group culture and expertise in corporate functions over a period of two years
Participants	New graduates, second-career employees, or employees from Group companies in their first to third year of tenure, as well as young employees dispatched from TMNF
Specialized fields	Actuarial, finance (including taxation, internal auditing, etc.), IT security
Training content	·Rotate through multiple Group companies, departments, and teams according to each participant's designated area of expertise to acquire specialization and a global perspective ·Deepen understanding of Group culture through activities such as group work and participation in group-based training ·Upon completion of training, participants will be deployed to Tokio Marine Group companies

Development and Reskilling of DX Talent to Adapt to Environmental Changes (5 Talent Development and Assignment)

Talent Promoting DX (Target Employees, Required Roles and Actions)

DX Leaders Executives, digital-related general managers	Leverage knowledge of cutting-edge technology in decision-making to lead DX strategies while fostering an organizational culture where employees are encouraged to embrace change.
DX Core Digital-related departments, planning and development staff	Drive projects in areas such as marketing, UI/UX design, system development, and AI and data utilization, collaborating with external experts as needed.
DX Drivers Participants in DX-related training	Identify fundamental issues in their respective tasks and implement solutions utilizing digital technologies, while promoting DX within their own organizations.
All Employees	Acquire the necessary DX literacy and skills as business professionals, fully leveraging digital tools with an understanding of the significance of DX and digital strategies.

Specific Initiatives (Tokio Marine & Nichido Fire Insurance)

The implementation of training, along with the provision and utilization of learning content, contributes to improved digital literacy and skills in business, tech, and creativity.

FY2023
Number of participants in core DX program **695**

Literacy and Skills Necessary for Promoting DX

Business (Insight)	The ability to overview one's own work processes, identify challenges toward value provision and operational efficiency, and proactively advance solutions
Tech (Curiosity)	The ability to quickly grasp the latest societal changes and trends and seamlessly integrate AI and digital technologies into work processes
Creativity (Innovation)	The ability to address customer challenges and needs, providing new value and enhancing operational efficiency from a customer-centric perspective

Culture That Supports Our Group-Wide Management

We are striving to integrate our Purpose, leveraging the skills and experiences of diverse talents to strengthen the collective capacity of the organization, and cultivate an inclusive organizational culture, all while enhancing employee engagement.

Examples of Initiatives

Foster a sense of Group unity (see p. 33)

6 Embedding our Purpose
- Dialogue between Group CEO and middle management
- Communication from CEOs of Group companies worldwide
- "Majikirakai" and town hall meetings worldwide
- Implementation of PDCA cycles using Culture & Value Surveys

7 Promotion of DE&I
- Establishment of the CDIO/Diversity Council
- The "Four Freedoms" (gender, age, borders, work styles)
- Project Mizu etc.

Enhance engagement

8 Job satisfaction
- Initiate organization-level PDCA practices based on engagement surveys
- Establish dedicated teams for improving engagement (TMNF)

9 Flexible work environment
- Introduce flexible work rules
- Enhance various infrastructures

We aim to leverage intellectual capital in the form of the Group's data and digital technology as a source of competitive advantage to evolve into a company that always supports its customers and transforms internal business processes.

Masashi Namatame
Senior Managing Executive Officer
Group Chief Digital Officer (CDO)

Evolve into a Company That Always Supports Its Customers

Amid an era of profound change and escalating global uncertainties, we are broadening our scope to deliver enhanced value and bolster support to both customers and society. As CDO, my objective is to harness our intellectual assets, encompassing the Group's exclusive data and digital technology, as a source of competitive advantage. In addition to the drive toward global digital synergies, I aim for evolving into a company that always supports its customers while driving business process transformation.

Transforming Our Value Proposition

Over the course of many years, we have amassed, analyzed, and effectively utilized extensive volumes of data through our underwriting and claims services. With Tokio Marine dR Co., Ltd. (TdR), at the helm, driving the Group's data utilization and solution development, we are leveraging this intellectual capital to step into novel domains such as advanced data-driven underwriting, data solutions, and embedded insurance. Based on the belief that expanding our data and value proposition model through collaboration will lead to new value creation, we are continuously honing our intellectual capital and co-creating with external partners. Our goal is to broaden our value proposition while also enhancing our social capital.

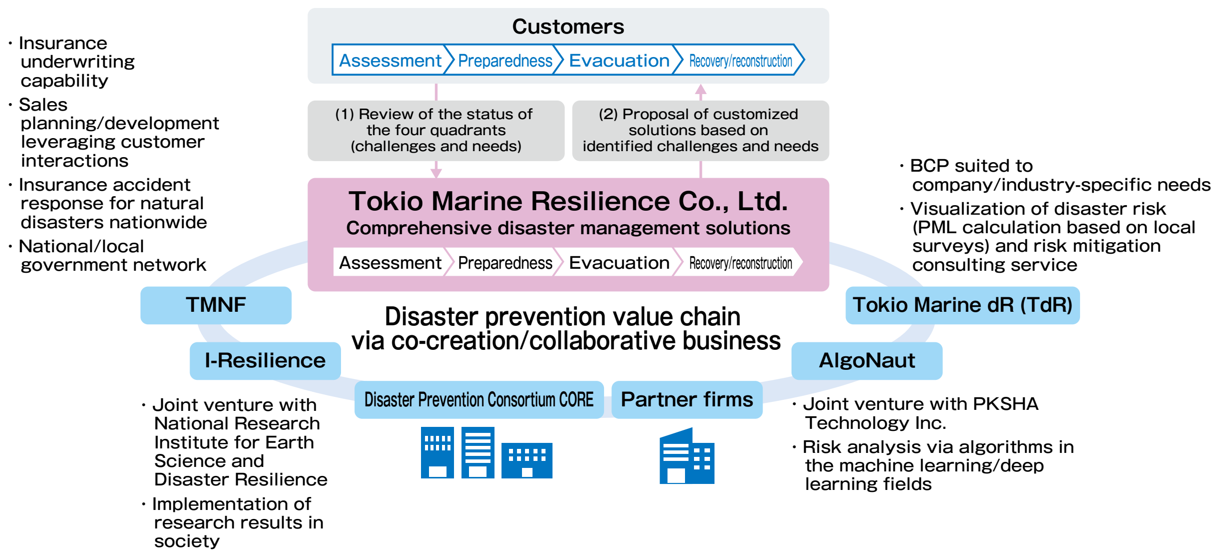
Utilize Social Capital to Create New Profit Streams

An example of utilizing social capital, an ecosystem built across different companies through these initiatives, is our collaboration with I-Resilience Corporation, a joint venture between the National Research Institute for Earth Science and Disaster Resilience and TMNF. This partnership involves providing the Resilient Information Distribution Service offered by Tokio Marine Resilience. The service integrates information from various locations of companies and organizations with extensive and multiple sites to support the maintenance and continuity of logistics and business activities during natural disasters. By developing a program that centralizes risk data from multiple sites and assesses their risk conditions, the service provides information such as identifying which sites—such as A and B—are at high risk due to an impending disaster. This enables companies, for instance, with 100 locations, to continue logistics and business operations primarily from sites with lower risk while planning actions to support those with higher risk, based on this information. The system was provided free of charge as an emergency response following the Noto Peninsula earthquake. We quickly developed a user-friendly mobile interface in collaboration with I-Resilience, and by January 10, just nine days after the earthquake, the service was made available on TMNF's website (until March 31, 2024). This system was used to leverage alert information for preventing secondary disasters at evacuation sites and for formulating support schedules by local governments and volunteers to facilitate early recovery efforts.

To further enhance the utilization of social capital, we established two new companies in November 2023: Tokio Marine Resilience Co., Ltd., for disaster prevention and mitigation, and Tokio Marine Smart Mobility Co., Ltd., for the mobility sector. These new entities are dedicated to new business initiatives and are focused on accelerating the planning and development of innovative value propositions and solutions.

To continue fulfilling our Purpose of protecting customers and society in their times of need, we aim to expand our value proposition into a comprehensive solution business. This approach goes beyond just insurance payouts to cover both preventive and responsive measures, including preventing accidents, alleviating burdens in case of incidents, facilitating swift recovery, and preventing recurrences. Our goal is to develop this area so that, in 10 years, it stands as a key revenue pillar alongside our existing businesses.

Overview of the Comprehensive Disaster Prevention and Mitigation Solutions Business in Collaboration with the Tokio Marine Group and External Partners



Transforming Business Structure

For nearly 20 years, we have been committed to fundamentally reforming our business processes to enhance operational efficiency. At TMNF, we have been advancing the digital streamlining of insurance business processes, including efforts to improve contract procedures and automate the insurance claims payment process. In fiscal 2023, we achieved a 16.7% reduction in administrative burden compared with the end of fiscal 2019, exceeding the planned reduction of 15%. This reduction translates to an annual profit contribution of 20–25 billion yen.

To further enhance the efficiency of our digital business model, we are positioning the use of AI and data as a crucial strategy for transforming our business structure. We are also exploring the potential of generative AI, which has garnered significant attention across various fields. Generative AI, with its capabilities in understanding text and generating responses, holds promise for improving productivity and customer service quality in the insurance industry. However, the industry's reliance on specialized terminology and complex communications presents challenges for implementing generative AI in practice. In addition, there are risks associated with data leakage and copyright infringement that must be carefully managed.

To tackle these obstacles, we have partnered with PKSHA Technology Inc. and Microsoft Japan Co., Ltd., to create safeguards against external data leaks and secondary usage of input information. Leveraging our extensive repository of manuals and insurance policy terms, we are in the process of crafting a dedicated interactive AI tailored to the insurance domain.

By conducting a trial operation of this interactive AI, initiated in June 2023, our objective is to continue gathering insights and address any remaining risks. Our aim is to roll out this feature for widespread employee usage by the end of fiscal 2024. In addition, we will explore and pursue new use cases that maximize the potential of generative AI, aiming to enhance operational productivity and customer service excellence.

Our commitment lies in driving additional growth by channeling the time generated from these endeavors into creating novel profit opportunities.

Foundation Underpinning Our Intellectual Capital Strategy

(1) Global Synergies (Development of Global Labs)

In addition, we are dedicated to strengthening collaboration both domestically and internationally in the digital realm. We are actively engaged in fostering digital synergy globally. Through our network of seven Global Labs and the Digital Roundtable that brings together overseas sites, we are facilitating the sharing of diverse knowledge and expertise from around the world. This is accelerating digital transformation (DX) across the Group.

(2) Investment in and Development of DX Personnel

To expedite these efforts, investing in and nurturing talent with strong DX skills is crucial. We have brought on board approximately 100 dedicated digital experts, encompassing engineers and designers. Meanwhile, graduates from our internal DX talent development program, known as Data Science Hill Climb, are equipped to lead digitalization efforts as proficient data scientists.

With a focus on "Business Architect" professionals, we are collaborating with technology companies to achieve notable outcomes. For instance, we have implemented a system that integrates fire insurance subscription processes into the online purchasing process for investment real estate, marking a first in both the domestic real estate and insurance industries. Furthermore, based on feedback from previous Data Science Hill Climb participants, who highlighted the need for expertise not only in advanced specialties but also in leading DX and AI business initiatives, we have developed a new Business Architect training program. This program will be offered externally as well.

Moving forward, we will expand our business beyond just offering courses and sharing know-how. We aim to extend our services into concrete implementation support through data analysis and digital technology utilization. This will include advancing digital usage across society and supporting the disaster prevention value chain through collaboration and co-creation.

Transforming Our Value Proposition (Utilization of Human, Intellectual, and Social capital)

◯ Creation of New Solution Businesses: (1) Tokio Marine Resilience

■In the disaster prevention and mitigation field, we are leveraging the capabilities of both internal and external partners, such as the disaster prevention consortium CORE, to develop risk solutions that can address the increasingly complex multi-peril scenarios. Our goal is to continue developing and providing even more advanced solutions.

Examples of concrete solutions (see p. 19)

- Case 1 Resilient Information Distribution Service
- Case 2 Real Time Hazard
- Case 3 Disaster Prevention and Mitigation Data Fee Business

Capabilities as a source of competitive advantage

Co-creation with external partners

CORE 防災コンソーシアム

- 119 companies and organizations participating (as of June 2024)
- Contributing to the creation of a resilient society through partnerships with a wide variety of industries and organizations
- Advancing the development of disaster prevention and mitigation solutions through 10 theme-specific working groups

Group capabilities (Human and Intellectual Capital)

Strengths of TdR and as an insurance company

- Intellectual capital: Accident, disaster, and risk consulting data
- Human capital: A broad and cutting-edge team of experts

◯ Creation of New Solution Businesses: (2) Tokio Marine Smart Mobility

■In the mobility sector, we are developing risk solutions by leveraging the risk management expertise accumulated through our insurance and related businesses, combined with digital capabilities and technology both within and outside the Group.

Examples of concrete solutions

Case 1 Fleet Management Service

- Provides real-time dynamic information and safety driving diagnostics utilizing our accident data analysis capabilities, as well as automation of daily reporting tasks for managers, leading to reductions in risk and cost for adopting companies
- Pricing: Approximately 35,000 yen per unit per year

- Real-time visualization of location and driving history
- Automated creation of daily and monthly reports, safety driving guidance
- Visualization of vehicle usage and reminders for vehicle inspections

Case 2 Autonomous Driving Implementation and Operation Support Package

- Provides a comprehensive package for operators introducing Level 4 autonomous driving, combining risk assessment, remote monitoring and incident response, and insurance, supporting safe implementation and operation throughout the entire process
- Pricing: From several million yen per case

- Remote monitoring of autonomous driving performance and operational status
- Seamless arrangement of necessary responses in case of accidents or issues

Case 3 Traffic Accident Reduction Support Service

- Develops risk maps and AI-based potential hazard prediction models developed using the company's accident-related data and external data that are provided to local governments and other organizations to support efforts in reducing traffic accidents
- Pricing: From several million yen per case

- Consulting for developing countermeasures (optional)
- Related initiatives selected for the third phase of the Strategic Innovation Program, Development of the Smart Mobility Platform

Capabilities as a source of competitive advantage

Real Data through Business Operations

Rich real data obtained through insurance and related businesses

- Accident data: Handling approximately 3 million accidents annually within Japan alone
- Dashcam data: Accumulated video data through more than 1 million units of DAP sold

Other Intellectual and Human Capital

Intellectual and human capital related to risk management

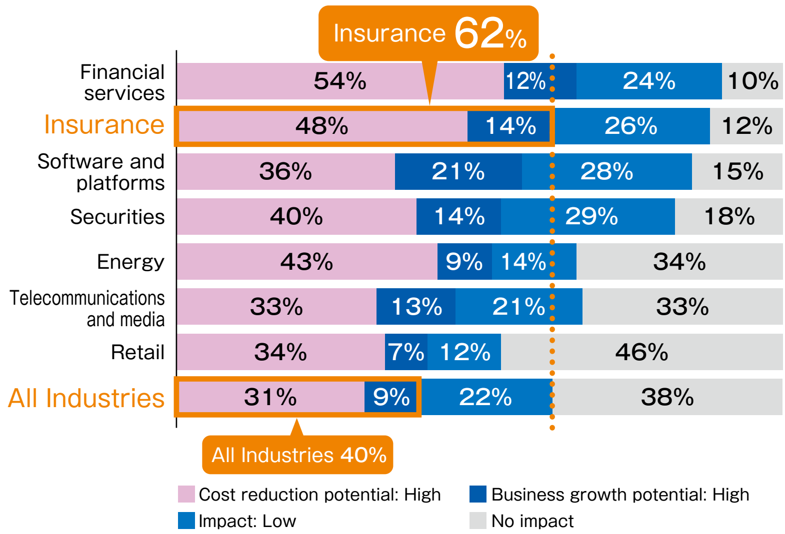
- Accident cause analysis: Risk investigation, analysis, and consulting based on accident response records
- Cutting-edge experts: More than 300 specialized professionals with extensive and advanced expertise

Transforming Our Business Structure

◯ Strengthening AI/Data Utilization -Overview-

■ The insurance industry inherently has high operational costs, with significant potential for automation through generative AI.
■ Position AI/data strategy as a key strategy and consider its application across all operations within the business model.

◯ Comparison of Transformation Potential by Industry through AI



*Based on Accenture Research, analyzing data from the U.S. Bureau of Labor Statistics' occupational information network (O*NET)

◯ Consideration of AI in Operational Tasks

- Sales promotion and marketing
- Enrollment procedures and contract processes
- Accident response
- Products and services
- Corporate operations

◯ Strengthening AI/Data Utilization: Leveraging Generative AI

■ Through the utilization of generative AI, including ChatGPT, we aim to further enhance productivity while strengthening our efforts in AI governance.

One-AI for Tokio Marine

As part of our Tokio Marine—specific generative AI platform, we introduced "One-AI for Tokio Marine," utilizing ChatGPT in October 2023.

Usage Status (as of August 31, 2024)
·Number of users: Approximately 15,000
·Average daily usage: 5,000 to 7,000 times per day

Main Use Cases
(1) Document generation (e.g., draft letters, creating texts for customers and agents)
(2) Excel functions and macros (e.g., VBA code and function lookup)
(3) Thought exploration (e.g., role-playing agent dialogues)
(4) Meeting minutes
(5) Automatic creation of meeting notes

One-AI for Tokio Marine

Efforts in AI Governance

Collaboration with Robust Intelligence, Inc.

Formed a capital and business partnership with Robust Intelligence, a U.S. company with expertise in AI vulnerability assessment, to jointly enhance AI risk solutions.

ROBUST INTELLIGENCE

Participation in the AI Governance Association

Joined the AI Governance Association as a director to share insights in AI governance, plan certification systems, and make policy recommendations across industries.

AIガバナンス協会 AI Governance Association

By continuously seeking and providing solutions to global societal issues that leverage the strengths of the Group, we aim to contribute to creating better environments and societies. This approach will accelerate the virtuous cycle of resolving societal issues and the Group's sustainable growth.

Mika Nabeshima
Executive Officer
Group Chief Sustainability Office (CSUO)

Protecting customers and society in their times of need has been the Tokio Marine Group's raison d'etre since our founding. Based on this, we aim to be a global insurance group that continues growing by providing safety and security to customers worldwide. We have consistently confronted evolving societal issues head-on and offered solutions that only we can. Our historical contributions, from supporting Japan's modernization as a trading nation through maritime insurance to aiding postwar motorization with automobile insurance and promoting renewable energy through tailored insurance packages, illustrate how our core business activities inherently address societal issues and embody sustainability. The spirit of addressing societal issues through our business is ingrained in our 40,000 Group employees worldwide, reflecting the very essence of our Purpose—a legacy passed down through generations since our founding.

The Environment Surrounding Sustainability

In this era of rapid change and unpredictability, the landscape of sustainability is constantly evolving. Societal issues are becoming more diverse and complex, extending beyond global warming, climate change, and the increasing frequency and severity of natural disasters to include human rights and biodiversity preservation. Against this backdrop, my mission as Group CSUO is to actively address new societal issues alongside our ongoing initiatives. By integrating our business activities with efforts to tackle these societal issues, we aim to create a better environment and society for future generations while driving corporate growth. Despite the shifting landscape and personnel changes, the core principles of our deeply rooted sustainability strategy have remained constant since our inception. To achieve this, it is essential that employees worldwide fully understand and align with our sustainability strategy. We must also leverage the knowledge and expertise of our globally expanding Group companies and continue to implement the strategy cohesively as a unified organization.

Global Strategy Deployment and Expansion of Efforts to Address Societal Issues

To further advance our sustainability strategy, it is essential that the strategy is deeply ingrained among all employees, with each individual understanding, resonating with, and taking ownership of the relevant policies, and translating this into concrete actions. In fiscal 2023, we engaged in dialogues with Group companies to integrate sustainability-related initiatives into their business plans. To promote two-way dialogue with our overseas Group companies, we held quarterly Q&A sessions. In addition, we published a new sustainability booklet featuring numerous interviews and case studies of employees involved in societal issues resolution. These initiatives aim to enhance employees' understanding of how every aspect of our daily operations contributes to solving societal issues.

Regarding climate change measures, we have not only developed and provided products and services that contribute to the advancement of renewable energy but also strengthened our engagement with customers toward transitioning to a decarbonized society. As a specific measure, in September 2023, TMNF, which handles a significant portion of corporate transactions within the Group, engaged in dialogue with 200 key clients responsible for approximately 90% of the greenhouse gas (GHG) emissions associated with our insurance underwriting. We have set a goal to elevate the engagement level with at least 160 of these clients to a standard where we share an understanding of the issues and make concrete proposals for their resolution. Furthermore, in March 2024, we revised our Basic Approach to Climate Change and announced a policy requiring the development of decarbonization plans through engagement from the 60 GHG high-emission sector clients, which account for approximately 70% of the GHG emissions associated with insurance underwriting among the 200 key clients. We also clarified our policy to cease transactions (insurance underwriting and investment) with companies that do not have a decarbonization plan by 2030. To foster cross-group collaboration and expand business opportunities in the green transformation (GX) sector, we are advancing support for the global transition to a decarbonized society by hosting initiatives such as the GX Roundtable.

In the domain of disaster resilience, we are leveraging digital technology to automate and accelerate insurance claim processes, ensuring prompt delivery of benefits to those affected. We are also expanding our efforts into both pre-emptive and post-incident strategies. Our objectives include preventing accidents, mitigating damage during incidents, and facilitating rapid recovery while preventing future occurrences.

Through these efforts, our sustainability strategy is steadily expanding and becoming ingrained at a global level, with a focus on eight key areas (materiality).

Strengthening External Communication and Disclosure, and Addressing New Societal Issues

In fiscal 2024, we will focus on strengthening external communication and tackling challenges in new domains.

In strengthening external communication and disclosure, we will clearly present our sustainability initiatives to a broad range of stakeholders, including general consumers, explaining why we are undertaking these efforts along with the details. This approach aims to invigorate dialogue with stakeholders and, based on insights gained from these interactions, further enhance our sustainability strategy to improve corporate value.

In addressing new societal issues, we will challenge ourselves to quantify the impact (social value) of the Group's sustainability strategy and initiatives: how they contribute to society. This effort aims to expand both the quality and quantity of our contributions to solving societal issues and to enhance employee motivation.

Furthermore, as emerging societal issues such as natural capital and biodiversity conservation become more apparent, we will remain sensitive to societal perspectives and expectations of businesses and respond with a sense of urgency. Specifically, we will promote marine conservation activities, such as mangrove reforestation and seagrass bed preservation, which are symbolic of our Group's efforts. We will also assess the impact of our business activities on ecosystems and natural capital, in line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework.

In fiscal 2023, we analyzed the dependency and impact on natural capital within our insurance underwriting and investment portfolios and identified key sectors. Starting in fiscal 2024, we plan to conduct detailed analyses of these key sectors and initiate engagement with partner companies.

In addition, in fiscal 2024, we will engage in constructive dialogues with internal and external stakeholders regarding human capital management, which supports societal issues resolution and our sustainable growth. We will refine and implement our human resources strategy in alignment with our business strategy and execute the Plan-Do-Check-Act (PDCA) process on an ongoing basis. This approach aims to continuously strengthen our human capital and enhance corporate value sustainably.

In this way, we will actively advance our sustainability strategy and initiatives to enhance corporate value.

Enhancing Value by Circulating Corporate Activities and the Resolution of Societal Issues

Guided by our enduring purpose of protecting customers and society in their times of need, we will leverage the Group's collective strengths and capabilities and take pride in our commitment to be a front-runner in solving societal issues. At the same time, we will strive to increase both social value and economic value (profit growth) by circulating our corporate activities against the resolution of societal issues.

We sincerely appreciate the ongoing understanding and support of all our stakeholders.

Fiscal 2024 (Plan)

Enhancement of societal issues resolution and initiatives in key areas through business activities
Venturing into new domains

Embedding and advancement of the sustainability strategy	• Promote integrated management of our sustainability strategy and business activities • Strive to quantify the impact (social value) provided to society through business • Provide clear and accessible information to a wide range of stakeholders, including general consumers
Initiatives in key areas	• Strengthen efforts toward achieving a decarbonized society (Support for transition through products and services, enhanced engagement) • Promote global expansion of initiatives for future generations • Enhance efforts to respect human rights across the value chain • Expand ESG investment and financing (e.g., sustainability-themed investments, impact investing) • Advance biodiversity conservation efforts (In-depth analysis of key sectors, exploring engagement) • Elevate human capital management to support societal issues resolution and sustainable corporate growth, and promote DE&I (Support for the active participation of diverse employees and global talent)

Sustainability Strategy Promotion Structure

Structure for Promoting Effective Sustainability

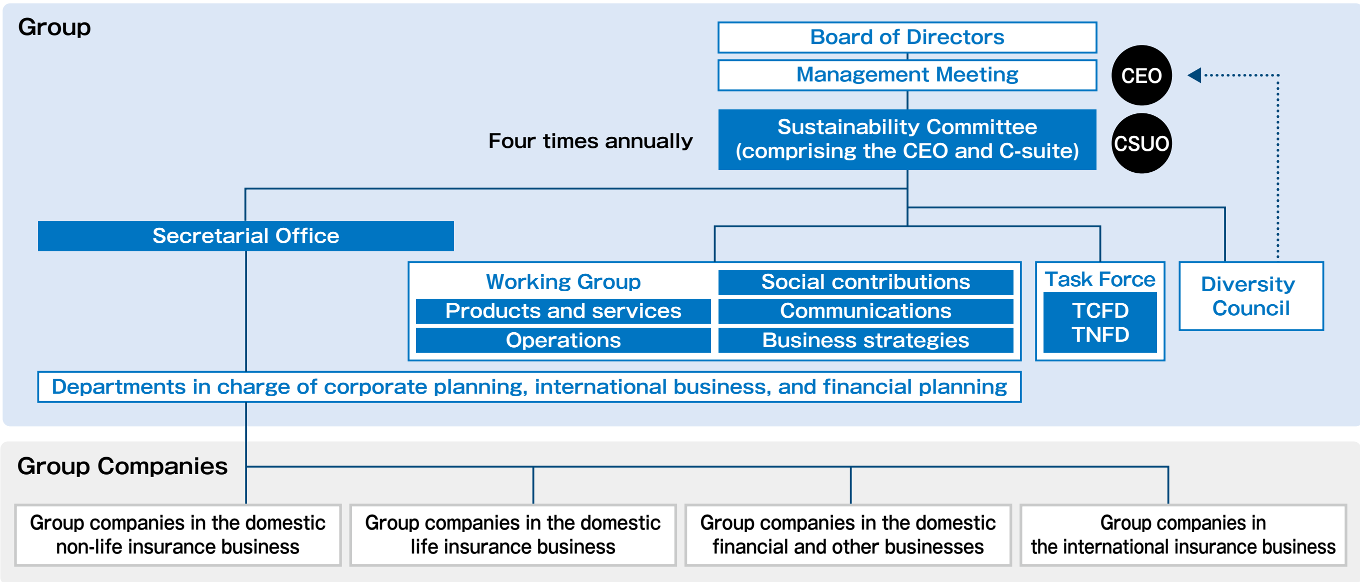
To further embed our sustainability strategy in these rapidly changing times, every employee must understand and resonate with related policies and strategies, while at the same time considering them as their own and taking concrete actions accordingly.

To drive and support such a transformation of employee and organizational behavior, we established the Sustainability Committee led by the CSUO. Launched in 2021, this committee includes not only the CEO, CFO, CSO, and CHRO but also non-Japanese chief officers.

The Sustainability Committee convened four times in fiscal 2023, setting plans and challenges, executing initiatives, and reviewing outcomes, driving initiatives on a global Group basis. Deliberations were promptly reported to the Management Meeting and Board of Directors, and the feedback obtained there has been instrumental in enhancing subsequent discussions, assessments, and strategic advancements.

Since fiscal 2022, we have incorporated non-financial indicators related to key challenges of sustainability into the performance-linked bonuses for directors and executive officers. This has established a system to reflect the outcomes of sustainability initiatives in performance-linked bonuses.

◯ Organizational Structure for Promoting Sustainability



(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 in fiscal 2023)	
April 2023	Review of fiscal 2022 initiatives and formulation of new plan for fiscal 2023. Global expansion of integrated management of sustainability strategy and business activities, etc.
July 2023	Proposed intermediate targets for achieving a decarbonized society. Approach to human rights issues, etc.
November 2023	Proposed revisions to the Group's material issues (materiality). Proposed strengthening of climate policy. Draft disclosure policy based on the TNFD framework, etc.
February 2024	Sharing results of key ESG evaluation institutions and future response points. Promotion and global expansion of initiatives for future generations. Direction of initiatives for fiscal 2024, etc.

(2) Promotional Framework

❶ Secretariat of Sustainability Committee:
Handles administration for the committee (as well as the working groups and task force) and promotes the sustainability strategies

❷ Working Groups:
Formulate and execute annual plans for each type of issue, with input from members of the Group companies as well

❸ Task force:
Organizes members of projects tasked with strengthening short-term initiatives

Strengthening the Integration of Our Sustainability Strategy and Business Operations through an Effective Promotion System

To further strengthen and accelerate the integrated management of our sustainability strategy and business operations, it is imperative to establish a robust PDCA cycle anchored in our promotion framework, which includes the establishment of the CSUO position and the Sustainability Committee.

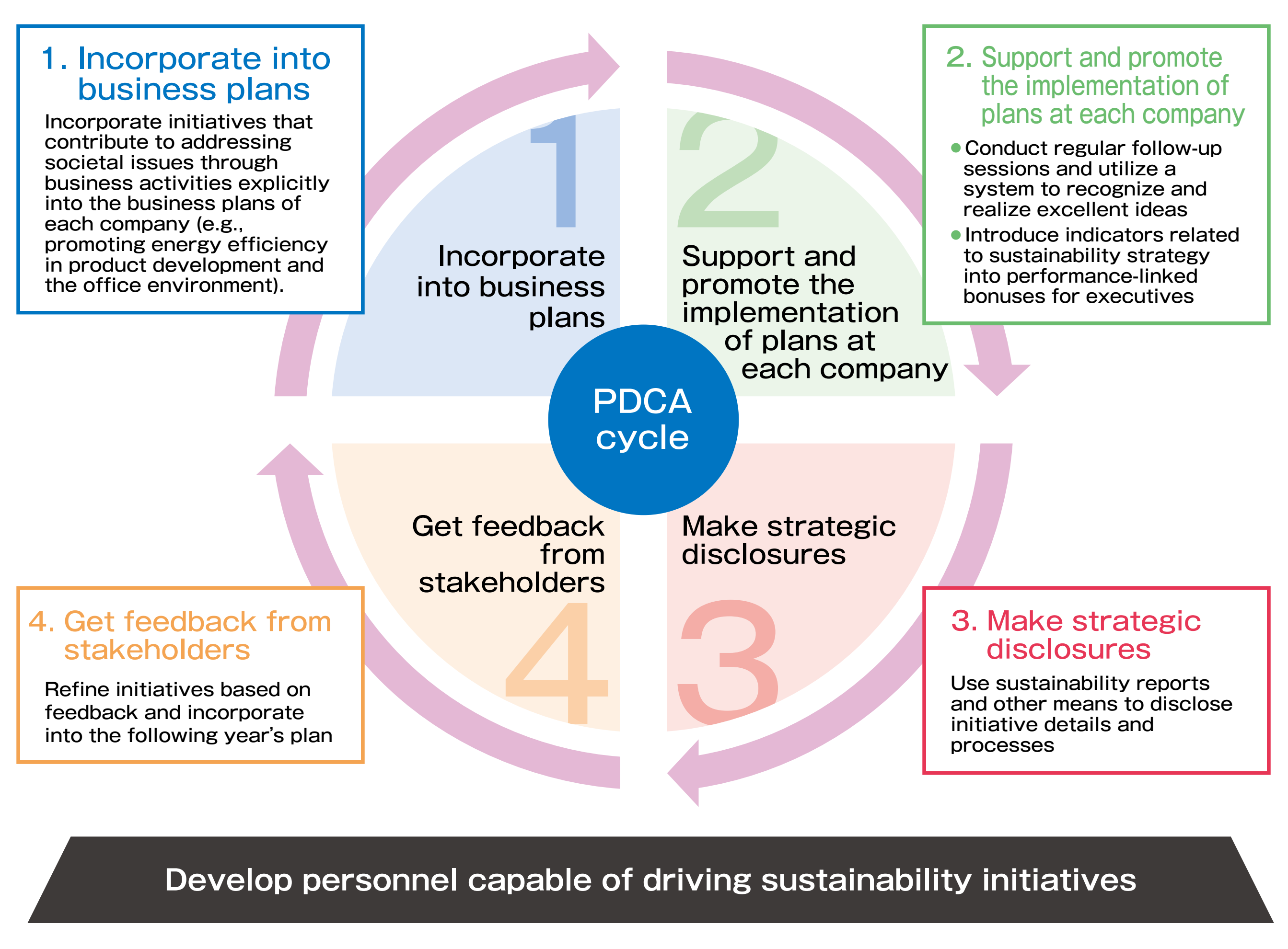
Both domestic and international Group companies are explicitly incorporating efforts to address societal issues through business activities into their business plans. We have also established mechanisms to support and promote the implementation of plans at each company, such as conducting regular follow-up sessions and building a system to recognize and realize excellent ideas and initiatives into the Tokio Marine Innovation Program (TIP)*.

In addition, by externally disclosing specific initiatives and processes that emerge from these efforts, we aim to engage in dialogue with our stakeholders, incorporating their feedback into the following year's initiatives.

By setting this PDCA cycle in a positive feedback loop throughout the Group, we further embed our sustainability strategy and elevate the content and insights of our initiatives, enabling us to accelerate our sustainability strategy across the Group.

*: An initiative where ideas from employees of Group companies are solicited for addressing societal issues through business activities, and applicants themselves aim to bring these ideas to fruition with the support of their company.

◯ Accelerating the Sustainability Strategy through a PDCA Cycle



Note: Hosting Follow-up Sessions with Overseas Group Companies

To promote interactive dialogue with the Group's sustainability managers, we began holding quarterly follow-up sessions with overseas Group companies in November 2023. The session in November 2023 saw participation from approximately 70 people.

We will continue these sessions as a forum for communication with overseas Group companies and will use them to advance each company's business plans and explore new initiatives.

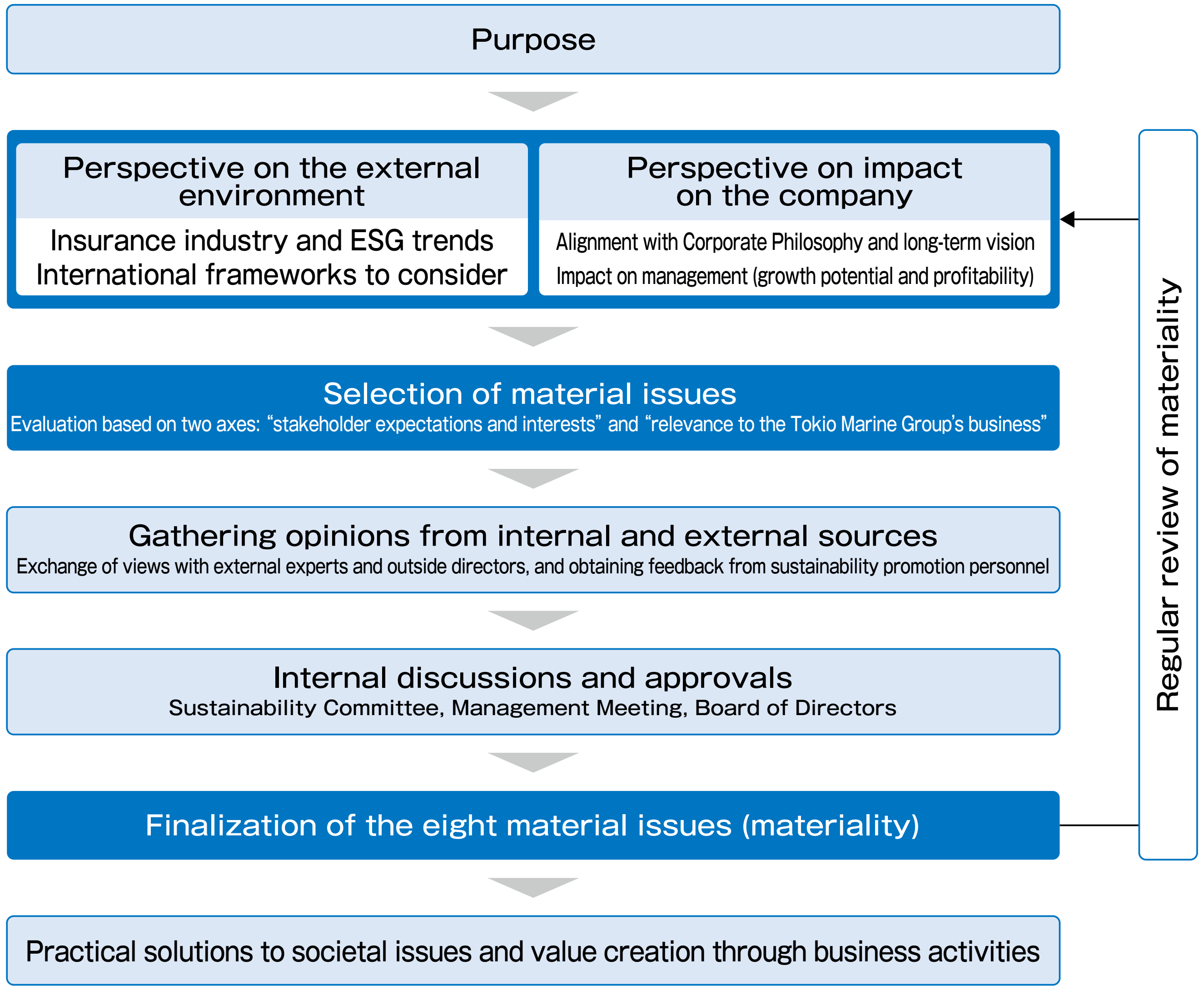
Identification and Regular Review of Eight Material Issues (Materiality)

Process for Identifying and Reviewing Materiality

The Tokio Marine Group has identified eight material issues (materiality) to be addressed based on our Purpose. In this identification process, we first consider external environmental factors and the impact on the Company. We evaluate and select the issues based on two criteria: "stakeholder expectations and interests" and "relevance to the Tokio Marine Group's business." Afterward, we finalize the material issues through consultations with internal and external experts, as well as deliberations by the Sustainability Committee and the Board of Directors.

As the field of sustainability is subject to rapid changes in external environments, such as environmental, social, and governance (ESG) trends and international frameworks, regular reviews are necessary. We are conducting a review in fiscal 2024.

Based on the identified material issues, we evaluate their impact on the Group's business (risks and opportunities) and undertake initiatives to mitigate risks while capturing opportunities. Furthermore, through challenges that transform these risks into opportunities, we aim to simultaneously enhance both social value and economic value (profit growth).



Materiality	Reasons for selection
(1) Promote climate action (2) Improve disaster resilience	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.
(3) Support people's healthy and enriching lives	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) Value people and promote diversity and inclusion Changed in fiscal 2024	As globalization advances, the coexistence of diverse values and cultures has become increasingly prominent. We believe it is necessary to further accelerate efforts to ensure diversity and respect for human rights, while also implementing a human resources strategy that contributes to strengthening human capital and achieving our management strategy.
(5) Provide innovative solutions	As technological innovation accelerates, society and the economy are experiencing profound transformations. To ensure sustainable economic growth, companies must establish a solid foundation for innovation. We are committed to supporting corporate growth and economic development by expanding our value offerings across both the insurance and solutions sectors—encompassing areas such as disaster prevention and mitigation, mobility, and decarbonization—leveraging digital tools and data-driven strategies.
(6) Protect the natural environment Changed in fiscal 2024	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 opportunities for future generations Changed in fiscal 2024	Addressing the challenges that evolve with the times falls to each generation, and supporting the development of future generations can be seen as an initiative toward building the foundation for the future. Having specified future generations of people as stakeholders, we have a duty to help equip children with the skills they will need in life. With this understanding, we aim to provide opportunities for future generations by establishing various educational programs and mechanisms to incorporate their perspectives into our management.
(8) Open governance with integrity Changed in fiscal 2024	In establishing the Tokio Marine Group Corporate Philosophy, we are committed to enhancing the Group's corporate value by fulfilling our responsibilities to stakeholders, including shareholders, investors, customers, society, and employees. To achieve this, we will focus on improving the quality of operations across the entire value chain, strengthening internal controls, and enhancing the Enterprise Risk Management (ERM) framework across all Group companies, including those overseas. In addition, to further build trust with stakeholders, we believe that timely, appropriate, and transparent information disclosure is crucial.

Metrics and Targets

Stakeholders	Materiality	How the Group can contribute	Value creation: What are the Group's goals (qualitative or quantitative)?	Value creation: Achievements so far and future plans	Progress and evaluation*6
For customers / For society	1 Promote climate action	The realization of a decarbonized society	Fiscal 2050 target Net-zero greenhouse gas emissions (including insurance customers and investment and financing recipients)	● Established the GX Roundtable: Start of joint development of decarbonized products on a Group basis (March 2023) ● Established a preparatory company for the launch of the Tokio Marine decarbonization business to provide solutions in the decarbonization field (February 2024) ● Fiscal 2023 result: Increased written premiums in GX-related insurance products by approximately 9.0 billion yen (total premium increase compared with fiscal 2020) ● Strengthened commitment to and involvement in renewable energy funds (48 billion yen committed and 43 development projects as of the end of fiscal 2023)	○
		1) Provide solutions to support the transition to a decarbonized society	Contribute to the realization of a decarbonized society by developing insurance products and services and providing risk consulting services		
		2) Engage with investors and insurance underwriters	Targets for fiscal 2030 Engage in dialogue with 200 companies with high emissions, and conduct in-depth proposals and engagement with 160 of them (Tokio Marine & Nichido)	● Support for decarbonization through constructive dialogue with insurance customers and investment and financing recipients ● Established interim targets of engagement for 2030 (TMNF, announced in September 2023)	○
		3) Policy for insurance customers and investment and financing recipients	Established transaction policies for specific sectors considered to have high environmental and social risks	● Restricted new underwriting of coal and coal mine development (2020-2021) ● Restricted new underwriting for oil sands and Arctic oil and gas development (2022) ● Seeking decarbonization plans, restricted transactions with 60 high-emission sectors that do not have decarbonization plans as of 2030 (Tokio Marine & Nichido, announced in March 2024)	○
		4) Reduce CO_2 emissions from the Group's operations	Targets for 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 company-owned vehicles to electric vehicles*3 (Tokio Marine & Nichido Fire, Tokio Marine & Nichido Life, and Nisshin Fire & Marine)	1) Fiscal 2023 results: 43% reduction (compared with fiscal 2015) 2) Adopt renewable energy at workplaces in Japan, the United States, and Europe Fiscal 2023 result: 45% (compared with fiscal 2020) 3) TMNF, TMNL, and NF are gradually making the shift	○
	2 Improve disaster resilience	Enhance response to natural disasters	Develop products and services that provide swift insurance payments in the event of a large-scale disaster	Reduce time for insurance payment by automating the payment process (from fiscal 2022)	○
		Provide disaster risk management services in the disaster prevention and mitigation field	Co-create disaster prevention and mitigation businesses with various industries and companies Solve challenges in areas closely related to insurance, such as disaster prevention and mitigation, supply chain management, and infrastructure and facility maintenance (TMNF)	● The number of member companies in the disaster prevention consortium CORE has increased to 119, and the number of working groups has expanded to 10 (June 2024) ● Established Tokio Marine Resilience Co., Ltd., to realize a comprehensive disaster prevention and mitigation solutions business (November 2023)	○
		Assist with business continuity planning (BCP) in partnership with government bodies and businesses	Continue providing support to BCP	● Cumulative number of agreements with local governments (February 2024): 43 prefectures, 13 major cities, and 91 municipalities ● Number of small and medium-sized enterprises supported with BCP implementation: approximately 2,100 (an increase of around 800 compared with fiscal 2022)	○
	3 Support people's healthy and enriching lives	Respond to asset building and savings needs in response to longevity risk (Develop and provide new healthcare services)	Develop and provide new solutions through the creation of a data platform linking health-related information with insurance-related data (TMNF) Achieve a three-year CAGR above 5% in new policy premiums at TMNL compared with fiscal 2023	● Fiscal 2023 result: Increased revenue by approximately 22 billion yen*1 in the healthcare domain (compared with fiscal 2020) ● Established a preparatory company to conduct validation experiments for new business in the healthcare domain (April 2023) ● Increased the CAGR of new policy premiums by 4.3% (fiscal 2023 result: compared with fiscal 2020)	○
		Widely promote services for facilitating health and productivity management	Become certified as a Health & Productivity Management Outstanding Organization Continue support for health and productivity management (TMNF)	● Seven companies in the Tokio Marine Group selected as a Health & Productivity Management Outstanding Organization for 2024 (Large Enterprise Category, White 500) ● Provided health management support: approximately 2,200 companies (in fiscal 2023)	○
For employees	4 Value people and promote diversity and inclusion	Promote human capital management	Strengthen group management systems: consistent and sustainable development of Group management talent Build a strategically consistent talent portfolio: recruit highly specialized personnel	● Number of individuals trained at the Tokio Marine Group Leadership Institute (TLI): 122 (cumulative total through fiscal 2023) ● Number of mid-career hires currently employed at the Company: 55 (fiscal 2023)	○
		Promote diversity and foster an inclusive corporate culture	Promote and support diversity and inclusion through the Diversity Council, etc. Continue to conduct the Culture & Values Survey KPIs 1) Percentage of female directors and Audit & Supervisory Board members: 30% (fiscal 2027 target) 2) Percentage of female managers at Tokio Marine & Nichido Fire: 30% (fiscal 2025 target)	● Tokio Marine Group Purpose permeation index: 4.25 out of 5*4 ● Tokio Marine Group DE&I promotion index: 4.01 out of 5*5 Recent progress: 1) Percentage of female directors and Audit & Supervisory Board members: 25% (as of June 30, 2024) 2) Percentage of female managers at TMNF: 27.8% (as of April 2024)	○
		Share best practices and activities for improvement throughout the Group	Carry out human rights due diligence and improvement initiatives based on the UN Guiding Principles on Business and Human Rights	● Established and announced the Tokio Marine Group Basic Policy on Human Rights (December 2021) ● Further promotion of human rights due diligence across employees, business operations (insurance underwriting and investment), and the value chain	○

*1: Net premiums written *2: Based on our business activities (Scope 1, 2, and 3 (Categories 1, 3, 5, and 6)) *3: EVs, PHVs, HVs, etc. *4: Average score of items related to Purpose permeation in the proprietary survey Culture & Values Survey (CVS), which measures engagement and the penetration of our Purpose
*5: Average score of items related to DE&I promotion of CVS *6: ○: Generally progressing well

Metrics and Targets

Stakeholders	Materiality	How the Group can contribute	Value creation What are the Group's goals (qualitative or quantitative)?	Value creation Achievements so far and future plans	Progress and evaluation*2
For society	5 Provide innovative solutions	Expand insurance and solutions businesses, such as disaster prevention and mitigation, mobility, and decarbonization, through digital tools and data-driven strategies	Accelerate the data strategy with Tokio Marine dR, such as providing further security to clients before and after any events	Launch specific initiatives for the comprehensive disaster prevention and mitigation solutions business, such as Real Time Hazard, with the disaster prevention consortium CORE, which began in April 2022 led by the Group, as its engine (from August 2023)	○
			In addition to developing and deploying cyber risk insurance, provide cutting-edge pre- and post-event services such as cyber risk visualization (TMNF)	● Fiscal 2023 result: Increased revenue by 8.0 billion yen*1 in the cyber domain (compared with fiscal 2020) ● Launched incident handling advisory services (April 2022, industry first) ● Expanded emergency hotline services to provide 24/7 support for cyber troubles (April 2022, ongoing)	○
			Develop and provide new insurance products and services to support business continuity and foster new challenges and growth (TMNF)	● Fiscal 2023 result: increased revenue by approximately 3.5 billion yen*1 in the small and medium-sized enterprise sector (compared with fiscal 2020) ● Launched a solution site (BUDDY+) that provides one-stop services from information provision to problem resolution, enhancing our approach to customers	○
For future generations	6 Protect the natural environment	Conserve biodiversity and wetlands through activities such as mangrove reforestation and marine protection efforts	Maintain carbon neutrality Surpass 300 billion yen in cumulative economic value from mangrove plantations by fiscal 2038	Achieved carbon neutrality in fiscal 2023 (11th consecutive year since fiscal 2013)	○
		Contribute to achieving a nature-positive status in 2030	Customer-participatory and environmentally considerate product Green Gift project: Online policy ratio above 80%	Online policy ratios (fiscal 2023): Excess insurance: 92.7%, Automobile insurance: 89.1%	Key initiatives for fiscal 2024
			Provide products and services aimed at solving nature-related issues	● Conducted in-depth analysis of critical sectors ● Considered engagement strategies for key sectors	
	7 Provide opportunities for future generations	Provide various educational programs	Continue providing green classes	Green classes were held approximately 920 times and attended by 60,000 people (cumulative total as of March 31, 2024)	○
			Continue providing classes on disaster prevention	● Disaster prevention lessons held approximately 1,500 times, with about 95,000 participants (cumulative total as of March 31, 2024) ● Chinese version of disaster prevention classes held 38 times, with about 2,400 participants (cumulative total as of July 31, 2024)	○
			Continue providing classes on risk and the future	Risk and the future classes held 79 times, with around 3,100 participants (cumulative total as of March 31, 2024)	○
			Continue implementing Street Wise Finance, a financial insurance education program	Approximately 180,000 participants (cumulative total as of June 30, 2024)	○
For shareholders and investors	8 Open governance with integrity	Improve the quality of operations across the entire value chain and strengthen internal controls	Steadily implement measures to strengthen and improve internal control and governance as per the new Mid-Term Business Plan	● Aim to become a truly trusted, customer-centric company by rigorously implementing measures to prevent recurrence of issues related to premium adjustment practices, reviewing systems and practices, and transforming the awareness of all officers and employees (TMNF) ● Enhanced the quality that served as the foundation for growth strategies by (1) building mechanisms to understand risks and fostering a risk culture, and (2) controlling interest rate risk centered on asset liability management (ALM) (TMNL)	Key initiatives for fiscal 2024
		Strengthen the ERM framework across all Group companies, including internationally	Advance qualitative and quantitative risk management, foster and strengthen a risk culture Recruit, develop, and utilize global experts	● Provided ongoing support for the advancement of risk management and the fostering of a risk culture across Group companies ● Effectively utilized and optimized global experts and resources across the entire Group	
		Disclose highly transparent and timely information	Information disclosure through integrated reports, sustainability reports, and other materials	● Issued the TNFD Report 2024 (March 2024) ● Issued the Human Capital Report 2024 (June 2024) ● Issued the TCFD Report (June 2024)	○

*1: Net premiums written *2: ○: Generally progressing well

Special Feature: Commitment to Respecting Human Rights

The Tokio Marine Group is dedicated to respecting human rights across all business endeavors, including the value chain. Guided by principles such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO International Labor Standards, and the United Nations Guiding Principles on Business and Human Rights, we established the Basic Policy on Human Rights and the Responsible Procurement Guidelines. In fiscal 2023, we focused on implementing human rights due diligence throughout the value chain, taking mitigation measures, and establishing an external consultation and reporting hotline for human rights violations. Moving forward, we will continue to engage in dialogue with stakeholders, enhance the sensitivity of our management and employees toward human rights, and build a framework capable of swiftly addressing human rights issues.

Steps for Initiatives	Summary of Key Initiatives
Policy formulation and establishment of promotion structure	Formulated the Basic Policy on Human Rights and established the Human Rights Subcommittee Formulated the Policy to Address Environmental and Social Risks Developed the Responsible Procurement Guidelines
Risk assessments	Formulated a human rights risk map Held human rights workshops
Impact evaluations	Conducted interviews and surveys with rights holders in the value chain Performed self-assessments using a checklist of human rights issues within the Group
Mitigation measures	Shared insights gained through interviews to raise awareness Implemented employee education and training Established a hotline (internal and external consultation and reporting channel)
Stakeholder dialogue	Issued the Integrated Report and the Sustainability Report Engaged in dialogue with external experts

Promotion Structure

Board of Directors

Report on progress ↑ ↓ Guidance and oversight

Sustainability Committee

Human Rights Working Group

Devise and implement initiatives

Efforts to Respect Human Rights in the Value Chain

In fiscal 2022, we conducted a risk assessment through a human rights workshop* to identify priority areas for action. We evaluated the impact of human rights violations on rights holders by conducting field hearings in three sectors: foreign technical trainees engaged in automotive maintenance, IT service providers, and printing service providers.

For foreign technical trainees, we have shared the insights gained from interviews with our automotive maintenance agents and supervising organizations. For IT service providers and printing service providers, we have shared the insights with the management responsible for the contractors and implemented mitigation measures such as improving communication to prevent long working hours at the contractors.

*: Human rights workshop: Members of the Group's planning and management departments, in collaboration with external experts, engaged in discussions to identify human rights risks within our business areas.

Establishment of a Consultation and Reporting Hotline for Human Rights Violations

Consultation form concerning human rights violations

To ensure we can respond sincerely to complaints and requests from rights holders, we are establishing effective grievance mechanisms in line with the United Nations Guiding Principles on Business and Human Rights.

For example, we established a dedicated human rights violation consultation hotline through the Global Stakeholders Hotline operated by TSUHO Support Center Co., Ltd., in March 2024. This hotline is accessible via our website and allows for anonymous consultations.

Through our commitment to respecting human rights, we will sincerely address the voices of victims and take appropriate measures to remedy human rights violations.

Special Feature: Initiatives for Natural Capital and Biodiversity Conservation

The Tokio Marine Group prioritizes protection of the natural environment as a key focus area and practices harmonizing with the Earth's environment and conducting environmentally considerate business activities. We have established our Basic Policy on the Environment and Responsible Procurement Guidelines to engage in the conservation of natural capital and biodiversity through our business activities. Protecting the Earth's environment requires not only addressing climate change but also halting the loss of biodiversity and achieving nature positive outcomes to restore nature.

In fiscal 2023, we established the TNFD (Taskforce on Nature-related Financial Disclosures) Task Force to build a promotion system and analyze the relationship between our business activities and nature. In March 2024, we issued a TNFD Report based on the TNFD recommendations, publicly announcing our initiatives toward achieving nature-positive status by 2030. We will continue to address this as a critical issue, with unified Company-wide effort.

Initiatives for Natural Capital and Biodiversity through Business Activities

We have been advancing efforts to conserve natural capital and biodiversity through environmental protection activities, such as mangrove reforestation. We will continue to contribute to building a society the coexists in harmony with nature by developing and providing insurance products and services as well as through investments and financing that address nature-related issues*1.

◯ Insurance Products and Services

- Green Gift Project
- Soil purification cost insurance*2
- Aquaculture insurance*3
- Soil environmental surveys
- Soil contamination countermeasures and consulting
- TNFD compliance support services for companies
- Nature-positive management support services, etc.

◯ Investment and Financing

- Investment in forest funds, agricultural investment strategy funds, etc.
- Nature-related engagement dialogues

◯ Others

- Mangrove reforestation and seagrass bed conservation and restoration activities
- Participation in natural capital and biodiversity-related initiatives
- Disclosure of nature-related information

*1: Organizations have dependencies on and impacts on nature, which create nature-related risks and opportunities. These are collectively referred to as nature-related issues.
*2: Insurance that covers the cost of soil purification exceeding the standards set by the Ministry of the Environment.
*3: Insurance for aquaculture, which the government promotes to address marine resource depletion and ensure a stable supply.

Fiscal 2023 Initiatives and Future Plans

Fiscal 2023 Initiatives

Establishment of a promotion system

·Launched the internal promotion system TNFD Task Force

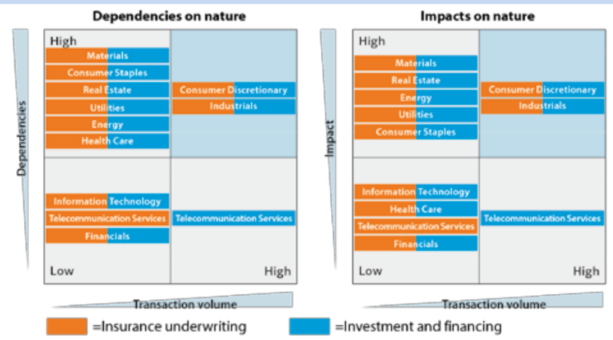
Analysis of the relationship between business activities and nature, and identification of key sectors

·Analyzed the dependencies and impacts on natural capital within the insurance underwriting and investment portfolios, identifying consumer goods and capital goods as key sectors.

Disclosure of nature-related information

·Issued the TNFD Report

Identification of Key Sectors



*The median line on the horizontal axis is based on 10% of the total transaction volume

Fiscal 2024 Onward

Advancement of analysis and initiation/exploration of engagement (dialogue) with key sector companies

·Conduct in-depth analysis of key sectors
·Initiate and explore dialogues with companies in key sectors within insurance underwriting and investment portfolios
·Based on the outcomes of these dialogues, consider measures to address significant nature-related risks, such as GHG emissions and soil and water contamination

2030 Goal

Contribute to achieving a nature-positive society

Leveraging our experience with the formulation of the Task Force on Climate-related Financial Disclosures (TCFD), we will provide information that supports investment decisions and contribute to the dissemination and promotion of climate-related information disclosure.

Masaaki Nagamura

Fellow at Tokio Marine Holdings (International Initiatives), Former TCFD Member

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 United Kingdom 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 affects 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 an institutional investor. This special feature will convey the Group's initiatives using the categories of governance, strategy, risk management, and metrics and targets based on the TCFD recommendations.

In June 2024, we published the TCFD Report 2024, which comprehensively outlines our climate change initiatives in line with the recommendations of the TCFD.

The report can be found on our website.
https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_tcfdreport_2024.pdf

Climate-related Financial Disclosures Based on the TCFD Recommendations

Governance

Board of Directors

The Board of Directors recognizes responding to climate change as a material management issue and assumes the role of supervising our sustainability strategy and initiatives. The Board deliberates on the Group's sustainability policies encompassing climate action, as well as evaluates and determines mid-term and single-year plans. The Board also holds discussions on corporate strategy on the themes of the management environment and management issues, including climate change countermeasures, and fully leverages the insights of outside directors and outside Audit & Supervisory Board members.

Date	Items deliberated and reported
May 2023	Group's sustainability-related initiatives in fiscal 2022 and the annual plan for fiscal 2023
Oct. 2023 Nov. 2023	Progress in the Group's annual sustainability plan for fiscal 2023
March 2024	Progress in the Group's annual sustainability plan for fiscal 2023 (second half)

Group Chief Sustainability Officer (CSUO)

We established the position of CSUO in April 2021 to accelerate the promotion of our sustainability strategy, including climate action, across the entire Group. The CSUO oversees the promotion and permeation of the sustainability strategy, presents related policies to the Board of Directors and the Management Meeting for discussion and takes the role of reporting the progress to these bodies.

Sustainability Committee

We established the Sustainability Committee in April 2021 to accelerate our sustainability strategy, including climate action, across the entire Group. Chaired by the CSUO and comprising such members as the CEO, chief officers, and management of overseas Group companies, the Sustainability Committee deliberates on details of our sustainability initiatives and policies on a global basis and monitors the progress of each initiative. The committee met four times in fiscal 2023 to promote and execute the sustainability strategy, formulate medium- to long-term targets (KPIs) related to sustainability, formulate and review annual plans, and deliberate on other items.

Division Dedicated to Promoting Sustainability

The Sustainability Division of the Corporate Planning Department is a division dedicated to the promotion of the Group's sustainability initiatives, including climate action. This division is responsible for operating the Sustainability Committee and promoting the Group's sustainability initiatives while consistently communicating relevant strategies to Group companies, sharing information, and undertaking learning and support activities.

Compensation System for Directors and Executive Officers

In fiscal 2022, we started incorporating non-financial indicators concerning the tasks on climate action and other key issues in our sustainability strategy into the performance-linked compensation for Directors and Executive Officers. We use the progress of each task toward our vision as an indicator, and after performing the first assessment of compensation amounts at the Sustainability Committee, hold a deliberation and give a final decision at the Compensation Committee.

Strategies

Recognition of Risks and Opportunities

The Tokio Marine Group anticipates an increase in climate-related risks and is identifying and assessing their impact on our operations. Climate-related risks include risks related to the physical impacts of climate change (physical risks) and risks related to the transition to a decarbonized society (transition risks). Moreover, as demand for insurance in the renewable energy sector grows, it presents potential opportunities for our business. The following are some examples of risks and opportunities in the Group's business activities.

Examples of events			Examples of risks to the Group's business activities
Physical risks	Acute	Potential for growing frequency and scale of typhoons, floods, and other weather events	• Decrease in insurance profits resulting from an increase in claims payments and a rise in reinsurance premiums • Impact on business continuity caused by damage to facilities at bases
	Chronic	Rising temperatures Other weather changes, such as droughts and heat waves Rising sea levels Impact on arthropod-borne infectious diseases	
Transition risks	Policies and regulations	Increase in carbon prices Strengthening of environment-related regulations and standards Increase in climate-related legislation	• Decreases in the corporate value of portfolio companies and in the value of the assets held by the Company due to higher carbon prices • Influence in liability insurance payments
	Technology	Progress in technological innovation and technology development toward the transition to a decarbonized society and improvement in resilience	• Decrease in the corporate value of investee companies that have missed the transition to a decarbonized society and in the value of the assets held by the Company • Decline in revenue due to technological innovation and inability to ascertain changes in customer needs
	Markets	Changes in the demand for and supply of products and services	
	Reputation	Changing customer and societal awareness of initiatives surrounding the transition to a decarbonized society and improving resilience	• Reputational damage due to the Company's efforts being deemed inadequate
Opportunities	Resource efficiency, energy sources, products and services, markets and resilience	Demand for products and services aligned with changes in energy sources and designed to increase resilience; changes in public awareness	• Increases in opportunities to gain insurance profits and for investment and financing on the back of companies' increasing insurance and funding needs associated with the transition to a decarbonized society and improvement of resilience • Higher recognition from customers for initiatives related to the transition to a decarbonized society and improvement of resilience

As is described in the "risk management" items below, we identify the "risk of major wind and flood disasters" as a "material risk" that will have an extremely large impact on our financial soundness and business continuity. We believe such risks could increase in frequency and severity, owing to the effects of climate change.

Scenario Analysis

Scenario analysis is the process of identifying and evaluating the potential impact of climate change based on certain scenarios. The Group believes it can be flexible and resilient to these impacts, as most non-life insurance policies are relatively short term and the Group's assets under management are highly liquid financial assets.

(1) Physical Risks

Physical risks are those related to physical impacts of climate change. Climate change increases the frequency and intensity of natural disasters, which could impact claims payments and business continuity. We conduct a scenario analysis of physical risks as part of our efforts to identify and assess their impact. The Group takes part in the United Nations Environment Programme Finance Initiative (UNEP FI). Using analysis and assessment tools developed by UNEP FI's climate change impact assessment project, we have created the following assessment of the impact of changes in the intensity (wind speed) and number of tropical cyclones on our insurance payments under the IPCC's Representative Concentration Pathway (RCP) 8.5 scenario forecast as of 2050.

◯ Changes in Insurance Payments in 2050

	Intensity (wind speed)	Number
Japan (typhoons)	+5% to +53%	-30% to +28%
United States (hurricanes)	0% to +37%	-36% to +30%

*1: The figures above reflect economic losses, assuming the same impact on insurance payments.
*2: The figures above show the rate of change from current weather conditions (1980-2000) to those in around 2050.

The Tokio Marine Research Institute, a Group company, began conducting research in 2007 to evaluate and calculate the impact on insurance loss of changes in wind disaster risk associated with typhoons under future climate conditions (impact under the IPCC's RCP4.5 and RCP8.5 scenarios) and changes in flood risk due to increased rainfall (impact resulting from temperature increases of 2°C and 4°C). Referring to the results of this scenario analysis, we assess the impact on underwriting of natural disasters resulting from increasingly severe climate change.

Future projections of climate change scenarios are subject to uncertainties, as described later (see p. 85). In assessing the impact of climate change, it is also important to evaluate not only weather phenomena but also the vulnerability of society to disasters as well as the extent to which real estate and personal properties will be concentrated in areas exposed to natural disaster risk in the future and the extent to which their asset values will increase (in other words, the extent to which asset concentration will change). The basis for these projections and assessments is indicated in the following pages.

a. Change in Weather Events

How a weather event will change due to the impact of climate change and the degree of confidence of such an impact forecast will vary depending on the type of weather event. Figure 1 shows the confidence of climate change impact projections by weather event type. Notably, the confidence in impact projections is greater for extreme rainfall compared to tropical cyclones, such as typhoons and hurricanes. However, the impact on extreme rainfall entails more uncertainty compared to temperature variations such as extreme heat or extreme cold.

For extreme rainfall and tropical cyclones (typhoons in Japan and hurricanes in the United States), which are two weather events that considerably affect the Tokio Marine Group, we consider the impact of climate change as follows.

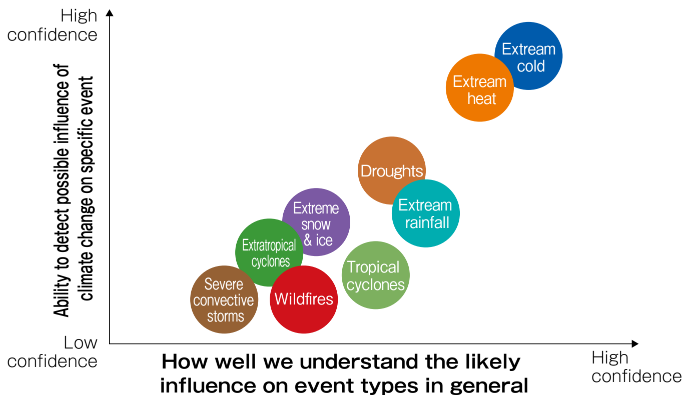


Figure 1: Confidence of impact forecasts of climate change
Source: Created by Tokio Marine Holdings based on material prepared by the U.S. National Oceanic and Atmospheric Administration

◯ Impact of Climate Change on Heavy Rains

In Japan, the frequency of heavy rains has been on the rise since 1900 (Figure 2). The IPCC Sixth Assessment Report released in August 2021 states that heavy rains will become more severe in the future in step with a temperature rise and that for every temperature rise of about 1°C, the intensity (precipitation) of heavy rains will increase by approximately 7%.

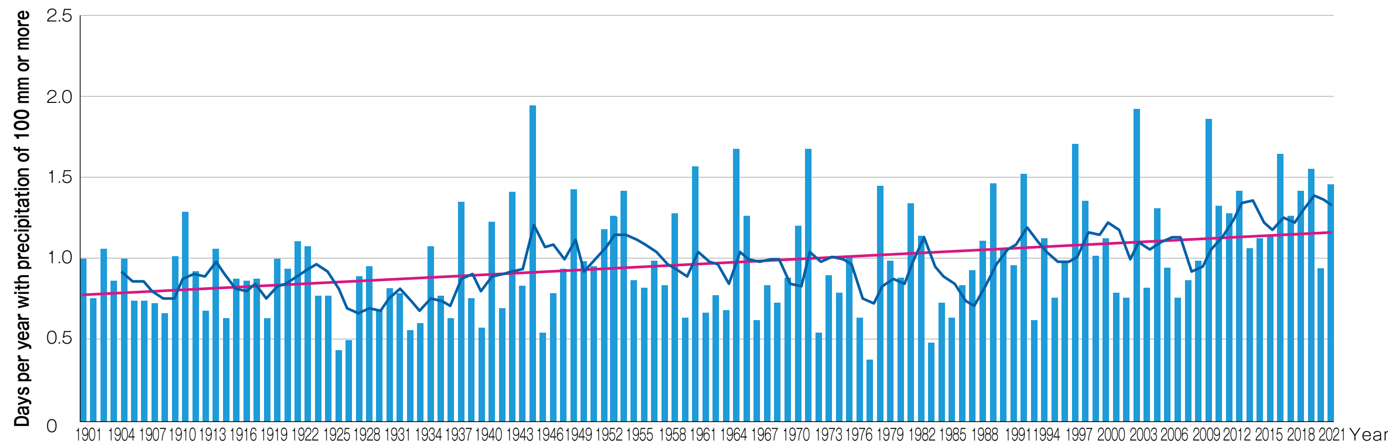


Figure 2: Days per year with precipitation of 100 mm or more
Source: Tokio Marine Holdings based on materials from the Japan Meteorological Agency (website)

◯ Impact of Climate Change on Tropical Cyclones

Atmospheric and oceanic large-scale circulations (e.g., El Niño and monsoons) are closely related to the formation, development, and movement of tropical cyclones. As climate change affects each of these factors, the impact of climate change on tropical cyclones consequently becomes more uncertain.

Looking at past trends, the IPCC Sixth Assessment Report reported an increase in the number of strong typhoons in Japan. However, the certainty level is not yet high, and longer-term, higher-quality observations will be needed to monitor changes in long-term trends (Japan Meteorological Agency).

As for hurricanes making landfall in the United States, even though the ratio of intense hurricanes has risen over the past 40 years, a longer-term survey covering the period from 1900 revealed that there is no discernible trend either in the number of hurricanes or the intensity of those hurricanes (IPCC Sixth Assessment Report).

In the future, while the number of tropical cyclones is expected to level off or decrease overall, the ratio of intense tropical cyclones is forecast to increase. As such, there are both decrease and increase projections for the number of intense tropical cyclones (IPCC Sixth Assessment Report).

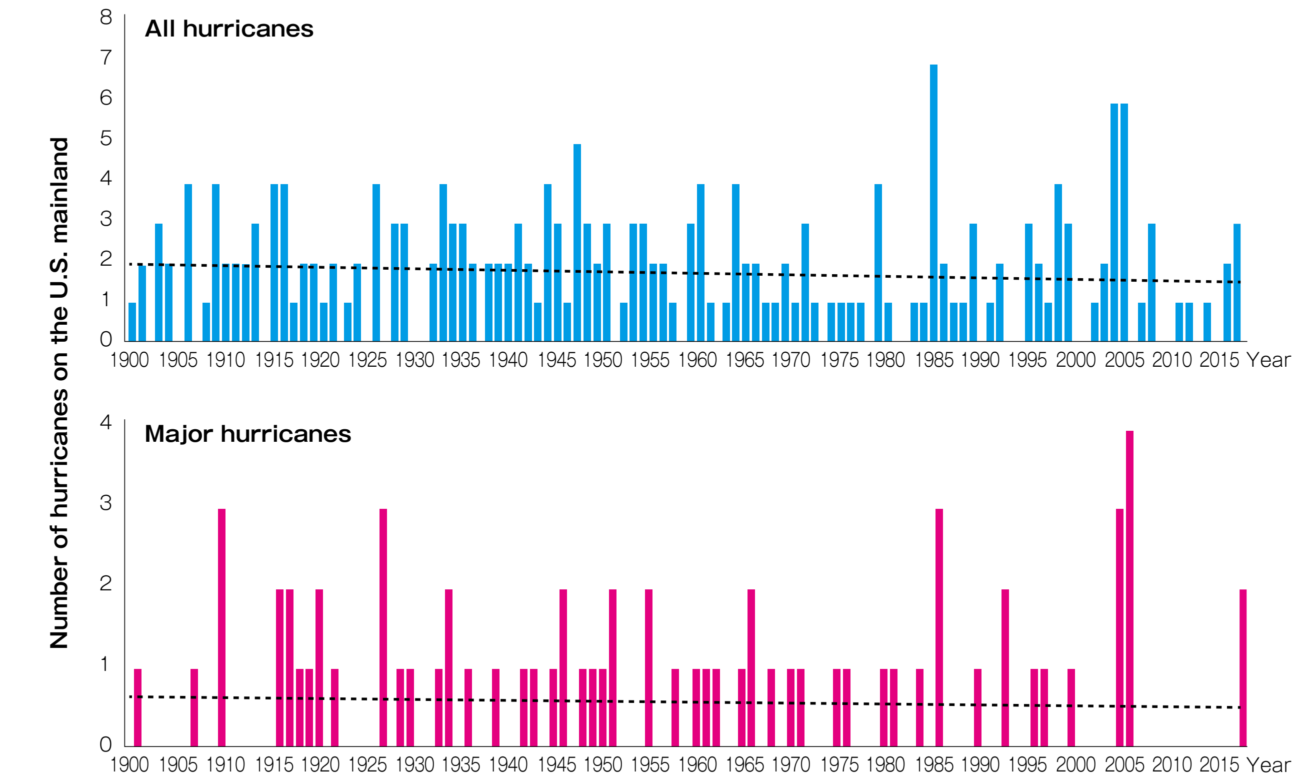


Figure 3: Number of hurricanes in the United States Source: Created by Tokio Marine based on Klotzbach et al. 2018*

*: Philip J. Klotzbach, Steven G. Bowen, Roger Pielke Jr., and Michael Bell, 2018: Continental U.S. hurricane landfall frequency and associated damage. Bull. Amer. Meteor. Soc., 99, 1359-1376, https://doi.org/10.1175/BAMS-D-17-0184.1 (© American Meteorological Society. Used with permission.)

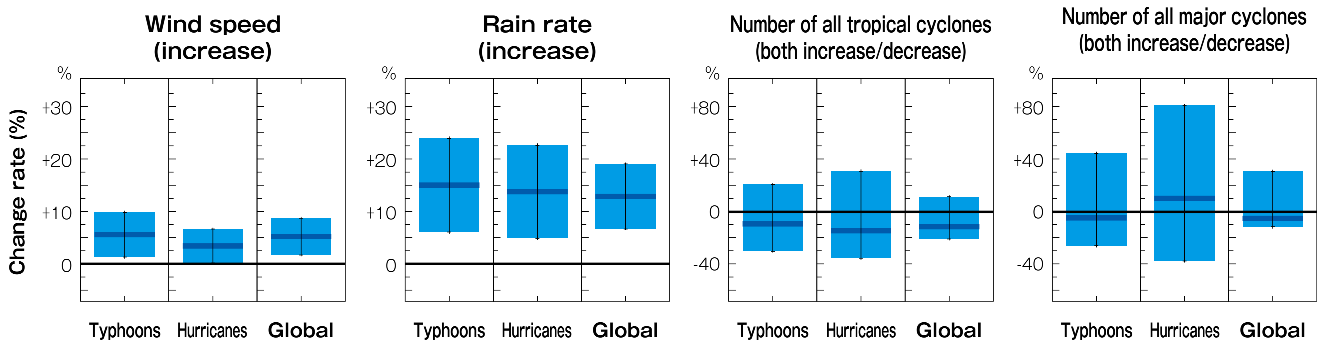


Figure 4: Changes in tropical cyclones due to a temperature change of +2°C
Source: Created by Tokio Marine Holdings based on Knutson et al. 2020*

*: Thomas Knutson, Suzana J. Camargo, Johnny C. L. Chan, Kerry Emanuel, Chang-Hoi Ho, James Kossin, Mrutyunjay Mohapatra, Masaki Satoh, Masato Sugi, Kevin Walsh, and Liguang Wu, 2020: Tropical cyclones and climate change assessment part II: Projected response to anthropogenic warming. Bull. Amer. Meteor. Soc., 101, E303-E322, https://doi.org/10.1175/BAMS-D-18-0194.1 (© American Meteorological Society. Used with permission.)

b. Changes in Vulnerabilities in Society and Asset Exposure

As shown in Figure 2 on p. 83, the frequency of heavy rains in Japan has been increasing since 1900. Figure 5 below, on the other hand, shows a declining trend for flooded areas. This is because Japan's disaster prevention infrastructure, including embankments, has improved since the mid-19th century and is effectively reducing the occurrence of floods during heavy rains.

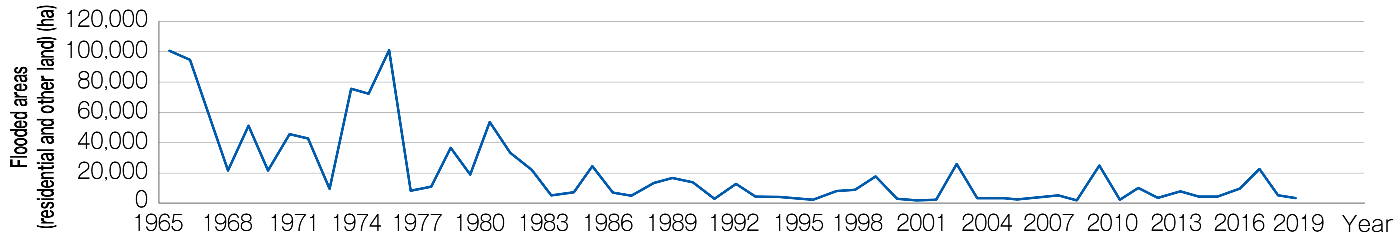


Figure 5: Areas inundated by floods (ha)
Source: Tokio Marine Holdings based on materials from the Ministry of Land, Infrastructure, Transport and Tourism (flood statistics)

The amount of damage will vary significantly if there is a change in asset exposure, that is, a change in the degree of concentration of assets or in the value of assets in areas exposed to natural disaster risk. In this way, we recognize that identifying changes in weather events themselves, such as heavy rains and typhoons, as well as society's vulnerabilities to disasters and changes in asset exposure, are essential in predicting damage due to natural disasters.

◯ Change of Vulnerabilities in Society

In Japan, revisions to the Building Standards Act have proved to directly translate into the better resilience of society. In fact, revisions made in 1981 to the seismic building codes and in 2000 to the wind pressure resistance building codes have greatly contributed to the improved resistance of buildings against natural disasters. More recently, Typhoon Faxai, which made landfall in 2019 and caused damage to the roofs of many houses, has prompted revisions to the standards for roofing on countermeasures against intense winds that were enacted in January 2022. In addition, the Ministry of Land, Infrastructure, Transport and Tourism has announced its policy that the anticipated intensification of natural disasters should be considered in improving disaster prevention infrastructure in the future, making its recommendations for rivers in 2019 and for high tides in 2020.

Overseas, efforts to increase resilience throughout society have also been under way. The United States, for example, has improved its disaster prevention infrastructure and revised building codes following huge natural disasters, including large hurricanes.

In keeping with the move toward strengthening resilience in and outside Japan, the Tokio Marine Group has been contributing to greater resilience of the entire society by supporting customers to cope with disasters through the dissemination of disaster information.

c. Impact on Business Continuity: Promoting Climate Change Adaptation Measures

The Tokio Marine Group uses multiple scenarios*1 to perform analysis and evaluation*2 on the impact of climate change risk on our operations using holistic and context-specific approaches. By doing so, we are promoting climate action and initiatives to increase resilience against disasters.

*1: Including IPCC's Shared Socioeconomic Pathway (SSP) 5-8.5, SSP3-7.0, SSP2-3.5, SSP1-2.6, SSP1-9, RCP8.5, RCP6.0, RCP4.5, and RCP2.6 scenarios
*2: Climate change risk analysis and evaluation conducted in collaboration with Risilience Limited of the United Kingdom

◯ Holistic Approach

Based on a holistic approach, we use multiple scenarios to analyze and evaluate, both quantitatively and qualitatively, the impact of an increase in weather disasters (such as heavy rains and floods) on our operations and have been implementing related measures. On the whole, we have concluded that an increase in weather disasters will not have a profound impact on our operations compared to manufacturing and other industries for a number of reasons. For example, insurance products represent an intangible service and do not necessarily require physical sales bases, and their development and production involve minor supply chain risks in the procurement of raw materials.

◯ Context-Specific Approach

Based on a context-specific approach, we use multiple scenarios to analyze and evaluate, both qualitatively and quantitatively, the impact of an increase in weather disasters (such as heavy rains and floods) on our operations and have been promoting initiatives to protect our own assets from weather disasters, which are expected to become more severe due to climate change. Specifically, we are implementing measures against flood disasters, such as installing emergency power generators and more water bars at our major bases.

○Findings from the Analysis of Water-Related Risks at Our Business Offices in Japan

In fiscal 2023, in an effort to understand water-related risks, such as flood inundation, storm surge, and landslide disasters, facing our business offices in Japan, including the value chain, we analyzed and assessed water-related physical risks at our consolidated subsidiaries in Japan, including TMNF, and the offices of some insurance agents of TMNF by using digital national land information provided. As a result, among the 1,154 business offices analyzed (489 business offices of Group companies in Japan and 665 business offices of TMNF's insurance agents), it was discovered that 203 business offices are located in areas with high risk of flooding, while 12 are in areas with high risk of landslide disasters.

Our business offices are all located in typical office buildings, and each office has independently implemented crisis management measures. In addition, we have already investigated and analyzed the flood risk at TMNF's business offices and have not detected any notable negative impacts associated with the risk at this point. Nonetheless, these water-related risks could become increasingly apparent in the future, following a rise in the sea level and more frequent heavy rains due to global warming as well as changes in land use. For the identified business offices, we will proceed with further analysis and initiatives such as education and awareness programs for Group employees to prepare for future water-related risks.

Findings from the Analysis of Our Business Offices in Japan (including the Value Chain): Number of Business Offices Located in Priority Locations Exposed to Flood Immersion and Landslide Risks

No. of business offices analyzed		Located in areas with high risk of flood inundation	Located in areas with high risk of landslide disasters
Domestic Group companies	489	86	3
Insurance agents of TMNF	665	117	9
Total	1,154	203	12

Sources: ·Flood immersion risk: Based on digital national land information (areas subject to possible immersion by floods) (by river) (Ministry of Land, Infrastructure, Transport and Tourism) (https://nlftp.mlit.go.jp/ksj/gml/datalist/KsjTmplt-A31a-v4_0.html)
·Landslide disaster risk: Based on digital national land information (areas prone to landslide disasters) (Ministry of Land, Infrastructure, Transport and Tourism) (https://nlftp.mlit.go.jp/ksj/gml/datalist/KsjTmplt-A33-v2_0.html)

(2) Transition Risks

Transition risks are risks associated with the transition to a decarbonized society. As the global momentum toward decarbonization accelerates and the transition to a decarbonized society progresses, we anticipate more stringent regulations, technological innovation, asset value fluctuations, and changes in the investment environment as well as in customer needs, which could affect the Group's businesses.

Transition risks include impact on the corporate value of investee companies and the value of assets held by the Company due to increased costs associated with GHG emissions resulting from climate change. To reduce the impact of these factors, we are decreasing total holdings of business-related equities and promoting engagement with investee companies.

We have estimated the impact of transition risks on assets under management by the Tokio Marine Group (equities, corporate bonds, commercial mortgage-backed securities (CMBS), and government bonds) using "Aladdin Climate," a model provided by BlackRock Solutions. With this model, we have quantified the impact on corporate value due to changes in scenario variables (e.g., carbon prices, energy demand, fuel prices, emissions) based on scenarios provided by The Network of Central Banks and Supervisors for Greening the Financial System (NGFS). More specifically, the quantification of the impact on corporate value has been conducted by comparing the scenario where current policies continue to 2050 (NGFS's Hot House World–Current Policies scenario, assuming limited policy changes and a 3.3°C temperature rise at the end of this century) with the following two scenarios, also of NGFS.
(1) Orderly: Net Zero 2050 (assuming a temperature rise suppressed to 1.5°C and net zero CO_2 emissions both by 2050)
(2) Disorderly: Delayed Transition (assuming a 1.8°C temperature rise by 2050 due to delayed policy changes)

The following shows the results of the model-based estimates of transition risks of assets (equities, corporate bonds, CMBS, and government bonds) (impact analysis on asset prices based on scenarios up to 2050) held by the Tokio Marine Group as of March 31, 2024.

	Transition risks	
	Orderly	Disorderly
Total	-2.1%	-1.6%
Equities	-9.7%	-7.0%
Corporate bonds	-1.1%	-0.8%
CMBS	-0.1%	-0.5%
Government bonds	-0.1%	-0.2%

* The Aladdin Climate analytics of BlackRock Solutions contained in this report should not be construed as a characterization of the materiality or financial impact of the corresponding information. The Aladdin Climate analytics include non-financial metrics and involve measurement uncertainties resulting from limitations inherent to the nature of the corresponding data and the methods used for determining such data. The Aladdin Climate analytics are not fixed and are likely to change and evolve over time. The Aladdin Climate analytics rely on relatively new analysis methods, and there are limited peer reviews or comparable data available. BlackRock Solutions does not guarantee and shall not be responsible for the content, accuracy, timeliness, non-infringement, or completeness of the Aladdin Climate analytics contained herein or have any liability resulting from the use of the Aladdin Climate analytics in this report or any actions taken in reliance on any information herein.

It should be noted that the model results used by the Tokio Marine Group do not separately calculate the positive effects (market superiority or business opportunities) generated by technically implementing climate change mitigation and adaptation measures as we transition to a low-carbon society. Moreover, we believe that this and other quantification models of climate change are still in the development stage, undergoing upgrades based on the latest research findings. We thus have no plan, at this point, to use the data in our management decision-making process, but will continue to carry out research and investigations to explore more appropriate ways to utilize such quantification modeling methods.

Implementation of Climate Change Strategy

The Tokio Marine Group assumes the roles of an insurance company, institutional investor, asset manager, global company, and good corporate citizen. In every role, we are promoting the creation of a safe, secure, and sustainable future to protect our customers and local communities in their times of need even 100 years from now.

As an Insurance Company

○ Developing and Providing Renewable Energy-Related Products and Services

As part of our Group's global promotion system, we launched the GX Roundtable in 2023 to explore insurance products and services that support the transition to a decarbonized society across the Group. The first meeting, held in London, was attended by approximately 15 Group companies. Since then, these companies have been sharing their GX initiatives and engaging in discussions on collaboration within the Group and expanding business opportunities.

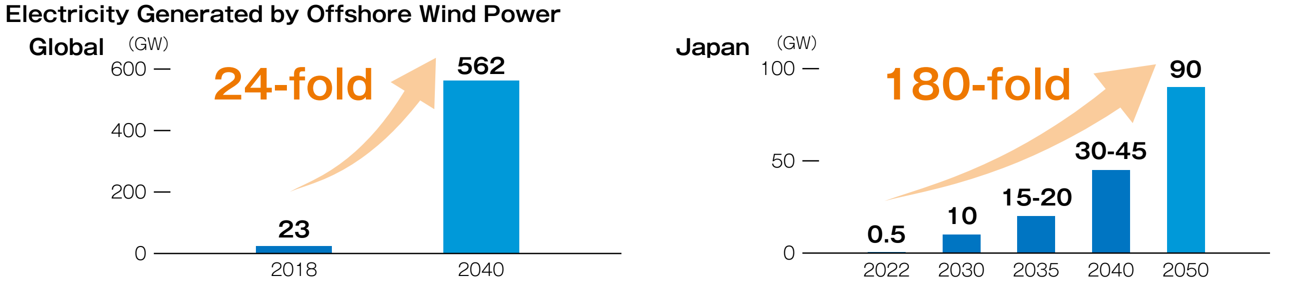
In addition, TMNF, a Group company, has established a dedicated GX department that is focusing its efforts on advancing GX initiatives to support customers in achieving carbon neutrality and transitioning to a decarbonized society, thereby contributing to industrial growth and development.

[Insurance and Services to Support Offshore Wind Power Generation]

In the Tokio Marine Group, TMNF has been underwriting insurance for offshore wind power generation projects across the world since 2013 when such projects were not yet widely known in Japan. In 2020, the Group acquired GCube, a leading company specializing in underwriting insurance for renewable energy operators. Through this and other moves, we are now regarded as one of the major international players in this field. Offshore wind power generation projects, which require large-scale investment, often entail project financing and involve various parties, including the manufacturer of windmills and other contractors. Thus, an insurance package exclusively designed for such projects plays a crucial role. Such an insurance package offers comprehensive and seamless total support in order to cover a variety of risks faced by each party involved in constructing and operating wind farms. As a managing underwriter, the Group offers globally competitive coverage in its insurance package.

At TMNF, premiums related to offshore wind power generation increased by about 2.8 billion yen from fiscal 2020 to fiscal 2023. We anticipate continued sharp market growth both in and outside Japan.

■ Electricity Generated by Offshore Wind Power



Source: Vision for Offshore Wind Power Industry (1st Draft), materials from the Japan Wind Power Association and partially surveyed by Tokio Marine Holdings

In addition, the Group, through TMNF and GCube, has underwritten insurance for 144 projects across 11 countries and regions. Offshore wind power generation is said to play a crucial role in shifting our main power source to renewable energy. We will continue to leverage the Group's strengths to generate synergies, support offshore wind power projects globally, and contribute to the transition to a decarbonized society.

■ Offshore Wind Power Generation Projects for which the Tokio Marine Group Has Underwritten Insurance

◯ Engagement and Proposals/Support for Solving Challenges for Decarbonization

Through the theme of environmental engagement, as a responsible insurance company and institutional investor, we support our customers' corporate innovation and transition toward decarbonization and carbon neutrality.

As an insurance company, we engage in constructive dialogue with more than 450* diverse clients and provide proposals and support for decarbonization challenges to at least 200 of them by leveraging advanced underwriting and risk management. For instance, we promote environmental consideration through dialogue, product offerings, and consulting support for the transition. This includes encouraging the adoption of advanced, high-efficiency power generation technologies and carbon capture, utilization, and storage (CCUS) at power plants we insure, which leads to a reduction in GHG emissions. To further strengthen our engagement, TMNF has set a goal to engage with 200 client companies responsible for about 90% of the GHG emissions associated with our underwriting by 2030, aiming to have in-depth discussions with 160 of these companies (see p. 90).

* FY2023 results

◯ Develop and Provide Decarbonization-Related Solutions

The Group will promote decarbonization for domestic small and medium enterprises (SMEs) through decarbonization management support services. To this end, we established a preparatory company for the launch of the Tokio Marine decarbonization business in February 2024 to develop and provide solutions in the decarbonization field.

Future initiatives

<Expected services>

▶ Case 1 Decarbonization Concierge Service

- Collaborate with market holders, etc., to establish a one-stop service for SMEs to provide the "know, measure, reduce" functions required for corporate decarbonization
  - ✓ [Know] Provide free expert consultation service
  - ✓ [Measure] Provide CO_2 emissions visualization and planning reports
  - ✓ [Reduce] Introduce optimal solutions vendors that lead to energy saving and cost reduction

▶ Case 2 Renewable Energy Supply Service

- Boost introduction of renewable energy by customers with various electricity plan proposals that combine renewable energy (including carbon offsets)

As an Institutional Investor

◯ Conducting Dialogues on Environmental Themes and Implementing ESG Integration

The Tokio Marine Group recognizes that climate change and loss of natural capital are issues that are closely linked. As such, we engage in ESG investment and financing, which gives appropriate consideration to the environment, social, and governance (ESG) factors encompassing these two issues while supporting the transition to a decarbonized society and conservation of natural capital.

Specific efforts include constructive and purposeful dialogue with investment and financing recipients, which encompasses ESG issues; ESG integration where both financial and non-financial data are used in the investment decision-making process; and addressing specific sectors based on climate change as well as environmental and social risks. We have also been promoting efforts to become nature positive in 2030 and carbon neutral in 2050 in our investment and financing portfolios. We have been working to generate sustainability outcomes for resolving environmental and societal issues through sustainability-themed investment and financing as well as impact investing.

Sustainability-themed investment and financing include investment in green bonds, sustainability bonds, and transition bonds. In addition, TMNF executed its first green loan and invested in Japan's first blue bonds in fiscal 2022. The use of funds obtained through these blue bonds is limited to the prevention of marine pollution and businesses related to sustainable fishery resources. In February 2024, the company also invested in the GX Economy Transition Bonds (climate transition bonds), issued for the first time by the Japanese government, as an effort to make impacts in a new field.

In fiscal 2022, TMNF established a team to carry out impact investing that generates both social and economic value and has made investment commitments to renewable energy and other funds conducive to countering climate change. In fiscal 2023, in addition to renewable energy funds, the company made investment commitments in a real estate climate impact fund that focuses on climate action. Furthermore, the company continued its endeavor to make impacts in new fields that will help conserve natural capital and made investment commitments in a forestry fund and an agriculture strategic investment fund.

◯ Examples of Sustainable Investment and Financing

[Investment in a Forestry Fund]

In fiscal 2023, we signed, through TMNF, an agreement to invest in the Manulife Forest Climate Fund, which invests globally, including in the United States and Australia.

This fund manages forests mainly to acquire carbon credits that are receiving growing expectations for their role in reducing GHG emissions. It plans to acquire international certification to promote sustainable forest management, such as the Sustainable Forest Initiative (SFI) and Forest Stewardship Council (FSC) certification, for the forests it manages. Through the investment, TMNF financially aids forest management to enable longer intervals of logging and improved forest management, including tree planting, and supports conservation of natural capital and achievement of carbon neutrality.

[Investment in an Agriculture Strategic Investment Fund]

In fiscal 2023, we also signed, through TMNF, an agreement to invest in the Macquarie Agriculture Fund Crop Australia 2, a fund to invest in Australian farmland and agriculture-related businesses.

This fund mainly invests in companies that own and operate farmland in Australia and promotes environmentally friendly operations, such as the use of renewable energy, the reduced use of pesticides and fertilizers by introducing the latest technology, and afforestation in abandoned farmland. Through the investment, TMNF provides financial support to sustainable agricultural operations for the ultimate goal of reducing GHG emissions and conserving biodiversity while also supporting the agriculture sector to address climate change and nature-related issues for achieving carbon neutrality.

The Group's balance for sustainability-themed investing and financing and committed amount for impact investments as of March 31, 2024, are as shown at right. Through these initiatives, the Tokio Marine Group contributes to becoming carbon neutral and nature positive.

Investment cases	Investments and financing as of March 31, 2024*
Sustainability-themed investments and financing	138 billion yen
Impact investing	29 billion yen

* Total balance of TMNF, TMNL, and NF for sustainability-themed investments and financing. Total committed amount of TMNF for impact investing

As a Global Company

◯ Promoting the TCFD and TNFD Initiatives

As a founding member of the TCFD, we have contributed to the formulation and publication of the TCFD recommendations and has been working toward the formulation of policy recommendations to encourage disclosure that will help investment decisions by engaging in discussions and exchanging opinions with relevant government and private-sector parties in Japan and overseas. We also participate in discussion on effective ways for companies to disclose climate-related information and how to link the disclosed information to appropriate investment decision-making of financial and other organizations. In March 2023, we contributed to the Ministry of Land, Infrastructure, Transport and Tourism's publication of "A Guide to Flood Risk Assessments for Enhanced TCFD Disclosures."

The Taskforce on Nature-related Financial Disclosures (TNFD) is an initiative launched in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), Global Canopy, and the World Wildlife Fund (WWF). We joined TNFD in January 2022. We have registered as an early adopter and published the TNFD Report based on the TNFD recommendations in March 2024. By establishing a framework for disclosing nature-related financial information and encouraging companies to disclose nature-related information, TNFD aims to redirect financial flows toward nature-positive outcomes.

◯ Participates in Various International Climate-Related Initiatives, Conducting Surveys, Research, and Advocacy

The Group participates in various international climate-related initiatives, conducting surveys, research, and advocacy.

For example, at the Geneva Association, an insurance industry think tank composed of chairpersons and CEOs from approximately 70 insurance companies worldwide, we co-chair the working group "Climate Change and Emerging Environmental Issues" and lead surveys and studies on "Climate Change and the Environment," an important issue for the insurance industry. We have also joined the Association's climate change task force and have been engaging in the formulation of scenario analysis and stress test guidelines to perform forward-looking impact assessment of climate change.

As a Good Corporate Citizen

In keeping with our strong awareness that "it is our responsibility to pass on the irreplaceable global environment to future generations in a sustainable condition," we designated "future generations" as a key stakeholder alongside customers, society, employees, and shareholders/investors in 2021. We have been undertaking activities to contribute to future generations with three activity themes focusing on restoration of natural capital and response to climate change, nurturing the leaders of tomorrow, and promoting a circular economy.

Mangrove forests have an effect on the prevention and mitigation of global warming by absorbing and fixing a significant volume of CO_2. Under the concept of "Insurance for the Future of the Earth," TMNF has engaged in the Mangrove Planting Project since 1999. As of March 31, 2024, approximately 12,567 hectares of mangrove forest had been planted through this project in nine countries, primarily in Asia. In addition to TMNF, other Group companies are now planting mangroves. We have also announced the Mangrove-Based Value Co-creation 100-Year Declaration, which aims to create value through the blessings of nature brought by mangroves in collaboration with forestry NGOs. Under this declaration, we will continue to undertake this project in the future.

Policies Concerning Insurance Underwriting as well as Investment and Financing

Our basic policy on climate change is to support the decarbonization of customers and local communities through insurance products and services as well as investments and financing while basing our activities on constructive dialogue with stakeholders. We individually set up a policy on each transaction for the areas that could cause significant, negative impacts on the environment or society.

○ Participates Underwriting and Investment and Financing in Specific Sectors

The Tokio Marine Group has not provided new insurance underwriting and financing capacities to coal-fired power generation projects since September 2020 or thermal coal mining projects since September 2021, regardless of whether they are newly constructed. However, we might grant exceptions for projects with innovative technologies and approaches, such as CCS/CCUS*1 and mixed combustion, aiming to achieve the goals of the Paris Agreement, after careful consideration.

Since September 2022, we have also strengthened our commitment by protecting the environment and supporting the transition to a decarbonized society by no longer providing new insurance underwriting and financing capacities to oil and gas company extraction projects*2 in the Arctic Circle (all areas north of latitude 66°33, including the Arctic National Wildlife Refuge, ANWR) and oil sands mining.

The Group has established a strict underwriting management process for specific sectors that we deem to pose a high risk to the environment and society. For projects that relate to any of the specific sectors but might be subject to special consideration*3, we determine whether to underwrite insurance by using an escalation process, through which a dedicated team will perform risk assessments. We seek the approval of the Sustainability Committee, if necessary.

In fiscal 2023, we received inquiries for four projects in the specific sectors. Of these, three were deemed eligible and underwent an assessment by the dedicated team.

*1: Carbon dioxide capture and storage/Carbon dioxide capture, utilization, and storage
*2: Exemptions for projects/companies with decarbonization plans that are aligned with the Paris Agreement
*3: We might proceed with projects with innovative technologies and approaches, such as CCS/CCUS and mixed combustion, which contribute to achieving the goals set in the Paris Agreement, and projects conducted by companies with decarbonization plans aligned with the Paris Agreement, after careful consideration.

○ Engagement with 200 Large Corporate Customers

In September 2023, TMNF set an interim target of holding dialogue with 200 large corporate customers*4, which account for approximately 90% of the company's insurance-associated GHG emissions, and achieving Level 2 or higher engagement with more than 160 customers by 2030.

Level	Topics	Activities
1.	Identify issues	Understand customer's decarbonization plans and initiatives based on the company's management plan, IR reports, etc., while presenting our list of decarbonization solutions.
2.	Make proposal based on identified issues	Provide concrete solutions after creating a shared understanding of issues with each company. Support the introduction of renewable energy, conduct risk assessment, and underwrite insurance to mitigate risk. Provide consultation services for climate change-related information disclosures and formulation of decarbonization plans, etc.
3.	Provide insurance and solutions	Support customers' transition through our proposed list of solutions and insurance services.

*4: Companies listed in the Prime Market of the Tokyo Stock Exchange, selected from TMNF's top 150 customers in terms of written insurance premiums and top 100 customers in terms of GHG emissions.

Of the 200 large corporate customers, 60 companies are in GHG high-emission sectors, accounting for about 70% of TMNF's insurance-associated GHG emissions. In March 2024, the company set a policy that it will request these 60 companies to formulate decarbonization plans through engagement and will no longer provide insurance underwriting, investment, and financing for companies that fail to have plans in place. The company will reinforce its engagements with business partners to help insurance customers and investment and financing recipients create decarbonization plans and realize the transition to a decarbonized society.

GHG-intensive sectors	Number of companies	Policy
Power (coal), oil and gas, transportation, real estate, steel, cement, aluminum, and agriculture	60	We will require companies to have a decarbonization plan in place and will no longer provide insurance underwriting*5, investment, and financing*6 for companies that fail to have them by 2030.

*5: Insurance policies that support the health and welfare of employees are excluded.
*6: Equity, bond, and corporate financing

○ Plan for the Transition to a Decarbonized Society

The Tokio Marine Group has set the target of achieving net-zero emissions by 2050 and formulated a plan for transition encompassing interim targets to define a path toward the ultimate target.

The three pillars of our plan for transition are providing solutions through insurance products and services as well as investment and financing that support the transition to decarbonization; dialogue (engagement) with business partners for the purpose of decarbonization; and insurance underwriting and investment and financing policies. We will steadily execute our plan while updating it for greater effectiveness in line with advancements in decarbonization technologies and expectations placed on us by society.

		Efforts to date	2030	2050
Insurance customers and investment and financing recipients	Providing solutions	● 2020: Acquired GCube specializing in underwriting insurance for the renewable energy business ● 2023: ・Launched a GX Roundtable and started joint development of decarbonization-related products on a Group basis ・Established a company specializing in supporting corporate customers' decarbonization efforts	[2030 target] Hold dialogue with 200 high-emission corporate customers and make deeper engagements with 160 companies among them*7	[2050 target] Achieve carbon neutrality (encompassing insurance underwriting and investment and financing portfolio)
	Dialogue (engagement)	● Provided decarbonization support to insurance customers and investment and financing recipients through constructive dialogue		
	Insurance underwriting and investment and financing policies	● 2020-2021: Restricted new transactions related to coal-fired power generation plants and thermal coal mining projects ● 2022: Restricted new transactions related to oil and gas company extraction projects in the Arctic Circle and oil sands mining ● 2023: Restrict transactions with 60 companies in high-emission sectors if they fail to have the decarbonization plans requested of them as of 2030*7		
Direct operations Corporate citizenship activities		● Reduced environmental impact associated with direct operations (e.g., introduction of renewable energy) ● Corporate citizenship activities ・1999: Launched mangrove planting ・2007: Mangrove Planting 100-Year Declaration ・2019: Mangrove-based Value Co-creation 100-Year Declaration ・2022: Launched activities to protect and restore eelgrass beds	Reduce GHG emissions from the Tokio Marine Group by 60% (vs 2015) Use 100% of renewable electricity at the Tokio Marine Group's major business facilities Switch all company-owned vehicles to electrified vehicles*8	

*7: Target of TMNF
*8: Target of TMNF, TMNL, and NF

Risk Management

[Managing Climate-Related Risk Based on Enterprise Risk Management (ERM)]

The Tokio Marine Group conducts enterprise risk management (ERM), which includes the management of climate risks.
Through the ERM cycle, we comprehensively identify and assess risks, using both qualitative and quantitative approaches.
In the insurance business, which pursues profit through risk-taking, risk assessment is the foundation of our business.
The Group has been working for many years to assess material risks (including those due to natural disasters) both quantitatively and qualitatively. Specific initiatives are as follows.

Qualitative Risk Management

We identify all forms of risks comprehensively, including those for natural disasters such as large wind/flood and emerging risks due to environmental changes. Of these risks, we define risks that will have an extremely large impact on our financial soundness and business continuity as "material risks."
We include the large wind/flood risks (including climate change physical risks) in the "material risks" category, which we believe could become more frequent and severe due to the effects of climate change. For these material risks, we also formulate control measures prior to risk emergence and response measures for after risks occur.

Quantitative Risk Management

For material risks, we perform a multifaceted review of the adequacy of capital relative to the risks held, through measuring risk amounts and implementing stress tests as part of our quantitative risk management. This is done to maintain ratings and prevent bankruptcy.
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 independently analyze past tropical cyclones (typhoons in Japan and hurricanes in the United States), torrential rains, and other changing trends and incorporate this data as necessary in order to properly assess current weather phenomena.
Furthermore, within material risks, we conduct stress tests based on scenarios in which extreme economic losses are expected and scenarios where multiple material risks occur at the same time. As for risks involving major wind and flood disasters, for example, we assume these scenarios to be 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 taking into account stress tests released by regulatory authorities of every country, the latest knowledge (including that of climate change), and recent case studies.

[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. In addition, reinsurance, as a hedge against risk, is an effective way to protect our capital and stabilize profits. The Group utilizes reinsurance to prepare for major 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.

[Acquisition of Knowledge (Industry-Academia Collaboration, etc.)]
The Tokio Marine Group is deepening collaboration with both inside and outside experts to acquire knowledge about risks.
The Tokio Marine Research Institute collaborates with The University of Tokyo, Nagoya University, and Kyoto University, among others, to carry out impact analysis based on the possibility of increased insurance losses associated with natural disasters that are becoming more severe in nature.
Moreover, Tokio Marine dR and a team of experts in natural disasters working in Atlanta, the United States, are leading efforts to upgrade natural disaster risk management across the entire Group, including various evaluations of natural disaster risk models.

Metrics and Targets

While Tokio Marine withdrew from the international initiative, the Net-Zero Insurance Alliance (NZIA), in May 2023, our commitment to contributing to the transition toward a decarbonized society based on the Paris Agreement remains unchanged.

○ Metrics and Targets for Fiscal 2050

- Reduction of GHG emissions
  Aiming to reduce GHG (CO_2) emissions from the Tokio Marine Group to net zero by fiscal 2050 for our own operations (including insurance customers and investment and financing recipients)*1,2

○ Metrics and Targets for Fiscal 2030

- Reduction of GHG emissions
  Reducing GHG emissions (CO_2) for operations from the Tokio Marine Group by 60% (vs. 2015)*3
- Renewable electricity use
  Using 100% of renewable electricity at the Tokio Marine Group's major business facilities
- Electrification of company-owned vehicles (TMNF, TMNL, and NF)
  Switching all vehicles owned by TMNF, TMNL, and NF to electrified vehicles (EV, PHV, HV, etc.)
- Engagements with customers (TMNF)
  TMNF: Holding dialogue with 200 large corporate customers, which account for approximately 90% of its insurance-associated GHG emissions, and making Level 2 (see p. 90) or higher engagements with more than 160 customers among them; and requesting that 60 companies within GHG high-emission sectors, out of the 200 large corporate customers, formulate decarbonization plans, with the intention to decline transactions with those failing to present such plans by 2030

○ Metrics and Targets for Fiscal 2026 (improvements over fiscal 2023)

- Improving profitability of fire insurance by around 15 billion yen*4 from fiscal 2024 to fiscal 2026 (TMNF)

*1: Medium-term targets still under consideration
*2: Scope 3, Category 15, based on the GHG Protocol standards
*3: 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)
Scope 3 includes categories of importance to the Group for which numerical values can be obtained.
*4: Supposing natural catastrophe claims in an average year

GHG Emission Reduction Record

○ Achieve Carbon Neutrality in Business Activities

- Reduction of GHG (CO_2) emissions from Tokio Marine Group operations*5: 69,341*6 tons (34% reduction vs. fiscal 2015)
  (Scope 1: 13,752 tons; Scope 2: 28,187 tons; Scope 3*7: 27,401 tons)
- Amount of GHG (CO_2) fixed and reduced: 96,465 tons

The Tokio Marine Group is working to reduce the environmental impact (domestic and international) and become carbon neutral by (1) conserving energy and using energy more efficiently, (2) planting mangroves to absorb and fix CO_2, (3) using renewable energy (such as by procuring green electricity), and (4) amortizing carbon credits. As a result of these efforts, in fiscal 2023 we achieved carbon neutrality for the 11th consecutive year (since fiscal 2013) thanks to the absorption and fixation effects of mangrove planting and the use of carbon credits outperforming the CO_2 emissions generated by the Group's overall business activities.

○ GHG Emissions for the Investment Portfolio

To assess the climate change–related risks and opportunities of its investee companies and financing recipients, TMNF has performed analysis of total GHG emissions and weighted average carbon intensity (WACI) on its domestic listed equity and bond portfolios as of March 31, 2023, the disclosure of which is recommended by the TCFD. The emissions and WACI of the portfolio as of March 31, 2023, are published in the TCFD Report 2024 on p. 41.
We will continue to urge our investee companies to fully disclose climate change–related information and work toward a decarbonized society through engagement, while also making use of this analysis.

*5: 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)
*6: Preliminary figures for fiscal 2023
*7: Amount of paper used, etc. (Categories 1, 3, 5, and 6)

Directors and Audit & Supervisory Board Members

Directors

01 Chairman of the Board
Tsuyoshi Nagano

02 Representative Director and President & Group CEO
Satoru Komiya

03 Representative Director and Senior Managing Director
Kenji Okada

04 Senior Managing Director
Yoichi Moriwaki

05 Representative Director and Senior Managing Director
Kichiichiro Yamamoto

06 Managing Director
Kiyoshi Wada

07 Managing Director
Keiko Fujita

08 Director
Hiroaki Shirota

09 Outside Director
Takashi Mitachi

10 Outside Director
Nobuhiro Endo

11 Outside Director
Shinya Katanozaka

12 Outside Director
Emi Osono

13 Outside Director
Kosei Shindo

14 Outside Director
Robert Alan Feldman

15 Outside Director
Haruka Matsuyama

Audit & Supervisory Board Members

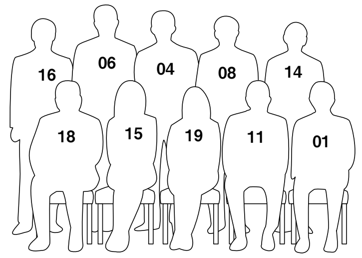
16 Audit & Supervisory Board Member (Full-Time)
Takayuki Yuasa

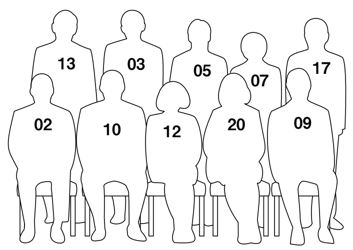
17 Audit & Supervisory Board Member (Full-time)
Akira Harashima

18 Outside Audit & Supervisory Board Member
Akihiro Wani

19 Outside Audit & Supervisory Board Member
Nana Otsuki

20 Outside Audit & Supervisory Board Member
Junko Shimizu





We will support the growth of the Group and lead society into the future by engaging in bold discussions while valuing "diversity" and "core identity."

Tsuyoshi Nagano
Chairman of the Board

Expectations for the Board of Directors

When I was the President, I was at the top of the executive team, and now I am in charge of the Chairman of the Board as a member of the governance team. Through my experience with both Tokio Marine's executive team and governance team, I feel that it is important to continuously strengthen and evolve both execution and governance in order to realize our purpose to "support our customers and society in their times of need" and to improve medium- to long-term corporate value. "Diversity" and "core identity" are important as driving forces behind this.

In an era when societal issues are expanding and becoming more complex, it is important to incorporate more and more "diversity" into business execution and governance, and to evolve the Board of Directors through new and diverse perspectives in order to capture the changing needs of society. Tokio Marine has been operating under a hybrid corporate governance structure for nearly 20 years. Immediately after the establishment of the holding company, the Nomination Committee and the Compensation Committee were established based on the structure of a company with an Audit & Supervisory Board. The Board of Directors makes high-quality decisions by making maximum use of expertise of Outside Directors and external Audit & Supervisory Board Members in executing important business operations. While emphasizing such advisory and management functions, the Board of Directors has also worked to strengthen the monitoring function that supervises the execution of duties by Directors, for example, by increasing the ratio of outside directors. Most recently, a series of governance issues led to the establishment of the "Group Audit Committee" in fiscal 2024 to examine the appropriateness of business processes and culture, etc., using an "external perspective." These changes are part of our organizational structure, but I believe they are the result of a thorough focus on the question of "whether we can have a good discussion" that leads to the realization of our purpose and the enhancement of our corporate value, rather than on mere formality.

However, the more "diversity" is incorporated, the more difficult it is to determine the direction in which the members are heading, so "core identity" is also important. In an era of rapid change, the structure of the Board of Directors and the content of the discussions vary at all times. However, the Board of Directors' "core identity," which has not changed in any era or situation, is that discussions and decisions are based on "the realization of our purpose and the enhancement of corporate value," as well as "guiding the Group's businesses and society into the future." What I expect from each Board of Directors member, both internal and external, is that internal members, for example, are free to participate in discussions while providing sufficient internal information necessary to elicit meaningful opinions in Board of Directors meetings and to have high-level discussions. I want external members to not be afraid of having conflicting opinions with executives, to speak out, and to advise and supervise the executives' responses. At the root of each is a relationship of mutual trust, which is our "core identity." All Board of Directors members with their own fields of expertise and ideas have this "core identity" and engage in open and dynamic discussions from diverse perspectives. By doing so, I believe we can draw better conclusions.

Tasks of the Board of Directors

Since 2011, Tokio Marine has conducted a survey of all Directors and Audit & Supervisory Board Members. In 2022, we first began effectiveness evaluations of the Board of Directors by a third-party organization as part of our efforts to increase the effectiveness of the Board of Directors. In this context, it has been evaluated that the roles and functions of both the Board of Directors and the Audit & Supervisory Board have been appropriately fulfilled and the Board of Directors has been able to secure a high level of effectiveness. On the other hand, issues have been highlighted. In concrete terms, we should spend more time discussing important long-term issues, such as fundamental policies for achieving our purpose, corporate culture and global strategies, and free discussions based on environmental changes. We did incorporate these strategic discussions into the regular agenda four or five times a year, but I cannot say that the discussions have been thoroughly carried out. For this reason, since last year, we decided to hold additional meetings that are only to discuss corporate strategies in August and January. We will engage in far-reaching discussions from a broad and long-term perspective in order to realize our purpose and raise corporate value. We will lead the Group's businesses and society into the future. This is one of the major roles that the Board of Directors is expected to play, and we will develop the necessary systems to achieve this.

And Finally

As the Chairman of the Board, I have made every effort to ensure the transparency and credibility of our discussions and to make the Board of Directors a place where we can engage in open, dynamic, and forward-looking discussions. This stance remains unchanged. I want to lead the discussion so that the members can focus on topics such as are there any important points overlooked, or are there any problems with the direction the company is heading, the process or mechanism of initiatives, or awareness?

We will continue to respond to the changing times by flexibly and continuously evolving the Board of Directors and engaging in substantial discussions toward the realization of our purpose and the enhancement of corporate value that Tokio Marine seeks to achieve.

— Outside Officers' Dialogue —

Board of Directors' Contribution to Governance Issues and the Essentials of Global Management

Ms. Matsuyama and Ms. Shimizu, who were appointed as a Director and an Audit & Supervisory Board Member in June 2023, talked about the Board of Directors' contribution to recent governance issues and what Tokio Marine, as a global insurer, needs to do to further increase its corporate value (the essentials of global management).

Impressions of Tokio Marine and Our Board of Directors

Secretariat A little over a year has passed since you were appointed as a Director and an Audit & Supervisory Board Member. What is your impression of participating on the Board of Directors and the Audit & Supervisory Board?

Shimizu From 2019 to June 2023, I served as an Audit & Supervisory Board Member of TMNL. After that, I was appointed as an Audit & Supervisory Board Member of Tokio Marine Holdings. At Holdings, management discussions were conducted from a broader perspective and from a more medium- to long-term perspective, and it was a year in which I realized the scale of the discussions.

Matsuyama Since I had worked as an Outside Director of a financial holding company in the past, I felt that the relationship between Holdings and the operating companies and the management on a global scale were similar. On the other hand, last year the price-fixing of corporate insurance premiums was discovered in TMNF, one of our core subsidiaries, and we held discussions at the Board of Directors throughout the year. I felt that there were problems and structural issues specific to the non-life insurance industry.

The Board of Directors' Contributions to Governance Issues

Secretariat The price-fixing of corporate insurance premiums that occurred in TMNF was a serious issue that called into question the effectiveness of governance. Following the discovery of the incident, the FSA issued a report submission order, an order for business improvement in December, and TMNF submitted a business improvement plan in February. Amidst these series of developments, what were the discussions taking place in Board of Directors and Audit & Supervisory Board?

Shimizu The incident in TMNF, our founding business, caused significant concern to our stakeholders. The management took this situation very seriously and immediately moved to confirm the facts and conduct an in-depth investigation. In the Company's Board of Directors and Audit & Supervisory Board, the Outside Directors and Outside Audit & Supervisory Board Members, in particular, gave strong advice that a thorough investigation should be conducted not only into cases that might violate the Anti-Monopoly Act but also any conduct that was deemed inappropriate.

Matsuyama Of course, we must take into account the fact of price-fixing seriously and reflect on it. Furthermore, if a similar incident is discovered after the problem has been resolved, we will further lose the trust of our stakeholders, which will be a major blow to our management. I feel that the management policy of resolving all problems at once and eliminating all fundamental problems was appropriate.

Shimizu An in-depth investigation was carried out by the Special Investigation Committee in order to remove the corruption, and the progress was reported to the Board of Directors. After receiving this report, I believe that the "external perspective" of the Outside Directors and Outside Audit & Supervisory Board Members contributed to the depth of the discussions and the objectivity of the decisions in the course of the Company's true cause analysis. In particular, the broad perspectives of Mr. Endo, Mr. Katanozaka, and Mr. Shindo, who have extensive experience in corporate management, have been very instructive to me.

Matsuyama I believe that an "external perspective" is indispensable to Tokio Marine today. I am the chairperson of the "Group Audit Committee," which was established to strengthen the supervisory function of the Board of Directors. As stated in the business improvement plan submitted by TMNF this time, in order to correct the "gap in common sense (business standards)" with the public and society that was occurring unconsciously. It is necessary to incorporate an "external perspective." One of the roles of the Group Audit Committee is to examine whether there are any gaps with the common sense of society and the general public by delving into the cultures of Tokio Marine and Group companies in Japan and overseas. Based on the discussions at the first committee meeting held in May, I strongly feel the significance of these roles.

Shimizu It's not easy to change the structure of the industry or the culture.

Matsuyama As Ms. Shimizu said, the incident that occurred last year was largely related to structural problems, and I think it originated from the formation of the business itself. That's why change is so difficult, and Tokio Marine alone cannot solve the problem. However, I believe that Tokio Marine, which should lead the industry, should take the lead in creating rules, and that it is necessary to approach stakeholders and regulatory authorities and work on the issue as a whole. Cultural reform is also an important issue. At the recent meeting of the Group Audit Committee, we shared the voices of mid-career employees of TMNF with the aim of re-inspection of our common sense (historically accepted business practices). For mid-career employees with an outside perspective, Tokio Marine's corporate culture sometimes seems strange. For example, Tokio Marine advocates "freedom and open-mindedness," but depending on the generation and the environment, it seems that there is a gap between this corporate culture and reality. Employees in the mid-level and above who have joined the Company as new graduates are proud of the fact that the corporate culture of "freedom and open-mindedness," in which employees think and act independently and have open and frank communication, has nurtured people and built a strong organization. On the other hand, there are cases in which the younger generation and employees hired for careers are not able to feel the corporate culture of "freedom and open-mindedness." If an organization has become conspicuously homogeneous, there is a danger that it will be difficult to notice gaps in common sense and incongruity with society. To put it another way, if we can accept diverse values and incorporate the awareness gained from an external perspective, we will be able to notice and change the gaps in common sense. I would like to start our discussion on culture by consciously listening to the voices of people in various environments and positions, such as mid-career employees and overseas employees, and sharing their insights.

Shimizu It really leads to the true cause of this incident.

There have been cases in which it was decided whether an insurance contract could be won, depending on the results of cooperation in the customer's business or business-related equities ownership, or in which the company was unable to compete in the essential parts of the products and services. I think that "external perspective" leads to an opportunity to speak out about such a "strange" structure of the industry and to change it. We, the Outside Directors and Outside Audit & Supervisory Board Members, should bring common sense to the execution of business. In the Board of Directors, under the leadership of Mr. Nagano, the Chairman, an environment has been created in which open discussions can be held. If I feel something is irregular, I would like to continue to point it out and engage in lively discussions.

Matsuyama You are right. There might be aspects that are difficult to notice within the company, or there might be information that is difficult to obtain, so I think it is also our role to communicate such awareness and stimulate the company. The Group Audit Committee also deliberates on issues that have arisen in other companies in the same industry or in other industries from the perspective of whether there is a possibility of such incidents occurring at Tokio Marine and whether there are measures that can be considered at the present time. Let this be a lesson to us. As for the price-fixing of corporate insurance premiums adjustment incident, we should reflect on why we could not notice it until now (there might have been an opportunity to notice it), so I would like to play a role from the perspective of detecting future concerns.

What Tokio Marine, as a global insurer, needs to do to further increase its corporate value (the essence of global management)

Secretariat Tokio Marine has used the Purpose as a starting point to solve societal issues and increase corporate value as a result. In this age of uncertainty, what do you think is necessary for Tokio Marine to further increase its corporate value and continue to grow as a global company?

Shimizu At present, North America accounts for a large share of the entire Tokio Marine Group. In the future, it might be necessary to install headquarters functions not only in Japan but also in North America, for example. Including this topic, I think that we need to discuss medium- to long-term strategies for Tokio Marine's growth as a global insurer in a more in-depth and realistic manner.

Matsuyama Tokio Marine's International business has achieved an industry leading position within its different segments as a result of respecting the autonomy of each operating company and allowing them to utilize their unique DNA. On top of that, human resources with a high level of expertise and knowledge will gather on a global scale to manage the Group as a whole, enhance the organization, and generate synergies. I have looked at the governance systems of various companies from a lawyer's perspective, but it is not possible for any company to expand its business on the basis of such a relationship of trust. As we expand our operations on a global scale, the roles of the Board of Directors will change depending on how we manage our operations from a global perspective. We must deepen our discussions on these issues.

Shimizu On a slightly different angle, when the Noto Peninsula Earthquake occurred in January of this year, the Disaster Response Headquarters was set up immediately after the disaster, and I heard reports that Group employees worked together to grasp the damage, build a support system, and promptly respond to customers in cooperation with agencies. I was very excited to see the employees thinking about what the Group as a whole can do now and what to do in the future and exchanging opinions. Tokio Marine is able to protect customers all over the world when a disaster strikes Japan, or something happens around the world because it spreads risk and expands its businesses. And we have the people who make it happen. Every day, I felt that our Purpose was "protecting our customers and society in their times of need." To borrow Mr. Komiya's words, "Under any circumstances, we will keep our promises to our customers." This is possible only because Tokio Marine has expanded and grown globally. I think it is also important for our domestic businesses and overseas businesses, as well as domestic employees and overseas employees, to feel more connected to each other through this sense of purpose.

Matsuyama Last year, when a large-scale forest fire occurred on the Hawaiian island of Maui, support was provided remotely from Japan as we have extensive experience in dealing with natural catastrophe damage. The fact that the Group as a whole is protecting people in their times of need in Japan and overseas is also linked to the pride of working at a good company.

Shimizu In addition to in their times of need, we are expanding our businesses in "pre- and post-incident areas," such as disaster prevention and mitigation, with the aim of "always" protecting our customers. This will certainly increase Tokio Marine's corporate value, but I still think it will be difficult to generate large profits immediately in the businesses that have just been launched. I feel that it is important to create a company in which employees involved in these solutions businesses can feel a sense of purpose and work with enthusiasm.

Matsuyama You are right. These businesses will create a new world, contribute to society, and improve Tokio Marine's economic interests. For example, in the area of disaster prevention and mitigation, by providing services that reduce damage caused by natural catastrophes and prevent recurrences, we can eventually reduce the number of insurance payment incidents, which will make a significant contribution to profits. It is difficult to quantify the specific impact, but I heard that the Company is starting to take on the challenge of quantitative measurement. I believe that this initiative will give employees involved in our businesses, as well as our stakeholders, a sense of Tokio Marine's corporate value.

Shimizu Although we have made steady progress step by step toward the realization of our Purpose, it might be a little difficult to realize this Purpose in your daily work. I would like to discuss with everyone, including young people, how to relate the significance of "always" protecting our customers in their times of need to their work and how to make it more rewarding. Employees can become enthusiastic about what the company is aiming for. There is an enthusiastic purpose. As we expand our businesses globally, I think that if we can share this kind of corporate value with everyone, Tokio Marine will be a unique company.

Matsuyama In discussing strategies for the new MTP, we backcasted from our medium- to long-term vision. We also discussed our strategies based on environmental changes. Looking at Tokio Marine over the past year as an Outside Director, I was convinced that Tokio Marine's solutions business initiatives and TMNF's reforms are all important initiatives for the future of Tokio Marine, and that we must steadily implement these initiatives, and that if we do so, our corporate value will surely increase. In terms of the governance issues I talked about at the beginning, it's a huge opportunity in a way to review the current situation and correct the distortions in the company and the industry. Rather than just improving our own company, we should look at the problems of the entire non-life insurance industry. As a leading company in the industry, we should undertake thorough reforms and Holdings will support the reform of the operating companies and fulfill its responsibility as a supervisor.

Shimizu We, the Outside Directors and the Outside Audit & Supervisory Board Members, as members of this Group, will spare no effort in these initiatives.

Junko Shimizu

She is a professor at Gakushuin University Faculty of Economics. She specializes in international finance and was formerly chairman of the Council on Customs, Tariff, Foreign Exchange and Other Transactions of the Ministry of Finance. She assumed the post of Audit & Supervisory Board Member of the Company in June 2023.

Haruka Matsuyama

Attorney, Hibiya Park Law Offices. Holds concurrent positions as Outside Director of Mitsubishi Electric Corporation and Audit & Supervisory Board Member of AGC Inc. She assumed the post of Director of the Company in June 2023.

Corporate Governance

A Hybrid Governance Structure That Combines Management and Monitoring Functions

The corporate governance system of the Company is designed as a hybrid structure whereby the Nomination Committee and the Compensation Committee are established in addition to the 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. Moreover, to increase the monitoring function of the Board of Directors, the rate of outside directors should generally exceed one-third, with 47% currently being outside directors. Furthermore, the Nomination Committee and the Compensation Committee, which ensure transparency in the process of determining the nomination and remuneration of Directors, consist of a majority of outside officers and are both chaired by an outside officer.

Since its founding in 2002, the Company has worked to improve its corporate governance. 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 to improve monitoring functions, including ways of institutional designing, increasing the number of non-Japanese directors, and increasing the ratio of outside directors and female directors.

In response to a number of incidents of misconduct, including the incident of price-fixing of corporate insurance premiums in a Group company in Japan and a governance incident in a Group company outside Japan, we decided that it was necessary to further strengthen our internal control system and internal auditing functions. Accordingly, on April 1, 2024, we established the Group Audit Committee, which includes an external perspective, to strengthen our Board of Directors' supervisory functions. Including these initiatives, we will strive to further strengthen governance at the Group level (see pp. 36, 37 for details).

Corporate Governance System

Board of Directors

- Determines significant business execution, supervises Director performance

Outside Director ratio 47%
7 Directors
8 Directors

Audit & Supervisory Board

- Audits Director performance

Outside Member ratio 60%
3 Members
2 Members

Nomination Committee

- Deliberates appointment and dismissal of the President, Directors, Audit & Supervisory Board Members, and Executive Officers; reports to the Board of Directors
- Deliberates the President's succession plan and supervises the development of successor candidates

2 Members
Outside Officer ratio 60%
3 Members

Outside officer selected as Committee Chair

Compensation Committee

- Deliberates policies related to President, Director, and Executive Officer performance evaluations, compensation systems and levels, and determination of officer compensation; reports to the Board of Directors

1 Member
Outside Officer ratio 80%
4 Members

Outside officer selected as Committee Chair

[New] Group Audit Committee

- Utilizes external perspectives to examine the appropriateness of business processes and culture
- Confirms the status of formulation and implementation of appropriate measures to prevent recurrence in response to incidents of misconduct

2 Members
Outside Officer ratio 50%
2 Members

Outside officer selected as Committee Chair

Record of Measures to Strengthen Corporate Governance

FY2002 | FY2004 | FY2005 | FY2011 | FY2013 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2021 | FY2022 | FY2023 | FY2024

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 the Board of Directors (surveys administered to all Directors and Audit & Supervisory Board Members) commenced
- November: The first evaluations of effectiveness of the Board of Directors by a third-party organization
- April: Group Audit Committee established

Membership – Outside Directors

- 3
- June: 4
- June: Ratio of Outside Directors raised to one-third
- June: First non-Japanese Outside Director appointed

Membership – Outside Audit & Supervisory Board Members

- 2
- 3 (decreased in fiscal 2005)

Membership – Non-Japanese Executive Officers

- June: First non-Japanese Executive Officer appointed
- August: 4
- June: 6
- April: 5
- April: 6
- June: 5
- April: 6
- April: 7
- April: 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
- July: Non-financial indicators added to performance-linked bonuses
- July: Introduction of stock-based compensation system through RSU* for directors of subsidiaries

*: Restricted Stock Unit

Diversity of the members of the Board of Directors is accelerating

Ratio of Female Directors and Audit & Supervisory Board Members (compared with July 1, 2023)

Fiscal 2023: 13% (2 out of 15) → Fiscal 2024: 20% (3 out of 15)

Skills of Directors and Audit & Supervisory Board Members

The Tokio Marine Group is conducting business globally as an insurance group. As part of that, the Company, as the insurance holding company taking charge of the Group, is building highly sound and transparent corporate governance and internal controls, as well as administering Group companies as appropriate. The Board of Directors in this company with an Audit & Supervisory Board makes important business decisions as well as supervises the work of the directors.

For the Board of Directors to properly fulfill its role, the board needs to possess the necessary skills on the basis of the business content, business development, governance structure, and so forth of Tokio Marine Group. Moreover, the necessary skills will differ depending on changes in the business environment. To facilitate important business decisions and proper supervision in the Company, board members first need to deeply understand the business, which means having a thorough understanding of the "insurance business." Moreover, the basis of all decision-making is skills in "financial economics," "financial accounting and finance," "legal compliance," "human resources strategy," and "governance and risk management." Moreover, as the planet's environment and technological innovation have become issues for society, the importance of skills pertaining to "environment" and "technology" is growing as well.

In addition, Directors are expected to have skills relating to "internationality" and "business administration." Considering our global business reach, insights from global environmental awareness and business administration are extremely beneficial for the Tokio Marine Group.

We also consider it preferable for the Audit & Supervisory Board members to have skills similar to those of the members of the Board of Directors, so that they can properly audit the work of the Board of Directors. Skills in "financial accounting and finance" are considered as especially important.

Based on this direction, we appoint four outside directors with business administration experience (one has extensive experience as a business administration consultant). Moreover, the outside directors also include a lawyer, an analyst, and an academic expert. Most of the outside directors have rich international experience. In summary, the Board of Directors and the Audit & Supervisory Board consist of members with diverse skills. Within the framework of the Board of Directors, etc., the outside directors provide advice about the management of the Company based on these skills. In addition, from a gender perspective, we have appointed three female directors and two female Audit & Supervisory Board members so that the ratio of female members of the Board of Directors and the Audit & Supervisory Board is 25%.

Name	Sex	Positions and key responsibilities		Skills and experience									
				Corporate Management	Finance & Economy	Accounting	Legal & Compliance	Environment	Human Resources Strategy	Governance & Risk Management	Technology	Internationality	Insurance Business
Tsuyoshi Nagano	Male	Chairman of the Board		○	○					○		○	○
Satoru Komiya	Male	President & Chief Executive Officer	Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)	○	○				○			○	○
Kenji Okada	Male	Senior Managing Director	Group CFO (Group Chief Financial Officer)		○	○	○			○		○	○
Yoichi Moriwaki	Male	Senior Managing Director	Group CSO (Group Chief Strategy and Synergy Officer)		○	○		○	○		○		○
Kichiichiro Yamamoto	Male	Senior Managing Director	Head of International Business Co-Head of International Business		○	○				○		○	○
Kiyoshi Wada	Male	Managing Director	Group COO (Group Chief Operating Officer)		○	○		○				○	○
Keiko Fujita	Female	Managing Director			○	○		○				○	○
Hiroaki Shirota	Male	Director			○								○
Takashi Mitachi	Male	Outside Director		○	○	○		○		○	○	○	
Nobuhiro Endo	Male	Outside Director		○	○					○	○	○	
Shinya Katanozaka	Male	Outside Director		○	○				○	○		○	
Emi Osono	Female	Outside Director		○				○		○		○	
Kosei Shindo	Male	Outside Director		○	○			○	○	○		○	
Robert Alan Feldman	Male	Outside Director		○	○	○		○		○	○	○	
Haruka Matsuyama	Female	Outside Director			○	○	○			○			
Takayuki Yuasa	Male	Audit & Supervisory Board Member (full-time)		○	○	○	○			○			○
Akira Harashima	Male	Audit & Supervisory Board Member (full-time)		○	○					○		○	○
Akihiro Wani	Male	Outside Audit & Supervisory Board Member			○	○	○			○		○	
Nana Otsuki	Female	Outside Audit & Supervisory Board Member			○	○		○		○		○	
Junko Shimizu	Female	Outside Audit & Supervisory Board Member			○	○		○		○		○	

Principal Activities

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 at board meetings, etc.	Major activities including the remarks made at board meetings, etc.
Takashi Mitachi (outside director)	6 years and 9 months	He attended all 12 meetings of the Board of Directors in fiscal 2023.	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 Compensation Committee, he has contributed to the fulfillment of supervisory functions by evaluating the performance of the President, Directors, and Executive Officers and establishing an appropriate compensation system.
Nobuhiro Endo (outside director)	4 years and 9 months	He attended all 12 meetings of the Board of Directors in fiscal 2023.	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 Chairman of the Compensation Committee, he has contributed to the fulfillment of supervisory functions by evaluating the performance of the President, Directors, and Executive Officers and establishing an appropriate compensation system.
Shinya Katanozaka (outside director)	3 years and 9 months	He attended all 12 meetings of the Board of Directors in fiscal 2023.	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 Chairman of the Nomination Committee, he has contributed to the fulfillment of supervisory functions through the nomination of the President, Directors, Audit & Supervisory Board members, and Executive Officers.
Emi Osono (outside director)	2 year and 9 months	She attended all 12 meetings of the Board of Directors in fiscal 2023.	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 research into corporate strategy, etc. In addition, as a member of the Nomination Committee, she has contributed to the fulfillment of supervisory functions through the nomination of the President, Directors, Audit & Supervisory Board members, and Executive Officers.
Kosei Shindo (outside director)	9 months	He attended 9 of the 10 meetings of the Board of Directors in fiscal 2023 following his appointment as a member of the Board.	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, he has contributed to the fulfillment of supervisory functions through the nomination of the President, Directors, Audit & Supervisory Board members, and Executive Officers.
Robert Alan Feldman (outside director)	9 months	He attended all 10 meetings of the Board of Directors in fiscal 2023 following his appointment as a member of the Board.	He has fulfilled his supervisory functions by presenting inquiries and remarks at the Board of Directors' meetings based on his insight as an economist cultivated through many years of experience in financial institutions. In addition, as a member of the Compensation Committee, he has contributed to the fulfillment of supervisory functions by evaluating the performance of the President, Directors, and Executive Officers and establishing an appropriate compensation system.
Haruka Matsuyama (outside director)	9 months	She attended all 10 meetings of the Board of Directors in fiscal 2023 following her appointment as a member of the Board.	She has fulfilled her supervisory functions by presenting inquiries and remarks at the Board of Directors' meetings based on her insight into corporate legal affairs cultivated through many years of experience as an attorney. In addition, as a member of the Compensation Committee, she has contributed to the fulfillment of supervisory functions by evaluating the performance of the President, Directors, and Executive Officers and establishing an appropriate compensation system.
Akihiro Wani (outside Audit & Supervisory Board member)	9 years and 9 months	He attended all 12 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board in fiscal 2023.	He has exercised his audit functions by presenting inquiries and remarks based on his insight on corporate legal affairs cultivated through many years of experience as an attorney.
Nana Otsuki (outside Audit & Supervisory Board member)	5 years and 9 months	She attended all 12 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board in fiscal 2023.	She has exercised her audit functions by presenting inquiries and remarks based on her insight acquired through many years of experience as an analyst in financial institutions.
Junko Shimizu (outside Audit & Supervisory Board member)	9 months	She attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board in fiscal 2023 following her appointment as a member of the Audit & Supervisory Board.	She has exercised her audit functions by presenting inquiries and remarks based on her insight acquired through years of experience in financial institutions and knowledge gained through research on international finance.

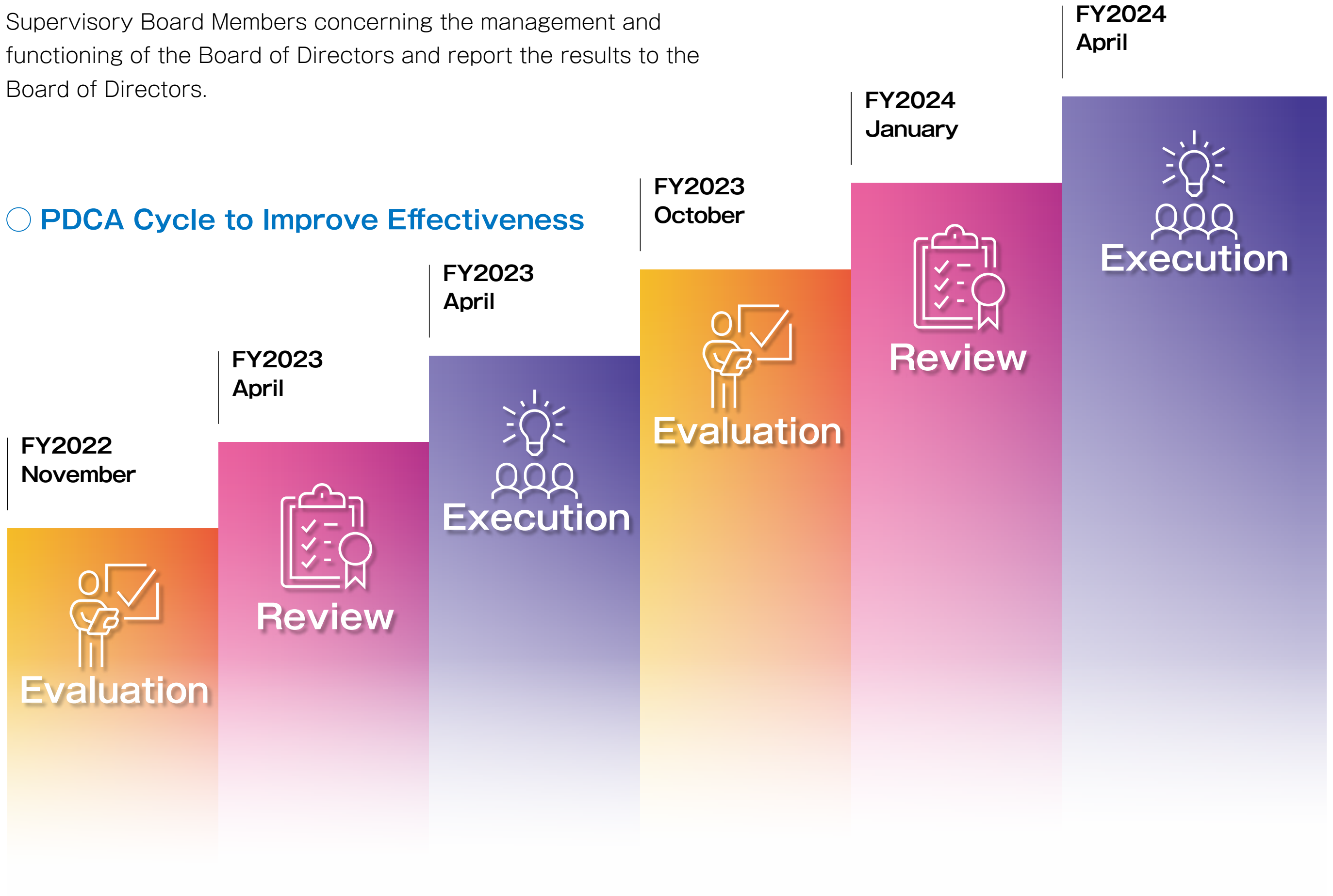
Notes: 1: The current term in office of each candidate is as of March 31, 2024.
2: Descriptions in the "Attendance at board meetings, etc." and "Major activities including the remarks made at board meetings, etc." include attendance at Audit & Supervisory Board meetings and major activities including the remarks made at Audit & Supervisory Board meetings of outside Audit & Supervisory Board members.
3: All 12 Board of Directors' meetings held during fiscal 2022 were ordinary meetings. All 12 Audit & Supervisory Board meetings held during fiscal 2023 were ordinary meetings.
4: On December 26, 2023, Tokio Marine & Nichido Fire Insurance Co., Ltd., one of the Company's Tokio Marine subsidiaries, received a business improvement order from the FSA based on the Insurance Business Act. This was on the grounds that the company's conduct was deemed to be in violation of the Anti-Monopoly Act, that the company's conduct was inappropriate considering the intent of the Anti-Monopoly Act, and that there was a problem with the system behind the conduct. Although Directors were not aware of the facts beforehand, they regularly made proposals to the Board of Directors and elsewhere from the perspective of strengthening Group governance and complying with laws and regulations. After becoming aware of the facts of the matter, they fulfilled their duties by making remarks emphasizing the necessity and significance of a thorough investigation and true cause analysis from the perspective of the Group's business management.

Initiatives to Improve the Effectiveness of the Board of Directors

Method of Effectiveness Evaluations

Once a year, the Company evaluates the effectiveness of the Board of Directors to further enhance its functionality. In concrete terms, in order to reflect the opinions of all participants of the Board of Directors, we conduct a survey of all Directors and Audit & Supervisory Board Members concerning the management and functioning of the Board of Directors and report the results to the Board of Directors.

○ PDCA Cycle to Improve Effectiveness



Fiscal 2023 Evaluation of Effectiveness Survey

Period	October 2023 to January 2024
Target	All directors and auditors
Main contents	(1) Status of Board of Directors' functions (2) Status of Board of Directors' operations (3) Status of Board of Directors' discussions (4) Size, composition, and diversity of the Board of Directors (5) Status of Nomination Committee and Compensation Committee operations

Fiscal 2023 Evaluation of Effectiveness and Fiscal 2024 Operation Policy

In the Board of Directors, the Directors and Audit & Supervisory Board members actively make statements and conduct free, open-minded, and constructive discussions. As a result, the functioning of the Board of Directors is evaluated to be generally satisfactory. On the other hand, there were opinions on further improvements, and we are proceeding with individual measures.

Fiscal 2023 evaluation of effectiveness and fiscal 2024 operation policy

(Reported to the Board of Directors in January 2024)

1. Overall evaluation

In the Board of Directors, free and open-minded discussions have been held, and the functioning of the Board of Directors is evaluated to be generally satisfactory.

2. Main opinions of Directors and Audit & Supervisory Board members and future policies

(Opinion 1)

- More time should be secured for important issues that the Board of Directors should discuss.

(Response 1)

- Continue efforts to set appropriate agenda items and secure sufficient time for discussion, including the establishment of a Board of Directors' meeting focused on "strategy discussions."

(Opinion 2)

- Would like to see more opportunities for outside directors and outside Audit & Supervisory Board members to learn more about the Tokio Marine Group.

(Response 2)

- In addition to holding opinion exchange meetings with Tokio Marine Group employees, inviting employees to participate in internal meetings and training as observers, and providing information via e-mail, etc., which are already in progress, we will work on further expansion by securing opportunities to visit Tokio Marine Group bases.

(Opinion 3)

- In light of scandals such as the insurance premium price-fixing issue, there is a question about how the Board of Directors will fulfill its functions.
- There is a question about how the Board of Directors can supervise issues that the executives are not aware of.

(Response 3)

- We have established the Group Audit Committee that incorporates an external perspective into the internal audit function. They shall take on the role of strengthening governance, including the detection of future events of concern, and shall periodically report to the Board of Directors.

(3) Operation policy for fiscal 2024

It is extremely important for the Board of Directors to fulfill its expected roles in enhancing corporate value.
Tokio Marine conducted evaluations of the effectiveness of the Board of Directors in fiscal 2022 using a third-party organization and will continue to do so as necessary. In addition, on April 1, 2024, we established the Group Audit Committee, which incorporates an external perspective into our internal auditing function, further strengthening our Board of Directors supervisory function.

Leveraging Outside Officers' Expertise

When discussing and formulating business strategies for sustainable corporate growth and corporate value improvement over the medium to long term, the Company seeks to make the most of insights from outside directors and Audit & Supervisory Board members. To this end, the Board of Directors holds "Discussions on Corporate Strategy," which are discussions about themes such as management challenges and the business environment. The themes are selected based on questionnaire responses from directors and Audit & Supervisory Board members as well as themes that come up at "independent officers' meetings."

In fiscal 2023, we held discussions on the following themes, and similar discussions will be held in fiscal 2024. The Company also holds one meeting a year that is attended by independent officers only. It is entirely conducted by Independent Directors and Independent Audit & Supervisory Board members, including establishing agenda items. Opinions are exchanged objectively and from broad perspectives. In fiscal 2023, discussions were held on medium- to long-term strategy, Group governance, and other issues, with recommendations made based on these discussion.

○ "Discussions on Corporate Strategy" Themes

Fiscal year	Themes
FY2023	(1) The ideal structure of the Board of Directors We discussed the current status of the Board of Directors and what the ideal structure is in light of the business environment and changes in the environment over the medium to long term. (2) Tokio Marine Group's next Mid-Term Business Plan We backcast from our medium- to long-term vision and discussed the changes in our operating environment and strategies based on them. (3) Tokio Marine Group's Asia non-life insurance business strategies We discussed growth strategies and strengthening governance in the Asia non-life insurance business. (4) Exchange of opinions with presidents of Group companies The CEO of DFG in the United States gave a presentation on the company's business conditions and other topics, and opinions were exchanged through varied questions.
FY2022	(1) Direction of the formulation of the next Mid-Term Business Plan We backcasted from our medium- to long-term vision and discussed the changes in our operating environment and strategies based on them. (2) Domestic non-life insurance strategies We discussed the medium- to long-term impact of environmental changes on domestic non-life insurance businesses and the roles of each company based on these factors. (3) Human resource strategies We discussed what the Tokio Marine Group values, the competencies of the human resources we seek, and personnel strategies based on the management strategies. (4) Cybersecurity Discussions were held on the environment and the overall picture of issues and measures in the Tokio Marine Group related to cybersecurity. (5) Exchange of opinions with management of overseas subsidiary The CEO of Pure (United States) gave a presentation on his company's business conditions, etc., and we exchanged opinions by asking various questions.
FY2021	(1) Exchange opinions with overseas subsidiary heads CEOs from TMSR (Brazil) and TMHCC (US) gave presentations on the results of their respective companies, exchanging opinions through a Q&A format. (2) Asia non-life insurance business strategies Held discussions on Asia non-life insurance business strategies with the participation of the Executive Officer in Charge of Asia and the CEO of our local subsidiary in Thailand. (3) Tokio Marine Group new business strategies Held discussions regarding risks and opportunities of new businesses.

(Reference) Provision of Information to Outside Directors

We held meetings to exchange opinions with Tokio Marine Group employees, invited them to participate in internal meetings and training as observers, and provided information through e-mails etc.

Succession Management

Roles of the Nomination Committee

1. The Company shall establish the Nomination Committee 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) Appointment and dismissal of the President, Directors, Audit & Supervisory Board Members, and Executive Officers
   (2) Appointment requirements and dismissal policies for the President, Directors, Audit & Supervisory Board Members, and Executive Officers
3. The Nomination Committee shall deliberate on the succession plan for the President, and appropriately supervise the operation of the plan so that the development of successor candidates is carried out in a planned way.
4. The Nomination Committee shall specify the skills, etc., required of Directors and Audit & Supervisory Board Members and use that as a reference for deliberations on the appointment and dismissal under Paragraph (2), Item (1).

CEO Selection Criteria

- **Having the qualities to lead the business to sustainable growth and medium- to long-term improvements in the corporate value of the Group**
- **Good understanding of the Company's business conditions**
- **Broad knowledge needed for corporate management**
- **Sufficient decision-making ability**
- **Properly exercising one's competencies as an officer, past achievements and experiences, personal character, etc.**

Likewise, regarding the succession of others on the management team (including foreign national officers) who are not the CEO, discussions are held at talent management meetings where principal officers participate, while training plans and other matters are reported to the Nomination Committee.

In April 2023, the Group established TLI, a Group-wide global human resource development program to foster future management candidates (see p. 62 for details). Specific training measures are implemented in a planned way so that the managerial capabilities of candidates are honed, for example, by dispatching them to external executive programs (training) where they study together with management from other companies.

Nomination Committee Members

Chairman	Shinya Katanozaka	Outside Director
Members	Emi Osono	Outside Director
	Kosei Shindo	Outside Director
	Tsuyoshi Nagano	Chairman of the Board
	Satoru Komiya	President and CEO

The number of meetings differs by fiscal year; two were held in fiscal 2022 and four in fiscal 2023 with four planned in fiscal 2024.

Overview of the Nomination Committee in Fiscal 2023

Fiscal year	Themes
First meeting (July 19, 2023)	● Setting tasks for fiscal 2023 and explanation of priority action policies by the President of Tokio Marine Holdings
Second meeting (September 11, 2023)	● Candidate to succeed as President of TMNF ● Further practical use of the skill matrix
Third meeting (December 19, 2023)	● Appointment of the next President of TMNF
Fourth meeting (January 26, 2024)	● Directors and executive officers, FY2024

Appointment of Outside Directors

Diversity of the Board of Directors has become more important from the perspective of enhancing supervisory functions and in light of the further acceleration of the Company's global expansion. Based on this policy, in appointing new Outside Directors, the Company strives to diversify their skills, experience, and background, including their internationality, experience in corporate management, and deep knowledge of governance. At the same time, the composition of the members of the Board of Directors is designed to achieve an optimal balance.

In addition, the Company has its own criteria for determining independency, and in principle, only persons who meet these criteria are appointed as Outside Directors. Based on these standards, all seven Outside Directors are deemed to be independent from Tokio Marine, and all of them have been registered as independent directors as stipulated by the Tokyo Stock Exchange.

Officer Compensation to Improve Corporate Value

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 refusal.
- 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.

Determination Process

The Compensation Committee is an advisory body to the Board of Directors and, in fiscal 2024, consisted of five members (chaired by an Outside Director), including four Outside Directors.

◯ Members of the Compensation Committee

Chairman	Nobuhiro Endo	Outside Director
Members	Takashi Mitachi	Outside Director
	Robert Alan Feldman	Outside Director
	Haruka Matsuyama	Outside Director
	Satoru Komiya	President and CEO

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.

The number of meetings was three in fiscal 2022 and fiscal 2023, with three planned in fiscal 2024 as well. For fiscal 2023, all committee members attended all Compensation Committee meetings held during their term of office.

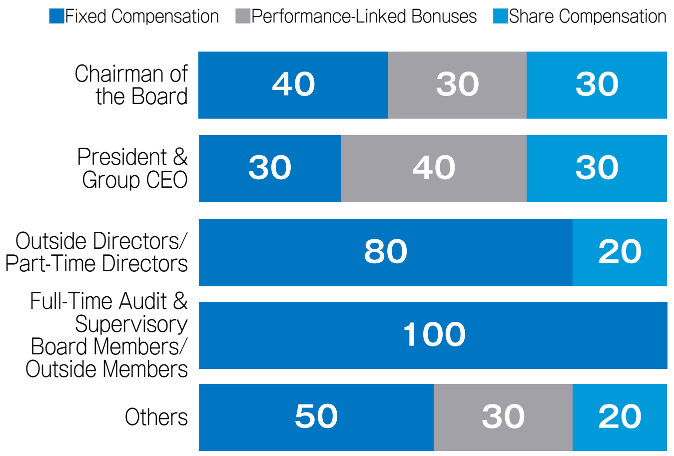
◯ Overview of the Compensation Committee in Fiscal 2023

Fiscal year	Theme
First meeting (May 19, 2023)	• Officer compensation systems and levels that apply in July 2023 or later • Discussion and reporting on corporate performance evaluation in fiscal 2022 • Discussion and reporting on individual performance evaluation in fiscal 2022 • The President's individual performance evaluation and briefing on task achievement progress in fiscal 2022
Second meeting (July 19, 2023)	• CEO individual performance evaluation and setting the first targets for the period
Third meeting (March 18, 2024)	• Officer compensation levels to be applied from April 2024 (including job changes subject to additional allowance based on responsibility) • Officer compensation levels to be applied from July 2024 (including validation)

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



(1) Performance-linked compensation

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: Set according to the responsibilities of each director (including ESG and medium- to long-term strategic targets*).
b. Company targets: Set based on financial indicators and non-financial indicators.

*: Further globalizing and strengthening the functions of management, strengthening human resources and the organization, etc.

◯ Targets and Results for Fiscal 2023

	Item	Composition ratio	Targets	Results
Financial Indicators	Adjusted net income	50%	670 billion yen	711.6 billion yen
	Adjusted ROE	30%	17.1%	15.5%
Non-Financial Indicators	Employee engagement indicators	10%	Improvement in employee engagement scores	No major fluctuations (100%)
	Indicators relating to sustainability strategy	10%	Comprehensive evaluation of efforts in the fields listed as priority issues	Satisfactory results (100%)

◯ Targets for Fiscal 2024

	Item	Composition ratio
Financial Indicators	Adjusted net income	50%
	Adjusted ROE	30%
Non-Financial Indicators	Employee engagement indicators*1	10%
	Indicators relating to sustainability strategy*2	10%

*1: Improvement in employee engagement scores
*2: Comprehensive evaluation of efforts in the fields listed as priority issues

(Reference) Officer Compensation to Promote ESG Initiatives

For the Tokio Marine Group, our initiatives for sustainability and ESG are part of our business aims themselves. It is our belief that we can realize sustainable growth for the Company as a result of solving societal issues through our business.

To further advance our ESG initiatives, for example, in officer compensation governance, the Compensation Committee has continuously discussed whether to have compensation reflect performance in ESG initiatives, based on the thinking that the degree to which initiatives are accomplished ought to serve as incentives.

As a result, while we have had a system in which appropriate incentives applied to officers by setting targets for their individual performance linked to their officer compensation, from fiscal 2022 we are introducing "employee engagement indicators" and "sustainability indicators" as KPIs to determine corporate performance compensation, thereby creating a system that reflects compensation linked with performance. In fiscal 2023, we increased the ratio of non-financial indicators from 10% to 20% to further promote employee engagement and sustainability.

In the future, we will aim to continuously raise the level and realize high and consistent incentive accountability based on new developments in internal discussions about sustainability strategies and trends in the maturation and establishment of ways to evaluate non-financial indicators in the market.

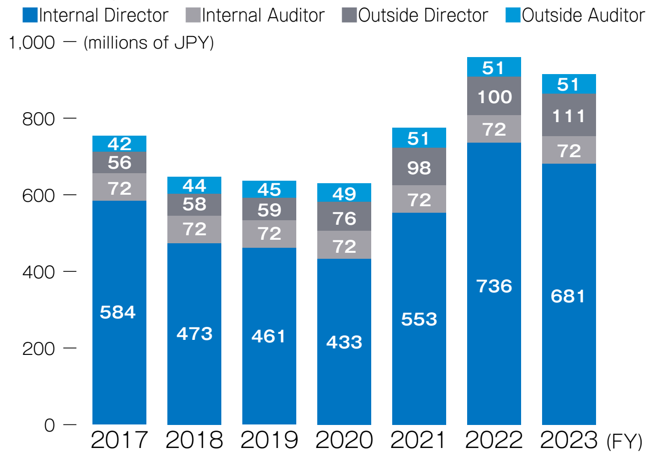
(2) Stock-based compensation

We have introduced a trust-type (stock ownership plan) system for stock-based compensation, with the aim of allowing shareholders and directors to share the return from stock price fluctuations on the same boat. This system constitutes more than 20% of directors' compensation.

In 2024, for the same purpose and to raise awareness of the "integrated group management," we introduced a post-delivery type stock-based compensation system using Restricted Stock Units (RSUs) for officers (CEO or equivalent) of subsidiaries in Japan and overseas that meet the criteria. The beneficiaries of this plan do not include the beneficiaries of the stock ownership plan.

Amount of Compensation

The Compensation of Directors and Auditors is as follows:

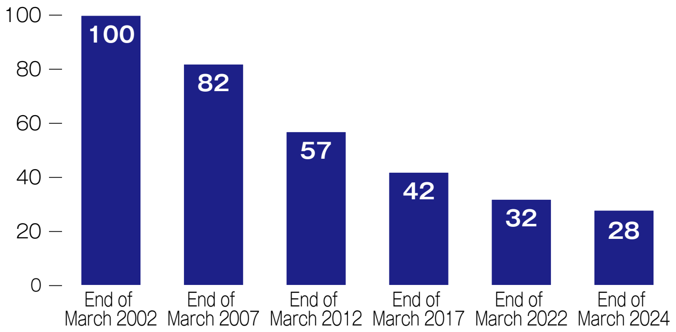


Reduction of Business-Related Equities

Policy on Selling Business-Related Equities

The Company sold business-related equities of 218.7 billion yen in fiscal 2023. The cumulative amount of sales since the Company's establishment in fiscal 2002 came to 2.7 trillion yen (based on the market value at the time of sale), and their book value was reduced by 72% compared with that at March 31, 2002.

◯ Trends in the Book Value of Business-Related Equities (TMNF)*1

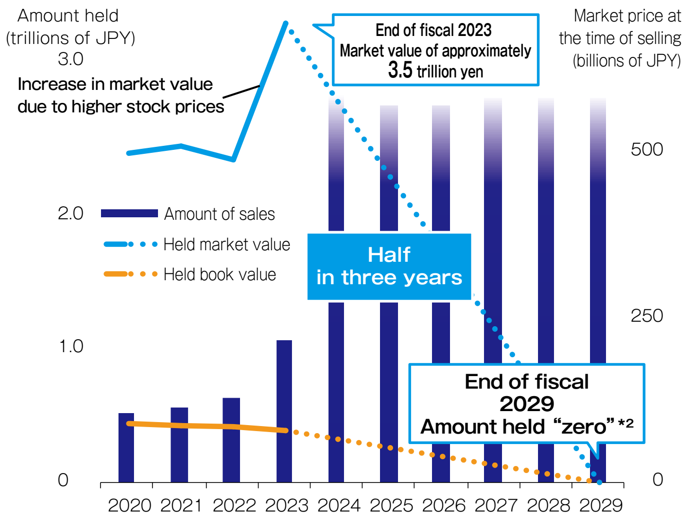


*1: Indexed to the end of March 2002 as 100

The Company has decided to "continue to sell" its business-related equities. We have publicly announced that the ratio to net assets of under 20% is just a "milestone," but in light of the recent business improvement orders to TMNF, and as a part of efforts to develop an environment for realizing fair competition, we have set a deadline of reducing the balance to zero*2 within six years until the end of fiscal 2029. To achieve this, we will halve the balance over the three years of the Mid-Term Business Plan starting in fiscal 2024.

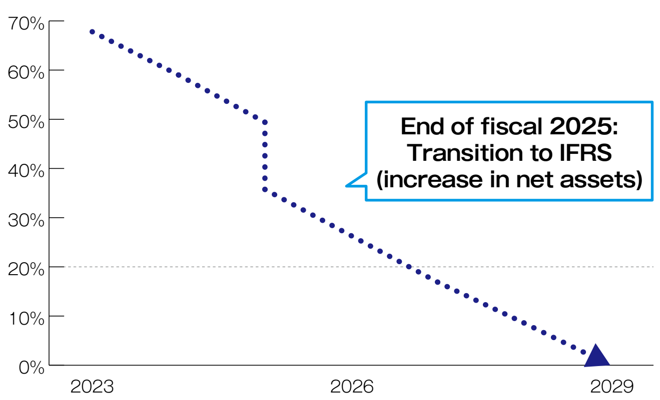
*2: Excluding unlisted stocks and equity investments through capital and business alliances

◯ Sale Proceeds of Business-Related Equities and Time Frame



At the end of fiscal 2026, the ratio of shares held as business-related equities to the Company's consolidated net assets under IFRS is expected to be around 20%. We will continue to engage in careful dialogue with investee companies and work toward further reductions.

◯ Ratio of Holdings to Net Assets*3



*3: Based on share prices on March 31, 2024. Net assets for fiscal 2024 and thereafter are estimates of each fiscal year.

◯ Matters to Be Resolved Regarding the Sale Policy

(1) Reduce business-related equities to zero*2 by the end of fiscal 2029.
(2) During the three-year period of the new Mid-Term Business Plan (fiscal 2024 to fiscal 2026), we will halve the balance of 3.5 trillion yen (market value at the end of March 2024) as of the end of March 2024. The planned sale price for fiscal 2024 is 600.0 billion yen (market value as of the end of March 2024).

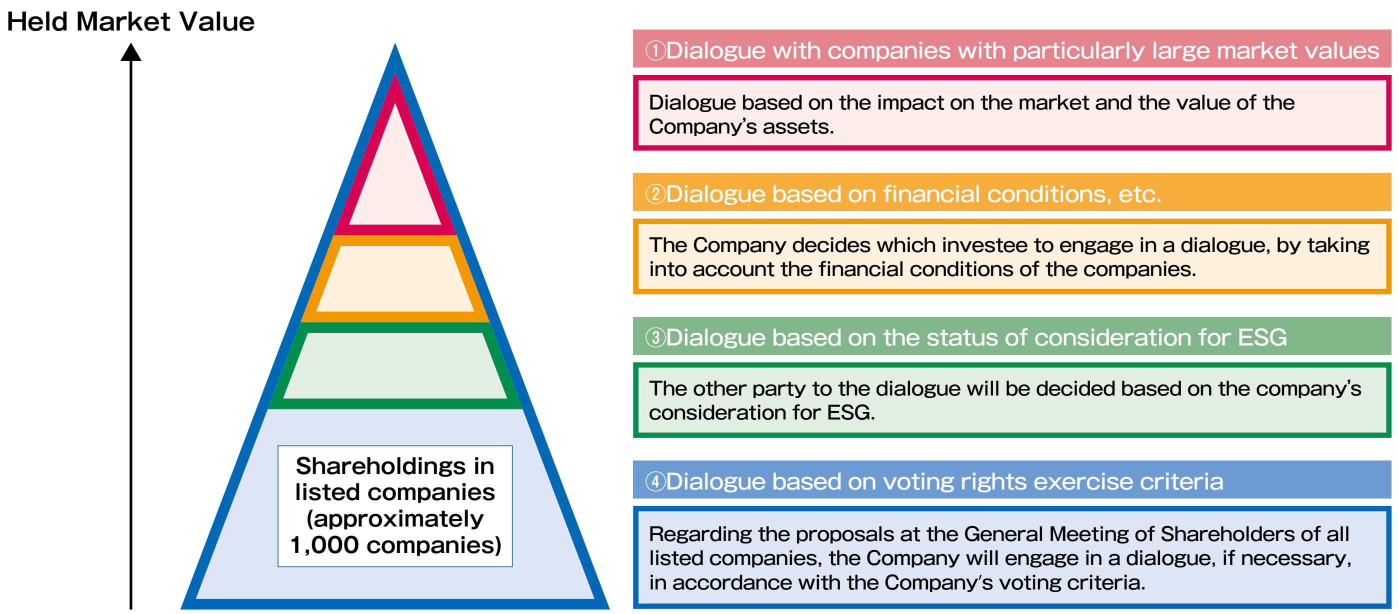
◯ Content of Revisions to Fundamental Corporate Governance Policy

Before Revision	(Policy on business-related equity holdings) Article 3. The Company will review the Group's risk portfolio and reduce the amount of equities it holds as business-related equities in order to redirect capital toward areas such as resolving societal issues and growing business fields.
After Revision	(Policy on business-related equity holdings) Article 3. The company will review the Group's risk portfolio and reduce the amount of business-related equities to zero*2 in order to redirect capital toward areas such as resolving societal issues and growing business fields.

Dialogue Based on the Stewardship Code

Throughout the year, TMNF holds four types of dialogues: dialogues with companies with particularly large market values; dialogues based on financial conditions, etc.; dialogues based on the status of consideration for ESG; and, in the process of scrutinizing proposals for general meetings of shareholders of the companies in which the Company invests, dialogues based on voting rights exercise criteria.

◯ Overview



◯ Examples of Dialogues with Investees

	Content of the dialogue	Responses of investees
E	• We asked a company that is making steady progress in reducing CO_2 emissions related to Scope 1 and 2 about its thoughts on Scope 3 reduction efforts throughout the entire value chain.	• We received a response that the company would like to establish a system to grasp the CO_2 emissions related to Scope 3 by referring to the government's guidelines. • Subsequently, CO_2 emissions related to Scope 3 were disclosed in the company's Integrated Report.
E	• For a company that has high GHG emissions and whose disclosure of concrete measures for future reduction is desired, we confirmed its future initiatives.	• Regarding CO_2 emissions, we received a reply that it is necessary to formulate a plan that incorporates the reduction effect of the transition. • This was followed by a disclosure on the energy transition, which provided an overall picture of the path to reducing CO_2 emissions.
S	• We confirmed the idea of setting more specific KPIs for a food company that has food loss targets.	• We received a response that a clear KPI for food loss has not been set at this point, in consideration of the impact based on traditional business practices. • Subsequently, a surplus inventory reduction target was set as a specific KPI to achieve the food loss target.
G	• We asked a company that has adopted action guidelines and is working to ensure diversity in human resources about its future initiatives.	• We received a response to the effect that the fact that there are currently no female directors is an issue, and the company desires to increase the diversity of the Board of Directors. • Subsequently, three female directors were elected at the General Meeting of Shareholders to enhance diversity management.

For other dialogue case studies and results from the exercising of voting rights, please refer to the Overview of Stewardship Activities (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 the 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 the improvement of management itself and further enhance corporate value.

In April 2023, we established the Global Communications Department as an organization responsible for the interdepartmental operations of external IR, SR, and PR and internal communications, with the aim of further strengthening dialogue with a wide range of stakeholders, including the capital markets, shareholders, the media, and employees.

Dialogue with Investors

Dialogue with Institutional Investors

Organizing financial results conference calls, IR conferences, and theme-focused strategy conferences, the Company holds these both onsite and on the Internet (broadcast live across the globe) and is thereby engaging in dialogue with shareholders and investors around the world.

At an IR conference held in May 2024, we expressed our determination to turn TMNF into a "truly trusted customer-oriented company," based on our New MTP and a series of incidents and received high marks.

In April 2024, we launched the Global Communications Department's New York Desk to further strengthen our dialogue system with shareholders and investors. For example, the year-end financial results announcement in May was distributed online from the New York Desk to reporters and media familiar with the local insurance industry.

We also continuously hold briefings focusing on topics of high interest in the capital markets. In fiscal 2023, Special IR Meetings were held in London and New York City, where presentations were made by the CEOs and executives of major subsidiaries in Europe and the United States, and Q&A sessions were held with participants. In Japan, we also held two special briefings on overseas subsidiaries, featuring the CEOs of overseas subsidiaries as speakers, and received favorable responses.

In addition to these activities, we held dialogues with a total of 518 investors in Japan and overseas, including overseas IR activities in North America, Europe, and Asia, in fiscal 2023.
(May 2024 IR conference video)
https://webcast.net-ir.ne.jp/87662405e/index.html

Dialogue with Individual Investors

We hold conferences for individual investors every year, featuring the Group CEO. In fiscal 2023, conferences were held in Tokyo, Osaka, Kyoto, and Aichi. Investors are satisfied with the Company's easy-to-understand explanations that focus on the "Group's Management Strategy" and "shareholder returns," which are of great interest to individual investors.

We will continue to engage in careful dialogue with our shareholders to expand our fan base and increase the number of individual shareholders and the percentage of shares held by individual shareholders.
(Conference video, Japanese only)
https://www.irmovie.jp/nir2/?conts=tokiomarinehd_202309_bLn5

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. Many of our employees have no contact with the capital markets in their daily work, but through the IR activity reporting sessions, they understand the voices of the capital markets, the evaluation of the Company, and the connection between their work and the capital markets. This has a positive impact on their own motivation and growth and, as a result, a virtuous circle of company growth is also created.

In fiscal 2023, we also used remote tools to share and interact with approximately 2,600 Group employees.

Awards Related to Disclosure

As a result of these efforts, we have received various awards.

WICI Japan
Integrated Report Awards 2023
Gold Award (Great Company Award)

May 2024 IR conference

General Meeting of Shareholders

Presentation by the Group CEO

To promote a deeper understanding of the Company's management and business, the Group CEO routinely conducts presentations. At the 22nd Ordinary General Meeting of Shareholders (June 24, 2024), under the theme of "Management Strategy of the Tokio Marine Group," we provided easy-to-understand information on our performance review and outlook, key points of our business, and our strategy for sustainable growth.
(Presentation video)
https://www.tokiomarinehd.com/en/ir/event/movie/2024_meeting.mp4

Results of the Exercise of Voting Rights

The results of the exercise of voting rights at the 22nd Ordinary General Meeting of Shareholders are as follows:

Details of the Resolutions

Item 1: Appropriation of Surplus
① Amount of cash dividend per common share of the Company: 62.5 yen
Aggregate amount of cash dividends: 123,409,150,063 yen
② Other surplus items: Items and amount of surplus to be increased (Retained earnings brought forward) 332,275,662,472 yen
Items and amount of surplus to be decreased (General reserve) 332,275,662,472 yen
Item 2: Election of Fifteen (15) Directors
Election of the following 15 individuals as directors: Tsuyoshi Nagano, Satoru Komiya, Kenji Okada, Yoichi Moriwaki, Kichiichiro Yamamoto, Kiyoshi Wada, Takashi Mitachi, Nobuhiro Endo, Shinya Katanozaka, Emi Osono, Kosei Shindo, Robert Alan Feldman, Haruka Matsuyama, Keiko Fujita and Hiroaki Shirota
Item 3: Election of One (1) Audit & Supervisory Board Member
Election of the following one individual as Audit & Supervisory Board member: Akira Harashima
Item 4: Change in the Amount of Remuneration, etc., for Directors
The maximum amount of money to be contributed by the Company for each share compensation plan period shall be no more than 1,000 million yen and, of this amount, the amount for Outside Directors shall be no more than 150 million yen under a share compensation plan.

◯ Results of the Resolutions

Item	Number of affirmative votes	Number of negative votes	Number of abstentions	Approval ratio (%)	Result of the resolution
Item 1	16,322,238	5,261	5,133	99.73	Approved
Item 2					
Tsuyoshi Nagano	11,739,656	4,585,437	7,335	71.73	Approved
Satoru Komiya	10,951,403	5,373,692	7,335	66.91	Approved
Kenji Okada	14,461,960	1,822,233	48,254	88.36	Approved
Yoichi Moriwaki	15,372,443	911,751	48,254	93.92	Approved
Kichiichiro Yamamoto	14,975,896	1,308,298	48,254	91.50	Approved
Kiyoshi Wada	15,282,106	1,007,204	43,137	93.37	Approved
Takashi Mitachi	15,726,070	599,044	7,335	96.08	Approved
Nobuhiro Endo	15,069,923	1,255,190	7,335	92.07	Approved
Shinya Katanozaka	14,707,137	1,617,970	7,335	89.86	Approved
Emi Osono	15,869,942	455,173	7,335	96.96	Approved
Kosei Shindo	15,347,094	978,017	7,335	93.77	Approved
Robert Alan Feldman	16,160,289	161,346	10,815	98.74	Approved
Haruka Matsuyama	16,270,853	54,262	7,335	99.41	Approved
Keiko Fujita	15,870,854	413,339	48,254	96.97	Approved
Hiroaki Shirota	15,766,555	517,639	48,254	96.33	Approved
Item 3	15,458,505	865,979	8,148	94.45	Approved
Item 4	13,795,260	2,529,665	7,625	84.29	Approved

(Reference) Status of Dialogue between the Management and Shareholders and Investors (FY2023)

In fiscal 2023, we held dialogues with many shareholders and investors through face-to-face meetings, the Internet, and telephone calls.

	Activities	Total number of participants	Summary
Communication to the Capital Markets (The number of participants is as of March 31, 2024.)			
For institutional investors and analysts	IR conference	222 companies	Explanation of management strategies, etc., by CEO and each director in charge (face-to-face/online hybrid session)
For institutional investors and analysts	Financial results conference calls	396 companies	Explanation of financial results by CEO, CFO, the IR team, and related departments (conference call)
For institutional investors and analysts	Theme-focused conferences	186 companies	Presentations by the top management of DFG and TMSTH (Thailand) to explain their management and business strategies (online)
For institutional investors and analysts	Domestic IR	305 companies	CEO, CFO, and the IR team conduct one-on-one and group meetings (face-to-face, conference call, and online)
For institutional investors and analysts	Overseas IR	172 companies	CEO, CFO, and the IR team conduct one-on-one and group meetings (face-to-face and online)
For institutional investors and analysts	Conferences hosted by securities companies	41 companies	CFO and the IR team conduct one-on-one and group meetings (face-to-face, conference call, and online)
Other	Conferences for individual investors	773 people	Briefing on the Company's management strategies, etc., by CEO and the IR team (face-to-face in Tokyo, Osaka, Kyoto, and Aichi and video streaming)
Other	Integrated Report	-	Explaining the Company's Purpose and vision, as well as the strengths and strategies to realize them in an easy-to-understand manner
Analysis of Feedback from the Capital Markets and Internal Feedback			
	Report on IR activities (Board of Directors meetings, management meetings, in-house briefing sessions)	1,479 people	At the internal debriefing session, CFO and the IR team shared with employees the opinions of investors obtained through IR activities (held online and on in-house video streaming) Lectures by outside analysts (Theme: Our company from the perspective of the stock market) are also held.
	In-house seminars	1,128 people	Shareholding Association Seminar by the IR team (held online and on in-house video streaming)

(Reference) Matters of Interest to Shareholders and Investors

Topics of interest to shareholders and investors obtained through dialogue with the capital markets are fed back to directors and employees through management meetings, Board of Directors meetings, and in-house seminars.

These areas of interest are used not only in IR strategies including the content of financial results, materials for business strategies and integrated reports, and disclosure methods, but also to advance Group strategies, such as the formulation of KPI targets and discussions on capital policy.

Management in general

- **Room for growth and sustainability**
  What are the specific measures and timeline for achieving the growth story that aims for "world-class EPS growth" and "raising ROE to global peers' level"?
- **Impact of the domestic incidents on business performance and the governance system based on the impact**
  What are the specific measures, rough schedule, and earnings impact of the "Re-New" initiative to turn TMNF into a "truly trusted customer-oriented company"?
- **Direction of shareholder returns and capital policy**
  What is the direction of the Company's shareholder returns and capital policy considering generating surplus capital and funds and the rise in profit levels due to the accelerated sales of business-related equities?

Japan P&C

- **Profit improvement for fire insurance**
  Will the Company be able to achieve profitability equivalent to the cost of capital that the Company has set in a severe business environment with devastating natural catastrophes, rising reinsurance costs, and inflation?
- **Profitability in auto insurance**
  Profitability has been deteriorating recently due to the surge of driving after the COVID-19 pandemic and inflation. What is the Company's earnings outlook and policy in light of the January 2024 rate increase?
- **Diversification and double-tracking of distribution, including agency channels**
  Based on the domestic incidents, what is our approach to the future agency channel and management's approach to reducing operating expenses, including agency commissions?

International

- **Sustainability of high profit growth**
  What about the sustainability of the rate hike, which has become a growth driver? What is the impact of rising loss cost and reinsurance costs due to natural catastrophes and inflation (economic and social)?
- **M&A strategy and pipeline**
  Acceleration of sales of business-related equities will generate surplus capital, but what about the M&A strategy, including pipelines?

Asset management

- **Status of DFG credit investment**
  What is the sustainability of DFG's high investment performance and its risks, such as the increase in capital losses and reserves due to changes in the CRE loan market, future forecast, and income trends in anticipation of a decline in U.S. interest rates?
- **Selling business-related equities**
  Can we fully implement selling our business-related equities, which was announced in May, to "zero"* in six years?

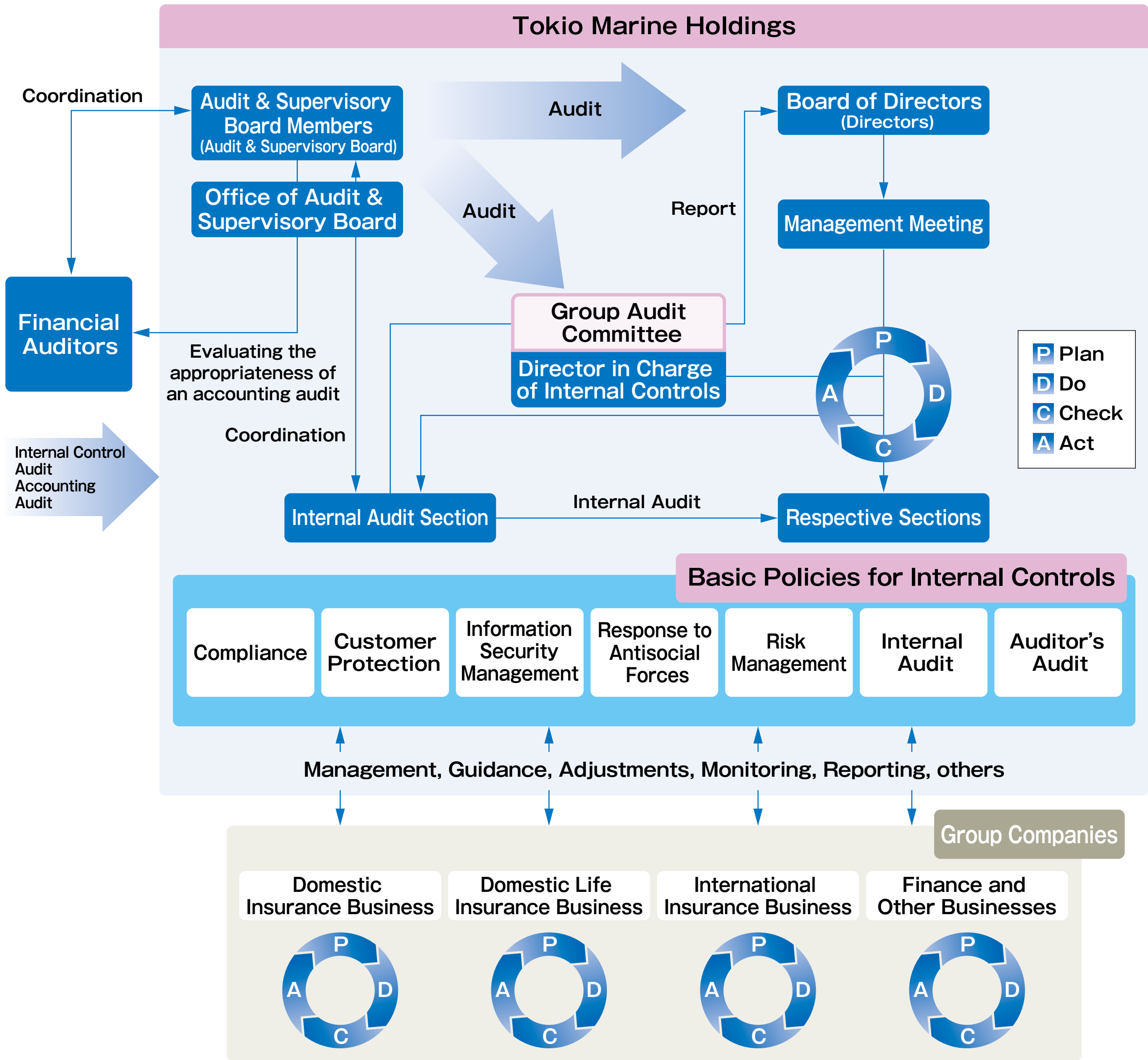
*: Excluding non-listed equities and investments through capital/business alliances

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 Group Audit 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 based on the results of this monitoring. The Internal Audit Section maintains close coordination with Audit & Supervisory Board Members to ensure the effectiveness of their audits. The "Group Audit Committee" was established on April 1, 2024, as a reorganization of the "Internal Control Committee." The purpose of the committee is to further strengthen and enhance the internal control system and internal auditing functions, including external perspectives, and strengthen the supervision function of the Board of Directors.

◯ Internal Control System

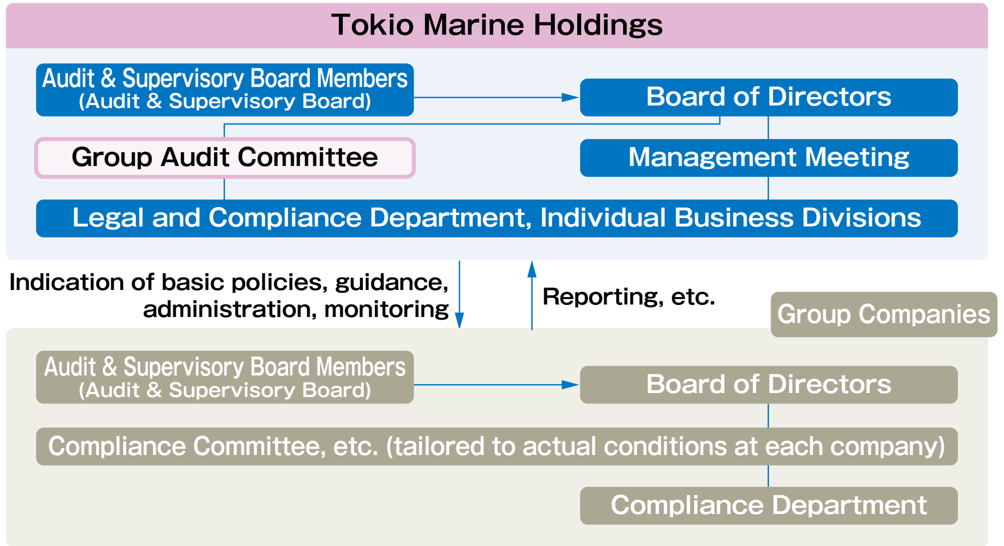


Compliance

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 Group-wide based on this framework. Also, the Company has built a structure to ensure Group-wide 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.

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. As regards the number of reports and consultations received by the Group in fiscal 2023, there were 372 cases (118% compared with fiscal 2022). 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



Crisis Management System

We have established a crisis management system, emergency action plans, etc., to minimize economic losses and other impacts incurred in an emergency and immediately restore ordinary business operations.

Also, we provide support, instructions, and guidance to Group companies, and Group companies report to, communicate, and consult with us. In this way, Group companies are also developing crisis management systems and emergency action plans in peacetime and are working to respond quickly and appropriately for recovery and business continuity in the event of an emergency.

In addition, we conduct simulated trainings for natural catastrophes, cyberattacks, and other events that could become an emergency, in order to enhance our practical and applied skills in emergencies.

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.

We are also subject to inspections by the Financial Services Agency of Japan pursuant to the Insurance Business Law.

Information Security and Cybersecurity Management

Information Security Management

Tokio Marine recognizes the importance of personal information and confidential information ("information assets"). To ensure the appropriateness and trustworthiness of the Tokio Marine Group's operations, we have formulated the "Tokio Marine Group Policies for Information Security Management."

With regard to the revised Personal Information Protection Law, which came into effect on April 1, 2022, we are taking necessary measures, including the revision of our privacy policy. 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.

Cybersecurity Management

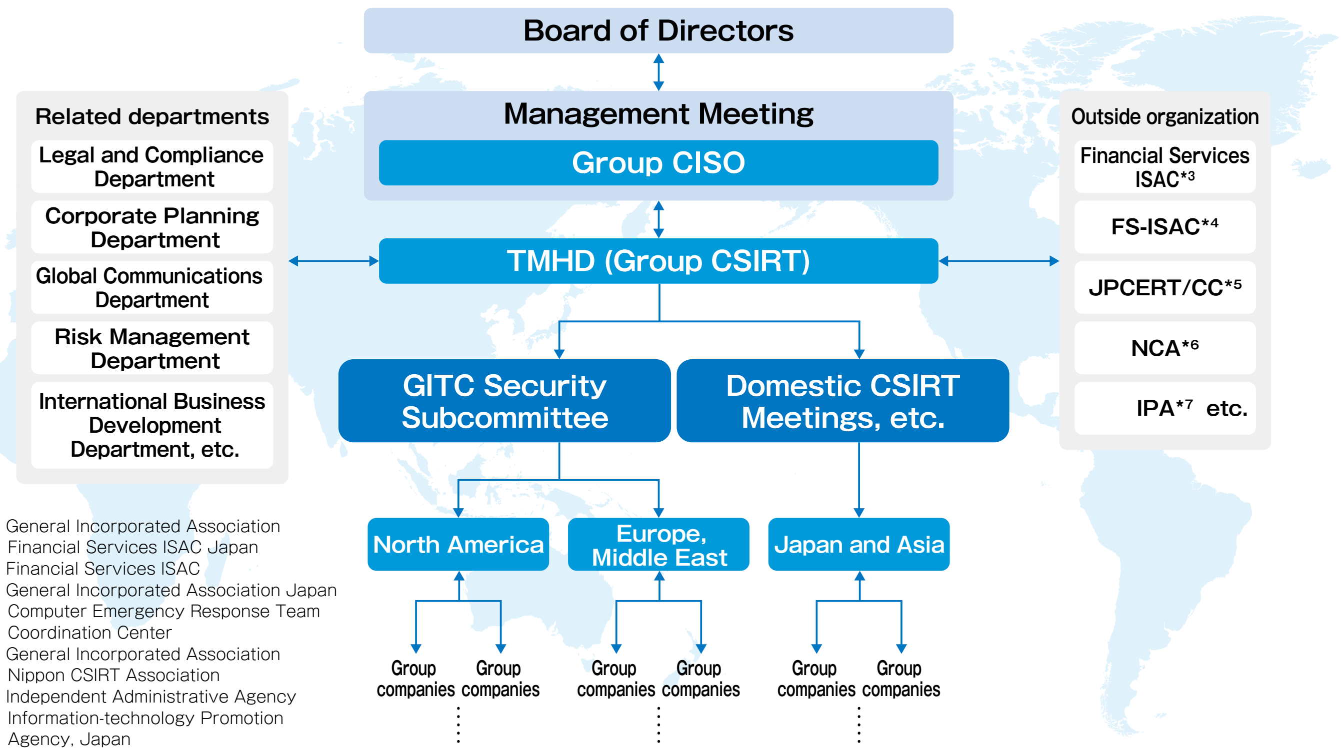
Recognizing cybersecurity as one of the important management issues, with the Group Chief Information Security Officer (CISO) as the supervisor under the leadership of management, the Group companies in Japan and overseas are unitedly maintaining a management system. Reports and discussions are also held twice a year by the Board of Directors, where outside directors with IT expertise also participate.

Specifically, we are promoting countermeasures by adopting global standard frameworks and standard architectures such as ISO 27001*1 and NIST SP800. The Tokio Marine Group's basic ideas and compliance standards are determined from the perspective of people, processes, and technologies, and include constant monitoring, log analyses, periodic vulnerability-scanning, penetration tests, and risk assessments. Furthermore, to prevent, detect, and respond to cyberattacks that are becoming more sophisticated year by year, we use the PDCA cycle to formulate and execute improvement plans in response to issues identified in this process, while taking into account the amount of risk at each Group company, intelligence gained from inside and outside the Group, and the application of new technologies.

Under the Tokio Marine Group CSIRT*2, the entire Group has also been divided into three regions—North, America, Europe, and Japan/Asia—and we are consolidating our organization and standardizing our technologies and processes at a high level. Each region carries out regular countermeasures such as employee training, including security monitoring on a daily basis, cyber drills (conducted multiple times a year mainly for relevant parties), targeted e-mail drills (conducted multiple times a year for all employees), etc. Also, in the event of a cyber incident, each region strives to establish an efficient and effective system by identifying the scope of the impact and promptly implementing initial responses, recovery, and recurrence prevention measures to prevent the spread of damage while cooperating with other regions.

A Group-wide committee made up of security experts gathers knowledge from around the world and promotes advanced security measures to support our customers and society in their times of need.

*1: Tokio Marine & Nichido Systems, the core systems company of the Tokio Marine Group, acquired ISO 27001 certification
*2: Abbreviation of Computer Security Incident Response Team



*3: General Incorporated Association Financial Services ISAC Japan
*4: Financial Services ISAC
*5: General Incorporated Association Japan Computer Emergency Response Team Coordination Center
*6: General Incorporated Association Nippon CSIRT Association
*7: Independent Administrative Agency Information-technology Promotion Agency, Japan

◯ (Reference) Tokio Marine & Nichido Fire Insurance's Response to Customers Regarding "Fraudulent Insurance Claims by Former BIGMOTOR Co., Ltd." (August 2023)

Tokio Marine & Nichido Fire Insurance Co., Ltd., issued a news release in August 2023 in connection with the fraudulent insurance claims by the sheet metal division of the former BIGMOTOR Co., Ltd.* We will place the highest priority on the recovery of customers who have suffered damage due to this incident, etc. We will remove the concerns of customers who have had their cars repaired by BIGMOTOR Co., Ltd., will take measures to recover the damage of customers who have actually received unauthorized repairs, and will advance initiatives to prevent recurrence.

*Three companies: BIGMOTOR Co., Ltd., BM Holdings Co., Ltd., and BM Hanaten Co., Ltd.

Recognition of major issues

(1) Failure to detect malicious and organizational fraudulent claims at an early stage
(2) There was room for improvement in the operation of the designated factory system from the customer's perspective

Main responses and measures to prevent recurrence

[Measures to Recover Customers' Damage]
- Set up a dedicated call center for customers and investigate to determine the amount of fraud
- Support for safety inspections
- Implementation of contract confirmation procedures such as grade correction

[Measures to Prevent Recurrence]
(1) Further strengthen the damage assessment system
(2) Start of a repair shop matching service (open network information of designated factories)*

*: For more information, please refer to the news releases dated August 1, 2023, and March 29, 2024. (Japanese only)
https://www.tokiomarine-nichido.co.jp/company/release/pdf/230801_01.pdf
https://www.tokiomarine-nichido.co.jp/company/release/pdf/240329_01.pdf

◯ (Reference) Submission of Business Improvement Plan for Insurance Premium Adjustment (February 2024)

Tokio Marine & Nichido Fire Insurance Co., Ltd., submitted a business improvement plan to the FSA and issued a news release on February 29, 2024, based on the business improvement order concerning insurance premium adjustment received on December 26, 2023. We took the business improvement order seriously, and in order to ensure that such a situation never occurs again, taking into account the true cause based on the results of various investigations, we examined recurrence prevention measures from all perspectives, including mechanisms and systems (contracting processes, organizations, systems, and governance), awareness, and knowledge, and formulated a business improvement plan that includes clarifying management responsibilities.

1. Management's View

The inappropriate conduct that we have caused this time is an act that damages the interests of our customers and fundamentally loses the "trust of our customers" which is the starting point of all of Tokio Marine's business activities. We take it seriously as management and deeply regret it. On that basis, Tokio Marine never viewed this incident as "just a problem of premium adjustment," but continued to pursue the true cause behind the problem.

To recover the trust lost by our customers and society, and to become a "truly trusted customer-oriented company" that realizes "always supporting and protecting customers and society in their times of need," our Purpose, that we have inherited since our foundation in 1879 without interruption, management will take the lead in creating a sound organizational culture that emphasizes compliance and customer first, and we will work to fundamentally strengthen our management control system. At the same time, we will make company-wide efforts to improve our operations.

Non-life insurance has the social infrastructure function of "protecting customers and society in their times of need" by providing compensation in the event of an emergency. To "protect customers and society in their times of need," it is necessary to accurately understand the risks and issues surrounding our customers and then provide the most appropriate policies and services. We believe that this is the true value of our policies. From this perspective, Tokio Marine believes that a "truly trusted customer-oriented company" means "a company that can fulfill its roles in delivering the true value of its policies to customers and society." In the area of corporate insurance in particular, we believe that Tokio Marine's roles are to contribute to the risk management and the enhancement of corporate value of client companies through the provision of "true value of our policies."

In the past, Tokio Marine intended to conduct its business based on a customer-oriented approach. However, in light of the factors that led to the occurrence of the inappropriate conduct, Tokio Marine has unconsciously acted based on the "common sense (historically accepted business practices) of the non-life insurance industry and Tokio Marine," and there has been a "gap" between the "customer-oriented approach that should have existed" and the "customer-oriented approach that was the basis of Tokio Marine's actual conduct."

With the launch of the new Mid-Term Business Plan in fiscal 2024, we have defined "customer-first" as judging and acting from the perspective of "how to provide the true value of insurance," based on the customer's perspective and the "common sense (business standards) of customers and society" as the starting point for all our thinking and actions, with the aim of restoring customer trust and realizing our Purpose. We will fundamentally review all of our business processes from the customer's perspective. We will also share this decision-making criteria with our business partners, our agents, with the aim of becoming a "truly trusted customer-oriented company." Under the "Re-New" concept, which is the key concept of the new Mid-Term Business Plan, all executives and employees will be fully aware of the current situation in Tokio Marine, and we will strive to regain trust and realize our Purpose with the determination to "transform ourselves into a new company."

With this incident as an opportunity, we will ensure that each and every one of our directors and employees is able to provide the true value of insurance, that there are no gaps with the common sense (business standards) of our customers and society, and that our decision-making criteria is on the right track. We will strive to instill these perspectives into the corporate culture of Tokio Marine, and at the same time, we will establish an organizational structure suitable for providing the functions of the social infrastructure, develop the employees who will be responsible for this, and review various rules and regulations.

2. Policy for Future Initiatives

The purpose of the Antimonopoly Act is to maintain and promote "fair and free competition." We will ensure that all employees understand that the Antimonopoly Act is a fundamental rule that must be observed in a free economic society. Based on this, we will advance the following initiatives with the aim of becoming a "truly trusted customer-oriented company," which will continue to be chosen by customers by providing the "true value of insurance."

(1) Fundamental review of industry practices that have taken root Tokio Marine

In some cases, the lead insurer and trading share are determined by factors such as the volume of premiums, holding status of business-related equities, and the degree of cooperation in core business, rather than the "true value of insurance" that Tokio Marine wants to provide to client companies. It is true that our Company has been competing not only in terms of "true value of insurance" but also in the aforementioned areas. Taking this incident as a turning point, we will take a fresh look at what Tokio Marine's responsibility to provide customers is and what we should do for them. For example, we will fundamentally review various industry practices that have taken root in Tokio Marine, such as eliminating business-related equities, eliminating excessive cooperation in core businesses, and breaking free from excessive competition targeting agents rather than client companies.

(2) Review of internal systems and mechanisms

We will not only fundamentally strengthen our business management system and establish an appropriate compliance system but also review our internal systems and mechanisms to ensure proper sales promotion. In Tokio Marine, sales targets have long been managed by the top-line (written premium), and the achievement of organizational sales targets has been a major focus of the in-house award program. In the performance evaluation systems for individual employees, individual top-line targets were set based on organizational targets, and evaluations focused on achieving those targets. In the future, we will review the system to evaluate proposals and provision of "true value of insurance" to client companies.

(3) Strengthening of human resource development

In addition to responding to increasingly severe natural catastrophes and increasingly complex diverse risks, it is Tokio Marine's responsibility to contribute to the improvement of risk management and corporate value of client companies by providing long-term, stable, and appropriately priced optimal insurance programs that include measures to prevent accidents and minimize damage in order for client companies to continue their businesses. At the same time, Tokio Marine was sometimes preoccupied with short-term competition and market share. As a result, the company was unable to make sufficient efforts to enhance client companies' understanding of insurance.

In the future, we will focus even more on human resource development so that our employees can provide higher value as risk management professionals. We also aim to develop "flexible and robust employees," who are able to find optimal solutions that satisfy both client companies and Tokio Marine, and who are able to build lasting relationships of trust with client companies.

*For more information, please refer to the news release dated February 29, 2024. (Japanese only)
https://www.tokiomarine-nichido.co.jp/company/release/pdf/240229_01.pdf

◯ (Reference) Information Leakage due to E-mail Communication between Insurance Agencies and Insurance Companies (May and July 2024)

A news release was issued on May 23, 2024, after it was discovered that TMNF customer information had been leaked by sending and receiving e-mails containing TMNF customer information in e-mail communications between insurance agents and other non-life insurance companies. In the course of a series of investigations triggered by this incident, it was discovered that a TMNF employee on loan to an agent had caused information leakage by sending e-mails to TMNF, the home company, with contract information of other insurers within the agent to which the employee had been loaned to. We have received a report submission order from the FSA regarding the leakage of personal data and the provision of information to a third party without the consent of the customer pertaining to "information leakage due to e-mail communication between insurance agencies and insurance companies" (issued a news release on July 23). We will continue our investigation to clarify the whole picture, investigate the true cause, and thoroughly implement measures to prevent recurrence.

May 23, 2024
Tokio Marine & Nichido Fire Insurance Co., Ltd.

Apology Regarding Information Leaks Due to Email Communication Between Insurance Agents and Insurance Companies

Tokio Marine & Nichido Fire Insurance Co., Ltd. (President: Hiroaki Shirota, hereinafter referred to as "the Company") has confirmed that customer information was included in emails exchanged between insurance agents and other non-life insurance companies. We hereby report that a customer information leak has been verified.

We sincerely apologize for the significant concern and inconvenience caused to our customers and all stakeholders.

To address any worries or inquiries regarding this matter, we have set up a contact point for inquiries at 0120-773-826.

1. Overview of the Incident

The incident involves the leak of customer information from the Company to representatives of co-insurance companies through emails sent by the management departments of various insurance agents, including automobile dealerships. Instances were identified where emails containing customer information were sent to insurance agents with co-insurance representatives included in the CC field, as well as cases where emails containing information from co-insurance companies were received.

Unfortunately, there was a lack of awareness regarding the Personal Information Protection Act and insufficient recognition of the risks associated with information leakage within the Company, which hindered our ability to prevent such leaks. Recently, a Company representative flagged a potential information leak after receiving an email that contained customer information from both the Company and co-insurance companies. This prompted an internal investigation, which confirmed the occurrence of the information leak.

July 23, 2024
Tokio Marine & Nichido Fire Insurance Co., Ltd.

Regarding Financial Services Agency Order for Reports on Information Leaks

Tokio Marine & Nichido Fire Insurance Co., Ltd. (hereinafter referred to as "the Company") was requested by the Financial Services Agency yesterday to submit reports regarding a personal data leak and the unauthorized provision of information to third parties. This request relates to the information leak resulting from email communications between insurance agents and insurance companies, as announced on May 23, 2024*.

We sincerely apologize for the significant inconvenience and concern this has caused to our customers and all stakeholders. The Company takes this matter very seriously and is committed to responding diligently.

Additionally, during a series of investigations initiated by the incident announced on May 23, it was discovered that Company employees on loan to insurance agents had sent contract information from other insurance companies back to the Company via email, leading to the information leak. We will continue to thoroughly investigate the extent of the leaks at the co-insurance agents and identify the root causes to prevent similar incidents from occurring in the future.

*1 https://www.tokiomarine-nichido.co.jp/company/release/pdf/240523_01.pdf (Japanese only)

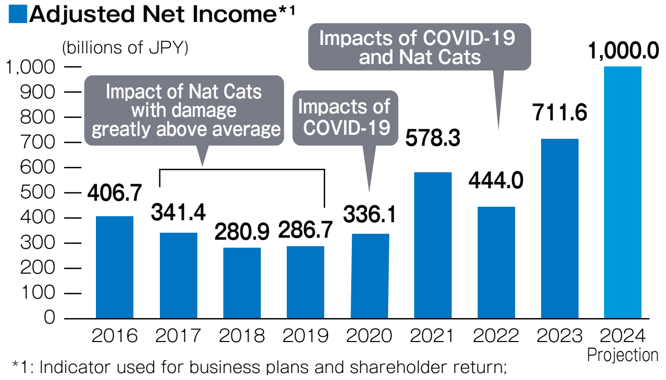
*For details, please refer to the news releases dated May 23 and July 23, 2024. (Japanese only)
https://www.tokiomarine-nichido.co.jp/company/release/pdf/240523_01.pdf
https://www.tokiomarine-nichido.co.jp/company/release/pdf/240723_01.pdf

Financial Highlights

Promoting Risk Diversification and Generating Stable Profits

As a result of global risk diversification and the sustained expansion of low-correlation businesses, we have generated stable profits even in years of large-scale Nat Cats and COVID-19. In fiscal 2024, we expect to post adjusted net income of 1 trillion yen as we accelerate the sale of business-related equities in line with our improved performance.

■Adjusted Net Income*1

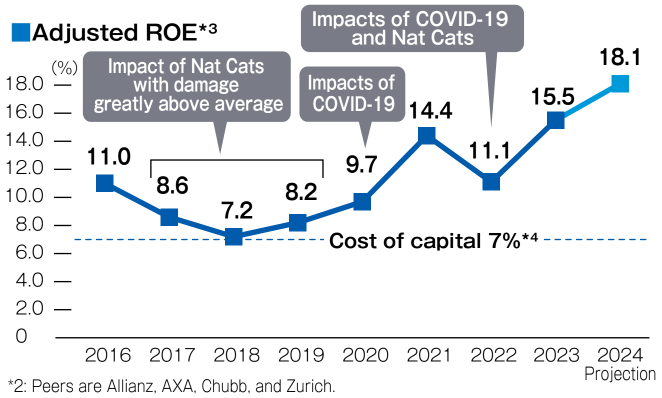


*1: Indicator used for business plans and shareholder return; please see p. 152 for details.

Pursue Improvement in Capital Efficiency to the Level of Global Peers*2

In addition to achieving world-class EPS growth, we will review our business portfolio by reducing business-related equities. Through these and other measures, we will improve capital efficiency and raise ROE to a level comparable with that of our global peers*2.

■Adjusted ROE*3

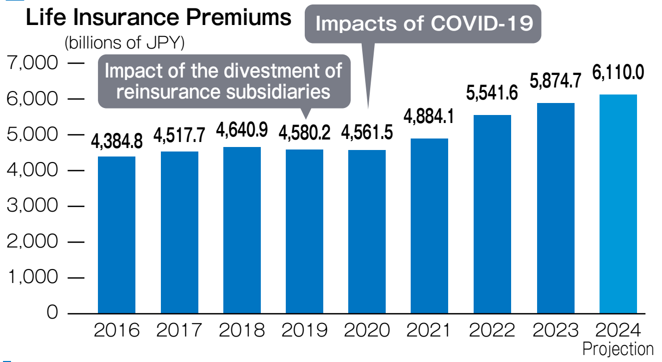


*2: Peers are Allianz, AXA, Chubb, and Zurich.
*3: Indicator used for business plans and shareholder return; please see p. 152 for details.
*4: Return expected by investors; calculated using the capital asset pricing model (CAPM).

Disciplined Insurance Underwriting Leads to Solid Revenue Growth

Organic growth and disciplined M&A are driving steady growth in insurance premiums. We expect steady revenue growth in fiscal 2024 as well, supported by steady rate increases and sales expansion while maintaining underwriting discipline in Japan and overseas.

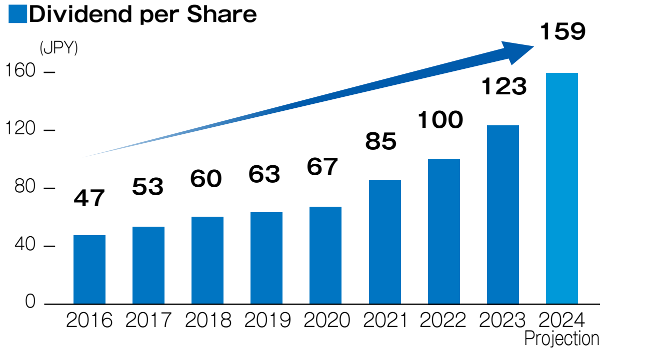
■Net Premiums Written + Life Insurance Premiums



13 Consecutive Years of Higher Dividends Projected

Dividends per share for fiscal 2024 are expected to be 159 yen, an increase of 36 yen from the previous year, due to a significant increase in the source of dividends. We will continue to achieve strong earnings growth and consistent dividend growth.

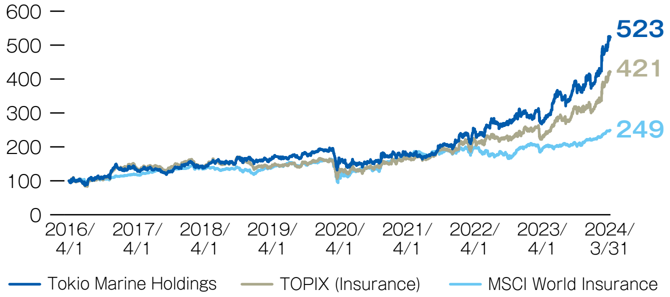
■Dividend per Share



Above-Market TSR

Total shareholder return (TSR), an indicator of the capital returns achieved after reinvestment of dividends, is greatly outperforming that of peers in Japan and overseas.

■TSR*5

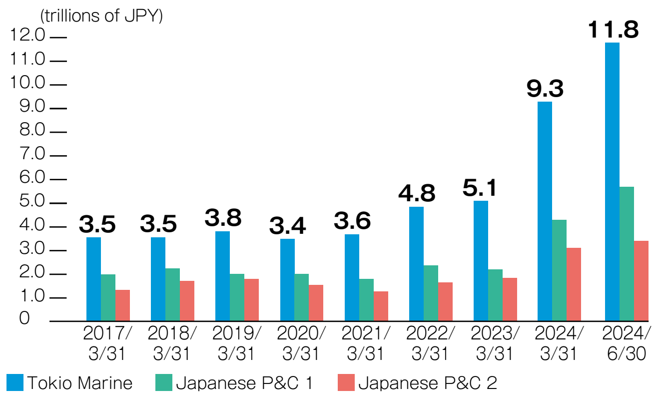


Source: Bloomberg
*5: Stock prices on April 1, 2016, are set at an index value of 100.

Corporate Value Steadily Rises, Market Capitalization Exceeds 10 trillion yen

As a result of the evaluation from the capital markets, our PBR exceeded 1.0 and the market capitalization exceeded 10 trillion yen. We aim to achieve sustainable growth and raise our corporate value by continuing to serve our customers and society.

■Market Capitalization



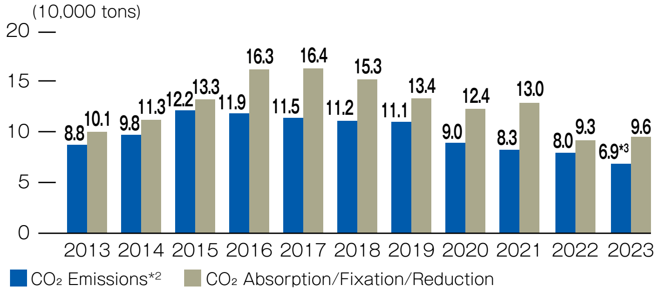
Non-Financial Highlights

Eight Material Issues (Materiality)	
1. Promote climate action	5. Provide innovative solutions
2. Improve disaster resilience	6. Protect the natural environment
3. Support people's healthy and enriching lives	7. Provide opportunities for future generations
4. Value people and promote diversity and inclusion	8. Open governance with integrity

1. Promote climate action | 6. Protect the natural environment

Achieving Carbon Neutrality*1 for 11 Consecutive Years

The Tokio Marine Group has achieved carbon neutrality*1 in its business activities for 11 years running since fiscal 2013 through its mangrove planting activities.



*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, the standard for calculating greenhouse gas emissions)
*2: CO_2 emissions after fiscal 2022 reflect the CO_2 reduction achieved through the purchase of green power.
*3: CO_2 emissions in fiscal 2023 are preliminary figures.

2. Improve disaster resilience

Contributing to Local Communities through Assistance for BCP Formulation

We are contributing to building a disaster-resilient society while working closely with local governments.

■Cumulative Total of Collaboration Agreements with Local Governments*5

Prefectures	43
Ordinance-designated cities	13
Other cities	91

*5: Collaboration agreements on regional revitalization including BCP formulation assistance, etc. As of the end of March 2024.

3. Support people's healthy and enriching lives

Seven Group Companies Certified as White 500

In order to be "a company of choice that delivers sustainable growth by providing safety and security to customers," the entire Group is working on "health management" so that the employees, the driving force of the company, can work healthily and energetically. By utilizing our know-how backed by this accomplishment, we also support our clients' health management. (Details on p. 27)

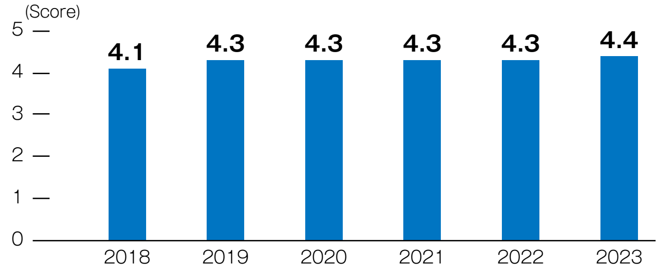
2024
健康経営優良法人
Health and productivity
ホワイト500

4. Value people and promote diversity and inclusion

Group of Highly Motivated Employees

Scores on the Culture & Values Survey conducted at Group companies inside and outside of Japan are positive. We are now working on further improvements at the Group level with the involvement of Tokio Marine Holdings.

■Group Attachment*6



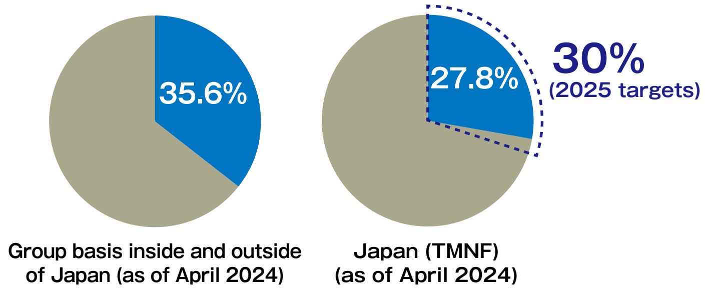
*6: Score out of 5 (total for domestic and overseas Group companies and HD)

4. Value people and promote diversity and inclusion

Eliminating the Gender Gap

As part of our growth strategy, we are actively working to close the gender gap. Qualitative and quantitative targets have been set and initiatives are being promoted to further expand the base, and the next generation of female leaders in Japan and overseas is steadily expanding.

■Ratio of Women in Leadership Positions*4



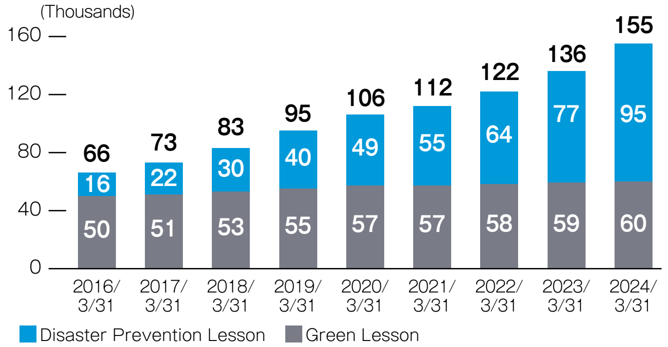
*4: Ratio of women in management positions and above (including directors). For TMNF, the figure includes "unit leaders," a newly created position on the revised personnel system in April 2024.

2. Improve disaster resilience | 6. Protect the natural environment | 7. Provide opportunities for future generations

Active Participation in Social Contribution Activities

As part of our efforts to support the development of future generations, we actively hold "Green Lessons" and "Disaster Prevention Lessons."

■Cumulative Total of Participants



Global Insurance Market

Further profit growth in the United States, the largest insurance market, expansion in emerging markets, and stable growth in Japan are the key.

The global insurance market in 2022 was worth 6.782 trillion dollars, with the United States in first place for both life and non-life insurance.
Rising insurance premiums and the appreciation of the U.S. dollar have expanded the U.S. market to account for 40% of the global insurance market.
Partly due to the impact of FX, Japan ranked fourth, eighth in the non-life insurance market and fourth in the life insurance market.

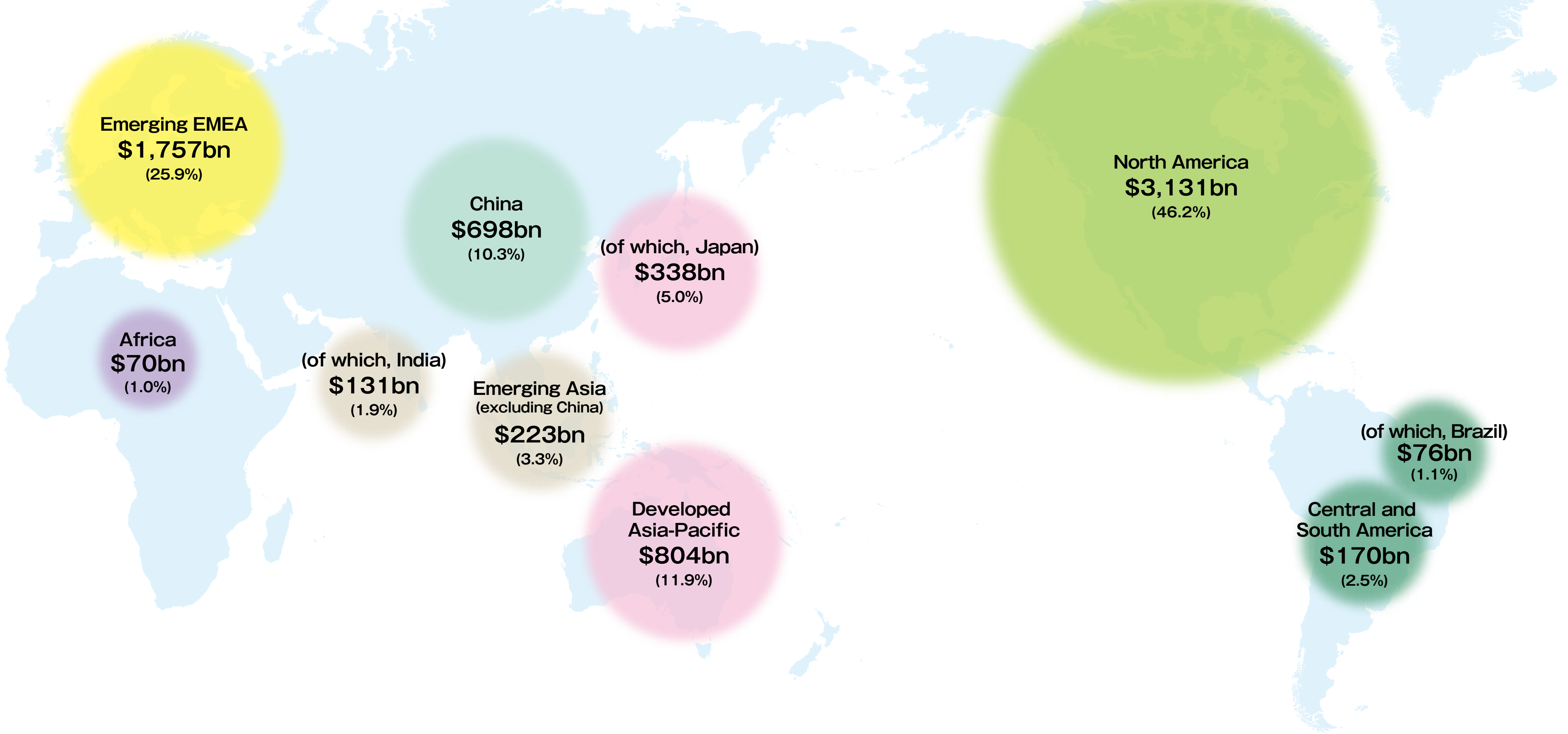
Ten Largest Insurance Markets in Direct Premiums Written for Life Insurance and Non-Life Insurance in 2022 (millions of USD)

Ranking	Country	Life premiums	Non-life premiums	Total premiums		
				Amount	Change against 2021 (%)	Share of the global total (%)
1	United States	672,006	2,287,801	2,959,808	8.6	43.6
2	China	364,359	333,448	697,806	0.2	10.3
3	United Kingdom	248,240	114,769	363,009	-2.8	5.4
4	Japan	243,892	93,920	337,812	-15.1	5.0
5	France	157,179	104,075	261,254	-10.7	3.9
6	Germany	99,164	142,469	241,633	-11.3	3.6
7	South Korea	88,026	94,820	182,846	-5.3	2.7
8	Canada	71,639	99,332	170,972	2.8	2.5
9	Italy	115,938	44,229	160,168	-16.5	2.4
10	India	99,503	31,538	131,041	6.5	1.9

Source: Swiss Re Institute, sigma No. 3, 2023

Total Premiums for Life and Non-Life Insurance in 2022

Region Premium (Share) Note: Circle size gives a visual idea of the size of premiums

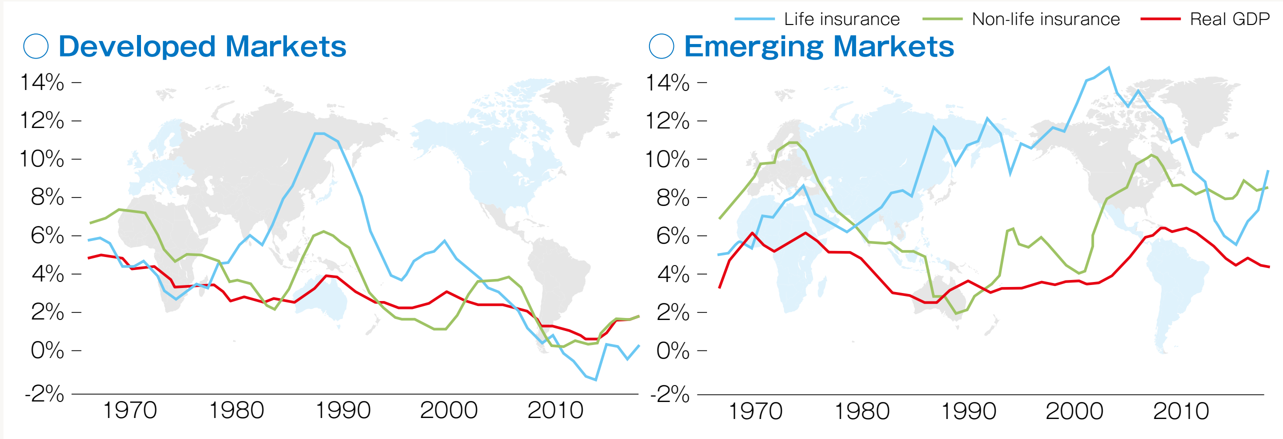


Source: Swiss Re Institute, sigma No. 3, 2023

(Reference) In addition to stable growth in developed markets, capturing booming emerging markets is the key.

Non-life premiums grow in tandem with economic growth in developed markets. However, in emerging markets, which have low levels of insurance penetration and upward trends in population, insurance premiums show growth that exceeds economic growth. Note that increases in life premiums are greatly impacted by such factors as interest rates, market regulations, and taxation systems, so they are not necessarily linked to economic growth.

Growth in Non-Life and Life Premiums, and Growth in Real GDP (Seven-Year Moving Average)



Source: Swiss Re Institute, sigma No. 3, 2018

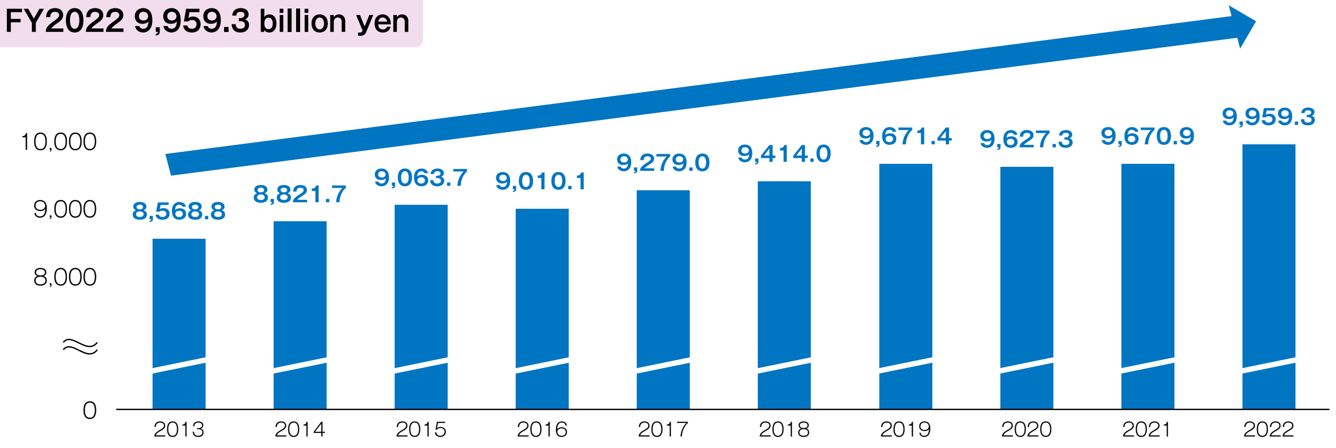
Potential of the Japanese Non-Life Insurance Market

The Japanese non-life insurance market is steadily growing, and profitability has been stable over the long term. Although there are various factors for deterioration in earnings such as the intensification of natural catastrophes and inflation, we will continue to achieve stable C/R through prompt and proactive revisions of premiums and products.

Growth of Japan's Non-Life Insurance Market

Direct Premiums Written (including deposit premiums from policyholders)*1 (billions of JPY)

FY2022 9,959.3 billion yen

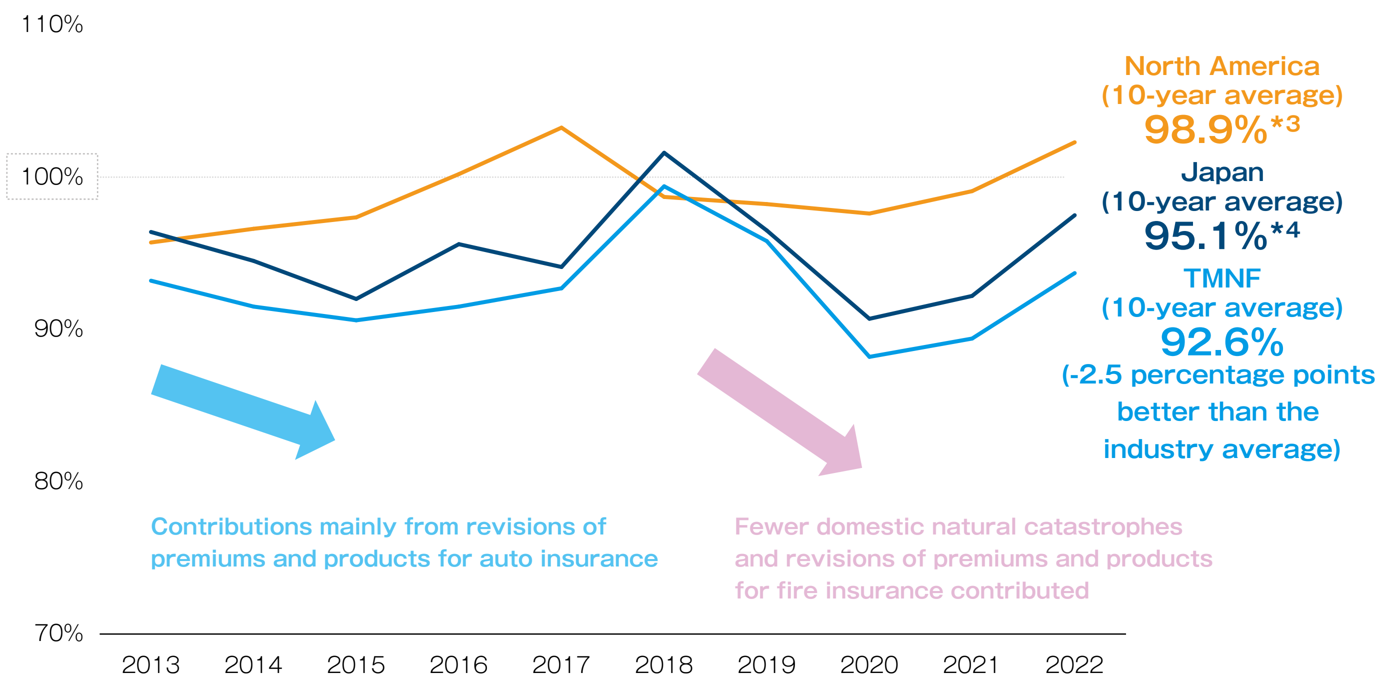


*1: Indicates revenue from direct insurance contracts with policyholders. Direct premiums written - refunds (excluding maturity refunds to policyholders)

Source: The General Insurance Association of Japan, "Fact Book 2023" based on member companies of the General Insurance Association

Revenue Stability of the Japanese Non-Life Insurance Market

Combined Ratio (C/R)*2



*2: Based on W/P for all items
*3: Source: S&P Capital IQ
*4: Source: The General Insurance Association of Japan website

The New Mid-Term Business Plan KPI Targets by Business Unit

We plan to continue to achieve world-class earnings growth in the new Mid-Term Business Plan (MTP) with a CAGR of at least +7% in adjusted net income excluding gain on sale of business-related equities (CAGR of at least +15% including gain on sale of business-related equities), driven by strong organic growth in Japan and overseas. To be specific, in the Japan P&C Division, we plan to achieve a CAGR of +5% or more by improving profitability in the auto insurance and fire insurance sectors, expanding sales in specialty insurance, and improving operating expense rates. In the Japan Life Division, we plan to achieve a CAGR of +3% or more by expanding sales of highly profitable products with short payback periods. In the International Division, we plan to achieve a CAGR of +7% or more excluding the takedown of prior year loss reserves through a diversified U/W portfolio and a robust investment income that takes advantage of the insurance cash flows.

The New Mid-Term Business Plan KPI Targets*1 (2024-2026)

Adjusted net income (CAGR: vs. FY2023)
- CAGR of +7% or more
- (Including gain on sale of business-related equities*4 +15% or more)

Business unit profits

Japan P&C*2: CAGR +5% or more
- Auto Profit: Approx. +10 billion yen p. 132
- Fire Profit: Approx. +15 billion yen p. 133
- Specialty insurance growth: Approx. +7 billion yen p. 134
- Improvement of E/R p. 135

Japan Life*3: CAGR +3% or more p. 136

International: CAGR +5% or more (Excluding prior year loss reserves +7% or more)
- Underwriting profit: Approx. +7% (excluding prior year loss reserves) p. 137
- Investment, etc.: Approx. +8% p. 142

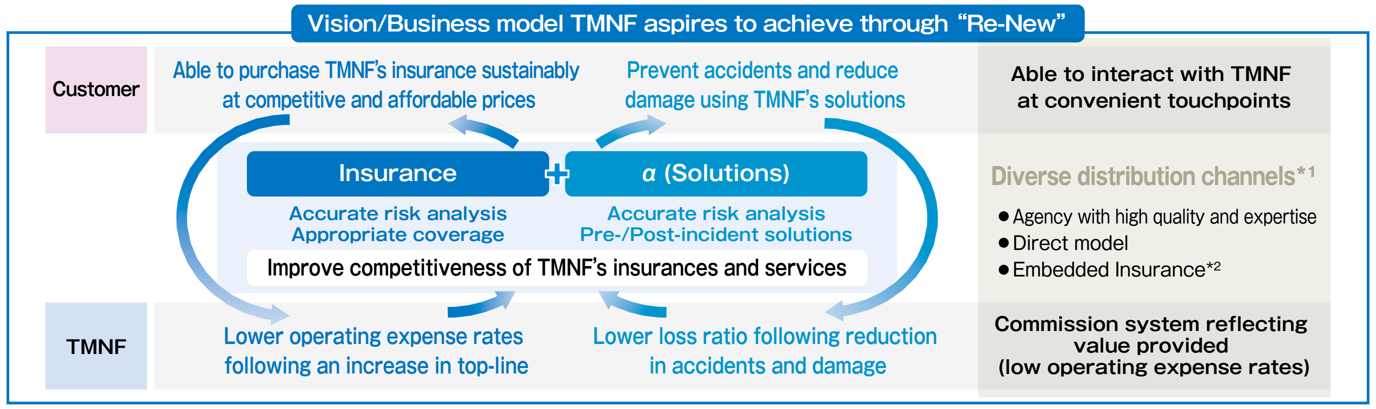
The impact of absence of negative FX effect*5 for Japan P&C included in the base figure for MTP in fiscal 2023 c. +46 billion yen

*1: Each KPI is based on the current definition
*2: Japan P&C = TMNF, excluding FX effects
*3: Japan Life = TMNL
*4: Excluding the impact of capital gains from the sale of business-related equities for the part of the sale exceeding the plan
*5: Increase in provision for foreign currency denominated reserves and losses reported for FX derivatives at TMNF due to JPY depreciation in FY2023

Japan P&C — The Mid-Term Business Plan "Re-New" in TMNF

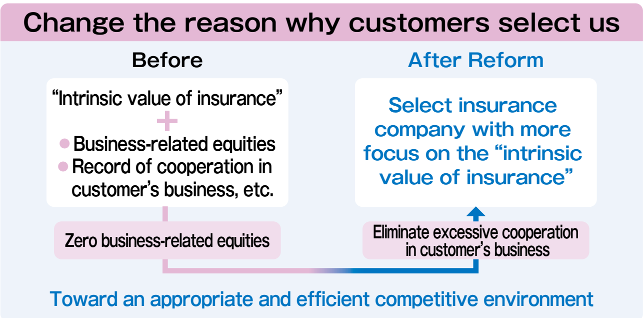
Awareness of the current situation

TMNF has adopted "Re-New" as the key concept for the new Mid-Term Business Plan starting in fiscal 2024. TMNF's new goal is to (1) accurately analyze customers' risks, (2) not only hedge these risks but also avoid and reduce damage itself, and (3) provide insurance with affordable pricing through the reduction of loss costs and thereby increasing the number of customers. TMNF will offer insurance and solutions through diverse, high-quality, and specialized distribution channels.This will allow TMNF to help build a safe and secure society. As a result, TMNF continues improving its corporate value.



(1) Change the reason why customers select us

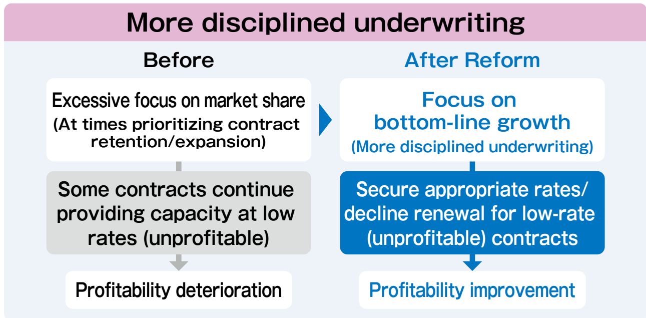
Ending deep-rooted practices that have taken root in the industry or Tokio Marine, such as business-related equities and excessive cooperation in core business, it will create an efficient and fair competitive environment in terms of capital load and cost. We aim to increase the number of customers through the Tokio Marine Group's "strength" in the "ability to offer the intrinsic value of insurance."



Offer intrinsic value of insurance by leveraging our unique "strengths" to further enhance our partnerships with customers, thereby increasing the number of customers

(2) More disciplined underwriting

We sustainably offer appropriate coverage at appropriate rates corresponding to customers' risks and needs. To continue fulfilling this duty as an insurance company, we will refocus our priority on bottom-line growth and exercise more disciplined underwriting



Ensure more disciplined underwriting to sustainably offer high-quality insurance and solutions to our customers

(3) Realization of diverse distribution channels

Expand and diversify distribution channels with high quality and expertise, selected based on customers' needs, and upgrade our support for agents to accelerate this, thereby increasing the number of customers. Build an agent commission system that better reflects the degree of independence of agents and their value.

More productive and high-quality support for agencies

Initiative (1)	Improve quality and expertise by enhancing support for agencies
Initiative (2)	A network of quality agents
Initiative (3)	Agent commission system that matches the value provided

Building a sales foundation to meet diversifying customer needs

Initiative (1)	Building a new "direct model" ■Build a "direct platform" that completes the entire contract procedures on the Web, from insurance premium estimation to application ■Offer more tailored services through agents, such as free consultations, upon request by customers.
Initiative (2)	Increase embedded insurance*2

*1: How to deliver insurance products to customers (e.g., approach methods, sales channels)
*2: A wide range of fully digitalized (embedded) insurance products utilizing partner companies' platforms and services

Japan P&C — Overview of Japan P&C Business

Awareness of the current situation

Although the Japanese non-life insurance market as a whole continues to grow, changes in social structures and responses to natural catastrophe risks have become issues.

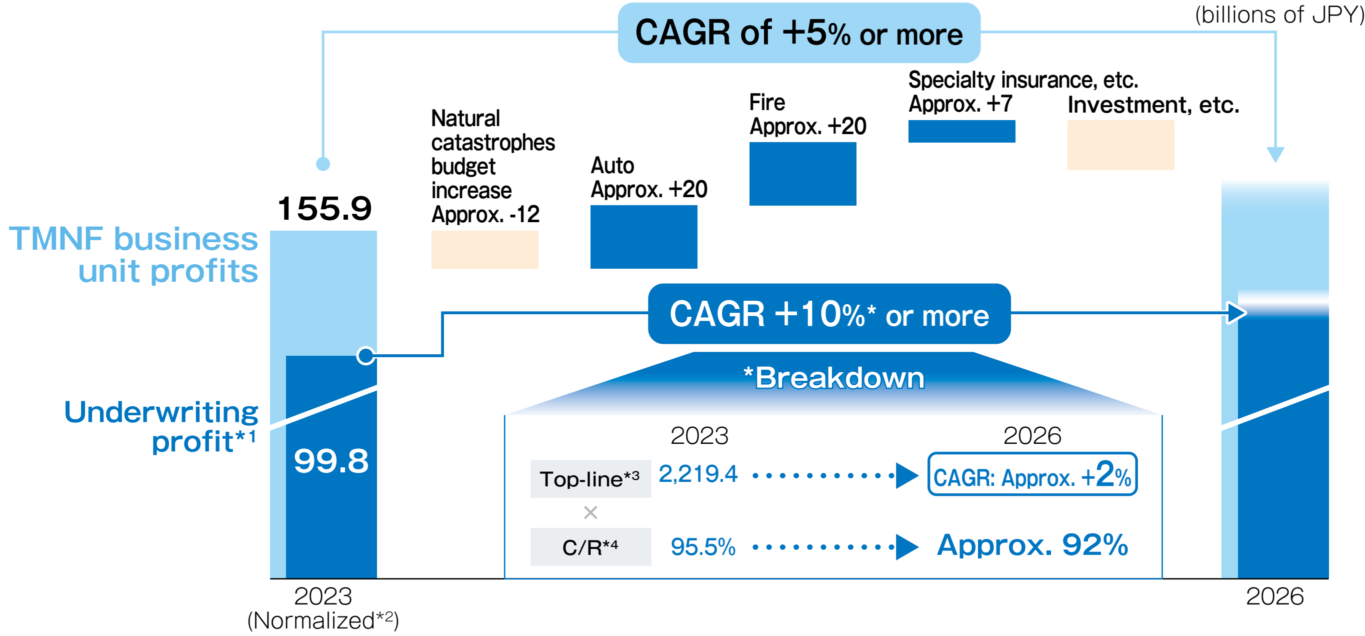
In auto insurance, which accounts for a large share of the product mix, the impact of young people moving away from cars and the aging of society is a problem. In fire insurance, the increase in insurance payments due to the increase in natural catastrophes in recent years is a problem. In addition, in all categories, the impact of soaring repair unit prices due to inflation is significant, and measures are being taken to improve profitability. In addition, we are expanding specialty insurance, which will be a growth area in the medium to long term and are working on providing non-insurance solutions as "+α" in the "pre-/post-incident" domain.

New MTP Targets

The company plans to achieve a CAGR of +5% or more for business unit profits in the new Mid-Term Business Plan (MTP).

The decrease in dividend income due to the acceleration of sale of business-related equities and the negative impact on profits due to the increase in the natural catastrophes budget are partially included, but they will be offset by the rate increase, the expansion of the number of customers, and the strong growth of underwriting profit as a result.

Among them, the CAGR of underwriting profit is planned to be "+10% or more," which is highly likely to be realized through the revision of rates and products. With these plans, a combined ratio will be improved to around 92%.



*1: After tax, estimation
*2: Natural catastrophes are normalized to an average annual level and the impact of foreign exchange is excluded. Average annual level for natural catastrophes is 83 billion yen (Wide natural catastrophes: 73 billion yen + Small natural catastrophes: 10 billion yen. before tax). The new Mid-Term Business Plan (MTP) is calculated by adding the natural catastrophes budget and incorporating 100 billion yen (before tax) as the average annual level.
*3: Net premiums written (private health insurance)
*4: Based on private health insurance E/I estimation
* *1 to *4 are the same for pp. 132-135.

Key Measures

The following measures are being implemented to realize the plan.

Auto insurance (p. 132)	•Rate and product revisions (rate increase) •Increase the ratio of special clauses •Proper payment
Fire insurance (p. 133)	•Rate and product revisions (rate increase) •Accelerate initiatives focused on the bottom line
Specialty insurance (p. 134)	•Capture markets by leveraging the Tokio Marine Group's strengths in developing insurance programs, assessing risks, and providing solutions
E/R improvement (p. 135)	•Increase operating efficiencies through profitable top-line expansion •Realize a well-balanced agency commission structure •Thorough reduction of non-personnel and personnel costs

Japan P&C Improving Earnings in Auto Insurance

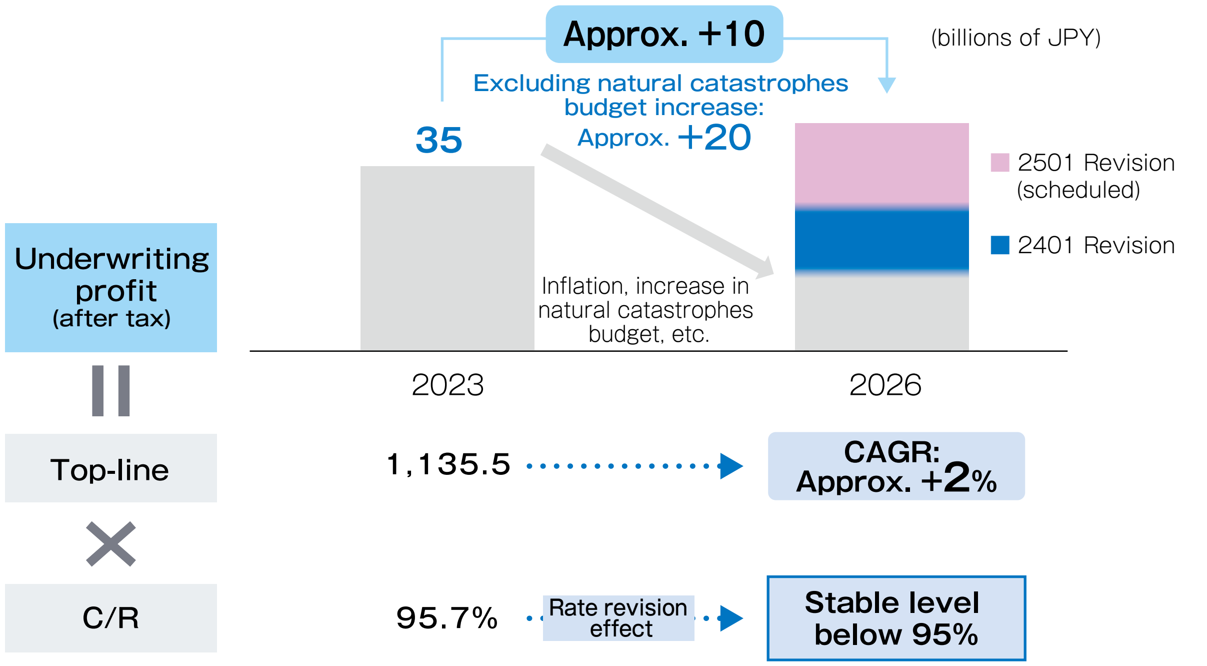
Awareness of the current situation

The number of cars owned in Japan is expected to decline gradually, and in recent years, accident frequency and unit prices have risen, and loss costs have worsened due to the effects of natural catastrophes, such as hail.

Companies are required to introduce high-value-added products one after another and proactively respond to rate and product revisions based on the occurrence of natural catastrophes and claim cost trends.

New MTP Targets

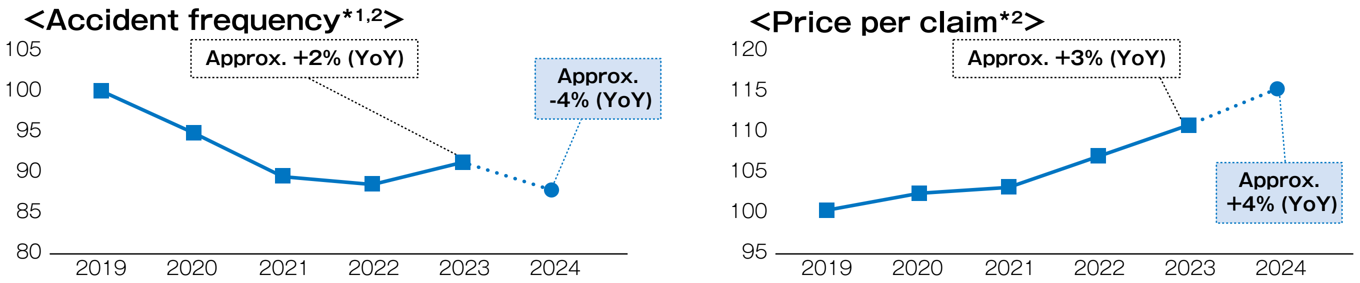
In response to the impact of the increase in the loss cost (accident frequency and price per claim) based on the current situation and the increase in the natural catastrophes budget due to the increase in natural catastrophes, we will strive to stably achieve a level below 95% by implementing necessary products and rate revision, in addition to ceaseless efforts such as efforts to improve results and business efficiency.



Key Measures

Measure	Approach
Rate and product revisions	• Carry out proactive rate revision as necessary, taking into account the impact of the increase in accident frequency due to the rebound from COVID-19 (revenge drives), the increase in unit cost of accidents due to the continuation and expansion of inflation, and the increase in natural catastrophes.
Increase the ratio of special clauses	• For vehicles within three years of first registration, automatically add new car replacement insurance that has a high level of customer satisfaction in the event of an accident.
Proper payment	• Strengthen the appropriate insurance payment system and suppress business expenses through measures such as the establishment of a specialized team to deal with fraudulent claims and the provision of repair shop matching services

(Reference) Status of Loss Cost



*1: The impact of natural catastrophes is assumed to be in line with the average year, and the impact of the decrease in accident frequency due to COVID-19 is deducted.
*2: Fiscal 2019 = 100

Japan P&C Improving Fire Insurance Earnings

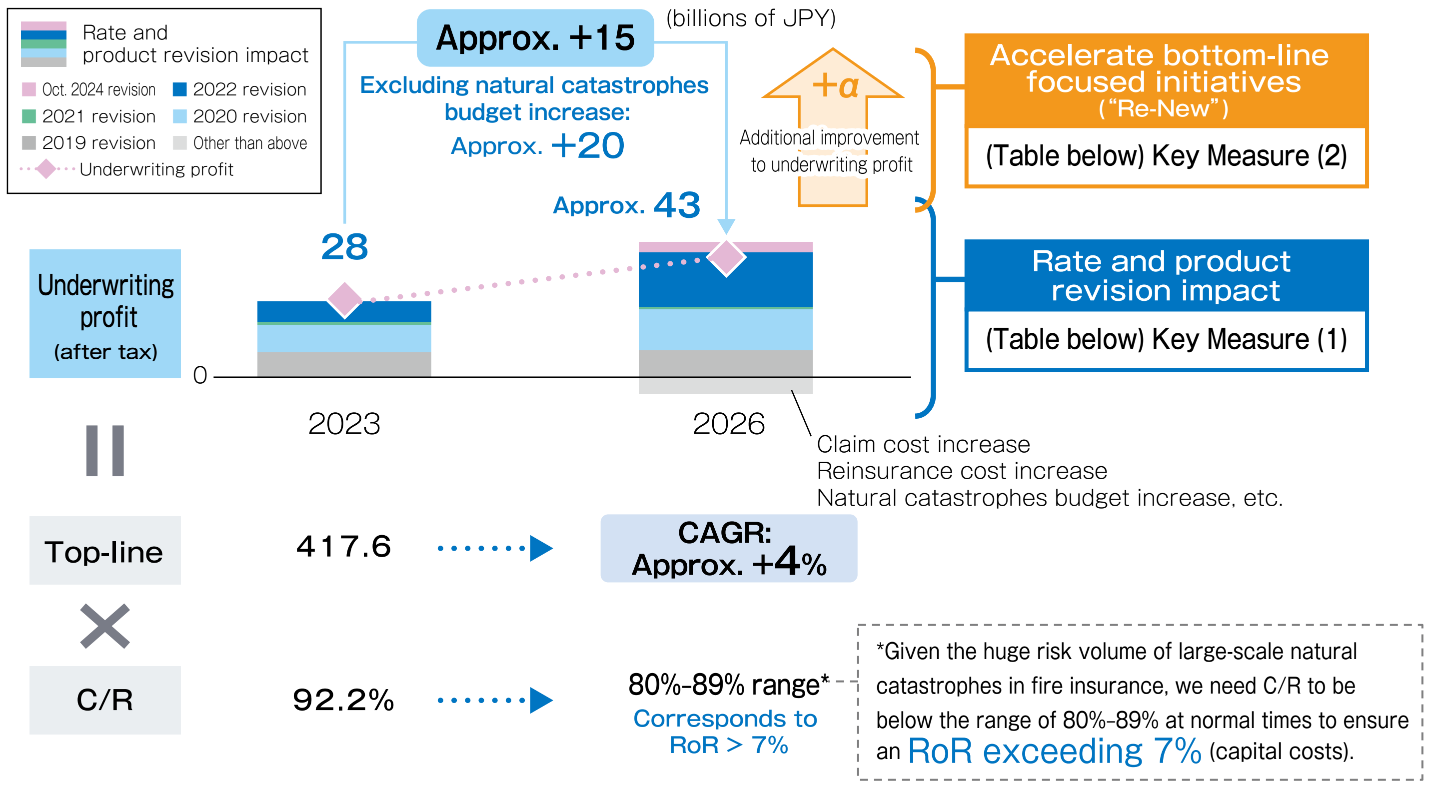
Awareness of the current situation

Fire insurance's status of income and expenditure has been on an improving trend partly due to the effects of the previous revisions, but it has been negative for many years in the past decade.

In addition, large-scale typhoons and torrential rains have increased in recent years, and there is a possibility that they will become more frequent and severe. Under these circumstances, the General Insurance Rating Organization of Japan has raised the reference net rate for fire insurance (notified in June 2023; average increase of about 13% based on the Comprehensive Renters' Insurance for Houses). In addition to the increasing frequency and severity of natural catastrophes, there has been an increase in insurance claims outside natural catastrophes, and reinsurance charges have remained high. As a result, fire insurance is still in a severe financial situation. In light of this management discussion and analysis of the business environment, we are required to improve profitability in both corporate and individual insurance, including rates and product revisions, in order to continue to provide stable fire insurance services to customers.

New MTP Targets

Achieve profitability commensurate to capital cost (RoR > 7%) by fiscal 2026 through more disciplined underwriting exercised as part of "Re-New," in addition to the constant rate and product revisions. The next rate and product revision is scheduled for Oct. 2024.



Key Measures

Measure	Approach
(1) Rate and product revisions	• Realization of continuous rate and product revisions effects in the past • Implementation of rate and product revisions in October 2024
(2) Accelerate bottom-line focused initiatives	• Disciplined underwriting for unprofitable policies • Improving underwriting terms and conditions

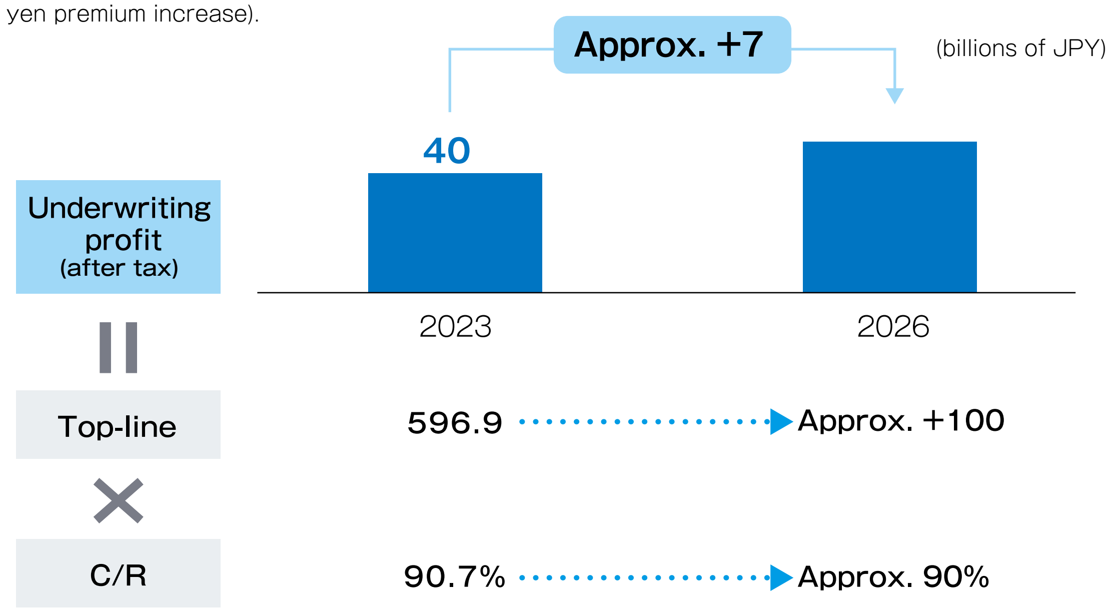
Japan P&C Specialty Insurance Growth

Awareness of the current situation

In this age of uncertainty, risks are increasing, and societal issues are becoming more complex. Globally, the shift to renewable energy and the increase in cyber risk have become major societal issues. In addition, issues such as the aging of society with a declining birth rate and the decline of regional economies have become serious in Japan. In response to these societal issues, specialty insurance has considerable room to offer new products and services in the future. In the SME market in particular, the purchase rate in Japan is still low compared with the U.S. and European markets, and there is great potential.

New MTP Targets

Capture promising markets focusing on five priority areas to achieve an approximately 7 billion yen profit increase (approx. +100 billion yen premium increase).



Key Measures

Capture market leveraging the Group's "strengths"

"Strengths" of the Tokio Marine Group	Measure
Providing sophisticated program and underwriting capabilities	• Arrange cutting-edge insurance programs in collaboration with international Group companies (e.g., cyber, D&O, offshore wind) • Expand dedicated products/coverage for SMEs, make consulting-type proposals • Expand insurance areas utilizing know-how/data of domestic Group companies including. TdR (e.g., presymptomatic/prevention areas in healthcare)
+ Ability to provide solutions	• Offer 24x7 emergency hotline service (cyber) • Offer loss prevention service using TdR's data analysis abilities

(Reference) Potential Markets in 5 Priority Areas

Priority Area	Market Size	Penetration rate
SME	1.3 trillion yen*1	20%–30%*1
GX (offshore)	200 billion yen*2	—
Healthcare	1.7 trillion yen*3	75%*3
Cyber	180 billion yen*4	Less than 10%*5
Resilience (from FY2024)	300 billion yen*6	—

*1: Market size in Japan; Source: Tokio Marine estimate
*2: Global offshore wind insurance market as of 2030; Source: Tokio Marine estimate
*3: Market for group medical insurance/cancer insurance/GLTD; Source: Japan Institute of Life Insurance, Rosei Jihou
*4: Market size in Japan; Source: Research company
*5: Source: Cyber Risk Awareness and Countermeasure Survey 2020, General Insurance Association of Japan
*6: Repair costs of industrial facilities/housing in retail, manufacturing, and other industries; Source: Tokio Marine estimate

Japan P&C Initiatives to Improve E/R

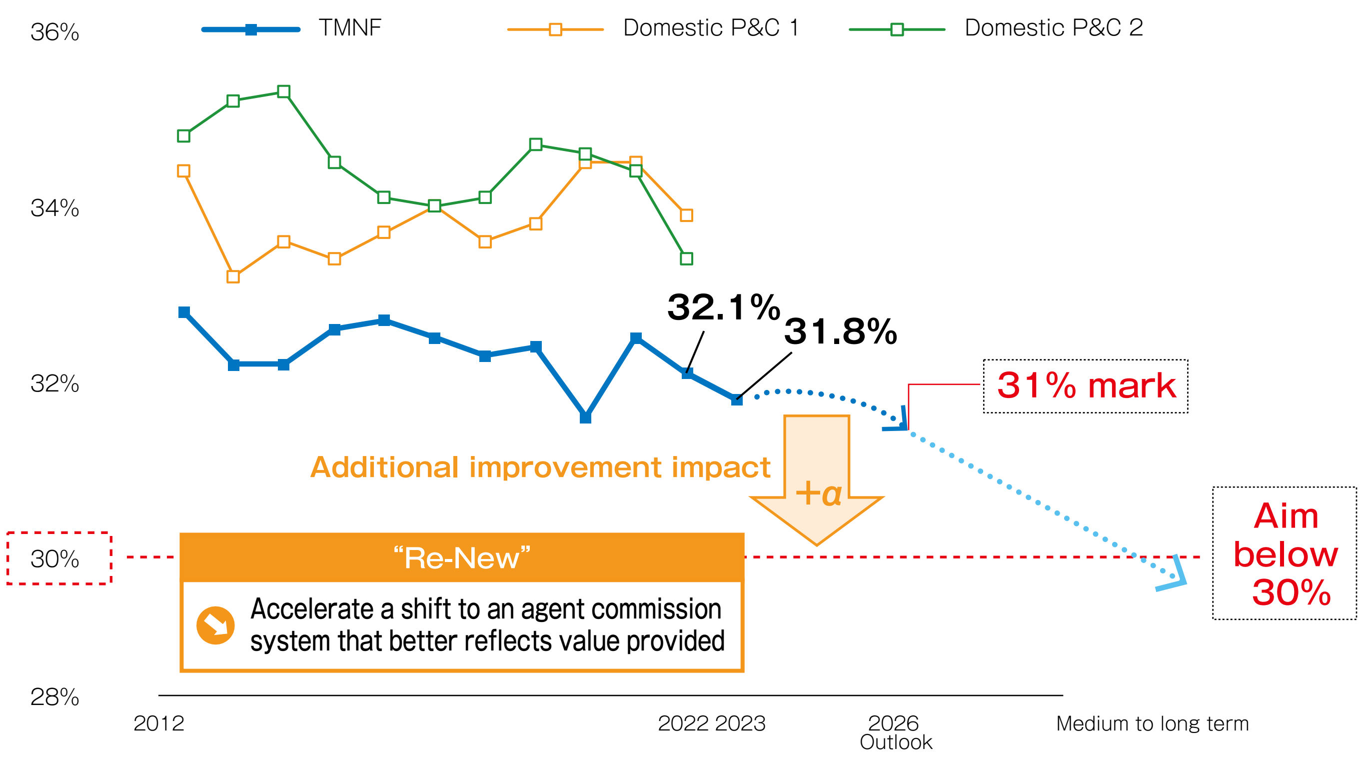
Awareness of the current situation

For operating expense rates in fiscal 2023, there was a transient effect (positive impact) due to the postponement of the system service-in, but in the current Mid-Term Business Plan, there is a further increase in IT costs due to the impact of the previous years' amortization increase in software, and unavoidable increases in non-personnel expenses due to the impact of inflation, etc. It is necessary to continue to steadily promote efforts to reduce and optimize personnel costs, non-personnel costs, and agency commissions without exception, and to allocate management resources while assessing the balance between investment in growth and discipline.

New MTP Targets

Aim for E/R at the 31% mark during the new MTP period and below 30% in the medium to long term by expanding the top-line with revenue generated through societal issues solutions and reviewing the agent commission system.

TMNF E/R*1



Key Measures

Measure	Approach
Raise business efficiency through profitable top-line expansion	• Further increase activity volume in growth areas mainly through use of generative AI, in addition to the ongoing administration volume reduction (-25% by the end of FY2026*2)
Realization of a well-balanced proxy system	• Drastic shift to a commission system that matches the value provided according to the agency's business quality and degree of independence
Thorough reduction of non-personnel and personnel costs	• Implement cost reductions without exception even in an environment of rising IT costs and pay-scale increases • Realization of work reduction projects (approx. 9 billion yen reduction by the end of fiscal 2026*3)

*1: Private health insurance
*2: vs. 2019, –30 to 50 billion yen/year, calculated virtually
*3: vs. 2023, after-tax estimate. vs. 2019 (at the start of the project): approx. 13 billion yen reduction

Japan Life — Contributing to the Group's Risk Diversification and Long-Term Growth

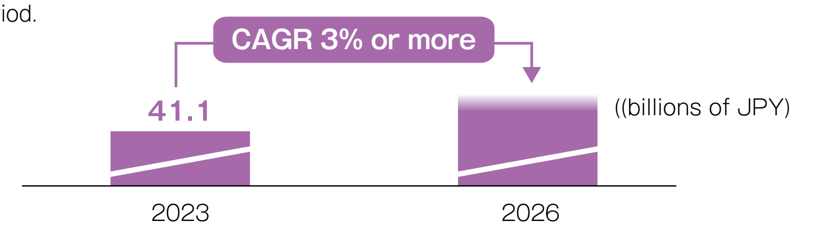
Awareness of the current situation

Tokio Marine's Japan Life business has been quick to focus on survival risks such as post-discharge treatment and nursing care, which are not covered by conventional life insurance, and have created innovative protection-type products one after another. While sales of highly profitable mainstay products are expanding steadily, competition is intensifying in protection-type products and the asset formation market. The key to sustainable growth will be to develop businesses that accurately capture changes in the external environment amid the projection of changes in customer values and purchasing behavior due to the extension of healthy life expectancy and the progress of digitalization.

New MTP Targets

We will achieve a CAGR of +3% or more for business unit profit by early realization of profits and increase in profit level through expanding the top-line and steadily increasing in-force policies as a result of business model reforms and sales of highly profitable products with short payback period.

Japan Life Business
Business unit profit



Top-line (Annualized Premium of New Business)   49.2 ·········▶ CAGR 5% or more

Key Measures

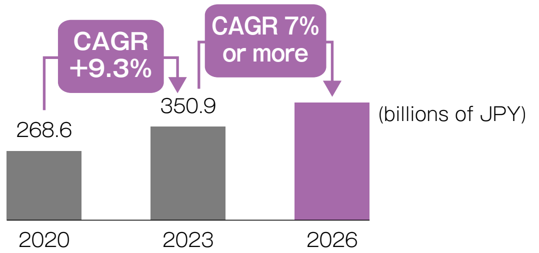
In the new MTP, we will provide "new value" that adapts to the changes of the times through business model reforms (reforms of points of contact with customers and reforms of value provided) while making maximum use of our strengths, "customer base in the vast Tokio Marine Group" and "innovative product development capabilities."

Measure	Approach
Reforms of customer contact points	• In addition to strengthening approaches to customers through agents, promote a business model (direct approach) in which TMNL directly approaches their corporate customers and employees and sends them to agents that provide consulting services.
Reforms of value provided	• Expand the scope of customer protection to address the societal issues of "protection," "health promotion," and "asset building" in an era of 100-year life expectancy. ・Development of new products which integrate unique service and protection, in Pre- and Post- Incident areas ・Expansion of products that support asset formation, etc.

Annualized Premiums of Policies

(protection type products + regular premium variable life insurance)

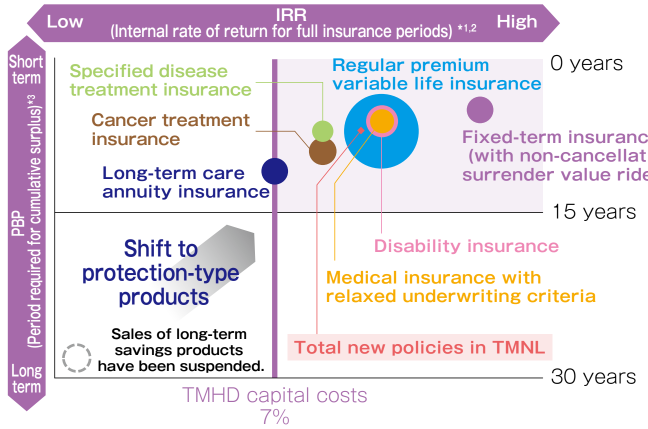
Steadily expanding holdings of highly profitable core products to drive earnings growth in the new MTP.



*1: Profitability as expected return on cost for the entire insurance period on a financial accounting basis.
*2: Size of bubble: Annualized premium of new policies (2024 projections)
*3: Payback period (PBP; the period until the accumulated value of financial accounting income turns positive). Figures in the table are for fiscal 2016 for long-term saving-type products and 2024 projections for other products.

Enhancement of IRR and Shortening of PBP

Internal rate of return for full insurance periods exceeded 7% (the Group capital costs) and rose above 10%, and the profitable period improved to a level below 10 years.



International — Top-tier Earnings Growth in each Country and Region

Awareness of the current situation

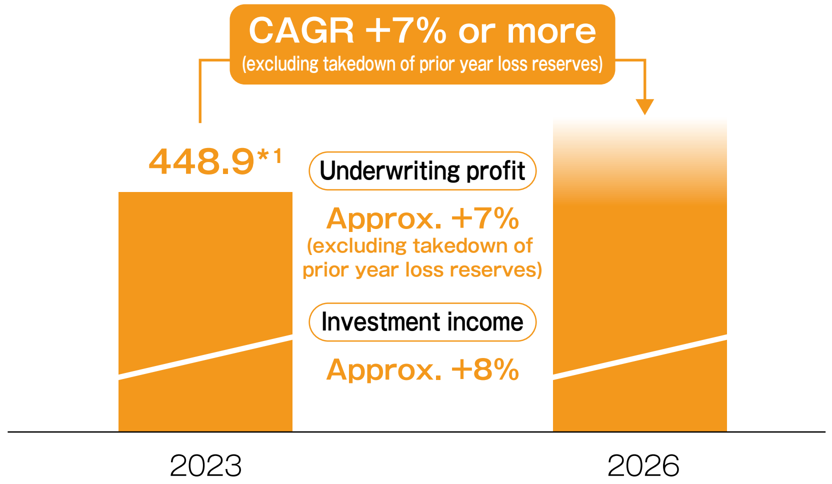
Backed by a diversified underwriting portfolio and DFG's highly specialized asset management capabilities, our international business has realized high growth in both underwriting profit and investment income. As a result, it is driving the growth of profits for the Group as a whole. It will be important for us to continue to steadily expand profits by steadily implementing the business strategies by leveraging the strengths of each Group company.

New MTP Targets

In the new MTP, we aim to achieve CAGR of + 7% or more for business unit profits by leveraging top-tier underwriting profit (CAGR of around +7%) and investment (CAGR of around + 8% for investment income) in each country and region.

International Business
Business unit profit*1

(billions of JPY)



Key Measures

Measure	Policy initiatives
Sustainable expansion in underwriting profit (pp. 138–141)	• Stable expansion of top-line • Thorough implementation of focusing on the bottom line
Stable expansion of investment income (pp. 142, 143)	• Utilization of insurance cash flows • Secure a stable yield • Risk control at the Group level

*1: FX as of March 31, 2024. Profit for 2023 is on a normalized basis excluding the impact of prior year loss reserves takedown

International — Sustainable Expansion of the Underwriting Profit

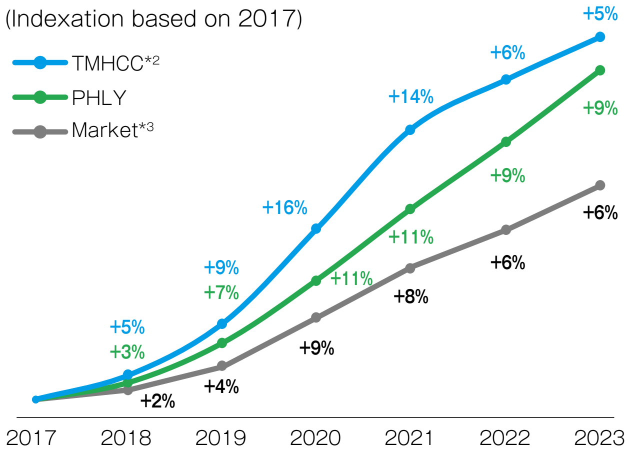
Awareness of the current situation

We have achieved high growth while maintaining a low C/R by executing appropriate rate increases while accurately assessing loss costs from a forward-looking perspective, backed by competitive advantage, which was built through strategic specialization in niche markets and lines. At present, there are signs of a shift in the market cycle, as seen in the softening of premium rates in some lines. However, it is important to continue to take advantage of our strengths to suppress the impact of the market cycle and ensure appropriate margins.

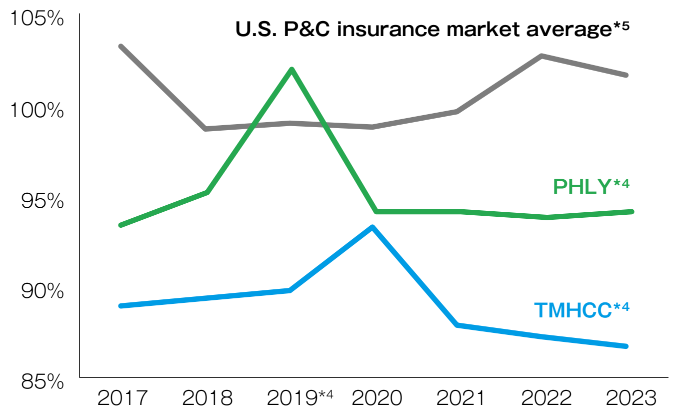
Rate increase

(% represent YoY rate increase)

(Indexation based on 2017)



C/R

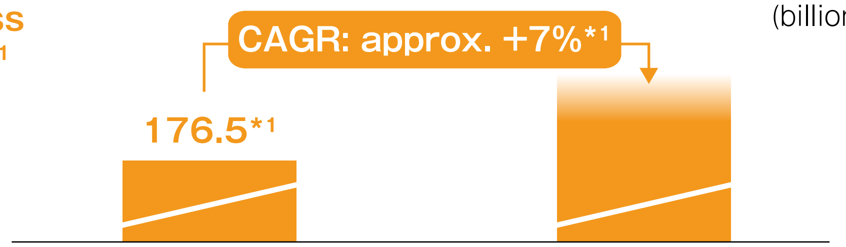


New MTP Targets

The driver of earnings growth for the international business in the new MTP is insurance underwriting, which continues to perform well, particularly in developed countries. Grow underwriting profit at a CAGR of around + 7% by stably expanding top line (CAGR of around + 5%) and maintaining a favorable C/R in the 92% range.

International Business Underwriting profit*1

(billions of JPY)



	2023	2026
Top-line*1	3,079.5	CAGR: Approx. +5%
C/R	92.3%	92% range

Key Measures

Amid signs that the market rate cycle is shifting from a hard to a soft one, we aim to reduce the impact of the market cycle and achieve steady profit growth by leveraging the strengths we have built in each market. (See pp. 139-141 for details)

Measure	Approach
Stable expansion of top-line	• Strategic focus on niche markets and specialty insurance • Rate setting based on forward-looking loss cost projections • New risk-taking through bolt-on M&As and expansion of business lines, etc.
Thorough implementation of focusing on the bottom-line	• Maintain strict underwriting discipline while paying close attention to trends in profitability including rising social inflation • Use of digital technology and IT to improve the efficiency of business processes, etc.

Strengths that enable sustainable underwriting profit expansion

(1) TMHCC: Risk diversification and strong bottom-line focus

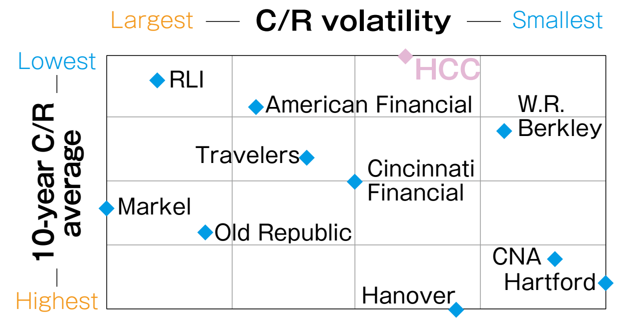
TOKIO MARINE HCC

CEO/Susan Rivera

Since its foundation, TMHCC has built a highly profitable and diversified portfolio through bolt-on M&As, acquisition of underwriting teams, which are its specialties, and launch of new business lines, in addition to the expertise built as a North American specialty insurance company and its strong price negotiation power backed by brand recognition.

By implementing efficient operations and rigorous ERM control in addition to these highly specialized underwriting capabilities, we are thoroughly implementing a bottom-line focus approach, maintaining a low C/R, and constantly achieving strong performance.

Stable and low C/R compared to peers



Source: Prepared by Tokio Marine based on each company's report, D&P Analysis (as of December 31, 2023)

(2) PHLY: High customer loyalty and risk sensitivity

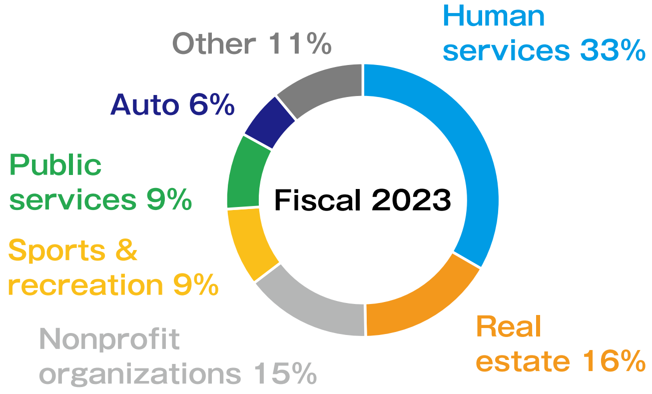
PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

CEO/John Glomb

By strategically focusing on niche customer segments such as nonprofit organizations, PHLY is building strong relationships with leading agents and brokers. At the same time, PHLY is achieving high customer loyalty through the provision of specialized products that meet the needs of each customer, detailed services, and highly specialized claim services by experienced staff.

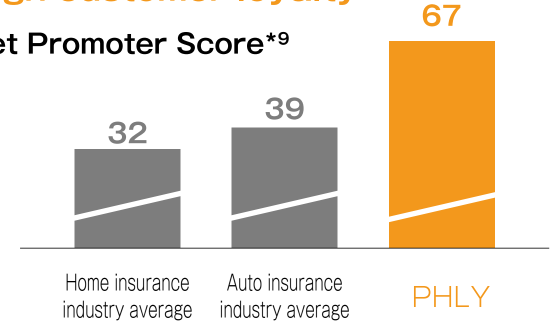
In addition, in response to rising social inflation, which has been a recent concern, PHLY quickly anticipated the impact in 2019 and proactively strengthened loss reserves*6. Since then, PHLY has maintained high profitability by implementing thorough rigorous risk control measures such as a significant reduction in high limit policies*7 and a reduction in the number of litigation claims (-60%*8).

Market composition



High customer loyalty

Net Promoter Score*9



*1: FX as of March 31, 2024. Profit for 2023 is on a normalized basis excluding the impact of prior year loss reserves takedown
*2: Excl. A&H-Surety-Credit
*3: Source: Willis Towers Watson
*4: Local management accounting basis. Temporary increase in PHLY due to increase in past reserve provision
*5: Source: S&P Capital IQ
*6: Takedowns have been made since 2020
*7: More than 90% of umbrella insurance that tends to have high limit policies have limits ≤ $5M
*8: Compared to 2020 Q2 when PHLY started its claim settlement initiative
*9: Source: NICE Satmetrix 2023 Consumer Net Promoter Benchmark Study

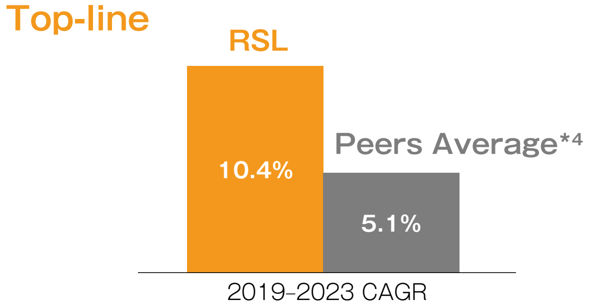
(3) RSL: Ability to implement rigorous profit improvement

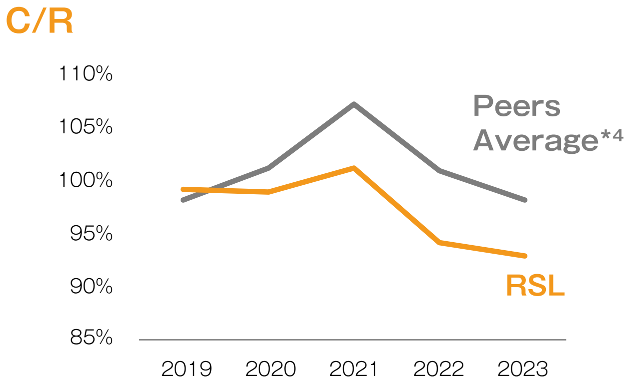
CEO/Chris Fazzini

RSL*1 has deepened collaboration with Matrix*3, a subsidiary of DFG, to take advantage of the market leading "absence management" product offering to generate sales of insurance products, especially the LTD*2 product. As a result, RSL has achieved top-line expansion that exceeds the peer average*4.

In addition, recently, by thoroughly implementing initiatives to improve profitability (e.g., non-renewal of high-risk contracts, tightening of underwriting standards, business efficiency improvement using AI), we have succeeded in significantly improving and maintaining profitability, which supports DFG's strong performance from the insurance underwriting side.

*1: Reliance Standard Life (a life insurance company owned by DFG)
*2: Long-Term Disability
*3: DFG group third-party administrator providing leave management services. Brand was integrated with RSL in 2023 as "reliancematrix," accelerating collaboration
*4: Hartford, MetLife, Unum, Voya, Lincoln, Prudential, and Principal





(4) Pure: Capture the strong growth potential of HNW market

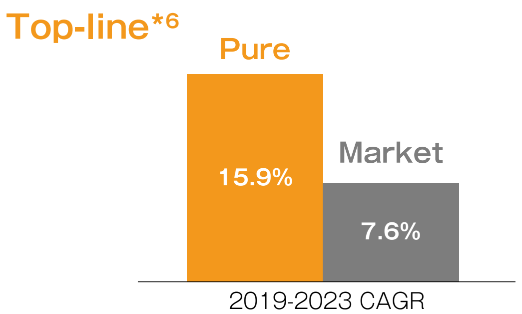
CEO/Martin Leitch

Pure has earned strong customer loyalty and high M/S by focusing on U.S. High Net Worth (HNW) market, providing high-quality services that match the customers' needs (including specifically designed products for HNW individuals, a detailed risk management consultation, and loss prevention services).

By leveraging this strength while maintaining underwriting discipline and continuously expanding top-line, Pure has been achieving high profit growth.

HNW M/S*5

Company	Rank	M/S
Chubb	1	15%
Pure	2	5%
AIG	3	3%
Cincinnati	4	2%
Nationwide	5	1%



*5: (Source) D&P
*6: Pure's top-line shows the premiums under management company

(5) TMK: Top class profitability in Lloyd's market

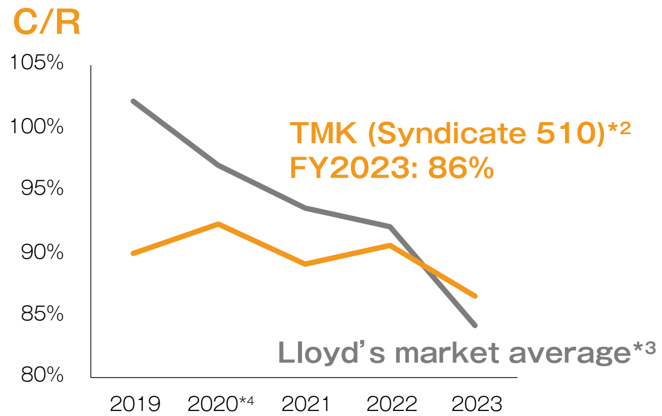
CEO/Matthew Shaw

TMK has maintained high profitability through business portfolio optimization and further diversification by setting a clear goal of "constantly achieving C/R in the low 90% range."

As part of these efforts, TMK is working with strategic broker partners to increase shares of wallet in preferred classes and considering new lines of business including through active involvement in research and new product development in innovative areas with Lloyd's.

One of the largest underwriting capacities in the Lloyd's market (millions of USD)

Company	Rank	2023 GWP*1
Beazley	1	5,995
Brit	2	3,879
QBE	3	3,283
TMK	4	2,783
Hiscox	5	2,614



(6) TMSR: Leverage cutting-edge digital capabilities

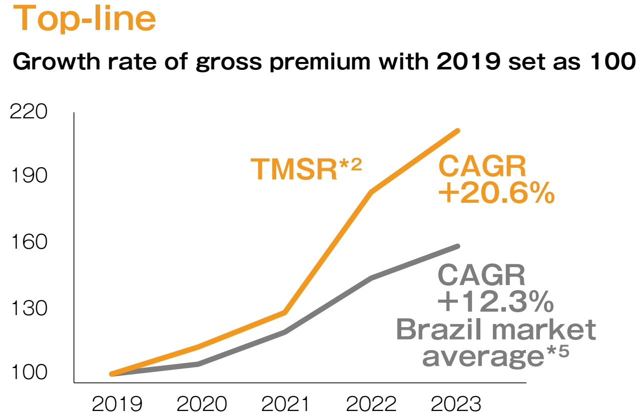
CEO/Jose Ferrara

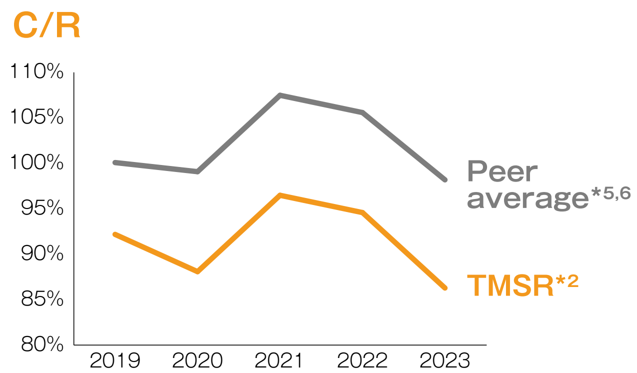
In a challenging market dominated by brokers and a volatile economy in Brazil, TMSR frequently revises rates based on timely and precise data analysis by rigorously leveraging cutting-edge digital and IT capabilities.

Also, by promoting operational efficiency and product enhancements, TMSR achieves a balance of competitive pricing and operational excellence, resulting in strong support from customers and brokers.

By continuing to execute these initiatives, TMSR has achieved significant top-line growth and profitability improvements that exceed the market.

*1: Total of GWP for the syndicate managed by each company's managing agent; (source) S&P Capital IQ
*2: Local accounting basis
*3: Source: Lloyd's Annual Report
*4: Excludes the impact of COVID-19
*5: Source: SUSEP
*6: Porto Seguro, HDI Seguros, Liberty Seguros, Mapfre, Allianz, and Sompo Seguros





International — Stable Increase in Investment Income

Awareness of the current situation

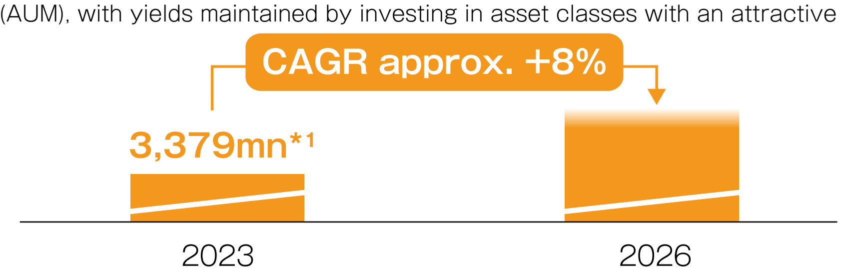
The strength of our asset management is that it uses DFG's asset management capabilities to invest funds managed by the Group in U.S. credit assets, thereby achieving high returns while conducting appropriate monitoring and risk control. In the previous MTP, investment income increased significantly due to the appreciation of interest rate rise, mainly in the United States. However, as U.S. interest rates are expected to peak out recently, it is important to implement flexible investment strategies that accurately capture changes in the market environment.

New MTP targets

We aim to achieve stable growth in investment income (CAGR of around +8%) on the back of an increase in long-term and predictable insurance cash flows (AUM), with yields maintained by investing in asset classes with an attractive RoR.

Investment income*1

(USD)



	2023	2026
AUM	49.8bn	Increase in AUM on the back of growing business
Income Return	6.8%	Maintain stable yield

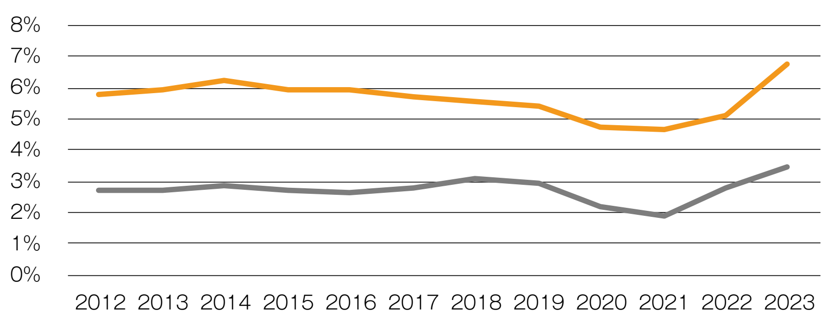
*1: Assets managed by DFG for key Group companies (TMNF, TMNL, NF, PHLY, TMAIC, and TMHCC)

Key Measures

Even as U.S. interest rates are expected to peak out, we will continue to achieve high income returns by leveraging DFG's asset management capabilities (p. 143).

Measure	Approach
Utilization of insurance cash-flow characteristics	• Increase in AUM on the back of growing business • Take advantage of a long-term and predictable cash-flow stream to allow liquidity risk and pursue excess returns, etc.
Maintain stable yield	• Utilize DFG's discerning ability to focus on assets with an attractive ROR • Able to flexibly rebalance the portfolio corresponding to changes in the market by utilizing the expertise and network of both internal members and external managers, etc.
Risk control at the Group level	• Within the Group-wide ERM framework, credit risk is included in appropriate control, etc.

Maintain stable yield above benchmark



Strength of DFG Management That Enables Stable Expansion of Income Revenue

(1) Investment framework with highly reproducible returns

DFG invests in credit assets that require expertise, such as CRE loans and CLOs. However, DFG has a team which achieved stable returns through a series of market volatility and the cycles including COVID-19 and collapse of Lehman Brothers.

By executing agile asset allocation according to the investment environment by data gathering and analysis leveraging a broad network, DFG is steadily seizing opportunities to earn profits.

Donald Sherman
DFG CEO

Stephan Kiratsous
DFG CFO & COO

Vincent Kok
DFG CIO

(2) Strong collaboration with external asset managers

In addition to in-house investment management, DFG conducts investment management using external asset managers. DFG is able to flexibly rebalance its portfolio corresponding to changes in the market by utilizing expertise and a network of both internal members and external managers

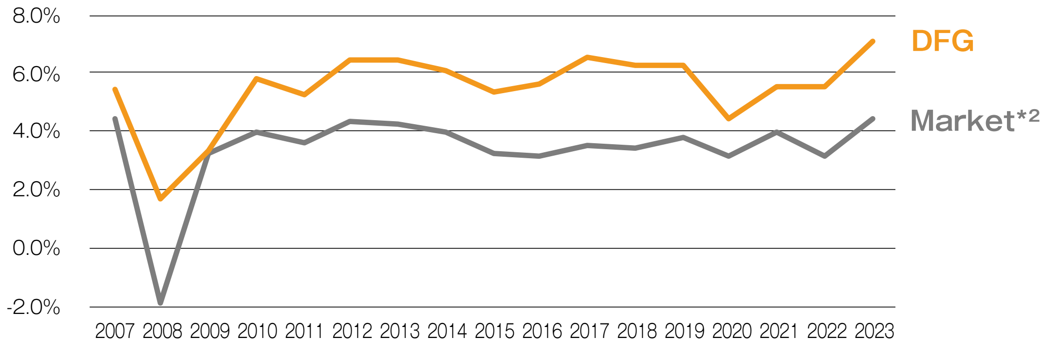
In addition to selecting capable managers, a hands-on approach, including development of investment strategies and individual underwriting, is taken so that DFG itself firmly manages the overall asset management.

(3) Source of investment capital is a long-term, predictable cash-flow stream

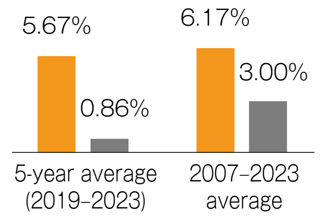
In addition to these strengths, insurance liabilities, which underpin DFG's investment, have long-term and stable cash flows from employee-benefit insurance, excess workers' compensation, and disability insurance.

As a result, DFG is able to hold on to its investment assets until maturity without being swayed by short-term market volatility. As a result of this investment style, DFG continues to deliver returns that exceed those of the market.

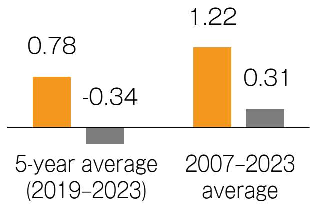
Track Record of DFG Investment Income*1



Total Return



Sharpe Ratio*3

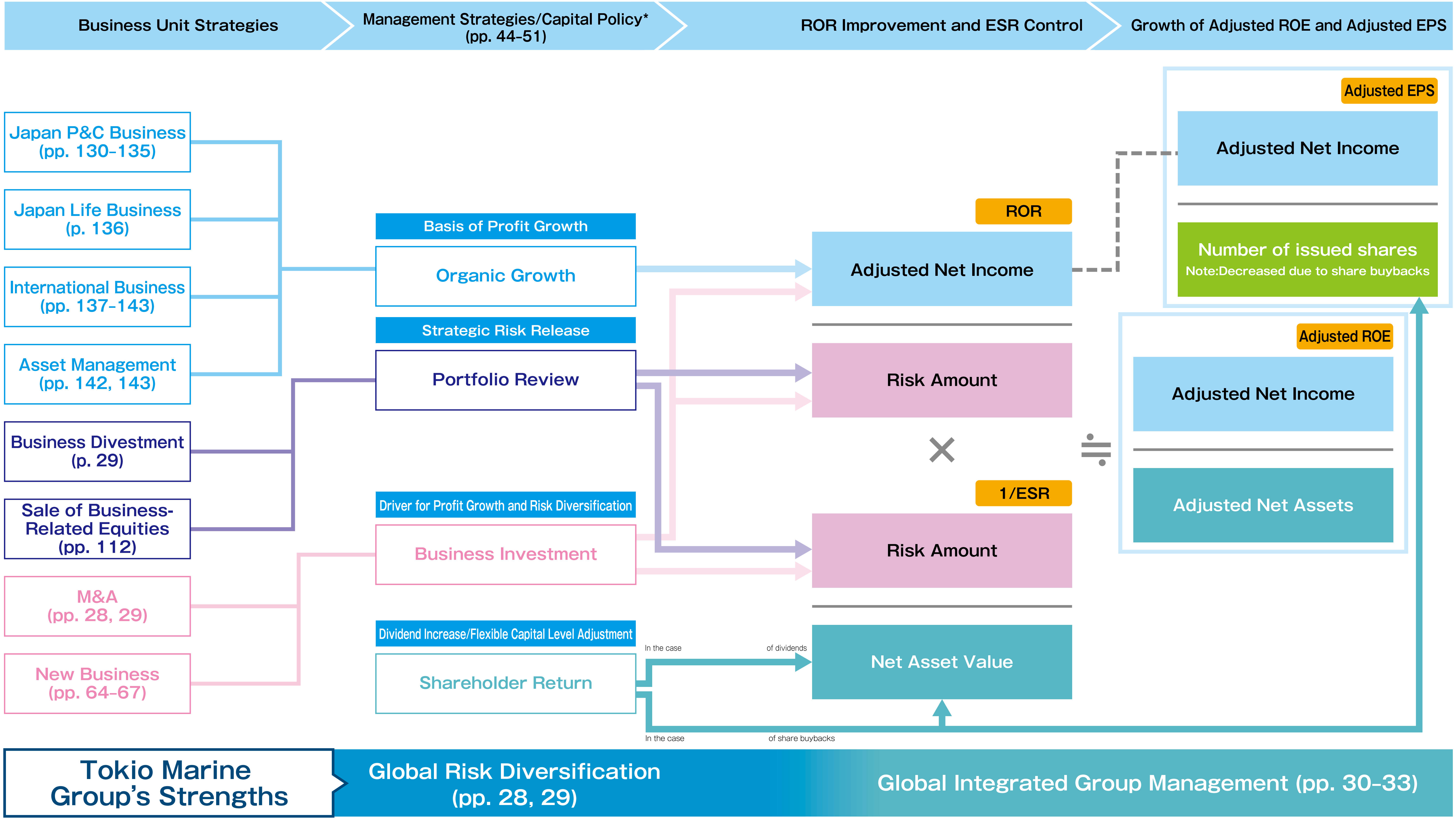


■ DFG ■ Barclays US Aggregate Bond Index

*1: (Income + gains and losses from sales + Impairment) / AUM
*2: Average of U.S. non-life insurance companies with market capital of $20 billion or more; Source: S&P Capital IQ, Factset
*3: Measures return per unit of risk. Calculated as "(Investment return – risk free rate) / Volatility." Risk free rate: LIBOR6M

Toward Growth of Adjusted ROE and Adjusted EPS

We will raise adjusted ROE and adjusted EPS by steadily implementing business-unit strategies based on our strengths.



*: Arrows from Management Strategies and Capital Policy are drawn toward the components of ROR and ESR that are especially affected. For example, while a portfolio review attributable to the sale of business-related equities increases adjusted net income owing to the gain on sale of business-related equities, an arrow is not drawn toward adjusted net income because the primary objective is to eliminate the risk amount.

Participation in International Initiatives

The 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

- Joined in 2005 and continued declaration of support
- In fiscal 2023, we participated in initiatives such as the "CSV Working Group" and the "WEPs Working Group."

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
- Participated in the Asia-Pacific Roundtable 2021 (June 2021)

Principles for Financial Action for the 21st Century

Principles for Sustainable Insurance

- Signed as a founding signatory in 2012 and has participated in the PSI TCFD Insurer Pilot Working Group since 2018 to promote the development of climate-related disclosure frameworks based on the TCFD recommendations

Sustainable Investment

United Nations Principles for Responsible Investment

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

Japan Sustainable Investment Forum

Climate-Related Information Disclosure

- PCAF
- United Nations International Strategy for Disaster Risk Reduction/ Private Sector Alliance for Disaster Resilient Societies
- The Geneva Association
- ClimateWise
- Asia-Pacific Financial Forum
- Insurance Development Forum (insurance industry-spearheaded international public-private partnership)
- CDP
- Task Force on Climate-related Financial Disclosures
- Taskforce on Nature-related Financial Disclosures
- Sustainable Markets Initiative

ESG Evaluations and External Awards

The Tokio Marine Group has been highly evaluated and has 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 Indexes 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 15 consecutive years beginning in 2009

FTSE4Good

FTSE Blossom Japan

S&P/JPX Carbon Efficient Index

STOXX Member 2023/2024 Platinum Career Index

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2024

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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Awards for ESG Initiatives

- Tokio Marine won the Silver Award (Minister of the Environment Award) in the Environmentally Sustainable Company category of the "ESG Finance Awards Japan"
- Tokio Marine was selected as the Supplier Engagement Leader, which is the highest rating, in the 2022 "Supplier Engagement Rating (SER)" by the international environmental nonprofit organization CDP
- Overseas Group companies named among the "Best Workplaces in Brazil" (11th consecutive year) and among the "Best Places to Work in Insurance" in the United States
- Tokio Marine included in the "Health & Productivity Stock Selection" eight times
- Tokio Marine selected as a KIH Outstanding Organization (Large Enterprise Category) together with 13 Group companies, of which seven were recognized as White 500 enterprises

The material social issues to be addressed by the Tokio Marine Group are indicated on p. 73. In addition, 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 themes	Major initiatives	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
E Environmental	Promoting environmental management	Reduction of environmental impacts of business activities and achievement of a carbon-neutral												●	●				
	Preserving biodiversity through products and services	Promotion of web-based insurance contracts and omission of issuing issuance policies												●	●				
		Mangrove planting project, "Green Gift," and conservation and restoration activities for eelgrass beds				●		●					●	●	●	●	●		
		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)							●						●				
		Supporting the decarbonization of business partners and recipients of investments and financing							●		●				●				
	Providing environmental awareness	Implementation of "Green Lessons" and the "Marunouchi Citizens Environmental Forum"				●		●					●		●	●	●		
S Social	Making society resilient to natural catastrophes	Execution of natural disaster risk research and "Disaster Prevention Lessons" through industry-academia collaboration	●			●				●	●		●		●				●
		Participation in the Geneva Association and other initiatives and events related to natural catastrophes	●							●	●		●		●				●
		Provision of business continuity plan (BCP) formulation support programs, and disaster education and training services								●			●		●				
		Improvement of products and services that respond to increasingly serious natural catastrophes								●			●		●				
		Development of claim response services that utilize satellites and drones	●							●	●		●		●				
		Establishment of Tokio Marine Resilience									●		●		●				
	Creating a society based on health and longevity	Provision of highly original medical and cancer insurance ("Life Insurance Revolution to Protect One's Living")			●					●									
		Provision of services for facilitating health and productivity management			●					●									
		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			●					●			●						
	Responding to technological progress and changes in the automotive lifestyle	Provision of auto insurance compatible with autonomous driving and sharing economies			●						●		●	●					
		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			●						●		●						
	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 LGBTQ+ community								●		●							
		Partnership with the Special Olympics Nippon Foundation and the Japan Deafblind Association, etc.				●				●		●						●	●
		Collaboration with the Japanese Para-Sports Association and the Japan Inclusive Football Federation				●				●		●						●	●
		Monetary donations made with the objective of providing logistic support for COVID-19 and large-scale natural disasters, etc.			●					●			●					●	●
	Developing industrial foundations	Support for corporate well-being management efforts			●					●	●		●						●
		Partnerships between local governments and business operators to advance regional revitalization initiatives	●							●	●		●						●
		Execution of lessons on risk and the future				●					●		●						
		Contribution to the development of society through sports								●	●	●							●
	Increasing employee motivation	Promotion of DE&I				●				●		●							
		Promotion of work-style reforms and health management			●					●	●	●							
		Human resource development that utilizes the Group's comprehensive strengths				●				●									
G Governance	Enhancing corporate governance	Appointment of outside directors with diverse expertise, and adoption of hybrid corporate governance structure																●	
		Linkage between executive compensation and the results of ESG initiatives																●	
		Enhancement of governance through the execution of the PDCA cycle that is based on the evaluation of effectiveness					●											●	
		Strengthening integrated group management								●								●	
	Implementing internal controls	Formulation of various basic policies and conducting regular monitoring																●	
		Execution of compliance training and introduction of a hotline system										●						●	
	Practicing risk management	Enhancement of enterprise risk management and convening the ERM Committee								●								●	
		Formulation of the Tokio Marine Group's Basic Policies for Risk Management and the Tokio Marine Group Basic Policy for Crisis Management, and conducting regular monitoring											●					●	

Business Conditions

Main Financial and Non-Financial Data

(Yen in millions unless otherwise indicated)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	**FY2023**
Performance Indicators (Consolidated)											
Ordinary income	4,166,130	4,327,982	4,579,076	5,232,602	5,399,115	5,476,720	5,465,432	5,461,195	5,863,770	6,610,046	**7,424,667**
Net premiums written	2,870,714	3,127,638	3,265,578	3,480,478	3,564,747	3,587,400	3,598,396	3,606,548	3,887,821	4,469,989	**4,824,986**
Ordinary profit	274,386	358,182	385,825	387,659	344,939	416,330	363,945	266,735	567,413	494,165	**842,576**
Net income attributable to owners of the parent	184,114	247,438	254,540	273,856	284,183	274,579	259,763	161,801	420,484	374,605	**695,808**
Comprehensive income	442,277	997,024	(14,543)	169,603	500,528	42,871	2,737	465,071	590,780	(124,438)	**1,874,295**
Financial Indicators (Consolidated)											
Net assets	2,739,114	3,609,655	3,512,656	3,569,760	3,835,536	3,603,741	3,426,675	3,722,780	4,072,625	3,600,919	**5,183,341**
Total assets	18,948,000	20,889,670	21,855,328	22,607,603	22,929,935	22,531,402	25,253,966	25,765,368	27,245,852	27,397,818	**30,594,869**
Capital ratio (%)	14.32	17.13	15.94	15.67	16.59	15.86	13.35	14.22	14.76	13.08	**16.92**
Return on equity: ROE (%)	7.3	7.9	7.2	7.8	7.7	7.4	7.5	4.6	10.9	9.9	**15.9**
Consolidated solvency margin ratio (%)	728.4	781.3	791.4	897.3	879.3	854.2	845.8	896.5	827.3	627.5	**652.8**
Stock-related Information											
Net assets per share (Yen)	1,178	1,580	1,539	1,574	1,748	1,686	1,610	1,761	1,977	1,800	**2,623**
Net income per share—Basic (Yen)	79	107	112	121	127	127	123	77	204	186	**351**
Dividends per share (Yen)	23	32	37	47	53	60	63	67	85	100	**123**
Dividends total (100 million yen)	537	722	830	1,053	1,176	1,280	1,330	1,391	1,739	2,002	**2,430**
Number of shares outstanding at year-end (Thousands)	2,308,572	2,272,572	2,272,572	2,259,072	2,244,072	2,130,000	2,106,000	2,092,500	2,040,000	2,002,500	**1,978,000**
Share price at year-end (Yen)	1,032	1,512	1,267	1,565	1,578	1,787	1,650	1,755	2,376	2,547	**4,703**
Price-to-earnings ratio: PER (Ratio)	12.91	14.01	11.27	12.92	12.37	14.00	13.39	22.68	11.62	13.66	**13.38**
Price-to-book value ratio: PBR (Ratio)	0.88	0.96	0.82	0.99	0.90	1.06	1.02	0.99	1.20	1.41	**1.79**
Key Performance Indicators											
Adjusted net income (100 million yen)	2,437	3,233	3,519	4,067	3,414	2,809	2,867	3,361	5,783	4,440	**7,116**
Business unit profits											
Japan P&C	340	1,225	1,260	1,676	1,443	189	259	1,279	2,167	1,079	**991**
Japan Life	1,045	1,398	(1,881)	3,735	984	(1,586)	(703)	2,052	511	364	**411**
International	1,369	1,455	1,318	1,695	1,441	1,762	1,795	1,011	2,523	2,186	**4,369**
Financial and other	25	40	73	66	72	68	53	73	69	70	**65**
Adjusted net assets (100 million yen)	31,725	41,034	35,993	38,124	40,864	37,631	32,409	36,924	42,240	37,991	**53,814**
Adjusted ROE (%)	8.2	8.9	9.1	11.0	8.6	7.2	8.2	9.7	14.4	11.1	**15.5**
Adjusted BPS (Yen)	1,378	1,812	1,589	1,694	1,877	1,775	1,547	1,775	2,077	1,908	**2,727**
Adjusted EPS (Yen)	105	141	155	179	153	130	136	160	281	221	**359**
Adjusted PBR (Ratio)	0.75	0.83	0.80	0.92	0.84	1.01	1.07	0.99	1.14	1.33	**1.72**
Environmental, Social and Governance (ESG) Information											
Number of employees	33,310	33,829	36,902	38,842	39,191	40,848	41,101	43,260	43,048	43,217	**43,870**
Number of employees outside Japan	9,102	9,640	12,612	13,525	13,803	15,557	15,814	17,811	17,936	18,394	**19,222**
CO_2 emissions (Tons)	87,971	98,317	122,280	119,420	115,244	111,509	111,172	89,894	83,483	80,201	**69,341**
CO_2 fixation/reduction effect (Tons)	100,951	113,310	133,447	163,459	163,521	153,335	133,617	123,531	130,003	93,000	**96,465**

Notes: 1. With the application of "Accounting Standard for Business Conbinations" (Accounting Standards Board of Japan ("ASBJ") Statement No.21), the former Net income is Net income attributable to owners of the parent from FY2015.
2. Number of employees is staff head-count currently at work.
3. Figures for Comprehensive income, consolidated solvency margin ratio, and number of employees outside Japan are provided beginning with the fiscal year from which data collection and disclosure began.
4. Dividends per share for FY2018, FY2019, and FY2020 do not include one-time dividends of approximately JPY50.0 billion, JPY25.0 billion, and JPY25.0 billion, respectively.
5. A stock split was implemented (a ratio of three shares per share) in October 2022. The "BPS," "EPS," "DPS," "Number of shares outstanding at year-end," and "Share price at year-end" for FY2021 and earlier fiscal years have been recalculated based on after the stock split.
6. The Key Performance Indicators have been newly defined in FY2015 and figures for FY2012 and thereafter have been restated. FY2021 onward is based on new definition.
7. The main reason for the increase in CO_2 emissions from FY2015 was the expansion of coverage for calculation of Scope 3 (Other Indirect Emissions). The CO_2 emissions since FY2022 reflect the CO_2 reduction effect from the use of renewable energy. The CO_2 emissions for FY2023 are preliminary figures.
8. IFRS 17 "Insurance Contracts" has been adopted from the beginning of fiscal 2023 by overseas consolidated subsidiaries that have adopted International Financial Reporting Standards (IFRS). The aforementioned accounting standard has been adopted retrospectively, and the figures for fiscal 2022 are based on its retrospective adoption.

Business Conditions

Definition of Adjusted Net Income / Adjusted Net Assets / Adjusted ROE

Adjusted Net Income*1 = Net Income (consolidated)*2 + Provision for catastrophe loss reserves*3 + Provision for contingency reserves*3 + Provision for price fluctuation reserves*3 + Provision for nat-cat underwriting reserves*3*4 + Provision for underwriting result for the first year*5*6 − Gains or losses on sales or valuation of ALM*7 bonds and interest rate swaps + Amortization of goodwill and other intangible fixed assets − Gains or losses on sales or valuation of fixed assets and business investment equities − Other extraordinary gains / losses, valuation allowances, etc.

Adjusted Net Assets*1 = Net assets (consolidated) + Catastrophe loss reserves + Contingency reserves + Price fluctuation reserves + Natural catastrophe underwriting reserves*4 + UW reserves related to underwriting result for the first year*5 − Goodwill and other intangible fixed assets

Adjusted ROE = Adjusted Net Income*1 : Adjusted Net Assets (average balance basis)*1*8

Definition of Business Unit Profits

Non-life insurance business

Business Unit Profits*1 = Net Income + Provision for catastrophe loss reserves*3 + Provision for price fluctuation reserves*3 + Provision for nat-cat underwriting reserves*3*4 + Provision for underwriting result for the first year*5*6 − Gains or losses on sales or valuation of ALM*7 bonds and interest rate swaps − Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities − Other extraordinary gains / losses, valuation allowances, etc.

Life insurance business*9

Business Unit Profits*1 = Net Income + Provision for contingency reserves*3 + Provision for price fluctuation reserves*3 − Gains or losses on sales or valuation of ALM*7 bonds and interest rate swaps − Gains or losses on sales or valuation of fixed assets, business-related equities and business investment equities − Other extraordinary gains / losses, valuation allowances, etc.

Other businesses

Net income determined in accordance with financial accounting principles

Definition of Net Asset Value

Net Asset Value*1 = Net assets (consolidated) + Catastrophe loss reserves + Contingency reserves + Price fluctuation reserves − Goodwill and other intangible fixed assets − Planned distribution to shareholders + Value of life insurance policies in-force + Other

*1: Each adjustment is on an after-tax basis.
*2: Net income attributable to owners of the parent in the consolidated financial statements.
*3: In case of reversal, it is subtracted from the equation.
*4: Unearned fire insurance premiums corresponding to large natural catastrophe risk.
*5: Premiums, minus a portion of net incurred losses and business expenses, to be carried forward in preparation for an insured event in the following year.
*6: Provision for the general underwriting reserves excluding provision for unearned premiums.
*7: ALM: Asset Liability Management. Excluded since it is counter balance of ALM related liabilities.
*8: Average balance basis
*9: For the overseas life insurance companies, Business Unit Profit is calculated by using the definition in Other businesses.

Overview of Business Results

1. Consolidated Results of Operations

During the fiscal year 2023, the world economy remained strong, mainly driven by the United States where personal consumption expanded. Although the Chinese economy showed a slowdown, the world economy as a whole picked up.
The Japanese economy continued to show weakness in domestic demand due to price inflation, and the pace of recovery remained moderate.

Under these circumstances, as a result of our efforts to expand our domestic and overseas business, which is centered on non-life insurance and life insurance, our consolidated results of operations for the fiscal year 2023 were as follows:

Ordinary income increased by 814.6 billion yen to 7,424.6 billion yen from the previous fiscal year, the main components of which were Underwriting income of 5,969.9 billion yen and Investment income of 1,292.7 billion yen. Ordinary expenses increased by 466.2 billion yen to 6,582.0 billion yen from the previous fiscal year, the main components of which were Underwriting expenses of 5,027.4 billion yen, Investment expenses of 260.3 billion yen, and Operating and general administrative expenses of 1,255.6 billion yen.

As a result, Ordinary profit increased by 348.4 billion yen to 842.5 billion yen from the previous fiscal year. Net income attributable to owners of the parent, composed of Ordinary profit plus Extraordinary gains minus Extraordinary losses and Total income taxes, increased by 321.2 billion yen to 695.8 billion yen from the previous fiscal year.

As described in "Notes to Consolidated Financial Statements: Additional Information", Consolidated overseas subsidiaries that apply International Financial Reporting Standards (IFRS) have started to adopt IFRS 17 "Insurance Contracts" (hereinafter referred to as "IFRS 17") from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

Domestic Non-Life Insurance Business

In the Domestic non-life insurance business, Ordinary income increased by 226.1 billion yen to 3,266.7 billion yen from the previous fiscal year. Ordinary profit increased by 38.9 billion yen to 323.4 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the Domestic non-life insurance business are as follows:

Underwriting

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	537,264	18.72	1.19	530,932	18.65	7.25
Hull and cargo	93,848	3.27	(1.61)	95,380	3.35	18.59
Personal accident	248,522	8.66	(0.26)	249,177	8.75	3.60
Voluntary automobile	1,253,172	43.67	1.58	1,233,670	43.33	(0.69)
Compulsory automobile liability	197,491	6.88	(11.60)	223,400	7.85	1.21
Others	539,352	18.80	4.88	514,270	18.06	2.97
Total	2,869,651	100.00	0.80	2,846,830	100.00	2.46
Deposit premiums from policyholders	42,515	1.48	(15.78)	50,480	1.77	(19.99)

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Direct premiums written including deposit premiums from policyholders = Gross premiums written - Surrender benefits of direct policies - Other refunds of direct policies (including deposit premiums from policyholders)

Business Conditions

Net premiums written

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**444,538**	**17.14**	**1.36**	438,566	17.13	14.42
Hull and cargo	**85,127**	**3.28**	**0.13**	85,019	3.32	15.57
Personal accident	**200,423**	**7.73**	**4.07**	192,583	7.52	10.72
Voluntary automobile	**1,247,816**	**48.12**	**1.53**	1,228,971	48.01	(0.60)
Compulsory automobile liability	**209,040**	**8.06**	**(7.20)**	225,269	8.80	(3.18)
Others	**406,214**	**15.66**	**4.26**	389,614	15.22	6.05
Total	**2,593,160**	**100.00**	**1.29**	2,560,025	100.00	3.76

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**262,398**	**17.29**	**(4.14)**	273,740	18.85	22.65
Hull and cargo	**49,117**	**3.24**	**24.71**	39,386	2.71	(1.16)
Personal accident	**98,604**	**6.50**	**(3.63)**	102,314	7.04	25.78
Voluntary automobile	**726,078**	**47.83**	**9.20**	664,930	45.78	10.55
Compulsory automobile liability	**162,918**	**10.73**	**3.22**	157,832	10.87	(7.73)
Others	**218,785**	**14.41**	**2.09**	214,307	14.75	26.19
Total	**1,517,902**	**100.00**	**4.50**	1,452,510	100.00	12.88

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment
Investment assets

(Yen in millions)

	As of March 31, 2024		As of March 31, 2023	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	**402,551**	**4.60**	452,953	6.04
Receivables under resale agreements	**999**	**0.01**	999	0.01
Monetary receivables bought	**2,722**	**0.03**	28,475	0.38
Money trusts	**7**	**0.00**	8,000	0.11
Securities	**6,459,527**	**73.77**	5,297,550	70.68
Loans	**549,723**	**6.28**	481,547	6.43
Land and buildings	**199,763**	**2.28**	204,537	2.73
Total investment assets	**7,615,295**	**86.97**	6,474,064	86.38
Total assets	**8,756,578**	**100.00**	7,494,722	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

(Yen in millions)

	As of March 31, 2024		As of March 31, 2023	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	**1,094,092**	**16.94**	1,220,504	23.04
Domestic municipal bonds	**48,344**	**0.75**	61,876	1.17
Domestic corporate bonds	**513,930**	**7.96**	520,867	9.83
Domestic equity securities	**3,567,463**	**55.23**	2,438,251	46.03
Foreign securities	**1,214,275**	**18.80**	1,030,826	19.46
Others	**21,420**	**0.33**	25,223	0.48
Total	**6,459,527**	**100.00**	5,297,550	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield
Income yield

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	**327**	**388,377**	**0.08**	194	433,821	0.04
Call loans	**—**	**8**	**0.00**	—	2	0.00
Receivables under resale agreements	**0**	**999**	**0.01**	0	1,987	0.02
Monetary receivables bought	**16**	**32,611**	**0.05**	20	23,260	0.09
Money trusts	**—**	**675**	**0.00**	(0)	7,333	(0.00)
Securities	**153,142**	**3,232,250**	**4.74**	139,601	3,391,674	4.12
Loans	**27,664**	**481,471**	**5.75**	18,003	410,926	4.38
Land and buildings	**5,267**	**201,837**	**2.61**	5,693	207,706	2.74
Subtotal	**186,419**	**4,338,231**	**4.30**	163,513	4,476,713	3.65
Others	**4,542**	**—**	**—**	2,531	—	—
Total	**190,961**	**—**	**—**	166,045	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Income is the sum of Interest and dividends and the amount equivalent to the Interest and dividends that is included in Gains on money trusts in the consolidated statement of income.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under resale agreements, and Monetary receivables bought are calculated based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	**13,243**	**388,377**	**3.41**	9,847	433,821	2.27
Call loans	**—**	**8**	**0.00**	—	2	0.00
Receivables under resale agreements	**0**	**999**	**0.01**	0	1,987	0.02
Monetary receivables bought	**16**	**32,611**	**0.05**	20	23,260	0.09
Money trusts	**0**	**675**	**0.02**	293	7,333	4.00
Securities	**339,928**	**3,232,250**	**10.52**	244,208	3,391,674	7.20
Loans	**46,342**	**481,471**	**9.63**	31,242	410,926	7.60
Land and buildings	**5,267**	**201,837**	**2.61**	5,693	207,706	2.74
Derivatives	**(128,363)**	**—**	**—**	(59,617)	—	—
Others	**7,686**	**—**	**—**	2,905	—	—
Total	**284,123**	**4,338,231**	**6.55**	234,594	4,476,713	5.24

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Net investment income is the sum of Investment income and Investment income on deposit premiums in the consolidated statement of income less Investment expenses.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs). Meanwhile, the balances for Call loans, Receivables under resale agreements, and Monetary receivables bought are calculated based on the average of daily balances (on the basis of acquisition costs or amortized costs).

Business Conditions

Domestic Life Insurance Business

In the Domestic life insurance business, Ordinary income decreased by 58.6 billion yen to 641.0 billion yen from the previous fiscal year. Ordinary profit increased by 5.4 billion yen to 57.1 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the Domestic life insurance business are as follows:

Underwriting

Total amount of business in force

(Yen in millions)

	As of March 31, 2024		As of March 31, 2023	
	Total	Rate of change (%)	Total	Rate of change (%)
Individual insurance	**27,858,055**	**(1.86)**	28,386,051	(1.13)
Individual annuities	**1,796,195**	**(4.40)**	1,878,882	(4.32)
Group insurance	**1,664,237**	**(12.98)**	1,912,540	(3.35)
Group annuities	**2,712**	**(2.04)**	2,768	(9.96)

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Amounts of individual annuities represent the sums of funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and the amount of underwriting reserves for an annuity for which payments have commenced.
3. Amounts of group annuities represent amounts of underwriting reserves.

Total amount of new business

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	New business + Net increase on conversion	New business	Net increase on conversion	New business + Net increase on conversion	New business	Net increase on conversion
Individual insurance	**1,935,517**	**1,935,517**	**—**	2,123,212	2,123,212	—
Individual annuities	**—**	**—**	**—**	—	—	—
Group insurance	**8,970**	**8,970**	**—**	25,092	25,092	—
Group annuities	**—**	**—**	**—**	—	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments.
2. Amounts of individual annuities under new business represent the sums of annuity funds at the beginning of the annuity payment.
3. Amounts of group annuities under new business represent the first installment of premium payments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2024		As of March 31, 2023	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	**70,567**	**0.80**	74,581	0.85
Securities	**8,345,140**	**94.21**	8,238,754	94.23
Loans	**253,418**	**2.86**	254,472	2.91
Land and buildings	**1,514**	**0.02**	833	0.01
Total investment assets	**8,670,640**	**97.88**	8,568,641	98.00
Total assets	**8,858,300**	**100.00**	8,743,102	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Securities

(Yen in millions)

	As of March 31, 2024		As of March 31, 2023	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Domestic government bonds	**7,061,540**	**84.62**	7,130,635	86.55
Domestic municipal bonds	**5,610**	**0.07**	5,610	0.07
Domestic corporate bonds	**533,032**	**6.39**	528,776	6.42
Domestic equity securities	**194**	**0.00**	151	0.00
Foreign securities	**448,014**	**5.37**	385,454	4.68
Others	**297,178**	**3.56**	188,125	2.28
Total	**8,345,140**	**100.00**	8,238,754	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	**0**	**64,290**	**0.00**	0	85,026	0.00
Securities	**106,945**	**7,948,564**	**1.35**	105,631	8,254,471	1.28
Loans	**18,639**	**254,874**	**7.31**	13,885	243,558	5.70
Land and buildings	**—**	**1,411**	**0.00**	—	1,025	0.00
Subtotal	**125,584**	**8,269,141**	**1.52**	119,517	8,584,081	1.39
Others	**—**	**—**	**—**	—	—	—
Total	**125,584**	**—**	**—**	119,517	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments and exclude investment gains and assets on separate accounts specified in Article 118 of the Insurance Business Act.
2. Income represents Interest and dividends in the consolidated statement of income.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	**124**	**64,290**	**0.19**	61	85,026	0.07
Securities	**115,617**	**7,948,564**	**1.45**	140,138	8,254,471	1.70
Loans	**14,034**	**254,874**	**5.51**	13,822	243,558	5.68
Land and buildings	**—**	**1,411**	**0.00**	—	1,025	0.00
Derivatives	**(39,725)**	**—**	**—**	(19,356)	—	—
Others	**—**	**—**	**—**	—	—	—
Total	**90,050**	**8,269,141**	**1.09**	134,665	8,584,081	1.57

Note: 1. The figures represent amounts before the elimination of internal transactions between segments and exclude investment gains and assets on separate accounts specified in Article 118 of the Insurance Business Act.
2. Net investment income represents Investment income in the consolidated statement of income less Investment expenses.
3. Average balance is, in principle, calculated based on the average of balances at the end of each month (on the basis of acquisition costs or amortized costs).

Business Conditions

International Insurance Business

In the International insurance business, Ordinary income increased by 728.2 billion yen to 3,650.8 billion yen from the previous fiscal year. Ordinary profit increased by 303.0 billion yen to 452.8 billion yen from the previous fiscal year. Figures pertaining to insurance underwriting and investment in the International insurance business are as follows:

Underwriting

Net premiums written

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	488,140	21.87	28.72	379,239	19.86	41.26
Hull and cargo	106,918	4.79	19.77	89,271	4.67	30.52
Personal accident	38,720	1.73	9.54	35,347	1.85	11.78
Voluntary automobile	521,910	23.38	19.33	437,383	22.90	57.16
Others	1,076,191	48.22	11.09	968,777	50.72	25.19
Total	2,231,880	100.00	16.85	1,910,019	100.00	34.45

Note: The figures represent amounts before the elimination of internal transactions between segments.

Net claims paid

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	232,701	21.93	51.61	153,486	18.25	2.35
Hull and cargo	43,657	4.11	27.71	34,184	4.06	29.56
Personal accident	21,520	2.03	46.26	14,713	1.75	(2.33)
Voluntary automobile	279,599	26.35	25.16	223,401	26.56	50.01
Others	483,548	45.57	16.44	415,272	49.38	26.43
Total	1,061,026	100.00	26.15	841,058	100.00	25.76

Note: The figures represent amounts before the elimination of internal transactions between segments.

Investment

Investment assets

(Yen in millions)

	As of March 31, 2024		As of March 31, 2023	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Bank deposits	385,933	2.90	307,035	2.70
Monetary receivables bought	2,323,601	17.44	1,835,348	16.17
Securities	5,873,400	44.08	4,951,147	43.62
Loans	2,276,805	17.09	1,993,793	17.56
Land and buildings	131,152	0.98	121,875	1.07
Total investment assets	10,990,894	82.49	9,209,201	81.13
Total assets	13,324,604	100.00	11,351,487	100.00

Note: The figures represent amounts before the elimination of internal transactions between segments.

Yield

Income yield

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Income	Average balance	Annual yield (%)	Income	Average balance	Annual yield (%)
Bank deposits	8,770	346,487	2.53	3,071	298,727	1.03
Monetary receivables bought	150,329	2,196,602	6.84	90,030	1,759,258	5.12
Securities	198,122	5,586,802	3.55	174,658	4,817,815	3.63
Loans	213,385	2,137,613	9.98	140,078	1,767,610	7.92
Land and buildings	14,378	126,474	11.37	1,000	97,969	1.02
Subtotal	584,986	10,393,980	5.63	408,839	8,741,382	4.68
Others	2,088	—	—	2,088	—	—
Total	587,074	—	—	410,927	—	—

Note: 1. The figures represent amounts before the elimination of internal transactions between segments. Securities on the consolidated balance sheet includes shares of affiliates accounted for by the equity method. However, these shares have been excluded from calculations of average balance and annual yield.
2. Income represents Interest and dividends in the consolidated statement of income.
3. Average balance is calculated based on average balances at the beginning and end of each fiscal year (acquisition costs or amortized costs).

Realized yield

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Net investment income	Average balance	Annual yield (%)	Net investment income	Average balance	Annual yield (%)
Bank deposits	10,215	346,487	2.95	31	298,727	0.01
Receivables under resale agreements	211	–	–	2,531	—	—
Monetary receivables bought	148,809	2,196,602	6.77	81,777	1,759,258	4.65
Securities	274,298	5,586,802	4.91	142,084	4,817,815	2.95
Loans	162,111	2,137,613	7.58	127,133	1,767,610	7.19
Land and buildings	14,378	126,474	11.37	1,000	97,969	1.02
Derivatives	17,512	—	—	(13,254)	—	—
Others	1,082	—	—	2,466	—	—
Total	628,621	10,393,980	6.05	343,770	8,741,382	3.93

Note: 1. The figures represent amounts before the elimination of internal transactions between segments. Securities on the consolidated balance sheet includes shares of affiliates accounted for by the equity method. However, these shares have been excluded from calculations of average balance and annual yield.
2. Net investment income represents Investment income in the consolidated statement of income less Investment expenses.
3. Average balance is calculated based on average balances at the beginning and end of each fiscal year (acquisition costs or amortized costs).

(Reference) Total for All Businesses

Direct premiums written (including deposit premiums from policyholders)

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	1,269,427	22.88	15.65	1,097,688	21.39	18.49
Hull and cargo	228,033	4.11	4.45	218,315	4.25	23.87
Personal accident	292,603	5.27	1.34	288,737	5.63	4.56
Voluntary automobile	1,778,543	32.06	6.77	1,665,800	32.46	8.45
Compulsory automobile liability	197,491	3.56	(11.60)	223,400	4.35	1.21
Others	1,781,269	32.11	8.76	1,637,835	31.92	16.40
Total	5,547,369	100.00	8.10	5,131,778	100.00	12.97
Deposit premiums from policyholders	42,515	0.77	(15.78)	50,480	0.98	(19.99)

Note: 1. Figures are amounts after the elimination of internal transactions with other operating segments.
2. Direct premiums written including deposit premiums from policyholders = Gross premiums written - Surrender benefits of direct policies - Other refunds of direct policies (including deposit premiums from policyholders)

Business Conditions

Net premiums written

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**932,678**	**19.33**	**14.05**	817,805	18.30	25.48
Hull and cargo	**192,046**	**3.98**	**10.19**	174,291	3.90	22.77
Personal accident	**239,136**	**4.96**	**4.92**	227,923	5.10	10.89
Voluntary automobile	**1,769,725**	**36.68**	**6.20**	1,666,353	37.28	10.01
Compulsory automobile liability	**209,040**	**4.33**	**(7.20)**	225,269	5.04	(3.18)
Others	**1,482,358**	**30.72**	**9.13**	1,358,345	30.39	19.03
Total	**4,824,986**	**100.00**	**7.94**	4,469,989	100.00	14.97

Note: Figures are amounts after the elimination of internal transactions with other operating segments.

Net claims paid

(Yen in millions)

	FY2023 (April 1, 2023 - March 31, 2024)			FY2022 (April 1, 2022 - March 31, 2023)		
	Amount	Composition ratio (%)	Rate of change (%)	Amount	Composition ratio (%)	Rate of change (%)
Fire and allied lines	**495,099**	**19.20**	**15.89**	427,226	18.63	14.49
Hull and cargo	**92,693**	**3.59**	**26.14**	73,482	3.20	11.07
Personal accident	**120,123**	**4.66**	**2.84**	116,804	5.09	21.35
Voluntary automobile	**1,005,289**	**38.99**	**13.17**	888,330	38.74	18.38
Compulsory automobile liability	**162,918**	**6.32**	**3.22**	157,832	6.88	(7.73)
Others	**702,331**	**27.24**	**11.56**	629,573	27.45	26.35
Total	**2,578,456**	**100.00**	**12.44**	2,293,251	100.00	17.28

Note: Figures are amounts after the elimination of internal transactions with other operating segments.

2. Cash Flows

Cash flows for the fiscal year 2023 were as follows:

Net cash provided by operating activities increased by 64.4 billion yen to 1,072.1 billion yen compared to the previous fiscal year, mainly due to an increase in Interest and dividends. Net cash used in investing activities increased by 645.7 billion yen to 627.6 billion yen, mainly due to a decrease in Proceeds from sales and redemption of securities. Net cash used in financing activities decreased by 603.0 billion yen to 406.2 billion yen, mainly due to an increase in Change in cash collateral under securities lending transactions for procurement of funds.

As a result, Cash and cash equivalents at end of year was 1,086.9 billion yen, an increase of 101.5 billion yen from that as of March 31, 2023.

3. Production, Orders and Sales

There is no applicable information due to the nature of the business as an insurance holding company.

Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, 1976, hereinafter referred to as "Consolidated Statements Regulation"). The consolidated financial statements have been also prepared in conformity with the Enforcement Regulations for the Insurance Business Act (Ministry of Finance Ordinance No. 5, 1996, hereinafter referred to as "Insurance Act Enforcement Regulations"), as stipulated under Articles 46 and 68 of the Consolidated Statements Regulation.

The Company and its domestic consolidated subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Amounts of less than 1 million yen have been omitted in the consolidated financial statements. As a result, the provided total balance does not necessarily agree with the sum of the individual account balances.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions)

	Notes No.	As of March 31, 2024	As of March 31, 2023
Assets			
Cash and bank deposits	*4	**896,898**	871,993
Receivables under resale agreements		**999**	999
Monetary receivables bought	*4	**2,326,324**	1,863,824
Money trusts		**7**	8,000
Securities	*2*4*6	**20,680,544**	18,489,522
Loans	*3*4*7	**2,817,606**	2,558,741
Tangible fixed assets	*1	**399,579**	399,817
Land		**132,337**	132,547
Buildings		**209,423**	204,194
Construction in progress		**7,162**	4,919
Other tangible fixed assets		**50,656**	58,155
Intangible fixed assets		**1,150,669**	1,164,322
Software		**280,642**	224,928
Goodwill		**372,624**	428,601
Other intangible fixed assets		**497,402**	510,792
Other assets		**2,283,818**	1,962,414
Net defined benefit assets		**4,757**	3,717
Deferred tax assets		**46,467**	81,647
Customers' liabilities under acceptances and guarantees		**1,644**	1,759
Allowance for doubtful accounts		**(14,449)**	(8,940)
Total assets		**30,594,869**	27,397,818
Liabilities			
Insurance liabilities		**22,031,174**	20,722,937
Outstanding claims	*4	**4,739,831**	4,266,235
Underwriting reserves	*4	**17,291,343**	16,456,702
Corporate bonds		**224,404**	222,811
Other liabilities		**2,276,653**	2,245,192
Payables under securities lending transactions		**522,577**	461,324
Other liabilities	*4*10	**1,754,075**	1,783,867
Net defined benefit liabilities		**236,623**	255,437
Provision for employees' bonus		**113,652**	96,998
Provision for share awards		**3,455**	3,401
Reserves under special laws		**140,250**	132,394
Reserve for price fluctuation		**140,250**	132,394
Deferred tax liabilities		**378,830**	109,321
Negative goodwill		**4,838**	6,645
Acceptances and guarantees		**1,644**	1,759
Total liabilities		**25,411,528**	23,796,899
Net assets			
Shareholders' equity			
Share capital		**150,000**	150,000
Retained earnings		**2,378,790**	2,000,276
Treasury stock		**(14,167)**	(28,056)
Total shareholders' equity		**2,514,622**	2,122,219
Accumulated other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		**1,927,604**	954,650
Deferred gains (losses) on hedge transactions		**(9,270)**	(8,755)
Foreign currency translation adjustments		**744,786**	529,650
Remeasurements of defined benefit plans		**(477)**	(14,471)
Unrealized gains (losses) on insurance liability of overseas subsidiaries		**(662)**	964
Total accumulated other comprehensive income		**2,661,980**	1,462,038
Stock acquisition rights		**33**	33
Non-controlling interests		**6,704**	16,627
Total net assets		**5,183,341**	3,600,919
Total liabilities and net assets		**30,594,869**	27,397,818

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Financial Statements

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Yen in millions)

	Notes No.	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Ordinary income		**7,424,667**	6,610,046
Underwriting income		**5,969,967**	5,630,544
Net premiums written		**4,824,986**	4,469,989
Deposit premiums from policyholders		**42,515**	50,480
Investment income on deposit premiums		**32,922**	32,893
Life insurance premiums		**1,049,852**	1,071,645
Other underwriting income		**19,689**	5,535
Investment income		**1,292,735**	843,565
Interest and dividends		**893,461**	663,170
Gains on money trusts		**0**	293
Gains on trading securities		**88,602**	—
Gains on sales of securities		**213,643**	178,553
Gains on redemption of securities		**1,603**	2,797
Investment gains on separate accounts		**72,964**	—
Other investment income		**55,382**	31,643
Transfer of investment income on deposit premiums		**(32,922)**	(32,893)
Other ordinary income		**161,965**	135,936
Amortization of negative goodwill		**1,807**	1,807
Equity in earnings of affiliates		**9,241**	—
Other ordinary income		**150,915**	134,128
Ordinary expenses		**6,582,091**	6,115,880
Underwriting expenses		**5,027,495**	4,552,975
Net claims paid		**2,578,456**	2,293,251
Loss adjustment expenses	*1	**179,667**	169,050
Agency commissions and brokerage	*1	**951,662**	852,983
Maturity refunds to policyholders		**143,875**	153,472
Dividends to policyholders		**2**	2
Life insurance claims		**563,195**	521,666
Provision for outstanding claims		**213,594**	257,003
Provision for underwriting reserves		**392,343**	284,663
Other underwriting expenses		**4,695**	20,882
Investment expenses		**260,337**	294,127
Losses on trading securities		**—**	113,331
Losses on sales of securities		**30,924**	55,083
Impairment losses on securities		**8,793**	7,104
Losses on redemption of securities		**1,358**	1,204
Losses on derivatives		**150,393**	92,197
Investment losses on separate accounts		**—**	2,369
Other investment expenses		**68,867**	22,837
Operating and general administrative expenses	*1	**1,255,677**	1,140,954
Other ordinary expenses		**38,580**	127,823
Interest expenses		**26,009**	13,950
Increase in allowance for doubtful accounts		**4,995**	717
Losses on bad debts		**217**	180
Equity in losses of affiliates		**—**	104,887
Other ordinary expenses		**7,357**	8,087
Ordinary profit		**842,576**	494,165
Extraordinary gains		**7,815**	34,035
Gains on disposal of fixed assets		**6,084**	7,840
Reversal of reserves under special laws		**—**	5,936
Reversal of reserve for price fluctuation		**—**	5,936
Other extraordinary gains	*2	**1,730**	20,258
Extraordinary losses		**28,530**	8,538
Losses on disposal of fixed assets		**8,598**	4,569
Impairment losses on fixed assets	*3	**8,702**	3,740
Provision for reserves under special laws		**7,856**	—
Provision for reserve for price fluctuation		**7,856**	—
Other extraordinary losses	*4	**3,373**	228
Income before income taxes and non-controlling interests		**821,861**	519,662
Income taxes–current		**172,596**	176,548
Income taxes–deferred		**(22,046)**	(3,538)
Total income taxes		**150,550**	173,009
Net income		**671,310**	346,652
Net income (loss) attributable to non-controlling interests		**(24,497)**	(27,952)
Net income attributable to owners of the parent		**695,808**	374,605

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Yen in millions)

	Note No.	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Net income		**671,310**	346,652
Other comprehensive income			
Unrealized gains (losses) on available-for-sale securities		**975,428**	(890,153)
Deferred gains (losses) on hedge transactions		**(515)**	(7,203)
Foreign currency translation adjustments		**211,717**	430,458
Remeasurements of defined benefit plans		**13,974**	562
Unrealized gains (losses) on insurance liability of overseas subsidiaries		**(1,823)**	2,191
Share of other comprehensive income of affiliates accounted for by the equity method		**4,204**	(6,947)
Total other comprehensive income	*	**1,202,984**	(471,091)
Total comprehensive income		**1,874,295**	(124,438)
Comprehensive income attributable to:			
Owners of the parent		**1,894,564**	(91,505)
Non-controlling interests		**(20,269)**	(32,933)

The accompanying notes are an integral part of the consolidated financial statements.

(3) Consolidated Statement of Changes in Shareholders' Equity

FY2023 (April 1, 2023 – March 31, 2024)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	2,000,276	(28,056)	2,122,219
Cumulative effects of revision in accounting standards for overseas subsidiaries		(25,280)		(25,280)
Restated balance	150,000	1,974,995	(28,056)	2,096,939
Changes during the year				
Dividends		(219,289)		(219,289)
Net income attributable to owners of the parent		695,808		695,808
Purchases of treasury stock			(62,917)	(62,917)
Disposal of treasury stock		0	817	817
Cancellation of treasury stock		(75,988)	75,988	—
Changes in the scope of application of equity method		(146)		(146)
Changes in equity resulted from increase in capital of consolidated subsidiaries		(176)		(176)
Others		3,586		3,586
Net changes in items other than shareholders' equity				
Total changes during the year	—	403,794	13,888	417,683
Ending balance	150,000	2,378,790	(14,167)	2,514,622

	Accumulated other comprehensive income							
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Unrealized gains (losses) on insurance liability of overseas subsidiaries	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	954,650	(8,755)	529,650	(14,471)	964	33	16,627	3,600,919
Cumulative effects of revision in accounting standards for overseas subsidiaries	573						23	(24,683)
Restated balance	955,224	(8,755)	529,650	(14,471)	964	33	16,650	3,576,235
Changes during the year								
Dividends								(219,289)
Net income attributable to owners of the parent								695,808
Purchases of treasury stock								(62,917)
Disposal of treasury stock								817
Cancellation of treasury stock								—
Changes in the scope of application of equity method								(146)
Changes in equity resulted from increase in capital of consolidated subsidiaries								(176)
Others								3,586
Net changes in items other than shareholders' equity	972,380	(515)	215,136	13,993	(1,627)	—	(9,945)	1,189,422
Total changes during the year	972,380	(515)	215,136	13,993	(1,627)	—	(9,945)	1,607,105
Ending balance	1,927,604	(9,270)	744,786	(477)	(662)	33	6,704	5,183,341

Consolidated Financial Statements

FY2022 (April 1, 2022 – March 31, 2023)

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	150,000	1,954,445	(13,179)	2,091,265
Cumulative effect of revision in accounting standards for foreign subsidiaries		(38,025)		(38,025)
Restated balance	150,000	1,916,419	(13,179)	2,053,240
Changes during the year				
Dividends		(192,151)		(192,151)
Net income attributable to owners of the parent		374,605		374,605
Purchases of treasury stock			(111,691)	(111,691)
Disposal of treasury stock		0	688	688
Cancellation of treasury stock		(96,126)	96,126	-
Changes in equity resulted from increase in capital of consolidated subsidiaries		(1,961)		(1,961)
Others		(509)		(509)
Net changes in items other than shareholders' equity				
Total changes during the year	—	83,856	(14,876)	68,979
Ending balance	150,000	2,000,276	(28,056)	2,122,219

	Accumulated other comprehensive income							
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Unrealized gains (losses) on insurance liability of overseas subsidiaries	Stock acquisition rights	Non-controlling interests	Total net assets
Beginning balance	1,835,605	(1,551)	110,335	(15,011)	—	33	51,949	4,072,625
Cumulative effect of revision in accounting standards for foreign subsidiaries					(1,227)		(9,651)	(48,904)
Restated balance	1,835,605	(1,551)	110,335	(15,011)	(1,227)	33	42,297	4,023,721
Changes during the year								
Dividends								(192,151)
Net income attributable to owners of the parent								374,605
Purchases of treasury stock								(111,691)
Disposal of treasury stock								688
Cancellation of treasury stock								—
Changes in equity resulted from increase in capital of consolidated subsidiaries								(1,961)
Others								(509)
Net changes in items other than shareholders' equity	(880,954)	(7,203)	419,314	540	2,191	—	(25,670)	(491,781)
Total changes during the year	(880,954)	(7,203)	419,314	540	2,191	—	(25,670)	(422,802)
Ending balance	954,650	(8,755)	529,650	(14,471)	964	33	16,627	3,600,919

The accompanying notes are an integral part of the consolidated financial statements.

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	Notes No.	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Cash flows from operating activities			
Income before income taxes and non-controlling interests		**821,861**	519,662
Depreciation		**127,916**	112,514
Impairment losses on fixed assets		**8,702**	3,740
Amortization of goodwill		**84,404**	80,692
Amortization of negative goodwill		**(1,807)**	(1,807)
Increase (decrease) in outstanding claims		**259,616**	329,149
Increase (decrease) in underwriting reserves		**550,342**	334,512
Increase (decrease) in allowance for doubtful accounts		**5,264**	77
Increase (decrease) in net defined benefit liabilities		**(632)**	(4,914)
Increase (decrease) in provision for employees' bonus		**10,920**	3,174
Increase (decrease) in provision for share awards		**515**	465
Increase (decrease) in reserve for price fluctuation		**7,856**	(5,936)
Interest and dividends		**(893,461)**	(663,170)
Losses (gains) on securities		**(260,510)**	(22,581)
Interest expenses		**26,009**	13,950
Foreign exchange losses (gains)		**(45,216)**	(22,448)
Losses (gains) on tangible fixed assets		**2,178**	(3,270)
Equity in losses (earnings) of affiliates		**(9,241)**	104,887
Investment losses (gains) on separate accounts		**(72,964)**	2,369
Decrease (increase) in other assets (other than investing and financing activities)		**(306,666)**	(88,391)
Increase (decrease) in other liabilities (other than investing and financing activities)		**11,178**	(137,325)
Others		**60,621**	19,298
Subtotal		**386,886**	574,649
Interest and dividends received		**847,889**	665,382
Interest paid		**(27,358)**	(12,829)
Income taxes paid		**(143,508)**	(225,446)
Others		**8,215**	5,954
Net cash provided by (used in) operating activities (a)		**1,072,124**	1,007,710
Cash flows from investing activities			
Net decrease (increase) in deposits		**(1,099)**	18,569
Purchases of monetary receivables bought		**(601,743)**	(516,140)
Proceeds from sales and redemption of monetary receivables bought		**281,618**	296,315
Increase in money trusts		**—**	(8,000)
Decrease in money trusts		**7,992**	—
Purchases of securities		**(2,259,998)**	(2,015,966)
Proceeds from sales and redemption of securities		**2,253,080**	2,647,425
Payments for issuance of loans		**(693,720)**	(996,611)
Proceeds from collection of loans		**504,359**	693,591
Others		**(110,369)**	(95,355)
Subtotal (b)		**(619,879)**	23,828
(a) + (b)		**452,244**	1,031,538
Purchases of tangible fixed assets		**(20,723)**	(24,877)
Proceeds from sales of tangible fixed assets		**15,338**	18,798
Purchases of shares of subsidiaries resulting in change in the scope of consolidation		**(2,383)**	(26,111)
Sales of shares of subsidiaries resulting in change in the scope of consolidation		**—**	26,428
Net cash provided by (used in) investing activities		**(627,647)**	18,065
Cash flows from financing activities			
Proceeds from borrowings		**40,484**	15,565
Repayments of borrowings		**(177,406)**	(13,347)
Proceeds from issuance of short-term corporate bonds		**4,999**	9,999
Redemption of short-term corporate bonds		**(5,000)**	(10,000)
Redemption of corporate bonds		**—**	(48)
Change in cash collateral under securities lending transactions		**61,253**	(695,937)
Purchases of treasury stock		**(62,917)**	(111,691)
Dividends paid		**(219,142)**	(192,008)
Dividends paid to non-controlling shareholders		**(895)**	(707)
Proceeds from share issuance to non-controlling shareholders		**11,218**	11,091
Purchases of shares of subsidiaries not resulting in change in the scope of consolidation		**—**	(5,060)
Others		**(58,799)**	(17,081)
Net cash provided by (used in) financing activities		**(406,204)**	(1,009,226)
Effect of exchange rate changes on cash and cash equivalents		**63,326**	56,615
Net increase (decrease) in cash and cash equivalents		**101,598**	73,165
Cash and cash equivalents at beginning of year		**985,382**	912,216
Cash and cash equivalents at end of year	*1	**1,086,981**	985,382

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 169 companies

For details of the Company's major consolidated subsidiaries, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

PEMZ 1 LLC and four other companies are included in the scope of consolidation from the fiscal year 2023 due to their establishment, etc.

Tokio Marine Europe Limited and seven other companies are excluded from the scope of consolidation from the fiscal year 2023 due to the liquidation.

(2) Names of major non-consolidated subsidiaries

(Names of major non-consolidated subsidiaries)
Tokio Marine & Nichido Adjusting Service Co., Ltd.
Tokio Marine Life Insurance (Thailand) Public Company Limited
(Reason for exclusion from the scope of consolidation)
Each non-consolidated subsidiary is small in scale in terms of total assets, sales, net income or loss and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations, these companies are excluded from the consolidation.

2. Application of the equity method

(1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method: 7 companies

For details of major non-consolidated subsidiaries and affiliates accounted for by the equity method, please refer to "Tokio Marine Holdings and its Subsidiaries" in "Corporate Data".

Edelweiss Tokio Life Insurance Company Limited and one other company are excluded from the application of the equity method from the fiscal year 2023 due to the decline in influence, etc.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Life Insurance (Thailand) Public Company Limited, etc.) and other affiliates (Malayan Insurance Company, Inc., etc.) are not accounted for by the equity method because these companies have an immaterial effect on the Company's consolidated net income or loss as well as consolidated retained earnings.

(3) The Company owns 30.1% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. through Tokio Marine & Nichido and Nisshin Fire. However, the Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it cannot exert a significant influence on any decision making of its policies given the highly public nature of their business.

(4) When a company accounted for by the equity method has a different closing date from that of the Company, in principle, the financial statements prepared at its closing date are used for presentation in the consolidated financial results.

3. Balance sheet date of consolidated subsidiaries

There are one domestic subsidiary and 159 overseas subsidiaries whose balance sheet dates are December 31. The consolidated financial statements incorporate the results of these subsidiaries for the period ended December 31. Necessary adjustments for the consolidation are made for material transactions that occur during the three-month lag between the balance sheet dates of these subsidiaries and the consolidated balance sheet date.

4. Accounting policies

(1) Accounting for insurance contracts

Accounting for insurance contracts such as insurance premiums, outstanding claims and underwriting reserves of domestic consolidated insurance subsidiaries is stipulated under Insurance Business Act and other laws and regulations.

(2) Valuation of securities

a. Trading securities are measured at fair value, with the costs of their sales being calculated based on the moving-average method.
b. Bonds held to maturity are recorded at amortized cost based on the moving-average method (straight-line method).
c. Bonds earmarked for underwriting reserves are stated at amortized cost under the straight-line method in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Securities Earmarked for Underwriting Reserve in Insurance Industry" (issued by the Japanese Institute of Certified Public Accountants (the "JICPA"), November 16, 2000).

The following is a summary of the risk management policy concerning bonds earmarked for underwriting reserves.

In order to adequately manage interest rate risk related to assets and liabilities, Tokio Marine & Nichido Life has established "part of underwriting reserve for individual insurance policies (non-participating or participating)" as an underwriting reserve subgroup. Tokio Marine & Nichido Life's policy is to match the duration of the underwriting reserve in the subgroup with the same or similar duration of bonds that are earmarked for underwriting reserves.

d. Available-for-sale securities (except for securities without a market price) are measured at fair value. Unrealized gains/losses on available-for-sale securities are included in net assets, and the costs of sales are calculated using the moving-average method.
e. Securities without a market price in available-for-sale securities are stated at original cost by the moving-average method.
f. Securities held in individually managed money trusts that are mainly invested in securities for trading are measured at fair value.

(3) Valuation of derivative transactions

Derivative financial instruments are measured at fair value.

(4) Depreciation methods for material depreciable assets

a. Tangible fixed assets

Depreciation of tangible fixed assets is calculated using the straight-line method.

b. Intangible fixed assets

Intangible fixed assets recognized in acquisitions of overseas subsidiaries are amortized over the estimated useful life reflecting the pattern of the assets' future economic benefits.

(5) Accounting policies for significant reserves and allowances

a. Allowance for doubtful accounts

In order to prepare for the losses from bad debts, allowances are provided pursuant to the rules of asset self-assessment and the rules of asset write-off. Allowances are provided by major domestic consolidated subsidiaries as follows:

For receivables from any debtor who has legally, or in practice, become insolvent (due to bankruptcy, special liquidation or suspension of transactions with banks based on the rules governing clearing houses, etc.) and for receivables from any debtor who has substantially become insolvent, allowances are provided based on the amount of any such receivables deducting the amount expected to be collectible calculated based on the disposal of collateral or execution of guarantees.

For receivables from any debtor who is likely to become insolvent in the near future, allowances are provided based on the amount of any such receivables deducting the amount expected to be collectible through the disposal of collateral or execution of guarantees and the overall solvency assessment of the relevant debtor.

For receivables other than those described above, allowances are the amount of receivables multiplied by the default rate, which is calculated based on historical default experience in certain previous periods.

In addition, all receivables are assessed by the asset accounting department and the asset management department in accordance with the rules of asset self-assessment. Subsequently, the asset auditing departments, which are independent from other asset-related departments, conduct audits of the assessment results of the other asset-related departments. Allowances are provided based on such assessment results as stated above.

b. Provision for employees' bonus

To provide for payment of bonuses to employees, the Company and its major consolidated domestic subsidiaries recognize Provisions for employees' bonus based on the expected amount to be paid.

c. Provision for share awards

To provide the Company's shares to Directors and Executive Officers pursuant to the share delivery rules, the Company recognizes Provision for share awards based on the expected amount of obligation as of the end of the fiscal year 2023.

d. Reserve for price fluctuation

Domestic consolidated insurance subsidiaries recognize reserves in accordance with Article 115 of the Insurance Business Act in order to provide for possible losses or damages arising from fluctuation of share prices, etc.

Notes to Consolidated Financial Statements

(6) Accounting methods for retirement benefits

a. The method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the method of attributing expected retirement benefits to periods is based on the benefit formula basis.

b. The method of amortization of actuarial gains and losses and past service costs

Actuarial gains and losses for each fiscal year are amortized proportionally from the following fiscal year using the straight-line method over a certain number of years (5 to 13 years) within the average remaining work period of employees at the time of occurrence.

Past service costs are amortized by the straight-line method over a certain number of years (10 to 13 years) within the average remaining work period of employees at the time of occurrence.

(7) Consumption taxes

For the Company and its domestic consolidated subsidiaries, consumption taxes are accounted for by the tax-excluded method except for costs such as Operating and general administrative expenses incurred by domestic consolidated insurance subsidiaries which are accounted for by the tax-included method.

In addition, any non-deductible consumption taxes, in respect of assets, are included in Other assets and are amortized over five years using the straight-line method.

(8) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido conducts Asset Liability Management ("ALM") to control such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swaps that are used to manage such risks, Tokio Marine & Nichido applies deferred hedge accounting to the swaps based upon the Industry Committee Practical Guideline No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, March 17, 2022).

Assessment of hedge effectiveness is omitted because the companies group hedged insurance liabilities with the interest rate swaps that are the hedging instruments, based on the period remaining for the instruments, and the hedge is highly effective.

b. Foreign exchange

Major domestic consolidated insurance subsidiaries apply fair value hedge accounting, deferred hedge accounting or assignment accounting for certain foreign exchange forwards and certain currency swaps used to reduce future currency risk such as in assets denominated in foreign currency. Assessment of hedge effectiveness is omitted because the principal terms of the hedging instruments and the hedged items are identical and the hedge is highly effective.

(9) Methods and periods of amortization of goodwill

Regarding goodwill recognized as an asset on the consolidated balance sheet, goodwill in connection with Philadelphia Consolidated Holding Corp. is amortized over 20 years using the straight-line method. Goodwill in connection with HCC Insurance Holdings, Inc. is amortized over 10 years using the straight-line method. Goodwill in connection with Privilege Underwriters, Inc. is amortized over 15 years using the straight-line method. Other goodwill is amortized over 5 to 10 years using the straight-line method. Other goodwill in small amounts is amortized immediately.

Negative goodwill incurred before March 31, 2010 and recognized as a liability on the consolidated balance sheet is amortized over 20 years using the straight-line method.

(10) Scope of Cash and cash equivalents on the consolidated statement of cash flows

Cash and cash equivalents on the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments such as time deposits with original maturities or redemption of three months or less at the date of acquisition.

Significant Accounting Estimates

Items including accounting estimates that could have a significant impact on the financial condition or results of operations of the Company and its consolidated subsidiaries are as follows:

As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 "Insurance Contracts" from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

1. Outstanding claims

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2024

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Outstanding claims	4,739,831	4,266,235

(2) Information on the significant accounting estimates

a. Calculation method

Outstanding claims are estimated as the amount of claims, refunds and other benefits (hereinafter referred to as "Claims") deemed to have resulted in an obligation under an insurance contract that have not yet been paid.

b. Key assumptions used in the calculations

Outstanding claims are estimated based on the ultimate settlement of Claims by using the assumptions calculated mainly from historical payment experience.

c. Impact on the consolidated financial statements for the following fiscal year

Due to the revision of laws and regulations or court decisions, etc., the ultimate settlement of Insurance Claims may change from the initial estimate, and the amount recorded for outstanding claims may increase or decrease.

2. Impairment of goodwill

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2024

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Goodwill	372,624	428,601

(2) Information on the significant accounting estimates

a. Calculation method

Impairment of goodwill is recognized mainly in accordance with the procedures for identifying indications of impairment, assessing the recognition of an impairment loss and measuring an impairment loss for each unit to which goodwill is attributed (hereinafter referred to as "Reporting unit") whose performance is reported independently for the Company's management purpose.

First, for each Reporting unit, the Company assesses if indications of impairment are identified, such as deterioration in the latest operating results and future prospects, a significant negative deviation compared to the business plan at the time of acquisition, or significant adverse changes in the business environment including market conditions. For Reporting units for which indications of impairment were identified, an impairment loss is recognized if the total amount of undiscounted future cash flows is less than the book value of goodwill. For Reporting units for which recognition of an impairment loss is deemed necessary, the book value of goodwill shall be reduced to the recoverable amount which is calculated by discounting future cash flows, and recognizes the reduced amount as impairment loss.

b. Key assumptions for the calculations

Future cash flows and discount rates are used to calculate impairment loss on goodwill.

Future cash flows are estimated based on the latest rational business plan, taking into account the growth, etc., based on the business environment of each Reporting unit.

The discount rate is the pre-tax interest rate, which is the cost of capital plus necessary adjustments such as interest rate differentials.

c. Impact on the consolidated financial statements for the following fiscal year

An impairment loss may be incurred if undiscounted future cash flows significantly decline due to, for example, a significant deterioration in profitability from the assumption at the time of acquisition and a significant downward deviation from the business plan.

3. Market value evaluation of financial instruments

(1) The carrying amount shown on the consolidated balance sheet as of March 31, 2024

Please refer to "Information on Financial Instruments".

(2) Information on significant accounting estimates

a. Calculation method and Key assumptions for the calculations

With regards to the calculation method of the fair value of financial instruments and key assumptions for the calculations, please refer to "Information on Financial Instruments-2. Fair value of financial instruments and breakdown by input level (Note 1)".

Notes to Consolidated Financial Statements

b. Impact on the consolidated financial statements for the following fiscal year

Key assumptions may change due to changes in the market environment, and the fair value of financial instruments may increase or decrease.

Changes in Accounting Policies

The Company has applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" (Practical Issue Task Force ("PITF") No.18, September 14, 2018) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No.24, September 14, 2018) from the beginning of the fiscal year 2023, as the consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 9 "Financial Instruments" (hereinafter referred to as "IFRS 9").

Additional Information

1. "Measurement of Credit Losses on Financial Instruments" (ASU 2016-13)

Consolidated overseas subsidiaries that apply Generally Accepted Accounting Principles in the United States ("U.S. GAAP") have started to adopt Accounting Standards Update 2016-13 "Measurement of Credit Losses on Financial Instruments" (hereinafter referred to as "ASU 2016-13"), issued by the Financial Accounting Standards Board, from the beginning of the fiscal year 2023, which replaces the incurred loss impairment methodology with a methodology that reflects current expected credit losses.

In accordance with ASU 2016-13, the companies estimate full lifetime expected credit losses and recognize the allowance in initial recognition of a financial asset. The presented Loans and Securities are net of expected credit losses. As a result, the Income before income taxes for the year ended March 31, 2024 has decreased by 40,714 million yen. The Retained earnings at the beginning of the fiscal year 2023 has decreased by the cumulative effected amount of 24,822 million yen.

2. IFRS 17 "Insurance Contracts"

Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. In accordance with IFRS 17, insurance liabilities are measured to reflect the time value of money, the financial risk of cash flows arising from insurance contracts and the effect of uncertainty in the cash flows arising from insurance contracts. "Unrealized gains (losses) on insurance liability of overseas subsidiaries" is newly included in Accumulated other comprehensive income.

The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17, and the Income before income taxes for the year ended March 31, 2023 has decreased by 9,695 million yen compared with the figure before retrospective adoption. The cumulative effect was reflected on Net assets at the beginning of the fiscal year 2022 which resulted in a decrease in Retained earnings of 38,025 million yen, and (1,227) million yen was recognized as Unrealized gains (losses) on insurance liability of overseas subsidiaries.

3. IFRS 9 "Financial Instruments"

Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 9 from the beginning of the fiscal year 2023. In accordance with IFRS 9, classification and measurement methodology of financial instruments have been changed. The impact on Income before income taxes for the year ended March 31, 2024 was immaterial. By the transitional treatment set forth in IFRS 9, the cumulative effect was reflected on Net assets at the beginning of the fiscal year 2023, which resulted in a decrease in Retained earnings of 458 million yen and an increase in Unrealized gains (losses) on available-for-sale securities of 573 million yen.

4. Board Incentive Plan Trust

The Company and its major domestic consolidated subsidiaries have adopted a structure called Board Incentive Plan Trust (hereinafter, the "BIP Trust") as a stock-based compensation system (hereinafter, the "System") for its Directors and Executive Officers (hereinafter, the "Directors, etc."). The Company and its major domestic consolidated subsidiaries have applied the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (Practical Solution Report No. 30, March 26, 2015) to the accounting treatment for the System.

Under the System, the Company and its major domestic consolidated subsidiaries entrust with the trustee the monies to pay for the Company's stock-based compensation to acquire the Company's shares through the trust. The Eligible Directors, etc. who meet certain beneficiary requirements will receive, after their resignation, the Company's shares in the number that is equivalent to a certain ratio of the granted points accumulated pursuant to the share delivery rules and money corresponding to the conversion value of the Company's shares through the trust.

The Company's shares remaining in the trust are recorded as treasury stock in shareholders' equity. The book value of such treasury stock is 3,455 million yen, and the number of shares is 1,713,000 shares at the end of the fiscal year 2023, and 4,272 million yen and 2,117,000 shares at the end of the fiscal year 2022, respectively.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation of tangible fixed assets and advanced depreciation of tangible fixed assets, deducted from acquisition costs are as follows:

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Accumulated depreciation	**425,215**	406,178
Advanced depreciation of tangible fixed assets	**16,790**	17,313

*2. Securities of non-consolidated subsidiaries and affiliates are as follows:

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Securities (equity)	**202,064**	174,645
Securities (partnership)	**29,379**	26,229

*3. The total amount of bankrupt or de facto bankrupt assets, doubtful assets, loans past due for three months or more, and restructured loans among the assets under the Insurance Business Acts are as follows:

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Bankrupt or de facto bankrupt assets	**10,111**	8,553
Doubtful assets	**279,779**	130,647
Loans past due for three months or more	**0**	0
Restructured loans	**1,388**	1,388
Total	**291,279**	140,589

Note: Bankrupt or de facto bankrupt assets are receivables from any debtor who has become insolvent due to the commencement of bankruptcy proceedings, reorganization proceedings or rehabilitation proceedings and receivables equivalent to them.

Doubtful assets are receivables from any debtor who has not become insolvent, but which the principal or interest according to the contract are unlikely to be collected due to deterioration in the financial condition and business performance of the debtor. Assets classified as bankrupt or de facto bankrupt assets are excluded.

Loans past due for three months or more are defined as loans on which any principal or interest payments are delayed for three months or more from the date following the due date. Loans classified as bankrupt or de facto bankrupt assets and doubtful assets are excluded.

Restructured loans are loans on which concessions (e.g. reduction of the stated interest rate, deferral of interest payment, extension of the maturity date, forgiveness of debt) are granted to borrowers in financial difficulties to assist them in their corporate restructuring or financial recovery by improving their ability to repay creditors. Restructured loans do not include loans classified as bankrupt or de facto bankrupt assets, doubtful assets, or loans past due for three months or more.

*4. The value of assets pledged as collateral and collateralized corresponding debt obligations are as follows:

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Assets pledged as collateral		
Bank deposits	**55,268**	58,414
Monetary receivables bought	**141,234**	34,309
Securities	**994,568**	822,209
Loans	**647,798**	394,719
Collateralized corresponding debt obligations		
Outstanding claims	**212,650**	202,765
Underwriting reserves	**381,537**	212,797
Other liabilities (payables under repurchase agreements, etc.)	**220,819**	223,899

Note: As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

5. The fair value of the commercial papers received under resale agreements which the Company has the right to dispose of by sale or rehypothecation is as follows:

They are wholly held by the Company.

(Yen in millions)

As of March 31, 2024	As of March 31, 2023
999	999

*6. Securities lent under loan agreements are as follows:

(Yen in millions)

As of March 31, 2024	As of March 31, 2023
1,006,170	939,517

Notes to Consolidated Financial Statements

*7. The outstanding balance of undrawn loan commitments is as follows:

(Yen in millions)

As of March 31, 2024	As of March 31, 2023
293,812	417,075

8. The amount of assets or liabilities in separate accounts as prescribed in Article 118 of the Insurance Business Act is as follows:

(Yen in millions)

As of March 31, 2024	As of March 31, 2023
314,447	211,546

9. Tokio Marine & Nichido guarantees the liabilities of the following subsidiary.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Tokio Marine Compania de Seguros, S.A. de C.V.	11,378	8,098

*10. Subordinated term loans, included in Other liabilities, of which the repayment is subordinated to other obligations, are as follows:

(Yen in millions)

As of March 31, 2024	As of March 31, 2023
—	100,000

Notes to Consolidated Statement of Income

*1. Major components of business expenses are as follows:

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Agency commissions, etc.	713,284	682,543
Salaries	408,478	378,451

Note: 1. Business expenses consist of Loss adjustment expenses, Operating and general administrative expenses, and Agency commissions and brokerage as shown in the accompanying consolidated statement of income.
2. As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

*2. Other extraordinary gains for the fiscal year 2023 are primarily attributable to 1,506 million yen of Gains on sales of shares of subsidiaries and affiliates. Other extraordinary gains for the fiscal year 2022 are primarily attributable to 18,145 million yen of Gains on sales of shares of subsidiaries and affiliates.

*3. The Company recognized impairment losses on the following assets:
FY2023 (April 1, 2023 – March 31, 2024)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (Other business (nursing care business))	Land and buildings	5 properties, including buildings in Setagaya-ku, Tokyo	142	53	26	223
Properties for rent	Land and buildings	2 properties, including buildings in Aizuwakamatsu-City, Fukushima	38	2,316	—	2,355
Idle properties or properties planned for sale	Land and buildings	10 properties, including buildings in Chino-City, Nagano	179	644	—	824
Assets for business use (insurance business)	Software	—	—	—	5,012	5,012
Idle assets	Software	—	—	—	288	288
Total			361	3,014	5,327	8,702

Properties are classified as follows: (a) properties for use in insurance business are grouped by each consolidated company and (b) other properties including properties for rent, idle properties, or properties planned for sale and properties for business use in other business (nursing care business) are grouped on an individual basis.

The total amount of projected future cash flows generated from other business (nursing care business) fell below the book values of the properties used for this business. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount is primarily the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers.

The total amount of projected future cash flows generated from properties for rent fell below the book values of the properties. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount is the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers less anticipated expenses for disposal of the relevant property.

The Company wrote off the excess of the book values over the recoverable amount for certain idle properties or properties planned for sale, mainly due to the decision to sell the properties, and recognized any such write-offs as impairment losses in Extraordinary losses. The recoverable amount is the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers less anticipated expenses for disposal of the relevant property.

The total amount of projected future cash flows generated from business assets used in the insurance business of some consolidated subsidiaries fell below the book value of the fixed assets. Consequently, the Company wrote off the excess of the book values of such assets over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount of the relevant property is calculated by discounting future cash flows at a rate of 7.0%.

The Company wrote off the entire book value of idle assets that are not expected to be used in the future, and recognized any such write-offs as impairment losses under Extraordinary losses.

FY2022 (April 1, 2022 – March 31, 2023)

(Yen in millions)

Purpose of use	Category	Location	Impairment loss			
			Land	Building	Others	Total
Properties for business use (Other business (nursing care business))	Land and buildings	3 properties, including buildings in Setagaya-ku, Tokyo	160	77	36	275
Idle properties or properties planned for sale	Land and buildings	15 properties, including buildings in Kawachi-county, Tochigi	2,295	1,169	—	3,464
Total			2,456	1,247	36	3,740

Properties are classified as follows: (a) properties for use in insurance business are grouped by each consolidated company and (b) other properties including properties for rent, idle properties, or properties planned for sale and properties for business use in other business (nursing care business) are grouped on an individual basis.

The total amount of projected future cash flows generated from other business (nursing care business) fell below the book values of the properties used for this business. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable amounts and recognized such write-offs as impairment losses in Extraordinary losses. The recoverable amount is primarily the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers.

The Company wrote off the excess of the book values over the recoverable amount for certain idle properties or properties planned for sale, mainly due to the decision to sell the properties, and recognized any such write-offs as impairment losses in Extraordinary losses. The recoverable amount is the net sales price of each property. Net sales price is the appraisal value by qualified independent valuers less anticipated expenses for disposal of the relevant property.

*4. Other extraordinary losses for the fiscal year 2023 are primarily attributable to 3,079 million yen of Impairment losses on shares of subsidiaries and affiliates.

Notes to Consolidated Financial Statements

Notes to Consolidated Statement of Comprehensive Income

*** Reclassification adjustments and tax effects relating to Other comprehensive income**

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Unrealized gains (losses) on available-for-sale securities		
Amount arising during the year	1,480,195	(915,368)
Reclassification adjustment	(172,321)	(134,505)
Before tax effect adjustment	1,307,873	(1,049,873)
Tax effect	(332,445)	159,719
Unrealized gains (losses) on available-for-sale securities	975,428	(890,153)
Deferred gains (losses) on hedge transactions		
Amount arising during the year	(2,281)	(9,816)
Reclassification adjustment	(36)	(185)
Adjustments of asset acquisition cost	1,602	—
Before tax effect adjustment	(715)	(10,001)
Tax effect	199	2,798
Deferred gains (losses) on hedge transactions	(515)	(7,203)
Foreign currency translation adjustments		
Amount arising during the year	211,717	430,458
Remeasurements of defined benefit plans		
Amount arising during the year	17,552	147
Reclassification adjustment	1,760	635
Before tax effect adjustment	19,312	783
Tax effect	(5,338)	(220)
Remeasurements of defined benefit plans	13,974	562
Unrealized gains (losses) on insurance liability of overseas subsidiaries		
Amount arising during the year	(2,468)	3,175
Reclassification adjustment	—	—
Before tax effect adjustment	(2,468)	3,175
Tax effect	644	(983)
Unrealized gains (losses) on insurance liability of overseas subsidiaries	(1,823)	2,191
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	4,711	(6,238)
Reclassification adjustment	(507)	(709)
Share of other comprehensive income of affiliates accounted for by the equity method	4,204	(6,947)
Total other comprehensive income	1,202,984	(471,091)

Note: As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

Notes to Consolidated Statement of Changes in Shareholders' Equity

FY2023 (April 1, 2023 – March 31, 2024)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2023	Increase during the fiscal year 2023	Decrease during the fiscal year 2023	Number of shares as of March 31, 2024
Issued stock				
Common stock	2,002,500	—	24,500	1,978,000
Total	2,002,500	—	24,500	1,978,000
Treasury stock				
Common stock	11,396	18,675	24,905	5,166
Total	11,396	18,675	24,905	5,166

Note: 1. The number of shares of common stock at the beginning and the end of the fiscal year 2023 respectively include 2,117 thousand and 1,713 thousand shares of treasury stock held by BIP Trust.
2. The decrease of 24,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
3. The increase of 18,675 thousand shares of common stock is primarily attributable to the acquisition of 18,667 thousand shares of treasury stock resolved at the meeting of the Board of Directors.
4. The decrease of 24,905 thousand shares of common stock is primarily attributable to the cancellation of 24,500 thousand shares of treasury stock and the distribution of 404 thousand shares of treasury stock by BIP Trust.

2. Stock acquisition rights (including those owned by the Company)

Category	Nature of stock acquisition rights	Amount as of March 31, 2024 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	33

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2023	Common stock	99,661 million yen	50.00 yen	March 31, 2023	June 27, 2023
Meeting of the Board of Directors held on November 17, 2023	Common stock	119,627 million yen	60.50 yen	September 30, 2023	December 4, 2023

Note: 1. For dividends resolved at the ordinary general meeting of shareholders held on June 26, 2023, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 105 million yen.
2. For dividends resolved at the meeting of the Board of Directors held on November 17, 2023, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 112 million yen.

(2) Dividends of which the record date falls within the fiscal year 2023, and the effective date falls after March 31, 2024
The Company intends to obtain approval for the following dividend payment at the 22nd Ordinary General Meeting of Shareholders to be held on June 24, 2024.

Resolution	Type of stock	Amount of dividends paid (Yen in millions)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2024	Common stock	123,409 million yen	Retained earnings	62.50 yen	March 31, 2024	June 25, 2024

Note: The amount of dividends paid includes dividends for treasury stock held by BIP Trust of 107 million yen.

Notes to Consolidated Financial Statements

FY2022 (April 1, 2022 – March 31, 2023)

1. Type and number of issued stock and treasury stock

(Unit: thousand shares)

	Number of shares as of April 1, 2022	Increase during the fiscal year 2022	Decrease during the fiscal year 2022	Number of shares as of March 31, 2023
Issued stock				
Common stock	680,000	1,360,000	37,500	2,002,500
Total	680,000	1,360,000	37,500	2,002,500
Treasury stock				
Common stock	2,217	46,856	37,678	11,396
Total	2,217	46,856	37,678	11,396

Note: 1. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022.
2. The number of shares of common stock at the beginning and the end of the fiscal year 2022 respectively include 819 thousand and 2,117 thousand shares of treasury stock held by BIP Trust.
3. The increase of 1,360,000 thousand shares of common stock is entirely attributable to the stock split.
4. The decrease of 37,500 thousand shares of common stock is entirely attributable to the cancellation of treasury stock.
5. The increase of 46,856 thousand shares of common stock is primarily attributable to the acquisition of 25,914 thousand shares of treasury stock resolved at the meeting of the Board of Directors, and an increase of 20,934 thousand shares by the stock split.
6. The decrease of 37,678 thousand shares of common stock is primarily attributable to the cancellation of 37,500 thousand shares of treasury stock and the sale of 177 thousand shares of treasury stock by BIP Trust.

2. Stock acquisition rights (including those owned by the Company)

Category	Nature of stock acquisition rights	Amount as of March 31, 2023 (Yen in millions)
The Company (parent company)	Stock acquisition rights as stock options	33

3. Dividends

(1) Amount of dividends

Resolution	Type of stock	Amount of dividends paid	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2022	Common stock	91,611 million yen	135.00 yen	March 31, 2022	June 28, 2022
Meeting of the Board of Directors held on November 18, 2022	Common stock	100,540 million yen	150.00 yen	September 30, 2022	December 12, 2022

Note: 1. For dividends resolved at the ordinary general meeting of shareholders held on June 27, 2022, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 110 million yen.
2. For dividends resolved at the meeting of the Board of Directors held on November 18, 2022, the amount of dividends paid includes dividends for treasury stock held by BIP Trust of 110 million yen.
3. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022, but the amount of dividends per share is presented with the amount before the stock split.

(2) Dividends of which the record date falls within the fiscal year 2022, and the effective date falls after March 31, 2023

The Company intends to obtain approval for the following dividend payment at the 21st Ordinary General Meeting of Shareholders to be held on June 26, 2023.

Resolution	Type of stock	Amount of dividends paid	Source of dividends	Dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2023	Common stock	99,661 million yen	Retained earnings	50.00 yen	March 31, 2023	June 27, 2023

Note: The amount of dividends paid includes dividends for treasury stock held by BIP Trust of 105 million yen.

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents to the amounts disclosed in the consolidated balance sheet is provided as follows:

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Cash and bank deposits	**896,898**	871,993
Monetary receivables bought	**2,326,324**	1,863,824
Securities	**20,680,544**	18,489,522
Time deposits with initial term over three months to maturity	**(110,552)**	(103,228)
Monetary receivables bought not included in cash equivalents	**(2,325,710)**	(1,863,224)
Securities not included in cash equivalents	**(20,380,523)**	(18,273,503)
Cash and cash equivalents	**1,086,981**	985,382

*2. Cash flows from investing activities include cash flows arising from asset management relating to insurance business.

Segment Information

1. Segment information

(1) Outline of reportable segments

The Company, as a holding company that controls the Group's business, establishes basic policies about Group business management, formulates corporate strategies based on the surrounding business environment and promotes the Group's business activities. The Company classifies its operations into four segments following its corporate strategies: "Domestic non-life insurance business", "Domestic life insurance business", "International insurance business" and "Financial and other businesses".

"Domestic non-life insurance business" primarily comprises underwriting of non-life insurance in Japan and related investments. "Domestic life insurance business" primarily comprises underwriting of life insurance in Japan and related investments. "International insurance business" primarily comprises underwriting of insurance overseas and related investments. In "Financial and other businesses", the main businesses are investment advisory, investment trust services, staffing business, facility management business and nursing care services.

(2) Calculation of ordinary income, profit (loss), assets, liabilities and other items by reportable segments

The accounting treatment for reported operating segments is the same as described in "Significant accounting policies".

Segment profit is based on Ordinary profit. Ordinary income from transactions with other operating segments is based on prevailing market prices.

As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

(3) Ordinary income, profit (loss), assets, liabilities and other items by reportable segments

FY2023 (April 1, 2023 – March 31, 2024)

(Yen in millions)

	Reportable segments						
	Domestic non-life insurance business	**Domestic life insurance business**	**International insurance business**	**Financial and other businesses**	**Total**	**Adjustments (Note 1)**	**Amounts shown on the consolidated financial statements (Note 2)**
Ordinary income							
Ordinary income from external customers	**3,250,178**	**640,590**	**3,646,826**	**80,435**	**7,618,030**	**(193,363)**	**7,424,667**
Ordinary income from transactions with other reportable segments	**16,574**	**415**	**3,988**	**25,204**	**46,182**	**(46,182)**	**—**
Total	**3,266,752**	**641,005**	**3,650,814**	**105,640**	**7,664,213**	**(239,545)**	**7,424,667**
Segment profit	**323,498**	**57,156**	**452,838**	**9,082**	**842,576**	**—**	**842,576**
Segment assets	**8,756,578**	**8,858,300**	**13,324,604**	**76,160**	**31,015,644**	**(420,774)**	**30,594,869**
Other items							
Depreciation	**42,782**	**4,413**	**79,932**	**789**	**127,916**	**—**	**127,916**
Amortization of goodwill	**9**	**—**	**84,394**	**—**	**84,404**	**—**	**84,404**
Amortization of negative goodwill	**744**	**—**	**917**	**145**	**1,807**	**—**	**1,807**
Interest and dividends	**190,961**	**125,584**	**587,074**	**29**	**903,650**	**(10,188)**	**893,461**
Interest expenses	**2,388**	**930**	**32,350**	**—**	**35,670**	**(9,661)**	**26,009**
Equity in earnings (losses) of affiliates	**—**	**—**	**9,241**	**—**	**9,241**	**—**	**9,241**
Investments in affiliates accounted for by the equity method	**—**	**—**	**129,485**	**—**	**129,485**	**—**	**129,485**
Increase in tangible and intangible fixed assets	**83,649**	**9,492**	**56,360**	**1,038**	**150,541**	**—**	**150,541**

Note: 1. "Adjustments" are as follows:
(1) "Adjustments" for Ordinary income from external customers of (193,363) million yen includes the transfer of Reversal of underwriting reserves of 175,585 million yen. This is included in Ordinary income of Domestic non-life insurance business segment, while it is included in Provision for underwriting reserves in the consolidated statement of income.
(2) "Adjustments" for Segment assets of (420,774) million yen is mainly to eliminate intersegment transactions.
(3) "Adjustments" for Other items is to eliminate intersegment transactions.
2. Segment profit corresponds to Ordinary profit in the consolidated statement of income.

Notes to Consolidated Financial Statements

FY2022 (April 1, 2022 – March 31, 2023)

(Yen in millions)

	Reportable segments						
	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total	Adjustments (Note 1)	Amounts shown on the consolidated financial statements (Note 2)
Ordinary income							
Ordinary income from external customers	3,027,923	699,523	2,919,169	73,711	6,720,327	(110,281)	6,610,046
Ordinary income from transactions with other reportable segments	12,681	124	3,411	27,073	43,291	(43,291)	—
Total	3,040,604	699,648	2,922,581	100,785	6,763,619	(153,573)	6,610,046
Segment profit	284,594	51,749	149,803	8,017	494,165	—	494,165
Segment assets	7,494,722	8,743,102	11,351,487	73,290	27,662,602	(264,784)	27,397,818
Other items							
Depreciation	35,773	2,870	73,192	678	112,514	—	112,514
Amortization of goodwill	93	—	80,599	—	80,692	—	80,692
Amortization of negative goodwill	744	—	917	145	1,807	—	1,807
Interest and dividends	166,045	119,517	383,623	27	669,212	(6,042)	663,170
Interest expenses	2,139	1,695	15,626	—	19,461	(5,510)	13,950
Equity in earnings (losses) of affiliates	—	—	(104,887)	—	(104,887)	—	(104,887)
Investments in affiliates accounted for by the equity method	—	—	110,518	—	110,518	—	110,518
Increase in tangible and intangible fixed assets	91,763	6,967	47,038	938	146,708	—	146,708

Note: 1. "Adjustments" are as follows:
(1)"Adjustments" for Ordinary income from external customers of (110,281) million yen includes the transfer of Reversal of underwriting reserves of 105,728 million yen. This is included in Ordinary income of Domestic non-life insurance business segment, while it is included in Provision for underwriting reserves in the consolidated statement of income.
(2) "Adjustments" for Segment assets of (264,784) million yen is mainly to eliminate intersegment transactions.
(3) "Adjustments" for Other items is to eliminate intersegment transactions.
2. Segment profit corresponds to Ordinary profit in the consolidated statement of income.

2. Related information

FY2023 (April 1, 2023 – March 31, 2024)

(1) Information by product and service

(Yen in millions)

	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	**5,812,534**	**1,649,652**	**80,435**	**7,542,623**	**(117,955)**	**7,424,667**

Note: "Adjustments" includes transfer of Increase (Decrease) in underwriting reserves in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,535,618	**2,496,167**	**1,452,315**	**7,484,101**	**(59,433)**	**7,424,667**

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of Increase (Decrease) in outstanding claims in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	United States	Others	Total
243,741	**116,176**	**39,661**	**399,579**

(3) Information about major customers

None.

FY2022 (April 1, 2022 – March 31, 2023)

(1) Information by product and service

(Yen in millions)

	Non-Life insurance	Life insurance	Others	Subtotal	Adjustments	Total
Ordinary income from external customers	5,095,235	1,484,781	73,711	6,653,728	(43,682)	6,610,046

Note: "Adjustments" includes transfer of Increase (Decrease) in outstanding claims in the consolidated statement of income.

(2) Information by region

a. Ordinary income

(Yen in millions)

Japan	United States	Others	Subtotal	Adjustments	Total
3,463,794	2,030,871	1,121,480	6,616,147	(6,100)	6,610,046

Note: 1. The above figures are classified by country and region based on customer location.
2. "Adjustments" includes transfer of foreign exchange gains included in Other investment income and foreign exchange losses included in Other investment expenses in the consolidated statement of income.

b. Tangible fixed assets

(Yen in millions)

Japan	United States	Others	Total
246,635	115,595	37,585	399,817

(3) Information about major customers

None.

3. Impairment losses of fixed assets by reportable segments

FY2023 (April 1, 2023 – March 31, 2024)

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Impairment losses	**6,279**	**—**	**2,218**	**204**	**8,702**

FY2022 (April 1, 2022 – March 31, 2023)

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Impairment losses	3,464	—	0	274	3,740

Notes to Consolidated Financial Statements

4. Amortization and remaining balance of goodwill by reportable segments

FY2023 (April 1, 2023 – March 31, 2024)

(1) Goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	**9**	**—**	**84,394**	**—**	**84,404**
Remaining balance as of March 31, 2024	**—**	**—**	**372,624**	**—**	**372,624**

(2) Negative goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	**744**	**—**	**917**	**145**	**1,807**
Remaining balance as of March 31, 2024	**1,862**	**—**	**2,752**	**223**	**4,838**

FY2022 (April 1, 2022 – March 31, 2023)

(1) Goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	93	—	80,599	—	80,692
Remaining balance as of March 31, 2023	9	—	428,592	—	428,601

(2) Negative goodwill

(Yen in millions)

	Domestic non-life insurance business	Domestic life insurance business	International insurance business	Financial and other businesses	Total
Amortization	744	—	917	145	1,807
Remaining balance as of March 31, 2023	2,607	—	3,669	369	6,645

5. Gains on negative goodwill by reportable segments

None.

Related-party Transactions

There is no significant transaction to be disclosed.

Lease Transactions

Operating leases

Future lease payments related to non-cancelable operating leases

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
As lessee:		
Due within one year	**9,389**	8,545
Due after one year	**20,531**	26,412
Total	**29,920**	34,957
As lessor:		
Due within one year	**2,210**	1,922
Due after one year	**10,507**	9,774
Total	**12,717**	11,696

Deferred Tax Accounting

1. Major components of deferred tax assets and deferred tax liabilities

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Deferred tax assets		
Underwriting reserves	**414,289**	413,184
Outstanding claims	**101,217**	92,566
Net defined benefit liabilities	**69,575**	74,733
Unrealized losses on available for sale securities	**62,951**	100,189
Impairment losses on securities	**42,549**	25,746
Reserve for price fluctuation	**39,156**	36,962
Net operating loss carry forward (Note)	**26,230**	27,815
Others	**181,032**	138,784
Subtotal	**937,003**	909,982
Valuation allowance on net operating loss carry forward (Note)	**(15,791)**	(15,209)
Valuation allowance on deductible temporary differences	**(111,160)**	(115,333)
Subtotal	**(126,952)**	(130,542)
Total deferred tax assets	**810,050**	779,439
Deferred tax liabilities		
Unrealized gains on available-for-sale securities	**(859,841)**	(536,867)
Unrealized gains on consolidated subsidiaries	**(127,735)**	(133,214)
Others	**(154,836)**	(137,031)
Total deferred tax liabilities	**(1,142,413)**	(807,113)
Net deferred tax assets (liabilities)	**(332,362)**	(27,674)

(Note) Schedule by expiration of net operating loss carry forward and the corresponding deferred tax assets

As of March 31, 2024

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Net operating loss carry forward (*)	**1,804**	**1,757**	**1,220**	**111**	**3,221**	**18,114**	**26,230**
Valuation allowance	**(1,712)**	**(1,757)**	**(1,220)**	**(111)**	**(3,221)**	**(7,767)**	**(15,791)**
Deferred tax assets	**91**	**—**	**—**	**—**	**—**	**10,347**	**10,439**

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rates.

As of March 31, 2023

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Net operating loss carry forward (*)	2,857	1,852	1,777	1,224	962	19,140	27,815
Valuation allowance	(2,718)	(1,781)	(1,757)	(1,220)	(919)	(6,810)	(15,209)
Deferred tax assets	138	70	19	4	42	12,330	12,605

(*) The amounts of net operating loss carry forward are calculated by using statutory income tax rates.

2. Reconciliation of the statutory income tax rate and the effective tax rate after the application of deferred tax accounting when there is a significant difference

(%)

	As of March 31, 2024	As of March 31, 2023
Japanese statutory tax rate	**30.6**	30.6
(Adjustments)		
Permanent differences such as dividends received	**(12.9)**	(2.9)
Permanent differences such as entertainment expenses	**1.2**	2.3
Tax rate applied to consolidated subsidiaries	**(5.5)**	(7.9)
Equity in earnings or losses of affiliates	**(0.3)**	6.2
Valuation allowance	**3.1**	4.6
Amortization of goodwill and negative goodwill	**(0.4)**	0.1
Others	**2.6**	0.1
Effective tax rate	**18.3**	33.1

3. Accounting treatment for corporate and local income tax including the related tax effects

The Company and some of its domestic consolidated subsidiaries have adopted the Group Tax Sharing System and have applied the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Solution No. 42, August 12, 2021) to the accounting treatment for corporate tax and local corporate taxes, or the accounting treatment and disclosure of deferred tax accounting related to them.

4. As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

Notes to Consolidated Financial Statements

Information on Financial Instruments

1. Qualitative information on financial instruments

(1) Investment policies

The core operation of the Group is its insurance business, and it invests utilizing the cash inflows mainly arising from insurance premiums. Therefore, the Group seeks to appropriately control risks based on the characteristics of insurance products primarily through ALM. The Group thereby aims to ensure stable, long-term earnings while realizing efficient management of liquidity.

Specifically, the Group's approach entails controlling interest rate risks associated with insurance liabilities by utilizing interest rate swaps and other transactions while assuming a certain degree of credit risks by investing in bonds with high credit ratings. At the same time, the Group endeavors to ensure medium-to-long-term earnings by diversifying risks and asset management approaches in Japan and overseas through the utilization of a wide range of products including foreign securities and alternative investments. Foreign exchange forwards and other derivative transactions are used to mitigate risks associated with the Group's asset portfolio.

Through these approaches, the Group aims to increase investment income in order to maximize net asset value in the medium-to-long-term and maintain financial soundness.

With regard to financing, the Group issues corporate bonds and undertakes borrowings mainly to secure funds for investments. When financing is necessary, amounts and methodologies are determined based on the Group's cash flow status.

(2) Details of financial instruments and their risks

The Group holds financial instruments including equity securities, bonds, other securities, loans and derivatives. These instruments are exposed to market risk, which refers to the risk of losses arising from fluctuations in stock prices, exchange rates, interest rates, and other market indicators. They are also exposed to credit risk, which refers to the risk of losses when the value of an investment declines or is lost due to deterioration in the financial condition of the debtor. Other risks to which these instruments are exposed include market liquidity risk, which refers to the risk of losses that may occur from being unable to make transactions due to disorderly market conditions or being forced to make transactions at extremely unfavorable prices.

Some currency risk is hedged through foreign exchange forwards, currency swaps and other such transactions. Hedge accounting is applied to some of these transactions.

Credit risk associated with over-the-counter derivative transactions includes the risk of losses when the counterparties fail to fulfill their obligations due to insolvency or for other reasons. In order to reduce such credit risk, netting arrangements and collateral transfers equivalent to fair value of derivative transactions may be used with financial institutions and other counterparties with whom there are frequent transactions. Also, interest rate risk associated with long-term insurance liabilities is hedged by interest rate swaps and other transactions for which hedge accounting is applied in some cases.

With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to "Significant Accounting Policies - 4. Accounting policies - (8) Hedge accounting".

(3) Risk management structure

a. Market risk and credit risk management

Based on the "Investment risk management policy" established by the Board of Directors, Tokio Marine & Nichido executes risk management activities both quantitatively and qualitatively to control investment risk related to financial instruments, such as market risk and credit risk, at the risk management department, which is independent of trading departments.

In accordance with the policy, "Investment guidelines" are established, which set the rules for which instruments to invest in, risk limits, and actions to take when limits are exceeded for each segment set in the annual investment plan. Investment risk is quantitatively measured using VaR-like concepts. Compliance with the guidelines and investment risk and return are reported on a regular basis to directors.

Tokio Marine & Nichido appropriately manages credit risk by regularly monitoring the concentration and the status of issuers and borrowers using internal credit rating guidelines set by the "Guidelines for managing credit risk concentration".

In order to control individual investments, Tokio Marine & Nichido also executes pre-investment review and post-investment monitoring according to the "Review guidelines" and others.

Risk monitoring operations are reported to the Board of Directors depending on their importance.

Other consolidated subsidiaries maintain risk management structures based on the aforementioned risks.

b. Liquidity risk management

The Group manages liquidity risk by controlling payment schedules and ensuring various ways of financing through treasury management by each consolidated subsidiary and by the Group as a whole.

(4) Supplementary information on fair value of financial instruments

The fair value of financial instruments is measured under certain assumptions, therefore it may differ under other assumptions.

2. Fair value of financial instruments and breakdown by input level

The tables below show carrying amounts shown on the consolidated balance sheet, fair value, differences of financial instruments, and fair value breakdown by input level.

Securities without a market price, and investments in partnerships are not included below. (Refer to Note 3.)

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value calculation:

Level 1: Fair value measured by the market price of the asset or liability in active markets among the observable inputs

Level 2: Fair value measured by the observable inputs other than the Level 1 inputs

Level 3: Fair value measured by unobservable inputs

If multiple inputs are used with a significant impact on the fair value measurement, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input.

As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17. In addition, the purpose of holding some securities has been revised based on the classification of IFRS 9 "Financial Instruments" in light of the impact of this retrospective application.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

As of March 31, 2024

(Yen in millions)

	Carrying amount shown on the consolidated balance sheet			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	2,070,173	256,151	2,326,324
Securities				
Trading securities	639,324	1,065,444	14,585	1,719,354
Available-for-sale securities	5,463,327	5,627,984	170,368	11,261,680
Loans	—	—	8,603	8,603
Derivative transactions	28,327	84,489	22,507	135,323
Assets	6,130,979	8,848,091	472,216	15,451,287
Derivative transactions	89	179,533	1,350	180,973
Liabilities	89	179,533	1,350	180,973

As of March 31, 2023

(Yen in millions)

	Carrying amount shown on the consolidated balance sheet			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	—	1,592,732	271,091	1,863,824
Securities				
Trading securities	541,675	819,122	10,347	1,371,146
Available-for-sale securities	4,482,896	4,817,865	151,727	9,452,488
Loans	—	—	20,274	20,274
Derivative transactions	6,491	87,478	6,494	100,465
Assets	5,031,063	7,317,198	459,935	12,808,198
Derivative transactions	200	114,835	9,367	124,403
Liabilities	200	114,835	9,367	124,403

Notes to Consolidated Financial Statements

(2) Financial instruments which are not recorded at fair value on the consolidated balance sheet
Cash and bank deposits, Receivables under resale agreements and Payables under securities lending transactions are omitted since they are mainly scheduled to be settled in a short period of time and the fair value approximates the book value.

As of March 31, 2024

(Yen in millions)

	Fair value				Carrying amount shown on the consolidated balance sheet	Difference
	Level 1	Level 2	Level 3	Total		
Securities						
Bonds held to maturity	**3,573,401**	**1,265,847**	**—**	**4,839,249**	**5,073,009**	**(233,759)**
Bonds earmarked for underwriting reserves	**940,777**	**592,459**	**—**	**1,533,237**	**2,111,832**	**(578,595)**
Loans(*)	**—**	**—**	**2,789,858**	**2,789,858**	**2,806,913**	**(17,054)**
Assets	**4,514,179**	**1,858,307**	**2,789,858**	**9,162,345**	**9,991,755**	**(829,409)**
Corporate bonds	**—**	**219,168**	**—**	**219,168**	**224,404**	**(5,236)**
Liabilities	**—**	**219,168**	**—**	**219,168**	**224,404**	**(5,236)**

(*) Carrying amount shown on the consolidated balance sheet is the loans after the deduction of Allowance for doubtful accounts earmarked for loans of 2,089 million yen.

As of March 31, 2023

(Yen in millions)

	Fair value				Carrying amount shown on the consolidated balance sheet	Difference
	Level 1	Level 2	Level 3	Total		
Securities						
Bonds held to maturity	3,780,595	1,437,539	—	5,218,135	5,116,287	101,848
Bonds earmarked for underwriting reserves	1,035,122	675,540	—	1,710,663	2,104,656	(393,993)
Loans(*)	—	—	2,521,060	2,521,060	2,536,508	(15,448)
Assets	4,815,718	2,113,080	2,521,060	9,449,858	9,757,452	(307,593)
Corporate bonds	—	210,939	—	210,939	222,811	(11,871)
Liabilities	—	210,939	—	210,939	222,811	(11,871)

(*) Carrying amount shown on the consolidated balance sheet is the loans after the deduction of Allowance for doubtful accounts earmarked for loans of 1,958 million yen.

(Note 1) Description of the valuation techniques and inputs used in the fair value measurement.

Monetary receivables bought
The fair value of Monetary receivables bought is measured using valuation techniques such as discounted cash flow and matrix pricing. These valuation techniques include the inputs such as yield curves, prepayment rates and market prices of similar type of securities.
The fair value is categorized within Level 2 if unobservable inputs are either not included or not significant in the valuation techniques. It is categorized within Level 3 if unobservable inputs are significant in the valuation techniques.

Securities
The fair value of securities which is measured using quoted prices in active markets is categorized within Level 1. The fair value of securities which is based on quoted prices in inactive markets is categorized within Level 2.
If quoted prices in markets are not available, the fair value of securities is measured using valuation techniques such as discounted cash flow and matrix pricing. These valuation techniques include the inputs such as yield curves, credit spreads and market prices of similar type of securities.
The fair value is categorized within Level 2 if unobservable inputs are either not included or not significant in the valuation techniques. It is categorized within Level 3 if unobservable inputs are significant in the valuation techniques.
The fair value of major investment trusts for which quoted prices in markets are not available, is based on net asset value and categorized within Level 2, as there is no significant restriction on cancellation.

Loans
With regard to floating rate loans, fair value is measured using the book value and is categorized within Level 3 as long as there are no significant changes in the credit status of the borrowers, since the fair value is considered to approximate the book value as the changes in interest rates are reflected in a timely manner in the future cash flows.
With regard to fixed rate loans, the fair value is measured using valuation techniques such as discounted cash flow. These valuation techniques include the inputs such as yield curves and credit spreads. The fair value of fixed rate loans is categorized within Level 3.
With regard to loans of which borrowers are insolvent or in bankruptcy proceedings, the fair value approximates the amount after deducting the estimated uncollectible debts from the carrying amount. Therefore, the fair value is measured with such amount and is categorized within Level 3.

Corporate bonds
The fair value of Corporate bonds is measured using quoted prices in markets and others and categorized within Level 2.

Derivative transactions
With regard to exchange-traded derivative transactions, the fair value is measured using the closing prices at exchanges and others. For over-the-counter derivative transactions, the fair value is measured using valuation techniques such as the Black-Scholes model and the discounted cash flow, using the inputs such as swap rates, forward rates, volatilities and basis swap spreads.
The fair value of derivative transactions which is measured using closing prices at exchanges and others is categorized within Level 1. It is categorized within Level 2 if unobservable inputs are either not included or not significant in the valuation techniques. It is categorized within Level 3 if unobservable inputs are significant in the valuation techniques.

(Note 2) Information on the fair value of Level 3 financial instruments which are recorded at fair value on the consolidated balance sheet
(1) Reconciliation of beginning balances to ending balances, unrealized gains and losses recognized in profit or loss for the period
As of March 31, 2024

(Yen in millions)

	Beginning balance	Transfers to Level 3 fair value (*1, *2)	Transfers from Level 3 fair value (*1, *3)	Recorded in profit or loss for the period (*4)	Recorded in other comprehensive income (*5)	Net amount of purchases, sales, issues and settlements	Ending balance	Unrealized gains (losses) on financial assets and liabilities held at the end of the period, of the amount recorded in profit or loss for the period (*4)
Monetary receivables bought	**271,091**	**1,110**	**(52,765)**	**(11,911)**	**17,748**	**30,877**	**256,151**	**—**
Securities								
Trading securities	**10,935**	**1,210**	**(90)**	**1,379**	**976**	**174**	**14,585**	**1,879**
Available-for-sale securities	**151,139**	**9,118**	**(2,069)**	**9,524**	**11,669**	**(9,013)**	**170,368**	**—**
Loans	**20,274**	**—**	**—**	**(369)**	**1,394**	**(12,696)**	**8,603**	**(118)**
Derivative transactions (*6)	**(2,872)**	**—**	**7,750**	**12,410**	**381**	**3,487**	**21,157**	**6,926**

(*1) Transfers between levels are recognized at the beginning of the period.
(*2) The fair value were transferred from Level 2 to Level 3 because the inputs became unobservable.
(*3) The fair value were transferred from Level 3 to Level 2 because the inputs became observable.
(*4) The amounts are included in "Investment income" and "Investment expenses" on the consolidated statement of income.
(*5) The amounts are included in "Unrealized gains (losses) on available-for-sale securities" and "Foreign currency translation adjustments" in "Other comprehensive income" on the consolidated statement of comprehensive income.
(*6) Derivative transactions recorded in Other assets and Other liabilities are collectively presented. Net receivables and payables and Gains and losses arising from derivative transactions are presented on a net basis, and Net liability or Loss are shown in parentheses.
(*7) As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 9 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 9.

As of March 31, 2023

(Yen in millions)

	Beginning balance	Transfers to Level 3 fair value (*1, *2)	Transfers from Level 3 fair value (*1, *3)	Recorded in profit or loss for the period (*4)	Recorded in other comprehensive income (*5)	Net amount of purchases, sales, issues and settlements	Ending balance	Unrealized gains (losses) on financial assets and liabilities held at the end of the period, of the amount recorded in profit or loss for the period (*4)
Monetary receivables bought	196,733	14,139	(11,431)	(13,248)	17,933	66,965	271,091	—
Securities								
Trading securities	7,915	690	—	2,025	1,081	(1,365)	10,347	1,078
Available-for-sale securities (*6)	134,508	1,484	(2,387)	8,398	16,820	(7,097)	151,727	—
Loans	72,145	—	—	(5,685)	11,089	(57,276)	20,274	(1,678)
Derivative transactions (*7)	16,153	—	—	(14,800)	2,575	(6,800)	(2,872)	(14,741)

(*1) Transfers between levels are recognized at the beginning of the period.
(*2) The fair value were transferred from Level 2 to Level 3 because the inputs became unobservable.
(*3) The fair value were transferred from Level 3 to Level 2 because the inputs became observable.
(*4) The amounts are included in "Investment income" and "Investment expenses" on the consolidated statement of income.
(*5) The amounts are included in "Unrealized gains (losses) on available-for-sale securities" and "Foreign currency translation adjustments" in "Other comprehensive income" on the consolidated statement of comprehensive income.
(*6) The amount of investment trusts has been included from the beginning of the fiscal year due to the application of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).
(*7) Derivative transactions recorded in Other assets and Other liabilities are collectively presented. Net receivables and payables and Gains and losses arising from derivative transactions are presented on a net basis, and Net liability or Loss are shown in parentheses.

(2) Explanation of the fair value valuation process
The Group's policies and procedures of fair value measurement are established by a department which is independent of the trading departments.
In regard to the measured fair value and the categorized levels, the Group verifies the appropriateness of the valuation techniques and inputs used for the fair value measurement.
In measuring the fair value, the valuation models are appropriately selected by nature, characteristics and risks of each financial instrument.
When using the quoted market prices obtained from third parties, the prices are verified by appropriate methods such as confirming the valuation techniques and inputs, or comparing with the prices of similar financial instruments.

(Note 3) The amounts of securities without a market price, and investments in partnerships on the consolidated balance sheet

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Securities without a market price (*1)	**276,926**	241,530
Investments in partnerships (*2)	**237,741**	199,802
Total	**514,668**	441,333

Notes to Consolidated Financial Statements

(*1) Securities without a market price include unlisted stock and others. These are not subject to fair value disclosure in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).
(*2) Investments in partnerships are not subject to fair value disclosure in accordance with Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(Note 4) Maturity analysis of financial assets

As of March 31, 2024

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	130,141	13,585	—	—
Monetary receivables bought	5,228	69,120	552,920	1,921,252
Securities				
Bonds held to maturity				
Domestic government bonds	48,000	292,300	957,197	3,487,932
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	18,539	13,389	3,807	13,142
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,764,300
Domestic municipal bonds	—	—	—	2,600
Domestic corporate bonds	—	—	—	337,900
Available-for-sale securities with maturity				
Domestic government bonds	43,123	324,192	469,386	639,250
Domestic municipal bonds	16,815	22,755	852	6,690
Domestic corporate bonds	71,325	262,971	171,629	62,532
Foreign securities	193,067	843,668	834,738	2,399,123
Loans (*)	890,787	1,296,785	235,512	378,085
Total	1,417,029	3,138,767	3,226,044	11,171,408

(*) Loans with no repayment schedule (9,622 million yen) are not included above.

As of March 31, 2023

(Yen in millions)

	Within 1 year	Over 1 to 5 years	Over 5 to 10 years	Over 10 years
Cash and bank deposits	147,127	12,746	—	—
Monetary receivables bought	27,201	39,067	541,623	1,495,287
Securities				
Bonds held to maturity				
Domestic government bonds	13,000	308,800	711,097	3,765,532
Domestic municipal bonds	—	—	—	3,000
Domestic corporate bonds	—	—	—	155,600
Foreign securities	13,268	17,235	16,580	25,656
Bonds earmarked for underwriting reserves				
Domestic government bonds	—	—	—	1,764,300
Domestic municipal bonds	—	—	—	2,600
Domestic corporate bonds	—	—	—	330,400
Available-for-sale securities with maturity				
Domestic government bonds	43,245	258,049	516,569	755,922
Domestic municipal bonds	12,643	36,070	4,782	6,690
Domestic corporate bonds	36,185	282,237	189,695	65,889
Foreign securities	175,508	748,478	806,781	2,493,192
Loans (*)	688,543	1,260,786	277,462	249,712
Total	1,156,722	2,963,471	3,064,593	11,113,783

(*) Loans to borrowers that are insolvent or in bankruptcy proceedings and for which repayment cannot be expected (30 million yen), and loans with no repayment schedule (8,789 million yen) are not included above.

(Note 5) Maturity schedules for corporate bonds, long-term borrowings and lease obligations

As of March 31, 2024

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Corporate bonds	—	—	—	—	—	224,820
Long-term borrowings	42,549	48,222	—	67,369	808	28,556
Lease obligations	12,922	11,030	9,336	8,029	7,243	21,585
Total	55,471	59,252	9,336	75,398	8,051	274,962

As of March 31, 2023

(Yen in millions)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years
Corporate bonds	—	—	—	—	—	223,222
Long-term borrowings	—	39,810	78,293	—	63,032	103,622
Lease obligations	12,502	11,250	9,200	7,385	6,055	24,201
Total	12,502	51,060	87,493	7,385	69,088	351,046

Notes to Consolidated Financial Statements

Securities

1. Trading securities

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Unrealized gains (losses) included in income	**80,021**	(16,648)

2. Bonds held to maturity

(Yen in millions)

		As of March 31, 2024			As of March 31, 2023		
		Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Those with fair value exceeding the carrying amount	Domestic debt securities	**2,899,150**	**3,139,194**	**240,043**	2,984,059	3,397,534	413,474
	Foreign securities	**6,215**	**6,280**	**65**	37,038	38,110	1,071
	Subtotal	**2,905,366**	**3,145,475**	**240,108**	3,021,098	3,435,644	414,546
Those with fair value not exceeding the carrying amount	Domestic debt securities	**2,124,777**	**1,653,362**	**(471,415)**	2,059,095	1,747,368	(311,727)
	Foreign securities	**42,865**	**40,412**	**(2,453)**	36,093	35,122	(970)
	Subtotal	**2,167,642**	**1,693,774**	**(473,868)**	2,095,188	1,782,490	(312,697)
Total		**5,073,009**	**4,839,249**	**(233,759)**	5,116,287	5,218,135	101,848

3. Bonds earmarked for underwriting reserves

(Yen in millions)

		As of March 31, 2024			As of March 31, 2023		
		Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)	Carrying amount shown on balance sheet	Fair value	Unrealized gains (losses)
Those with fair value exceeding the carrying amount	Domestic debt securities	—	—	—	11,200	11,371	171
	Subtotal	—	—	—	11,200	11,371	171
Those with fair value not exceeding the carrying amount	Domestic debt securities	**2,111,832**	**1,533,237**	**(578,595)**	2,093,456	1,699,291	(394,164)
	Subtotal	**2,111,832**	**1,533,237**	**(578,595)**	2,093,456	1,699,291	(394,164)
Total		**2,111,832**	**1,533,237**	**(578,595)**	2,104,656	1,710,663	(393,993)

4. Available-for-sale securities

(Yen in millions)

		As of March 31, 2024			As of March 31, 2023		
		Fair value shown on balance sheet	Cost	Unrealized gains (losses)	Fair value shown on balance sheet	Cost	Unrealized gains (losses)
Those with fair value exceeding the cost	Domestic debt securities	**1,176,537**	**1,112,175**	**64,361**	1,485,564	1,366,670	118,894
	Domestic equity securities	**3,502,437**	**433,031**	**3,069,405**	2,361,225	448,616	1,912,609
	Foreign securities	**2,855,030**	**2,517,304**	**337,725**	1,709,688	1,575,763	133,924
	Others (Note 2)	**668,386**	**625,419**	**42,966**	250,854	218,965	31,889
	Subtotal	**8,202,391**	**4,687,932**	**3,514,459**	5,807,333	3,610,015	2,197,317
Those with fair value not exceeding the cost	Domestic debt securities	**947,025**	**1,003,626**	**(56,600)**	837,900	874,268	(36,367)
	Domestic equity securities	**2,729**	**3,378**	**(648)**	16,700	18,195	(1,494)
	Foreign securities	**2,770,286**	**3,074,969**	**(304,682)**	3,030,417	3,413,568	(383,150)
	Others (Note 3)	**1,651,251**	**1,784,455**	**(133,204)**	1,610,743	1,784,710	(173,966)
	Subtotal	**5,371,293**	**5,866,430**	**(495,136)**	5,495,761	6,090,741	(594,979)
Total		**13,573,685**	**10,554,362**	**3,019,323**	11,303,095	9,700,757	1,602,337

Note: 1. Available-for-sale securities without a market price, and investments in partnerships are not included in the table above.
2. "Others" includes items as follows:
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
As of March 31, 2024: fair value 661,769 million yen, cost 620,153 million yen, unrealized gains 41,616 million yen
As of March 31, 2023: fair value 248,258 million yen, cost 217,562 million yen, unrealized gains 30,695 million yen
3. "Others" includes items as follows:
- Negotiable certificates of deposit which are presented as Cash and bank deposits on the consolidated balance sheet
As of March 31, 2024: fair value 10,603 million yen, cost 10,604 million yen, unrealized losses (1) million yen
As of March 31, 2023: fair value 2,870 million yen, cost 2,875 million yen, unrealized losses (4) million yen
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
As of March 31, 2024: fair value 1,639,631 million yen, cost 1,772,822 million yen, unrealized losses (133,190) million yen
As of March 31, 2023: fair value 1,599,477 million yen, cost 1,772,894 million yen, unrealized losses (173,416) million yen

5. Bonds held to maturity that were sold

None.

6. Bonds earmarked for underwriting reserves that were sold

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)			FY2022 (April 1, 2022 – March 31, 2023)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	—	—	—	178,030	—	26,961
Total	—	—	—	178,030	—	26,961

7. Available-for-sale securities that were sold

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)			FY2022 (April 1, 2022 – March 31, 2023)		
	Sale proceeds	Gains on sale	Losses on sale	Sale proceeds	Gains on sale	Losses on sale
Domestic debt securities	**321,644**	**12,634**	**13,044**	863,570	64,219	7,271
Domestic equity securities	**219,698**	**189,104**	**506**	131,782	103,646	540
Foreign securities	**648,148**	**11,904**	**17,374**	544,849	10,686	20,310
Others	**257,171**	**866**	**2,898**	153,936	482	3,333
Total	**1,446,662**	**214,510**	**33,822**	1,694,138	179,036	31,456

Note: "Others" includes items as follows:
- Negotiable certificates of deposit which are presented as Cash and bank deposits on the consolidated balance sheet
Fiscal year 2023: proceeds 4,002 million yen
Fiscal year 2022: proceeds 3,599 million yen
- Foreign mortgage securities, etc. which are presented as Monetary receivables bought on the consolidated balance sheet
Fiscal year 2023: proceeds 253,169 million yen, gains 866 million yen, losses 2,898 million yen
Fiscal year 2022: proceeds 150,337 million yen, gains 482 million yen, losses 3,333 million yen

8. Securities on which impairment losses were recognized

Impairment losses were recognized as follows:
- Available-for-sale securities with fair value
Fiscal year 2023: 7,987 million yen (Domestic equity securities 193 million yen, Foreign securities 4,190 million yen, Others 3,603 million yen)
Fiscal year 2022: 14,276 million yen (Domestic equity securities 1,367 million yen, Foreign securities 5,213 million yen, Others 7,695 million yen)
- Available-for-sale securities without a market price, and investments in partnerships
Fiscal year 2023: 3,858 million yen (Domestic equity securities 1,727 million yen, Foreign securities 2,131 million yen)
Fiscal year 2022: 500 million yen (Domestic equity securities 26 million yen, Foreign securities 474 million yen)

Impairment loss on a security with fair value is, in principle, recognized when the fair value is below its cost by 30% or more.

9. As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. As IFRS 17 is applied retrospectively, the classification of securities has also been changed in accordance with IFRS 9. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

Money Trusts

1. Money trusts held for trading purposes

There are no applicable items for valuation differences included in profit and loss for the fiscal year 2022 and the fiscal year 2023.

2. Money trusts held to maturity

None.

3. Money trusts other than those held to maturity or those held for trading purposes

None.

Notes to Consolidated Financial Statements

Derivative Transactions

"Principal amount" as shown in the tables is the nominal contract amount or notional principal amount of derivative transactions. The amount itself does not represent the market or credit risk of such derivative transactions.

1. Derivative transactions to which hedge accounting is not applied

(1) Foreign currency-related instruments

(Yen in millions)

		As of March 31, 2024				As of March 31, 2023			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Currency futures								
	Short	3,075	—	—	—	2,511	—	—	—
	Long	—	—	—	—	1,112	—	—	—
Over-the-counter transactions	Foreign exchange forwards								
	Short	1,014,544	—	(19,459)	(19,459)	827,849	—	1,685	1,685
	Long	45,005	—	396	396	43,351	—	14	14
	Currency swaps								
	Pay foreign/Rec. yen	—	—	—	—	12,435	—	(2,557)	(2,557)
	Pay foreign/ Rec. foreign	63,143	63,143	9,690	9,690	52,226	52,226	2,025	2,025
Total		—	—	(9,371)	(9,371)	—	—	1,167	1,167

(2) Interest rate-related instruments

(Yen in millions)

		As of March 31, 2024				As of March 31, 2023			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Interest rate futures								
	Short	3,326	—	—	—	8,390	—	—	—
	Long	—	—	—	—	748	—	—	—
Over-the-counter transactions	Interest rate swaps								
	Rec. fix/Pay float	1,210,858	1,172,694	(46,606)	(46,606)	1,061,210	1,020,166	(20,894)	(20,894)
	Rec. float/Pay fix	954,553	905,310	39,252	39,252	1,018,853	986,625	14,306	14,306
	Rec. float/Pay float	4,110	4,110	(56)	(56)	4,398	4,398	(75)	(75)
	Rec. fix/Pay fix	133	133	1	1	237	237	5	5
	Interest rate swap options								
	Long	1,500	1,500			1,500	1,500		
		[25]	[25]	15	(9)	[25]	[25]	21	(4)
Total		—	—	(7,392)	(7,418)	—	—	(6,636)	(6,661)

Note: For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(3) Equity-related instruments

(Yen in millions)

		As of March 31, 2024				As of March 31, 2023			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Equity index futures								
	Short	2,788	—	(44)	(44)	5,127	—	(175)	(175)
	Long	482	—	16	16	663	—	—	—
Over-the-counter transactions	Equity index options								
	Short	226,171	—			209,309	—		
		[11,829]	[—]	20,964	(9,134)	[15,518]	[—]	6,974	8,543
	Long	304,887	—			282,417	—		
		[26,501]	[—]	42,940	16,439	[28,207]	[—]	13,043	(15,164)
Total		—	—	63,877	7,276	—	—	19,843	(6,795)

Note: For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(4) Bond-related instruments

(Yen in millions)

		As of March 31, 2024				As of March 31, 2023			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Bond futures								
	Short	993	—	(2)	(2)	—	—	—	—
	Long	14,465	—	6	6	12,423	—	233	233
Over-the-counter transactions	Bond over-the-counter options								
	Short	—	—			3,084	—		
		[—]	[—]	—	—	[23]	[—]	112	(89)
	Long	—	—			3,084	—		
		[—]	[—]	—	—	[28]	[—]	0	(28)
Total		—	—	3	3	—	—	346	115

Note: For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(5) Commodity-related instruments

(Yen in millions)

		As of March 31, 2024				As of March 31, 2023			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Market transactions	Commodity futures								
	Short	—	—	—	—	319	—	—	—
	Long	—	—	—	—	332	—	—	—
	Commodity futures options								
	Short	276,616	—			190,265	438		
		[15,865]	[—]	28,300	12,434	[10,338]	[39]	6,250	(4,088)
Total		—	—	28,300	12,434	—	—	6,250	(4,088)

Note: For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

(6) Others

(Yen in millions)

		As of March 31, 2024				As of March 31, 2023			
		Principal amount	Over 1 year	Fair value	Unrealized gains (losses)	Principal amount	Over 1 year	Fair value	Unrealized gains (losses)
Over-the-counter transactions	Natural catastrophe derivatives								
	Short	26,714	15,239			26,904	3,939		
		[1,522]	[984]	691	831	[1,937]	[289]	668	1,268
	Long	25,291	14,600			22,581	3,600		
		[1,055]	[460]	430	(625)	[1,086]	[110]	258	(827)
	Others								
	Short	317,408	—			152,480	—		
		[22,380]	[—]	40,473	(18,093)	[9,785]	[—]	6,132	3,653
	Long	18,288	—			7,686	—		
		[1,179]	[—]	2,083	903	[130]	[—]	464	333
Total		—	—	43,679	(16,983)	—	—	7,523	4,428

Note: For option contracts, the figures below the principal amount denoted with [ ] represent option premiums.

Notes to Consolidated Financial Statements

2. Derivative transactions to which hedge accounting is applied

(1) Foreign currency-related instruments

(Yen in millions)

		Hedged items	As of March 31, 2024 Principal amount	As of March 31, 2024 Over 1 year	As of March 31, 2024 Fair value	As of March 31, 2023 Principal amount	As of March 31, 2023 Over 1 year	As of March 31, 2023 Fair value
Deferred hedges	Foreign exchange forwards Short	Investment in subsidiaries	**364,523**	**—**	**(8,191)**	324,689	—	(4,502)
Fair value hedges	Foreign exchange forwards Short	Available-for-sale securities	**1,145,656**	**—**	**(27,821)**	972,069	—	(17,770)
	Currency swaps Pay foreign/Rec. yen	Available-for-sale securities	**9,934**	**5,184**	**(3,408)**	13,886	9,934	(2,306)
Assignment accounting	Currency swaps Pay foreign/Rec. yen	Bonds held to maturity	**12,316**	**12,316**	**(Note)**	12,316	12,316	(Note)
Total			**—**	**—**	**(39,421)**	—	—	(24,580)

Note: As the currency swaps to which assignment accounting is applied are accounted for as an integral part of Bonds held to maturity which are treated as hedged item, the fair value of the currency swaps is included in the fair value of the Bonds held to maturity.

(2) Interest rate-related instruments

(Yen in millions)

		Hedged items	As of March 31, 2024 Principal amount	As of March 31, 2024 Over 1 year	As of March 31, 2024 Fair value	As of March 31, 2023 Principal amount	As of March 31, 2023 Over 1 year	As of March 31, 2023 Fair value
Deferred hedges	Interest rate swaps Rec. fix/Pay float	Insurance liabilities	**105,482**	**85,482**	**(1,065)**	110,182	110,182	(77)
Total			**—**	**—**	**(1,065)**	—	—	(77)

Retirement Benefits

1. Outline of retirement benefit plans

The Company and some consolidated subsidiaries have defined benefit plans and defined contribution plans.

Tokio Marine & Nichido has an unfunded lump-sum payment retirement plan covering substantially all employees. The corporate pension plan is a defined benefit corporate pension plan and a defined contribution pension plan. The benefits of the corporate pension plan and lump-sum payment retirement plan are based on the points which each employee acquired through service.

Additionally, some domestic consolidated subsidiaries have an employee retirement trust.

2. Defined benefit plan

(1) Changes in retirement benefit obligations

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Beginning balance	**502,983**	529,706
Service costs	**16,364**	17,863
Interest costs	**7,356**	4,778
Actuarial (gains) losses arising in current year	**(39,838)**	(26,755)
Benefit payments	**(24,180)**	(25,235)
Past service costs (credits) arising in current year	**–**	0
Others	**2,102**	2,626
Ending balance	**464,788**	502,983

Note: The Company and some consolidated subsidiaries use the simplified method in calculation of retirement benefit obligations.

(2) Changes in plan assets

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Beginning balance	**251,416**	275,126
Expected return on plan assets	**3,113**	2,209
Actuarial gains (losses) arising in current year	**(22,310)**	(26,647)
Employer contribution	**10,170**	10,423
Benefit payments	**(10,471)**	(10,247)
Others	**1,151**	552
Ending balance	**233,069**	251,416

(3) Reconciliation of retirement benefit obligations and plan assets with net defined benefit liabilities and assets

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Funded retirement benefit obligations	**264,682**	283,920
Plan assets	**(233,069)**	(251,416)
	31,612	32,503
Unfunded retirement benefit obligations	**200,105**	219,063
Asset ceiling adjustments	**147**	153
Net liabilities recognized on the balance sheet	**231,866**	251,720
Net defined benefit liabilities	**236,623**	255,437
Net defined benefit assets	**(4,757)**	(3,717)
Net liabilities recognized on the balance sheet	**231,866**	251,720

Note: "Asset ceiling adjustments" represents adjustments to reflect certain limits on the recording of net defined benefit assets at overseas consolidated subsidiaries applying the accounting standard "Employee Benefits" (IAS 19).

Notes to Consolidated Financial Statements

(4) Retirement benefit expenses

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Service costs	**16,364**	17,863
Interest costs	**7,356**	4,778
Expected return on plan assets	**(3,113)**	(2,209)
Amortization of actuarial losses (gains)	**3,041**	1,911
Amortization of past service costs (credits)	**(1,280)**	(1,275)
Others	**(21)**	31
Retirement benefit expenses	**22,347**	21,098

(5) Remeasurements of defined benefit plans included in Other comprehensive income

Remeasurements of defined benefit plans (before tax effect) consist of the following:

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Past service costs	**(1,280)**	(1,275)
Actuarial differences	**20,607**	1,976
Others	**(14)**	82
Total	**19,312**	783

(6) Remeasurements of defined benefit plans included in Accumulated other comprehensive income

Remeasurements of defined benefit plans (before tax effect) consist of the following:

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
Unrecognized past service costs (credits)	**(11,524)**	(12,805)
Unrecognized net actuarial losses (gains)	**12,208**	32,802
Total	**684**	19,996

(7) Plan assets

a. Components of plan assets

Percentages by major categories of plan assets are as follows:

(%)

	As of March 31, 2024	As of March 31, 2023
Debt securities	**83**	86
Equity securities	**1**	1
Cash and bank deposits	**2**	2
Life insurance company general accounts	**6**	5
Others	**8**	6
Total	**100**	100

Note: The retirement benefit trusts established for the corporate pension plan and the lump-sum payment retirement plan account for 2% of total plan assets as of March 31, 2024, and 2% of total plan assets as of March 31, 2023.

b. Calculation of long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined through consideration of present and expected allocation of plan assets and long-term expected rate of returns on the various types of assets in plan assets.

(8) Actuarial assumptions

Principal actuarial assumptions are as follows:

(%)

	As of March 31, 2024	As of March 31, 2023
Discount rate	**0.2–1.9**	0.2–1.5
Long-term expected rate of return on plan assets	**1.1–1.4**	0.7–1.4

3. Defined contribution pension plans

The contributions of the Company and its consolidated subsidiaries to the defined contribution pension plan are as follows:

(Yen in millions)

FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
14,630	12,463

Investment Property

1. Some consolidated subsidiaries own office buildings and land mainly in Tokyo, Osaka and Nagoya, of which some properties are leased. The carrying amount shown on the consolidated balance sheet, its change during the year and the fair value at the end of the fiscal year of these investment properties are as follows:

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Carrying amount shown on the consolidated balance sheet		
Beginning balance	**84,954**	86,795
Change during the year	**12,876**	(1,840)
Ending balance	**97,830**	84,954
Fair value at the end of the fiscal year	**165,544**	148,785

Note: 1. Carrying amount shown on the consolidated balance sheet is the acquisition cost after the deduction of accumulated depreciation and accumulated impairment losses.
2. For the fiscal year 2023, the increase is mainly due to the acquisition of real estate properties of 17,776 million yen and the decrease is mainly due to the sale of real estate properties of 7,524 million yen. For the fiscal year 2022, the increase is mainly due to the acquisition of real estate properties of 8,285 million yen and renovation work of 3,259 million yen, and the decrease is mainly due to the sale of real estate properties of 14,926 million yen.
3. Fair value at the end of the fiscal year is primarily based on appraisals by qualified independent valuers.

2. Income and expenses related to investment property are as follows:

(Yen in millions)

	FY2023 (April 1, 2023 – March 31, 2024)	FY2022 (April 1, 2022 – March 31, 2023)
Rental income	**10,104**	6,654
Direct operating expenses	**6,502**	8,470
Net amount	**3,601**	(1,815)
Others (Gains and losses on disposal by sales, etc.)	**355**	6,379

Note: Rental income is included in Interest and dividends. Direct operating expenses such as depreciation, repairs and maintenance, insurance costs, and taxes are included in Operating and general administrative expenses. Others, such as gains and losses on disposal by sales and impairment losses, is included in Extraordinary gains or Extraordinary losses.

Notes to Consolidated Financial Statements

Stock Options

1. Expenses related to stock options on the consolidated statement of income
Not applicable.

2. Details of stock options
(1) Details of stock options

	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)
Title and number of grantees (Note 1)	Directors of the Company: 12 Executive officers of the Company: 13 Directors of the Company's consolidated subsidiaries: 17 Executive officers of the Company's consolidated subsidiaries: 52	Directors of the Company: 13 Executive officers of the Company: 17 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 49	Directors of the Company: 13 Executive officers of the Company: 12 Directors of the Company's consolidated subsidiaries: 15 Executive officers of the Company's consolidated subsidiaries: 51
Number of stock options (Note 2)	Common stock: 480,300 shares	Common stock: 481,200 shares	Common stock: 479,700 shares
Grant date	July 9, 2019	July 10, 2018	July 11, 2017
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 10, 2019 to June 30, 2020	From July 11, 2018 to June 30, 2019	From July 12, 2017 to June 30, 2018
Exercise period (Note 4)	From July 10, 2019 to July 9, 2049	From July 11, 2018 to July 10, 2048	From July 12, 2017 to July 11, 2047

	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)
Title and number of grantees (Note 1)	Directors of the Company: 11 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 51	Directors of the Company: 10 Executive officers of the Company: 8 Directors of the Company's consolidated subsidiaries: 14 Executive officers of the Company's consolidated subsidiaries: 46	Directors of the Company: 10 Executive officers of the Company: 6 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 34
Number of stock options (Note 2)	Common stock: 535,200 shares	Common stock: 480,000 shares	Common stock: 581,400 shares
Grant date	July 12, 2016	July 14, 2015	July 8, 2014
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 13, 2016 to June 30, 2017	From July 15, 2015 to June 30, 2016	From July 9, 2014 to June 30, 2015
Exercise period (Note 4)	From July 13, 2016 to July 12, 2046	From July 15, 2015 to July 14, 2045	From July 9, 2014 to July 8, 2044

	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Title and number of grantees (Note 1)	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 23 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 10 Executive officers of the Company: 4 Directors of the Company's consolidated subsidiaries: 24 Executive officers of the Company's consolidated subsidiaries: 30	Directors of the Company: 11 Executive officers of the Company: 7 Directors of the Company's consolidated subsidiaries: 22 Executive officers of the Company's consolidated subsidiaries: 31
Number of stock options (Note 2)	Common stock: 606,300 shares	Common stock: 787,500 shares	Common stock: 666,300 shares
Grant date	July 9, 2013	July 10, 2012	July 12, 2011
Vesting conditions	(Note 3)	(Note 3)	(Note 3)
Requisite service period	From July 10, 2013 to June 30, 2014	From July 11, 2012 to June 30, 2013	From July 13, 2011 to June 30, 2012
Exercise period (Note 4)	From July 10, 2013 to July 9, 2043	From July 11, 2012 to July 10, 2042	From July 13, 2011 to July 12, 2041

Note: 1. The number of directors of the Company's consolidated subsidiaries and executive officers of the Company's consolidated subsidiaries exclude those concurrently serving as directors of the Company and executive officers of the Company.
2. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. The number of stock options is converted into the numbers of equivalent shares and presented on an after-stock split basis.
3. Stock options are vested on the grant date. If directors or executive officers of the Company or the Company's subsidiaries retire or resign from their position before the end of service period, the number of exercisable stock options is calculated by the following formula:
Exercisable stock options = Stock options allotted × Months of service from July in the fiscal year of grant to the month of retirement / 12
Remaining stock options expire after the retirement date, and cannot be exercised after that date.
4. Stock options can only be exercised within ten days from the day following the retirement or resignation from the position of directors, executive officers, or Audit & Supervisory Board Members of the Company or the Company's consolidated subsidiaries.

(2) Figures relating to stock options
The number of stock options that existed in the fiscal year 2023 is converted into the number of equivalent shares and listed.
(a) Number of stock options

	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)	Stock options (July 2014)
Stock options before vesting (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding at the end of the year	—	—	—	—	—	—
Exercisable stock options (converted into the number of equivalent shares)						
Outstanding at the beginning of the year	3,000	3,300	3,900	2,700	2,400	2,400
Vested	—	—	—	—	—	—
Exercised	—	—	—	—	—	—
Forfeited (Note)	—	—	—	—	—	—
Outstanding at the end of the year	3,000	3,300	3,900	2,700	2,400	2,400

	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Stock options before vesting (converted into the number of equivalent shares)			
Outstanding at the beginning of the year	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Outstanding at the end of the year	—	—	—
Exercisable stock options (converted into the number of equivalent shares)			
Outstanding at the beginning of the year	3,000	5,100	1,800
Vested	—	—	—
Exercised	—	—	—
Forfeited (Note)	—	—	—
Outstanding at the end of the year	3,000	5,100	1,800

Note: The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. The above numbers of shares are presented on an after-stock split basis.

Notes to Consolidated Financial Statements

(b) Price information

(Yen)

	Stock options (July 2019)	Stock options (July 2018)	Stock options (July 2017)	Stock options (July 2016)	Stock options (July 2015)
Exercise price (Note)	300	300	300	300	300
Average share price at exercise	—	—	—	—	—
Fair value on the grant date	523,700	500,700	455,100	337,700	500,800

	Stock options (July 2014)	Stock options (July 2013)	Stock options (July 2012)	Stock options (July 2011)
Exercise price (Note)	300	300	300	300
Average share price at exercise	—	—	—	—
Fair value on the grant date	310,800	332,600	181,900	219,500

Note: 1. Exercise price per one stock option
2. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. The above exercise prices are presented on an after-stock split basis.

3. Valuation technique used for the estimated fair value of stock options

There were no stock options granted during the fiscal year 2023.

4. Estimate of vested number of stock options

Not applicable, as all rights have vested.

Per Share Information

(Yen)

	Fiscal year 2023 (April 1, 2023 to March 31, 2024)	Fiscal year 2022 (April 1, 2022 to March 31, 2023)
Net assets per share	**2,623.94**	1,800.13
Net income per share - Basic	**351.59**	186.42
Net income per share - Diluted	**351.59**	186.41

Note: 1. Calculations of "Net income per share - Basic" and "Net income per share - Diluted" are based on the following figures.

	Fiscal year 2023 (April 1, 2023 to March 31, 2024)	Fiscal year 2022 (April 1, 2022 to March 31, 2023)
Net income per share - Basic		
Net income attributable to owners of the parent (Yen in millions)	**695,808**	374,605
Amount not attributable to common shareholders (Yen in millions)	**—**	—
Net income attributable to owners of the parent related to common stock (Yen in millions)	**695,808**	374,605
Average number of shares outstanding (In thousand shares)	**1,978,993**	2,009,454
Net income per share - Diluted		
Adjustment of net income attributable to owners of the parent (Yen in millions)	**—**	—
Increased number of common stock (In thousand shares)	**27**	27
Increased number of stock acquisition rights (In thousand shares)	**27**	27

2. In the calculation of "Net income per share - Basic" and "Net income per share - Diluted", the Company shares outstanding in Board Incentive Plan Trust which are recognized as Treasury stock in Shareholders' equity are included in treasury stock deducted from Average number of shares outstanding (fiscal year 2023: 1,870 thousand shares, fiscal year 2022: 2,212 thousand shares). In addition, in the calculation of "Net assets per share", such shares are included in treasury stock deducted from the number of total shares outstanding (fiscal year 2023: 1,713 thousand shares, fiscal year 2022: 2,117 thousand shares).
3. The Company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2022. "Net assets per share", "Net income per share - Basic" and "Net income per share - Diluted" are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.
4. As described in "Additional Information", Consolidated overseas subsidiaries that apply IFRS have started to adopt IFRS 17 from the beginning of the fiscal year 2023. The figures of comparative prior fiscal year are adjusted retrospectively in accordance with IFRS 17.

Subsequent Events

On May 20, 2024 the Company's Board of Directors resolved repurchases of its own shares, pursuant to Article 156 of the Companies Act which is applicable in accordance with Article 165, Paragraph 3 of the Companies Act, as detailed below.

1. Reason for the repurchase of shares
   The Company intends to repurchase its own shares in order to implement flexible financial policies.
2. Class of shares to be repurchased
   Common stock of the Company
3. Aggregate number of shares to be repurchased
   Up to 60,000,000 shares
4. Aggregate purchase price of shares
   Up to 100 billion yen
5. Period in which repurchases may be made
   From May 21, 2024 through November 15, 2024

Supplementary Schedule

(Schedule of corporate bonds)

Issuer	Series	Issue date	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Coupon (%)	Collateral	Maturity date
Tokio Marine & Nichido Fire Insurance Co., Ltd.	First series of domestic subordinated unsecured bonds with interest deferral option and early redemption option	Dec. 24, 2019	200,000	200,000	0.96	N/A	Dec. 24, 2079
Delphi Financial Group, Inc.	Subordinated Bond in USD	May 23, 2007	22,811 (USD 171,902 thousand)	24,404 (USD 172,071 thousand)	7.80–8.83	N/A	May 1, 2067
Total		—	222,811	224,404	—	—	—

Note: 1. The figures denoted with ( ) in the columns for beginning balance and ending balance are the amounts denominated in foreign currency.
2. There is no redemption schedule within five years after the consolidated closing date.

(Schedule of borrowings)

	Beginning balance (Yen in millions)	Ending balance (Yen in millions)	Average interest rate (%)	Maturity date
Short-term borrowings	30,521	36,166	6.4	—
Long-term borrowings to be repaid within 1 year	—	42,537	6.4	—
Lease obligations to be repaid within 1 year	12,180	12,583	3.3	—
Long-term borrowings other than those to be repaid within 1 year	278,379	108,095	5.4	Mar. 31, 2025 to May. 15, 2053
Lease obligations other than those to be repaid within 1 year	52,675	49,856	2.5	Jan. 1, 2025 to Aug. 31, 2042
Total	373,756	249,239	—	—

Note: 1. Average interest rate is calculated based on the interest rate as of the end of the fiscal year and the outstanding principal amount.
2. The above amount is included in Other liabilities in the consolidated balance sheet.
3. Repayment schedule of long-term borrowings and lease obligations to be repaid within 5 years (excluding the amount to be repaid within 1 year) after the closing date is as follows:

(Yen in millions)

	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years
Long-term borrowings	48,222	—	67,369	808
Lease obligations	11,030	9,336	8,029	7,243

(Schedule of asset retirement obligations)

Detailed information is omitted due to its immateriality.

Solvency Margin Ratio

Sufficiency of solvency of insurance holding company and its subsidiaries, etc. to fulfill payment obligations such as insurance claims

Tokio Marine Holdings' solvency margin ratio (consolidated)

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**6,485,705**	4,947,004
Shareholders' equity less adjusting items	**1,512,678**	1,150,128
Reserve for price fluctuation	**140,250**	132,394
Contingency reserve	**67,987**	64,711
Catastrophe loss reserve	**1,102,821**	1,136,120
General allowance for doubtful accounts	**3,189**	3,505
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**2,492,409**	1,248,244
Unrealized gains (losses) on land	**297,628**	286,856
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	**(276)**	(20,010)
Excess of premium reserve, etc.	**282,313**	287,390
Subordinated debt, etc.	**200,000**	300,000
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	**—**	—
Unrealized gains (losses) on insurance liability of overseas subsidiaries	**(662)**	—
Total margin of Small Amount and Short Term Insurers	**1,021**	783
Deductions	**153,733**	156,141
Others	**540,076**	513,019
(B) Total amount of risks $\sqrt{(\sqrt{R_1^2+R_2^2}+R_3+R_4)^2+(R_5+R_6+R_7)^2}+R_8+R_9$	**1,986,901**	1,576,526
General insurance risk on non-life insurance contracts (R_1)	**526,363**	486,054
Life insurance risk (R_2)	**40,824**	39,691
Third sector insurance risk (R_3)	**75,961**	66,602
Insurance risk of Small Amount and Short Term Insurers (R_4)	**10**	10
Assumed interest rate risk (R_5)	**18,165**	19,663
Minimum guarantee risk on life insurance contracts (R_6)	**2,064**	2,188
Asset management risk (R_7)	**1,337,914**	976,083
Business administration risk (R_8)	**49,055**	39,711
Catastrophe risk on non-life insurance contracts (R_9)	**451,483**	395,276
(C) Solvency margin ratio on a consolidated basis [(A)/{(B) × 1/2}] ×100	**652.8%**	627.5%

Note: "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 issued by the Financial Services Agency in 2011.

Solvency margin ratio (consolidated)

1. Most subsidiaries in Tokio Marine Group engage in non-life insurance business, life insurance business and Small Amount and Short Term insurance business. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance groups to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, or a significant decline in value of assets held by insurance groups.

2. (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance company groups in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates) which is calculated in accordance with the Insurance Business Act.

3. "Risks that exceed normal estimates" is composed of risks described below.
   (1) General insurance risk on non-life insurance contracts, life insurance risk, third sector insurance risk and insurance risk of Small Amount and Short Term Insurers: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk on non-life insurance contracts.
   (2) Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
   (3) Minimum guarantee risk on life insurance contracts: risk that value of assets related to the minimum guarantee for benefits of insurance contracts, which are managed as a separate account, fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
   (4) Asset management risk: risk that the prices of retained securities and other assets fluctuate in excess of normal estimates.
   (5) Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
   (6) Catastrophe risk on non-life insurance contracts: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan Typhoon or overseas major catastrophe occurs.

4. Subsidiaries that were excluded from the scope of consolidation in preparation of the consolidated financial statements due to immateriality were included within the calculation of the consolidated solvency margin ratio.

5. Solvency of insurance company groups in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. price fluctuation reserve, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land, etc.

6. Solvency margin ratio on a consolidated basis is one of the objective indicators used by the regulatory authority to supervise corporate groups headed by an insurance holdings company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

Sufficiency of solvency of major domestic subsidiaries to fulfill payment obligations such as insurance claims

Solvency margin ratio (non-consolidated) for Tokio Marine & Nichido Fire Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**6,454,659**	5,287,626
Shareholders' equity less adjusting items	**1,517,899**	1,421,939
Reserve for price fluctuation	**114,165**	108,000
Contingency reserve	**12,279**	9,578
Catastrophe loss reserve	**1,050,430**	1,081,242
General allowance for doubtful accounts	**217**	202
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**2,823,534**	1,772,797
Unrealized gains (losses) on land	**265,617**	260,134
Excess of policyholders' contract deposits	**—**	—
Subordinated debt, etc.	**200,000**	200,000
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	**—**	—
Deductions	**590**	590
Others	**471,104**	434,321
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**1,494,546**	1,231,234
General insurance risk (R_1)	**214,282**	208,993
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**12,325**	13,762
Asset management risk (R_4)	**1,264,820**	1,023,509
Business administration risk (R_5)	**33,156**	27,831
Catastrophe risk (R_6)	**166,391**	145,286
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**863.7%**	858.9%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency Margin Ratio

Solvency margin ratio (non-consolidated)

1. In addition to reserves to cover claim payments, payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover risks that exceed normal estimates, e.g. occurrences of a major catastrophe, a significant decline in value of assets held by insurance companies.

2. (C) Solvency margin ratio is the ratio of (A) Total amount of solvency margin (i.e. solvency of insurance companies in terms of their capital, reserves, etc.) to (B) Total amount of risks (i.e. risks that exceed normal estimates), which is calculated in accordance with the Insurance Business Act.

3. "Risks that exceed normal estimates" is composed of risks described below.
   (1) (General) insurance risk, third sector insurance risk: risk that insurance claims occur in excess of normal estimates excluding catastrophe risk.
   (2) Assumed interest rate risk: risk that invested assets fail to yield assumed interest rates due to factors such as downturn of investment conditions.
   (3) Minimum guarantee risk: risk that value of assets related to the minimum guarantee for benefits of insurance contracts, which are managed as a separate account, fluctuates in excess of normal estimates and falls below the minimum guaranteed benefits when they are to be paid.
   (4) Asset management risk: risk that prices of retained securities and other assets fluctuate in excess of normal estimates.
   (5) Business administration risk: risk that occurs in excess of normal estimates and does not fall under other categories.
   (6) Catastrophe risk: risk that a major catastrophe in excess of normal estimates which is equivalent to the Great Kanto Earthquake or Isewan typhoon occurs.

4. Solvency of insurance companies in terms of their capital, reserves, etc. ((A) Total amount of solvency margin) is the total amount of net assets excluding planned outflows, certain reserves (e.g. reserve for price fluctuation, contingency reserve, catastrophe loss reserve, etc.) and part of unrealized gains (losses) on land, etc.

5. Solvency margin ratio is one of the objective indicators used by the regulators to supervise insurance companies. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

Solvency margin ratio (non-consolidated) for Nisshin Fire & Marine Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**121,134**	133,868
Shareholders' equity less adjusting items	**46,071**	60,574
Reserve for price fluctuation	**5,648**	5,048
Contingency reserve	**27**	—
Catastrophe loss reserve	**51,518**	53,926
General allowance for doubtful accounts	**12**	20
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**4,209**	4,009
Unrealized gains (losses) on land	**3,526**	2,461
Excess of policyholders' contract deposits	**—**	—
Subordinated debt, etc.	**—**	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	**—**	—
Deductions	**—**	—
Others	**10,119**	7,826
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**22,865**	22,542
General insurance risk (R_1)	**14,483**	14,448
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**569**	639
Asset management risk (R_4)	**5,966**	5,972
Business administration risk (R_5)	**548**	543
Catastrophe risk (R_6)	**6,426**	6,110
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**1,059.5%**	1,187.6%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for E. design Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**14,548**	12,988
Shareholders' equity less adjusting items	**13,675**	12,037
Reserve for price fluctuation	**—**	—
Contingency reserve	**—**	—
Catastrophe loss reserve	**872**	950
General allowance for doubtful accounts	**—**	0
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Excess of policyholders' contract deposits	**—**	—
Subordinated debt, etc.	**—**	—
Amounts within "Excess of policyholders' contract deposits" and "Subordinated debt, etc." not calculated into the margin	**—**	—
Deductions	**—**	—
Others	**—**	—
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	**4,259**	4,666
General insurance risk (R_1)	**3,808**	4,205
Third sector insurance risk (R_2)	**—**	—
Assumed interest rate risk (R_3)	**—**	—
Asset management risk (R_4)	**359**	359
Business administration risk (R_5)	**134**	145
Catastrophe risk (R_6)	**300**	300
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**683.1%**	556.6%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency Margin Ratio

Solvency margin ratio (non-consolidated) for Tokio Marine & Nichido Life Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**531,822**	555,469
Shareholders' equity less adjusting items	**140,528**	126,960
Reserve for price fluctuation	**20,436**	19,346
Contingency reserve	**55,680**	55,133
General allowance for doubtful accounts	**397**	325
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions × 90%	**(3,849)**	17,118
Unrealized gains (losses) on land × 85%	**—**	—
Excess of continued Zillmerized reserve	**282,313**	287,390
Subordinated debt, etc.	**—**	100,000
Amounts within "Excess of continued Zillmerized reserve" and "Subordinated debt, etc." not calculated into the margin	**(22,537)**	(121,675)
Deductions	**—**	—
Others	**58,852**	70,870
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	**111,583**	106,044
Insurance risk (R_1)	**16,518**	16,734
Third sector insurance risk (R_8)	**7,101**	7,011
Assumed interest rate risk (R_2)	**5,271**	5,261
Minimum guarantee risk (R_7)	**2,064**	2,188
Asset management risk (R_3)	**99,057**	93,344
Business administration risk (R_4)	**2,600**	2,490
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**953.2%**	1,047.6%

Note: "Solvency margin ratio" is calculated in accordance with Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and with Ministry of Finance Official Notification No. 50 issued in 1996.

Solvency margin ratio (non-consolidated) for Tokio Marine Millea SAST Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**1,879**	1,759
Total net assets excluding deferred assets, etc.	**1,695**	1,609
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**11**	10
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders excluding dividends for following period	**—**	—
Future profit	**—**	—
Tax effect	**172**	140
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**103**	105
Insurance risk	**30**	31
General insurance risk (R_1)	**5**	5
Catastrophe risk (R_4)	**25**	26
Asset management risk (R_2)	**76**	77
Business administration risk (R_3)	**2**	2
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**3,619.4%**	3,329.6%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Solvency margin ratio (non-consolidated) for Tokio Marine West SAST Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**3,271**	2,545
Total net assets excluding deferred assets, etc.	**2,434**	1,911
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**9**	8
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders excluding dividends for following period	**—**	—
Future profit	**—**	—
Tax effect	**827**	625
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**104**	102
Insurance risk	**26**	27
General insurance risk (R_1)	**4**	4
Catastrophe risk (R_4)	**21**	22
Asset management risk (R_2)	**80**	77
Business administration risk (R_3)	**2**	2
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**6,283.8%**	4,986.5%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Solvency margin ratio (non-consolidated) for Tokio Marine X SAST Insurance Co., Ltd.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2023
(A) Total amount of solvency margin	**375**	486
Total net assets excluding deferred assets, etc.	**374**	486
Reserve for price fluctuation	**—**	—
Catastrophe loss reserve	**0**	0
General allowance for doubtful accounts	**—**	—
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	**—**	—
Unrealized gains (losses) on land	**—**	—
Part of reserve for dividends to policyholders excluding dividends for following period	**—**	—
Future profit	**—**	—
Tax effect	**—**	—
Subordinated debt, etc.	**—**	—
Deductions	**—**	—
(B) Total amount of risks $\sqrt{R_1^2+R_2^2}+R_3+R_4$	**13**	4
Insurance risk	**2**	0
General insurance risk (R_1)	**0**	0
Catastrophe risk (R_4)	**2**	—
Asset management risk (R_2)	**9**	4
Business administration risk (R_3)	**0**	0
(C) Solvency margin ratio [(A)/{(B) × 1/2}] × 100	**5,770.7%**	20,928.3%

Note: The above figures are calculated in accordance with Article 211-59 and 211-60 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 14 issued by the Financial Services Agency in 2006.

Market Consistent Embedded Value (MCEV)
Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL)

About MCEV

The current Japanese financial accounting standards focus on conservativeness and have the limitation that the profits generated from life insurance business are generally undervalued shortly after underwriting contracts in terms of the valuation and assessment of performance of life insurance business.

Embedded values (EV) are calculated as the total of the "adjusted net worth" and the "value of in-force." EV is designed to address the limitations of the financial accounting standards in order to facilitate an appropriate evaluation of value and improve performance assessment, considering the actual situation of the business performance.

While there have been various methodologies for calculation of EV, the European Insurance CFO Forum released its MCEV Principles, the European Insurance CFO Forum Market Consistent Embedded Value Principles, in June 2008, to enhance the consistency of valuation standards and unify the standards for disclosures. TMNL has been disclosing its EV in compliance with the MCEV Principles to enhance the disclosure since the fiscal year ended March 31, 2015.

MCEV as of March 31, 2024

1. MCEV as of March 31, 2024

MCEV of TMNL as of March 31, 2024, was 1,273.9 billion yen, a increase of 74.6 billion yen from the previous fiscal year end (March 31, 2023). MCEV consisted of (340.1) billion yen of adjusted net worth and 1,614.1 billion yen of value of in-force.

(Billions of yen)

	FY2023	FY2022	FY2021
Adjusted net worth	**(340.1)**	48.7	542.1
Value of in-force	**1,614.1**	1,150.6	667.9
MCEV at fiscal year-end	**1,273.9**	1,199.3	1,210.0
New business value	**64.8**	75.0	69.4

2. Change in MCEV

During FY2023, the change in MCEV (before dividends paid) was 103 billion yen, which was an increase of 26.5 billion yen from the previous fiscal year change in MCEV (FY2022). The main factors for the increase were "New business value" and "Economic variances."(For details on the changes, refer to "Reconciliation Analysis of MCEV from the End of FY2022.")

(Billions of yen)

	FY2023	FY2022
Change in MCEV (Before dividends paid)	**103.0**	76.5
(Reference) Change in MCEV (Before dividends paid and excluding economic variances)	**70.7**	86.7

Market Consistent Embedded Value (MCEV)
Embedded Value for Tokio Marine & Nichido Life Insurance Co., Ltd. (TMNL)

Reconciliation Analysis of MCEV from the End of FY 2022

The table below shows the reconciliation analysis of MCEV as of March 31, 2024 with the MCEV as of March 31, 2023.

(Billions of yen)

	MCEV
Opening MCEV (MCEV as of March 31, 2023)	1,199.3
(1) Dividends paid	(28.4)
Adjusted opening MCEV	1,170.9
(2) New business value	64.8
(3) Expected existing business contribution (risk-free rate)	18.4
(4) Expected existing business contribution (in excess of risk-free rate)	7.9
(5) Actuarial experience variances	(19.9)
(6) Actuarial assumption changes	(1.3)
(7) Other operating variances	0.8
(8) Operating MCEV earnings ((2)–(7))	70.7
(9) Economic variances	32.2
(10) Other non-operating variances	—
Total MCEV earnings (before dividends paid)	103.0
Closing MCEV (MCEV as of March 31, 2024)	1,273.9

Sensitivity Analysis

The impacts of changing specified assumptions underlying the MCEV are as follows.

(Billions of yen)

Assumption	Change in assumption	MCEV	Change in amount	Rate of change
Base case: MCEV as of March 31, 2024	No change	1,273.9	—	—
(1) Interest rates	50bp decrease	1,276.2	2.2	0.2%
	50bp increase	1,220.8	(53.1)	(4.2%)
	Swap	1,077.1	(196.8)	(15.4%)
	Ultimate fwd rate	1,345.9	71.9	5.7%
(2) Stock/real estate market values	10% decrease	1,271.5	(2.4)	(0.2%)
(3) Stock/real estate implied volatility	25% increase	1,267.6	(6.3)	(0.5%)
(4) Interest swaption implied volatility	25% increase	1,202.3	(71.6)	(5.6%)
(5) Maintenance expenses	10% decrease	1,315.7	41.7	3.3%
(6) Surrender and lapse rates	×0.9	1,298.8	24.8	2.0%
(7) Mortality rates	Death protection products: ×0.95	1,296.2	22.2	1.7%
	A&H products and annuity products: ×0.95	1,264.3	(9.6)	(0.8%)
(8) Morbidity rates	×0.95	1,337.2	63.2	5.0%
(9) Required capital	Solvency margin ratio of 200%	1,273.9	—	—
(10) Foreign exchange rates	10% appreciation of JPY	1,276.2	2.2	0.2%

Assumptions

1. Risk-Free Rates

We have used government bond yields as of the end of March 2024.

The Company has made sets to the method of 1-year forward rate of government bonds in the 41st year and thereafter, assuming that adjustments were carried out based on the past yield fluctuations in the 40-year spot rate.We have adjusted and used Bloomberg's government bond yields as our data source.The government bond yields (spot rates) for key terms are shown below.

JPY

Term	End of March 2024	End of March 2023
1 year	**0.04%**	(0.10%)
5 years	**0.35%**	0.10%
10 years	**0.75%**	0.45%
20 years	**1.54%**	1.09%
30 years	**1.86%**	1.35%
40 years	**1.97%**	1.36%
50 years	**2.04%**	1.43%

The sensitivity analysis in P.208 presented the impact of changing the extrapolation of JPY-interest rates beyond the 40th year to use an ultimate forward rate (UFR) method. This UFR method entails setting the JPY ultimate forward rate to 3.8%, extrapolating rates from year 30,and applying the Smith-Wilson method so that forward rates from the 31st year onwards approach to the UFR in 30 years. This method was established with reference to the global Insurance Capital Standard (ICS) currently in development by the International Association of Insurance Supervisors (IAIS). Representative JPY interest rates are as follows:

JPY

Term	End of March 2024
1 year	**0.04%**
5 years	**0.35%**
10 years	**0.75%**
20 years	**1.54%**
30 years	**1.86%**
40 years	**2.18%**
50 years	**2.49%**

We have not included a liquidity premium in the risk-free rates given that definitions in the MCEV Principles are not clear and generally accepted practice has not yet been established. Negative interest rates are not floored at zero.

2. Insurance Assumptions

Assumptions	Basis of assumptions
Mortality and morbidity rates	Mortality and morbidity rates are developed based on claims experience of the latest 1–3 years, in principle, by type of protection, policy year, attained age, and other attributes. For A&H morbidity rates, temporary impacts due to the spread of COVID-19 are excluded.
Surrender and lapse rates	Surrender and lapse rates are developed based on the experience of the most recent year, in principle, by line of business, premium mode, and policy year.
Renewal rates	Renewal rates are developed based on past experience. Policies for which renewals are projected are A&H products, whose impact is large due to a high number of limited term in-force policies. For the sake of simplicity, we have not reflected future renewals for some riders.
Operating expense rates	Operating expense rates are developed from past experience based on the ratio (unit cost) of overall actual operating expenditures to the policy count or the premium separately for acquisition and maintenance expenses. Some of the operating expense rates were adjusted by removing one-off costs which are not ordinarily expected to be incurred in future periods. The removed one-off cost is 0.79billion yen, which is tied primarily to a portion of system development costs. With regard to system development costs for policy acquisition and maintenance, and the information technology device costs for policy maintenance, the average amount incurred over the past five years is reflected in the corresponding unit costs. An increase due to inflation is reflected in future maintenance expenses. Corporate administration costs paid to the parent company are reflected in unit costs. Other than this, there is no look-through effect with regards to other companies within the Tokio Marine Group that needs to be reflected
Effective tax rate	The effective tax rate is set as follows: 28.0%
Consumption tax rate	The consumption tax rate is set as follows: 10%
Inflation rate	With reference to the break-even inflation rate from the most recently issued inflation index-linked government bond and the past Consumer Price Index (CPI), inflation rates are set as shown below. 1.28%
Policyholder dividend	For products with interest dividends paid every 5 years, dividend rates are set based on the interest rate level in future periods using the method consistent with the one applied to determine the most recent dividend results.
Reinsurance	Reinsurance premiums are recorded as expenses and reinsurance claims are recorded as profit to reflect the fact that the Company cedes mortality risks on death protection insurance, third sector risks on third sector and part of the minimum guarantee risks of variable annuities. Reinsurance premiums and reinsurance claims are based on reinsurance agreements.

Caveats

Embedded values are calculated using various assumptions about the drivers of future results and the risks and uncertainties inherent in those results; future experience may deviate, possibly materially, from that underlying the forecasts used in the EV calculation. Also, the actual market value is determined as a result of informed judgments of investors and may differ materially from an embedded value. As such, embedded values should be used with sufficient caution.

Corporate Overview

Tokio Marine Holdings and Its Subsidiaries

(As of March 31, 2024)

Description of Business

Tokio Marine Group is engaged in domestic non-life insurance, domestic life insurance, international insurance, and financial and other businesses.

In addition, Tokio Marine Holdings is a specified listed company. Due to the specified listed company designation, the *de minimis* standard for insider trading regulations is determined on a consolidated basis.

The following is a diagram of businesses as of March 31, 2024.

Business Diagram

Note: ◎indicates consolidated subsidiaries; △indicates equity-method affiliates

Tokio Marine Holdings, Inc.

- Domestic Non-Life Insurance Business
  - ◎ Tokio Marine & Nichido Fire Insurance Co., Ltd.
  - ◎ Nisshin Fire & Marine Insurance Co., Ltd.
  - ◎ E. design Insurance Co., Ltd.
  - ◎ Tokio Marine Millea SAST Insurance Co., Ltd.
- Domestic Life Insurance Business
  - ◎ Tokio Marine & Nichido Life Insurance Co., Ltd.
- International Insurance Business
  - ◎ Tokio Marine North America, Inc.
  - ◎ Philadelphia Consolidated Holding Corp.
  - ◎ Delphi Financial Group, Inc.
  - ◎ HCC Insurance Holdings, Inc.
  - ◎ Privilege Underwriters, Inc.
  - ◎ Tokio Marine Kiln Group Limited
  - ◎ Tokio Marine Asia Pte. Ltd.
  - ◎ Tokio Marine Life Insurance Singapore Ltd.
  - ◎ Tokio Marine Seguradora S.A.
  - △ IFFCO-TOKIO General Insurance Company Limited
- Financial and Other Businesses
  - ◎ Tokio Marine Asset Management Co., Ltd.

Major Subsidiaries

(As of March 31, 2024)

Company name	Date of incorporation	Paid-in capital	Ratio of Tokio Marine Holdings' voting rights[1] (%)	Ratio of Tokio Marine Holdings' subsidiaries' voting rights[2] (%)	Location	Major business
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Mar. 20, 1944[3]	JPY101,994 million	100	0	Tokyo, Japan	Domestic non-life insurance business
Nisshin Fire & Marine Insurance Co., Ltd.	June 10, 1908	JPY10,194 million	100	0	Tokyo, Japan	Domestic non-life insurance business
E. design Insurance Co., Ltd.	Jan. 26, 2009	JPY35,303 million	97.9	0	Tokyo, Japan	Domestic non-life insurance business
Tokio Marine & Nichido Life Insurance Co., Ltd.	Aug. 6, 1996	JPY55,000 million	100	0	Tokyo, Japan	Domestic life insurance business
Tokio Marine Millea SAST Insurance Co., Ltd.	Sept. 1, 2003	JPY895 million	100	0	Yokohama, Japan	Domestic non-life insurance business
Tokio Marine Asset Management Co., Ltd.	Dec. 9, 1985	JPY2,000 million	100	0	Tokyo, Japan	Financial and other businesses
Tokio Marine North America, Inc.	June 29, 2011	USD0 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
Philadelphia Consolidated Holding Corp.	July 6, 1981	USD1 thousand	0	100	Bala Cynwyd, Pennsylvania, U.S.A.	International insurance business
Delphi Financial Group, Inc.	May 27, 1987	USD1 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
HCC Insurance Holdings, Inc.	Mar. 27, 1991	USD1 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
Privilege Underwriters, Inc.	Jan. 5, 2006	USD0 thousand	0	100	Wilmington, Delaware, U.S.A.	International insurance business
Tokio Marine Kiln Group Limited	July 11, 1994	GBP1,010 thousand	0	100	London, U.K.	International insurance business
Tokio Marine Asia Pte. Ltd.	Mar. 12, 1992	SGD1,250,971 thousand THB542,000 thousand ZAR5,000,000 thousand	0	100	Singapore, Singapore	International insurance business
Tokio Marine Life Insurance Singapore Ltd.	May 21, 1948	SGD369,624 thousand	0	90.4	Singapore, Singapore	International insurance business
Tokio Marine Seguradora S.A.	June 23, 1937	BRL2,373,779 thousand	0	98.6	Sao Paulo, Brazil	International insurance business
Affiliate accounted for by the equity method						
IFFCO-TOKIO General Insurance Company Limited	Sept. 8, 2000	INR2,878,185 thousand	0	49.0	New Delhi, India	International insurance business

1 The ratio of voting rights of said subsidiaries held by Tokio Marine Holdings to total voting rights
2 The ratio of voting rights of said subsidiaries held by Tokio Marine Holdings' subsidiaries to total voting rights
3 Founded on August 1, 1879

Corporate Overview

Worldwide Network of Tokio Marine Group

(As of March 31, 2024)

Tokio Marine Group operates a worldwide network that spans 44 countries and regions. The Group has built a structure that can respond to the diverse needs of customers in each country, beginning with companies setting up overseas operations, as well as overseas travelers.

North America

United States
- ■ New York, New Jersey, Los Angeles, Chicago, Atlanta, Honolulu, Philadelphia, Bala Cynwyd, St. Louis, Houston, Dallas, and San Francisco
- □ Tokio Marine North America, Inc. (New York and Bala Cynwyd)
- □ TMNA Services, LLC (New York, Bala Cynwyd, and New Jersey)
- □ Tokio Marine America (New York, New Jersey, Los Angeles, Chicago, Atlanta, Houston, Nashville, Dallas, and San Francisco)
- □ TM Claims Service, Inc. (New York, Los Angeles, Honolulu, and Dallas)
- □ First Insurance Company of Hawaii, Ltd. (Honolulu)
- □ Philadelphia Insurance Companies (Bala Cynwyd and others)
- □ Delphi Financial Group, Inc. (New York)
- □ Reliance Standard Life Insurance Company (Philadelphia and others)
- □ Safety National Casualty Corporation (St. Louis and others)
- □ Tokio Marine HCC (Houston and others)
- □ Privilege Underwriters, Inc. (White Plains and others)

Canada
- ■ Toronto, Vancouver, and Montreal
- ● Toronto, Vancouver, and Montreal
- □ Tokio Marine Canada Ltd. (Tronto)

Central & South America

Mexico
- ■ Mexico City
- □ Tokio Marine HCC México Compañía Afianzadora, S.A. de C.V. (Mexico City and others)
- □ Tokio Marine Compañía de Seguros, S.A. de C.V. (Mexico City and others)

Colombia
- ○ Tokio Marine Compañia de Seguros, S.A. de C.V. (Bogotá)

Brazil
- ■ São Paulo
- □ Tokio Marine Seguradora S.A. (São Paulo and others)
- □ XS3 Seguros S.A. (São Paulo)

Paraguay
- □ La Rural S.A. de Seguros (Asunción and others)

Europe, Africa & Middle East

United Kingdom
- ■ London
- □ Tokio Marine Kiln Group Limited (London)
- □ Tokio Marine HCC (London, Birmingham, Bridgend, Bristol, Leicester, and Manchester)
- □ TM Claims Service Europe Ltd. (London)

France
- ■ Paris
- ○ Tokio Marine Europe S.A. (Paris, Lyon, Bordeaux, Colmar, and Nantes)

Germany
- ■ Dusseldorf
- ○ Tokio Marine Europe S.A. (Dusseldorf, Munich, and Frankfurt)

Netherlands
- ■ Amsterdam
- ○ Tokio Marine Europe S.A. (Amsterdam)
- ○ TM Claims Service Europe Ltd. (Amsterdam)

Belgium
- ■ Brussels
- ○ Tokio Marine Europe S.A. (Brussels)

Luxembourg
- □ Tokio Marine Europe S.A. (Luxembourg)

Italy
- ■ Milan
- ○ Tokio Marine Europe S.A. (Milan)

Spain
- ■ Barcelona
- ○ Tokio Marine Europe S.A. (Barcelona)

Norway
- ○ Tokio Marine Europe S.A. (Oslo)

Denmark
- ○ Tokio Marine Europe S.A. (Hellerup)

Switzerland
- ○ Tokio Marine HCC (Zurich)

Ireland
- ○ Tokio Marine Europe S.A. (Kildare)

Egypt
- ■ Cairo
- □ Tokio Marine Egypt General Takaful Company (Cairo, Alexandria and others)

U.A.E.
- ■ Dubai
- ◆ Al Futtaim Development Services Company (L.L.C.) (Dubai and Abu Dhabi)

Saudi Arabia
- ■ Riyadh, Jeddah, and Al Khobar

Turkey
- □ Allianz Sigorta A.S. (Istanbul)
- □ Allianz Hayat ve Emeklilik A.S. (Istanbul)

South Africa and sub-Saharan countries*
- ■ Johannesburg
- □ Hollard Group

* Mozambique, Zambia, Botswana, Namibia, Ghana, and Lesotho

Asia & Oceania

Korea
- ■ Seoul
- ● Seoul

People's Republic of China
- ■ Beijing, Shanghai, Guangzhou, Suzhou, and Hangzhou
- □ The Tokio Marine & Nichido Fire Insurance Company (China) Limited (Beijing, Shanghai, Guangzhou, Suzhou, and Hangzhou)

Hong Kong
- ■ Hong Kong
- □ The Tokio Marine and Fire Insurance Company (Hong Kong) Limited (Hong Kong)

Taiwan
- ■ Taipei
- □ Tokio Marine Newa Insurance Co., Ltd. (Taipei and others)

Philippines
- ■ Manila
- □ Malayan Insurance Company, Inc. (Manila and others)

Vietnam
- ■ Hanoi and Ho Chi Minh City
- □ Tokio Marine Insurance Vietnam Company Limited (Hanoi and others)

Thailand
- ■ Bangkok
- □ Tokio Marine Safety Insurance (Thailand) Public Company Limited (Bangkok and others)
- □ Tokio Marine Life Insurance (Thailand) Public Company Limited (Bangkok and others)

Malaysia
- ■ Kuala Lumpur
- □ Tokio Marine Insurans (Malaysia) Berhad (Kuala Lumpur and others)
- □ Tokio Marine Life Insurance Malaysia Bhd. (Kuala Lumpur and others)

Singapore
- ■ Singapore
- □ Tokio Marine Asia Pte. Ltd. (Singapore)
- □ Tokio Marine Insurance Singapore Ltd. (Singapore)
- □ Tokio Marine Life Insurance Singapore Ltd. (Singapore)
- □ TM Claims Service Asia Pte. Ltd. (Singapore)

Brunei
- ○ Tokio Marine Insurance Singapore Ltd. (Bandar Seri Begawan)
- ○ Tokio Marine Life Insurance Singapore Ltd. (Bandar Seri Begawan)

Indonesia
- ■ Jakarta
- □ PT Asuransi Tokio Marine Indonesia (Jakarta and others)
- □ PT Tokio Marine Life Insurance Indonesia (Jakarta and others)

India
- ■ New Delhi, Mumbai, and Chennai
- □ IFFCO-TOKIO General Insurance Company Limited (New Delhi and others)
- □ Edelweiss Tokio Life Insurance Company Limited (Mumbai and others)

Myanmar
- ■ Yangon
- ● Yangon
- □ Grand Guardian Tokio Marine General Insurance Company Limited (Yangon)

Cambodia
- ■ Phnom Penh

Australia
- ■ Sydney and Melbourne
- □ Tokio Marine Management (Australasia) Pty. Ltd. (Sydney and Melbourne)

New Zealand
- ● Auckland

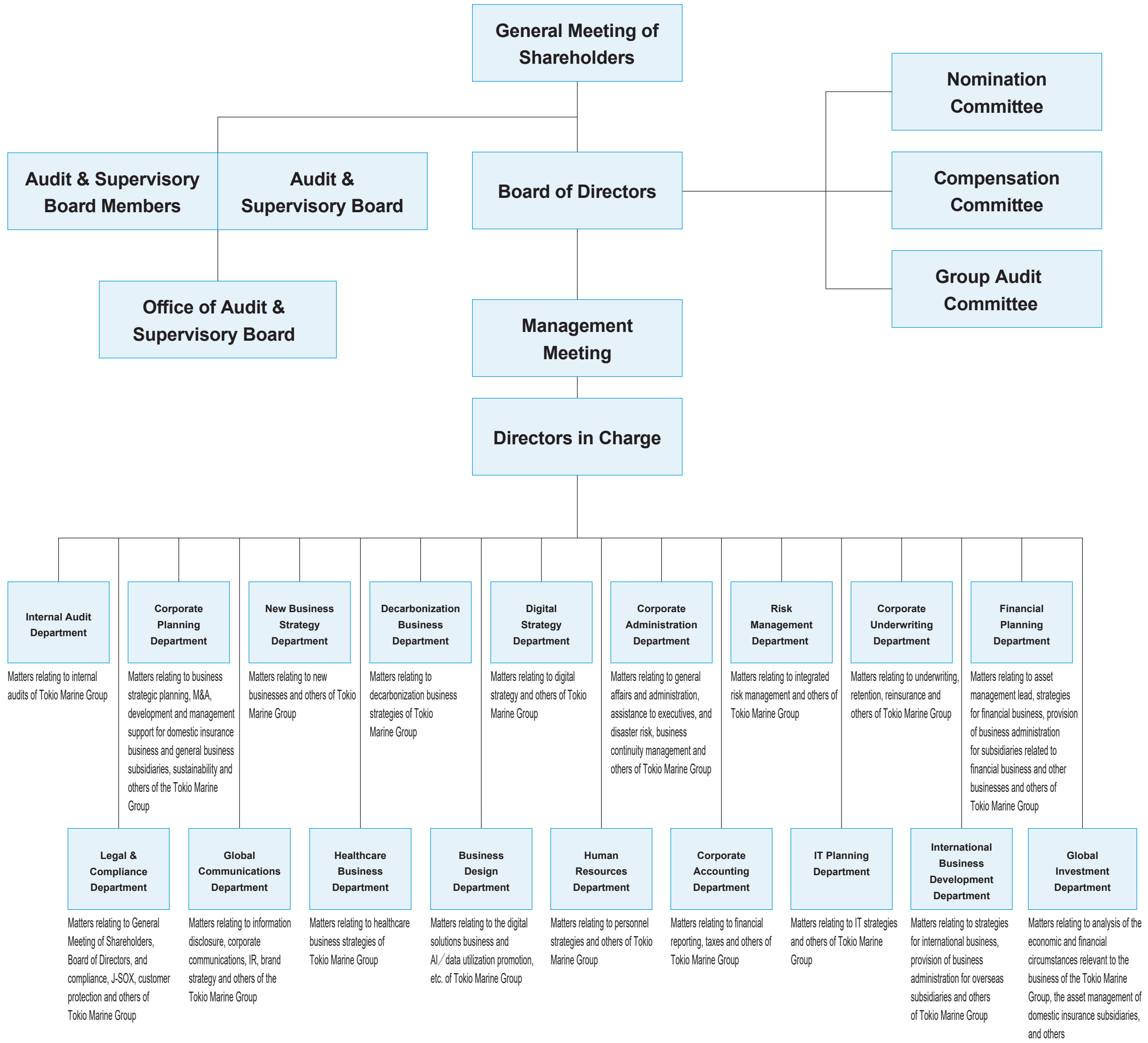
Locations of overseas bases: 44 countries and regions
Number of Japanese employees positioned overseas: 292
Number of locally hired employees: Approx. 32,000
Number of claims agents: Approx. 250 (including subagents)

- ■ Cities where employees of Tokio Marine & Nichido are dispatched/Representative and Liaison Offices of Tokio Marine & Nichido
- ● Branches of Tokio Marine & Nichido
- ◆ Underwriting Agents of Tokio Marine & Nichido
- □ Group Companies & Investing Companies of Tokio Marine Group
- ○ Branches of Tokio Marine Group Companies

Corporate Overview

Organizational Chart

(As of April 1, 2024)



Employees

(As of March 31, 2024)

Number of employees	1,117
Average age of employees	42.8 years old
Average length of service of employees	16.8 years

Note: Most employees of Tokio Marine Holdings are seconded from its subsidiaries. Average length of service includes the years of service at these subsidiaries.

Facilities

Overview of Capital Investment

The Group makes capital investments to improve customer services and streamline workflows, mainly comprising software related investment. The following is a breakdown of capital investment in the fiscal year ended March 31, 2024.

Business segment	Amount (Yen in millions)
Domestic non-life insurance business	83,649
Domestic life insurance business	9,492
International insurance business	39,346
Financial and other businesses	1,038
Total	133,526

Status of Major Facilities

The following are the major facilities of Tokio Marine Holdings and its consolidated subsidiaries.

Tokio Marine Holdings

(As of March 31, 2024)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine Holdings	**Headquarters** (Chiyoda-ku, Tokyo)	Holding company	— (—)	—	62	2,577	1,117	—

Domestic subsidiaries

(As of March 31, 2024)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine & Nichido Fire Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Domestic non-life insurance business	60,524 (118,337)	58,152	24,644	164,830	16,296	11,769
Nisshin Fire & Marine Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Domestic non-life insurance business	9,734 (17,278)	7,343	1,653	6,546	2,016	1,498
E. design Insurance Co., Ltd.	**Headquarters** (Shinjuku-ku, Tokyo)	Domestic non-life insurance business	— (—)	105	44	4,001	378	271
Tokio Marine & Nichido Life Insurance Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Domestic life insurance business	— (—)	760	459	20,396	2,186	1,903
Tokio Marine Millea SAST Insurance Co., Ltd.	**Headquarters** (Nishi-ku, Yokohama)	Domestic non-life insurance business	— (—)	28	63	162	107	98
Tokio Marine Asset Management Co., Ltd.	**Headquarters** (Chiyoda-ku, Tokyo)	Financial and other businesses	— (—)	434	196	393	379	468

Facilities

Overseas subsidiaries

(As of March 31, 2024)

Company name	Office name (Location)	Business segment	Carrying amount (Yen in millions)				Number of employees	Rent (Yen in millions)
			Land (m2)	Buildings	Movables	Software		
Tokio Marine North America, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	— (—)	3,824	575	4,498	492	432
Philadelphia Consolidated Holding Corp.	**Headquarters** (Bala Cynwyd, Pennsylvania, U.S.A.)	International insurance business	— (—)	12,476	311	17,712	1,932	1,569
Delphi Financial Group, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	608 (71,876)	17,876	4,819	27,200	3,317	2,663
HCC Insurance Holdings, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	633 (63,318)	12,822	6,897	14,899	4,128	3,846
Privilege Underwriters, Inc.	**Headquarters** (Wilmington, Delaware, U.S.A.)	International insurance business	— (—)	1,723	789	4,570	1,092	896
Tokio Marine Kiln Group Limited	**Headquarters** (London, U.K.)	International insurance business	— (—)	5,058	391	3,340	729	—
Tokio Marine Asia Pte. Ltd.	**Headquarters** (Singapore, Singapore)	International insurance business	— (—)	457	83	19	89	—
Tokio Marine Life Insurance Singapore Ltd.	**Headquarters** (Singapore, Singapore)	International insurance business	1,498 (144)	705	140	577	246	—
Tokio Marine Seguradora S.A.	**Headquarters** (São Paulo, Brazil)	International insurance business	273 (4,660)	1,276	880	312	2,363	357

Notes: 1. All of the above facilities are for business use.
2. Buildings and movables include leased assets.
3. Some buildings are being leased.
4. The figures presented for Tokio Marine North America, Inc., Philadelphia Consolidated Holding Corp., Delphi Financial Group, Inc., HCC Insurance Holdings, Inc., Privilege Underwriters, Inc. and Tokio Marine Kiln Group Limited include figures for subsidiaries of each company.
5. In addition to the above, main leased facilities are as follows:

Company name	Facility name	Carrying amount (Yen in millions)	
		Land (m2)	Buildings
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Osaka Tokio Marine Nichido Building (Chuo-ku, Osaka)	4,061 (5,524)	2,293
	Sino Omiya South Wing (Omiya-ku, Saitama)	3,748 (2,614)	2,739
	La Mer Sanbancho (Chiyoda-ku, Tokyo)	3,682 (2,057)	2,152
	Minato Mirai Business Square (Nishi-ku, Yokohama)	2,553 (1,593)	1,542
	Otemachi First Square (Chiyoda-ku, Tokyo)	12 (845)	1,408

New Facility Construction and Elimination Schedule

As of March 31, 2024, the schedule for new construction and elimination of major facilities is as follows.

(1) New facilities

Company name Facility name	Location	Business segment	Description	Scheduled investment		Financing method	Start and completion schedule	
				Total (Yen in millions)	Amount already paid (Yen in millions)		Start	Completion
Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tentative name) Tokio Marine Building	Chiyoda-ku, Tokyo	Domestic non-life insurance	Reconstruction	T.B.D.	4,508	Self - financing	Mar, 2025	FY2028

(2) Renovation
None planned

(3) Sale
None planned

Stock Information

Stock and Shareholder Information

Stock Information (As of March 31, 2024)

Stock issued by Tokio Marine Holdings is common stock. The total number of authorized shares is 8.0 billion shares and the total number of shares outstanding is 1,978,000,000 shares.

a. The Ordinary General Meeting of Shareholders is held within three months of the end of each fiscal year.
b. Accounting period: Ends March 31
c. Share registrar: The Mitsubishi UFJ Trust and Banking Corporation
d. Record date: Ordinary General Meeting of Shareholders: March 31
Year-end dividend: March 31
Interim dividend: September 30
e. Public notice will be electronically published. (http://www.pronexus.co.jp/koukoku/8766/8766.html)
However, in the event that public notice cannot be electronically published due to an accident or other compelling reason, a notification shall be published in the Tokyo issue of the *Nihon Keizai Shimbun*.
f. Number of shares constituting one unit: 100
g. Stock listing: Tokyo Stock Exchange

Matters for the General Meeting of Shareholders

The 22th General Meeting of Shareholders was held on June 24, 2024. The items reported and the proposals acted upon were as follows:

Items reported

1. Business report, consolidated financial statements and the audit reports on consolidated financial statements prepared by the independent auditor and the Audit & Supervisory Board, respectively, for the fiscal year 2023 (April 1, 2023 to March 31, 2024)
2. Non-consolidated financial statements for the fiscal year 2023 (April 1, 2023 to March 31, 2024)

Proposals acted upon

1. Appropriation of Surplus
2. Election of 15 Directors
3. Election of 1 Audit & Supervisory Board Members
4. Change to Amount of Director Compensation

Dividend Policy

The Company seeks to improve shareholder returns on a cash dividend basis, after providing sufficient capital to meet the business needs of Tokio Marine Group and taking into consideration the business results and the expected future business environment of the Company.

In accordance with the above policy, and considering various factors, the Company paid 62.5 yen per share as a year-end cash dividend for the fiscal year 2023. As 60.5 yen per share was paid as an interim cash dividend (an ordinary dividend), the total amount of annual cash dividends (ordinary dividends) was 123 yen per share for the fiscal year 2023. This is an increase of total annual cash dividends (ordinary dividends) of 23 yen per share from 100 yen per share paid for the previous fiscal year.

In the fiscal years 2018, 2019, and 2020, in addition to the ordinary dividends, the Company also paid one-time dividends (23 yen per share, 12 yen per share, and 12 yen per share respectively) for capital level adjustment.

Note: The Company conducted a 3-for-1 stock split on October 1, 2022. For dividends paid before the stock split, the amount per share equivalent after the stock split is shown (fractions less than 1 yen are rounded to the nearest whole number).

Capital

Date	Equity capital
April 2, 2002	¥150 billion
March 31, 2024	¥150 billion

Stock Information

Stock Ownership Distribution

As of March 31, 2024, the number of shareholders was 219,860. The percentage of major stock ownership was 36.97% and 37.10% for financial institutions and foreign shareholders, respectively.

a. Types of shareholders

(As of March 31, 2024)

Category	Number of shareholders	Number of shares	Shareholding ratio (%)
Government/Local government	1	1,500	0.00
Financial institutions	223	731,128,965	36.97
Financial instruments firms	61	121,529,385	6.14
Other domestic companies	2,026	109,247,241	5.52
Foreign shareholders	1,447	733,844,957	37.10
Individuals and others	216,101	278,794,353	14.09
Treasury stocks	1	3,453,599	0.17
Total	219,860	1,978,000,000	100.00

b. Breakdown by region

(As of March 31, 2024)

Category	Number of shareholders	Shareholder ratio (%)	Number of shares	Shareholding ratio (%)
Hokkaido	4,162	1.89	6,486,966	0.33
Tohoku	6,622	3.01	10,042,362	0.51
Kanto	103,813	47.22	1,068,733,995	54.03
Chubu	34,166	15.54	63,652,491	3.22
Kinki	43,348	19.72	65,104,452	3.29
Chugoku	9,197	4.18	9,690,429	0.49
Shikoku	4,936	2.25	7,103,030	0.36
Kyushu	12,377	5.63	12,960,935	0.66
Overseas and others	1,239	0.56	7,342,225,340	37.12
Total	219,860	100.00	1,978,000,000	100.00

c. Breakdown by number of shares held

(As of March 31, 2024)

Category	5,000 units or more	1,000 units or more	500 units or more	100 units or more	50 units or more
Number of shareholders	295	437	410	5,237	6,110
Composition ratios to total number of shareholders (%)	0.13	0.20	0.19	2.38	2.78
Number of shares	1,603,891,177	102,738,585	28,354,398	99,695,375	42,820,704
Composition ratios to total number of shares (%)	81.09	5.19	1.43	5.04	2.16

Category	10 units or more	5 units or more	1 unit or more	Less than 1 unit	Total
Number of shareholders	32,290	17,310	95,119	62,652	219,860
Composition ratios to total number of shareholders (%)	14.69	7.87	43.26	28.50	100.00
Number of shares	70,269,065	11,428,187	17,737,003	1,065,506	1,978,000,000
Composition ratios to total number of shares (%)	3.55	0.58	0.90	0.05	100.00

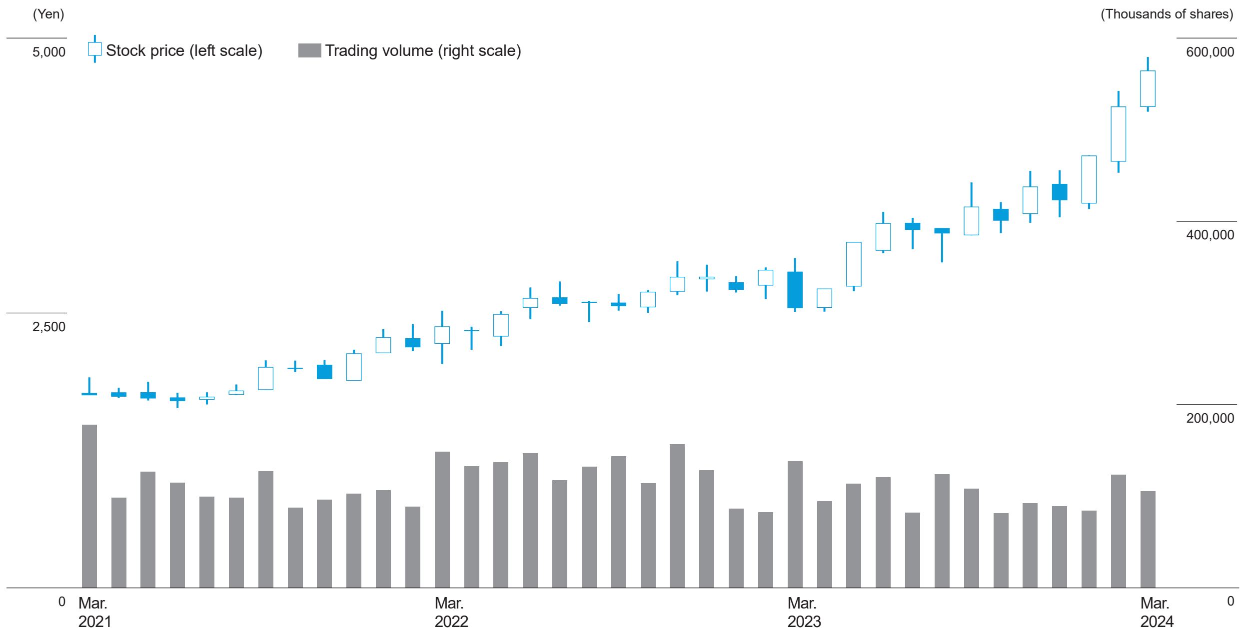
Top 10 Shareholders

(As of March 31, 2024)

Shareholders	Address	Number of shares held (Thousand shares)	Composition ratios to total number of shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	332,387	16.83
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	145,615	7.37
Meiji Yasuda Life Insurance Company (Custodian: Custody Bank of Japan, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	42,604	2.16
State Street Bank West Client - Treaty 505234 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171,U.S.A. (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	37,253	1.89
JP Morgan Chase Bank 385632 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	30,377	1.54
Tokai Nichido Employee Stock Ownership Plan	Tokiwabashi Tower 6-4, Otemach 2-chome, Chiyoda-ku, Tokyo Human Resources Dept. Tokio Marine & Nichido Fire Insurance Co., Ltd.	30,017	1.52
Barclays Securities Japan Limited	31F Roppongi Hills Mori Tower, 10-1, Roppongi 6-chome, Minato-ku, Tokyo	29,602	1.50
SSBTC CLIENT OMNIBUS ACCOUNT (Custodian: Tokyo branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (11-1, Nihonbashi 3-chome,Chuo-ku, Tokyo)	29,333	1.49
JP Morgan Chase Bank 385781 (Custodian: Mizuho Bank, Ltd. Settlement &Clearing Services Division)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Building, 15-1 Konan 2-chome, Minato-ku,Tokyo)	26,713	1.35
JPMorgan Securities Japan Co., Ltd.	Tokyo Building 7-3, Marunouchi 2-chome, Chiyoda-ku,Tokyo	23,785	1.20

Stock Information

Stock Price Range and Trading Volume



Note: The Company conducted a stock split (3-for-1) in October 2022. Figures for and prior to September 2022 have been recalculated based on figures after the split.

On the Publication of Our Integrated Annual Report 2024

As Group Chief Financial Officer (CFO) of Tokio Marine Holdings, I would like to thank you for taking the time to read our Integrated Annual Report 2024 to its conclusion.

We published our first integrated annual report in fiscal 2015 to provide analysts and institutional investors with a balanced understanding of our sustainable value creation capabilities from both financial and non-financial perspectives. Following this initial publication, we have continued to make improvements each year through a process of trial and error, referring to the opinions of analysts and institutional investors, comments of integrated annual report rating agencies, and various guidelines, and have now published our 10th integrated annual report.

Regarding this fiscal year's integrated annual report, we have been mindful of creating a well-structured layout while incorporating the content of the Tokio Marine Group Mid-Term Plan 2026 "Inspiring confidence. Accelerating progress." announced in May of this year. The report also reflects the thoughts and commitments of our management team, led by each Chief Officer (CEO on pp. 2–7, Co-Head of International Business on pp. 28, 29, Co-CRSO on p. 31, CFO on pp. 44–57, CHRO/CWO on pp. 60, 61, CDIO on p. 61, CDO on pp. 64, 65, and CSUO on pp. 68, 69). With detailed explanations of our Company's strengths, strategies, and the management foundation centered around human, intellectual, and social capital, the report aims to enhance confidence in our ability to achieve future growth and our long-term aspiration of realizing world-class EPS growth and ROE levels comparable to global peers.

In particular, with respect to our efforts to enhance the effectiveness of corporate governance in light of a series of governance issues, we have aimed to further enrich the content of our disclosures. To this end, we have included a special feature in the first half of the integrated report (pp. 36, 37), added a new message from the Chairman of the Board (pp. 96, 97), and presented a dialogue among outside directors (pp. 98–101), where discussions at the Board and the challenges facing the Company are explained. In addition, the policies and status of Tokio Marine & Nichido's initiatives are thoroughly detailed (p. 130), all with the aim of further enhancing transparency and trust.

The policy on reduction of business-related equities, which has garnered significant interest from the market, has been detailed again (p. 112), while the utilization of the capital released from the sales has been explained in the CFO's message (p. 49).

Finally, as the officer responsible for publishing this integrated annual report, I would like to state that it is a clear and accurate representation of our Company's ability to create sustainable value.

Our purpose is to protect our customers and society in times of need. Since our founding in 1879, we have contributed to solving various societal challenges that have evolved with the times. By empowering our customers and society to have the confidence to drive progress, we have also achieved sustainable and long-term growth for our Company.

As a result, our adjusted net income plan for fiscal 2024 stands at 1 trillion yen, representing a clearly different stage from before. We recognize that we are still on a journey toward achieving world-class EPS growth and ROE levels comparable to global peers. By addressing and innovatively solving the challenges faced by our customers and society through both our insurance and solutions pillars, we seek to empower their next step and continue our growth journey without pause.

We appreciate your continued support and guidance as we forge ahead.

Kenji Okada

Integrated Annual Report 2024 Publication Officer
Senior Managing Director
Group Chief Financial Officer (CFO)

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